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# SENATE FINANCE COMMITTEE REPORT

DATE: 4/17/90

FURTHER: \_\_\_\_\_

DATE TURNED INTO OFFICE: 5/1/90

The Finance Committee considered

CS SSHB 218 (Finance)

Extending the authority of the AK Housing Finance Corp. to assist in the development of congregate housing, and directing the AK State Housing Authority to develop a pilot program for congregate housing; efd.

and recommended:

- replace with 5 CS CS SSHB 218 (FIN)  same title
- or adopt \_\_\_\_\_ CS \_\_\_\_\_  new title
- attached amendment(s)  technical title change (HB only)
- \_\_\_\_\_ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

ATTACHES NEW FISCAL NOTE(S):

Dept/Date:

fiscal note(s) DCLED 56.3 4/12/90

zero fiscal note(s) DOR - Indeterminate 3/20/89

appropriation-no fiscal note

APPROVES PREVIOUS:

Dept/Date:

fiscal note(s) \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

[Signature]  
[Signature]  
[Signature]  
[Signature]

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

1. [Signature] Do Pass 2. [Signature] (NO PASS)  
 Co-Chairs: Signatures and Recommendations

**FISCAL NOTE**

**REQUEST:**

Revision Date: \_\_\_\_\_  
Title: Congregate Housing  
Sponsor: Rep. Ulmer  
Requestor: Senate State Affairs

Agency Affected: Commerce & Economic Dev.  
BRU: Alaska State Housing Authority  
Components: \_\_\_\_\_

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	56.3	0	0	0	0	0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>56.3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

CAPITAL						
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REVENUE	0	0	0	0	0	0
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**FUNDING: (Thousands of Dollars)**

GENERAL FUND	56.3	0	0	0	0	0
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	<b>56.3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**POSITIONS:**

FULL-TIME	1	0	0	0	0	0
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary) This request is for the coordinator (Range 19A) of the model congregate housing project which is scheduled to last just one year. Specific job duties include: gathering data on congregate housing; formulation of pilot project; soliciting proposals for pilot project; selecting the project site; closing the project out; preparing an evaluation of the pilot program; and completing the final report to the Legislature.

Prepared by: Mark Romick Phone: 562-2813  
Division: Alaska State Housing Authority Date: 4/12/90

Approved by Commissioner: Larry Mercuri Date: 4/12/90  
Agency: Department of Commerce & Economic Development

**Distribution (by preparer):**

Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

Changes in SCS C55SHB218(F12)  
have no fiscal impact.  
This fiscal note is  
appropriate. 5/1/90 JRL

Adopted

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: Revenue  
 Title: An Act extending the authority of AHFC to assist in development of Senior Citizen's housing  
 Sponsor: Ulmer/Hudson  
 Requestor: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LAND & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-

CAPITAL	-	-	-	-	-	-
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REVENUE	-	-	-	-	-	-
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FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

See attached

Changes in SCS CSSSHE 218(SA) have no fiscal impact. This fiscal note is appropriate. Projections of no fiscal impact would continue through 1996.

Prepared by: Thomas Behan  
 Division: AHFC

Phone: 561-1900  
 Date: March 16, 1989

Approved by Commissioner: \_\_\_\_\_  
 Agency: \_\_\_\_\_

Date: 3/20/89

Distribution (by preparer):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

Changes in SCS CSSSHE 218(SA) have no fiscal impact. This fiscal note is appropriate. 5/1/90 JEL

Lack of fiscal impact would continue beyond 1996.

Adopted

Fiscal Note  
HB 218

The fiscal impact of implementing this legislation is undeterminable at this time since the projected demand for congregato senior citizen housing is unknown. Currently, AHFC finances residential mortgage loans through the issuance of taxable and tax-exempt bonds. (A separate fund initially created and funded by the Legislature finances mobile home loans.) Current AHFC staff does not have the expertise to finance/underwrite multi-family housing loans or work within federal government multi-family loan programs. To implement this legislation, additional staff would be needed with the required expertise. The expertise of financing multi-family senior citizen's housing may already be available elsewhere in other state agencies.

Original sponsor(s): REP. ULMER, Hudson

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 218 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act extending the authority of the Alaska Housing  
7 Finance Corporation to assist in the development of  
8 congregate housing, and directing the Alaska State  
9 Housing Authority to develop a pilot program for  
10 congregate housing; and providing for an effective  
11 date."

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

13 \* Section 1. AS 18.56.090 is amended to read:

14 Sec. 18.56.090. GENERAL POWERS. In addition to other powers  
15 granted in this chapter, the corporation may, for the purpose of  
16 providing housing for persons of lower and moderate income or persons  
17 located in remote, underdeveloped, or blighted areas of the state and  
18 for its other corporate purposes,

19 (1) [REPEALED

20 (2)] make or participate in the making of mortgage loans to  
21 sponsors, developers, builders, and purchasers of residential housing,  
22 if the corporation determines that mortgage loans are not otherwise  
23 available, wholly or in part, from private lenders upon reasonably  
24 equivalent terms and conditions;

25 (2) [(3)] purchase or participate in the purchase of mort-  
26 gage loans made to sponsors, developers, builders, owners, and pur-  
27 chasers of residential housing, if the corporation

28 (A) has given approval before the initial making of  
29 the loan and has determined that mortgage loans were, at the time

1 the approval was given, not otherwise available, wholly or in  
2 part, from private lenders upon reasonably equivalent terms and  
3 conditions; [,] or

4 (B) has determined that the purchase or participation  
5 will result in additional residential housing, taking into ac-  
6 count without limitation such factors as reinvestment of the  
7 proceeds of the sale in additional mortgage loans, increased  
8 availability of mortgage loans insured by the federal government,  
9 its agencies, or departments, the reduction, if any, of interest  
10 payments to be made with respect to mortgage loans, or such other  
11 factors as will tend to increase or improve the supply of res-  
12 idential housing within the state;

13 (3) [(4)] make partial rental payments and mortgage inter-  
14 est payments under a contract with any housing owner if the payments  
15 will be applied to decrease rental or mortgage interest charges of  
16 persons of lower and moderate income or owners or purchasers of res-  
17 idential housing in remote, underdeveloped or blighted areas of the  
18 state;

19 (4) [(5)] make loans from the housing development fund;

20 (5) [(6)] collect and pay reasonable fees and charges in  
21 connection with making, purchasing, and servicing its mortgages,  
22 loans, notes, bonds, certificates, commitments, and other evidences of  
23 indebtedness;

24 (6) [(7)] acquire real property, or any interest in real  
25 property, in its own name, by purchase, transfer, or foreclosure, when  
26 the acquisition is necessary or appropriate to protect any loan in  
27 which the corporation has an interest; sell, transfer, and convey the  
28 property to a buyer; and, if the sale, transfer, or conveyance cannot  
29 be effected with reasonable promptness or at a reasonable price, rent

1 or lease the property to a tenant pending the sale, transfer, or  
2 conveyance;

3 (7) [(8)] sell, at public or private sale, to any pur-  
4 chaser, including the Federal National Mortgage Association, all or  
5 any part of a mortgage or other instrument or document securing a  
6 construction, land development, mortgage, or temporary loan of any  
7 type permitted by this chapter;

8 (8) [(9)] purchase, in order to meet the requirements of  
9 the sale of its mortgages to the Federal National Mortgage Associa-  
10 tion, stock of the Federal National Mortgage Association;

11 (9) [(10)] procure insurance against any loss in connection  
12 with its operation;

13 (10) [(11)] consent to the modification of the rate of  
14 interest, time of payment of any installment of principal or interest,  
15 or any other terms, of the mortgage loan, mortgage loan commitment,  
16 construction loan, temporary loan, contract, or agreement of any kind  
17 to which the corporation is a party;

18 (11) [(12)] borrow money as provided in this chapter to  
19 carry out and effectuate its corporate purposes; and issue its obliga-  
20 tions as evidence of borrowing;

21 (12) [(13)] include in any borrowing the amounts necessary  
22 to pay financing charges, interest on the obligations for a period not  
23 exceeding one year after the date on which the corporation estimates  
24 funds will otherwise be available to pay the interest, consultant,  
25 advisory, and legal fees, and other expenses that are necessary or  
26 incident to this borrowing;

27 (13) [(14)] under AS 18.56.088, adopt and publish regu-  
28 lations respecting its lending programs and other regulations that are  
29 necessary to effectuate its purposes;

1           (14) [(15)] provide technical and advisory services to  
2 sponsors, builders, and developers of residential housing and to resi-  
3 dents of it;

4           (15) [(16)] promote research and development in scientific  
5 methods of constructing low-cost and energy-efficient residential  
6 housing of high durability;

7           (16) [(17)] make and execute agreements, contracts, and  
8 other instruments necessary or convenient in the exercise of the  
9 powers and functions of the corporation under this chapter, including  
10 contracts with any person, firm, corporation, governmental agency, or  
11 other entity;

12           (17) [(18)] receive, administer, and comply with the con-  
13 ditions and requirements respecting any appropriation or gift, grant,  
14 or donation of property or money;

15           (18) [(19)] sue and be sued in its own name;

16           (19) [(20)] adopt an official seal;

17           (20) [(21)] adopt bylaws for the regulation of its affairs  
18 and the conduct of its business, and adopt regulations and policies in  
19 connection with the performance of its functions and duties;

20           (21) [(22)] employ fiscal consultants, engineers, attorneys,  
21 real estate counselors, appraisers, and other consultants and em-  
22 ployees that may be required in the judgment of the corporation, and  
23 fix and pay their compensation from funds available to the corpo-  
24 ration;

25           (22) [(23)] do all acts and things necessary, convenient, or  
26 desirable to carry out the powers expressly granted or necessarily  
27 implied in this chapter;

28           (23) [(24)] invest or reinvest, subject to its contracts  
29 with noteholders and bondholders, any money or funds held by the

1 corporation in any obligations or other securities or investments in  
2 which banks or trust companies in the state may legally invest funds  
3 held in reserves or sinking funds or any funds not required for imme-  
4 diate disbursement, and in certificates of deposit or time deposits  
5 secured by obligations of, or guaranteed by, the state or the United  
6 States;

7 (24) [(25) REPEALED

8 (26) REPEALED

9 (27) REPEALED

10 (28)] purchase a mortgage loan made to refinance an existing  
11 mortgage loan, without regard to whether the corporation holds the  
12 existing mortgage loan, as long as the interest rate and fees charged  
13 to the borrower are sufficient to fully reimburse the corporation for  
14 all costs incurred by the corporation in purchasing the mortgage loan  
15 and as long as the borrower will be in compliance with AS 18.56.-  
16 096(a)(6) after purchase of the mortgage loan by the corporation;

17 (25) participate in the making of mortgage loans to bor-  
18 rowers for congregate housing under AS 18.56.100(b)(1) as the pur-  
19 chaser of those loans; loans made for congregate housing under this  
20 paragraph must reflect application of prudent underwriting standards  
21 and lending practices that include, but are not limited to, appropri-  
22 ate loan-to-value ratios and the ability of a borrower to repay the  
23 loan.

24 \* Sec. 2. AS 18.56.100(b) is amended to read:

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

1           (1) to borrowers who are individuals, nonprofit corpora-  
2 tions, or agencies of the state or a municipal government, for perma-  
3 nent loans to develop, build, repair, remodel, or rehabilitate res-  
4 idential housing that is to be used and occupied as congregate hous-  
5 ing; or

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

\* Sec. 3. AS 18.56.100 is amended by adding new subsections to read:

(1) The rate of interest on a loan entered into under (b)(1) of this section must equal the cost of funds of the bond issue the proceeds of which are used to provide the loan plus one-half of one percentage point.

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

(1) determine borrower eligibility, including regulations to determine that the borrower has the ability to repay the loan;

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

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

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

(n) In (b)(1), (1), and (m) of this section "congregate housing" means a multi-family housing development with fully independent living units and services integrated in the buildings that may include, but are not limited to, housekeeping, meal service, and resident training or development programs.

1 \* Sec. 4. AS 18.56.100(1) is repealed and reenacted to read:

2 (1) The corporation may reduce the interest rate on a loan  
3 entered into under (b)(1) of this section only from amounts appropri-  
4 ated to the housing development fund specifically to reduce the inter-  
5 est payable by borrowers who develop housing under (b)(1) of this  
6 section. If a project developed by a borrower with a reduced interest  
7 subsidy made under this subsection ceases to be used for congregate  
8 housing, the corporation shall adjust the interest rate payable on the  
9 unpaid balance of the loan to the prevailing rate of interest charged  
10 by the corporation on loans made for other residential purposes, but  
11 may not reduce the interest rate payable below the subsidized rate.

12 \* Sec. 5. AS 18.56.105 is amended to read:

13 Sec. 18.56.105. ALLOCATION OF LENDING ACTIVITIES. The corpo-  
14 ration shall designate regions within the state that, [WHICH] in the  
15 aggregate, encompass the entire state. In participating in the making  
16 or purchasing of loans under AS 18.56.090(1) and (2) [AS 18.56.090(2)  
17 AND (3)] or under AS 18.56.100, the corporation shall make its money  
18 available through the private financial institutions in the state  
19 within each region designated by the corporation under this section.  
20 The corporation shall allocate its money among the regions on the  
21 basis of recent and future anticipated lending activity as well as the  
22 potential need for the loans in each region and may reallocate its  
23 money among the regions as it considers appropriate to reflect changes  
24 in lending activity or need in the regions.

25 \* Sec. 6. AS 18.56.110(g) is amended to read:

26 (g) Notwithstanding AS 18.56.090(11) [AS 18.56.090(12)] and (a)  
27 of this section, the corporation may not issue bonds in any 12-month  
28 period beginning after June 30, 1983, in an amount that exceeds the  
29 amount of bonds authorized to be issued during the preceding period,

1 unless a different amount is authorized by the legislature. This  
2 subsection does not apply to the issuance by the corporation of re-  
3 funding bonds or to the issuance by the corporation of bonds the  
4 proceeds of which are intended to be used to refinance mortgage loans  
5 held by the corporation.

6 \* Sec. 7. PILOT PROGRAM AUTHORIZED. (a) The Alaska State Housing  
7 Authority shall administer a pilot program to develop congregate housing in  
8 the state. The authority's congregate housing administration activities  
9 must include

10 (1) determination of borrower qualifications;  
11 (2) provision of temporary loans;  
12 (3) management of construction loans; and  
13 (4) assistance in determining appropriate, available sources of  
14 permanent loans in cooperation with the Alaska Housing Finance Corporation.

15 (b) The Alaska State Housing Authority and the Alaska Housing Finance  
16 Corporation shall report to the legislature not later than February 15,  
17 1992, concerning congregate housing projects during the pilot program  
18 authorized by (a) of this section. The report must include

19 (1) a review of persons, organizations, and communities who  
20 expressed a need for congregate housing;

21 (2) a listing of borrowers who have requested loans for congre-  
22 gate housing;

23 (3) a review of mechanisms used to develop specific congregate  
24 projects, especially lending mechanisms that have required participation of  
25 multiple sources;

26 (4) an analysis of the problems encountered by borrowers in  
27 obtaining loans for purchasing, constructing, or rehabilitating congregate  
28 housing; and

29 (5) recommendations for additional legislative action related to

1 congregate housing programs or the provision of loans for their develop-  
2 ment.

3 (c) In this section, "congregate housing" has the meaning given in  
4 AS 18.56.100(n), enacted in sec. 3 of this Act.

5 \* Sec. 8. Section 7 of this Act is repealed June 30, 1993.

6 \* Sec. 9. Section 4 of this Act takes effect February 16, 1992.

7 \* Sec. 10. Except for sec. 4 of this Act, this Act takes effect July 1,  
8 1990.

# Alaska State Legislature

## HOUSE OF REPRESENTATIVES



APR 25 1990

### REPRESENTATIVE FRAN ULMER

#### M E M O R A N D U M

April 24, 1990

TO: Senator Rick Uehling, Co-Chair  
 Senator John Binkley, Co-Chair  
 Senate Finance Committee

FROM: Rep. Fran Ulmer

RE: CSHB 218 relating to congregate housing

Congregate housing is a form of housing in which individual living units are combined with group living facilities and/or resident services. It may take a variety of forms, from the single-family home shared by several residents, to an apartment-style complex of many individual units.

The hallmark of congregate living is in the provision of congregate facilities and services. Congregate housing for senior citizens typically includes meal service and housekeeping, among other services. Congregate housing for released offenders typically includes job training and treatment services such as alcohol counseling. Congregate housing is a cost effective form of housing for population groups who have special needs.

In addition to special needs populations, congregate housing has received strong support from the mainstream of professionals in the housing industry. Congregate housing has become a popular type of housing for middle class families in Europe during the last decade, and is gaining recognition in this country as well. By providing the mechanism for securing long term financing for congregate housing through AHFC, the state will assist the industry in developing this type of housing in Alaska.

CSHB 218 is supported by: Alaska Realtors' Association  
 Pioneers of Alaska  
 American Association of Retired Persons  
 Older Alaskans Commission  
 Network on Domestic Violence  
 Alaska Housing Finance Corporation  
 Alaska State Housing Authority

District 4B — Juneau

P.O. Box V • Juneau, Alaska 99811-3100 • (907) 465-4947

HB 218 -- CONGREGATE HOUSING

**AHFC:** Authorized to make mortgage loans for congregate housing; will operate as the secondary mortgage market only. AHFC will approve only those loans which fall within prudent lending guidelines.

**ASHA:** Will conduct a 2 year "pilot program" to determine who the borrowers are and how projects may be financed. ASHA may provide loan origination services for borrowers upon request; will also provide technical assistance to help find appropriate funding sources (federal, municipal, and other) or combination of sources. ASHA will review project applications for credit worthiness and will coordinate with AHFC on criteria used to determine credit worthiness of projects and borrowers.

**PRIVATE SECTOR:** Commercial lenders may also provide loan origination services and obtain long term financing from AHFC.

**BORROWERS:** Individuals, developers, corporations, non-profit organizations, government entities, or combinations of these.

**PROJECTS:** May be anything from the retro-fitting of a single family home for congregate use to the construction of a multi-unit facility.

**FINANCING:** Financing will depend on the needs and abilities of the borrowers. Some private individuals may pool their existing assets to provide security for a standard mortgage loan. Some projects may be appropriate for funding through tax-exempt bonds. Other projects may be suitable for "layered" financing which combines federal loans, grants and/or other funds with an AHFC mortgage.

**SUPPORTED BY:** Alaska Realtors Association  
Pioneers of Alaska  
American Association of Retired Persons  
Older Alaskans Commission  
Network on Domestic Violence  
Alaska Housing Finance Corporation  
Alaska State Housing Authority

**CONSISTENT WITH THE RECOMMENDATIONS OF:**  
The Housing Policy Development Committee of the  
Alaska Housing Market Council  
Housing Finance Task Force Concerning the Future  
of the Alaska Housing Finance Corporation

## "LAYERED" FINANCING FOR CONGREGATE HOUSING

"Layered" financing means the combination of a variety funding sources which may include funding from federal and local government, as well as the private sector.

Examples of federal programs available:

- a) "312" Program - HUD housing rehabilitation program; often used in combination with other funding sources.
- b) Community Development Block Grant - federal funds distributed to both state and local governments; used extensively in combination with other funding sources.
- c) HUD Permanent Housing for the Disabled - federal grant funds for purchase/rehabilitation or construction of housing for the disabled.
- d) McKinney Act - provides grants for housing for the homeless.
- e) Section 8 Certificates - federal program which assists tenants with rent; if tenant has no income, certificate pays total cost of rent.
- f) Section 8 Vouchers - federal program which assists tenants with rent; with vouchers, tenant is responsible for utilities.
- g) Single Room Occupancy Program - HUD program which provides vouchers to the homeless for rent costs.

### PROJECT EXAMPLES OF "LAYERED" FINANCING:

#### Washington Inner City Self Help

Tenants grouped together to purchase the Champlain Court building in the Adams-Morgan district of Washington, D.C.

The purchase price was \$675,000; three funding sources were used.

- 1) First Right Purchase Assistance Program - funded with money from the federal Community Development Block Grant program; short-term loan covering costs associated with purchase and rehabilitation.
- 2) Washington's Home Purchase Assistance Program - funded in part by the city Community Development Block Grant program and, in part, by the city's general fund.
- 3) Tenant Assistance Program - funded entirely by the city's general fund revenue; provides an operating subsidy to assist tenants with rent.

LAYERED FINANCING

Page 2

AFFORDABLE CITY HOMES

This group built a 63 unit, multi-family development called Etzel Place in St. Louis, Missouri. Funding came from five sources:

- 1) The National Equity Fund - a Chicago-based limited partnership of corporations that invest in low-income housing, in exchange for the federal income tax credits they receive.
- 2) Construction loan provided by Boatmen's National Bank of St. Louis; committed to lend \$1.4 million at a flat 10% rate.
- 3/4) 30 year mortgage financed by Aetna Life and Casualty and the Missouri Housing Development Commission.
- 5) City of St. Louis provided \$1.3 million to complete financing through its Housing Implementation Program.

**FISCAL NOTE**

**REQUEST:**

Revision Date: \_\_\_\_\_  
Title: Congregate Housing

Agency Affected: Commerce & Economic Dev.  
BRU: Alaska State Housing Authority

Sponsor: Rep. Ulmer  
Requestor: Senate State Affairs

Components: \_\_\_\_\_

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

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LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>56.3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

CAPITAL						
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REVENUE	0	0	0	0	0	0
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**FUNDING: (Thousands of Dollars)**

GENERAL FUND	56.3	0	0	0	0	0
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	<b>56.3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**POSITIONS:**

FULL-TIME	1	0	0	0	0	0
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary) This request is for the coordinator (Range 19A) of the model congregate housing project which is scheduled to last just one year. Specific job duties include: gathering data on congregate housing; formulation of pilot project; soliciting proposals for pilot project; selecting the project site; closing the project out; preparing an evaluation of the pilot program; and completing the final report to the Legislature.

Prepared by: Mark Romick  
Division: Alaska State Housing Authority

Phone: 562-2813  
Date: 4/12/90

Approved by Commissioner: Larry Mercurieff  
Agency: Department of Commerce & Economic Development

Date: 4/12/90

**Distribution (by preparer):**

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

**FISCAL NOTE**

**REQUEST:**

Revision Date: \_\_\_\_\_ Agency Affected: Revenue  
 Title: An Act extending the authority of  
AHFC to assist in development of Senior BRU: AHFC  
Citizen's Housing  
 Sponsor: Ulmer/Hudson Components: \_\_\_\_\_  
 Requestor: \_\_\_\_\_

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LAND & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
<b>TOTAL OPERATING</b>	-	-	-	-	-	-
<b>CAPITAL</b>	-	-	-	-	-	-
<b>REVENUE</b>	-	-	-	-	-	-

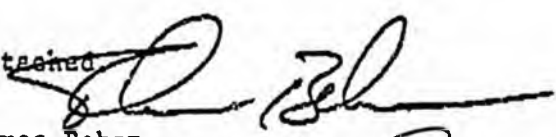
**FUNDING: (Thousands of Dollars)**

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-	-

**POSITIONS:**

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

**ANALYSIS : (Attach a separate page if necessary)**

See attached 

Prepared by: Thomas Behan  
 Division: AHFC

Phone: 561-1900  
 Date: March 16, 1989

Approved by Commissioner:   
 Agency: \_\_\_\_\_

Date: 3/20/89

Distribution (by preparer):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

Fiscal Note  
HB 218

The fiscal impact of implementing this legislation is undeterminable at this time since the projected demand for congregate senior citizen housing is unknown. Currently, AHFC finances residential mortgage loans through the issuance of taxable and tax-exempt bonds. (A separate fund initially created and funded by the Legislature finances mobile home loans.) Current AHFC staff does not have the expertise to finance/underwrite multi-family housing loans or work within federal government multi-family loan programs. To implement this legislation, additional staff would be needed with the required expertise. The expertise of financing multi-family senior citizen's housing may already be available elsewhere in other state agencies.



ALASKA ASSOCIATION OF REALTORS, INC.<sup>®</sup>  
741 Sesame Street, Suite 100 • Anchorage, Alaska 99503  
Telephone 907-563-7133

April 3, 1990

Representative Fran Ulmer  
Alaska State Legislature  
P.O. Box V (MS 3100)  
Juneau, AK 99811

Re: Memorandum for Record

Dear Representative Ulmer:

This letter is to inform you that at the meeting of the Board of Directors of the Alaska Association of Realtors<sup>®</sup> held on March 30, 1990, it was voted unanimously to support the concept of HB 218. Our lobbyist, Joe Hayes, has been informed of this decision. We hope that our support will insure successful passage of this bill.

Sincerely,

A handwritten signature in cursive script that reads 'Jim McCourt'.

Jim McCourt  
President

cc: Joe Hayes  
Rick Hunter





February 6, 1990

The Honorable Fran Ulmer  
Alaska House of Representatives  
P.O. Box V (MS3100)  
Juneau, AK 99811

Re: HB 218

Dear Representative Ulmer:

Please be advised that the Alaska State Housing Authority supports HB 218. The Authority is always willing to take on new and innovative programs designed to assist Alaskans in general, as well as Alaskans with special needs.

We look forward to working with you and the Legislature in developing a comprehensive program for congregate housing in Alaska.

Sincerely,

ALASKA STATE HOUSING AUTHORITY

Ray Price  
Executive Director

cc:c:wp56\rp\1\rpfa.1



520 East 34th St.  
Anchorage, AK 99503  
(907) 561-1900

P.O. Box 101020  
Anchorage, AK 99510

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February 6, 1989

The Honorable Fran Ulmer  
Alaska State Legislature  
House of Representatives  
P.O. Box V  
Juneau, AK 99811-3100

By FAX

Dear Representative Ulmer:

I am pleased to offer our support for CSSSMB 218, relating to congregate housing. We believe that this legislation represents a workable approach to meeting the housing needs of Alaska's seniors and other populations with special needs.

It has been a pleasure to provide technical assistance to you in the development of this bill, and we look forward to the Corporation's participation in this alternative housing approach.

Sincerely,

A handwritten signature in black ink, appearing to read 'T. C. Behan', written over a horizontal line.

Thomas C. Behan  
Chief Executive Officer/Executive Director

  
Older Alaskans Commission

Box C  
Juneau, Alaska 99811-0209  
907/465-3250

POSITION PAPER ON  
CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL 218

The Older Alaskans Commission supports the passage of CSSSHB 218 (Finance).

HB 218 allows Alaska Housing Finance Corporation to issue bonds and make mortgage loans for various types of congregate housing. The bill states that the borrowers for congregate loans may be individuals, nonprofit corporations, or governmental entities. There are no income level limits on the persons who may ultimately rent or buy units within the congregate housing.

The loans may be made to build, repair or renovate residential congregate housing. Congregate housing is defined to mean multi-family group-living' buildings which have both separate living areas and shared facilities. The congregate housing may include provision for the delivery of "services" to promote the congregate living (such as a cafeteria, laundromat).

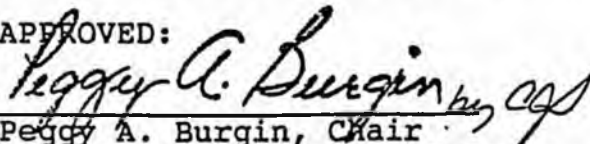
Although the bill would allow subsidized interest rates on the loans if a separate funding source for such a subsidy should become available, the basic intent is for the loans to be made at rates reflecting the actual cost to AHFC.

The Older Alaskans Commission feels that this bill will make available the type of financing needed to encourage private developers--or local citizens' groups--to develop and build much-needed congregate housing for senior citizens.

The 1989 Senior Housing Report issued by the Commission shows that seniors of all income levels desire the option of living, with other seniors, in specially designed and adapted housing that would enhance each resident's mobility, independent functional ability, and security. Promoting such housing should be a priority of the State of Alaska, in order to reduce the long term need for more nursing home or institutional care for seniors.

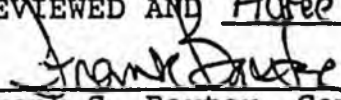
The Commission urges your passage of CSSSHB 218.

APPROVED:

  
Peggy A. Burgin, Chair  
Older Alaskans Commission

Dated: March 1, 1990

REVIEWED AND Agree :

  
Frank S. Baxter, Commissioner  
Department of Administration

Dated: 3/1/90



ALASKA STATE LEGISLATIVE COMMITTEE

CHAIRMAN  
Mr. R. W. "Bob" Pavitt  
130 Seward Street, #205  
Juneau, AK 99801  
(907) 586-2066

VICE CHAIRMAN  
Mrs. Marie C. MacKenzie  
1620 Crescent  
Anchorage, AK 99508  
(907) 562-4895

SECRETARY  
Miss Ann L. Walsh  
924 Kellum #201  
Fairbanks, AK 99701  
(907) 456-6737

SENIOR CITIZEN HOUSING  
POSITION PAPER

BACKGROUND/PROBLEM

Since 1980, Alaska's senior population has grown by 66% 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 Alaska's population continues to grow older as projected, the senior population could double soon after the year 2000. Many seniors who formerly would have retired Outside are now remaining in Alaska.

Affordable, secure, accessible housing facilities with attendant supportive services are meager at best, and totally unavailable in most rural and urban Alaska communities. Thus, the strong desire of older Alaskans to remain independent as long as possible in their own homes must give way to some other housing solution when they can no longer maintain a private residence.

It is socially and economically advantageous to all Alaskans to effectively address senior citizen housing needs.

PROPOSED SOLUTION

Mechanisms must be established to enable and encourage seniors and their families, profit or non-profit organizations and government agencies to work cooperatively in meeting the needs. Development of alternative approaches, home equity conversions and provision of methods for realistic financing are but a few of the topics which must be addressed. Appropriate lands on which to locate necessary facilities need to be made available.

Physical housing, as such, is not the only aspect to be addressed in meeting senior needs. Greater support must be provided for adult family care, weatherization, day care, respite care, case management, and other services which make it possible for a senior to stay in his or her own home as long as possible.

In summary, necessary lands, financing methods, mechanisms for cooperative action and supportive services must be made available if we are to solve senior citizen housing problems in Alaska.

PROPOSED LEGISLATION

SB 150 would create a senior housing office in the Department of Community and Regional Affairs, and a revolving loan fund for all types of senior housing.

HB 218 would expand the Alaska Housing Finance Corporation's authority to include loans to build congregate housing for seniors, and to cooperatively establish a pilot program of such housing.

These bills currently in the Alaska Legislature would constitute a start in addressing senior housing problems, and the AARP ALASKA STATE LEGISLATIVE COMMITTEE supports passage of this legislation.

**LEGISLATIVE PRIORITIES  
OF  
THE PIONEERS OF ALASKA**

1. During this session of the Legislature the Pioneers are most interested in protecting the Senior programs presently in place. We prefer the \$250.00 monthly bonus program remain as it is, however, rather than see it suffer major setbacks, the Grand Igloo supports an annuity program as introduced by Senator Kerttula.
2. The Pioneers support a requirement of 65 years of age as a minimum for admission to the Pioneer Home system, and removal of the word 'destitute' as is presently used in giving priority for admission.
3. The Pioneers support full state funding to cover property tax exemptions for Seniors.
4. The Pioneers support in-Home Support Care and Senior Housing. Re: HB 218; SB 150.
5. The Pioneers support Health Care legislation. Re: HB 47.
6. Also, it has been noted, from a recent news article that Sen Uehling has prefiled legislation that would give Medicare eligible Senior an option to choose to receive health care under Medicaid at home rather than in a Long Term Care facility. The Pioneers certainly support this concept.

The Pioneers have taken no position regarding a State Income Tax or the Governor's proposal on an Education Endowment.

The Pioneer's registered lobbyist is Bill Ray, 165 Behrends Ave, Juneau, AK, 99801, Tel: (907) 586-1225

Bob Huffman, Chm.  
Legislative Committee  
Pioneers of Alaska

HB 218

# Alaska State Legislature

HOUSE OF REPRESENTATIVES



REPRESENTATIVE FRAN ULMER

MEMORANDUM

April 24, 1990

TO: Senator Rick Uehling, Co-Chair  
 Senator John Binkley, Co-Chair  
 Senate Finance Committee

FROM: Rep. Fran Ulmer

RE: CSHB 218, relating to congregate housing

-----

Attached you will find an amendment which I would like the committee to consider for CSHB 218, relating to congregate housing. This amendment affects the definition of congregate housing in the bill; it changes the word "building" to "buildings." The definition then reads:

"congregate housing" means a multi-family housing development with fully independent living units and services integrated in the buildings that may include, but are not limited to, housekeeping, meal service, and resident training or development programs.

This amendment is necessary so that we do not preclude the possibility that a congregate development may include more than one structure.

Thank you for your consideration of this request.

FU/dl

District 4B — Juneau

P.O. Box V • Juneau, Alaska 99811-3100 • (907) 465-4947

AMENDMENT TO CSSH B 218, RELATING TO CONGREGATE HOUSING  
4/23/90

Page 6, line 27

after the word "building" add "s"

**FISCAL NOTE**

**REQUEST:**

Revision Date: \_\_\_\_\_  
Title: Congregate Housing Bill  
Sponsor: Reps. Ulmer and Hudson  
Requestor: Senate Banking

Agency Affected: Commerce & Economic Dev.  
BRU: Alaska State Housing Authority  
Components: \_\_\_\_\_

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	56,330	0	0	0	0	0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>56,330</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

CAPITAL						
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REVENUE	0	0	0	0	0	0
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**FUNDING: (Thousands of Dollars)**

GENERAL FUND	56,330	0	0	0	0	0
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	<b>56,330</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**POSITIONS:**

FULL-TIME	1	0	0	0	0	0
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary) This request is for the coordinator (Range 19A) of the model congregate housing project which is scheduled to last just one year. Specific job duties include: gathering data on congregate housing; formulation of pilot project; soliciting proposals for pilot project; selecting the project site; closing the project out; preparing an evaluation of the pilot program; and completing the final report to the Legislature.

Prepared by: Mark Romick Phone: 562-2813  
Division: Alaska State Housing Authority Date: 2/27/90

Approved by Commissioner: Larry Mercurieff Date: 2/27/90  
Agency: Department of Commerce & Economic Development

- Distribution (by preparer):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)  
 6390D/22790a

**STATE OF ALASKA  
1990 LEGISLATIVE SESSION**

Bill Version: CSSSHB 218(SA)  
Publish Date: HOUSE 1/17/90

**FISCAL NOTE**

**REQUEST:**

Revision Date: \_\_\_\_\_ Agency Affected: \_\_\_\_\_  
 Title: Extending authority of AHFC to  
assist in development of congregate housing BRU: Alaska Housing Finance Corporation  
 Sponsor: \_\_\_\_\_ Components: \_\_\_\_\_  
 Requestor: \_\_\_\_\_

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
<b>OPERATING</b>						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
<b>TOTAL OPERATING</b>	-	-	-	-	-	-
<b>CAPITAL</b>	-	-	-	-	-	-
<b>REVENUE</b>	-	-	-	-	-	-

**FUNDING: (Thousands of Dollars)**

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-	-

**POSITIONS:**

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

**ANALYSIS:** Attach a separate page for analysis.

Prepared By: Thomas Behan Phone: 561-1900  
 Division: Alaska Housing Finance Corporation Date: January 11, 1990

Approved by Commissioner: Hugh Malone Date: \_\_\_\_\_  
 Agency: Department of Revenue

Distribution (by preparer):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

## Fiscal Analysis

The fiscal impact of implementing this legislation is undeterminable at this time since the projected demand for congregate housing is unknown. Currently, AHFC finances residential mortgage loans through the issuance of taxable and tax-exempt bonds. (A separate fund initially created and funded by the Legislature finances mobile home loans.) Current AHFC staff does not have the expertise to finance/underwrite multi-family housing loans or work within federal government multi-family loan programs. To implement this legislation, additional staff would be needed with the required expertise. The expertise of financing multi-family congregate housing may already be available elsewhere in other state agencies.