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# *SENIOR HOUSING REPORT*



**Alaska's senior citizen housing today,  
what seniors will need for tomorrow,  
and what the State can do to help**

**Prepared by the Older Alaskans Commission  
for the Alaska Legislature and Governor Steve Cowper**

**September 1989**

## INTRODUCTION

The 1988 legislature instructed the Older Alaskans Commission to prepare a report on senior citizen housing and to present the information and recommendations to the Governor and legislators by January 15, 1989.

This report presents an inventory of existing senior citizen housing; reports on a survey of senior citizen likes, dislikes and future housing needs; and reviews possible housing alternatives to meet those needs. It also looks at the issue of increasing supportive services for seniors, toward helping them remain in their own homes as long as possible.

*A note of thanks is due to Senator Jim Duncan for sponsoring the statewide teleconference on February 4, 1989, which allowed all seniors to participate and comment on the housing study.*

## PUBLIC COMMENT

The Older Alaskans Commission, the legislature, and the Governor wanted to know what people thought of this report. Did they agree with the recommendations? Did they have different proposals for meeting future senior housing needs? Was there something missing from the report or too much emphasis on a particular housing alternative?

A series of public meetings and a statewide teleconference were held to accept public testimony on the report. Public meetings were scheduled for February 7 - 15, 1989.

Written comments were submitted directly to the Commission. Public comment has been incorporated into the Housing report where it is appropriate. General comments are included here; comments regarding the recommendations appear at the end of each recommendation. The Commission thanks everyone who took the time to provide comments on this report.

### Some of the Public Comments:

Bob Ogden, Administrator of Mary Conrad Center in Anchorage: *"Thank you for the outstanding January 1989 Senior Housing Report. I have long awaited a compilation of such information and compliment the person(s) in charge for the report's clarity and layout."*

Dennis Murray, Director of Heritage Place in Soldotna: *"I believe you have done a good job to identify some of the issues and types of housing alternatives which elderly currently have or may need in an aging society."*

Judy Christianson, owner and manager of an adult foster care home in Sitka: *"I have just yesterday happened upon a copy of your Senior Housing Report. I hasten to get a note off to you because I want you to know how pleased I am with it and what a fine job I think you did with it . . . It is particularly lucid, with clear language and organization. You made some rather complex situations easy to think about."*

A senior from Anchorage: *"Let me express my thanks to the Commission for the work involved in producing this report."*

Director, Heritage Place in Soldotna: *"The report does not address a federal / State problem which contributes to the lack of alternatives to institutional care; namely, the lack of a mechanism to prioritize admittance to subsidized housing projects by frail and vulnerable elderly and handicapped individuals. Currently there are no provisions with any substance which place those threatened with or already in nursing facilities in first place for admittance to subsidized housing facilities. Discharge planners and senior citizen advocates are stymied when they are told that the project has 10-20 on its waiting list, and anticipates the availability of a unit for the client in one to two years. The State must develop a policy and a mechanism which places frail and vulnerable individuals first on the list at time of application."*

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Mountain View Center, Juneau.

## HOUSING DEFINITIONS AND ALTERNATIVES

Just as you can't compare apples and oranges, and just as you can't tell the players without a scorecard, you can't talk about senior housing without everyone agreeing to the same definitions for housing options.

Federal, state and private offices all seem to assign their own meanings to different housing terms. Senior citizens also attach varied meanings to the same words, making it difficult to discuss one type of housing that may mean different things to different people.

Some people think intermediate housing means minimal services, the next level past independent apartment living. Others consider it just a step short of full nursing care (in fact, Medicaid now considers "intermediate care"

and "skilled nursing care" to be the same -- both very intensive). Congregate housing to some means semi-independent living with supportive services, while to others it signifies any type of group living regardless of services. Adult foster care and board and care really are the same, except that foster care usually is state-paid and board and care means self-pay.

In the context of these definitions and this report, "supportive services" means housekeeping, home chores, laundry, meals, transportation and similar services designed to allow seniors to live independently for as long as possible. "Personal care" means supervision of self-medication and other such daily activities requiring more individualized and skilled attention.

To clear up the confusion over housing terms, we propose that all state agencies adopt the following definitions. Pro and con statements are included for each housing option, as a means of further explaining the alternatives, as are recommendations for possible state action to promote each option. All of these housing alternatives are alternatives to single family homes and already exist in some states, even if they are not yet all available in Alaska.

**INDEPENDENT LIVING** (Facilities, senior apartments, with no services except maintenance, snow removal, some security services -- but usually no live-in manager)

**Pro:** Preferred by seniors; low cost with HUD subsidies; offers safety and security of group living; allows seniors to maintain independence.

**Con:** Lacks health care or many on-site services, and loses seniors who need more supportive services; less privacy than homes; restricted to low-income by federal subsidy.

**Recommendations:**

Increased community services or on-site supportive services to avoid need for more costly residential care facilities; state funding for proposed Nenana and Palmer projects to take advantage of HUD money; possible revolving loan fund for future projects.

**SHARED HOUSING** (two or more unrelated seniors sharing a home owned by one of the seniors, with the others paying rent to the owner)

**Pro:** Higher level of companionship than independent living and less expensive

due to shared costs; makes use of existing housing rather than requiring construction of new units.

**Con:** Loss of privacy; housemate compatibility could be a problem; costs likely would be higher than in subsidized apartments.

**Recommendations:**

Possible state loan help with remodeling costs and increased services to encourage shared housing; possible adoption of a state zoning override law to allow neighborhood development of shared housing.

**COOPERATIVE HOUSING** (unrelated seniors living together in a home jointly-owned by all the occupants)

**Pro:** Peer support; home equity; savings of group living by occupants sharing the cost of help and services.

**Con:** Compatibility; down payment; remodeling costs; limited resale market upon death of co-owner.

**Recommendations:**

Information from state housing office; possible loan fund for remodeling costs; possible state zoning override law.

**ECHO HOMES** (also known as elder cottages or granny flats; a separate, small house or modular unit on the same lot as a family member's home)

**Pro:** Close to family support, yet offers independence.

**Con:** High construction costs; zoning restrictions and possible neighborhood opposition; questionable resale value of the two houses on one lot.

**Recommendations:**

State housing office could offer information and building plans for those who are interested.

**GROUP HOMES** (small, group-living homes operated by a non-profit organization or community group)

**Pro:** Less expensive than large residential care homes; can provide community-based or at-home supportive services and family atmosphere; could make use of foreclosed properties.

**Con:** Up-front costs of home purchase and remodeling; capital or operating subsidies necessary to keep daily costs within budget of many seniors.

**Recommendations:**

Information on home construction and remodeling; assistance based on experience of existing state-supported group homes for developmentally disabled; additional supportive services from state agencies or state-funded grantees; loan assistance.

**CONGREGATE LIVING** (large group-living facility, with meals and some on-site supportive services, operated by a non-profit housing authority or private developer)

**Pro:** Less expensive than residential care and fills a gap between independent living and nursing care; basic services prolong tenants' ability to maintain a semi-independent lifestyle.

**Con:** Expensive to build and operate, and subsidies may be needed to hold rents within reach of most seniors.

**Recommendations:**

Possible loan guarantees; below-market sale or lease of state land.

**ADULT FOSTER CARE**, better described as adult family care (seniors living in a provider's home and receiving personal care and meals)

**Pro:** Quality, personal care at reasonable rates; family atmosphere; avoids institutionalization; could make use of surplus, foreclosed housing.

**Con:** Needs supportive and health care services from the state; needs state aid for those who cannot private pay; needs financing help for purchase and remodeling of homes; hard to find people willing to undertake the task.

**Recommendations:**

More support services, particularly day care and respite care; financing help; increased payments for state-sponsored residents; increased oversight and assistance from family and youth services division; possible adoption of a state zoning override law.

**RESIDENTIAL CARE** (includes medical supervision and on-site 24-hour supportive services; includes all meals, laundry, housekeeping, personal care services)

**Pro:** Less expensive than full-care nursing home.

**Con:** Expensive; subsidies needed to make it affordable; questionable whether Alaska -- with its small market -- can support a residential care facility.

**Recommendations:**

Possible loan guarantees; below-market land sale or lease of state land.

**NURSING HOMES** (full medical care under the supervision and direction of an attending physician for both ambulatory and nonambulatory seniors with special medical needs)

**Pro:** Allows seniors to remain in Alaska.

**Con:** Very expensive, especially in a small market; in some cases promote over-dependency with little effort to restore independent living.

**Recommendations:**

Information for seniors and potential developers.

To make senior housing discussions and debates easier to understand, we propose arranging housing options under three categories. Using the definitions provided above, we have prepared the following scale of housing options:

**INDEPENDENT LIVING**

Senior apartments

Residential care (includes residential wing at state Pioneers' Homes and residential beds at Mary Conrad Center in Anchorage).

**SEMI-INDEPENDENT CARE**

Shared housing  
Cooperative housing  
ECHO homes  
Group homes  
Congregate (assisted) living  
Adult family homes (foster care or board and care)

**DEPENDENT CARE**

Nursing homes (includes private facilities, long-term care wings at hospitals, non-profits and nursing care wings at state Pioneers' Homes)

**RECOMMENDATIONS**

The effort to provide affordable housing for Alaska's senior citizens has benefitted from a decade of flowing oil dollars, just as have many other state programs. Tens of millions of dollars have paid for yards of concrete, tons of steel and gallons of paint to build hundreds of apartment units. Millions more have gone for increased supportive services, helping many seniors to stay in their own homes longer and with a higher degree of safety and comfort.

Mixing hindsight and foresight with the reality of lower oil prices, a former state housing official recently assessed the past and future of housing grant programs: "Total freeness of the money was good, but we're never going to get there again."

Although oil money no longer is strong enough to carry the load of multi-million dollar housing grant programs, the need for senior housing and services continues to increase. Alaska's senior population has grown by 66 percent since 1980, to more than 19,000 residents, according to the Department of Labor. It is one of the fastest growing age groups in the state. If the state's population continues to grow older as projected, Alaska's senior population could double soon after the year 2000.

It is the intent of this report to review those growing needs and offer suggestions. All of the recommendations in this report are offered in the context of the state's current financial situation.

***Recommendation No. 1  
State Senior Housing Office***

The Older Alaskans Commission in 1985 issued a housing task force report in which its first substantive recommendation called for creation of a Senior Housing Office within the Department of Community and Regional Affairs. That recommendation was not funded by the legislature, but it remains essential if the state is to organize a cohesive response to the problems of senior housing. Therefore, we offer a similar recommendation again this year.

However, rather than limiting the new office to only senior housing issues, it also could be assigned the task of researching, promoting and coordinating housing for developmentally disabled, chronically mentally ill and homeless people. Housing problems faced by those groups are similar to the needs of seniors: affordability, security, accessibility and supportive services. State, federal and private funding sources also are similar, as are housing

alternatives, including public housing projects and remodeling existing housing units for use as group homes.

On the federal level, the Senate Subcommittee on Housing and Urban Affairs has drafted a staff report recommending appointment of a Housing and Urban Development assistant secretary for supportive housing to represent the elderly, handicapped and homeless. A similar supportive housing office makes just as much sense on the state level as on the federal level. The Department of Community and Regional Affairs, because of its historic role in managing Alaska's community housing grants programs, is the logical place to open the new elderly, handicapped and homeless housing office.

The new office could provide information on building designs, remodeling plans and costs, state and federal grant and loan programs, private foundation funding

sources, state health and safety regulations and community and regional housing needs. The office could promote public education programs to increase the awareness of alternatives to large residential facilities. For example, generic building plans for remodeling existing homes could be offered to assist those people who have elderly relatives living at home. Financial information on home equity conversion and home sharing also could be handled by the office, helping seniors put their resources to the best use.

Many other states already operate such senior housing offices, and it's time Alaska caught on to a good idea. Other states with much larger populations and with much more private development still have found it necessary to operate senior housing offices for information, assistance and coordination. For example, the New York State Housing Agency and Office on Aging have a cooperative agreement designed to encourage private-sector involvement in senior housing. The state sends out teams into small towns to talk with developers, encourage and assist them, and actually help them fill out forms.

Demonstration grants to educate contractors in home remodeling for senior citizen needs would be a likely candidate for Alaska's new housing office. The need for home

repairs and remodeling exists, and the state could help arrange a match between seniors and contractors. Making a home accessible to seniors and handicapped adults is not easy if you've never done the work before, and guidance and training seminars on the subject would benefit all concerned.

Another subject of interest to the housing office would be ECHO housing (Elder Cottage Housing Opportunity). ECHO housing proved to be a popular option among Alaska seniors, as reported by the housing survey taken for this report. ECHO homes are also known as granny flats, and are popular in Australia and Canada and are starting to appear in a few states.

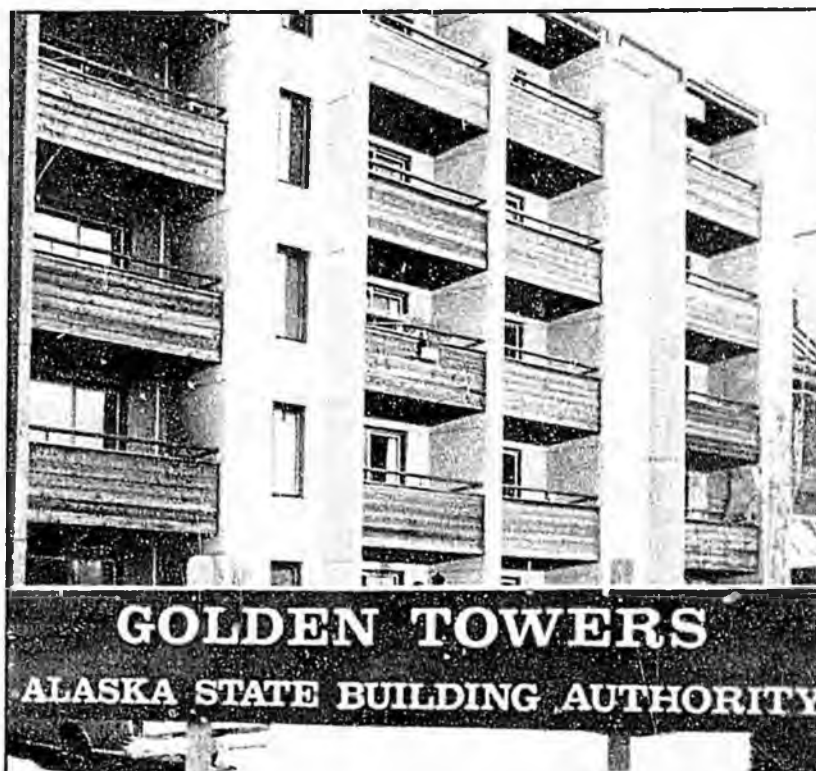
Two senior housing bills were introduced during the 1989 legislative session. Senator Jim Duncan was the primary sponsor of SSSB150, which would establish a senior housing office and loan program in the Department of Community and Regional Affairs. It would also authorize issuance of bonds for senior housing. Representatives Fran Ulmer and Bill Hudson introduced HB 218 to extend the authority of Alaska Housing Finance Corporation to assist in the development of senior citizens' housing. Current versions of both bills are located in the Appendix of this report.

## ***Recommendation No. 2***

### ***State Funding for Nenana and Palmer Senior Housing***

With not enough state money available to fill every housing request, it is important to use what money is available to attract as many federal dollars as possible. Proposed senior citizen apartment projects for Nenana and Palmer are in line for federal funding, and state participation could enable both to proceed toward construction.

The Alaska State Housing Authority has been pursuing HUD funding for a new senior apartment project at Palmer. HUD appears willing to participate in the construction financing if the state will share in the cost. If HUD money is used for construction, then federal funds would be available for operating subsidies to hold rents down for low-income residents. If the legislature and the administration favor new senior apartment construction, then the 30-unit Palmer project would be a top choice for state aid because of the availability of HUD money for operating subsidies. There appears to be a strong argument that the project is needed. A June 1988 elderly housing needs study for the city of Palmer showed that 44 senior housing units could be used immediately. There is no state housing authority senior housing project in Palmer and the closest, in Wasilla, had 20 people on its waiting list this past fall.



*Golden Towers Independent Apartments, Fairbanks.*

The Interior Regional Housing Authority is even further along in its project for Nenana than the state housing authority is for Palmer. HUD has reserved \$1.383 million in construction funding for the Nenana senior apartments and also has approved an operating rental subsidy for the 15-unit project. However, the regional housing authority needs another \$750,000 in construction money to proceed, and the agency has been looking toward Community and Regional Affairs for the

money. There is no senior housing in Nenana, and the proposed project would help provide senior housing for residents of several rural communities in the area. Rather than risk losing almost \$1.4 million in federal construction dollars and the rental subsidies for an under-served area of the state, the legislature and administration should consider the Interior Regional Housing Authority's request for state assistance.

### ***Recommendation No. 3 Construction of Senior Cabins in Rural Areas***

Small, rural communities don't have the population necessary to justify the expense of large apartment buildings, and such urban-style projects are not needed nor would they fit the lifestyle of villagers. In several communities, including Fort Yukon, Nulato, Ruby and Tanana, the local government maintains 1-bedroom cabins for elderly residents. Construction and maintenance costs are reasonable allowing the cities to charge affordable rents, which is especially important in villages where

incomes do not match those of urban areas. Because of the strong support offered elderly residents by other people in the villages and assistance from state-funded meal, homemaker and health aide programs, a well-built cabin often can be sufficient to accommodate seniors who want to stay in their village or region, rather than moving to urban residential facilities. Funding for such rural senior housing cabins would be money well spent.

### ***Recommendation No. 4 State Support for At-Home and Independent-Living Supportive Services***



***Kodiak Senior Center provides supportive services.***

Before discussing this recommendation, it is important to correct any misconception that may exist regarding senior apartments and supportive services: Building a subsidized senior apartment provides housing, but does not provide meals, transportation, homemaker or health aide services. These supportive services are separate from the housing. Legislators and others need to understand

that senior needs are not solved by buildings alone.

Legislators and others also need to understand the issue of "aging in place." Seniors are living longer, with better medical care and new medicines. An elderly person may move in an apartment building as an independent

may move in an apartment building as an independent tenant, only to age in place and become increasingly disabled over the years. He or she often will not want to leave the apartment, even if necessary supportive services are not available at the building. This can cause serious medical risks for the tenant.

Similarly, many seniors outside the apartments would prefer to stay in their own homes as long as possible, with independent apartments the next choice. Home repair and homemaker services, health aides, home-delivered meals and other supportive services are the most effective and cost-efficient method of making that possible. Spending state money for at-home and community-based services is less expensive than building and providing operating subsidies for apartment buildings or residential care facilities. Supportive services often can make the difference between independent living and assisted living at a residential care facility, or even between independent living with supportive services and the intensive care of a nursing home.

There currently is very little state funding for senior citizen home repair -- less than 170 homes last year in only a few cities. Also, what money is available is used mostly for emergency and safety repairs, with no funds specifically earmarked for accessibility items. There are waiting lists for homemaker services across the state. Case management services, which match frail seniors with needed support services, are limited to just two communities.

Several senior service providers said they do not advertise their services because a shortage of funding prevents them from meeting the anticipated response -- why advertise if you can't deliver? For example, in the North-east region served out of Fairbanks, there are about 30 seniors on the waiting list for homemaker services. Officials expect many more would ask for a spot on the waiting list, but the program is not heavily publicized because funding already falls short of demand.

Home modification is another area that warrants more attention -- actually, any attention. There is no current state plan or assistance program dealing with

home modification. Simple items, such as grab bars in the bathroom, lever handles instead of door knobs, access ramps instead of stairs, wider doorways, handrails and other improvements would allow many seniors to remain in their own homes longer -- and with a higher degree of comfort and safety. Unfortunately, when an elderly person breaks a leg or a collarbone, the injury often leads to a permanent loss of independence and permanent assignment to an assisted or intensive care facility. In addition to providing specific information on remodeling costs and specifications, the state should consider increasing senior citizen home repair funding through grants to non-profit community organizations. The groups then could promote renovation work by providing technical assistance and at-home planning visits for seniors. Weatherization, seniorization, Type A Homes (A for accessible) all could become the work orders of the Senior Housing Office.

The Governor's Office of Management and Budget in April 1988 reported on the escalating cost of Pioneers' Homes and stressed the importance of at-home services as an alternative to the high cost of long-term care. The OMB report stated, "Continued development of these programs can be expected to relieve some of the upward pressure on the costs of institutional long-term care by offering alternatives which can defer and sometimes remove the need for institutional commitment."

If the legislature and Governor view at-home services as an important part of the state's response to senior housing, the following support services should receive consideration for ongoing, moderate budget increases. First, to create a statewide system of community care, and second to keep up with the growth of the senior population.

- Home repair, accessibility and safety, remodeling and weatherization
- Homemaker and chore services
- Health aide services
- Case management

### ***Recommendation No. 5***

## ***State Support for Adult Family Care, Day Care, Respite Care, Group Homes and Family-Living Care***

#### **Home-delivered meals**

Adult family care (foster care) homes can fill an important need between independent living and residential care facilities. Their cost is reasonable and affordable for many, especially when compared to residential care facilities. The security and emotional support they offer are essential for quality senior housing, and when combined with an affordable rate they offer an attractive option for many seniors willing to pay for housing that includes at-home supportive care.

Although there are very few adult family care operators in Alaska, there is a need for many more homes. However, operators and many state officials who oversee the homes say little increase is expected unless the state helps with increased funding for adult day care and respite care. Day care and respite care also would provide needed relief for those families who care for elderly relatives in their homes. Current state funding from the Older Alaskans Commission provides respite care for only a few dozen seniors and day care for about two hundred clients.

home or relatives' house and receive meals and participate in activities at a central location. It also provides essential relief for family care home operators, who otherwise would have to provide 24-hour care. Much of a home's operating budget can be spent on day care services, to allow the resident manager a break and to provide



*Crafts and skills are part of planned programs. Mountain View Senior Center, Juneau.*

activities for residents. By providing day care, the state is helping to promote adult family care while avoiding the full cost of subsidized housing or the more intensive and expensive care at the institutional level.

Respite care provides occasional in-home assistance for family care providers and family members who care for elderly relatives. Without respite care (relief workers), or respite care providers with their own facilities, family home operators and family members face a future of no days off, no time for a personal life, no vacations, or the heavy burden of hiring expensive personal care attendants. A state social services worker explains: "Without respite help, it's an impossible job. You pretty much need to be there 24 hours a day."

Another area of state assistance could be in amending senior group home regulations. Current regulations state that any group-living home of six or more seniors must meet licensing codes of an adult residential facility, which are more expensive for staff, facilities and construction than are required of a family care home. Senior housing of five or fewer residents is considered a foster (family care) home. The Division of Family and Youth Services, in cooperation with the state fire marshal and state sanitarian's office, is revising the regulations to establish a new category of adult homes for 6 to 12 people. The requirements for these small homes would be less expensive than currently required of similar facilities. The goal is to encourage more foster homes and small group homes in neighborhoods and to make them more economically feasible as alternatives to large-scale, expensive residential care facilities.

Flexibility in services should be considered as part of the regulatory review. For example, adult family care providers could be allowed flexibility to provide doctor-supervised, nursing services on an individual client basis. This would allow seniors to stay at the home, instead of moving to expensive nursing care facilities.

The Division of Family and Youth services reports it could take up to two years to adopt the new regulations -- any additional funding that could be devoted to accelerate the project would help in the promotion of more small group homes to meet immediate senior housing needs.

Also, a significant increase in family care homes and group living homes would require a corresponding increase in Family and Youth Services staff to license and supervise the homes. In addition to ensuring the safety of seniors, the staff could be used to assist people interested in setting up such senior homes. In Idaho, for example, state licensing staff assist with on-site reviews of buildings to help determine their suitability, operating costs and remodeling needs as a potential senior group home.

**Recommendation No. 6**  
**Increased Payments for Adult Family Care**

There are not big profits to be made in the adult family care business in Alaska, but people should at least earn a fair wage for their dedication and hard work. Family care (foster care) operators provide housing, supervision and personal care for seniors in a family-style environment of five or fewer adults. Because there are very few seniors who pay for their own care, the state is the largest consumer in the market and sets the price structure. The Division of Family and Youth Services pays about \$26 a day for adult foster care, which providers say is not enough. A Southeast operator says it costs her \$40 a day per person for housing costs, heat and utilities, insurance, food, taxes, maintenance, household items and other ex-

penses. She charges her private-pay residents \$40 a day, but collects only \$26.07 from the state for seniors placed in her home by the Division of Family and Youth Services. A recent national investigation into adult family care (also known as board and care) homes by the American Association of Retired Persons found inadequate payments levels to be a serious problem. The AARP report said:

"Although adequate levels of reimbursement cannot guarantee quality care, it is probably one of the most potent strategies to upgrade board and care facilities and attract new quality operators. The rate of reimbursement for some board and care programs makes compliance with

low quality operators. The rate of reimbursement for some board and care programs makes compliance with state standards almost impossible. In fact, mandating physical plant, service and staff requirements without adequate reimbursement can do more harm than good. For example, low reimbursement forces operators to hire inadequate staff, and possibly encourages inappropriate placement in nursing homes when residents' needs for care increase."

One money problem is federal, not state. Although income from state-paid child foster care is tax-exempt, adult foster care income is fully subject to federal income tax and Social Security self-employment tax, which add

heavily to the cost of running a home. Since there is little Alaska can do to change federal tax law -- except lobby its congressional delegation and hope for a long-term answer -- the state should do what it can to help in the short term.

That would be a reasonable increase in the daily rate paid by the state to help make adult family care more attractive to prospective home operators. An increase in the number of homes -- which currently number only 20 or so statewide -- would make the housing option more available to seniors. This would lessen the strain on independent senior housing which cannot provide the personal services of a home and increase the option for those seniors who don't need the expensive care of a

### ***Recommendation No. 7***

#### ***Loans or Loan Guarantee Program for Adult Family Care and Group Homes***

nursing home.

Business loans for building usually are much harder to get than simple home loans, and financial institutions consider family care homes and other group-living arrangements to be businesses. Lenders look at cash flow projections, occupancy factors, market conditions, operator experience, maintenance costs, replacement reserves and other factors in deciding on business loans, and it is very difficult for a non-profit group or home operator to satisfy such commercial loan criteria. In addition to financing the purchase of a building for group living, borrowers often must find money for major remodeling, particularly to make the home safe and accessible for a group of elderly residents.

It is in the state's best interest to assist in the development of family care homes and other group-living homes in any way that is feasible and affordable, since a major alternative to such housing is more state money for Pioneers' Homes or Medicaid-supported nursing care. As the AARP investigation reported, lack of quality adult family care homes may prompt unnecessary placement of some seniors in nursing homes. Medicaid pays for most seniors in nursing homes, and the state pays half the cost of Medicaid.

Creation of a revolving loan fund or loan guarantee program would be one way in which the state could help family care homes and other providers meet the heavy up-front costs of purchasing and remodeling their housing. Loan guarantees would be a good place to start. They do not require as heavy a cash appropriation as direct loans from the state treasury, yet they provide significant protection for lenders that would result in greater accessibility to financing for senior housing. A simple jump-start provided by a loan guarantee might be enough for several small, non-profit senior housing projects and private family care operators to get moving. This would be particularly helpful in smaller communities where a large public housing project is not feasible.

The 1988 legislature appropriated money for pilot projects to determine the feasibility of converting foreclosed housing for use by the mentally ill and developmentally disabled. Based on the success of those projects, and if money is available, the legislature should consider extending that pilot-project funding to non-profit senior group homes. As this is a relatively new housing option in Alaska -- unknown to many seniors -- a small state investment could help lead the way for private operators and non-profit groups to follow in opening such homes.

### ***Recommendation No. 8***

#### ***State Assistance for Middle-Income and Residential Care Projects***

Although there are a lot of independent-living housing units limited to low-income seniors, there are not many projects on the market available for middle-income residents. Most senior projects are financed at least in part with HUD or Farmers Home Administration money, and both federal agencies set strict income limits on public housing tenants. For example, the HUD low-income limit for a senior citizen is \$24,150 a year in Alaska; the limit for very low-income housing is \$15,100 to \$21,750 (depending

on the area of the state). Federally subsidized Section 8 housing, which allows people to choose their rental housing on the open market, is reserved for the very low-income, as are the more recent public housing projects including many of the Alaska State Housing Authority's senior apartments. There are many seniors who earn too much from retirement, savings, the Alaska Longevity Bonus and other sources to qualify for public housing, and although they may find housing on the private market it

often does not meet their needs for security, accessibility, location and supportive services.

No one is aggressively pursuing the middle-income senior housing market, and that creates a problem for those seniors who desire such housing. Alaska is a small market by national standards and private developers are hesitant to build an unsubsidized middle-income project here -- large enough to be profitable for the developer yet small enough to fit Alaska's limited demand. There also is the possibility that if an unsubsidized residential facility for middle-income seniors were constructed, the market-value rents might be too high for some seniors on a marginal middle income.

State involvement in the form of increased community-based supportive services, such as meals, homemakers and health aides, would lessen some of the financial strain and other pressures on seniors. It would allow them to devote more of their money to paying full rent at a private developer's project and make it easier for them to live at an independent housing project. Cooperating with private developers by helping them to secure financing and attempting to locate middle-income projects near low-income senior housing and senior citizen meal and activity centers would be another positive step for the state to take.

Another option could be for the Alaska State Housing Authority to consider selling bonds to help finance middle-income projects operated by regional housing authorities and non-profit organizations. Bond financing would give non-profits an affordable route for financing their projects, with rental receipts used to repay the debt at no cost to the state.

Private developers who don't meet the public housing criteria of the state building authority could be served with bond sale financing by the Alaska Industrial Devel-

opment and Export Authority -- if the legislature wanted to give the agency authority to help finance middle-income housing. AIDEA currently is limited to financing commercial operations, but its statutory mandate could be amended to include bond financing for developers wanting to make a profit on middle-income housing. Similar public incentives have been used in many states where the senior population is much larger and tempting to private developers. Bond financing has been used from Oregon to New Jersey, and many more states in between.

Another area of possible state assistance would be to aid developers in search of HUD financing. HUD loan guarantees are available for private developers looking to finance middle-income projects and the state could help by offering the services of the proposed senior housing specialist at Community and Regional Affairs to assist developers in winning HUD approval of their applications. Similar loan guarantees from the state to fill those financing needs not covered by HUD would be another option for state assistance of middle-income housing developers.

Many of the middle-income housing problems also apply to the lack of residential care (assisted living) housing available in Alaska. Those seniors who no longer can live independently, yet do not need the extensive care of a nursing home, might choose residential care if it were available at affordable rates. Rather than operating rental subsidy programs, a more appropriate state assistance would be loan or loan guarantee programs to help secure financing and lessen the debt service for a private developer or non-profit operator of a residential care facility.

As discussed earlier, smaller residential programs such as family care homes are an alternative, particularly in rural communities too small to require a large complex.

### ***Recommendation No. 9***

#### ***State Land for Independent and Semi-Independent (Assisted) Housing***

Alaska law allows the state to sell or lease its lands at below-market prices to local governments and non-profit organizations for public uses. Because of the public purpose served by the increased availability of affordable senior housing, and because of the high cost of land in developing a housing project, the administration could consider below-market sales or leases of state land to communities and non-profits for senior housing projects. This could be used particularly to encourage the development of semi-independent (residential care or assisted living)

senior housing, offering a middle ground between independent apartments and dependent care.

A further financial step would be for the state to finance or share in the cost of utilities and roads at housing developments. Again, this would help reduce a project's initial cost while limiting the state's financial participation to up-front expenses instead of continual operating subsidies.

## **Recommendation No. 10**

### **Increased AHFC Financing of Remodeling Costs for Foreclosed Units**

The Alaska Housing Finance Corporation, which holds more foreclosed housing units than anyone in the state, is the most likely office to sell large single-family houses, duplexes, triplexes, zero-lot lines and other homes for conversion to senior citizen group-living homes. All of the housing units need some repair or remodeling work to make them accessible for seniors and to meet the bedroom and common living area needs of a group home. AHFC is willing to contract for and finance housing repairs as part of the purchase price of foreclosed units, and that certainly can make it easier for an adult family care operator or non-profit organization to buy and operate a group home.

Under the system, a buyer may make an offer to AHFC based on the repair/remodel work being paid for by AHFC and included in the overall purchase price. This

allows the buyer to pay back the costs at the same long-term rates as the mortgage, instead of having to take out a separate loan for the repair/remodel expenses at higher rates and with heavy, short-term payments. The expense of repairing and/or remodeling homes often is cited as a severe financial handicap for family care home and group home operators.

Active promotion of AHFC's repair/remodel financing option to prospective home operators and non-profit organizations could be combined with an administrative policy of encouraging such a financing option and accepting purchase offers whenever reasonable. Moving unused properties into the senior housing market this way could help reduce the inventory of foreclosed properties while also helping encourage the expansion of small senior housing projects.

#### **PUBLIC COMMENTS**

##### **Recommendation #1: State Senior Housing Office**

*The housing study needs a contingency plan in case only a few recommendations can be funded. The contingency should include recommendation numbers 3, 4, 7, 8, and 10.*

— James Fisher, lobbyist for the Association of Older Alaskans Program, Juneau.

*I surely agree with the housing office idea. I see that technical assistance could be a big help.*

— Judy Christianson, Adult Foster Care provider, Sitka.

*I agree with the recommendation concerning the establishment of a State Housing Office. (I would not use the term "Senior" if the intention is that this agency address the housing needs of other populations including the chronically mentally ill and the developmentally disabled.) A professionally staffed office could be very valuable in assisting communities and individuals with information about housing options for these populations.*

— Dennis Murray, Director of Heritage Place, Soldotna

*The Senior Housing Office should go to DHSS, not CRA. As reported, only 3-7% of the seniors surveyed complained about their housing. The State should focus on helping them, not the 93-97% who are satisfied. The State should concentrate on the really needy.*

— Carol Maser, Anchorage.

*The most important recommendation is the one about the Office of Senior Housing.*

— Leo Kaye, President of Mat-Su Senior Commission, Wasilla.

*Broaden the Office of Senior Housing into a Department of Housing.*

— Howard Bess, Alaska Housing Ministries, Anchorage.

**Recommendation #2: Fund Nenana and Palmer Senior Housing**

*The Kenai proposed congregate housing project should be included in the OAC report. The building cost to the State would be about \$6.5 million. Rents would range from \$300-\$525 without any income limitations. Kenai is donating land, sewer, and water hook-ups.*

*I believe a senior housing project in Kenai could and would fill a need which truly exists. I believe the proposed costs of the project are extremely inflated and that the City of Kenai taxpayers would ultimately pay virtually all operational costs under the proposed rent schedule. There are alternative senior citizen housing projects available that Kenai could construct and operate at a much more reasonable cost.*

— Mavis Blazy, owner, Laurawood Arms, Soldotna.

*No more grant money for senior housing. Draw the line now. Don't even give money to Palmer and Nenana. Where there is grant money and no pay back, there is no good money management.*

— Howard Bess, Alaska Housing Ministries.

**Recommendation #4: Support for At-Home and Independent Living Services**

*If State dollars are going anywhere, put them into senior centers for at home and independent living seniors. Senior centers are good focal points where people help people.*

— Anchorage resident concerned about senior programs.

**Recommendation #5: Support Community Services: Day Care, Respite Care, Adult Family Care, Group Homes**

*This is a good recommendation, but the (DFYS) regulations need to be changed on adult group homes.*

— Anchorage citizen.

*I surely agree that the DHSS (group home) regulations need work, are in many ways silly.*

— Adult Foster Care provider.

**Recommendation #6: Increased Payments for Adult Family (Foster) Care**

*Should we not think some about ways to do foster care more cheaply, keep the costs down. I don't know if we can get down to the DFYS amount, though. Some ideas that come to mind: let us have food stamps for clients; let us have surplus food as used in lunch and school programs; let us have home health aide time for respite for manager.*

— Senior service provider concerned about Adult Foster Care.

*Adult care payments - how can foster care homes stay in business? The State should pay the (true) cost of care, the same as required by private pay clients.*

— Concerned citizen in Anchorage.

*Recommendation #6 refers primarily to increasing the reimbursement for Adult Family Care. That is important, but equally important is the need for the Division of Family and Youth Services to prioritize this service within the agency.*

— Administrator of a long-term care facility.

*I surely agree that the (official) name for the kind of care we try to give here is a bad one. I just can't bring myself to use it. I have a handicapped fisherman with me here and heard him call the new place a "flop house." Seemed to me as good a name as I've come across!*

— Judy Christianson, Adult Foster Care provider, Sitka.

**Recommendation #7: Loans for Adult Family (Foster) and Group Homes**

*Loan guarantees are a good way to deal with housing for middle income seniors.*

— Anchorage realtor.

*Loan guarantees would be especially helpful in developing senior housing if they worked in conjunction with HUD 202 program 106(b) for planning loans for nonprofits to thoroughly develop plans. HUD 202 only allots Alaska units 6 or 7 a year. Those could accumulate a few years' worth. It hasn't been pursued in Alaska, but more aggressive states get unused HUD 202 allocations from other states. Alaska's Congressional delegation could help.*

— Howard Bess, Alaska Housing Ministries, Anchorage.

**Recommendation #8: State Assist Middle-Income and Residential Care Projects**

*If there is a demand in the private section for middle income housing, the private sector would answer it. The State can't be all things to all people. Middle income seniors have to be responsible for their own futures.*

— Anchorage realtor.

*Middle income people fall between the cracks on senior housing projects.*

— Lurene McGee, Wrangell.

*An unfinished hotel in downtown Fairbanks could be purchased by the State and would make a good nursing home or middle income housing project. The \$1.2 million of unused Angoon money could be used to purchase that hotel.*

— A Fairbanks senior citizen.

*The Mary Conrad Center fully supports the Commission's recommendations and hopes that you place special emphasis on Residential Level II services. Residential II services are clearly defined and directed at a specific group of seniors--many who in years past could only rely on Intermediate Care Facility (ICF) services to meet their needs.*

— Bob Ogden, Administrator of the Mary Conrad Center.

**Recommendation #9: State Land for Senior Housing**

*Location is paramount to senior housing land donations. Most senior housing should be privatized, built by for-profit entrepreneurs with incentives and loan guarantees from the State. Across the country there is a lot of fine senior housing that's owner/senior occupied.*

— Howard Bess, Alaska Housing Ministries.

### **Recommendation #10: AHFC Financing of Remodeling for Foreclosed Units**

*Recommendation #10 doesn't go far enough. The State should make properties available to nonprofits for senior housing through grants or reduced costs. \$26-\$30/day is an unreasonable cost for housing and supportive services. The cost should be graduated based on need for service and ability to pay. But the cost will not be cheap. In Portland, costs for housing with services begins at \$1,500 per month. This includes the building cost.*

*If the State wishes to encourage potential providers to establish adult family care and residential care facilities, the State must be willing to either provide the facilities at no cost or at a greatly reduced cost. The current financing for these services are simply insufficient to attract interest on the part of providers without significant incentives. Loans are not enough unless there is forgiveness of interest and a portion of the principle based on length of service, etc.*

— Dennis Murray, Manager of Heritage House, Soldotna.

## **INVENTORY OF EXISTING SENIOR HOUSING IN ALASKA**

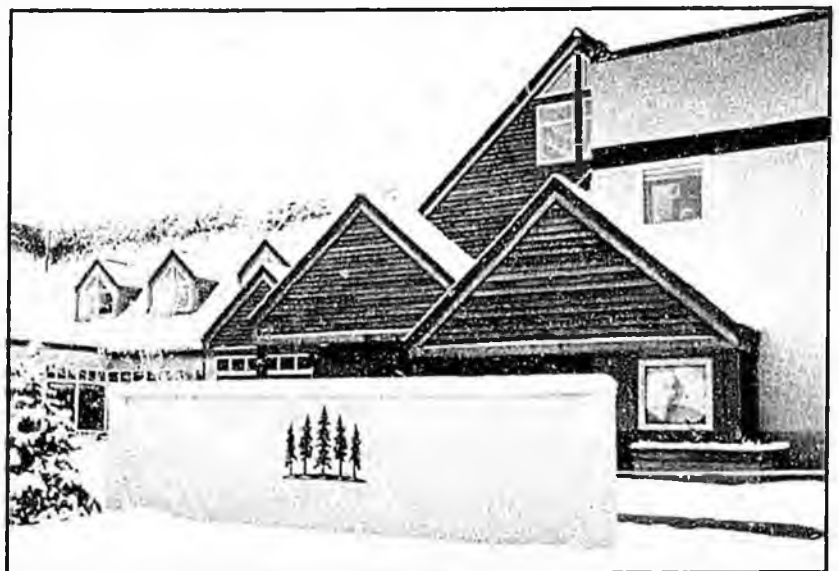
There are more than 1,400 senior apartments in Alaska, most of them in large apartment buildings in Anchorage, Juneau and Fairbanks, with hundreds more spread throughout the state from Barrow to Ketchikan. All of the senior apartments listed in this report are subsidized, either by state construction grants, federal loans and/or federal rental subsidies. All are operated by the state housing authority or regional, Indian or community non-profit housing agencies, or private developers receiving federal Housing and Urban Development subsidies for their low-income tenants. A few rural communities offer subsidized cabins for their elderly residents.

Rents at most of the apartments are set at 30 percent of a tenant's adjusted gross income, according to federal low-income rent guidelines. That limit applies to those apartments built with federal funding -- either HUD or Farmers Home Administration -- and the subsidies make up the difference between rental receipts and actual expenses. Under federal rules, applicants who earn in excess of the low-income guidelines are denied residency at the projects. This is a problem for many middle-income seniors.

Several of the apartment projects were built with state grant funds, and therefore have no debts to repay and are able to charge low rent without any regard to federal rules or tenants' income. Seniors appear to prefer this housing because of its lack of an income limit, but falling oil revenues make it unlikely the state will be able to afford such multi-million dollar cash projects in the near future -- if ever again.

**People who read this report should remember that supportive services, such as meals, transportation services, homemakers and health aides do not come with senior apartments. These are independent living apartments; services cost extra and must be independently obtained by each resident and brought to the building. That extra money must come either from the seniors themselves, or from state and**

federal programs designed to help seniors live on their own as long as possible. Without community-based supportive services for independent living, the option is increased government funding -- through Medicaid and Pioneers' Homes -- for expensive residential and skilled nursing care. Remember, too, that most senior apartment buildings do not even have night-shift managers or security guards, dining halls or health clinic rooms for visiting doctors and nurses.



*Mary Conrad Center provides Residential and Intermediate Care in Anchorage.*

The information in the following tables lists the name, owner/operator and the size of each senior housing project. Information on rents and waiting lists also are provided. The tables also tell whether a resident manager lives at the project and whether a senior citizens' activities center is located on site. The waiting list information was current as of October 1988, and all information was gathered from a survey of the apartment owners/managers.

# INVENTORY OF EXISTING SENIOR HOUSING IN ALASKA

CITY	PROJECT NAME OWNER/OPERATOR	UNITS/TYPE(S)	RESIDENT MANAGER	WAITING LIST	SENIOR CENTER	RENT
Anchorage	Chugach Manor, Alaska State Housing Authority	120 1-bdrs.	No	Yes; 3-6 months	Across street	30% adj. income
Anchorage	Chugach View, Alaska State Housing Authority	120 1-bdrs.	No	Yes; 3-6 months	Across street	30% adj. income
Anchorage	Fairmount, Alaska State Housing Authority	36 1-bdrs. and 8 efficiencies in five buildings	No	Yes; 10 people	No	30% adj. income
Anchorage	Mary Conrad Center, owned by Cook Inlet Housing Authority and operated by Sisters of Providence	30 residential, 60 intermediate care beds (nursing care)	24-hour staff	Residential rooms are full; empty beds in nursing care units	No	Approx. \$1,200/month in residential care; \$7,800-\$8,250/month for nursing care
Anchorage	Robert Rude Center, Cook Inlet Housing Authority	90 1-bdrs. and 18 2-bdrs.	No	Yes; 1-6 months	No	30% adj. income
Barrow	Senior Residential Center operated by North Slope Borough	37 1-bdrs.	No	No; about one-third full	Yes	\$200/month single, \$350/month couple (borough subsidized)
Bethel	Ayalpik Apartments, Association of Village Council Presidents	24 1-bdrs.	Yes	Yes; 6-12 months	Next door	30% adj. income
Chugiak	Chugiak Senior Citizens Center Chugiak Senior Citizens Inc.	39 1-bdrs., 4 efficiencies	Yes	Yes; 118 people, up to two years	Yes	\$250/month 1-bdr., \$225 for efficiency (built without debt, using state grant)
Copper River	Wrangell View Manor, Copper River Basin Regional Housing Authority	5 of 12 apts. reserved for seniors	No	No; 1 vacancy	No	30% adj. income
Cordova	Sunset View, Alaska State Housing Authority	22 1-bdrs.	No	Yes; 6-7 months	No	30% adj. income
Craig	Senior Housing, Tlingit-Haida Housing Authority	9 1-bdrs.	Yes	Yes; short list	No	30% adj. income
Dillingham	Herman Schroeder Senior Apts., Bristol Bay Housing Authority	15 1-bdrs.	No	No; vacancies	Yes	30% adj. income

# INVENTORY OF EXISTING SENIOR HOUSING IN ALASKA

CITY	PROJECT NAME OWNER/OPERATOR	UNITS/TYPE(S)	RESIDENT MANAGER	WAITING LIST	SENIOR CENTER	RENT
Eagle River	Wood River Park, Alaska Housing Ministries	18 of 62 units reserved for seniors	Yes	No	No	\$450/month 1-bdr., \$495/month 2-bdrs.
Fairbanks	Golden Ages, Alaska State Housing Authority	20 1-bdrs.	No	Yes; 6-12 months	No	30% adj. income
Fairbanks	Golden Towers, Alaska State Housing Authority	96 1-bdrs.	No	Yes; 3-6 months	No	30% adj. income
Fairbanks	Southall Manor, Alaska State Housing Authority	40 1-bdrs.	No	Yes; 6-18 months	No	30% adj. income
Fort Yukon	Elderly Housing, City of Fort Yukon	4 1-bdr. cabins (subsidized by city)	No	Yes; up to a year	No	\$25/month
Gulkana	Sanford View Manor, Copper River Basin Regional Housing Authority	6 1-bdrs. (2 other units for non-seniors)	No	No; vacancies	No	30% adj. income
Haines	Senior Housing, Tlingit-Haida Housing Authority	12 1-bdrs.	Yes	Yes	No	30% adj. income
Homer	Kachemak Bay Senior Housing Homer Senior Citizens Inc.	16 1-bdr. , 8 2-bdrs.	Yes	Yes; 2-3 years	Across street	\$258/month 1-bdr., \$323/month 2-bdr. (built without debt)
Hoonah	Senior Housing, Tlingit-Haida Housing Authority	12 1-bdrs.	Yes	Yes	No	30% adj. income
Hydaburg	Senior Housing, Tlingit-Haida Housing Authority	12 1-bdrs.	Yes	No	No	30% adj. income
Juneau	Mountain View Apartments, Alaska State Housing Authority	62 1-bdrs.	No	Yes; 6-8 months	Yes	30% adj. income
Juneau	Gastineau Apartments, Gastineau Limited Partnership	25 1-bdrs.,	Yes	No; 90% capacity	No	30% adj. income
Kake	Senior Housing, Tlingit-Haida Housing Authority	12 1-bdrs.	Yes	No; vacancies	Yes	30% adj. income

# INVENTORY OF EXISTING SENIOR HOUSING IN ALASKA

CITY	PROJECT NAME OWNER/OPERATOR	UNITS/TYPE(S)	RESIDENT MANAGER	WAITING LIST	SENIOR CENTER	RENT
Kenai	Chuda House, Cook Inlet Housing Authority	21 1-bdrs., 3 2-bdrs.	Yes	Yes; 6-12 months	No	30% adj. income
Kenai	Woodridge, Woodridge Associates (limited partnership)	16 1-bdrs., 8 2-bdrs.	Yes	Yes; 1-2 months	No	30% adj. income
Ketchikan	Seaview Terrace, Alaska State Housing Authority	50 1-bdrs.	No	No; vacancies	No	30% adj. income
Klawock	Senior Housing, Tlingit-Haida Housing Authority	10 1-bdrs.	Yes	No; vacancies	Yes	30% adj. income
Kodiak	Bayview Terrace Apartments, Sunset Development of Kodiak (private partnership)	55 1-bdrs. street	Yes	Yes; 6-12 months	Across	30% adj. income
Kotzebue	Senior Citizens Cultural Center, state owned, leased to Maniilaq and operated with state grant	23 shared rooms (doubles and triples)	Yes (subsidized by (state grant)	Yes; 5 people	Yes	\$250/month
Metlakatla	Senior Citizens Complex, Metlakatla Housing Authority	25 1-bdrs.	Yes	No; 40% capacity	No	30% adj. income
Ninilchik	Ninilchik Elderly Housing Center, Cook Inlet Housing Authority	9 1-bdrs., 1 2-bdr.	Yes	No; 40% capacity	No	30% adj. income
Nome	Senior Apartments, Bering Strait Housing Authority	15 1-bdrs., 4 2-bdrs.	Yes	Yes; 8-9 people (could be years)	No	30% adj. income
Nulato	Senior Homes, City of Nulato (subsidized by city)	4 1-bdr. cabins	No	No	No	\$15 to \$44/month
Petersburg	Mountain View Manor, City of Petersburg	23 1-bdrs.	Yes	Yes; 5 people	Yes	30% adj. income
Ruby	Log cabins, City of Ruby (subsidized by city)	2 1-bdr. cabins	No	No	No	Free
Saint Paul	John W. Misikin Senior Center, Aleutian Housing Authority	12 1-bdrs., 2 2-bdrs.	Yes	No; 5 vacancies	No	30% adj. income
Saxman	Senior Housing, Tlingit-Haida Housing Authority	12 1-bdrs.	Yes	Yes	No	30% adj. income

# INVENTORY OF EXISTING SENIOR HOUSING IN ALASKA

CITY	PROJECT NAME OWNER/OPERATOR	UNITS/TYPER(S)	RESIDENT MANAGER	WAITING LIST	SENIOR CENTER	RENT
Seldovia	Lakeside Terrace, Cook Inlet Housing Authority	15 1-bdrs., 3 2-bdrs.	Yes	No; 5 vacancies	No	30% adj. income
Seward	Glacier View, Alaska State Housing Authority	30 1-bdrs.	No	Yes; 4 people	No	30% adj. income
Sitka	Swan Lake Terrace, Alaska State Housing Authority	20 1-bdrs.	No	Yes; no openings in two years	Next door	30% adj. income
Sitka	Monastery Street Apartments, transferred from HUD to Alaska State Housing Authority	24 1-bdrs.	No	Yes; 5 people	Next door	30% adj. income
Soldotna	Laurawood Arms private ownership	22 1-bdrs. in 5 buildings	Yes	Yes; 2 people	No	30% adj. income
Tanana	Tanana Elders Residence, owned by Indian Health Service, leased to tribal council, leased singles, to City of Tanana for operation	16 in shared rooms, with 6 5 doubles	Yes	No	Yes	45% of disposable income to maximum of \$540 a month
Tanana	Elders Cabins, City of Tanana (subsidized by city)	2 1-room cabins	No	No	No	\$50 a month
Valdez	Senior Citizens Housing Facility, owned by city, operated by Valdez Senior Citizens Center Inc.	15 1-bdrs.	No	Yes; 35 people	Yes	\$350 a month (built without debt)
Wasilla	Williwa Manor, Alaska State Housing Authority	32 1-bdrs., in 7 buildings	No	Yes; 20 people	Next door	30% adj. income
Wrangell	Senior Apartments, Wrangell Senior Citizens Inc.	23 1-bdrs.	Yes	Yes	No	30% adj. income
Yakutat	Senior Housing, Tlingit-Haida Central Council	6 1-bdrs.	No	Yes	No	30% adj. income

# INVENTORY OF EXISTING SENIOR HOUSING IN ALASKA

## SPECIAL NOTES ON INDIVIDUAL PROJECTS

Anchorage	Mary Conrad Center	<p>What started as an experiment in HUD-subsidized residential care mixed with nursing care beds has faced serious enough financial problems to force the owners to apply to the state for permission to convert the 30 residential beds to nursing care. This would significantly boost the facility's revenue. Because of its HUD financing, the residents must meet low-income guidelines which, the operators report, has resulted in some applicants being turned away. Several private-pay persons applied and were willing to pay the \$1,200 monthly rent, but were turned away by the HUD rules. Most of the tenants on the residential side are placed there by the state, as self-neglect or abuse cases, resulting in much of the facility's residential income coming from the Division of Family and Youth Services. Other unique aspects of the facility are its restaurant-style dining room and its extensive array of on-site support services, such as physical therapy and case management.</p>
Barrow	Senior Residential Center	<p>Subsidized rent includes homemaker and laundry services. The 60-year-old age limit is younger than most projects. The borough has had trouble attracting seniors to the project. One reason cited is the prohibition on children or grandchildren living at the project with the senior citizen, since many seniors live with relatives and would prefer to continue. The borough is planning a 12- to 14-bed skilled care center adjoining the senior apartments.</p>
Chugiak	Chugiak Senior Citizens Center	<p>Meals available on-site at extra cost. Chugiak also stands apart from other independent-living apartments in its strong use of residents as volunteer workers at the project. The non-profit that operates the center proposes the addition of a 20-bed special needs unit for those seniors who require personal care and some attention in their daily living.</p>
Copper River	Wrangell View Manor	<p>Seniors share the building with low-income, non-senior tenants.</p>
Dillingham	Herman Schroeder Senior Apts.	<p>Although seniors are allowed to have one person live with them at the apartment, the housing authority has had trouble filling the project (the senior's roommate may be a family member or a friend).</p>
Eagle River	Wood River Park	<p>Seniors share the building with low-income, non-senior tenants; two of the buildings are reserved for seniors. A small room and kitchen are set aside for use as a small senior activity center. Rents are set at fair market values, but many tenants qualify for federal Section 8 vouchers that allow them to pick their own rental housing and then receive HUD subsidies to cover the difference between their income and the full rent. The project was financed with a mix of state grants and private loans, with HUD mortgage insurance to cover the debt.</p>
Fort Yukon	Elderly Housing	<p>Homes are well-insulated log cabins. Seniors are allowed to have a family member share the cabin. Tenants pay all utilities, and their \$25 a month rent goes toward the city's maintenance expenses. The city wants to build four more units, but has no money.</p>
Homer	Kachemak Bay Senior Housing	<p>The non-profit community group received a 1984 state grant for land acquisition and planning for expansion, but has been unable to secure state funding for construction. Plans call for a 24-unit addition for residential care.</p>

# INVENTORY OF EXISTING SENIOR HOUSING IN ALASKA

## SPECIAL NOTES ON INDIVIDUAL PROJECTS

Kotzebue	Senior Citizens Cultural Center	A state-funded, 9-bed skilled nursing care addition opened in March 1989. Limited medical services already are provided to residents. The on-site senior center serves native foods and allows residents to stay at the center during winter months and then return to their villages in the summer.
Ninilchik	Ninilchik Elderly Housing Center	Because of long-term vacancies, HUD has approved non-seniors to rent apartments (limited to single persons).
Nome	Senior Apartments	Security problems led the regional housing authority to hire a live-in manager for the apartments.
Nulato	Senior Homes	Residents are allowed to move back to their village homes during the summer. The city used grant funds to build the units and subsidizes repairs/maintenance.
Saint Paul	John W. Misikin Senior Center	The housing authority is seeking HUD approval to lower the eligibility age to 45 years old in order to attract more tenants to fill the apartment project.
Seldovia	Lakeside Terrace	Because of long-term vacancies, HUD has approved non-seniors to rent apartments (limited to single persons).
Tanana	Elders Residence	Full-time or seasonal housing is offered, allowing tenants to return to their village homes in the summer. Some laundry and housekeeping help provided, and family-style meals provided with rent (some units have limited cooking facilities). Senior center is located on-site, and an adjacent health clinic provides medical services for residents. Resident advisor provided by two employees working 24-hour shifts (4 days on, 4 days off). Nighttime security guard used when needed.
Tanana	Elders Cabins	No water in units, and tenants must cut their own firewood.
Yakutat	Senior Apartments	Health clinic located in same building.

## NURSING HOMES AND PIONEERS' HOMES

**There are 14 facilities offering skilled nursing care in Alaska, with 712 licensed beds. That includes nursing homes and long-term care wings at several hospitals. State Pioneers' Homes offer another 660 beds, with slightly more than half in residential care and the rest in nursing care wings.**

**As of September 1988, there were 239 seniors on the waiting lists for Pioneers' Home admission, with two-thirds waiting for a nursing bed to become available. Although many private nursing homes have beds available, the state-subsidized Pioneers' Homes are more attractive to many seniors. The state charges seniors \$525 a month for nursing care at the Pioneers' Home, regardless of income, although it costs more than \$4,000 a month to provide the service. Seniors in residential care rooms are charged \$425; it costs the state more than \$1,200 a month.**

**The Governor's Interim Commission on Health Care has recommended an increase in the rates charged Pioneers' Home residents, however, the Older Alaskans Commission is not taking a position on this issue.**

## HOME AND COMMUNITY-BASED SENIOR SERVICES

Supportive services are the most essential part of the state's response to senior citizen housing needs. The services reach persons who live in their own homes, in senior apartments and in other residential facilities, and are designed to assist seniors to maintain independent or semi-independent living for as long as possible. Despite a sizable commitment of state and federal dollars to senior services, severe gaps remain -- some communities have no services, others cannot meet all the demands of a growing senior population.

In addition to a statewide survey done for this housing study, this report also incorporates comments, survey results, and resolutions by communities, senior services agencies and senior organizations. Specifically, Southeast Senior Services published "A Study of Senior Citizen needs in Southeast Alaska" in January, 1989. That study emphasized the desire of seniors for independent living and expressed the need to enhance supportive services, including home-repair. The Juneau Commission on Aging published a preliminary survey report on December 15, 1988, on "Senior Citizens of the City and Borough of Juneau Needs Assessment." That report indicates basic satisfaction with housing in Juneau with the need for middle-income and assisted housing. Juneau Igloo #6 and Auxiliary #6 proposed a resolution at the 72nd Grand Igloo Pioneers' of Alaska Convention in September 1988, supporting assisted living and middle-income housing.

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### Home repair, remodeling and weatherization

Senior housing managers statewide report that prominent among the reasons given by the elderly for leaving their homes and moving into senior housing is the problem of home maintenance and repair work. They no longer may be physically able to do the work, too frail to risk injury, or lack the skills to do it on their own or the money to pay someone for the job. Rather than continue living in a home they no longer can maintain, they often move to subsidized senior housing. Residents of senior apartments in Anchorage, Fairbanks and Wrangell interviewed for this report all cited the problem of home repair and maintenance as a major reason for their decision to move into the apartments.

The Older Alaskans Commission in fiscal year 1988 appropriated \$57,510 for home repair and renovation work, with the money able to reach only 163 clients. Funding is similar in fiscal 1989, distributed as grants to non-profit community organizations.

The federal Bureau of Indian Affairs operates a home improvement grant program and home ownership assistance program for Alaska Natives, with about \$2.7 million available in fiscal 1989. Most of the money is distributed as grants to tribal organizations. The programs are open to all low-income Natives, with elderly and handicapped persons getting first priority. "It targets the poorest of the poor," according to the BIA, with most of the money directed toward rural areas.

The North Slope Borough operates its own home repair program under the name RELI (Resident Employment and Living Improvement). In Barrow, seniors get priority; in the villages, there is no senior priority because the communities are small and most every home needs work. In addition to home repair, the program's other task is local employment. Work is scheduled as necessary to fill employment gaps in the borough, providing local

jobs when construction work is slow. This could be used successfully in other communities, where workers depend heavily on construction jobs and where there is a need for senior citizen home repair.

Home repair programs should be extended to cover home remodeling for the special access and safety needs of seniors, including door levers instead of knobs (levers are easier to operate for people with arthritis), grab bars in the bathroom (in the tub, shower and at the toilet), wider doorways and ramps (for access by wheelchair and walker), handrails along stairways and other minor items. Home visits to help a senior homeowner determine remodeling needs, reasonable costs for the work and technical assistance to contractors would be far less expensive than direct state grants for the work, but still would go a long way toward helping the elderly modify their homes to fit their needs. A state senior housing office could provide help by making available generic accessibility remodeling plans, cost estimates and advice for seniors who want to undertake such home modifications. Several states, such as Florida with its large senior population, are promoting Type A homes, designed for accessibility for seniors and other persons with special needs.

Home weatherization funding is administered through the Department of Community and Regional Affairs, with \$4.6 million available statewide for the fiscal 1988-89 contract year ending March 31, 1989). Less than 10 percent of the money is from the state general fund; most is from the federal treasury and from federal distribution of an oil-price overcharge case against Exxon. The Exxon money will run out next year; it contributes almost half of the weatherization money available in Alaska. Unless the state or federal governments increase their funding to make up the difference, Alaska's program will be severely cut back.

This year's \$4.6 million will pay for weatherization for about 2,000 homes, with the department estimating 40,000 still in need of new windows, doors, insulation, caulking and other energy-saving improvements.

Seniors and the handicapped are to receive first prior-

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ity for the work, which is limited to low-income households. The program is available to homeowners and renters, with landlords prohibited from raising the rent on units that benefit from the weatherization work (about 20 percent of the money goes to rental units).

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## Homemaker and chore services

More than \$1.6 million in state and federal dollars was appropriated last year by the OAC and Division of Family and Youth Services for homemaker and chore services to help seniors in need of assistance. Housecleaning, laundry, errands, meal preparation and other tasks are covered by the programs, which served about 2,000 seniors in more than 100 communities statewide (about 90 percent of the funding is through Family and Youth Services).

Despite the size of the effort, there are waiting lists

and a shortage of money to meet the growing needs of Alaska's aging population. The Northern region of the state, served by the Fairbanks DFYS office, had a waiting list for homemaker services of 20-30 persons in November, but one official said the list would be longer if the program received heavier publicity -- it isn't publicized because there's no money to accommodate the responses. An Anchorage homemaker provider gave the same report of no outreach or publicity because of no money to handle the demand.

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## Home Health Aides

About 400 seniors receive at-home visits from health aides, with a shortage of chronic health care in rural communities. The OAC covers about five percent of the seniors in the program, with the Division of Public Health spending about \$600,000 a year on health aide services (about three-quarters of the division's clients are seniors).

Home health aides assist with bathing, eating, exercise and other essential activities of a healthy life. They are supervised by registered or licensed practical nurses and are extremely important for those seniors who otherwise would be unable to provide their own personal care at home.

The OAC's 1989-1991 state plan lists as a priority expansion of the home health program to Nome, Barrow, Kotzebue and other rural communities in addition to pointing out the shortage of trained aides and high turnover rate. More money for higher salaries, better training and more aides could help solve the problems.

The Division of Public Health also spends more than \$400,000 a year on at-home skilled nursing services, with seniors comprising about three-quarters of the almost 400 clients. The services are offered only in three cities, and even at the division's average annual cost per client of \$3,720 it is less expensive than one month of residential nursing care.

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## Case Management

Case management may sound technical, but what it does is relatively basic and direct: It matches seniors in need of help with those supportive services that can offer assistance. The OAC in fiscal 1988 had \$140,000 to spend on case management, which was awarded to programs serving only Anchorage, Ketchikan and Palmer/Wasilla.

By helping seniors to receive the supportive services they need, case management can go a long way toward keeping seniors in their homes or apartments and out of residential care facilities.

## Home-Delivered Meals

The OAC spends more than \$800,000 a year in state and federal dollars to provide more than 120,000 home-delivered meals for about 2,500 home-bound seniors. The money is distributed in grants to municipalities and non-profit organizations.

Another \$2 million a year is distributed in grants to municipalities and non-profit organizations for group

meal programs, which usually are served at senior centers, community buildings or schools. More than 12,000 seniors participate in the program, which this fiscal year will serve about 300,000 meals.

There are some rural areas unserved and underserved by the meals programs. The programs offer a minimum of three meals a week.

## ADULT FAMILY CARE HOMES, DAY CARE, RESPITE CARE

The demand for adult family care homes (also known as foster care homes and board and care homes) exceeds the supply. The pay is bad and the work extremely hard. It's difficult to get much time off from the job. It's expensive to start a new adult family care home. Other than dealing with those problems, adult family care homes are a good idea.

The name is another problem. Although most people, including state agencies, call such homes adult foster care, we propose changing the name to adult family care. In researching this report, we found a lot of misunderstanding over the role of adult foster homes, plus confusion with child foster care -- the more prevalent of the two foster care homes. Changing the name to adult family care won't solve all the problems, but it would help. If nothing else, family care sounds a lot warmer than foster care.

Adult family care (foster) homes are licensed by the Division of Family and Youth Services, which reports there were about 20 homes in operation in Alaska in the fall of 1988, licensed to accommodate about 60 persons (the homes are limited to five or fewer adults). DFYS is the largest single customer for adult family care. Seniors who are judged in need of protective care because of abuse, assault, economic neglect, self-neglect or other problems can be placed in a home by the division. Seniors also may select and pay for family care homes on their own, although few do so.

The state sets the adult care rate at about \$26 a day -- not enough to cover costs, say many home operators. A Juneau home operator says it costs her \$40 a day per person to operate the home, and that is what she charges private-pay residents. The operator of a new family care home in Sitka says she expects to charge her private-pay residents about \$35 a day to cover her costs.

For those seniors under protective care, the state will pay the bill beyond what seniors can afford from their own income, with seniors allowed to keep \$75 a month for personal expenses. Because just about all Alaska seniors

have income from the Longevity Bonus, Social Security, Old Age Assistance and/or retirement accounts, the Division of Family and Youth Services spends far less than \$26 a day in state money for each senior in a family care home -- and much less than the state pays to subsidize residential care at Pioneers' Homes.

Although increased availability of family care homes should be encouraged and assisted by the state as a less expensive alternative to Pioneers' Homes and as an option in lieu of senior apartments, there is the cost of increased DFYS oversight to consider. State licensing and oversight costs would increase if more seniors are added to the program, and the division's staffing needs should not be ignored.

An increase in the state rate for adult care would help attract more people to the business, as would an increase in adult day care and respite care services. Day care can provide regular daytime care at a community site for well foster home residents; respite care can provide occasional at-home relief for family care workers. Both are essential for the development of more adult family homes. Rather than invest state money directly in homes and salaries, the state could indirectly encourage and assist the homes through day care and respite services. A Juneau resident who owns adult foster homes in Idaho says a lot of the budget goes toward day care services, which are essential to give the live-in manager a break and to provide therapeutic and recreational activities for the residents. Increased state funding in Alaska for day care and respite care would aid family home residents and encourage the opening of more homes, without raising the philosophical and financial arguments of direct construction, remodeling or operating grants to family care home owners.

About \$450,000 in OAC grants were spent in fiscal 1988 to provide day care to 236 seniors in five cities. At-home respite care is offered in only two cities, with less than \$94,000 in OAC funding paying for service to 59 seniors last year. Both programs need to expand their hours and expand into more cities if they are to be an effective tool in family care home development. For

example, a five-person home in Fairbanks receives just 10 hours a week of respite care services from an OAC-funded program.

The Idaho foster home owner is also of the opinion that Alaska's current limit of five residents per home is too low. "We found at six you can't make any money," she said. DFYS is working toward revising its regulations to set up a new category of small group homes for between 6 and 12 residents. The new limit is intended to avoid the costly construction and operating requirements of adult residential facilities now defined as six or more residents -- which would change to 13 or more under the new rules. The proposed regulatory changes should be encouraged as part of the state's response to providing senior housing options.

Adult family care home operators and residents would not be the only persons to benefit from increased day care and respite care services. The Governor's Interim Commission on Health Care says in its report: "Families can provide a significant amount of care if they are supported through community-based services, such as respite care." Seniors who live at home with relatives certainly cost the

state a lot less than other housing options, and the quality of life would be higher at home with family. The benefits of making this housing option easier on seniors and their family should not be overlooked.

Another problem facing adult family care home operators is the cost of building or buying a home, or remodeling an existing home to meet their needs. If the homeowner cannot show a lender that the facility can run at a profit, there is little chance of getting a purchase or remodeling loan.

A Sitka woman who opened a new home last year was unable to get affordable financing to purchase and remodel an existing home in the community. She finally put together a private financing plan with the help of her family, and she says a loan program for acquisition and remodeling would be the best thing the state could do to help encourage more adult family care homes. A state-guaranteed loan program would be less costly to the general fund than a direct loan program, and a senior housing office could assist prospective home operators in preparing financial plans and operating budgets for presentation to lending institutions.

### **ROOM, BOARD AND LOTS OF TLC**

By Lori Evans  
The Juneau Empire  
Wednesday, February 8, 1989

Most people would jump at the chance to have a landlady like Linda Smith.

Not only does she provide a room for her tenants, but she also cooks for them, cleans for them, does their laundry and takes them to doctor's appointments. She reminds them to take their medication. If necessary, she helps them bathe and dress.

She sleeps on the living room couch to be close by when one of them is ill.

She lends a supportive arm when one of them needs to walk down the hall.

She seems always present with a listening ear or an encouraging word.

In general, in addition to providing room and board, Smith also provides lots of tender loving care.

In the language of bureaucrats, Smith runs an "adult foster home."

That means her five tenants for one reason or another can no longer live in their own homes, but they do not need 24-hour nursing care. They do, however, require a helping hand on some things.

Some, for example, may no longer be able to prepare meals on their own. Others may need help bathing and dressing. Still others may just need someone to help them monitor their medication. While others need the protection afforded by having someone always around in case they fall.

Smith says her main job is making her home like home for all who live there.

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The Smiths' Lemon Creek house is immaculate. Not a speck of dust or a pile of clutter can be found. Hardwood floors shine under freshly vacuumed rugs in the living room. Crisp, white curtains hang on the living room windows.

While the home is spotlessly clean, it isn't antiseptically sterile. It has a warm, lived-in feeling. It's how most people would want their house to appear when their in-laws visit.

A pot of coffee stays on in the kitchen, ready for anyone who wants a cup. Dinner smells waft from the oven in late afternoon. A parakeet named PJ sometimes chirps out from its cage near the kitchen door. An aquarium full of neons, black skirts and albino catfish greets visitors at the front door.

The living room is large, bright and comfortable. So is the kitchen. There are plenty of places to sit and chat. Or sit and watch TV. Or sit and read.

There are also five cozy, but not cramped, bedrooms on this main floor -- large enough for a bed, a chair or two, a bureau and sometimes a desk. Smith and her husband, Ken, have their bedroom and bathroom downstairs, along with a spare bedroom and a family room, but they spend most of their time upstairs with their tenants.

"This whole upstairs is theirs (the tenants) and they can do anything they want," says Smith. It's been full of tenants' grandchildren and adult friends. One couple who lived with the Smiths enjoyed entertaining and it wasn't uncommon for them to have six or seven people over at once for coffee and dessert.

That's fine with Smith, because she wants her tenants to do what makes them comfortable.

After all, "it's their home," she says.

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Smith first started thinking about opening her home to elderly tenants about five years ago while working in a nursing home in Oregon.

"I saw a lot of people that needed an alternative. They didn't really need to be in a nursing home setting at that point in their lives. There were just so many that there was no alternative for. It was either a nursing home or being in danger living alone at home. ... There was no in-between place and ... I felt they needed it," she says.

"I just always wanted to take them home with me because I didn't feel like they needed to be there, but you can't go around snatching (people) out of nursing homes."

About three years ago with some encouragement from Pat Denny, Southeast regional adult services supervisor for the state's Division of Family and Youth Services, and Sister Patrick Mary, who used to work with Juneau's elderly, Smith opened her home as an adult foster home.

Getting started involved a lot of paperwork, a criminal records check and an inspection by DFYS, the state agency which licenses foster homes, she says. Since opening in May of 1986, Smith has had 27 tenants. Her home is licensed for five tenants at any one time and she maintains a waiting list for those wanting to get in. She fields at least one call a month from people who are interested in the kind of care she provides.

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Smith isn't too fond of rules or schedules. She doesn't think most people are, so as much as possible she runs the household without a lot of do's and don'ts.

The one "do" is tenants are required to participate in The Bridge, the adult day care program at the Mountain View Senior Center. That requirement does set a sort of schedule for the house Monday through Friday in that the tenants leave for The Bridge about 9 each morning and return home about 2:45 each afternoon.

Participating in The Bridge helps keep tenants active, while it gives Smith time to clean, do laundry, plan meals, go shopping, cook, take someone to the doctor or do any of the other myriad of tasks that come with running a household of seven adults.

"I couldn't do it without them going to The Bridge," says Smith.

While The Bridge structures life on weekdays, on week-ends any semblance of a schedule is thrown out.

"I think if they want to sleep 'til 10 on Saturdays or Sundays, then I'm going to cook their breakfast at 10. We're a home, not an institution, and I want them to be able to have the schedule that they're comfortable with instead of what works for me," says Smith.

Not only is Smith willing to cook breakfast for her tenants when they want it, but she's also willing to cook what they want. That means virtually every day she fixes five different breakfasts, since all five tenants prefer something different.

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Smith has a warm infectious laugh and an easygoing personality. She also has a real love for the elderly that shows in everything from the enthusiasm with which she greets her tenants each day to the gentle way she helps them down the hall.

She says her patience and sense of humor help equip her for her chosen work. It also doesn't hurt that she has a supportive husband, who not only lends encouragement but also a helping hand in getting things done.

Other than that, however, "I don't have anything else special or do anything else different from anybody else," she says.

Others, however, would disagree.

Sharon McMahon says Smith is the "closest thing to a saint" that she knows. "She gives 200 percent of herself. Nothing is too good for those people -- whatever they need or want, Linda tries to do it for them."

For the past two years, McMahon, activity coordinator for The Bridge, has given Smith a break about every other Saturday, taking over her chores at home while Smith goes to garage sales and out to lunch with her daughter. It's about the only break Smith gets.

While it sounds meager to those used to putting in a 37.5-hour work week and taking regular vacations, it's a big change from what Smith started out with. For the first year and two months after opening her home, she went without taking a single day off.

While few people can understand that kind of dedication, Smith explains it this way: "I like it better than anything else I've ever done."

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Smith confesses to getting "really paranoid" when she hears horror stories of elderly abuse in the news -- like the one in November in which a California landlady was arrested in connection with the deaths of her elderly tenants. Police believe the woman killed her boarders for their Social Security benefits and then buried their bodies in the yard of her boardinghouse.

"I feel like that people tend to judge you by what they see or what they read, and that really makes me nervous," says Smith.

She'd like people to know that not everyone who houses the elderly is unscrupulous. There are homes for the elderly where the tenants are well cared for, properly fed and clean.

Hers is one of them.

There are, however, some built-in protections for Smith's tenants. One is an open-visitation policy which allows guests to stop by at any time. Another is The Bridge. Because tenants are required to participate in The Bridge "everyone in the home is seen almost on a daily basis by someone else, so if there was abuse or mistreatment at all, it would be picked up," says Sharon Scranton, director of the program.

The California incident did not go unnoticed by Smith's tenants and now is the basis of an on-going joke between one of them, Martin Ashba, and Smith.

"He tells me he brings his (rent) check before he sees me with a shovel," Smith laughs.

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A lot of people have asked Smith why she chooses to do what she does. Smith says it's a hard question to answer. After all, the hours are long, the work is hard and the pay isn't great. Even something as simple as a short trip to the grocery store has to be planned.

"There's a lot of things that aren't wonderful about it, but there's so many more that are," she says. "I just feel like I've gained a lot more than I lost."

On the plus side of the ledger she puts "a tremendous amount of personal satisfaction" at the top of the list.

"To me, that's really important. I take a lot of pride in what I do," she says.

Add to that gain, a wealth of knowledge waiting to be tapped.

"These people know a whole lot of things. They have a store of knowledge that you would not believe. They can teach you a lot. Just by talking to them you can learn. That, I think, is the most fascinating thing. ... They've all led just really full, interesting lives and they have a lot to teach you about that," she says.

She does have one worry about her work: "If I get sick or have an accident ... what are they going to do?"

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Like most people, Charles and Ruth Hobbs had expected to live in their own home until they died.

Life has a way, however, of scuttling the best-laid plans.

After 51½ years of marriage, Mrs. Hobbs died in 1986. Five months later, Mr. Hobbs, quite suddenly lost his sight. His blindness, coupled with a severe case of scoliosis, which prevents him from standing for any length of time or walking long distances, made it difficult for him to live independently.

In November 1987, Hobbs moved to Juneau from the California retirement complex where he and his wife had lived to be near his two daughters. It wasn't an unfamiliar place to him, since he and his wife had visited regularly since 1966.

For a while, Hobbs, who is 81, lived with his older daughter and her husband, but it isn't his nature to be dependent on other people, particularly his children. While they're more than willing to care for him, that isn't what he wants.

"It interferes with their regular lifestyle," he says. "I, of course, love them very much and they love me, too."

He knows, however, that it is often difficult for busy, working children to give the kind of care that an elderly parent needs.

For him, Smith's home proved to be the perfect solution to remaining close to his daughters so they could visit frequently and receiving the kind of attention that it's difficult for a working family to provide.

"I like this much better all the way around," he says. "It gives them some freedom and it gives me some freedom. ... I feel very secure this way, which is what I need. If I fell there would be someone here to help me.

"To me it's a real home. I ... enjoy it a great deal. As far as I'm concerned (Linda and Ken) do everything to make you feel at home. ... There's little doubt that all five of us feel very fortunate to have found them. I know I do."

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With each new tenant, the house takes on a new personality.

Some tenants have enjoyed playing cards and working puzzles. The current group prefers visiting, reading and watching television.

Depending on their health, some tenants help with household chores.

She's had tenants who help her cook, make their own beds, fold laundry, plan meals and clear the table. One even taught her how to make bread.

"I had been struggling at making bread for years and it was awful until she lived here. It didn't take her anytime to get me in there and show me how to make bread," says Smith.

While Smith is more than willing to do whatever she can for all of her tenants, she also encourages them "to keep doing what they can do for as long as they can."

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There are about 20 adult foster homes located throughout the state, most of them in southcentral Alaska, says Denny of DFYS.

While there is definitely a need in Juneau for more homes like Smith's -- Denny estimates three or four could be filled easily -- it is not a job that can be done by just anyone.

"We do need homes, but we need the right kind of homes," she says.

Providing foster-home care is a 24-hour-a-day, seven-day-a-week proposition that requires a commitment few people can muster.

On top of that, "you don't make any money," says Denny.

While the state will pay approximately \$26 a day for those unable to pay, that doesn't cover the cost of providing the care. Smith's tenants pay about \$45 a day, with the price depending somewhat on the amount of care they require and on their ability to pay.

By contrast, nursing home care in Alaska runs roughly \$120 a day, says Denny.

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While Smith has a knack for caring for other people's parents, she confesses: "I couldn't take care of my mother - even though I love her."

"I think there's a whole lot of different things involved. They (the tenants) become like my family. They seem like they belong to me, but there's no past history. I just enjoy them for today. I don't have to think of any argument 50 years ago or anything. I think it's a lot more difficult" for children to care for their parents.

Without Smith's home, Dr. Dean Tirador says it's likely he and his father, Pat, who lives at the home, would have moved to Seattle.

"There's just not a spectrum of services available in Juneau. Without Linda, you'd essentially be on your own or in a nursing home," he says.

While his father is unable to live independently, he doesn't require nursing home care.

For both father and son the arrangement with Smith has proven satisfactory.

"I do like it," says Dr. Pat Tirador, who at 94 leads the exercise program for The Bridge and gives Smith a helping hand whenever he can. "Linda is a very nice landlady and she accommodates you very well. I don't have any complaints."

Other tenants echo similar comments.

"It's a good home for everyone in our condition," says Agnes McClellan, 87, who gets around with the aid of a walker or wheelchair. "Linda is very nice to live with. She does everything for us, and she's very kind about it."

Perhaps one of the best tributes to Smith comes from Denny: "Those of us who know Linda think 'I want her to be around to take care of me when the time comes.'"

## RESIDENTIAL CARE (ASSISTED LIVING)

This housing option goes by more names and is perhaps more confusing than any other living arrangement discussed in this report. Whether it's called assisted living, semi-dependent, semi-independent or residential care, it's the same -- private or semi-private rooms in a facility, usually a dozen beds or more, with on-site, 24-hour supportive services and medical supervision. For many seniors, the next step out of residential care is skilled nursing care.

There are very few facilities in Alaska that fit this definition of residential care. The Mary Conrad Center in Anchorage currently has 30 residential care beds, for which it charges about \$1,200 a month, but because of financial problems the owners are applying to the state for permission to convert the residential care beds to skilled nursing care. The facility already operates 60 nursing beds. Although its residential care rooms are full (with a waiting list) and its nursing units have empty beds, Mary Conrad's director, Bob Ogden, says he believes the facility eventually can fill the extra nursing beds. The decision to abandon residential care is "strictly financial," he says. Mary Conrad, which is owned by the Cook Inlet Housing Authority and operated under contract by the Sisters of Providence, charges \$275 a day for nursing care (\$260 for Medicaid patients), almost seven times the daily rate earned on residential care.

Ogden says expensive construction requirements -- more restrictive than required for senior apartments -- added to the new facility's debt and contributed to the downfall of its residential care units. For example, he says, the requirement of non-combustible building materials (metal studs and concrete floors) is excessive. Another problem came with the HUD financing secured for the project. Because of the HUD money, Mary Conrad residents must meet federal low-income guidelines, blocking many middle-income seniors from moving into the facility and paying the full cost for their room and care. Ogden says the owners are looking at ways to get out from under the HUD rules.

Because of the financial problems faced by Mary Conrad with its residential care beds, Ogden says, "No one will build Residential Level II in Alaska after this ex-

perience." Level II is for non-ambulatory persons.

Still, the need exists. A Northern region DFYS worker says she could fill a 40-bed residential care facility in Fairbanks -- if one existed. Senior apartment managers say many of their tenants leave for nursing homes because they no longer can take care of themselves, but what they really need is an assisted-living facility and not an expensive nursing home.

The only other residential care institutions are the Senior Citizens Cultural Center in Kotzebue (20 beds) and the Tanana Elders Residence (16 beds). The Kotzebue facility was built by the state, leased to Maniilaq (a local, non-profit Native corporation) and operated with a state grant. This allows a very low subsidized rent of \$250 a month. The Tanana facility is owned by the U.S. Indian Health Service, leased to the tribal council, which then leases it to the city of Tanana -- which operates the project. Rent is set as a percentage of income, with a maximum of \$540 a month. State grant funds subsidize the facility's operating costs. Perhaps if Mary Conrad had state operating subsidies similar to Kotzebue and Tanana, it wouldn't be bailing out of the residential care business.

Acknowledging that some state involvement will be necessary to promote and maintain residential care facilities in Alaska, and accepting that such a level of care is needed by many seniors who have needs between independent living and nursing care, the legislature and administration need to find an appropriate avenue for state participation. Similar to middle-income housing, perhaps the best alternative is to avoid ongoing operating subsidies, which carry with them cost-control problems and the annual fear of budget cuts. Instead, loan programs to reduce debt service on projects without the tight income limits imposed by federal agencies would be better.

The below-market sale or lease of state lands for residential care projects is another option for helping to reduce development costs while avoiding state operating subsidies. State lands may be sold or leased at below-market rates for public purposes, of which senior housing should qualify.

## WHY SENIORS CHOOSE INDEPENDENT APARTMENTS

Visits to senior apartments in Anchorage, Fairbanks and Wrangell, and interviews with more than 40 senior apartment managers statewide, produced some very clear indications of what seniors like and dislike about existing apartments and the reasons for why they move into the buildings.

The most common reasons for moving out of their own homes and into senior apartments are better housing, including full utilities (the attraction of utilities seemed more common among rural Alaskans). Many cited the problem of home repair and maintenance as a factor that drove them to move into a senior apartment. Location

(near a hospital, health clinic or doctors offices and shopping) and the availability of transportation (near a bus stop) were mentioned as important criteria for a good senior apartment, as was security. A live-in manager, or at least night-time security guards, ranked high on the list of many residents, as did the need for emergency call buttons in each apartment. Some projects operated by regional or community housing agencies have live-in managers or pay for evening security staff, but the Alaska State Housing Authority does not provide either because of the added cost. Money was the other major reason cited by seniors for choosing senior apartments. Most units are subsidized, and although some residents complained about federal income rules, most said they moved into the apartments because the rent was affordable and because there was nothing as safe and well-built available for the same rent on the private market.

Loss of independence was most often cited as the reason for not moving into a senior housing project. Staying in their own home is an option for seniors who can maintain the home, and for others moving in with family may be a preferred alternative to a senior apartment. As much as many seniors select the apartments for the low rent, a few reject the option because they say it costs too much. This reply comes mostly from those seniors who have paid off their mortgage and are paying only the cost of utilities for their current housing. The small size of senior apartments was a frequent complaint, as was the federal rule that requires housing authorities to admit handicapped persons to senior housing projects. HUD requires that the projects be open to seniors and handicapped persons regardless of age. Many seniors object to sharing the apartment buildings with young people with emotional or mental handicaps, saying they are scared of these people and that they can be disruptive. Although housing managers screen all applicants for possible problem tenants and those who need specialized care, some seniors just aren't comfortable with sharing their apartment buildings with the handicapped.

In considering new construction of additional senior

apartments, the following senior citizen comments should be considered:

- Laundry rooms are needed on each floor. Although the buildings have elevators, it is hard for seniors to carry their laundry back and forth down the hall to the elevator and then down another hall to a laundry area, and then make repeated trips to check on the washer or dryer.
- Some seniors say coin-operated laundry machines are better than free-use machines, which can be abused by residents' friends and relatives who take advantage of the free machines by bringing over their own laundry.
- Several projects lack heat in the bathrooms, and seniors complained of cold floors and rules against individual space heaters in the bathrooms. Although there are heat lamps in the ceilings of some bathrooms, seniors said they would prefer a built-in heating unit in the room.
- Some projects were built without overhead lights in each room, and some seniors said it adds to the cost of furnishing if they do not have enough table or floor lamps. Also, they said, overhead light fixtures with wall switches are easier to use when they enter a dark room.
- Larger apartments with more storage space was a frequent request, as were windowsills for plants, more overhead lights in the kitchen for food preparation, and locked, dry storage rooms or pens in the basement so that residents could store large items they do not need for frequent use (such as luggage, seasonal clothes and personal belongings).
- In addition to a meeting room, seniors said the buildings need a craft room for woodworking or other hobbies that would make a mess in the social or meeting room.

## MIDDLE-INCOME HOUSING

The state has built subsidized housing for low-income seniors, but many elderly Alaskans ask: "What about the forgotten middle-income seniors?" An Anchorage senior housing advocate challenges: "You haven't built for these types of people at all."

That is not entirely true. Chugiak and Homer senior apartments were built with state grant funds, and there is no income limit for tenants of those projects. The legislature funds property tax and renter rebates for

senior citizens, and the \$250 a month Alaska Longevity Bonus -- distributed regardless of financial need -- cannot be discounted as an aid to middle-income seniors who may use the money to upgrade their housing.

Still, the vast majority of senior apartments are limited to low-income tenants. Just how many seniors are over-income for the subsidized apartments is uncertain; no one keeps track of applicants denied because their income exceeds federal limits. Senior housing managers

surveyed for this report say some applicants are denied due to their income levels, but it appears to be a problem only in urban areas.

The least expensive way to build senior apartments is with HUD or Farmers Home federal loans and operating subsidies, but the money is attached to a string of income limits. The Alaska State Housing Authority could construct non-subsidized, middle-income housing, but the agency has never looked in great detail at that option, says its executive director. A major question would be whether or not seniors are willing to pay the fair market rents that would be required to cover debt service, operating, maintenance and reserve expenses on such a project. Many seniors may have difficulty in accepting market value rents of the 1980s, because they have grown accustomed to the low mortgage payments of their older homes. Although mortgage payments of \$1,000 a month or more are not a price shock to many young, middle-income Alaskans, housing costs at today's market rates are far in excess of what many seniors are used to paying for their homes.

It doesn't seem smart for the state to take the risk of building a middle-income project and then, if the market cannot sustain it and seniors cannot afford or are not willing to pay the actual costs, have the vacant units become a drain on the state treasury. It makes more sense for the state to encourage private development, such as through loans from AIDEA or ASHA. Both agencies could raise money through bond sales, with the money then available to help private developers and non-profits build middle-income housing. AIDEA does not provide direct loans, but instead may purchase up to 80 percent of a loan

financed through a lending institution, relieving the institution of much of the risk on large loans. Entry into multi-unit housing loans would require a change in AIDEA's lending authority. HUD also has loan guarantee programs that could assist a developer of middle-income housing secure financing.

The state also could assist by filling the gaps in its system of home-based and community based supportive services, such as group and home-delivered meals, homemaker and health aide services and other assistance. Supportive services can be more responsive to the changing needs of individual seniors and seem a better use of state money than direct operating subsidies for middle-income housing. If a middle-income senior housing project can't make it, the owner could change course and market to families or single persons to fill the units and pay the bills. The state's supportive services could continue to stay with the seniors who need the help.

Another advantage of additional supportive services is that they can meet the needs of those seniors who are able to find affordable housing on the open market, but in lieu of a group-living arrangement require at-home services to maintain their independent lifestyle.

It is the support that comes from community- and home-based services and is offered by other seniors living in the same building that many middle-income elderly want, just as low-income seniors share similar benefits in their housing projects. Avoiding the worries of home repair, maintenance, transportation and safety are just as strong incentives for middle-income seniors to seek out apartment life as they are for low-income seniors.

## CONVERSION OF FORECLOSED PROPERTIES

Few people interviewed for this report advocated a return to the cash-grant days of the late 1970s and early 1980s, when millions of dollars were distributed for senior housing projects statewide. The money just isn't there any more. Dick Pryor, who served as housing grants administrator at Community and Regional Affairs from 1982-85, says the lack of sufficient middle-income housing is a gap in Alaska's response to senior housing needs. Incentives to encourage private development is a possible answer, Pryor says. However, he also warns that any program must be administered fairly and without political interference. While the state was passing out money for housing projects in the early 1980s, the department attempted through regulations to require partial loan funding as a match for state grants. The idea was to secure as much federal loan money as possible, and stretch state grant funds to build more units, Pryor says. Some people did not like the loan requirement, and

because of legislative action some cities, such as Homer, built their projects entirely with state grants, while others, such as Wrangell, used a combination of state grants and federal loans.

One last middle income (and upper-income) housing option posed by several people is the possibility of several seniors pooling their resources to build or buy a multi-unit retirement home or complex of housing units. It doesn't appear to be a matter of money with these people as much as they need financial planning assistance, help with development questions, and possibly a go-between to connect them with seniors of similar interests. These jobs could be performed by a state Senior Housing Office. Information and technical assistance would be sufficient state involvement, considering the more pressing needs of low-income seniors.

Can Alaska solve two housing problems with one answer? Can the abandoned condos, duplexes, zero-lot lines and other foreclosed housing units of the state's real estate collapse find new life as senior housing? Yes, no, probably for some and doubtful for others. Yes, some may be suitable, affordable and attractive to private individuals, investors and non-profit groups for adult family care homes, group homes and rentals. No, some are in need of so much repair, so much renovation to make them livable for seniors and so much money to pay the bills that they are not suitable for conversion to senior housing.

"You're overbuilt in the wrong kind of stuff," says a senior housing advocate, unimpressed with the possibility of converting surplus condos to senior housing. Seniors don't want to live in small, poorly built, multi-level condos any more than anyone else, she says.

Not all is hopeless. Duplexes or zero-lot lines can work well for remodeling into adult family care or group-living arrangements, says a family care home owner, because the middle wall can be removed to open a large living area and the extra kitchen can be used for crafts and activities. Remodeling the central garage that separates a duplex -- turning it into a manager's apartment for group housing that uses both sides of the duplex -- also received high marks on the scale of possibilities. The Alaska Housing Finance Corp. will include remodeling work in the sale and financing of its foreclosed units. "Don't let the repairs stand in your way" of making an offer on a foreclosed unit, says AHFC's property disposition officer. The location of foreclosed properties is another plus. Many seniors would prefer to live in a neighborhood with other single-family and small multi-family homes instead of in a large apartment project.

AHFC officials, senior housing advocates, financial planners and state officials say conversion could work in some cases, as long as buyers do a good job of picking and choosing their units, and financing is available for purchasing and remodeling the units. A state Senior Housing Office could assist in making sure remodeling work results in handicapped accessible housing.

AHFC's policy of contracting for remodeling and repair work and then including those costs in the purchase price and mortgage on a foreclosed home should be used to the advantage of those individuals and groups looking for senior group housing. It avoids the need for secondary financing of remodeling costs, resulting in overall lower monthly payments. If there is a duplex or other unit that needs ramps, wider doorways, interior walls removed, grab bars, lower countertops or other remodeling, AHFC will consider offers based on the work as part of the purchase price. Nola Ceder Green, the agency's property disposition officer, says AHFC will get bids for the work, judge them against the offered price and the value of the building with the remodeling in place, and then deter-

mine if it is a fair price for the agency and a good loan for the buyer.

AHFC held more than 4,200 foreclosed properties as of September 1988, with about 1,400 condos, 1,200 single-family homes, almost 400 zero-lot lines, 100 duplexes and almost 1,000 mobile homes. Almost 3,000 of the units were in the Anchorage area, with another 500 in Mat-Su, 350 in Fairbanks, more than 200 in Juneau and almost 150 on the Kenai Peninsula. Any real estate agent in the state can show prospective buyers a list of foreclosed property in their area, Green says. More than 2,000 additional housing units are held by banks, federal agencies (HUD being the largest) and mortgage insurance companies, according to the Alaska Housing Market Council.

There is nothing in AHFC's lending rules to prohibit loans for owner-occupied adult family care homes, group homes or co-op living, as long as the loan meets the normal lending criteria of income versus debt, says Ron Lehr, AHFC Director. Non-owner occupied housing does not qualify for AHFC loans, which would block loans to non-profit groups or developers who want to operate senior group housing or rental units. That is where a loan or loan guarantee program through ASHA, AIDEA or possibly Community and Regional Affairs might be appropriate.

Realtors interviewed for this report say that lack of financing is the single biggest roadblock to private acquisition and management of foreclosed housing. The Alaska housing market has not been blessed with the confidence of lenders and mortgage insurers during the past few years, and many appear reluctant to get involved in untested housing loans, says a former banking official. "It makes it doubly hard for anybody to get anything out of the ordinary," he says. That's where a loan guarantee program for group homes could help relieve much of the risk from lenders, and strong use of AHFC-financed remodeling could help reduce annual debt service payments -- making the loans more manageable for borrowers.

It's always easier to learn from actual experience, and proponents of converting foreclosed property for senior housing should learn a lot from a pilot project that will use the same housing for chronically mentally ill persons. The legislature last year appropriated about \$2.5 million for the pilot project, with the first group homes scheduled to open in February 1989. The money was appropriated to the Division of Mental Health and Developmental Disabilities, which will transfer funds to the Alaska State Housing Authority, which will search for appropriate foreclosed properties in each community. As explained by mental health officials, the division will select grantees to operate the non-profit group homes. The grantees will work with ASHA to select properties for conversion and the housing authority then will offer grantees several properties for consideration. In addition to paying for the

properties, the legislative funding will be used for remodeling expenses. The properties will be deeded to the grantees for their use, as long as they remain in the program. Operating funds for the group homes will be handled separately, with the division expecting to pay about \$1,400 per month per bed (much more than the state is willing to pay for adult foster care beds).

The division expects the \$2.5 million will pay for housing acquisition, remodeling expenses and operating funds for about 75 chronically mentally ill persons. The statewide need is estimated by the division at between 1,000 and 2,000 persons.

The pilot program is moving ahead with its review of foreclosed properties. Large single-family homes, condos, zero-lot lines and multi-family dwellings are on the shopping list, according to mental health officials. The legislative intent was to look at taking foreclosed properties off the market, relieving some of the downward pressure on real estate prices. "That's what we intend to do," says Gary Mandzik, who is working on the project for mental health. The ASHA employee assigned to help select properties for the project is not convinced that condos are such a good idea. She says the long-term commitments of condo ownership, including monthly fees, homeowners association membership rules and owner/occupancy limitations, make condos unsuitable for conversion to group housing.

AHFC and federal housing loan agencies generally require that owners occupy at least 70 percent of the units at a condo project, and if the project falls below that percentage it is no longer eligible for state or federal housing loans. Too many renters is a bad sign for a condo project, the agencies say, and they don't want to make

loans on a project that may be failing or dropping in value. Alaska Permanent Fund Executive Director Dave Rose believes it would be in the best interest of government agencies that hold a lot of foreclosed condos, such as AHFC, to waive the 70 percent owner/occupancy rule to exempt senior housing from the total. Such an exemption would make it more feasible for block ownership of condo units, Rose says, and some projects may be suitable for public-use housing.

Officials of National Partnership Management, a Washington state developer of low-income and senior housing projects nationwide, express similar reservations about condo conversions. Unless the company were able to buy an entire condo project, it might face objections and conflicts from neighboring unit owners. Patricia Carow, of National Partnership, also cited the owner/occupancy rules as a limitation on condo conversion. The company's preference, she says, would be to find a small condo project of about 16-20 units and take over the entire operation, thereby eliminating many of the problems of shared ownership with other individuals at the project.

As for converting several duplexes or other housing units for senior housing, National Partnership believes the units would have to be located close together for the projects to be feasible. Any senior housing project needs an on-site manager and regular maintenance, Carow says, and if the units are spread out the management work becomes "a real headache." The company sees the best possibility as several multi-family buildings clustered together, such as several fourplexes next door. National Partnership owns or manages 5,400 low-income and senior housing units in the Lower 48 and Alaska (Kodiak, Palmer, North Pole, Ketchikan, Homer, Cordova and Kenai).

## COMMUNITY NEEDS

Should money become available, several communities already are waiting in line for new senior housing. More than \$23 million in applications are on file at Community and Regional Affairs, says housing section grants administrator Kay Graham. Although the senior housing grant program ran out of money in 1985, communities that have filed applications in hope of future funding include:

- Anchorage; Cook Inlet Housing Authority, 45 units; \$4.5 million.
- Anchorage; Meridian Living (community non-profit organization), 35 units; \$3.5 million.
- Haines; City of Haines, 18 units; \$1.5 million.
- Homer; Homer Senior Citizens Inc., 24 units; \$2.062 million.
- Kake; Tlingit-Haida Housing Authority, 12 units; \$1.2 million.
- Nenana; Interior Regional Housing Authority, 15 units; \$750,000 in state funding to accompany \$1.393 million already approved from HUD.
- Palmer; Alaska State Housing Authority, 45 units (later reduced to 30 units); \$2.7 million.
- St. Mary's; City of St. Mary's, 8 units; \$800,000.
- Stebbins; City of Stebbins, 15 units; \$1.5 million.

- Yakutat; Tlingit-Haida Housing Authority, 14 units; \$1.4 million.

Although no state grant or senior-citizen-only loan funds are available, there may be \$1.2 million in unused grant money that could be reallocated to a new project, Graham says. \$1.2 million in construction grant funds was previously allocated for a Tlingit and Haida Housing Authority project in Angoon. The project called for the city of Angoon to lease land to Tlingit and Haida for the building on a 50-year term, but the city balked at the lease terms as required by HUD (the federal agency was to have assisted in financing the project and paying rental subsidies). The Angoon project apparently is at a standstill, Graham says, and Community and Regional Affairs could take back the \$1.2 million by administrative action and award it to another project or projects by competitive selection.

Just as senior housing advocates are hoping for state financial assistance, they also are looking toward the federal government for help. HUD has been contacted by several communities and private developers looking for funding and operating subsidies for senior housing projects in Alaska, says Anchorage HUD official Arlene Patton. In addition to the Alaska Housing Authority's Palmer application and the Interior Housing Authority's proposal for Nenana, Patton says the Bristol Bay and Aleutian housing authorities have asked about HUD financing.

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As part of this report, the Older Alaskans Commission wrote every city and regional housing authority in the state, asking for information on community needs assessments. Based on the replies to that request and information from HUD and Community and Regional Affairs, we prepared the following list.

### Aleutian Housing Authority

The housing authority already operates a 14-unit senior apartment building at St. Paul and wants to build a 20-unit project at Sand Point. Looking for HUD financing, the authority originally requested money through the public housing authority program, but this year is changing its request to the Indian housing program. The Sand Point project is estimated at \$2.5 million to \$3 million. Officials say the primary reason for going after HUD financing is the accompanying operating subsidy that the federal agency provides. "The project would not operate on its own. They are traditionally low-income families out here." Sand Point was selected for its central location to several Aleutian villages.

### Bristol Bay Housing Authority

The authority currently operates a senior project at Dillingham, and two years ago submitted an application to HUD for funding for Naknek. The Naknek application was rejected due to lack of funding. The village of Togiak recently approached the authority for assistance in developing senior housing for that community.

## Homer

The non-profit community group that operates the existing 24-unit senior apartment building in town is seeking funding for a 24-bed addition for residential care. The group received a 1984 state grant for land acquisition and planning for the addition, but has been unable since then to obtain state funding for construction.

## Interior

There has been a lot of recent activity among proponents of senior housing for Interior villages. A 1987 report was prepared for Denakkanaaga Inc., which was established in 1983 to serve as the elders' organization for Athabascan Indians. The 1987 report reviewed health care needs of village elders and found "that both homemaker/chore services and home health care services were not available in sufficient quantity to meet the needs of the rural elderly population." The report recommends increased funding for these supportive services because they meet the day-to-day needs of the elderly living in their home villages, and "because the absence of such services can be very costly." In addition to recommending increases in training and funding for supportive services, the report found that demand on the Tanana Elders Residence facility soon will exceed its ability to house village elders and planning should begin for additional residential care beds to serve the Interior. One suggestion is the opening of small "personal care homes" located in regional centers. The homes, as recommended, would accommodate three to five seniors, and are proposed for Fort Yukon, Tok and Galena.

The Tanana Chiefs Conference in June 1988 proposed several recommendations dealing with long-term, non-institutional care for village elders. Among the recommendations were:

- Repairing and upgrading seniors' homes to reasonable standards. Quality housing is essential if seniors are to remain in their villages, the report says.
- Increased homemaker and health aide services in villages.
- Development of small, personal care group homes for each region's seniors in Fort Yukon, Galena and Tok, where regional health clinics already are located. It is estimated that each home for four or five seniors would cost \$200,000 to construct or purchase and renovate, with operating expenses at \$25,000 per year per resident.

The Denakkanaaga board of directors in June 1988 adopted several resolutions on senior housing, including recommending construction of a community residence for elders in Kaltag and support for the regional personal care homes as proposed by the Tanana Chiefs Conference.

## Interior Regional Housing Authority

The authority does not currently operate any senior housing, but is getting close. It has purchased land, done soil tests and hired an architect for a 15-unit senior apartment building at Nenana. HUD has reserved \$1.383 million in construction money, and federal rental subsidies would be included if the authority can find the \$750,000 in additional construction funds it needs to complete its budget. Nenana does not have any low-income senior housing. The Upper Tanana Development Corp. of Tok has asked the regional authority for help in planning a senior housing project for that community, and the authority last year submitted an application to HUD for senior housing at North Pole. The application was rejected due to a lack of proven need, and the authority now is gathering more housing applications and letters of cooperation from the city and borough to support a new request to HUD.

## Juneau

A survey conducted by the Juneau Commission on Aging in December 1988 showed that the most desirable housing option for seniors who no longer could live at home would be an independent-living apartment building, similar to the existing state housing authority project in town. However, unlike the state-operated apartments, seniors said they would prefer housing without any income restrictions -- which means no federal operating subsidies to hold down costs. Middle-income housing also showed up as a common request, for those who could not qualify for low-income housing, as did the need for nurseries and a cafeteria on site. Second to independent living was the option of residency at the new Pioneers' Home.

## Kenai

An April 1988 feasibility study and schematic design for the city of Kenai recommended construction of a 40-unit senior apartment building, at an estimated cost of \$6.364 million. The facility, as proposed, would offer more services than independent apartments, but less than residential care. The report stated: "There is a strong need for housing which offers services beyond independent living. Several seniors who do not qualify for subsidized housing desire affordable living arrangements." The report also noted that many seniors responding to the needs assessment survey said "they do not want this project to be a subsidized housing project with governmental financial restrictions for occupancy." The report's draft budget for the 40-person residential center assumes full grant funding for construction costs; there is no debt service in the budget. Rents would vary from \$400 a month for an efficiency apartment to \$525 for a two-bedroom unit. The proposal includes a six-person residential care unit, at the rate of \$1,200 per month per person.

## Palmer

A June 1988 elderly housing needs assessment study for the city of Palmer says 44 senior housing units could be used immediately in the Matanuska-Susitna Borough. That number was based on survey results that showed 44 seniors (8.7 percent of survey respondents) "would seriously consider senior housing." Seniors responding to the

survey said they would prefer two-bedroom units, along with single-family homes or small, multi-unit buildings. The survey results placed "affordable" rent for senior housing in the range of \$200 to \$400 a month.

## Pilot Station

The community of 450 wants a senior housing project to keep its elders in town, instead of making them leave for senior housing in urban areas. Mayor Richard Oney says there are 15-20 seniors in town, with at least half a dozen willing to move into senior housing. Oney says the housing also is needed for women who are abused or thrown out of their house when their husbands drink too much. Because of the low-income status of Pilot Station residents, the housing would have to be subsidized, he says. Oney adds that if more supportive services were available, such as cutting firewood and carrying water, more seniors would be able to stay in their own homes longer.

## St. Mary's

The community of 500 people in the Lower Yukon area has been working for the past four years to obtain state funding for a 15-bed senior housing/nursing home/health clinic. It would be operated by the city, working with Sisters of Providence of Anchorage, says St. Mary's Mayor Frances Thompson.

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## WHAT PRIVATE DEVELOPERS ARE DOING

Federal loan programs are available for private developers to build and operate low-income housing, and although most public housing in Alaska is operated by public authorities and non-profits, there are several real estate partnerships in the market. A few operate senior low-income housing.

The four local real estate partnerships that operate senior housing in Alaska (as listed in the existing housing section of this report) are small and operate only the one senior project in their home community.

Among larger low-income housing developers, Frantz Development Co., of Hayden Lake, Idaho, already operates half a dozen low-income housing projects in Alaska (subsidized by the Farmers Home Administration), and is looking to expand its presence in the state. The real estate partnership is considering new low-income housing projects in Sitka and Seward. Marty Frantz says the applications for Farmers Home loan and operating subsidy money will be for a mix of senior and family housing. "I know there's a demand for senior housing up there," Frantz said, "but trying to get those seniors to talk is tough." It is essential to prove a need for new housing to secure federal financing, and Frantz has found Alaska seniors

reluctant to sign survey forms indicating a need for senior housing. The company expects to submit an application soon to Farmers Home for its proposed Sitka project. None of its existing Alaska projects are senior-only.

National Partnership Management, of Bellevue, Wa., also operates low-income housing in Alaska (10 projects here and about 5,400 units nationwide). The company is looking to expand in Alaska and is collecting letters of interest from Ketchikan area seniors to support its application for a federally-financed senior housing project in that Southeast community. Patricia Carow, of National Partnership, says the company wants letters from 50 seniors before it will apply for financing for a 25-unit project. The project would offer independent apartments, with no support services. Carow says the company believes senior housing is not financially feasible in Alaska without government rent subsidies, such as offered by HUD and Farmers Home. Private financing is hard to get without at least a government guarantee on the loan, she says. National Partnership believes a live-in manager and regular maintenance are essential, and any project must be large enough to support the expense of such full-time staff. None of the company's 10 Alaska projects are seniors-only.

At the higher-income range of senior housing, "continuum of care" is commonly used these days by private developers active in the middle- and upper-income senior housing markets. The idea is to offer seniors a living situation where they can remain as they get older and need more care. They can start in semi-independent living, with meals, housekeeping and occasional personal care assistance, and then gradually, as needed, receive more services through full, 24-hour personal attendant care with intensive medical supervision (skilled nursing or hospice care can be brought in by the residents at their own cost). These residential care centers do not come cheap, especially when compared to the subsidized rates of Alaska's Pioneers' Homes.

Such a facility is Regency Park in Portland, Ore. Opened in 1987, Regency Park was built by private developers -- with an attractive public bond loan -- and offers 127 apartments for seniors. After more than a year, the project is about 85 percent full. Rents range from \$1,375 a month for the least intensive level of care in a studio apartment to \$2,434 a month for the highest level of care in a one-bedroom apartment with a den. Health care is not

included in these fees.

Marriott Corp. recently announced plans to open six "catered living" communities within the next two years, at sites across the country. The projects will cater to seniors who want independent living, but need medical supervision. Each center will have about 100 suites, ranging in rent from \$1,200 to \$3,000 a month. A significant one-time deposit also will be required.

Nationwide, there are financing and marketing problems with life-care communities and other such large-scale, multi-service retirement centers. Realistically, those problems make it unlikely that such a facility would ever be constructed in Alaska. The huge capital cost of such facilities dictates that they be large -- the average size is in excess of 300 residents, says the American Association of Homes for the Aging. Alaska just isn't big enough to fill a 300-bed facility. Health care and personal care costs are high, limiting the centers to high-income seniors. A New Jersey facility reports its medical and nursing care costs exceed Medicare coverage by about \$6,000 a resident per year.

## PRIVATE FOUNDATIONS

There are several private foundations involved in senior housing issues nationwide, with grants funds available for pilot projects and start-up funding for new programs. Although we did not find any Alaska groups to have received such grants in recent years, the work that is funded by these foundations can benefit Alaska's senior housing programs. And, Alaskan organizations are eligible to apply for direct funding from the programs. A sampling of private foundations that fund senior programs includes:

### Robert Wood Johnson Foundation

The Robert Wood Johnson Foundation has funded a \$4 million initiative designed to help senior housing agencies get past the "bricks and mortar" stage of subsidized housing. Selected state housing finance agencies this year will begin a three-year effort to design and implement supportive service programs for seniors living in subsidized housing projects, using the foundation's \$4 million in grant funds as seed money. The pilot projects will concentrate on assisting elderly persons who have aged in place and require more support to remain in their independent living apartment. The foundation expects that after its grant money runs out in three years, the extra cost of the new supportive services will be paid by the state housing agencies or other housing offices. The programs will include more training of housing managers and staff to help them cope with the needs of elderly residents. Tenants also may be asked to pay fees for some services, based on their income, to help meet expenses not covered by the grants.

### Fred Meyer Charitable Trust

The Fred Meyer Charitable Trust offers grants under its Aging and Independence program, designed to promote the well-being of seniors and helping them live outside institutions. Although no Alaska agencies have received grants in the first four years of the program, Alaskans are eligible to apply under the program's guidelines that provide funding for projects that:

- Support the family as the primary provider of care for the elderly.
- Demonstrate new ways to provide services that enable elderly persons to remain in their own homes.
- Promote easier and fuller access for seniors to existing services.
- Harness volunteer and para-professional talents for senior services.
- Address the special needs of isolated seniors and minority elders.

### Kaplan Cooperative Development Fund

The Kaplan Cooperative Development Fund (based in Washington, D.C.) offers pre-development loans "to support housing cooperatives and related services for older persons." The fund is part of the National Cooperative Business Foundation, and its loans are available for low- and moderate-income senior housing projects. Applicants

must show that other matching funds have been or will be received for the project in order to qualify for the loans. The Kaplan Fund describes eligible cooperative housing projects as those owned by the residents of the units.

### Housing Assistance Council

The Housing Assistance Council is a national non-profit corporation funded by federal grants to assist in the development of housing for rural low-income people. The

council provides seed money loans for new projects, technical assistance, research, training and information services to public, private and non-profit housing agencies. Applications may be made to the Washington, D.C. council for help in land acquisition, zoning, water and sewage systems and engineering matters connected with rural housing development. Assistance in applying for federal loans and operating subsidies is available, as is training in federal housing programs.

## STATE AND FEDERAL AGENCIES

### U.S. Department of Housing and Urban Development

HUD is the largest player in government financing of senior housing. It provides direct cash funding, loans, loan guarantees and operating (rental) subsidies under several different programs aimed at low-income tenants, nursing homes, private developers and public and Indian housing authorities. Subsidy money, however, does not come without strings. Senior housing built with HUD money must adhere to federal income guidelines. In Alaska, that means a single person's annual earnings may not exceed \$24,150 for a low-income project. For those projects classified for the very low-income, the maximum allowable annual income is \$15,500 to \$21,750, depending on the community. If seniors earn above those figures, they are ineligible for the housing. Rent is set at 30 percent of a tenant's adjusted gross income.

The largest senior housing program operated by HUD is Section 202, offering direct loans for housing of the elderly and handicapped. Non-profit organizations may apply for long-term, low-interest loans, with operating subsidies available to allow rents tied to tenants' income. Projects financed under this section are open to seniors at least 62 years old and handicapped persons between 18 and 62 years of age.

Arlene Patton, of HUD's Anchorage office, says Section 202 loans will not pay for some of the amenities desired by many senior housing advocates, but non-HUD money may be combined with federal financing to cover those portions of the project. Patton says the program should be considered particularly attractive for senior housing proponents because of its direct loans instead of loan guarantees; because of the operating subsidies that accompany Section 202 senior housing; and because non-HUD money can be used to pay for supportive services not covered by the HUD money. Residents could pay the HUD-prescribed percentage of their income as rent, and then pay separately for additional supportive services.

In addition to offering operating subsidies for low-income projects, HUD also offers mortgage insurance for middle-income housing. The concept behind the insurance is that the federal guarantee can be used to encourage private lenders to participate in moderate-income

housing development, without taking all of the risk of an uninsured loan.

In addition to the direct aid of Section 202 loans, other HUD programs offering senior housing assistance include:

- Federal mortgage insurance for cooperative housing (Section 213). HUD insures mortgages made by private lending institutions for cooperative housing projects of five or more units to be occupied by members of a non-profit, cooperative housing corporation. New construction, purchases of existing units and rehabilitation costs may be covered under the program.
- Federal mortgage insurance for multi-family housing (Section 207). HUD insures mortgages made by private lending institutions for the construction or rehabilitation of multi-family rental housing by private or public developers. Housing financed under this program must offer "reasonable rents." The program is open to investors, builders and developers.
- Federal mortgage insurance for multi-family rental housing for moderate-income households (Section 221(d)(3) and (4)). Public agencies, non-profits, cooperatives, private developers and investors are eligible for this program, which uses federal mortgage insurance to encourage private lenders to finance construction or rehabilitation of rental and cooperative housing for moderate-income tenants.
- Technical assistance and seed money loans to non-profit sponsors of low- and moderate-income housing (Section 106). In addition to technical advice, HUD offers start-up loans to cover 80 percent of preliminary development costs. Current regulations limit this program to those non-profits sponsoring housing for the elderly and handicapped.
- Rental assistance payments (Section 8) are available to low-income and very low-income households. Under the program, HUD makes up the difference between what a low-income household can afford to pay for rent and the actual fair market rent for the housing unit. The program allows tenants to choose their own

housing on the private market from among those rental units approved for the program by HUD. Many senior housing projects funded under the Section 202 loan program are included in the Section 8 rental assistance program.

- Mortgage insurance for all income levels of housing for seniors and handicapped people (Section 231) allows HUD to back loans made by private lending institutions. HUD may insure up to 100 percent of project costs for non-profits and public agencies, and up to 90 percent for private developers. Investors, developers, public agencies and non-profits are eligible for the program, which covers new construction and rehabilitation of existing units.
- Mortgage insurance for nursing homes, board and care homes and intermediate care homes (Section 232) is offered to private developers, public agencies and non-profits. Loan support is limited to nursing homes of 20 or more beds, or board and care homes of at least five beds. Equipment needed to operate the homes may be included in the loan package. Adult family care homes (foster care) may qualify under this program.
- Several other programs are aimed specifically at public housing authorities and Indian housing authorities. Technical assistance, operating subsidies and construction money are offered under the programs.

Patton says HUD funding is based on need, not just want. "Applicants must show a need for new housing," she says. "Where there is such a glut of housing, need becomes an important factor," she says of those areas in Alaska with hundreds of vacant housing units. She says the agency is reluctant to fund new construction in those areas and instead would prefer to spend its money financing acquisition and remodeling of existing housing. The reluctance to fund new construction does not apply to rural areas of the state with a shortage of decent housing, Patton says.

#### **U.S. Farmers Home Administration**

Farmers Home operates a loan and rental subsidy program (Section 515), which assigns senior housing as its top priority. The program is offered only in rural cities (under 20,000 population), eliminating Anchorage, Fairbanks and Juneau from the program. Still, the rest of the state can participate in the 50-year, low-interest loans and rental assistance that sets rents for low-income seniors at 30 percent of their income.

Although the program is open to private developers, government agencies and non-profit organizations, developers usually do not enter the program because of limited return on their investments and tight federal controls, said Ron Abbott, of Farmers Home Alaska office in Palmer. Just as with HUD financing, a big hurdle in obtaining Farmers Home money is proving that the new housing is needed, says Abbott.

Senior housing projects have been built in Wrangell, Petersburg and Kenai under the program, which has about \$2 million in loans available in fiscal 1989 for Alaska, plus matching rental assistance for 30 units of new construction, Abbott says. Farmers Home had a similar \$2 million appropriation available for Alaska last year, but it went unclaimed. There was no need for new housing due to the glut of units already available on the depressed market, Abbott says. No one even bothered to apply for the fiscal 1988 funding, he says, adding that there were no serious inquiries into last year's money because no applicant could justify the need for new construction and apparently no one was willing to take the risk.

Just as with HUD, Farmers Home funding is subject to congressional appropriation, so there is no guarantee that Alaska will be allocated \$2 million annually in subsequent years. "The rental assistance is what we're really short of," Abbott says, noting that a senior housing project may be constructed with Farmers Home loan money and then subsidized with HUD rental assistance. Or, project developers may charge full rent to pay their operating expenses if federal rental assistance is not available.

In past years, Abbott says, there appeared to be little interest in the loan program because of the easier availability of state grant funding -- which comes without the income limits imposed on tenants of federally financed projects. He expects that will change, now that state funding is much tighter. State funding may be combined with Farmers Home loan funds, he says, which is what happened with the Wrangell senior project built by a local non-profit organization.

Private developers are looking at possible projects in Sitka, Seward and Ketchikan for fiscal 1989 funding, Abbott says. Seward would be the most likely to get in its application this year, because it already is in the agency's pre-application stage for a 24-unit, low-income project (split evenly between one-bedroom and two-bedroom units). The project would not be limited to seniors, but they would be eligible if they met the income guidelines.

#### **Alaska Housing Finance Corporation**

AHFC's role in home loan financing is mostly limited to owner-occupied dwellings, taking it out of the running for many senior housing projects. Still, adult family care (foster care) homes and cooperative group homes where the owner lives on the premises could qualify for AHFC loans. The agency's main role would be that of a supplier and seller of foreclosed properties for use as small senior housing projects.

The agency will consider making repairs or remodeling its properties and then rolling those costs into the final purchase price, allowing buyers to pay back the costs as part of the long-term mortgage instead of a separate, short-term secondary loan on the property. This could be helpful to adult family care and group home operators

who face the high cost of remodeling foreclosed properties to meet senior living needs.

### **Alaska State Housing Authority**

ASHA uses HUD money to subsidize the rents at its low-income housing projects, and adds to that federal funding the option of state bond sales to finance new construction. ASHA operates 13 senior housing projects statewide, with more than 670 apartments for independent living. It does not provide supportive services or operate residential care facilities -- its job is low-income, independent housing. In addition to senior housing, ASHA operates dozens of low-income family housing projects across the state.

The agency could sell bonds to build non-subsidized, middle-income senior housing, says Ray Price, ASHA executive director, but he questions if the elderly would be willing or could afford to pay the high rents required to pay the mortgage on new construction. He also says it's difficult to consider any new middle-income construction at this time, looking at the over-supply of housing already on the market.

ASHA's other role in senior housing could come from helping non-profits finance their own, local projects. The state agency could sell revenue bonds and then loan the bond proceeds to a non-profit for financing of senior housing. Rental receipts earned by the non-profit would be used to repay the ASHA loan, with the agency then using the income to pay off the bonds. This arrangement was put together for financing a low-income housing project at Eagle River, Price says, but it is feasible only if the non-profit organization is able to secure HUD loan guarantees for the project. "We wouldn't do that unless there was a guarantee," he says.

### **Alaska Department of Community and Regional Affairs**

DCRA operated a cash grant program for senior housing, but legislative funding ran out in 1985. Despite the four-year drought, 11 applications are on file from communities hoping for state grants for senior housing projects. The department could possibly take back \$1.2 million in unused grant funds from a proposed Angoon project that has stalled over a land lease dispute. If the money is retrieved, says Kay Graham, of the department's housing section, it could be awarded by a competitive proposal process to other cities ready to build senior housing construction.

The department's Rural Development Division administers a HUD-financed rental rehabilitation program for Juneau and Fairbanks that could be used by senior housing landlords. HUD limits the program only to those communities ineligible for Farmers Home funding, meaning Anchorage, Fairbanks and Juneau. Since the Municipality of Anchorage receives HUD rental rehab loan money directly, the state has just Fairbanks and Juneau to administer. Funds are very limited, with about \$81,000 a year available at 3 percent interest for rental rehab projects in the two cities. Property owners must match the loan money 50-50 with other funds to qualify for the assistance, and their units must be rented to low-income tenants. DCRA has asked HUD to expand the program to other cities in the state.

DCRA also administers the state's housing weatherization program. About \$4.6 million is available for the 1988-89 contract year (ending March 31) from federal and state sources. The demand for weatherization work far exceeds funding, says Toy Owen, of the department's Rural Development Division. "We could probably run a \$10 million a year program," he says. This year's \$4.6 million will pay for work on about 2,000 units. Seniors (age 60 and older) and the handicapped receive first priority for the funding, Owen says. The department contracts with the Municipality of Anchorage, Tanana Chiefs Conference, RuralCAP and other non-profits to do the work, with assistance limited to those persons who meet federal income limits. Work is limited to \$1,600 per housing unit. The biggest problem facing the popular program is the reality of losing its largest single contributor. Almost half of this year's money comes from Alaska's share of a federal settlement of a national oil price overcharge case against Exxon. That money will end next year, and unless replacement funds are forthcoming from state or federal treasuries, the weatherization program will have to severely cut back its annual workload, Owen says.

### **Alaska Industrial Development and Export Authority**

AIDEA cannot handle housing loans; commercial loans are its only business. In the senior housing market, nursing homes, semi-independent care facilities and other commercial ventures could be eligible for AIDEA loans, says Executive Director Burt Wagnon. The agency does not make direct loans; instead, prospective borrowers first must sell their proposal to a private lending institution and then AIDEA may purchase up to 80 percent of the loan from the lender. This reduces the risk to the lender and makes the loan more attractive, Wagnon says.

## WHAT OTHER STATES ARE DOING

Many aspects of other states' senior housing programs would not apply to Alaska, because of the limited population and small market here. Still, many ideas are worth considering, even if they have to be "Alaskanized" to fit the 49th state.

### Joint state and federal funding for mixed-income housing

The New Jersey Housing and Mortgage Finance Agency sold \$5.5 million in tax-exempt bonds to help finance construction of a large housing project that will include some senior housing units. In addition to providing loan money, the housing agency gave the developers a \$1 million Affordable Housing Program grant, securing a promise that 100 of the 162 units would be reserved for low- to moderate-income households, including seniors and handicapped persons. In return for the grant and low-interest financing, the developers had to promise to keep the low- and moderate-income units for at least 25 years, rather than raise the rents and earn more from high-income tenants. The combined \$6.5 million in state loan and grant money helped the developers win more than \$4.2 million in federal housing development funds to complete financing for construction of the project.

### Renovation of unused buildings for senior housing

A former convent in Maryland was remodeled to provide 24-hour supervised living for 15 frail seniors, avoiding the problems of moving the people to an expensive nursing home away from their neighborhood. The city provided \$26,000 for planning, made zoning changes and provided bus service; the county gave \$250,000 for remodeling, with another \$20,000 from private donations. The church donated the building.

A 55-year-old grand hotel in downtown Dayton, Ohio, was purchased by a private developer after it had been closed for 10 years. The developers remodeled the building into 230 units of federally subsidized independent housing for low- and moderate-income seniors. In addition to using the old hotel rooms, the developer had a lot of surplus space available from the old ballroom areas.

Working with the city and local seniors, the developers donated 12,000 square feet to the Downtown Senior Citizens Center on a 20-year agreement for use as a central kitchen for federally-funded senior meals, offices and health screening facilities. Clinic space was donated free of charge to a hospital, which agreed to provide health services.

A combination housing project, senior center and commercial development grew out of a failing shopping center in Colorado Springs, Colorado, in the mid-1980s. Owners of the shopping center donated the property to the city in 1984 and the city responded by putting \$400,000 of federal grant funds into the facility, along with \$400,000 raised by local seniors from private sources. The large grocery store was converted to a senior center and the smaller stores were filled up with vendors supplying goods and services of primary benefit to seniors. The city then assisted a non-profit organization in securing a HUD loan to construct a senior apartment building in the shopping center's former parking lot.

### Financing options

Colorado provides financing for senior housing projects through the sale of bonds by the state's housing finance agency, but the agency's attention to the aging-in-place needs of seniors makes it unusual in its lending practices for independent apartments. The agency's loan program takes special care to allow for larger apartments and facilities for group meal service and supportive services, so that residents are not forced out of the housing as their health needs change and they require more services.

The North Carolina housing finance agency offers qualifying non-profit organizations help in the form of up-front appropriations for land, architectural and engineering fees and the use of a reserve fund for construction cost and operating overruns on senior housing projects.

Connecticut offers developers an incentive to obtain federal aid; state money is available to reduce construction costs for each low-income unit built in a project that includes federal dollars.

# SENIOR HOUSING SURVEY

## SENIOR HOUSING AND SUPPORT SERVICES: AN ASSESSMENT

Alaska's senior population - age 65 and older - is one of the fastest growing age groups in this state although these seniors represent the smallest senior group in the nation. As a result Alaska has the distinction of having both the smallest and the fastest growing elderly population of any state.

Current estimates by the Alaska Department of Labor place Alaska's 1987 senior population at 19,194 (Table 1). That means Alaska's senior population has grown by 66

percent since 1980. If Alaska's population continues to age as projected, it is possible Alaska's age 65 and older could double in the next 15 years.

As Alaska's overall population ages or "grays" several questions come to mind. How satisfied are seniors with their current housing? What support services/programs allow seniors to remain in their own homes? If seniors decide to move, does adequate housing exist to accommodate their needs?

### Research Design

To help answer these and other questions regarding senior housing, a questionnaire was developed by the Older Alaskans Commission (OAC) and mailed to a random selection of 2,018 seniors throughout Alaska who receive the Alaska Longevity Bonus. This sample population was selected from 17,743 who received the Longevity Bonus in October of 1988. Longevity Bonus recipients were selected as the sample population because these seniors represent roughly 94 percent of the estimated senior population in Alaska.

Special assistance by OAC staff, OAC Project Directors and city officials was provided to those seniors with questions or required help in completing the questionnaire. In addition,

the questionnaire was translated into Yupik by OAC Project Directors in specific areas. Other assistance was provided by the Senior Voice and city/village newspapers which ran special articles describing the project and encouraging seniors to complete and return the questionnaire.

Of the 2,000 questionnaires mailed, 36 percent or 720 questionnaires have been returned to date. It should be noted that the response rate for each question varies; consequently missing data (where seniors chose not to answer a question) reduced that number (N = 720) for different questions.

Table 1  
ALASKA'S SENIOR POPULATION

Borough and Census Areas	1987 Age 65+ <sup>1</sup> Population Estimates		Questionnaires Mailed	
	Seniors	Percent	Number	Percent <sup>2</sup>
Anchorage Borough	6,782	35.3	661	33
Fairbanks North Star Borough	2,208	11.5	244	12.1
Kenai Peninsula Borough	1,654	8.6	152	7.5
Matanuska-Susitna Borough	1,488	7.8	160	7.9
Juneau Borough	1,233	6.4	126	6.2
Ketchikan Gateway Borough	782	4.1	86	4.3
Bethel Census Area	611	3.2	63	3.1
Wrangell-Petersburg Census Area	474	2.5	44	2.2
Sitka Borough	473	2.5	2	2
Yukon Koyukuk Census Area	436	2.3	42	2.1
Kodiak Island Borough	405	2.1	41	2
Valdez-Cordova Census Area	395	2	46	2.3
Nome Census Area	375	1.9	58	2.9
Dillingham Census Area	261	1.4	49	2.4
Northwest Arctic Borough	256	1.3	40	2
Skagway-Yakutat-Angoon Census Area	227	1.2	29	1.4
Wade Hampton Census Area	230	1.2	30	1.5
Southeast Fairbanks Census Area	212	1.1	21	1
Prince of Wales-Outer Ketchikan Census Area	198	1	28	1.4
North Slope Borough	190	1	19	.9
Haines Borough	150	.8	19	.9
Aleutian Islands Census Area	116	.6	14	.7
Bristol Bay Borough	37	.2	5	.2
<b>Total Number (N) of Seniors</b>	<b>= 19,194</b>		<b>N = 2,018</b>	

1 Source: Alaska Dept. of Labor, Research and Analysis

2 Percent of total number of questionnaires mailed (N = 2,018).

Questionnaire recipients selected from ALB list for October 1988 (N = 17,743).

## Summary of Senior Housing Survey

The senior housing questionnaires returned to date have provided the Older Alaskans Commission a beginning point in understanding senior housing in Alaska - where seniors live; how they feel about their present housing; what community support services are important; and what housing alternatives they would choose. While caution should be used in generalizing the results of this study to Alaska's overall senior population, the OAC's findings provide a beginning point in understanding housing needs which ultimately should lead to the formation and development of sensible housing policy for our seniors.

The findings of this study are presented below:

- Almost 50 percent of the seniors in this study fall within the 65 to 69 age range;
- Forty-seven percent are male and 52 percent are female;
- The greatest percentage of seniors reported personal income between \$10,001 and \$20,000; Social Security, savings/investments and retirement benefits are the chief sources of income for these seniors;
- Sixty-five percent of the seniors in this study live in single-family homes;
- Those seniors who live in single-family homes generally have lived in those homes for more than 10 years and have lived in their respective communities for much longer (over 20 years);
- Seniors who reside in housing other than single family homes (e.g., apartments, mobile homes) generally have lived in their homes for less than 10 years -- however, like those seniors who live in single family homes, these seniors have lived in their communities for a much longer period of time;
- Over 70 percent of the seniors in this study were found to own their homes, 20 percent pay rent and 1.7 live with children or relatives;
- As would be expected housing costs vary across different Alaskan communities, but those costs appear to be within seniors present means;
- Seniors present housing costs may affect their perception of housing costs in general; that is, seniors may experience "price shock" when considering housing alternatives;
- Seventy-seven percent rated their present housing as either "excellent" or "good";
- Those seniors who appear most dissatisfied with their housing live in single-family homes in small, rural villages (Level I communities);
- Factors which result in a high degree of housing satisfaction are: privacy, rooms with many windows, enough living space for needs, close to people, housing costs, security, recreational facilities nearby, well insulated homes, little yard maintenance and, where applicable, building managers;
- The single most important housing factor, however, is privacy;
- Community supportive services play an important role in helping seniors remain in their homes; the top five services are: doctors services, property tax relief, senior citizen centers, public health clinics and public/senior transportation;
- Loan programs for home modification and equity conversion generally do not have wide appeal among persons answering the survey; seniors living in villages (Level I communities) and small towns (Level II communities) did show interest in weatherization programs;
- For the most part, seniors do not "plan" to move from their present housing; when presented with housing alternatives, however, seniors (with the exception of those living in Level I communities) generally chose "independent senior apartments," "ECHO Homes" and "Congregate Living Facilities (residential care)" in that order;
- Seniors living in Level I communities chose "ECHO Homes" as the most preferred housing alternative;
- Factors such as income, sex and health do not appear to change the housing choices of seniors.

The above results show that Alaska's seniors are generally very satisfied with their housing, and, for the most part, "plan" to live in their homes as long as possible. These seniors generally prefer private, independent living situations regardless of age, sex, income and health. When asked to select among different housing alternatives most seniors predictably chose those options which allowed them the most privacy and independence.

## Findings

### Age and Sex

Combined data for age and sex is presented in Table 2 for those seniors who have returned questionnaires to date. A comparison of this data with current Alaska

Department of Labor census information indicates that, overall, this sample (N = 720) is fairly representative of seniors in Alaska with the exception of those aged 80+.

Table 2		
	1988 OAC SENIOR HOUSING STUDY Percent	ALASKA DEPT. OF LABOR 1987 CENSUS ESTIMATES Percent
<b>Age</b>		
65 to 69	49.4	43.3
70 to 74	29.2	26.2
75 to 79	15.1	16.7
80+	6.3	13.8
<b>Sex</b>		
Male	47.3	46.9
Female	52.7	54.5

This may be explained, in part, by the finding that seniors in the 80+ group were more likely to return the questionnaire unanswered. These seniors gave their age

and indicated the questions were neither applicable to their situation nor were they willing to move from their present housing.

### Ethnic Background

The ethnic backgrounds of seniors in this study are shown in Figure 1 and are proportionately similar to that found in a previous study conducted in 1984 by the OAC. In that study, Longevity Bonus recipients (total sample

= 9,897) were asked similar questions regarding housing, community support services and personal information about themselves.

### Marital Status

More than 50 percent of the seniors in this study reported they were married (58.4), 27.4 were widowed, 8.8 percent were divorced, 3.7 never married and 1.7 were separated. This compares to the 1984 CAC study

which found that 55 percent were married, 30 percent were widowed, 9 percent were divorced, 4 percent never married and 2 percent were separated.

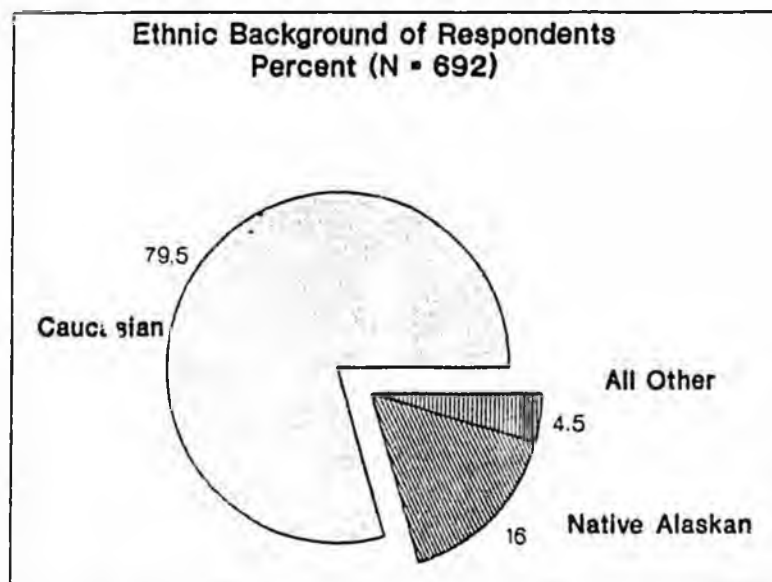


Fig. 1

### Income and Income Sources

Figure 2 shows personal income and Table 3 shows the sources of that income for seniors participating in this study. While income here refers only to personal income (does not include all sources such as a spouse), the income reported is comparable to the total income (all sources)

reported in the 1984 OAC study described above. As can be seen in Figure 2, the greatest percentage (32.3) of seniors fall within the \$10,001 to \$20,000 range while about 25 percent of the seniors in this study fall between the \$5,000 to \$10,000 range.

Table 3	
Income Source	Percent
Social Security	89
Savings/Investments	51.4
Retirement Benefits	50.7
Spouse	21.2
Work	15.7
Adult Public Assistance	11.4
Other Family Members	3.2

### Community Levels

The OAC's approach to long-term planning relies on the ability to identify communities by "levels" - these levels are defined by certain characteristics (e.g., population, government, economic development, transportation). The following analysis of senior housing utilizes

both the OAC's planning approach to identifying communities by levels and summary data. Levels, community type and number of questionnaires returned from each level is shown in Table 4.

Table 4		
Level	Community	Questionnaires Returned
Level I	Village	87
Level II	Small Town	43
Level III	Sub-Regional Center	70
Level IV	Regional Center	134
Level V	Urban Center	386
		N = 720

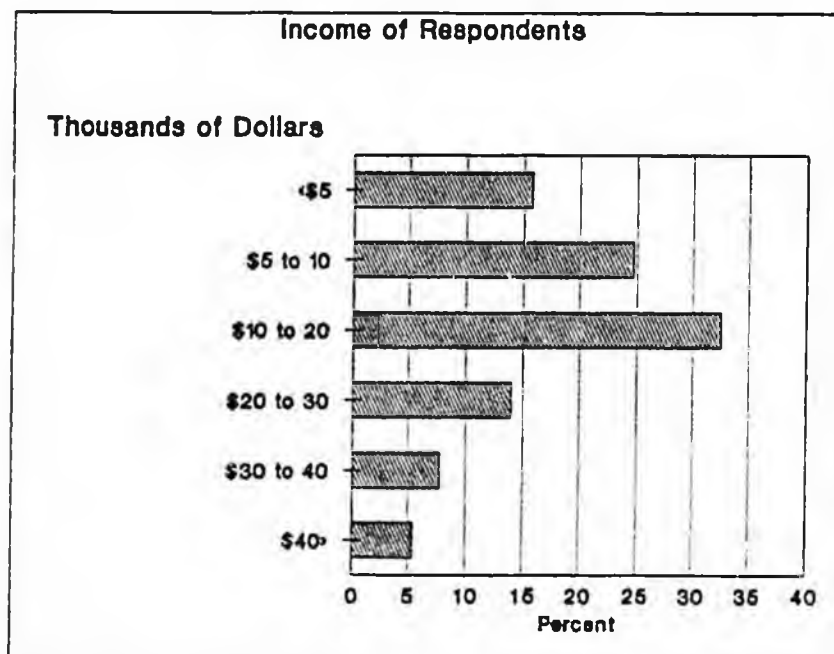


Fig. 2

A description of each level can be found in the Commission's State Plan For Services To Older Alaskans (1988), and examples of communities that fall under each level are shown below.

- Level I: Anaktuvuk Pass, Eagle, Hydaburg, Tanacross, Whittier, Pedro Bay, Ruby, St. Paul, King Salmon
- Level II: Angoon, Naknek, Fort Yukon, Haines, Skagway
- Level III: Cordova, Homer, Petersburg, Wrangell, Dillingham
- Level IV: Barrow, Bethel, Kenai/Soldotna, Nome, Ketchikan, Palmer/Wasilla, Kodiak, Kotzebue
- Level V: Anchorage, Fairbanks, Juneau

### Housing

Sixty-five percent (N = 468) of the 720 seniors who participated in this study to date reported they live in single-family homes (Figure 3). This finding is fairly typical of senior housing patterns. A 1986 study by American Association of Retired Persons (AARP) for example, showed that of 1,500 seniors surveyed nationwide in 1986, 70 percent lived in single-family homes.

Of the 468 seniors who live in single-family homes, 45 percent reported they had lived in their homes over 10 years and 38 percent reported having lived in their homes over 20 years. These seniors also reported they have remained in the communities where they presently reside for many years as well. Only 2.3 percent of these seniors reported living in their community for less than one year compared to more than 50 percent who reported residing 20 years or more in their community.

Sixty-nine percent of those seniors who live in apartments, mobile homes, townhouses, duplexes and multiple unit buildings have resided less than 10 years in their homes. Like seniors who live in single-family homes, however, these seniors reported an attachment to their community. Over half of these seniors reported living in their communities 20 years or more.

Written comments by seniors suggests that children and relatives play an important role in keeping seniors in their communities. Fifty percent reported children lived nearby and 58 percent indicated relatives lived nearby.

Overall, 78.3 percent own (or are buying) their homes. Twenty percent rent, and 1.7% do not pay rent. Those seniors who do not pay rent live with their children or relatives.

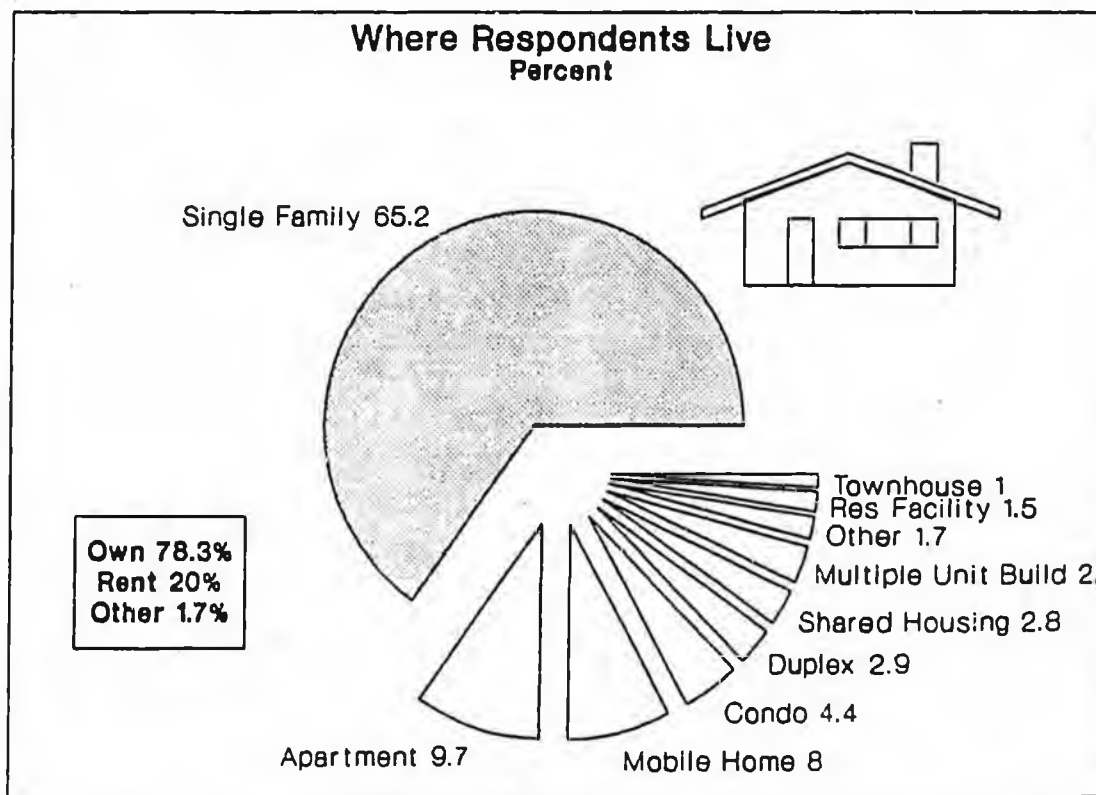


Fig. 3

### Housing Costs

Figure 4 shows monthly housing costs across different Community Levels (I to V). Table 5 shows the percentage of seniors who fall within each income level,

and Figure 6 shows seniors' satisfaction with their housing costs; that is, whether they feel their housing costs are affordable.

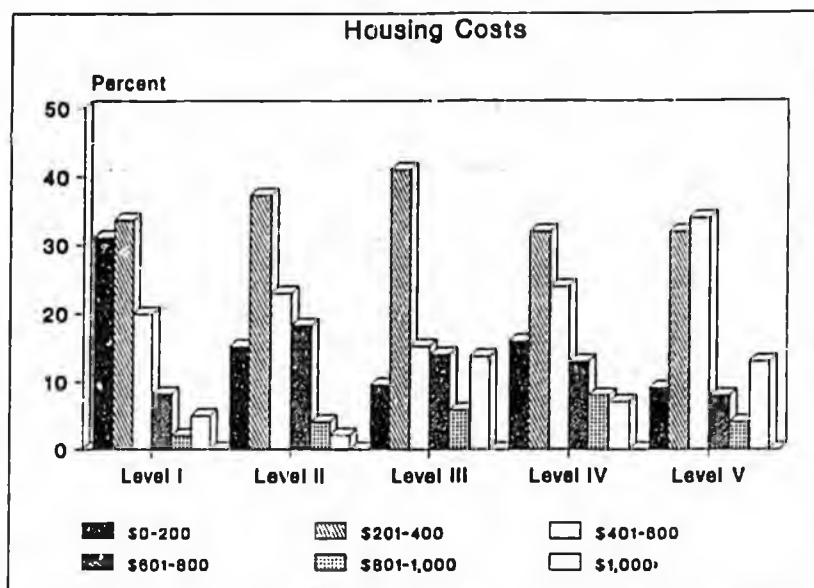


Fig. 4

Income Level	I	II	III	IV	V
<\$ 5,000	37.9	20	6.1	4.8	9.7
\$ 5,001 - 10,000	18.4	32.5	24.5	28.2	19.8
\$10,001 - 20,000	31.1	23	30.7	43.8	33.5
\$20,001 - 30,000	3.4	15	24.5	9.6	17.4
\$30,001 - 40,000	6.9	7	8.1	7.2	9.7
\$40,001+	2.3	2.5	6.1	6.4	9.9

Housing costs (Figure 4) vary across different community levels. For example, a majority of Level I seniors pay between \$0 and \$400 compared to over 60 percent of Level V seniors who pay between \$201 to \$600 per month. Figure 5 suggests these seniors feel their housing costs are within their means. Although further research is

necessary, housing costs/income ratios for seniors in this study may be proportionately smaller than housing cost/income ratio paid by seniors who have not lived in their own homes for many years. This could mean that some seniors may face "price shock" once they decide to seek alternative living situations.

### Housing Satisfaction

Overall seniors are satisfied with their housing. Thirty-four percent rated their housing as "Excellent" and 42.7 percent rated their housing as "Good" (Table 6). In regards to different communities, Levels I through IV generally reflect this overall satisfaction although a

small percentage of seniors reported some dissatisfaction at all levels (Figure 6). Level I seniors, however, reported the highest percentage of housing as either poor or bad - those seniors were found to live in single family homes.

Excellent, Very Satisfied	34.3
Good, Satisfied	42.7
Fair, Somewhat Satisfied	16.3
Poor, Not Very Satisfied	3.9
Bad, Not Satisfied At All	2.8

Seniors appear satisfied with their homes based on certain housing characteristics. As can be seen in Table 7 satisfaction ranges from a low of 76 percent for "Extra

Shelves" to 96 percent for "Privacy" suggesting these seniors are generally content.

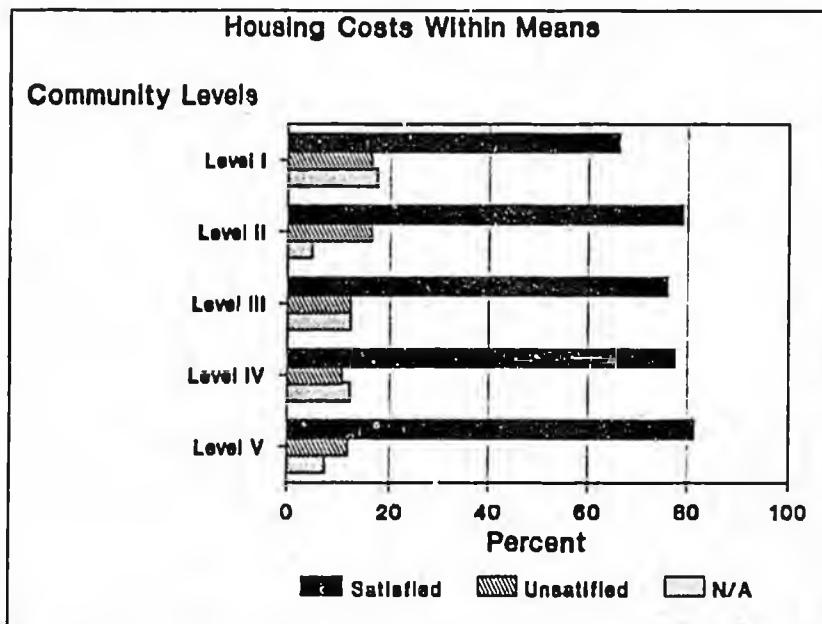


Fig. 5

Housing Factors	Percent Satisfied
Privacy	96
Many Windows	92
Enough Living Space For Needs	89
Close To People	88
Housing Costs Within Means	86
Security	85
Enough Kitchen Space	85
Recreational Facilities Nearby	82
Well Insulated Home	82
Storage	80
Yard Requires Little Maintenance	77
Extra Shelves	76
Building Manager Does Good Job	76

### Importance of Community Support Services

Seniors rated 20 community services ranging from property tax relief to information/referral services as either "Not Important," "Somewhat Important," "Important," "Very Important" or "N/A" (not applicable). For the purposes of this analysis, responses were combined for three categories ("Somewhat Important," "Important" and "Very Important") and compared against whether they were "Not Important" or "N/A." Table 8 summarizes this comparison.

Doctor's services, property tax relief, senior citizens centers and public health clinics appear to top of the list of important community support services. Seniors also rated senior and public transportation, information referral, adult protective services, hospital outreach, legal assistance, shopping assistance, group meals, home health aide/nurse and homemaker/chore service as important although a greater proportion of seniors rated these services as not applicable (N/A) to their situation.

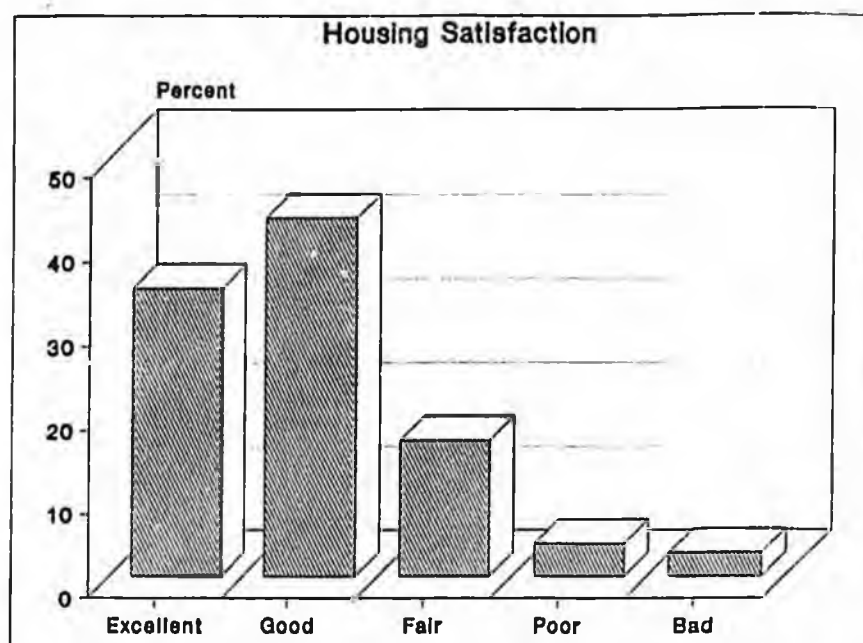


Fig. 6

**Table 8**  
**Importance of Community Services (Percent)**

Service	Important	Not Important	N/A
Doctor's Services	69.5	8.2	22.3
Property Tax Relief	67	8	25
Senior Citizen Center	53.4	14.6	32.1
Public Health Clinic	49.6	13.8	36.6
Senior Transportation	38	18	44
Public Transportation	37.9	16.8	45.3
Legal Assistance	34.3	18.4	47.3
Hospital Outreach	34.5	15.6	49.9
Information/Referral	36.1	13	50.9
Adult Protective Services	32.3	15.1	53.5
Shopping Assistance	27.9	21.1	51
Group Meals Program	27.1	22.3	50.6
Home Health Aide/Nurse	25.1	21.3	53.6
Homemaker/Chore Services	23.5	22.1	54.4
Home-Delivered Meals	20	23.5	56.5
Personal Care Attendant	17.8	22.6	59.6
Renters Rebate	14	10	76
Adult Day Care	14	22.1	63.9
Respite Care Service	13.1	21.3	65.6
Alcohol/Drug Treatment	11.9	23.1	65

#### Loan and Weatherization Programs

Seniors were asked whether they would or would not consider using different loan and weatherization programs to help them remain in their homes. Of the four programs described in the questionnaire (Low Interest Loans, Equity Conversion, Modification Loans, and Weatherization), a weatherization program appeared to have

the greatest appeal. Thirty-two percent indicated they would consider using such a program. Those seniors who indicated the greatest interest were found to reside in Level I (56 percent) and Level II (65 percent) communities.

### Housing Choice

If seniors were to move, what housing alternative(s) would they choose, and what housing factors would affect their choice?

Seniors were presented with six different housing alternatives and asked to decide whether they would or would not consider moving to them. These housing alternatives were:

**Independent Senior Apartments:** A building complex which houses seniors in independent apartments. There are no social or health supportive services provided by the building management.

**Congregate Living Facility:** A larger (10 to 50 units) social residential facility where seniors pay rent for a private efficiency apartment. Seniors would be able to receive some support services as part of their monthly rent, such as meals and housekeeping. Seniors could also receive different levels of personal and health care as needed (but not skilled nursing home-type care).

**ECHO Homes:** A separate, self-contained house near the home of your adult children or other relatives or friends.

**Shared Housing: Two Options**

1. Sharing your home with one or more persons who are

not relatives and who pay you rent.

2. Moving into a home shared by one or more unrelated persons where you pay rent.

**Adult Home Care:** A private home, other than with a relative, where you live with a family and/or other seniors, have a private room and are provided meals and personal care assistance for a monthly fee.

**Senior Group Home/Cooperative:** A home operated by a non-profit organization or by a private individual for up to six seniors who require some minimal assistance with daily living activities, but who do not require nursing home care. Each resident has their own room; each resident pays a monthly fee; and each resident may contribute time toward joint household chores.

Figure 8 summarizes seniors interest in the above housing alternatives. As can be seen, Independent Senior Apartments, Echo Homes and Congregate Living Facilities are the most popular with more than 60 percent indicating they would consider these options. Seniors were less likely to chose Adult Home Care and Senior Group Homes. Almost 70 percent indicated they would not consider Adult Home Care, and 65 percent would not consider Senior Group Homes. Not shown in Figure 7 is data for Shared Housing since only a few indicated they would consider this alternative.

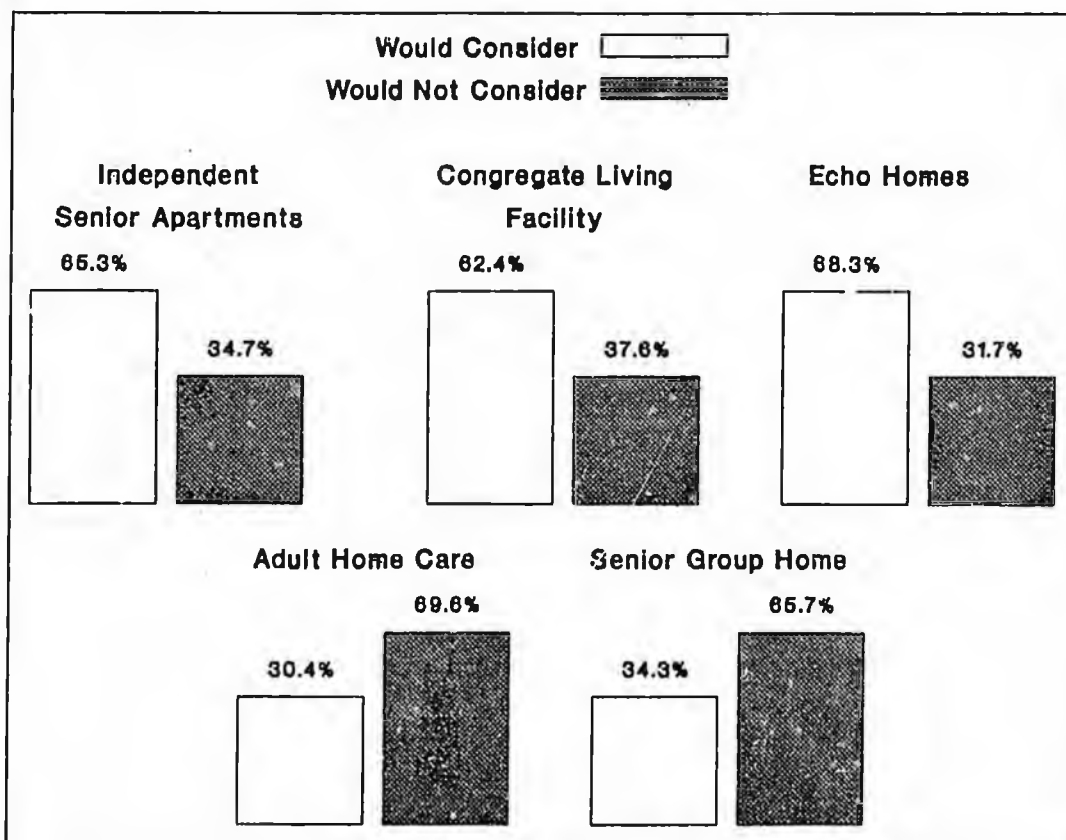


Fig. 7

Seniors were also asked to describe housing alternatives they would choose different from those presented. Generally, seniors indicated they would prefer to remain in their own homes or move to smaller, detached homes near community services, family and friends.

Which of the six housing alternatives (Independent Senior Apartments, Congregate Living Facility, Echo Homes, Adult Home Care, Senior Group Home, and Shared Housing) would seniors most likely choose if they were to move?

Figure 8 shows those housing alternatives most pre-

ferred by seniors across different community levels. Seniors were found to prefer Independent Senior Apartments, ECHO Homes and Congregate Living Facilities in that order for Levels II through V. A greater percentage of Level I seniors prefer ECHO Homes over Independent Senior Apartments and Congregate Living Facilities. The small percentage of seniors selecting Shared Housing, Senior Group Homes and Adult Home Care suggest these alternatives are least preferred as a first option. Table 9 shows the percentage of seniors falling within different age groups under each of the five community levels shown in Figure 8.

Age	I	II	III	IV	V
65-69	45.5	56.5	56.2	47.4	51.2
70-74	25	21.7	37.5	30.3	31.7
75-79	20.5	8.7	5.7	15.7	15.1
80+	9	13.1	.6	6.6	2

It should be noted that the housing preference found in this study is fairly representative of seniors choices regardless of such factors as income, sex and perceived health. For example, when housing choice was compared

by income and age, seniors housing preference across Levels I to V did not vary appreciably when compared to the choice data shown in Figure 7.

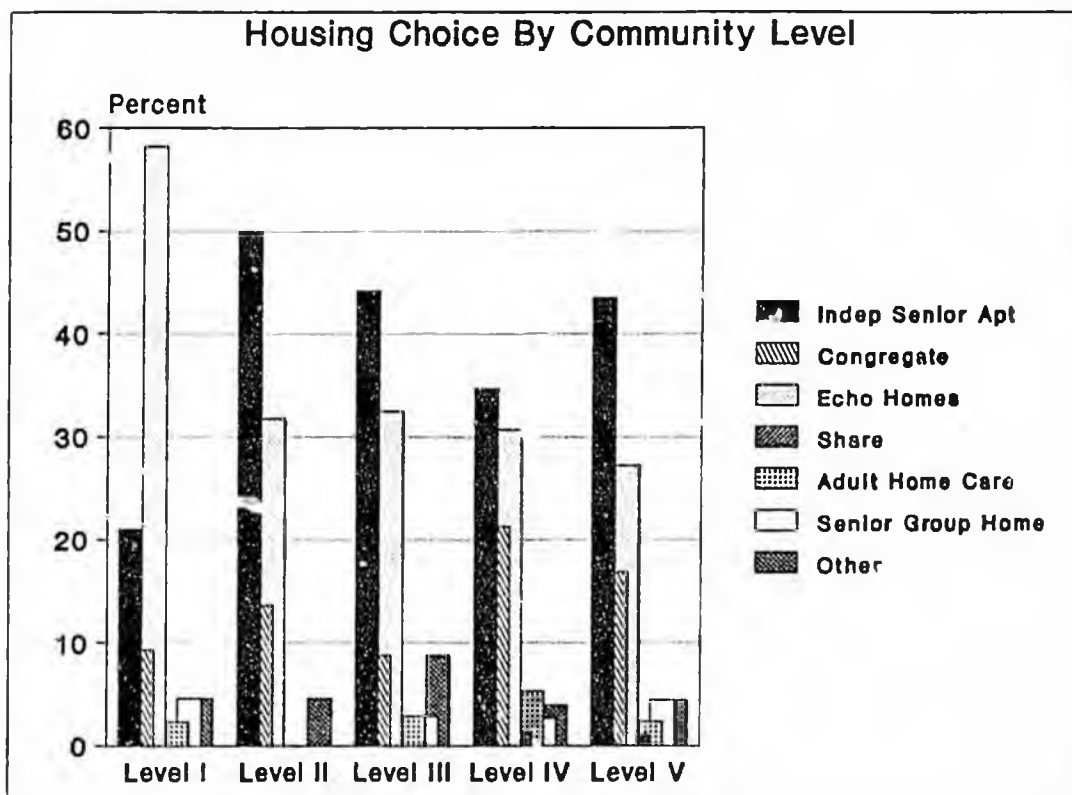


Fig. 8

## METHODOLOGY AND SOURCES

This report is based on more than 1,200 hours of staff time at the Older Alaskans Commission; computer analysis of more than 700 responses to a statewide survey of senior citizens; interviews with more than 60 senior housing managers, state and federal officials and senior housing advocates; and visits to half a dozen senior housing projects across Alaska, including in-person interviews with the tenants.

Included in the research material reviewed for this report were the following articles, booklets, government and private-sector reports, surveys and community assessments on senior citizen housing needs and alternatives:

"A Home Away from Home: Consumer Information on Board and Care Homes;" a 1986 report of the Consumer Affairs Department of the American Association of Retired Persons.

"A Tale of Two Cities: An AARP Investigation on How Two States Regulate Board and Care Homes;" from the Consumer Affairs Department of the American Association of Retired Persons.

"Alaskans Statewide Housing Needs Study;" a March 1983 report prepared for the Alaska Department of Community and Regional Affairs.

"Almost 30 Years Old, Section 202 (HUD) Presses On;" from the July/August 1988 issue of Perspective on Aging magazine of The National Council on the Aging.

"Can States Rescue Housing for Older Americans;" from the July/August 1988 issue of Perspective on Aging magazine of The National Council on Aging.

"Chronic Health Care Needs of Native Village Elders in Interior Alaska;" a 1987 report for Denakkanaaga Inc. and Tanana Chiefs Conference.

City of Kenai feasibility study and schematic design for a congregate housing facility in Kenai; April 1988.

"ECHO Housing: Recommended Construction and Installation Standards;" a 1984 report from the American Association of Retired Persons.

"Elderly Housing Needs Assessment Study;" a June 1988 report for the City of Palmer, by the Matanuska-Susitna Borough Planning Department.

Fred Meyer Charitable Trust; 1987-88 annual report.

Governor's Housing Conference papers from a September 1988 Alaska Housing Market Council conference.

Governor's Interim Commission on Health Care; 1988 report to Gov. Steve Cowper.

Housing Assistance Council, Housing Programs for Rural America; 1986 report of the Washington, D.C. organization.

Housing for the Elderly Seminar; held in March 1988 and sponsored by The American Society on Aging.

Housing Report; published monthly by the American Association of Retired Persons; articles included ECHO homes, independent apartments, home modification and conversion, and private foundation grants.

"Housing Task Force Report: Stabilization of the Housing Market;" a March 1988 report from the Alaska Housing Market Council.

Housing the Elderly Report; published monthly by CD Publications, Silver Spring, Maryland.

Keynotes; the fall 1988 issue of the New Jersey Housing and Mortgage Finance Agency's public report.

Senior Assisted Group Environment (SAGE) Homes; a February 1988 model prepared by the Older Alaskans Commission.

Senior Housing News; a regular publication from the National Institute of Senior Housing.

"The Adaptable Home: Design and Cost Considerations;" a 1987 publication from the University of Florida Department of Architecture.

"The Doable Renewable Home: Making Your Home Fit Your Needs;" a 1985 publication from the American Association of Retired Persons.

Transamerica Life Companies Retirement Report; November 1988.

United States Conference of Mayors; 1988 report on senior housing.

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**APPENDIX**

1 IN THE SENATE

BY DUNCAN, KERTTULA, FAHRENKAMP,  
ZHAROFF, RODEY, SZYMANSKI, AND  
STURGULEWSKI

2

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 150

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act establishing a senior housing office and loan  
7 program in the Department of Community and Regional  
8 Affairs; and authorizing the issuance of bonds for  
9 senior housing."

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

11 \* Section 1. AS 18.55 is amended by adding a new section to read:

12

ARTICLE 2A. SENIOR HOUSING BONDS.

13

Sec. 18.55.475. BONDS FOR SENIOR HOUSING. Under the procedures  
14 of AS 18.55.140 - 18.55.200, the authority may issue bonds the pro-  
15 ceeds of which shall be deposited in the senior housing revolving loan  
16 fund administered by the senior housing office under AS 44.47.585 -  
17 44.47.609.

18

\* Sec. 2. AS 44.47 is amended by adding new sections to read:

19

ARTICLE 9A. SENIOR HOUSING OFFICE.

20

Sec. 44.47.585. SENIOR HOUSING OFFICE. There is established in  
21 the department a senior housing office. The office shall promote a  
22 comprehensive response to the needs of senior citizens for adequate,  
23 accessible, secure, and affordable housing in the state. In order to  
24 fulfill this purpose, the office may

25

(1) study the needs of senior citizens in the state for  
26 housing to meet their needs;

27

(2) seek funding from appropriate sources for the develop-  
28 ment of housing alternatives for senior citizens;

29

(3) administer the senior housing loan program;

1 (4) cooperate and coordinate with other public and private  
2 agencies, including the Older Alaskans Commission and the Alaska State  
3 Housing Authority, to respond to the housing needs of senior citizens;

4 (5) offer public education programs to increase the aware-  
5 ness of alternatives to large residential facilities for senior citi-  
6 zens;

7 (6) provide information to senior citizens to help them  
8 understand their financial alternatives related to homes they might  
9 already own and to help them coordinate with other senior citizens in  
10 finding housing alternatives, including information and coordination  
11 on home equity conversion and home sharing; and

12 (7) disseminate information to construction contractors to  
13 educate them about remodeling projects that would meet the needs of  
14 many senior citizens for accessible and secure housing.

15 Sec. 44.47.587. SENIOR HOUSING REVOLVING FUND. The senior  
16 housing revolving fund is established in the department. The revolv-  
17 ing fund consists of appropriations made to the revolving fund by the  
18 legislature, the proceeds of bonds sold under AS 18.55.475, money or  
19 other assets transferred to the revolving fund by the department, and  
20 unrestricted payments on loans made or purchased by the department.  
21 Amounts deposited in the revolving fund may be pledged to the payment  
22 of bonds for senior housing or used for making, purchasing, or partic-  
23 ipating in

24 (1) senior housing mortgage loans;

25 (2) loans made for building materials for senior housing;

26 (3) loans made for renovation or improvement of or for  
27 senior housing;

28 (4) loans under AS 44.47.605; and

29 (5) loans made for the construction of senior housing.

1           Sec. 44.47.589. OPERATING LOSS RESERVE ACCOUNT. (a) There is  
2 established an operating loss reserve account for the purpose of  
3 meeting legal expenses incurred through the foreclosure of senior  
4 housing properties acquired by the commissioner under AS 44.47.370(6)  
5 and making repairs to these properties so that they may be sold to new  
6 buyers.

7           (b) The operating reserve loss account consists of money appro-  
8 priated by the legislature. To the extent that money is paid out of  
9 the operating loss reserve account for the purposes stated in this  
10 section, this money shall be replaced with money received as interest  
11 on loans authorized by AS 44.47.587.

12           Sec. 44.47.591. SECURITY FOR LOANS. The commissioner shall  
13 adopt regulations in accordance with the Administrative Procedure Act  
14 (AS 44.62) establishing acceptable security for loans originated or  
15 purchased in whole or in part under AS 44.47.587.

16           Sec. 44.47.595. FIRE INSURANCE. Before purchasing or partic-  
17 ipating in the purchase of a senior housing mortgage loan, the office  
18 may require the borrower to agree to purchase and maintain fire insur-  
19 ance for the real property for which the loan is made in an amount not  
20 less than the outstanding principal balance of the loan.

21           Sec. 44.47.597. LOAN ORIGINATION AND SERVICING. (a) Before  
22 purchasing or participating in the purchase of a senior housing loan,  
23 the office shall enter into a loan servicing agreement with the pri-  
24 vate financial institution from which the loan is to be purchased.

25           (b) The office may execute service agreements with private  
26 lending institutions or with regional native housing authorities  
27 established under AS 18.55.996 to service loans originated by the  
28 office.

29           (c) Under the servicing agreement, the private financial

1 institution or the regional native housing authority shall administer  
2 the loan and may charge the office a negotiated origination or  
3 servicing fee on the office's share of the loan. When appropriate, the  
4 private financial institution or the regional native housing authority  
5 may also charge the borrower a reasonable origination fee not to  
6 exceed one percent.

7 Sec. 44.47.599. APPRAISALS. Before originating or purchasing or  
8 participating in the purchase of a senior housing mortgage loan, the  
9 office may have or may require the borrower to have an appraisal made  
10 of the fair market value of the real property, including structures on  
11 the real property, for which the loan is made. In conducting an  
12 appraisal under this section, the appraiser shall give full value to  
13 insulation and other features of construction in structures on the  
14 real property that add to the energy efficiency of the structures.

15 Sec. 44.47.601. TOLL-FREE TELEPHONE NUMBER. The office shall  
16 arrange for and maintain a toll-free telephone number for the office  
17 so that private financial institutions and their borrowers may contact  
18 the office from any location in the state by telephone without a toll  
19 charge.

20 Sec. 44.47.603. ASSISTANCE BY OFFICE PERSONNEL. (a) The office  
21 may establish field offices under this chapter, may hire one or more  
22 lending officers, and, under AS 36.30 (State Procurement Code), may  
23 contract for the services of

24 (1) real property appraisers who are familiar with con-  
25 struction of senior housing; and

26 (2) engineers who are familiar with engineering problems in  
27 arctic and subarctic regions.

28 (b) The personnel described in (a) of this section may make  
29 visits to provide preconstruction and post-construction inspections of

1 real property for which loans are originated or purchased by the  
2 office in whole or in part under AS 44.47.587 and to provide assis-  
3 tance to private financial institutions and their borrowers. Author-  
4 ity for final approval of loans may not be exercised by the personnel  
5 described in this section.

6 Sec. 44.47.605. COOPERATIVES. The funds appropriated or made  
7 available under AS 44.47.585 - 44.47.609 may be used by the office to  
8 make

9 (1) character loans, not exceeding \$2,000 for each  
10 dwelling, to residents or cooperatives for the improvement,  
11 conversion, or construction of dwellings for occupancy by the  
12 residents or members of the cooperatives who are senior citizens;

13 (2) loans for moderate-cost or rental senior housing facil-  
14 ities and senior housing projects to public agencies, or private  
15 nonprofit or limited dividend corporations, or private corporations or  
16 cooperatives organized under AS 10.15 that are regulated or restricted  
17 by the office (until the termination of all loan obligations to it) as  
18 to rents or sales, charges, capital structure, rate of return, and  
19 methods of operation to the extent and in the manner that provides  
20 reasonable rentals to tenants and a reasonable return on the invest-  
21 ment; loans to cooperatives may be made for up to 85 percent of the  
22 appraised value of the housing facility but may not exceed the  
23 replacement cost of the facility.

24 Sec. 44.47.609. DEFINITIONS. In AS 44.47.585 - 44.47.609,

25 (1) "office" means the senior housing office established  
26 under AS 44.47.585;

27 (2) "senior housing" has the meaning given "senior citizen  
28 housing" in AS 44.47.620(e).

1 IN THE HOUSE

BY ULMER AND HUDSON

2

HOUSE BILL NO. 218

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act extending the authority of the Alaska Housing  
Finance Corporation to assist in the development of  
senior citizens' housing; and providing for an effective date."

7

8

9

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

11

\* Section 1. AS 18.56.100(b) is amended to read:

12

(b) Consistent with AS 18.56.090, the corporation may make  
temporary and permanent loans from the housing development fund, at an  
interest rate or rates determined by the corporation, and with the  
security for repayment that is necessary and practicable, to purchase,  
make, or participate in the making of mortgage loans

13

14

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16

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(1) to borrowers for loans to develop, build, repair,  
remodel, or rehabilitate residential housing for senior citizens and  
their spouses that is used and occupied as congregate housing; or

18

19

20

(2) that are not federally insured or guaranteed for residential housing, if the corporation determines that the loans are not otherwise available, wholly or in part, from private lenders upon reasonably equivalent terms and conditions.

21

22

23

24

\* Sec. 2. AS 18.56.100 is amended by adding new subsections to read:

25

(1) The corporation shall use money in the housing development fund to reduce the interest payable by borrowers who develop housing for senior citizens and their spouses under (b)(1) of this section. The corporation may reduce the interest rate on a loan entered into under (b)(1) of this section and this subsection to one percent less

26

27

28

29

1 than the interest rate payable on the corporation's bonds issued under  
2 AS 18.56.110 - 18.56.170 for development of the project. If a project  
3 developed by a borrower with a reduced interest subsidy made under  
4 this subsection ceases to be used for senior citizen congregate hous-  
5 ing, the corporation shall adjust the interest rate payable on the  
6 unpaid balance of the loan to the prevailing rate of interest charged  
7 by the corporation on loans made for other residential purposes; but  
8 may not reduce the interest rate payable below the subsidized rate.

9 (m) The corporation shall adopt regulations to implement (b)(1)  
10 and (1) of this section that

11 (1) determine borrower eligibility;

12 (2) define procedures for the application, review, and  
13 approval of authorized loans;

14 (3) establish loan guidelines, loan terms, and acceptable  
15 security for loans; and

16 (4) identify characteristics of housing projects eligible  
17 for loans.

18 (n) In (b)(1), (1), and (m) of this section

19 (1) "congregate housing" means a multi-family group-living  
20 building that contains individual residence areas and common facil-  
21 ities for congregate living;

22 (2) "senior citizen" means a resident of the state who is  
23 65 years of age or older.

24 \* Sec. 3. This Act takes effect July 1, 1989.

**CS SB 487 (B&ED) accomplishes the following:**

**Section 1.** \$10 million is appropriated from AHFC's Revolving Loan Fund to capitalize a Senior Housing Bond Account established in AHFC.

**Section 2.** Retains within the Senior Housing Revolving Loan Fund all funds received or accrued to the fund for the Fiscal Year beginning July 1, 1990, except for the interest due on the bonds which is appropriated to AHFC in Section 3.

**Section 3.** The interest due and payable on the bonds issued by AHFC will be transferred from the revolving loan account in C&RA to the bond account in AHFC for Fiscal Year 1991. Note that payments on the bond principal are transferred from the Senior Housing Revolving Loan Account in Section 44.47.593 of SB 150.

Attachments