

**S B**

**150**

SENATE STATE AFFAIRS COMMITTEE

BILL NUMBER SB 150

SPONSOR Duncan - Roxanne

BILL TITLE ~~SA~~ Senior Housing

DATE REFERRED 2.1.89

HEARING SCHEDULED 1.22.90 /

FISCAL NOTE PREPARED Requested Jim Plasmen - CRA 4750 (1.11.90)

SPONSOR CONTACTED - Roxanne:

INTERESTED PARTIES CONTACTED Teleconfering

- ✓ OAC: 3250 - Fraw Toland L.M.
- ✓ Boucher: Dennis Burns - 4931 - won't testify, will follow
- ✓ AK. Housing Marketing Council - 563-3325 (Heather Arnette) L.M.
- ✓ TCC - ~~Frank~~ Tanaka Chief - Don Shirrel 452-8257 L.M.
- ✓ Sterling Gallagher - 586-1636 L.M.
- ✓ CRA - Mike Harper - 561-0900 - Someone will be available for?
- ✓ AK. St. Housing Auth. - Julia Tucker 562-2813 L.M.
- ✓ Cynthia Parker - AK. Neighborhood Housing (Susan) 243-1558
- ✓ Ulmer - 4947 - L.M.
- ✓ AHFC - 561-1900 - Margaret Nelson - L.M. Tom Behan  
Lao Kaye - 376-8810 - Sr. Hsg Advocate
- ✓ Chuck Logsdon - 745-3664 - Palmer Senior Housing Comm.
- ✓ John Williams - Kawai
- Sylvia Short - 562-4992

OTHER Anch. Pioneer Home - 276-3414 - Stan Sott Manager  
Lareen Duncanson.

FAX: 786-6248

FAX: 243-3214

SENATE STATE AFFAIRS COMMITTEE

BILL NUMBER SB 150

SPONSOR Duncan Roxanne 4766

BILL TITLE Senior Housing Office in DAC

DATE REFERRED 2-1-89

HEARING SCHEDULED 5-19-89

FISCAL NOTE PREPARED

SPONSOR CONTACTED

INTERESTED PARTIES CONTACTED

- ✓ Older Alaskans Comm <sup>7th Floor, SOB</sup> 3250 <sup>~~MR~~</sup> Fran Toland  
Connie Sipe
  - ✓ Dennis Burns (Boucher) x4931
  - ✓ Glenda Straube, AK Housing Marketing Council  
(Heather Annette) 563-3325
  - ✓ TCC - Oscar Frank, Don Shircel  
452-8251
  - ✓ Sterling Gallagher 586-1636 <sup>240 NW # 601  
99601</sup>
  - ✓ C & RA, Mike Harper 561-0900
  - ✓ ASHA, Julia Tucker 562-2813 <sup>will  
be in Seattle</sup>  
<sup>2000 1st</sup> FAX 786-6248
  - ✓ Cynthia Parker, AK Neighborhood Housing 243-1558  
<sup>participating Harmit  
Condo</sup>
- HB 218  
OTHER  
Fran Ulmer  
✓ AHFC - Margaret Nelson 561-1900

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE \_\_\_\_\_  
IN ACCORDANCE WITH UNIFORM RULE 23

\*\*FISCAL NOTE(S) MUST BE ATTACHED  
IN ACCORDANCE WITH AS 24.08.035

FURTHER

CRA  
FIN

4/13/89

DATE TURNED INTO OFFICE \_\_\_\_\_

Mr. President:

STATE AFFAIRS \_\_\_\_\_ Committee considered SSSB 150

establishing a senior housing office and loan program in the Department of Community and Regional Affairs; and authorizing the issuance of bonds for senior housing.

and recommended:

- replace with (CS) SS SB 150  same title
- attached amendment(s) and  new title
- \_\_\_\_\_ letter of intent adopted
- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to \_\_\_\_\_

DCRA - 2-21-90  
AHFC - 2-23-90

FISCAL NOTE(S) attached  zero  fiscal impact  
 appropriation no FN attached  Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS  
Tim Kelly  
Rich Kelly  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

OTHER RECOMMENDATIONS  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[Signature]  
Chair: signature and recommendation

Committee backup attached

# Alaska State Legislature

Sen. Pat Pourchot, Chairman

Sen. Jan Faiks, Vice Chairman

Sen. Al Adams

Sen. Tim Kelly

Sen. Rick Uehling



P.O. Box V  
State Capitol  
Juneau, Alaska 99811

907-465-3712

## Senate State Affairs Committee

### MEMORANDUM

TO: Senate State Affairs Committee Members

FROM: Senator Pat Pourchot

RE: Monday, January 22 Committee Hearing

DATE: January 20, 1990

TELECONFERENCE: Anchorage, Mat-Su, Valdez, Soldotna, Fairbanks, Bethel, Delta Junction, Sitka and Homer. Invited testimony and others as time permits.

On Monday, January 22 at 1:30 p.m. in the Beltz Room the Senate State Affairs Committee will hear the following bills:

SB 5. An Act amending and making effective an annuity program and amendments to the longevity bonus program.

SB 5 establishes an annuity program to replace the existing Longevity Bonus Program. Alaskans would contribute to an individual annuity account by dedicating all or part of their PFDs to that account. Other than omitting the schedule for declining longevity bonus payments, the is essentially the same as SB 56, which the Governor vetoed in 1988. This bill provides that persons who turn 65 on or before January 1, 1991 will continue to receive \$250 per month as long as they reside in Alaska.

In December, 1989 the state issued 19,082 longevity bonus checks as compared to 17,702 in January, 1989. The Governor's proposed FY 91 budget contains a request for \$59.4 million, an increase on approximately \$3.3 million over FY 90 and an increase of nearly \$7.3 million over FY 89. The committee will discuss alternatives to reducing program costs.

SSSB 150. An Act establishing a senior housing office and loan program in the Department of Community and Regional Affairs; and authorizing the issuance of bonds for senior housing.

SSSB 150 authorizes the Alaska State Housing Authority to issue bonds, the proceeds of which would be deposited in the Senior Housing Revolving Fund. It establishes the Fund, which consists of the bond proceeds, legislative appropriations and loan payments. Funds could be used for mortgage loans, as well as construction loans. SSSB 150 establishes a Senior Housing Office in the Department of Community and Regional Affairs to administer a senior housing loan program.

Original sponsor(s): SEN. DUNCAN, Kerttula, Fahrenkamp, Zharoff, Rodey, Szymanski, Sturgulewski, Fischer

1 IN THE SENATE

2 CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 150 ( )

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND 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."

*changes from  
sponsor substitute  
dated 4/13/89*

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

11 \* Section 1. AS 18.56 is amended by adding a new section to read:

12 Sec. 18.56.083. BONDS FOR SENIOR HOUSING. (a) Under the proce-  
13 dures of this chapter, the corporation may issue up to \$30,000,000  
14 worth of bonds to fund senior housing loans made by the Department of  
15 Community and Regional Affairs under AS 44.47.585 - 44.47.609 that are  
16 approved by the corporation under (b) of this section.

*ASHA to  
AHFC  
CAP of  
\$30.0M  
AHFC  
approve  
bonds*

17 (b) Before requesting the corporation to issue bonds under this  
18 section, the Department of Community and Regional Affairs shall com-  
19 pile a list of senior housing projects that the department has deter-  
20 mined are financially feasible and meet housing needs for senior  
21 citizens as required under AS 44.47.587(b). Upon the department's  
22 submission to the corporation of appropriate documentation of project  
23 feasibility and desirability, the corporation shall approve or disap-  
24 prove the projects proposed.

*CRA  
determine  
feasibility*

25 (c) The proceeds of bonds issued under this section for approved  
26 projects shall be deposited in the senior housing revolving fund  
27 administered by the senior housing office under AS 44.47.585 -  
28 44.47.609 on a schedule determined by the corporation.

*Proceeds of  
bonds  
deposited  
in loan  
fund  
as needed*

29 (d) There is established in the corporation a senior housing

*Bond proceeds remain in bond acct. until needed for specific projects.*

*ATFC may pledge bond & loan acct for bonds. If necessary, use bond acct to pay bond interest & principal.*

bond account. The account consists of proceeds of bonds issued under this section, money appropriated to the account, repayments of principal transferred to the corporation under AS 44.47.593(a), and assignments made under AS 44.47.593(b). The corporation may pledge assets in the account and in the senior housing revolving fund for the payment of bonds issued under this section and may use money in the account for payment of the bonds.

AS 44.47 is amended by adding new sections to read:

ARTICLE 9A. SENIOR HOUSING OFFICE.

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

- (1) study the needs of senior citizens in the state for housing to meet their needs;
- (2) seek funding from appropriate sources for the development of housing alternatives for senior citizens;
- (3) administer the senior housing loan program established under AS 44.47.587 - 44.47.609;
- (4) cooperate and coordinate with other public and private agencies, including the Older Alaskans Commission, the Alaska Housing Finance Corporation, and the Alaska State Housing Authority, to respond to the housing needs of senior citizens;
- (5) offer public education programs to increase the awareness of alternatives to large residential facilities for senior citizens;
- (6) provide information to senior citizens to help them understand their financial alternatives related to homes they might

*ATFC added*

1 already own and to help them coordinate with other senior citizens  
2 finding housing alternatives, including information and coordinati  
3 on home equity conversion and home sharing; and

4 (7) disseminate information to construction contractors  
5 educate them about remodeling projects that would meet the needs  
6 many senior citizens for accessible and secure housing.

7 Sec. 44.47.587. SENIOR HOUSING REVOLVING FUND. (a) The senic  
8 housing revolving fund is established in the department. The revolv  
9 ing fund consists of appropriations made to it by the legislature, th  
10 proceeds of bonds sold under AS 18.56.083 as they are deposited by th  
11 Alaska Housing Finance Corporation for specific projects, and money o  
12 other assets transferred to the revolving fund by the department  
13 Amounts deposited in the revolving fund may be pledged by the Alaska  
14 Housing Finance Corporation for bonds issued under AS 18.56.083 and  
15 used by the office for making, purchasing, or participating in

16 (1) senior housing mortgage loans;

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

18 (3) loans made for renovation or improvement of or for  
19 senior housing, including loans for renovation or improvement of

20 congregate or individual residences;

21 (4) loans under AS 44.47.605; and

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

23 (b) The department, under guidelines established in regulations  
24 adopted by the department in consultation with the Alaska Housing  
25 Finance Corporation, shall determine for each loan proposed to be made  
26 under AS 44.47.587 - 44.47.609 the financial feasibility of the  
27 project for which the loan would be used and the extent to which the  
28 project would meet senior housing needs in the area for which it is  
29 proposed.

*clarify that all renovation projects including single family dwellings. REQUIRES CRA & HFLC to jointly develop regulations concerning financial feasibility and market for senior housing.*

*Establishes interest rate on construction loans + 2% as cost of funds and permanent loans at cost + 1/2%*

1 ESTABLISHES INTEREST RATE. The interest rate on loans made  
2 on construction loans + 2% under AS 44.47.587 - 44.47.609 that are funded by a bond issue of the  
3 as cost of funds  
4 Alaska Housing Finance Corporation is equal to the cost of funds of  
5 that bond issue plus

- (1) two percentage points for a construction loan;
- (2) one-half of one percentage point for a permanent loan.

*Change title from security for loans*

7 Sec. 44.47.591. CONDITIONS ON LOANS. (a) The commissioner  
8 shall adopt regulations in accordance with the Administrative Proce-  
9 dure Act (AS 44.62) establishing acceptable security for loans origi-  
10 nated or purchased in whole or in part under AS 44.47.587 - 44.47.-  
11 609.

*add CRA regulations to maintain identifying of facilities as senior housing*

12 (b) The department may condition a loan under AS 44.47.587 -  
13 44.47.609 on an agreement by the borrower to maintain the financed  
14 project as senior housing for a time period specified by the depart-  
15 ment. The department shall establish by regulation the criteria it  
16 will use for specifying time periods under this subsection and for  
17 determining under what circumstances the time periods can be decreased  
18 after the loan is made.

19 Sec. 44.47.593. TRANSFER AND ASSIGNMENT OF CERTAIN ASSETS. (a)

*CRA transfers principal payments to AHFC*

20 The department shall transfer to the Alaska Housing Finance Corpora-  
21 tion repayments of principal it collects for a loan made under AS 44.-  
22 44.47.587 - 44.47.609 that was funded by bonds issued by the Alaska  
23 Housing Finance Corporation under AS 18.56.083.

*CRA assigns security interest to AHFC*

24 (b) The department shall assign to the Alaska Housing Finance  
25 Corporation all right, title, and interest of the department in prop-  
26 erty financed through a loan made under AS 44.47.587 - 44.47.609 that  
27 was funded by bonds issued by the Alaska Housing Finance Corporation  
28 under AS 18.56.083.

29 Sec. 44.47.595. FIRE INSURANCE. Before purchasing or

1 participating in the purchase of a senior housing mortgage loan, the  
2 office may require the borrower to agree to purchase and maintain fire  
3 insurance for the real property for which the loan is made in an  
4 amount not less than the outstanding principal balance of the loan.

5 Sec. 44.47.597. LOAN ORIGINATION AND SERVICING. (a) Before  
6 purchasing or participating in the purchase of a senior housing loan  
7 the office shall enter into a loan servicing agreement with the pri  
8 vate financial institution from which the loan is to be purchased.

9 (b) The office may execute service agreements with privat  
10 lending institutions or with regional native housing authoritie  
11 established under AS 18.55.996 to service loans originated by the  
12 office.

13 (c) Under the servicing agreement, the private financial insti-  
14 tution or the regional native housing authority shall administer the  
15 loan and may charge the office a negotiated origination or servicing  
16 fee on the office's share of the loan. When appropriate, the private  
17 financial institution or the regional native housing authority may  
18 also charge the borrower a reasonable origination fee not to exceed  
19 one percent.

20 Sec. 44.47.599. APPRAISALS. Before originating or purchasing or  
21 participating in the purchase of a senior housing mortgage loan, the  
22 office may have or may require the borrower to have an appraisal made  
23 of the fair market value of the real property, including structures on  
24 the real property, for which the loan is made. In conducting an  
25 appraisal under this section, the appraiser shall give full value to  
26 insulation and other features of construction in structures on the  
27 real property that add to the energy efficiency of the structures.

28 Sec. 44.47.601. TOLL-FREE TELEPHONE NUMBER. The office shall  
29 arrange for and maintain a toll-free telephone number for the office

1 so that private financial institutions and their borrowers may contact  
2 the office from any location in the state by telephone without a toll  
3 charge.

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

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

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

12 (b) The personnel described in (a) of this section may make  
13 visits to provide preconstruction and post-construction inspections of  
14 real property for which loans are originated or purchased by the  
15 office in whole or in part under AS 44.47.587 - 44.47.609 and to  
16 provide assistance to private financial institutions and their  
17 borrowers. Authority for final approval of loans may not be ex-  
18 ercised by the personnel described in this section.

19 Sec. 44.47.605. COOPERATIVES. The funds appropriated or made  
20 available under AS 44.47.535 - 44.47.609 may be used by the office to  
21 make loans to public agencies, private nonprofit or limited dividend  
22 corporations, or private corporations or cooperatives organized under  
23 AS 10.15 for moderate-cost or rental senior housing facilities and  
24 senior housing projects. Until termination of all of a cooperative's  
25 loan obligations to it, the office shall regulate or restrict the  
26 rents or sales, charges, capital structure, rate of return, and  
27 methods of operation of a cooperative that receives a loan under this  
28 section to the extent and in the manner that provides reasonable  
29 rentals to tenants and a reasonable return on the investment. A loan

1 to a cooperative may be made for up to 85 percent of the appraised  
2 value of the housing facility but may not exceed the replacement cost  
3 of the facility.

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

5 (1) "office" means the senior housing office established  
6 under AS 44.47.585;

7 (2) "senior housing" means construction or improvement  
8 undertaken primarily to provide dwelling accommodations for persons 60  
9 years of age or older, including conventional housing, housing for  
10 frail elderly, group homes, congregate housing, cooperatives, and  
11 other housing that meets special needs of the elderly; "senior hous-  
12 ing" includes acquisition, construction, or rehabilitation of land,  
13 buildings, improvements, and other nonhousing facilities that are  
14 incidental or appurtenant to the housing.

*definition  
of senior housing  
added*

REVISED  
**FISCAL NOTE**

*Superseded*

**REQUEST:**

Revision Date: \_\_\_\_\_  
Title: Establishing Senior Housing  
Office and Loan Program  
Sponsor: Senator Duncan  
Requestor: \_\_\_\_\_

Agency Affected: Community & Regional Affairs  
BRJ: Housing  
Components: Housing Construction and  
Housing Loan

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

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	80.1	182.0	189.2	196.8	204.7	212.8
TRAVEL	20.0	20.0	20.0	20.0	20.0	20.0
CONTRACTUAL	114.7	115.9	115.9	115.9	115.9	115.9
SUPPLIES	5.0	5.1	5.1	5.1	5.1	5.1
EQUIPMENT	2.0	4.0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>221.8</b>	<b>327.0</b>	<b>330.2</b>	<b>337.8</b>	<b>345.7</b>	<b>353.8</b>

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

**FUNDING:** (Thousands of Dollars)

GENERAL FUND	121.8	123.0	126.3	129.8	133.4	137.4
FEDERAL FUNDS						
OTHER	100.0	204.0	203.9	208.0	212.3	216.4
<b>TOTAL</b>						

**POSITIONS:**

FULL-TIME	2	4	4	4	4	4
PART-TIME		1	1	1	1	1
TEMPORARY						

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

There is no fiscal effect for FY 90.

Please see attachment.

Prepared by: Hank Hodge *M. C. Hodge*  
Division: Rural Development Division

Phone: 563-1073  
Date: 1/22/90

Approved by Commissioner: David G. Bellman  
Agency: Department of Community & Regional Affairs

Date: 1-22-90

**Distribution (by preparer):**

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

STATE OF ALASKA 1990 - 16TH LEGISLATURE  
SECOND SESSION  
FISCAL NOTE

Bill/Resolution No.: SSSB 150

Title: "An Act establishing a senior housing office and loan program in the Department of Community and Regional Affairs and authorizing the issuance of bonds for senior housing."

The establishment of a senior housing office and senior housing loan program will require two additional staff positions for FY 91 and two additional full-time staff positions and one part-time position in FY 92.

It is anticipated that in the first year, the Senior Housing Office would be created with a project coordinator, range 18A and clerical position, range 8A funded by the General Fund. The project coordinator would work with a great deal of independence basically setting up the office by coordinating and meeting with a large constituency, gathering information, responding to requests, attending meetings, and attending to other issues relating to developing a senior office including information dissemination.

The second year would incorporate processing of loans with the additional loan staff. A great deal of interest is to be expected by the public for this program. One part-time accountant position will also be needed beginning in FY 92.

The loan processing and accounting staff would be funded through the revolving loan fund from the sale of bonds by the Alaska State Housing Authority.

The largest part (100.) of contractual fees will be to pay the bank fees to process the origination of loan applications to construct Senior Citizen Housing.

Position Title <b>Project Coordinator</b>			No. of Positions <b>1</b>	Range/Step <b>18A</b>	Barg. Unit <b>GGU</b>																																	
Time Status <b>Full</b>	Staff Months <b>12 Months</b>		Location <b>Anchorage</b>		Election District																																	
Type of Expenditure			Justification																																			
<table border="1"> <thead> <tr> <th>1</th> <th>2</th> <th>3</th> </tr> </thead> <tbody> <tr> <td>Salary</td> <td>37.4</td> <td rowspan="4"></td> </tr> <tr> <td>Benefits</td> <td>12.8</td> </tr> <tr> <td>Premium Pay</td> <td></td> </tr> <tr> <td>Other</td> <td></td> </tr> <tr> <td colspan="2">Total Personal Services</td> <td>50.2</td> </tr> <tr> <td>Travel</td> <td></td> <td>20.0</td> </tr> <tr> <td>Contractual</td> <td></td> <td>14.7</td> </tr> <tr> <td>Commodities</td> <td></td> <td>5.0</td> </tr> <tr> <td>Equipment</td> <td></td> <td>2.0</td> </tr> <tr> <td>Other</td> <td></td> <td>0</td> </tr> <tr> <td colspan="2">Total Cost</td> <td>41.7</td> </tr> </tbody> </table>			1	2	3	Salary	37.4		Benefits	12.8	Premium Pay		Other		Total Personal Services		50.2	Travel		20.0	Contractual		14.7	Commodities		5.0	Equipment		2.0	Other		0	Total Cost		41.7	<p>SSSB 150 Senior Housing Office in FY 91 will require this additional staff person. Position will be responsible for setting up the office by coordinating and meeting with a large constituency, gathering information, responding to requests, attending meetings, and attending to other issues relating to developing a senior housing office including information dissemination.</p>		
1	2	3																																				
Salary	37.4																																					
Benefits	12.8																																					
Premium Pay																																						
Other																																						
Total Personal Services		50.2																																				
Travel		20.0																																				
Contractual		14.7																																				
Commodities		5.0																																				
Equipment		2.0																																				
Other		0																																				
Total Cost		41.7																																				
Funding Source for Total Cost																																						
Federal Receipts	1002																																					
G. F. Match	1003																																					
General Fund	1004	91.9																																				
I-A Receipts	1006																																					
CIP Receipts	1061																																					
Other																																						

**Request For  
New Position**

Agency Department of Community & Regional Affairs  
 BRU Housing Assistance  
 Component Housing Construction

Page 3 of 7  
 Revised Date

**FY 91**

Position Title Clerk Typist III		No. of Positions 1	Range/Step 8 A	Barg. Unit GGU
Time Status Full	Staff Months 12 Months	Location Anchorage		Election District
Justification				
SSSB 150 Senior Housing Office FY 91 will require this position as clerical support for the project coordinator in setting up the office. It is anticipated there will be substantial typing, mailing, copying of materials, etc. in support of this new office proposed in SSSB 150.				
Type of Expenditure		Amount		
1	2	3		
Salary	19.9			
Benefits	10.0			
Premium Pay				
Other				
Total Personal Services		29.9		
Travel		0		
Contractual		0		
Commodities		0		
Equipment		0		
Other		0		
Total Cost		0		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	29.9		
I-A Receipts	1006			
CIP Receipts	1061			
Other				

**Request For  
New Position**

Agency Department of Community & Regional Affairs  
 BRU Housing Assistance  
 Component Housing Construction

Page 4 of 7  
 Revised Date

**FY 91**

Position Title <b>Accountant II</b>		No. of Positions <b>1</b>	Range/Step <b>16 A</b>	Barg. Unit <b>GGU</b>
Time Status <b>PPT</b>	Staff Months <b>6.0</b>	Location <b>Juneau</b>		Election District <b>4</b>
Type of Expenditure		Amount		
<b>1</b>	<b>2</b>	<b>3</b>		
Salary	16.3			
Benefits	5.9			
Premium Pay	-0-			
Other	-0-			
<b>Total Personal Services</b>		<b>22.2</b>		
Travel				
Contractual		1.2		
Commodities		.1		
Equipment		2.0		
Other				
<b>Total Cost</b>		<b>25.8</b>		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1061			
Other		25.8		
<p><b>Justification</b></p> <p>In order to process loans made for Senior Housing project, a part time accountant will be necessary. This position will be responsible for the principle and interest payback accounting on the State Accounting System. Also, will be responsible for all related financial reports. This position will be needed starting in FY 92.</p>				

**Request For  
New Position**

Agency Department of Community & Regional Affairs  
 BRU Admin & Support  
 Component Admin Services

Page 5 of 7  
 Revised Date

**FY 91**

Position Title <b>Loan Closer I</b>		No. of Positions <b>1</b>	Range/Step <b>12 A</b>	Barg. Unit <b>GGU</b>
Time Status <b>Full</b>	Staff Months <b>12 Months</b>	Location <b>Anchorage</b>		Election District
Type of Expenditure		Amount		
<b>1</b>	<b>2</b>	<b>3</b>		
Salary	24.9			
Benefits	10.1			
Premium Pay				
Other				
<b>Total Personal Services</b>		<b>35.0</b>		
Travel				
Contractual				
Commodities				
Equipment				
Other				
<b>Total Cost</b>				
<b>Funding Source for Total Cost</b>				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1061			
<del>Other</del> Revolving Loan Fund		<b>35.0</b>		
Justification				
SSSB 150 Senior Housing Office Loan Staff for FY 92 will require this additional staff person. The position will be responsible for processing and closing all loans for senior citizen housing which have been approved by the Loan Examiner.				

**Request For  
New Position**

Agency Community & Regional Affairs  
 BRU Housing Assistance  
 Component Housing Construction

Page 6 of 7  
 Revised Date

**FY 91**

Position Title <b>Loan Examiner</b>		No. of Positions <b>1</b>	Range/Step <b>15 A</b>	Barg. Unit <b>GGU</b>	
Time Status <b>Full</b>	Staff Months <b>12 Months</b>	Location <b>Anchorage</b>		Election District	
Type of Expenditure		Justification			
Amount		SSSB 150 Senior Housing Office loan staff for FY 92 will require this additional staff person. The position will be responsible for reviewing, underwriting and processing of senior housing loan applications.			
<b>1</b>	<b>2</b>				<b>3</b>
Salary	30.2				
Benefits	11.3				
Premium Pay					
Other					
<b>Total Personal Services</b>	<b>41.5</b>				
Travel					
Contractual					
Commodities					
Equipment					
Other					
<b>Total Cost</b>					
Funding Source for Total Cost					
Federal Receipts	1002				
G. F. Match	1003				
General Fund	1004				
I-A Receipts	1006				
CIP Receipts	1061				
<del>Other</del> Revolving Loan Fund		41.5			

**Request For  
New Position**

Agency Department of Community & Regional Affairs  
 BRU Housing Assistance  
 Component: Housing Construction

Page 7 of 7  
 Revised Date

**FY 91**

**FISCAL NOTE**

**REQUEST:**

Revision Date: \_\_\_\_\_  
Title: Establishing Senior Housing  
Office and Loan Program  
Sponsor: Senator Duncan  
Requestor: \_\_\_\_\_

Agency Affected: Community & Regional Affairs  
BRU: Housing  
Components: Housing Construction and  
Housing Loan

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

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	80.1	182.0	189.2	196.8	204.7	212.8
TRAVEL	20.0	20.0	20.0	20.0	20.0	20.0
CONTRACTUAL	114.7	115.9	115.9	115.9	115.9	115.9
SUPPLIES	5.0	5.1	5.1	5.1	5.1	5.1
EQUIPMENT	2.0	4.0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>221.8</b>	<b>327.0</b>	<b>330.2</b>	<b>337.8</b>	<b>345.7</b>	<b>353.8</b>

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

**FUNDING: (Thousands of Dollars)**

GENERAL FUND	221.8	327.0				
FEDERAL FUNDS						
OTHER			330.2	337.8	345.7	353.8
<b>TOTAL</b>						

**POSITIONS:**

FULL-TIME	2	4	4	4	4	4
PART-TIME		1	1	1	1	1
TEMPORARY						

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

There is no fiscal effect for FY 90.

Please see attachment.

Prepared by: Hank Hodge Phone: 563-1073  
Division: Rural Development Division Date: 2/21/90  
Approved by Commissioner: [Signature] Date: 2-21-90  
Agency: Department of Community & Regional Affairs

**Distribution (by preparer):**

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

STATE OF ALASKA 1990 - 16TH LEGISLATURE  
SECOND SESSION  
FISCAL NOTE

Bill/Resolution No.: CSSSSB 150

Title: "An Act establishing a senior housing office and loan program in the Department of Community and Regional Affairs and authorizing the issuance of bonds for senior housing."

The establishment of a senior housing office and senior housing loan program will require two additional staff positions for FY 91 and two additional full-time staff positions and one part-time position in FY 92.

The Senior Housing Office would be created with a project coordinator, range 18A and clerical position, range 8A. The project coordinator would work with a great deal of independence basically setting up the office by coordinating and meeting with a large constituency, gathering information, responding to requests, attending meetings, and attending to other issues relating to developing a senior office including information dissemination.

The second year would incorporate processing of loans with the additional loan staff. A great deal of interest is to be expected by the public for this program. One part-time accountant position will also be needed beginning in FY 92.

The largest part (100.) of contractual fees will be to pay the bank fees to process the origination of loan applications to construct Senior Citizen Housing.

Position Title Project Coordinator		No. of Positions 1	Range/Step 18A	Barg. Unit GGU
Time Status Full	Staff Months 12 Months	Location Anchorage		Election District
Justification				
The Senior Housing Office in FY 91 will require this additional staff person. Position will be responsible for setting up the office by coordinating and meeting with a large constituency, gathering information, responding to requests, attending meetings, and attending to other issues relating to developing a senior housing office including information dissemination.				
Type of Expenditure		Amount		
1	2	3		
Salary	37.4			
Benefits	12.8			
Premium Pay				
Other				
Total Personal Services		20.2		
Travel		20.0		
Contractual		14.7		
Commodities		5.0		
Equipment		2.0		
Other		0		
Total Cost		41.7		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	91.9		
I-A Receipts	1006			
CIP Receipts	1061			
Other				

**Request For  
New Position**

Agency Department of Community & Regional Affairs  
 BRU Housing Assistance  
 Component Housing Construction

Page 3 of 7  
 Revised Date

**FY 91**

Position Title <b>Clerk Typist III</b>		No. of Positions <b>1</b>	Range/Step <b>8A</b>	Barg. Unit <b>GGU</b>
Time Status <b>Full</b>	Staff Months <b>12 Months</b>	Location <b>Anchorage</b>		Election District
Type of Expenditure		Amount		
<b>1</b>	<b>2</b>	<b>3</b>		
Salary	19.9			
Benefits	10.0			
Premium Pay				
Other				
<b>Total Personal Services</b>	<b>29.9</b>			
Travel		0		
Contractual		0		
Commodities		0		
Equipment		0		
Other		0		
<b>Total Cost</b>		<b>0</b>		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	29.9		
I-A Receipts	1006			
CIP Receipts	1061			
Other				
Justification				
The Senior Housing Office in FY 91 will require this position as clerical support for the project coordinator in setting up the office. It is anticipated there will be substantial typing, mailing, copying of materials, etc. in support of this new office.				

**Request For  
New Position**

Agency Department of Community & Regional Affairs  
 BRU Housing Assistance  
 Component Housing Construction

Page 4 of 7  
 Revised Date

**FY 91**

Position Title <b>Accountant II</b>		No. of Positions <b>1</b>	Range/Step <b>16A</b>	Barg. Unit <b>GGU</b>
Time Status <b>PPT</b>	Staff Months <b>6.0</b>	Location <b>Juneau</b>		Election District
		Justification		
Type of Expenditure		Amount		
<b>1</b>	<b>2</b>	<b>3</b>		
Salary	16.3			
Benefits	5.9			
Premium Pay	0			
Other	0			
Total Personal Services		22.2		
Travel				
Contractual		1.2		
Commodities		.1		
Equipment		2.0		
Other				
Total Cost		25.8		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	25.8		
I-A Receipts	1006			
CIP Receipts	1061			
Other				
<p>In order to process loans made for Senior Housing project, a part time accountant will be necessary. This position will be responsible for the principle and interest payback accounting on the State Accounting System. Also, will be responsible for all related financial reports. This position will be needed starting in FY 92.</p>				

**Request For  
New Position**

Agency Department of Community & Regional Affairs  
 ERU Admin & Support  
 Component Admin Services

Page 5 of 7  
 Revised Date

**FY 91**

Position Title Loan Closer I		No. of Positions 1	Range/Step 12A	Barg. Unit GGU
Time Status Full	Staff Months 12 Months	Location Anchorage		Election District
Type of Expenditure		Justification		
		The Senior Housing Office Loan Staff for FY 92 will require this additional staff person. The position will be responsible for processing and closing all loans for senior citizens housing which have been approved by the Loan Examiner.		
Amount				
1	2	3		
Salary	24.9			
Benefits	10.1			
Premium Pay				
Other				
Total Personal Services	35.0			
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost				
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	35.0		
I-A Receipts	1006			
CIP Receipts	1061			
Other				

**Request For  
New Position**

Agency Department of Community & Regional Affairs  
 BRU Housing Assistance  
 Component Housing Construction

Page 6 of 7  
 Revised Date

**FY 91**

Position Title Loan Examiner		No. of Positions 1	Range/Step 15A	Barg. Unit GGU
Time Status Full	Staff Months 12 Months	Location Anchorage		Election District
Type of Expenditure		Amount		
1	2	3		
Salary	30.2			
Benefits	11.3			
Premium Pay				
Other				
Total Personal Services	41.5			
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost				
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	41.5		
I-A Receipts	1006			
CIP Receipts	1061			
Other				
Justification				
The Senior Housing Office loan staff for FY 92 will require this additional staff person. The position will be responsible for reviewing, underwriting and processing of senior housing loan applications.				

**Request For  
New Position**

Agency Department of Community & Regional Affairs  
 BRU Housing Assistance  
 Component Housing Construction

Page 7 of 7  
 Revised Date

**FY 91**

## FISCAL NOTE

**REQUEST:**

Revision Date: 2/23/90  
 Title: Establishing a Senior Housing Office and Loan Program  
 Sponsor: Senator Duncan  
 Requestor: Senator Pouchot  
 Agency Affected: \_\_\_\_\_  
 BRU: Alaska Housing Finance Corporation  
 Components: \_\_\_\_\_

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

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

**FUNDING:** (Thousands of Dollars)

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

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

(Attach a separate page if necessary)

Prepared by: Robert Sullivan Phone: 5649315  
 Division: AHFC Mortgage department Date: 2/23/90  
 ACKNOWLEDGED BY [Signature]  
 Approved by Commissioner: \_\_\_\_\_ Date: 2/23/90  
 Agency: \_\_\_\_\_

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

Superseded

6-0685D  
Lauterbach  
2/16/90

Original sponsor(s): SEN. DUNCAN, Kerttula, Fahrenkamp, Zharoff, Rodey, Szymanski, Sturgulewski, Fischer

1  
2 IN THE SENATE

3 CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 150 ( )

4 IN THE LEGISLATURE OF THE STATE OF ALASKA

5 SIXTEENTH LEGISLATURE - SECOND SESSION

6 A BILL

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

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

12 \* Section 1. AS 18.56 is amended by adding a new section to read:

13 Sec. 18.56.083. BONDS FOR SENIOR HOUSING. (a) Under the proce-  
14 dures of this chapter, the corporation may issue bonds the proceeds of  
15 which shall be deposited in the senior housing revolving fund adminis-  
16 tered by the senior housing office under AS 44.47.585 - 44.47.609.

17 (b) There is established in the corporation a senior housing  
18 bond account. The account consists of money appropriated to it,  
19 repayments of principal transferred to the corporation under AS 44.-  
20 47.593(a), and assignments made under AS 44.47.593(b). The corpora-  
21 tion may pledge assets in the account and in the senior housing  
22 revolving fund for the payment of bonds issued under (a) of this  
23 section and may use money in the account for payment of the bonds.

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

25 ARTICLE 9A. SENIOR HOUSING OFFICE.

26 Sec. 44.47.585. SENIOR HOUSING OFFICE. There is established in  
27 the department a senior housing office. The office shall promote a  
28 comprehensive response to the needs of senior citizens for adequate,  
29 accessible, secure, and affordable housing in the state. In order to

1 fulfill this purpose, the office may

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

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

6 (3) administer the senior housing loan program established  
7 under AS 44.47.587 - 44.47.609;

8 (4) cooperate and coordinate with other public and private  
9 agencies, including the Older Alaskans Commission, the Alaska Housing  
10 Finance Corporation, and the Alaska State Housing Authority, to re-  
11 spond to the housing needs of senior citizens;

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

15 (6) provide information to senior citizens to help them  
16 understand their financial alternatives related to homes they might  
17 already own and to help them coordinate with other senior citizens in  
18 finding housing alternatives, including information and coordination  
19 on home equity conversion and home sharing; and

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

23 Sec. 44.47.587. SENIOR HOUSING REVOLVING FUND. The senior  
24 housing revolving fund is established in the department. The revolv-  
25 ing fund consists of appropriations made to it by the legislature, the  
26 proceeds of bonds sold under AS 18.56.083, and money or other assets  
27 transferred to the revolving fund by the department. Amounts de-  
28 posited in the revolving fund may be pledged by the Alaska Housing  
29 Finance Corporation for bonds issued under AS 18.56.083 and used by

1 the office for making, purchasing, or participating in

- 2 (1) senior housing mortgage loans;
- 4 (2) loans made for building materials for senior housing;
- 5 (3) loans made for renovation or improvement of or for  
6 senior housing;
- 7 (4) loans under AS 44.47.605; and
- 8 (5) loans made for the construction of senior housing.

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

15 (b) The operating reserve loss account consists of money appro-  
16 priated by the legislature. To the extent that money is paid out of  
17 the operating loss reserve account for the purposes stated in this  
18 section, this money shall be replaced with money received as interest  
19 on loans authorized by AS 44.47.587, subject to appropriation.

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

24 Sec. 44.47.593. TRANSFER AND ASSIGNMENT OF CERTAIN ASSETS. (a)  
25 The department shall transfer to the Alaska Housing Finance Corpora-  
26 tion repayments of principal it collects for a loan made under AS 44.-  
27 47.585 - 44.47.609 that was funded by bonds issued by the Alaska  
28 Housing Finance Corporation under AS 18.56.083.

29 (b) The department shall assign to the Alaska Housing Finance  
30 Corporation all right, title, and interest of the department in

*new section*

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property financed through a loan made under AS 44.47.585 - 44.47.609 that was funded by bonds issued by the Alaska Housing Finance Corporation under AS 18.56.083.

Sec. 44.47.595. FIRE INSURANCE. Before purchasing or participating in the purchase of a senior housing mortgage loan, the office may require the borrower to agree to purchase and maintain fire insurance for the real property for which the loan is made in an amount not less than the outstanding principal balance of the loan.

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

(b) The office may execute service agreements with private lending institutions or with regional native housing authorities established under AS 18.55.995 to service loans originated by the office.

(c) Under the servicing agreement, the private financial institution or the regional native housing authority shall administer the loan and may charge the office a negotiated origination or servicing fee on the office's share of the loan. When appropriate, the private financial institution or the regional native housing authority may also charge the borrower a reasonable origination fee not to exceed one percent.

Sec. 44.47.599. APPRAISALS. Before originating or purchasing or participating in the purchase of a senior housing mortgage loan, the office may have or may require the borrower to have an appraisal made of the fair market value of the real property, including structures on the real property, for which the loan is made. In conducting an appraisal under this section, the appraiser shall give full value to

1 insulation and other features of construction in structures on the  
2 real property that add to the energy efficiency of the structures.

3 Sec. 44.47.601. TOLL-FREE TELEPHONE NUMBER. The office shall  
4 arrange for and maintain a toll-free telephone number for the office  
5 so that private financial institutions and their borrowers may contact  
6 the office from any location in the state by telephone without a toll  
7 charge.

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

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

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

16 (b) The personnel described in (a) of this section may make  
17 visits to provide preconstruction and post-construction inspections of  
18 real property for which loans are originated or purchased by the  
19 office in whole or in part under AS 44.47.587 and to provide assis-  
20 tance to private financial institutions and their borrowers. Author-  
21 ity for final approval of loans may not be exercised by the personnel  
22 described in this section.

23 Sec. 44.47.605. COOPERATIVES. The funds appropriated or made  
24 available under AS 44.47.585 - 44.47.609 may be used by the office to  
25 make

26 (1) character loans, not exceeding \$2,000 for each dwell-  
27 ing, to residents or cooperatives for the improvement, conversion, or  
28 construction of dwellings for occupancy by the residents or members of  
29 the cooperatives who are senior citizens;

1 (2) loans for moderate-cost or rental senior housing facil-  
2 ities and senior housing projects to public agencies, or private  
3 nonprofit or limited dividend corporations, or private corporations or  
4 cooperatives organized under AS 10.15 that are regulated or restricted  
5 by the office (until the termination of all loan obligations to it) as  
6 to rents or sales, charges, capital structure, rate of return, and  
7 methods of operation to the extent and in the manner that provides  
8 reasonable rentals to tenants and a reasonable return on the invest-  
9 ment; loans to cooperatives may be made for up to 85 percent of the  
10 appraised value of the housing facility but may not exceed the re-  
11 placement cost of the facility.

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

13 (1) "office" means the senior housing office established  
14 under AS 44.47.585;

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

*Amended  
Page 5, Line 2  
[May] to Shall*

6-0685R  
Lauterbach  
2/23/90

Original sponsor(s): SEN. DUNCAN, Kerttula, Fahrenkamp, Zharoff, Rodey, Szymanski, Sturgulewski, Fischer

1 IN THE SENATE

2 CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 150 ( )

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND 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."

*changes from  
Sponsor substitute  
dated 4/13/89*

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

11 \* Section 1. AS 18.56 is amended by adding a new section to read:

12 Sec. 18.56.083. BONDS FOR SENIOR HOUSING. (a) Under the proce-  
13 dures of this chapter, the corporation may issue up to \$30,000,000  
14 worth of bonds to fund senior housing loans made by the Department of  
15 Community and Regional Affairs under AS 44.47.585 - 44.47.609 that are  
16 approved by the corporation under (b) of this section.

*ASHA to  
AHFC  
CAP of  
\$30.0M*

17 (b) Before requesting the corporation to issue bonds under this  
18 section, the Department of Community and Regional Affairs shall com-  
19 pile a list of senior housing projects that the department has deter-  
20 mined are financially feasible and meet housing needs for senior  
21 citizens as required under AS 44.47.587(b). Upon the department's  
22 submission to the corporation of appropriate documentation of project  
23 feasibility and desirability, the corporation shall approve or disap-  
24 prove the projects proposed.

*AHFC  
approve  
loans*

*CCA  
determine  
feasibility*

*submit  
to AHFC  
package  
for  
approval*

25 (c) The proceeds of bonds issued under this section for approved  
26 projects shall be deposited in the senior housing revolving fund  
27 administered by the senior housing office under AS 44.47.585 -  
28 44.47.609 on a schedule determined by the corporation.

*Proceeds of  
bonds  
deposited  
in loan  
fund  
as needed*

29 (d) There is established in the corporation a senior housing

*Bond proceeds remain in bond acct. until needed for specific projects.*

*ATFC may pledge bond & loan acct for bonds. If necessary may use bond acct to pay bond interest & principal.*

bond account. The account consists of proceeds of bonds issued under this section, money appropriated to the account, repayments of principal transferred to the corporation under AS 44.47.593(a), and assignments made under AS 44.47.593(b). The corporation may pledge assets in the account and in the senior housing revolving fund for the payment of bonds issued under this section and may use money in the account for payment of the bonds.

AS 44.47 is amended by adding new sections to read:

ARTICLE 9A. SENIOR HOUSING OFFICE.

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

- (1) study the needs of senior citizens in the state for housing to meet their needs;
- (2) seek funding from appropriate sources for the development of housing alternatives for senior citizens;
- (3) administer the senior housing loan program established under AS 44.47.587 - 44.47.609;
- (4) cooperate and coordinate with other public and private agencies, including the Older Alaskans Commission, the Alaska Housing Finance Corporation, and the Alaska State Housing Authority, to respond to the housing needs of senior citizens;
- (5) offer public education programs to increase the awareness of alternatives to large residential facilities for senior citizens;
- (6) provide information to senior citizens to help them understand their financial alternatives related to homes they might

*ATFC added*

1 already own and to help them coordinate with other senior citizens i  
2 finding housing alternatives, including information and coordinatio  
3 on home equity conversion and home sharing; and

4 (7) disseminate information to construction contractors to  
5 educate them about remodeling projects that would meet the needs o:  
6 many senior citizens for accessible and secure housing.

7 Sec. 44.47.587. SENIOR HOUSING REVOLVING FUND. (a) The senior  
8 housing revolving fund is established in the department. The revolv-  
9 ing fund consists of appropriations made to it by the legislature, the  
10 proceeds of bonds sold under AS 18.56.083 as they are deposited by the  
11 Alaska Housing Finance Corporation for specific projects, and money or  
12 other assets transferred to the revolving fund by the department.  
13 Amounts deposited in the revolving fund may be pledged by the Alaska  
14 Housing Finance Corporation for bonds issued under AS 18.56.083 and  
15 used by the office for making, purchasing, or participating in

16 (1) senior housing mortgage loans;

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

18 (3) loans made for renovation or improvement of or for  
19 senior housing, including loans for renovation or improvement of  
20 congregate or individual residences;

21 (4) loans under AS 44.47.605; and

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

23 (b) The department, under guidelines established in regulations  
24 adopted by the department in consultation with the Alaska Housing  
25 Finance Corporation, shall determine for each loan proposed to be made  
26 under AS 44.47.587 - 44.47.609 the financial feasibility of the  
27 project for which the loan would be used and the extent to which the  
28 project would meet senior housing needs in the area for which it is  
29 proposed.

*clarify what  
all renovation  
projects are eligible  
including  
single family  
dwellings.*

*REQUIREMENTS  
CRA & AFFDC  
to jointly  
develop  
regulations  
concerning  
financial  
feasibility  
and  
market  
for senior  
housing.*

1 Establishes  
2 interest rate  
3 on construction loans + 2%  
4 as cost of funds  
5 and permanent  
6 loans at  
7 cost + 1/2%

44.47.589. INTEREST RATE. The interest rate on loans made under AS 44.47.587 - 44.47.609 that are funded by a bond issue of the Alaska Housing Finance Corporation is equal to the cost of funds of that bond issue plus

- (1) two percentage points for a construction loan;
- (2) one-half of one percentage point for a permanent loan.

8 Sec. 44.47.591. *change title from security for loans* CONDITIONS ON LOANS. (a) The commissioner shall adopt regulations in accordance with the Administrative Procedure Act (AS 44.62) establishing acceptable security for loans originated or purchased in whole or in part under AS 44.47.587 - 44.47.609.

12 add  
13 CRA regulations  
14 to maintain  
15 identity of  
16 project or  
17 facilities  
18 senior  
19 housing

(b) The department may condition a loan under AS 44.47.587 - 44.47.609 on an agreement by the borrower to maintain the financed project as senior housing for a time period specified by the department. The department shall establish by regulation the criteria it will use for specifying time periods under this subsection and for determining under what circumstances the time periods can be decreased after the loan is made.

19 Sec. 44.47.593. TRANSFER AND ASSIGNMENT OF CERTAIN ASSETS. (a)

21 CRA  
22 transfers  
23 principal  
24 payments to  
25 AHFC

The department shall transfer to the Alaska Housing Finance Corporation repayments of principal it collects for a loan made under AS 44.47.587 - 44.47.609 that was funded by bonds issued by the Alaska Housing Finance Corporation under AS 18.56.083.

26 CRA  
27 assigns  
28 security  
29 interest to  
AHFC

(b) The department shall assign to the Alaska Housing Finance Corporation all right, title, and interest of the department in property financed through a loan made under AS 44.47.587 - 44.47.609 that was funded by bonds issued by the Alaska Housing Finance Corporation under AS 18.56.083.

29 Sec. 44.47.595. FIRE INSURANCE. Before purchasing or

1 participating in the purchase of a senior housing mortgage loan, th  
2 office <sup>shall</sup> may require the borrower to agree to purchase and maintain fir  
3 insurance for the real property for which the loan is made in a  
4 amount not less than the outstanding principal balance of the loan.

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

9 (b) The office may execute service agreements with private  
10 lending institutions or with regional native housing authorities  
11 established under AS 18.55.996 to service loans originated by the  
12 office.

13 (c) Under the servicing agreement, the private financial insti-  
14 tution or the regional native housing authority shall administer the  
15 loan and may charge the office a negotiated origination or servicing  
16 fee on the office's share of the loan. When appropriate, the private  
17 financial institution or the regional native housing authority may  
18 also charge the borrower a reasonable origination fee not to exceed  
19 one percent.

20 Sec. 44.47.599. APPRAISALS. Before originating or purchasing or  
21 participating in the purchase of a senior housing mortgage loan, the  
22 office may have or may require the borrower to have an appraisal made  
23 of the fair market value of the real property, including structures on  
24 the real property, for which the loan is made. In conducting an  
25 appraisal under this section, the appraiser shall give full value to  
26 insulation and other features of construction in structures on the  
27 real property that add to the energy efficiency of the structures.

28 Sec. 44.47.601. TOLL-FREE TELEPHONE NUMBER. The office shall  
29 arrange for and maintain a toll-free telephone number for the office

1 so that private financial institutions and their borrowers may contact  
2 the office from any location in the state by telephone without a toll  
3 charge.

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

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

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

12 (b) The personnel described in (a) of this section may make  
13 visits to provide preconstruction and post-construction inspections of  
14 real property for which loans are originated or purchased by the  
15 office in whole or in part under AS 44.47.587 - 44.47.609 and to  
16 provide assistance to private financial institutions and their  
17 borrowers. Authority for final approval of loans may not be ex-  
18 ercised by the personnel described in this section.

19 Sec. 44.47.605. COOPERATIVES. The funds appropriated or made  
20 available under AS 44.47.585 - 44.47.609 may be used by the office to  
21 make loans to public agencies, private nonprofit or limited dividend  
22 corporations, or private corporations or cooperatives organized under  
23 AS 10.15 for moderate-cost or rental senior housing facilities and  
24 senior housing projects. Until termination of all of a cooperative's  
25 loan obligations to it, the office shall regulate or restrict the  
26 rents or sales, charges, capital structure, rate of return, and  
27 methods of operation of a cooperative that receives a loan under this  
28 section to the extent and in the manner that provides reasonable  
29 rentals to tenants and a reasonable return on the investment. A loan

1 to a cooperative may be made for up to 85 percent of the appraised  
2 value of the housing facility but may not exceed the replacement cost  
3 of the facility.

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

5 (1) "office" means the senior housing office established  
6 under AS 44.47.585;

7 (2) "senior housing" means construction or improvement  
8 undertaken primarily to provide dwelling accommodations for persons 60  
9 years of age or older, including conventional housing, housing for  
10 frail elderly, group homes, congregate housing, cooperatives, and  
11 other housing that meets special needs of the elderly; "senior hous-  
12 ing" includes acquisition, construction, or rehabilitation of land,  
13 buildings, improvements, and other nonhousing facilities that are  
14 incidental or appurtenant to the housing.

*definition  
of senior housing  
added*

# Alaska State Legislature



SENATOR JIM DUNCAN

P. O. Box V JUNEAU, ALASKA 99811-3100  
(907) 465-4766

COMMITTEES:  
FINANCE  
VICE CHAIR —  
HEALTH EDUCATION  
& SOCIAL SERVICES  
BUDGET & AUDIT  
BANKING &  
ECONOMIC  
DEVELOPMENT

## MEMORANDUM

DATE: February 26, 1990

TO: Senator Pat Pourchot, Chair  
Senate State Affairs Committee

FROM: Senator Jim Duncan

RE: SS SB 150, establishing a senior housing office and loan program in the Department of Community and Regional Affairs; and authorizing the issuance of bonds for senior housing.

Attached is a new proposed CS for SS SB 150, dated 2/23/90, establishing a senior housing office and revolving loan fund. Working with AHFC and C&RA since Wednesday, February 21, we have arrived at a mutually agreeable solution for the financing and operation of the Senior Housing Loan Program.

### Major provisions and changes to SS SB 150 are as follows:

**Section 1.** (Page 1, line 11) Sec. 18.56.083. **Bonds for Senior Housing.** (a) Authorizes AHFC to issue up to \$30,000,000 in senior housing bonds for senior housing projects of which AHFC approves. (b) Requires Community and Regional Affairs to compile and submit to AHFC for approval lists of senior housing projects which they have determined to be desirable and financially feasible. (c) The bond proceeds are deposited in the loan fund as determined necessary by AHFC. (d) Establishes a Senior Housing Bond Account in AHFC. Allows AHFC to pledge funds and security interest assignments in the Bond Account and assets in the Senior Housing Revolving Loan Fund for the payment of the bonds. If necessary, AHFC may also use money in the Bond Account for payment of the bonds.

**Section 2.** (Page 2, Line 9) Sec. 44.47.585. **Senior Housing Office.** Establishes a Senior Housing Office in Community and Regional Affairs to coordinate senior housing programs and administer the loan fund.

**SS SB 150**  
**Section 2 continued.**

(Page 3, Line 7) **Sec. 44.47.587. (a)** Establishes the **Senior Housing Revolving Fund** in Community and Regional Affairs and clarifies on lines 10-11 that the proceeds of bonds sold by AHFC will be deposited in the Fund for specific projects . Again on page 3, line 18, item (3) is clarified to include congregate or individual residences in those for which senior housing loans can be made. This relates to the deletion of \$2,000 character loans in the Cooperative section on page 6. Borrowers could still do minor renovations to accommodate the special needs of the elderly, but it would be treated as a second mortgage rather than a character loan. **(b)** Requires CRA and AHFC to jointly establish guidelines in regulations for determining financial feasibility and the need for projects.

(Page 4, Line 1) **Sec. 44.47.589. Interest Rate.** A new section is added, specifying the interest rate to be charged to borrowers on the senior housing loans to be the cost of funds plus two percent for construction loans, and the cost of funds plus 1/2 percent for permanent loans.

(Page 4, Line 7) **Sec. 44.47.591.** The title is changed from "Security for Loans" ----to ----"**Conditions on Loans**" and **(b)** is added which requires CRA to develop regulations intended to reasonably preserve the use of facilities constructed as senior housing with senior housing loan funds for senior citizens.

(Page 4, Line 19) **Sec. 44.47.593. Transfer and Assignment of Certain Assets.** **(a)** Directs C&RA to transfer repayments of bond principal to AHFC. **(b)** Directs C&RA to assign to AHFC a security interest in property financed with bond proceeds.

(Page 6, Line 19) **Sec. 44.47.605. Cooperatives.** Character loans of up to \$2,000 are eliminated from the section as stated earlier. Individuals desiring loans to retrofit individual housing units will be accommodated by the language on Page 3, line 19 of the bill.

(Page 7, Line 7) **Sec 44.47.609. Definitions.** **(2)** A definition of senior housing is added for ease in interpreting the bill.

**SB 487 now 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.

The funding mechanism as contained in SB 487, will make an appropriation of \$10,000,000 of AHFC's Revolving Loan Funds to establish the Senior Housing Bond Account in AHFC. It also establishes an appropriation of earnings to the Senior Housing Revolving Loan Account in CRA. Since our meeting last week AHFC has indicated a willingness to allow appropriation of \$10 million of their Revolving Loan Fund to capitalize the Senior Housing Bond Fund, rather than tying the appropriation amount to their current year earnings. They feel retention of their current year earnings within the Corporation will enhance their bond rating, while transfer of funds from their Revolving Loan Account to the Senior Housing Bond Account would be perceived by the bond market as simply an internal transfer. I plan to provide the Banking and Economic Development Committee with an amended version of SB 487 to reflect these changes at the hearing scheduled for Tuesday, February 27.

Attachments

# Alaska State Legislature



SENATOR JIM DUNCAN

P. O. Box V JUNEAU, ALASKA 99811-3100

(907) 465-4766

COMMITTEES:  
FINANCE  
VICE CHAIR —  
HEALTH EDUCATION  
& SOCIAL SERVICES  
BUDGET & AUDIT  
BANKING &  
ECONOMIC  
DEVELOPMENT

## MEMORANDUM

DATE: February 24, 1990

TO: Senator Pat Pourchot, Chair  
Senate State Affairs Committee

FROM: Senator Jim Duncan

RE: SS SB 150, establishing a senior housing office and loan program in the Department of Community and Regional Affairs; and authorizing the issuance of bonds for senior housing.

Attached is a new proposed CS for SS SB 150, dated 2/23/90, establishing a senior housing office and revolving loan fund. Working with AHFC and C&RA since Wednesday, February 21, we have arrived at a mutually agreeable solution for the financing and operation of the Senior Housing Loan Program.

### Major provisions and changes to SS SB 150 are as follows:

**Section 1.** (Page 1, line 11) Sec. 18.56.083. **Bonds for Senior Housing.** (a) Authorizes AHFC to issue up to \$30,000,000 in senior housing bonds for senior housing projects of which AHFC approves. (b) Requires Community and Regional Affairs to compile and submit to AHFC for approval lists of senior housing projects which they have determined to be desirable and financially feasible. (c) The bond proceeds are deposited in the loan fund as determined necessary by AHFC. (d) Establishes a Senior Housing Bond Account in AHFC. Allows AHFC to pledge funds and security interest assignments in the Bond Account and assets in the Senior Housing Revolving Loan Fund for the payment of the bonds. If necessary, AHFC may also use money in the Bond Account for payment of the bonds.

**Section 2.** (Page 2, Line 9) Sec. 44.47.585. **Senior Housing Office.** Establishes a Senior Housing Office in Community and Regional Affairs to coordinate senior housing programs and administer the loan fund.

**SS SB 150**  
**Section 2 continued.**

(Page 3, Line 7) Sec. 44.47.587. (a) Establishes the **Senior Housing Revolving Fund** in Community and Regional Affairs and clarifies on lines 10-11 that the proceeds of bonds sold by AHFC will be deposited in the Fund for specific projects . Again on page 3, line 18, item (3) is clarified to include congregate or individual residences in those for which senior housing loans can be made. This relates to the deletion of \$2,000 character loans in the Cooperative section on page 6. Borrowers could still do minor renovations to accommodate the special needs of the elderly, but it would be treated as a second mortgage rather than a character loan. (b) Requires CRA and AHFC to jointly establish guidelines in regulations for determining financial feasibility and the need for projects.

(Page 4, Line 1) Sec. 44.47.589. **Interest Rate.** A new section is added, specifying the interest rate to be charged to borrowers on the senior housing loans to be the cost of funds plus two percent for construction loans, and the cost of funds plus 1/2 percent for permanent loans.

(Page 4, Line 7) Sec. 44.47.591. The title is changed from "Security for Loans" ---to ----"**Conditions on Loans**" and (b) is added which requires CRA to develop regulations intended to reasonably preserve the use of facilities constructed as senior housing with senior housing loan funds for senior citizens.

(Page 4, Line 19) Sec. 44.47.593. **Transfer and Assignment of Certain Assets.** (a) Directs C&RA to transfer repayments of bond principal to AHFC. (b) Directs C&RA to assign to AHFC a security interest in property financed with bond proceeds.

(Page 6, Line 19) Sec. 44.47.605. **Cooperatives.** Character loans of up to \$2,000 are eliminated from the section as stated earlier. Individuals desiring loans to retrofit individual housing units will be accommodated by the language on Page 3, line 19 of the bill.

(Page 7, Line 7) Sec 44.47.609. **Definitions.** (2) A definition of senior housing is added for ease in interpreting the bill.

**SB 487 accomplishes the following:**

**Section 1.** Up to \$10 million is appropriated from AHFC's corporate earnings for FY 90 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.

The funding mechanism as contained in SB 487, makes an appropriations of corporate receipts within AHFC to establish the Senior Housing Bond Account and establishes an appropriation of earnings to the Senior Housing Revolving Loan Account in CRA. Some confusion had apparently resulted from the \$10,000,000 General Fund appropriation amount listed on the bill. Mike Greany from Legislative Finance advises that AHFC's earnings are considered **corporate receipts** and therefore should be listed as Other Funds rather than General Funds. We will correct the fund source on the bill in the Banking and Economic Development Committee hearing on SB 487 on Tuesday, February 27. Other than the change in fund sources, SB 487 remains the same.

Attachments

# Alaska State Legislature



SENATOR JIM DUNCAN

P. O. BOX V JUNEAU, ALASKA 99811-3100  
(907) 465-4766

COMMITTEES:  
FINANCE  
VICE CHAIR -  
HEALTH EDUCATION  
& SOCIAL SERVICES  
BUDGET & AUDIT  
BANKING &  
ECONOMIC  
DEVELOPMENT

## MEMORANDUM

DATE: February 20, 1990

TO: Senator Pat Pourchot, Chair  
Senate State Affairs Committee

FROM: Senator Jim Duncan

RE: SS SB 150, establishing a senior housing office and loan program in the Department of Community and Regional Affairs; and authorizing the issuance of bonds for senior housing.

Attached is a proposed CS for SS SB 150, establishing a senior housing office and revolving loan fund and a copy of SB 487 for your use. Working with AHFC and C&RA over the past weeks, we have arrived at a solution for the financing of the Senior Housing Revolving Loan Fund.

The funding mechanism is contained in SB 487, making appropriations to AHFC for the Senior Housing Bond Account and making an appropriation to the Senior Housing Revolving Fund in the Department of Community and Regional Affairs.

### SB 487 accomplishes the following:

Page 1, Line 13. **Section 1.** (a) Gives AHFC authority to issue bonds for deposit in the Senior Housing Revolving Fund in Community and Regional Affairs. (b) AHFC provides up to \$10.0 million of their current year earnings to capitalize a Senior Housing Bond Account established in AHFC.

Page 1, Line 18. **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.

Page 1, Line 27. **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 the Committee Substitute for SB 150 which is attached.

**Changes proposed to Senate Bill 150 are as follows:**

Page 1, Line 12. Section 1. **Bonds for Senior Housing.** (a) Authorizes AHFC to issue bonds, the proceeds of which shall be deposited in the Senior Housing Revolving Fund in C&RA. (b) Establishes a Senior Housing Bond Account in AHFC. Allows AHFC to pledge funds and security interest assignments in the Bond Account and assets in the Senior Housing Revolving Loan Fund for the payment of the bonds. If necessary, AHFC may also use money in the Bond Account for payment of the bonds.

Page 2, Line 8. Section 2. **Senior Housing Office.** Subsection 4 - adds AHFC to those agencies with which the Senior Housing Office should cooperate and coordinate.

Page 2, Line 23. Section 3. 44.4.587 - establishing the **Senior Housing Revolving Fund** in C & RA - changes the reference from ASHA to AHFC.

Page 3, Line 23. Sec. 44.47.593. Adds a new section entitled, **Transfer and Assignment of Certain Assets.** (a) Directs C&RA to transfer repayments of bond principal to AHFC. (b) Directs C&RA to assign to AHFC a security interest in property financed with bond proceeds.

Attachments

# Alaska State Legislature



P.O. Box V  
State Capitol  
Juneau, Alaska 99811

Sen. Pat Pourchot, Chairman

Sen. Jan Faiks, Vice Chairman

Sen. Al Adams

Sen. Tim Kelly

Sen. Rick Uehling

907-465-3712

## Senate State Affairs Committee

### MEMORANDUM

TO: Members, Senate State Affairs Committee

FROM: Senator Pat Pourchot, Chairman

RE: October 19 Hearing

DATE: October 12, 1989

On Thursday, October 19 the House and Senate State Affairs Committees will meet in the downstairs conference room of the Anchorage LIO on the following topics.

9:00 a.m. - 1:00 p.m.	Senior Housing
2:30 p.m. - 4:30 p.m.	Longevity Bonus (Senate committee only)

The focus of the housing discussion will be SB 150, which would establish a senior housing loan program in the Department of Community and Regional Affairs (to be funded with bond proceeds) and HB 218, which would authorize AHFC to assist in the development of senior citizens' housing. The Older Alaskans Commission will present their study documenting the need for housing and the difficulty of obtaining financing for preferred forms of housing (such as congregate housing, independent apartments, and group homes).

The focus of the Longevity Bonus discussion -- in light of the underfunding of the program for FY 90 and the intent language directing the Department of Administration to analyze capping the program at \$50 million annually -- will be program alternatives. This will include a discussion of SB 5, which would establish an annuity program.

The agenda for each portion of the hearing is enclosed.

John Shaw, Palmer

A G E N D A

HOUSE AND SENATE STATE AFFAIRS COMMITTEES  
October 19, 1989 9 a.m. - 1 p.m.  
Anchorage LIO, 3111 C Street

I. Senior Housing Needs Assessments

*OK* Fran Toland, Associate Coordinator, Older Alaskans Commission  
*OK* Glenda Straube, Director, Alaska Housing Market Council 563-3325

II. Issues in Financing Senior Housing

A. Independent Living -- Middle Income Seniors

*OK* Pat Porter, Kenai Senior Center  
*OK* John Williams

B. Independent Living - Low Income Seniors

*OK* Chuck Logsdon, Palmer Senior Center Housing Committee 745-3664

C. Family Care and Group Homes

*OK* Linda Smith, Juneau Provider

D. Rural Settings

*NO* *OK* Don Shircel, Tanana Chiefs Conference 452-8251  
*OK* Spud Williams

III. Proposals to Address Housing Needs

*OK* Senator Jim Duncan, Sponsor of SB 150 (An Act establishing a senior housing office and loan program and authorizing the issuance of bonds for senior housing)

*OK* Representative Fran Ulmer, Sponsor of HB 218 (An Act extending the authority of the Alaska Housing Finance Corporation to assist in the development of senior citizens' housing)

IV. Financing Options

has to leave  
at 10am

*OK* Kelly Gunnels, Denali State Bank 456-1400 ←  
*OK* Sterling Gallagher, John Nuveen and Company

V. Public Comment (Approximately 11:30 a.m. - 1:00 p.m.)

THE HEARING WILL BE TELECONFERENCED TO SELECT SITES. PLEASE CONTACT SENATOR PAT POURCHOT (561-7623) OR REPRESENTATIVE RED BOUCHER (561-7624) IF YOU WOULD LIKE TO TESTIFY.

FOLLOWING THE HEARING ON SENIOR HOUSING, FROM 2:30-4:30 P.M., THE SENATE STATE AFFAIRS COMMITTEE WILL HOLD A PUBLIC HEARING ON THE LONGEVITY BONUS PROGRAM. FOR MORE INFORMATION, CONTACT SENATOR PAT POURCHOT (561-7623).

# Alaska State Legislature

Sen. Pat Pourchot, Chairman

Sen. Jan Faiks, Vice Chairman  
Sen. Al Adams  
Sen. Tim Kelly  
Sen. Rick Uehling



P.O. Box V  
State Capitol  
Juneau, Alaska 99811

907-465-3712

## Senate State Affairs Committee

### MEMORANDUM

TO: Interested Parties

FROM: Sandra Schubert *Sandra* Administrative Assistant  
to Senator Pat Pourchot

RE: October 19 Hearing on Senior Housing

DATE: October 3, 1989

As we discussed, please find enclosed the agenda for the above referenced hearing and the two bills (SB 150 and HB 218) that will be discussed at the hearing. The needs assessment conducted by the Older Alaskans Commission is still at the printers; I will send it to you as soon as it's available.

Although the hearing will be chaired out of Anchorage, it will be teleconferenced to sites around the state (Juneau, Mat-Su, Kenai, Fairbanks, and the Anchorage Pioneer Home so far) -- you are welcome to participate over the teleconference network if you prefer.

Please give me a call if you have any questions or need additional information (in Juneau, 465-3712). Thanks again for your participation!

# Alaska State Legislature

Sen. Pat Pourchot, Chairman

Sen. Jan Faiks, Vice Chairman  
Sen. Al Adams  
Sen. Tim Kelly  
Sen. Rick Uehling



P.O. Box V  
State Capitol  
Juneau, Alaska 99811

907-465-3712

## Senate State Affairs Committee

October 6, 1989

Dear Alaska Senior:

I'm writing to let you know that the Senate State Affairs Committee is hosting a public hearing on two issues that may be important to you -- senior citizen's housing and the Longevity Bonus Program. The hearing will be held:

Thursday, October 19  
at: Anchorage LIO, 3111 C Street, First Floor  
9:00 am - 1:00 pm Senior Citizens' Housing  
2:30 pm - 4:30 pm Longevity Bonus Program

In addition, the hearing will be teleconferenced to select sites including the Anchorage Pioneers' Home. Both the afternoon and the morning sessions will begin with informational presentations, and will end with public comment (approximately 11:30-1:00 on housing and 3:30-4:30 on Longevity Bonus).

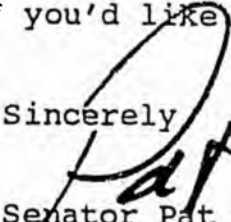
The focus of the housing discussion will be SB 150, which would establish a senior housing loan program, and HB 218, which would authorize the Alaska Housing Finance Corporation to assist in the development of senior citizens' housing. A study conducted by the Older Alaskans Commission documents the need for housing alternatives that complement the system of Pioneers' Homes and other facilities; we now need to work on methods of financing construction and development of these alternatives.

The focus of the Longevity Bonus discussion will be SB 5, which would establish an annuity program. Other alternatives to the current bonus program will also be discussed. As you may know, the House and Senate Finance Committees directed the Department of Administration, through intent language accompanying this year's funding for the bonus program, to analyze the possibility of capping the program's cost at \$50 million annually. Since the current cost of the program exceeds this amount, such a cap would require restructuring of the program.

While there is clearly no consensus on what that restructuring might look like, several options have been discussed. The options include limiting eligibility for the program and limiting the amount of the monthly bonus, as well as the annuity proposal. I feel strongly that bonus recipients should participate in any changes to the program, and would really appreciate your comments on these options.

Please give me a call (561-7623) if you'd like more information on the hearing. Hope to see you on the 19th!

Sincerely

  
Senator Pat Pourchot  
Chairman



# Alaska State Legislature

Please enter into the record my testimony to the J. H. S. STATE AFFAIRS  
committee name

committee on SENIOR HOUSING, dated 10/19/89  
bill/subject

I have been involved with Senior Citizen housing for years, with the HUD ASHA senior housing in Fairbanks, Juneau, Anchorage and Wasilla. Now I am a member of Palmers Sr. Citizen Housing steering committee. There is no question in my mind that Senator Duncan's SB 150 is the best way to go, altho the other might work also - SB 150 uses established, well tried routes, whereas AHFC would be a new strategy with everything still to be established. ASHA already has the structure in place.

Signed: Pres Palmarist

Testifier

The Senior Palmarist

Representing (Optional)

P.O. BOX 870294, WASILLA 99687

Address

907-376-0110

Phone No.

TRANSCRIPT OF CLINTON POLLEY'S TESTIMONY TO SENATE STATE AFFAIRS COMMITTEE  
SENIOR HOUSING OCTOBER 19, 1989

I'm Clinton L. Polley, Juneau. I'm a 73 year resident of Alaska, a retired dentist. I'd like to speak in favor of the state providing intermediate care facilities for moderate income residents through the issuance of Alaska State Housing Authority revenue bonds.

In Juneau we have an excellent facility constructed with state and federal funds for low income residents, but there are no provisions for middle and higher income residents. One needs only to check the recent survey done in Juneau as to how much volunteer work is done for both the city and the state to realize that we must try to retain this group of retirees in Alaska. Many Alaskans can afford to retire elsewhere but chose to remain here for many reasons.

Our population is living longer and there is a greater demand for more intermediate and full nursing care. With the construction of intermediate residential housing, the residential facilities in the Pioneers Homes could be eliminated and those beds turned into partial and full care nursing units.

A recently completed survey of senior citizens in Juneau with a 76% response shows that there is a definite interest and demand for independent living in their own facility, provided they are physically able to care for themselves. I believe Alaska leads the nation in the benefits that are provided its elderly. The Pioneers Homes are excellent facilities for the elderly when they can no longer take care of themselves.

I was in Sitka when the first Pioneer Home was in the old marine barracks. I witnessed the care and treatment provided the early year residents of the territory. This pride in care and treatment has continued down through the years. After retirement I stayed in Alaska, not only because of my family and friends but also because I knew I had a haven -- the Pioneers Home to go to if I needed it.

We are not ready to enter the Pioneers Home as long as my wife and I can take care of ourselves. But we and many others are approaching the time when we can no longer maintain the home and the garden and need to move into a facility with all the amenities one requires in old age.

I don't think any of us in the moderate income group is looking for a free ride. I can speak only for myself, of course, but I am willing to pay for adequate housing as long as the cost does not pauperize me. I think the state should build such facilities through the Alaska Housing Authority in any community that can show need and ability to pay for site. They could be operated by the state or leased out to such agencies that are interested in having senior citizen housing.

I appreciate having this opportunity to present my views on a subject that I think needs immediate action. I hope your committee and the other legislators will act accordingly.

Thank you.

HIGHLIGHTS OF STERLING GALLAGHER'S TESTIMONY TO SENATE STATE  
AFFAIRS COMMITTEE ON SENIOR HOUSING - OCTOBER 19, 1989

Two federal programs available -- "Quite frankly, they're marginal at best. The rent levels and construction costs in Alaska are such that you need about a 30% subsidy to make the programs work."

221-B-3 Financing

Tax exempt federally insured loans available to nonprofit organizations for up to 100% of construction cost; current interest 7-3/8%. Income to project (i.e. cash flow through rents) must be 110% of debt service. Problem is that market rents aren't usually high enough to provide this cash flow because construction costs are so high. For projects to be feasible in Alaska's three urban areas it would probably require a 30% subsidy, and a greater subsidy in other areas of the state. Example: In Juneau, without subsidy, rents would need to be \$748/month.

To qualify for a 221-B-3 loan, the housing project must meet one of two tests:

1. 20/50 test (20% or more of the units are rent restricted and occupied by persons with incomes less than 50% of the median gross income of the area)
2. 40/60 test (40% or more of the units are rent restricted and occupied by persons whose incomes are 60% or less of the median gross income of the area). In Juneau, 60% for a family of two is \$29,000; in Fairbanks \$20,000; in Anchorage \$23,000; in MatSu \$20,000.

In Alaska, most projects would qualify under the 40/60 test, not the 20/50. Renters below the income standard pay only 30% of their income as rent.

Federal Income Tax Credits

For developers of low income housing -- 9% of cost of new construction; 4% of cost of remodeling. Only \$640,000 available to Alaska this year (amount is based on state population; our chance of getting more money is slim to none). Administered by ASHA -- federal law requires at least 25% go to nonprofits; this year all is going to nonprofits, none specifically for elderly. (Woodridge Apartments in Kenai \$52,000; Tanana apartments in North Pole \$66,000; Terrace Apartments in Kodiak; Park West Apartments in Fairbanks \$267,000; Panoramic View Apartments in Anchorage.)

"Using a nonprofit to buy an existing facility in Anchorage for remodeling comes closest to working at the present time in Alaska. New construction would be very difficult -- Juneau comes the closest to working."

Joe Alter provided the following summary of a survey of Juneau seniors: Income levels for persons over age 65:

15-20%	are \$10-20,000	(acceptable rent \$500)
30%	are \$20-30,000	(acceptable rent \$720)
16-25%	are \$30-40,000	(acceptable rent \$935)
8-10%	are \$40-50,000	(acceptable rent \$1105)
8-10%	are \$50-60,000	(acceptable rent \$1300)
10-25%	are \$60,000 +	(acceptable rent \$1500)

Total need in Juneau is 100 units of housing over time.

1) non-profits remodeling best chance Walla  
Annie Thomas  
Federal by Cashed

2) 26K non-profit, Tax exempt, Finance  
Tuneau  
new construction 30% subsidy required  
with  
ASHA has authority

640K in Fed tax credits available  
for AK - most for non-profits  
for low-income  
(Panoramic Apt)  
Admin by ASHA - Henry ~~Thompson~~ Ford?  
9562-28  
Seniors 60-65?

Jean Smith - expand coops in SB 150  
to include indiv

Sped Williams - bills don't speak  
to rural needs  
operational & lacking

Murray - look at costs ~~state~~ &  
state involvement - ~~the~~ fed  
guidelines ~~great~~ not restrictive  
but state grant needs not dependent

SENATE STATE AFFAIRS COMMITTEE TESTIMONY  
October 19, 1989

My name is Amos J. Alter. I live at 303 Distin Ave. in Juneau. I speak in recognition of a serious need for affordable housing alternatives for Alaska's elderly people. In addition to recognizing the need I speak in support of actions to provide housing for middle and low income persons.

As a member of the State Legislative Committee of the American Association of Retired Persons, a group with an Alaska membership of about 32,000 persons, I speak in support of the concept of making those resources available to seniors which enable them to stay in their own homes as long as possible, thereby avoiding the high costs to society incurred by institutionalization. Among other things such resources should include a variety of housing alternatives, congregate, group new or converted facilities, additions to existing housing, non-profit, public or private participation. State and local governments and individuals as well as the private sector should be encouraged to cooperate in meeting the need.

A sizable proportion of the senior citizen community is able and willing to make reasonable payment for housing. Incentives such as funding through revenues, low interest loans, land grants for sites and coordination and leadership in developing viable alternatives are all needed. There is a singular lack of housing alternatives for those middle income persons ineligible for low rent housing and yet unable to meet housing needs beyond a private home. Residential and assisted living alternatives for these persons in their own communities would allow them to remain in Alaska. As they are allowed to remain in Alaska they would continue to contribute to their communities economically as well as socially. A retired person spending retirement income in the community is a significant part of the economic base of that community.

In summary it is to the advantage of all Alaskans to provide housing alternatives for the elderly which keep seniors independent as long as possible. AARP supports those actions which will expedite and provide affordable housing alternatives for all Alaskan elders regardless of their income.



ALASKA STATE LEGISLATIVE COMMITTEE

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924 Kellum #201  
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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.

sssbl150.txt

SSSB 150: Duncan Senior Housing

TELECONFERENCE; DCRA and AHFC will both be one line from Anchorage.

Notified: \* indicates will testify

\*Senator Duncan

\*C. and R.A: Mike Harper,  
Kay Graham,

AK. Housing Marketing Council: Glenda Straube

OAC: Fran Toland, Connie Sipes

AK. State Housing Auth: Julia Tucker

AK. Neighborhood Housing: Cynthia Parker

Rep. Ulmer

\*AHFC: Tom Behan, Bob Sullivan,  
Sylvia Short

F.Y.I.

Last minute changes have occurred to the funding mechanism bill: the \$10 million will no longer be tied to AHFCs current year earnings. Duncan will be proposing this to the Banking Committee.

Copy of Questions presented to the group I met with are attached.

( Below are the questions given to Duncan, AHFC, CRA, Bill Drafter and Connie Sipes)

RE: Committee Substitute for SS SB 150

The Senate State Affairs Committee hearing on the proposed committee substitute (CS) for SS SB 150 shed light on some of the gray areas within the bill and some points that need clarification. The following information is needed prior to the next hearing:

1. The assumption that this is not, nor ever will be a subsidized program needs to be spelled out.
  - a. How many construction dollars does the \$10 million AHFC guarantee? Examples of AHFC bond yields over the past 5-10 years.
  - b. What are the AHFC administrative costs and what are these paid out of?
  - c. What are the other costs: relating to both bonds and loans. Bond coverage, insurance? Loan servicing costs?
  - d. What would a realistic bond cap be to ensure a revolving fund and meet senior housing needs: \$10 million, \$20 million?
  - e. If a cap is proposed, should it be set on an annual basis, life-time of the program or set at a pre-determined figure reached in the revolving fund?
  - f. Who sets the interest rate. What is the definition of favorable market rate. Who sets the underwriting criteria?
  - g. What are the risks, how would failure impact each party involved? Amount required for operating loss reserve account? What would the average amount needed each year to cover legal costs be?
  - h. Are bond monies project specific? If not, when and how are monies transferred (at what point in the project approval process)? Who actually decides which loan applications qualify?
  - i. Are there similar programs being offered at this time in the state? examples?
  - j. What effect will this program have on AHFC's bond rating.
  - k. Are there any matching federal monies available for this program or programs similar? If yes, could this bill be restructured to guarantee eligibility?
  
2. A scenario showing how a small congregate senior housing facility would be developed from concept to reality would help clarify many issues.
  - a. What are the general guidelines for the potential investor/contractor. Who sets the guidelines, ie. which people/positions within which agencies? Is the facility based on a verifiable community need? Who establishes need, verifies viability of project. How are factors such as economic health of the community, trends and projected growth incorporated into the planning?
  - b. Which agency approves the project as eligible for the favorable loan rate. What is the "market test" for a senior housing project and who verifies that the project meets the standards?

c. If the project fails, how does the failure impact those involved, including, how is the resident senior population provided for? Additionally, what if the contractor/investor builds a senior facility under this program and later fails to serve seniors as originally intended, would there be penalties?

3. Further clarification on Character loans (page 5, line 22)

a. Why listed under cooperatives. Could a single family home be eligible for retro-fitting?

b. Are the \$2000 loans considered signature loans?

c. What % of the "fund" could be used for character loans?

D. Is CRA actually granting these loans?

4. Would the public be better served by expanding AHFC staff to include a person to manage the senior housing loan program instead of creating a new office within CR & A.

sssbl50.txt

SSSB 150: Duncan Senior Housing

Notified: \* indicates will testify

\*C. and R.A: Mike Harper, someone will be available

- ✓ AK. Housing Marketing Council: Glenda Straube will be available

OAC: Fran Toland, Connie Sipes (left message)

Rep. Boucher

Tanana Chiefs: Don Shircel

Sterling Gallagher

AK. State Housing Auth: Julia Tucker

AK. Neighborhood Housing: Cynthia Parker

Rep. Ulmer

AHFC: Margaret Nelson

Leo Kaye:

Chuck Logsdon: Palmer

John Williams: Kenai

Sylvia Short

Anch. Pioneer Home

F.Y.I.

The only "new" information this round is the Fiscal Note and the senior housing survey results. Both are in members packets.

The question of "How much would it take to capitalize the revolving fund?" has not really been answered. I included a page from the Sr. Housing Report showing that there are \$23 million in applications with CRA which could be eligible under this program.

sssb150.txt

SSSB 150: Duncan Senior Housing

Notified: \* indicates will testify

\*Senator Duncan

C. and R.A: Mike Harper,

Kay Graham,

AK. Housing Marketing Council: Glenda Straube

OAC: Fran Toland, Connie Sipes

AK. State Housing Auth: Julia Tucker

AK. Neighborhood Housing: Cynthia Parker

Rep. Ulmer

AHFC: Tom Behan, Bob Sullivan,

Sylvia Short

F.Y.I.

Ulmer's congregate housing bill passed the house yesterday, was referred today to Senate Banking and Economic Development then to State Affairs. I have copies available for today's hearing if you get any questions.

FISCAL NOTES; CS does not change the CR & A fiscal note and AHFC is not submitting a fiscal note through Revenue.

The Alaska Housing Commission draft prepared by Glenda Straube and revised by Rodey staff is still being considered by Rodey as to whether he plans to introduce or not. They may deliver a message to us during hearing.

The old issue of the "fragmentation of housing" will be brought up again today, Cynthia Parker wishes to testify.

Pat - FY1  
Not in  
Comm. packets

# STATE OF ALASKA

## THE LEGISLATURE

1988

Legislative  
Resolve No.

Source

CSSCR 50(Fin)

84



Relating to senior citizen housing.

### BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS senior citizens in the state are a valuable resource of experience and have contributed with their accomplishments to the development of the state; and

WHEREAS it is the desire of all residents of the state that our senior citizens live out their lives in a way that enhances their individual dignity and independence; and

WHEREAS there may be housing alternatives that complement our system of Pioneers' Homes and other senior citizen facilities and these alternatives might be appropriate for many senior citizens, including residential assisted living facilities or other alternative housing arrangements;

BE IT RESOLVED that the Alaska State Legislature respectfully requests the Governor to direct the Older Alaskans Commission to

(1) work with the Department of Administration, the Department of Community and Regional Affairs, the Alaska State Building Authority, and other appropriate state agencies to develop housing alternatives for senior citizens;

(2) conduct an inventory of existing senior citizen housing in the state;

(3) assess the future needs for housing for senior citizens in the state with particular attention to the type or nature of the housing alternatives that could meet the needs of senior citizens, including arrangements by which they could live in private dwellings while receiving certain types of social

services to ease their lives; and

(4) report to the legislature and the Governor by January 15, 1989, with detailed comprehensive recommendations for legislative and executive actions that are necessary to provide housing arrangements that will best meet the needs of all senior citizens in the state.

STA

Source

HCR 56

Relating to a ski resort

BE IT RESOLVED BY THE L

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BE IT RESOLVED tha  
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FURTHER RESOLVED th  
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**Sec. 44.47.610. Declaration of purpose.** There exists in the state a serious shortage of decent, safe and sanitary residential housing available at low or moderate prices or rentals to persons 60 years of age or older. There also exists in the state organizations whose purposes are to provide the kinds of housing needed to alleviate this shortage. Development work to provide such housing involves substantial expense that is often beyond the resources of the organizations. (§ 51 ch 113 SLA 1982)

**Sec. 44.47.620. Senior citizens housing development.** (a) There is created in the department a senior citizens housing development fund. Subject to direct appropriation or through proceeds of a bond issue the department shall make grants to municipalities or public or private nonprofit corporations designated as tax exempt under 26 U.S.C. 501(c)(3) and (4) (Internal Revenue Code of 1954) for the purpose of developing senior citizen housing. A grant from the proceeds of a bond issue may be made only to municipalities.

(b) Application for a grant under (a) of this section shall be in the form prescribed by the department. The application shall demonstrate the need for senior citizen housing in the area to be served, the feasibility of the proposed project, and an adequate management plan that shall demonstrate the ability of the eligible recipient to sustain the proposed project.

(c) All projects under this section shall be in accordance with facility procurement policies developed under AS 35.10.160 — 35.10.200 and are public facilities under those sections.

(d) The department shall adopt regulations to carry out the purposes of this section. The provisions of the Administrative Procedure Act (AS 44.62) apply to regulations adopted under this section.

(e) In this section "senior citizen housing" means a specific work or improvement undertaken primarily to provide dwelling accommodations for persons 60 years of age or older, including but not limited to conventional housing, housing for the frail elderly, group homes, congregate housing, and other housing that meets special needs of the elderly; senior citizen housing includes the acquisition, construction, or rehabilitation of land, buildings, improvements, and other nonhousing facilities that are incidental or appurtenant to the housing. (§ 51 ch 113 SLA 1982)

### Article 11. Low Cost and Low Income Multiple Family Housing Development Fund.

#### Section

630. Declaration of purpose

635. Low cost and low income multiple  
family housing development

Sec. 44.47.583. When boundary change takes effect. When a local government boundary change is proposed to the legislature during the first 10 days of any regular session, the change becomes effective 45 days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house. (§ 2 ch 45 SLA 1960)

Revisor's notes. — Formerly AS 44.19.340. Renumbered in 1980.  
Cross references. — For other provi-

sions relating to procedures of the local boundary commission, see AS 29.68.010.

NOTES TO DECISIONS

By this section and AS 44.47.567 it is provided that the commission must make studies of local government boundary problems, develop proposed standards and procedures for changing boundaries, and consider boundary changes requested of it by political subdivisions. The commission may conduct hearings on boundary changes and present proposed changes to the legislature. The change becomes effective unless the legislature disapproves; legislative silence permits the change. United States Smelting, Ref. & Mining Co. v. Local Boundary Comm'n, Sup. Ct. Op. No. 727 (File No. 1461), 489 P.2d 140 (1971).

Legislature handicapped in absence of known standard governing change of boundary lines. — Under Alaska's Constitution the supreme court has the duty of insuring that administrative action complies with the laws of Alaska. Absent known standards governing the changing of local boundary lines, the legislature's ability to make rational decisions as to whether to approve or disapprove proposed local boundary changes of the commission is seriously handicapped. United States Smelting, Ref. & Mining Co. v. Local Boundary Comm'n, Sup. Ct. Op. No. 727 (File No. 1461), 489 P.2d 140 (1971).

Alaska Const., art. X, § 12, empowers the legislature to veto commission actions. United States Smelting, Ref. & Mining Co. v. Local Boundary Comm'n, Sup. Ct. Op. No. 727 (File No. 1461), 489 P.2d 140 (1971).

Existing cities with local boundary commission created boundaries remain unaffected by the holding, under the de facto municipality doctrine, in United States Smelting, Ref. & Mining Co. v. Local Boundary Comm'n, Sup. Ct. Op. No. 727 (File No. 1461), 489 P.2d 140 (1971).

But such section does nothing to compel the legislature to review for compliance with its own requirements. United States Smelting, Ref. & Mining Co. v. Local Boundary Comm'n, Sup. Ct. Op. No. 727 (File No. 1461), 489 P.2d 140 (1971).

Standing to contest annexation. — An aggrieved property owner in an area to be annexed has standing to contest the annexation. United States Smelting, Ref. & Mining Co. v. Local Boundary Comm'n, Sup. Ct. Op. No. 727 (File No. 1461), 489 P.2d 140 (1971).

This section and Alaska Const., art. X, § 12, do not make the decision as to whether the commission has complied with the law exclusively legislative. United States Smelting, Ref. & Mining Co. v. Local Boundary Comm'n, Sup. Ct. Op. No. 727 (File No. 1461), 489 P.2d 140 (1971).

Stated in State, Dep't of Nat'l Resources v. City of Haines, Sup. Ct. Op. No. 2342 (File No. 5067), 627 P.2d 1047 (1981).

Article 10. Senior Citizens Housing Development Fund.

Section

- 610. Declaration of purpose
- 620. Senior citizens housing development

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February 15, 1990

Dear Ben. Bourchot:

The AARP Alaska State Legislative Committee met in Juneau on February 6-7 and adopted the attached position papers regarding senior citizen housing and long-term care. To supplement the Committee's long-term care position, we are also enclosing a research and issue paper prepared by our Health and Long-term Care Subcommittee, which outlines the problem at the national level as well as within Alaska.

The State Legislative Committee endorsed the principles expressed in HB 382 regarding absences from Alaska, which establish uniformity between the Longevity Bonus program and the Permanent Fund Dividend program. The Committee also voted to support HCR 38 and SCR 36--both of which resolutions call for an Alaskan Conference on Aging to be held in 1991.

If we can be of assistance in any of these matters, please feel free to contact me at 586-2066, Mr. Joe Alter at 586-6680, or any member of our Capital City Task Force (CCTF) listed below.

In behalf of the 34,000 older Alaskans who belong to the American Association of Retired Persons, we thank you for your continued interest in the positions expressed by the AARP Alaska State Legislative Committee.

Respectfully,

Bob Pavitt  
Chairman

- Mrs. Mary Lou Meiners - 586-2568
- Mrs. Maxine Race - 586-1661
- Ms. Harriet Roberts - 463-3234
- Mr. Robert Thibodeau - 586-2138
- Mr. Warren Wild - 789-7628



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**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.



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**COMPLETING THE CONTINUUM OF QUALITY LONG TERM CARE IN ALASKA  
POSITION PAPER**

One of the most serious health issues facing our State is the increasing need for a comprehensive and coordinated long-term care system, consisting of institutional as well as home and community based services. As health care is improved, more and more Americans are living longer, often with chronic disabilities. Consequently, a comprehensive range of medical, personal and social services must be developed and coordinated to meet the physical, social and emotional needs of chronically ill and disabled people of all ages. These services may be delivered in an institution, in the community or in a person's residence. Individual cases are planned on the continuum of care basis with emphasis on individual needs and optimum maintenance of individual choice.

Home and community services such as homemaker, personal care, adult day care, respite care and congregate living facilities enable people to live in the community as long as possible, and provide the necessary support for their informal caregivers. A state level system could insure that all persons in need of long-term services would enter the system through a uniform evaluation system. An Alaskan long-term care plan must meet strong consumer protection standards.

Alaska faces a unique problem in meeting the long-term care challenge. Institutional care in Alaska, unlike many states, has been of high quality. It is important to maintain that quality care for nursing homes while establishing the beginning level of intervention.

Alaska is lagging behind the national scene in its establishment of home and community based services. These services have been spotty in their location and have been inadequately funded. Dedicated providers have been forced to deliver services and base spending programs on an ever shrinking budget. Many areas of the state are underserved. Both the legislature and consumers must be vigilant in their efforts to maintain the high quality of institutional care and bring on board the home and community-based services.

**PROPOSED LEGISLATIVE ACTION**

1. Promote legislation and appropriation to take advantage of a "Medicaid Waiver" that would fund programs to deliver home and community based services. (The state unsuccessfully applied in 1984.)
2. Promote legislation and appropriation to develop a comprehensive and coordinated program of home, community, and institutionally based services that would serve uniquely Alaskan needs.
3. Promote legislation that would promote a bonding program to encourage private sector congregate housing for seniors.



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**LONG TERM CARE ON THE NATIONAL SCENE**

**RESEARCH & ISSUE PAPER**

The entire American health care system is receiving critical and concerned scrutiny. The United States is the only industrialized nation other than South Africa without health insurance for all citizens. Almost all Americans lack adequate protection for the costs of long term chronic conditions. The "new" definition of long term care refers to a comprehensive range of medical, personal and social services developed and coordinated to meet the physical, social and emotional needs of chronically ill and disabled people of all ages. These services may be delivered in an institution, in the community or in a person's residence.

People of all ages may need long-term care including children and young adults who are physically disabled. Other people in need include the developmentally disabled, chronically mentally ill and those with chronic infectious diseases like AIDS. Older people represent about two thirds of those who require long-term care assistance.

Federal programs that finance long term health and social services include Medicare (limited coverage), Medicaid (strict income eligibility requirements), the Veterans Administration, the Social Services Block Grant Program and Title III and the Older Americans Act. Medicaid is a federal program paying most of the costs. The Medicaid program's eligibility, criteria and services vary widely among the states and contribute to the fragmentation of the long-term care system. Current financing nationally comes primarily from two sources: Private payments by individuals and families and public payments by Medicaid. While the private long-term care insurance shows signs of growth, it is still in its infancy. Recent projections by the Brookings Institute indicate that the proportion of total nursing home care financed through private insurance by the years 2016-2020 will be between 7 and 12 percent at the most.

**ALASKAN LONG TERM CARE**

"Health care still only accounts for about 4 percent of all state and local government spending in Alaska, compared to the average of all states of about 12 percent." (Governors Interim Commission Report.) The role of the state is to assure that a full continuum of long term services is available to the needs of functionally-impaired individuals in the least restrictive setting at affordable cost. The services should include: (1) in-home assistance; (2) community services; (3) long-term care services in specialized housing such as congregate housing; (4) high quality institutional care; and (5) rehabilitative services.

(over)

Costs of long-term care continue to be a focus in the state. The Governors Interim Commission of Health reported that "there is no single explanation for why facility reimbursement rates are higher than in other states." However, there are some factors that appear to be significant. These include: (1) the present high quality of long-term care and the high skill level of staff. (2) Salaries: As an example, nurses aides make \$4.35 per hour in Washington; in Alaska about \$8.50. Pioneer Home rates are about \$9.00 - \$12.00 per hour. Alaskan health care employees are not considered highly paid. (3) Building costs result in debt service with the newer facilities hit the worst. (4) Only Our Lady of Compassion with 224 beds has a facility size comparable to average size institutions in the lower 48. (5) Medicaid state standards and licensing regulations are set at a high level. (6) New OBRA regulations that cover training, screening, reviews, assessments and enforcement will bring added costs. A sensible approach to cost containment appears to be early and appropriate intervention in assisting seniors to retain their independence.

Nursing homes in Alaska unlike those in many states do not have a significant percentage of private pay patients to whom costs can be shifted if Medicaid reimbursements are set too low. The State of Alaska funds long-term care for the elderly in two ways. First, it funds the Pioneer Home directly with an average subsidy of \$40,000 per bed. Second, the state purchases private nursing home services through Medicaid. The state splits the costs of Medicaid care with the federal government; paying \$21,000 per resident. There are no for-profit nursing homes in Alaska. All private facilities are non-profit or municipal entities. Long-term care nationally is 80% profit and 20% non-profit.

At this point, access to long-term care in Alaska is available for those who meet the Pioneer Home eligibility requirements. There can be a 3 year waiting list for nursing care depending on location. Other Alaskans who meet the strict eligibility requirements can use Medicaid, but for many Alaskans, the other major options appear to be impoverishment or leave the state. The latter is a phenomenon which is presently occurring. These are the seniors who are not poor enough for Medicaid, but not wealthy enough to pay nursing home costs. Few older Alaskans are wealthy; only 18% have incomes of \$20,000 or more. There are some private Adult Foster Care Homes, and one private Residential Two is planning to open in the Anchorage area. An informal referral to these homes does exist in Anchorage. But, there is little encouragement or technical assistance to the private sector. Middle class senior interest in obtaining private sector congregate housing is growing across the state.

As of April 30, 1989, 81% of Alaskan nursing beds were filled across the state. Sixty-nine percent of those beds across the state were Medicaid covered which is a reduction of approximately 10-15% in two years. Some contributing factors to this decline could be the severe tightening of eligibility criteria, use of regular medical insurance for skilled nursing care, V.A., growth of charity cases, more available beds and added emphasis on rehabilitative efforts.

There is no question that seniors prefer to remain at home. Nevertheless home and community based services are only in their inception. Numbers of skilled workers will be needed to staff these services. There appears to be broad support for completing the long-term care continuum, but consistent funding must also be provided to allow a broad array of service. Present nursing homes would not be dismantled. Rather, as people age, the acuity of cases going into nursing homes will require even more skilled care. People will move in both directions along the continuum of care if appropriate services are provided.

**MAJOR LONG TERM CARE PROBLEMS IN ALASKA STILL TO BE SOLVED:**

1. Cost containment;
2. Fragmentation of services;
3. Growing long term personnel shortage;
4. Mental health as an unmet need;
5. Diversity of population to be served;
6. Needs of the informal care givers, family and friends;
7. Lack of long-term care options for the middle class;
8. Loss of Public Health Nurses (Numbers now available smaller than before statehood. Budget constrictions mean less competitive salaries.)

(The 1990-91 OAC State Plan addresses many of these problems.)

January, 1990

# Alaska State Legislature

Sen. Pat Pourchot, Chairman

Sen. Jan Faiks, Vice Chairman  
Sen. Al Adams  
Sen. Tim Kelly  
Sen. Rick Uehling



P.O. Box V  
State Capitol  
Juneau, Alaska 99811

907-465-3712

## Senate State Affairs Committee

### MEMORANDUM

TO: Senate State Affairs Committee Members  
FROM: Senator Pat Pourchot  
RE: Monday, February 26 Committee Hearing  
DATE: February 24, 1990

On Monday, February 26 at 1:30 p.m. in the Beltz Room the Senate State Affairs Committee will hear the following bills:

SB 378, An Act relating to voter qualification and registration for state elections; and relating to computation of time for purposes of AS 15.  
This bill, introduced at the request of the Governor, would allow qualified individuals voting in person before an election official, who have been residents of the state for at least 30 days, but who have failed to register in time for election, to register on election day and to vote in statewide elections for statewide candidates and measures. SB 378 also clarifies that absentee ballots are subject to the same review process and are counted in the same manner as questioned ballots. A clarification of the "computation of time rule" is added to provide that if a deadline for an election activity or requirement falls on a weekend or holiday, the deadline is extended to the first weekday after the weekend/holiday.

SB 370, An Act expanding the Public Employees Retirement Board and the Teachers' Retirement Board to include two physician members to hear disability appeals; dissolving the Public Employees' and Teachers' Disability Review Board; and providing for an effective date.  
This bill, introduced at the request of the Governor, repeals AS 39.36, which was enacted in 1982 to establish the Disability Review Board (DRB) as an advisory board to the Public Employees Retirement Board (PERB), the Teachers' Retirement Board (TRB) and the administrator of the state retirement systems on disability claims. A high percentage of appeals to PERB have been contrary to DRB's advice. This bill would dissolve the DRB and provide for the appointment of physician members to serve on PERB and TRB only for the purpose of hearing appeals involving medical issues.

Proposed CS for SS SB 150, An Act establishing a senior housing office and loan program in the Department of Community and Regional Affairs; and authorizing the issuance of bonds for senior housing.

Senator Duncan has revised the previous proposed CS, to include the following: clarification of AHFC's and the Department of Community and Regional Affairs roles in setting regulations, approving loans and administering loans. This bill sets a \$30 million bond cap, specifies the interest rates on construction loans and permanent loans and clarifies how the Senior Housing Revolving Fund works.

Radio Program 1/17/90

**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

# Alaska State Legislature

Sen. Pat Pourchot, Chairman

Sen. Jan Faiks, Vice Chairman  
Sen. Al Adams  
Sen. Tim Kelly  
Sen. Rick Uehling



P.O. Box V  
State Capitol  
Juneau, Alaska 99811

907-465-3712

## Senate State Affairs Committee

### MEMORANDUM

TO: Senate State Affairs Committee Members  
FROM: Senator Pat Pourchot  
RE: Monday, January 22 Committee Hearing  
DATE: January 20, 1990

TELECONFERENCE: Anchorage, Mat-Su, Valdez, Soldotna, Fairbanks, Bethel, Delta Junction, Sitka and Homer. Invited testimony and others as time permits.

On Monday, January 22 at 1:30 p.m. in the Beltz Room the Senate State Affairs Committee will hear the following bills:

SB 5, An Act amending and making effective an annuity program and amendments to the longevity bonus program.

SB 5 establishes an annuity program to replace the existing Longevity Bonus Program. Alaskans would contribute to an individual annuity account by dedicating all or part of their PFDs to that account. Other than omitting the schedule for declining longevity bonus payments, the is essentially the same as SB 56, which the Governor vetoed in 1988. This bill provides that persons who turn 65 on or before January 1, 1991 will continue to receive \$250 per month as long as they reside in Alaska.

In December, 1989 the state issued 19,082 longevity bonus checks as compared to 17,702 in January, 1989. The Governor's proposed FY 91 budget contains a request for \$59.4 million, an increase on approximately \$3.3 million over FY 90 and an increase of nearly \$7.3 million over FY 89. The committee will discuss alternatives to reducing program costs.

SSSB 150, An Act establishing a senior housing office and loan program in the Department of Community and Regional Affairs; and authorizing the issuance of bonds for senior housing.

SSSB 150 authorizes the Alaska State Housing Authority to issue bonds, the proceeds of which would be deposited in the Senior Housing Revolving Fund. It establishes the Fund, which consists of the bond proceeds, legislative appropriations and loan payments. Funds could be used for mortgage loans, as well as construction loans. SSSB 150 establishes a Senior Housing Office in the Department of Community and Regional Affairs to administer a senior housing loan program.

## 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:

- 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.

- 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 \$1.383 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.

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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.

BILL SUMMARY

SB 150 ESTABLISHING A SENIOR HOUSING OFFICE AND LOAN PROGRAM IN THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS; AND AUTHORIZING THE ISSUANCE OF BONDS FOR SENIOR HOUSING

Sec. 1 Authorizes the Alaska State Housing Authority to issue bonds, the proceeds of which would be deposited in the Senior Housing Revolving Fund.

Sec. 2 Establishes a Senior Housing Office in the Department of Community and Regional Affairs to administer a senior housing loan program and to assist seniors in finding housing alternatives.

Establishes a Senior Housing Revolving Fund consisting of legislative appropriations, bond proceeds, and loan payments. Funds could be used for mortgage loans, as well as loans for building materials, renovation, construction, and cooperatives.

Establishes an operating loss reserve account to deal with foreclosures; addresses security for loans, fire insurance, the purchase of loans from private financial institutions and regional native housing authorities, and appraisals; requires a toll-free telephone number; authorizes the establishment of field offices.

Authorizes "character loans" of up to \$2,000 to cooperatives for the improvement or construction of senior housing to be occupied by members of the cooperatives.

Authorizes loans for moderate-cost or rental senior housing to public agencies, corporations, and cooperatives. Specifies that rental rates must be "reasonable". Limits loans to cooperatives to 85% of the appraised value of the housing facility.

Defines "senior housing" per current statute: For persons age 60 or over; includes acquisition, construction, or rehabilitation of land, buildings, improvements, and other nonhousing facilities that are incidental to the housing.

# STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

STEVE COWPER, GOVERNOR

- P.O. BOX B  
JUNEAU, ALASKA 99811-2100  
PHONE: (907) 465-4700
- 949 E. 36TH AVENUE, SUITE 400  
ANCHORAGE, ALASKA 99508-4302  
PHONE: (907) 563-1073

January 19, 1990

## POSITION PAPER

RE: SSSB 150

SPONSORS: Duncan, Kerttula, Fahrenkamp, Zharoff, Rodey,  
Szymanski, and Sturgulewski.

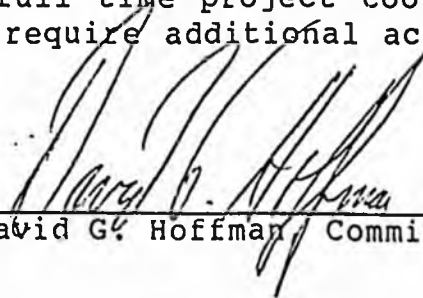
### Program Effects

This bill would establish within the Department of Community and Regional Affairs a senior housing revolving loan fund, from the sale of bonds by the Alaska State Housing Authority. The purpose of the fund will be for mortgage loans, building material loans, renovation loans and loans for the construction of senior citizen housing. Additionally, this bill would establish a Senior Housing Office in the Department of Community and Regional Affairs. This bill would satisfy a growing population's housing needs including helping seniors live independently or semi-independently longer through a wide range of single or group home options.

### Comments

The Department of Community and Regional Affairs supports this bill. The concept is viable and the audience this bill addresses is in need of this type of proposed program. The recently completed Senior Citizen Housing Survey by the Older Alaskans Commission shows a need for public commitment to decent affordable housing options for Alaska's senior citizens.

The Department of Community and Regional Affairs can only fulfill the intent of this bill by receiving full support as proposed in the bill. That includes Alaska State Building Authority sale of bonds and additional staff funding by the legislature. This staff would fulfill the requirements of the Senior Housing Office with a full time project coordinator and processing of the loans would require additional accounting and technical loan staff.

  
\_\_\_\_\_  
David G. Hoffman, Commissioner

-S  
F-5B3, Duncan

*Sylvia L. Short*

Attorney and Counsellor at Law  
705 West 47th Avenue  
Anchorage, Alaska 99503

Telephone ~~271-8887~~  
(907) 562-4992

January 10, 1990

Senator Pat Pourchot  
Alaska State Senate  
P.O. Box V  
Juneau, AK 99811

Re: Middle-income Senior Housing Forum

Dear Senator Pourchot:

Your appearance before the above group on December 28, 1989, was very much appreciated. We are glad that legislators are beginning to understand the dilemma of those who do not qualify for the advantages given the needy and yet are not able to afford some of such benefits on their own.

For your information I enclose a summary of the results of our survey. We all hope you will remember our interest in affordable group housing.

Thank you again for taking the time and trouble to appear before our group.

Sincerely,

  
SYLVIA L. SHORT

Encl.

sent to Sen Pourchet  
from Sylvia Short: 1.19.90

## MIDDLE INCOME SENIOR HOUSING

### Results of Questionnaire Survey, 1989 SUMMARY

Over 2,000 questionnaires regarding the need and desires for middle-income senior housing in Anchorage, Alaska, were distributed in July, August and September, 1989. A total of eighty-three were returned completed, and the following is a summary of what they checked.

WHEN: There was no consensus as to when such housing would be needed, but all returned questionnaires indicated they would be interested in it in the near future.

TYPES: Almost equal numbers indicated interest in rental, condominium or separate units, and there was a distinct preference for private development over government-operated housing.

SIZE: By far the most indicated they wanted two-bedroom units with an extra room or storage space and enclosed parking area. Less than half wanted separate living-dining-cooking areas and a sizeable number wanted heated parking.

LOCATION: The downtown area rated first, preferably with a view, mountains being preferred with water next. Midtown was the next most popular area.

NEAR: Most wanted to be near a grocery store, public transportation and shopping areas, with medical facilities, a drug store and library next in importance.

AMENITIES: Maintenance personnel was wanted by approximately 3/4ths of those answering, and security personnel by over half. Other amenities rating high were a coin-operated laundry, food service (15 desiring more than one meal), a resident manager, transportation and meeting rooms. In general, all kinds of amenities except a general store were wanted by at least 25% (one out of four).

FEE: The majority indicated they felt a maintenance and service fee of \$150 to \$200, or less, would be appropriate.

COST: Prospective buyers indicated the \$50,000 to \$75,000 range with some 26 indicating they would pay more.

RENTAL: The lowest indicated rent of \$500 - \$750 was checked by 52, some indicating they would prefer to pay even less. 18 were willing to pay over \$750 a month.

### IN GENERAL

It appears that there is real interest in a privately-developed senior housing project. It should have both rental and purchasable units, most with two bedrooms, storage area and enclosed parking. The site could be in the downtown area or at midtown, so long as there is some type of view, preferably of mountains or water. It should be situated in a commercial area with access to transportation. Included within the complex itself should be provision for maintenance and security, a coin-operated laundry and food service providing at least one meal a day. Common rooms for meeting, recreation and reading should also be available, and a sizeable number would also like a swimming pool.

## MIDDLE INCOME SENIOR HOUSING

## Questionnaire

Over the past several months a group of interested Alaskans has been meeting to discuss availability and suitability of housing for seniors in the middle and upper income brackets. The purpose of this questionnaire is to invite your participation in identifying needs and desires for such housing in Anchorage. Please feel free to check everything below which would apply.

## 1. WHEN might you be interested in senior middle-income housing?

- 17 (a) Now
- 23 (b) In 1 to 3 years
- 29 (c) In 3 to 6 years
- 21 (d) Longer

## 2. Which of the following TYPES OF HOUSING would you be most interested in?

- 7 (a) Government operated
- 23 (b) Privately developed
- 28 (c) Rental units with amenities (see below, No. 5)
- 28 (d) Condominium units with similar amenities
- 27 (e) Separate village-type units with such amenities

## 3. What SIZE unit would you prefer?

- 2 (a) Efficiency-type
- 19 (b) One-bedroom
- 59 (c) Two-bedroom
- 6 (d) Three or more bedroom
- 30 (e) Separate living-dining-cooking areas
- 12 (f) Combination of any of above areas (from (e))
- 46 (g) Extra room or storage area
- 49 (h) Enclosed parking area
- 26 (i) Heated parking spots

## 4. Which of the following general LOCATIONS appeals to you for such housing?

- 40 (a) Downtown (between 1st and 15th, L and Gambell)
- 29 (b) Midtown (15th to Tudor; Minnesota to New Seward)
- 11 (c) West (Furnagain area)
- 2 (d) South (South of Tudor)
- 12 (e) East (East of New Seward; North of Tudor)
- 39 (f) Area with view (check which) Mountains 31 Water 23 Woods 10 City 8
- 4 (g) Out of town (within Anchorage Municipality)
- (h) Near (check any):
 

<u>19</u> Theaters	<u>21</u> Educational facilities
<u>56</u> Shopping areas	<u>27</u> Park
<u>62</u> Grocery store	<u>10</u> Athletic facility
<u>38</u> Medical facilities	<u>32</u> Library
<u>34</u> Drug store	<u>57</u> Public transportation

## 5. Which of the following amenities would you want available in the complex?

- |   |                                 |
|---|---------------------------------|
| <u>24</u> Beauty Parlor   | <u>49</u> Security personnel    |
| <u>26</u> Arts and crafts   | <u>60</u> Maintenance personnel |
| <u>21</u> First Aid room  | <u>43</u> Resident manager      |
| <u>34</u> Meeting rooms   | <u>9</u> General store          |
| <u>27</u> Athletic room   | <u>29</u> Swimming pool         |
| <u>27</u> Library   | <u>28</u> Card/game rooms       |
| <u>47</u> Coin-operated laundry   | <u>40</u> Transportation        |
| <u>44</u> Food service (number of meals per day <u>1</u> ) (2 meals or more - 15) |                                 |
| Other:  |                                 |

6. What monthly maintenance and service FEE would you feel appropriate?

<u>52</u>	(a)	\$150 - \$200
<u>12</u>	(b)	\$200 - \$250
<u>6</u>	(c)	\$250 - \$300
<u>2</u>	(d)	\$300 - \$350
<u>5</u>	(e)	Over \$350

7. If you would prefer to PURCHASE, what PRICE would you be willing to pay?

<u>38</u>	(a)	\$50,000 - \$75,000
<u>14</u>	(b)	\$75,000 - \$100,000
<u>11</u>	(c)	\$100,000 - \$150,000
<u>1</u>	(d)	Over \$150,000

8. If you prefer to rent, what RENTAL would you be willing to pay?

<u>52</u>	(a)	\$500 - \$750
<u>14</u>	(b)	\$750 - \$1,000
<u>4</u>	(c)	\$1,000 - \$1,500
<u>0</u>	(d)	Over \$1,500

If you would care to learn the results of this survey and/or to meet with the Middle Income Housing Forum (4th Tuesdays at Senior Center), please enter your name, address and telephone below:

**PLEASE RETURN THIS FORM TO THE ANCHORAGE SENIOR CENTER**

6. What monthly maintenance and service FEE would you feel appropriate?

<u>52</u>	(a)	\$150 - \$200
<u>12</u>	(b)	\$200 - \$250
<u>6</u>	(c)	\$250 - \$300
<u>2</u>	(d)	\$300 - \$350
<u>5</u>	(e)	Over \$350

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<u>4</u>	(c)	\$1,000 - \$1,500
<u>0</u>	(d)	Over \$1,500

If you would care to learn the results of this survey and/or to meet with the Middle Income Housing Forum (4th Tuesdays at Senior Center), please enter your name, address and telephone below:

**PLEASE RETURN THIS FORM TO THE ANCHORAGE SENIOR CENTER**

provided by Sen. Duncan  
prepared by Juneau Commission  
on Aging (Joe Alter)

## HOUSING NEEDS FOR MIDDLE TO UPPER INCOME SENIOR CITIZENS OF JUNEAU

There is a serious need in Juneau for senior citizen housing. Although several units of low income housing have been provided for Juneau seniors, few choices exist for middle or upper income seniors. The June 1989 survey and report providing a Juneau senior profile (The Golden Resource, City and Borough of Juneau, 155 South Seward Street, Juneau, Alaska 99801) states 12% of all persons aged 65 to 85 would like to change housing.

The report shows persons within the 65 to 85 age group, experience housing problems not necessarily related to income. 75% of the survey group own their own homes, but age group analysis of the data show a 77% ownership for the 65 to 75 year age group falls to 48% for ages 85 plus. The aging tend to become isolated, unable to care for property, without easy access to markets, health care, restaurants, and the amenities to which they are accustomed. Apparently these factors tend to make the senior want to relocate to a central location where fellowship, security, health and other necessary facilities and services are readily accessible.

The Juneau community appears to be little different in needs for the aging from senior needs in states other than Alaska, except for the number of persons involved. Many communities have found it both profitable and socially desirable to provide congregate housing, which meets senior needs. Such housing helps to keep the senior out of nursing home and in a independent living status as long as possible. Independent living or possibly assisted living under conditions meeting the senior needs is far cheaper to individuals and society than nursing home living. The social and economic advantages are too numerous to mention; family maintenance, volunteerism and - continued contribution by seniors to the economy of the communitiy are only a few pluses.

The survey report, The Golden Resource, has almost unprecedented reliability in the information presented. Questionnaires used in the survey were sent to 1130 persons. 857 responses were received. 95% of the respondents said they wanted to continue to live in Juneau. 12% said they wanted a change in housing.

It is clear from the data in the report, the following items are descriptive of persons age 65 and older living in Juneau:

July 1, 1987 estimates placed the total number of seniors over age 65 who were living in Juneau on that date at 1266 persons. In 1989 there are an estimated 1172 persons ages 65 to 85 living in Juneau.

42% of the group surveyed in 1989 live in downtown Juneau  
17% live in the Mendenhall valley area  
14% live out the road beyond the University of Alaska Southeast  
73 is the average age  
61% have lived in Juneau more than 30 years  
60% is married  
28% is widowed  
55% of the group is female

Reported income ranges as follows:

57% of all persons surveyed report annual income of  
\$10,000 to \$20,000  
23% report \$20,000 to \$30,000  
7% reported \$30,000 to \$40,000  
3% report \$40,000 to \$50,000  
2% report \$50,000 to \$60,000  
2% report over \$60,000

Based on combined income, all persons repoding reported incomes as follows:

15% to 20% have incomes of \$10,000 to \$20,000  
30% approx. have incomes of \$20,000 to \$30,000  
16% to 19% have incomes of \$30,000 to \$40,000  
8% to 10% have incomes of \$50,000 to \$60,000  
10% to 13% have incomes greater than \$60,000

According to the 1987 population estimates contained in the report The Golden Resource, there were more people between the ages of 55 to 64 (1532 people) than there were over the age of 65 (1266). There were approximately 2,515 people between the ages of 45 to 54 and approximately 5,037 people in the 35 to 44 age bracket. This indicates that the senior population will be increasing very dramatically over the next few years. This is especially true if 95% of these people decide to stay in Juneau, as the seniors currently living in Juneau have indicated they will.

Based on information presented in the survey there are 140 persons who are interested in changing their current housing. Of this group 56 are singles and the remainder of 84 make 42 married units or a probable total of 98 housing units.

It is unlikely the survey results reflect enough information to consider all persons would be looking for a housing alternative that might be provided under a new program. Probably some will wish to move in with relatives or friends when they can no longer remain independent. Others may wish to move to an apartment or unit which requires less daily effort on the part of the person or couples. Development of housing probably should occur in phases as needed.

The next page summaries housing units, income, and probable payment dates. The attached Table contains a summary of information on alternative housing units available in the Denver, Colorado area. This summary issued in July 1989 also describes basic costs for services and amenities provided. Although the description of facilities and services is entitled "Luxury" alternative units of housing for Juneau's seniors may or may not include all space, services and amenities termed luxury. Necessary space, facilities and services should be provided to meet the need of Juneau seniors.

Assuming a maximum of 25% of spendable income were to be available to finance Juneau housing, the information shown on the chart on the next page approximates the minimum funds available to cover costs of alternative shelter for seniors in Juneau.

There is a need for housing now. Current trends indicate a significant increase in need for housing for middle and upper income seniors. Data show the seniors themselves are in a financial position adequate to pay reasonable costs for rent or lease of housing. It is doubtful if condominium living would meet the need; only those persons with the greatest finances would be able to purchase such units and the existing problem would not be solved.

Non-profit and private groups have provided housing in other places. A somewhat similar approach to meeting low income housing needs was taken by Alaska Housing Ministries - refer to the attached description of Alaska Housing Ministires.

PROBABLE MONTHLY PAYMENTS AND NUMBER OF HOUSING UNITS NEEDED BASED ON INCOME CATAGORY

*Income Category	Level of Income For Persons Over Age 65 Expressed in \$ Combined	Persons over Age 65 In Income Range Expressed as a Percent Combined	**Probable Acceptable Level of Monthly Payment for Shelter and Number of Units Needed	
(A)	10,000-20,000	15 to 20	\$ 500	16
(B)	20,000-30,000	30	720	30
(C)	30,000-40,000	16 to 25	935	20
(D)	40,000-50,000	8 to 10	1,105	9
(E)	50,000-60,000	8 to 10	1,300	9
(F)	Over 60,000	10 to 25	1,500	14

\*Of the 1, 172 persons now resident in Juneau who are 65 to 85 years of age, the 12% who wish to remain number 140 persons and of this 140 there are 42 married couples and 56 single persons. If all of these persons were to remain in Juneau and seek alternative housing this would represent a total demand of 98 units. Assuming not more than 25% of income should be spent on shelter the rent ranges for different income categories would be as follows:

Category (A) \$400 to \$625, (B) \$625 to \$830, (C) \$830 to \$1,040, (D) \$1,040 to \$1,250, and Category (E) and (F) would be approximately \$1,250 and \$1,500.

\*\*Estimated affordable payments have been selected as the average of the lower and upper income figures except for Category (F) which is the base amount.

Greater attention should be given to the economic development aspects of meeting senior citizen needs in the City and Borough. Retirement is an employment category for approximately 1,200 persons per year and growing. Seventy-two percent of these persons have incomes in excess of \$20,000 per year. These primary occupational aspects of retirement in Juneau add an estimated 16 to 20 million dollars to the Juneau payroll annually. The two to four secondary jobs related to retirement in Juneau swell the significance of the retirement community here. Survey respondents tell us the subsidies provided by property tax forgiveness as well as sales tax benefits allow them to retire and stay here. Such benefits -- far from being welfare and "freebies" -- constitute a subsidy which returns a five to one benefit to the economy of the City and Borough of Juneau.

Many persons would like to have and are willing to pay for congregate housing which serves the elder population, regardless of income. Options should be investigated for identifying and funding all types of needed senior housing: middle income, intermediate housing, adult foster homes, facilities for programs such as adult day care and the like. This is especially critical, given the "age wave", or the fact that the older population in the Borough has been, and will continue to be, steadily increasing, with the majority of people wishing to stay here.

#### RECOMMENDATIONS

1. JUNEAU SHOULD ASSUME THE LEADERSHIP TO BRING ABOUT ADEQUATE SENIOR HOUSING INCLUDING, BUT NOT NECESSARILY LIMITED, TO MAKING A CENTRAL DOWNTOWN SITE AVAILABLE FOR SUCH A DEVELOPMENT.  
  
AND PROVIDING FOR PLANNING AND REVENUE FUNDING AS WELL AS PARTNERSHIP ARRANGEMENTS WITH AGENCIES -- PUBLIC AND PRIVATE -- TO BUILD AND OPERATE THE NEEDED FACILITIES.
2. NON-PROFIT, FOR PROFIT, PRIVATE AND/OR GOVERNMENT INTEREST SHOULD BE INVITED TO MAKE PROPOSALS FOR PROVISION AND/OR OPERATION OF THE NEEDED HOUSING.

## ALASKA HOUSING MINISTRIES

### WHAT IS IT?

United Methodists, in company with members of other churches in the State of Alaska, have long been aware and deeply concerned for those in our communities who are unable to afford adequate housing. A major segment of decent and hardworking people, who make up the low and moderate income families of this state, do not share in any way in the great efforts that have been made by the State of Alaska to provide for the housing needs of its population.

Seven denominations in Alaska banded themselves together in late 1982 to provide a long term answer to the low and moderate income and handicapped housing needs of Alaska citizens. The bodies participating are:

The Alaska Missionary Conference of the United Methodist Church  
The Catholic Archdiocese of Anchorage  
The Lutheran Council of Anchorage  
The Episcopal Diocese of Anchorage  
The Presbytery of the Yukon  
The Alaska Assoc. of Baptist Churches and Institutions  
The Northwest Conference of the Mennonite Church

An Alaska non-profit corporation has been formed under the sponsorship of the seven bodies. The name of the new corporation is ALASKA HOUSING MINISTRIES. Financial liability is restricted to the corporation, and is not a potential liability for any of the seven sponsoring bodies.

The goal of the corporation is to build, own and operate housing for low and moderate income people and for handicapped people statewide.

Rent levels will be kept low by one or a combination of the following:

1. Removing the profit motive from operation of housing.
2. Federal rent subsidies where appropriate.
3. Seeking grants and gifts from Churches, governmental bodies, and the private sector.
4. Favorable interest rates on mortgage monies.

National Housing Ministries, a Church sponsored non-profit corporation with nationwide experience and reputation in construction and maintenance and management of low and moderate income housing, has been assisting in the guidance of the new corporation.

The new corporation has been structured to permit other religious bodies to join in the sponsorship and would welcome such additional sponsorship. Church sponsored non-profit corporations have a long history of involvement in housing of people with special needs. The ALASKA HOUSING MINISTRIES seeks to carry on that responsibility in Alaska.

The new corporation is operated by a 14 person Board of Directors. Each sponsoring denomination nominates two persons to the Board of Directors and this nomination is the only means of appointment to the Board.

Alaska Housing Ministries believes its Board of Directors provide a wealth of expertise and a tradition of caring to its task of providing housing. All serve without remuneration of any kind. It is the policy of the Corporation to use professional services in all phases of its operation. It is anticipated that the long-term management of any housing owned by Alaska Housing Ministries will be handled by National Housing Ministries, non-profit management and consulting organization.

The long term integrity of Alaska Housing Ministries lies in its well established sponsoring bodies. Each of the seven sponsoring bodies has a long history of social caring and activity. The motivation of the organization is deeply religious as well as humanitarian.

### FUNDING AND CURRENT OPERATIONS

During the 1983 session of the State of Alaska Legislature, HB302 was passed and signed into law. One of the provisions of HB302 established a program of direct grants to non-profit organizations to facilitate the construction of housing for low and moderate income persons. The program was funded with \$5,000,000. and is being administered by the Department of Community and Regional Affairs. This source of funding has been the primary source of funding for Alaska Housing Ministries.

### NEED

The proposed housing is envisioned for families with incomes under \$20,000 per year. Currently, most residents with incomes in excess of that can qualify for home ownership under one of the various state programs of subsidized interest rates. According to a study made by CH2M Hill, commissioned by the Dept. of Community and Regional Affairs, the subject income group is the one which is most critically affected by our present housing market. Many such families are paying 1/3 and more of their monthly income for rental housing. Housing for HANDICAPPED persons is also a critical need over the entire state.

ALASKA HOUSING MINISTRIES is proposing to provide rentals in the range of \$450-600 per month, depending on the unit size and location.

### UNDER CONSTRUCTION NOW:

ALASKA HOUSING MINISTRIES now has 62 units under construction in Eagle River. A site in Fairbanks has been selected and planning is in process to construct two phases with approximately 50 units in each phase. These projects are on well selected sites close to shopping, schools and public transportation, and have all required public utilities. The projects are well planned, of low density, and will be constructed to standards of quality requiring minimum long-term maintenance. They will be very well landscaped and will be a distinct asset to their neighborhoods.

The ALASKA HOUSING MINISTRIES has organized itself to act as its own developer and general contractor to achieve maximum cost and time effectiveness. Costs per unit will be far below those incurred by ASHA.

The present Board membership is as follows:

Rev. Howard Bess, President (American Baptist)

Mr. Bess is the pastor of the First American Baptist Church of Anchorage. Prior to moving to Alaska, he served as president of Goleta Valley Housing for ten years. This Goleta, California non-profit corporation owned and operated a 75 unit 236 family project. He also served eight years on the Board of Santa Barbara (California) Baptist Homes, two of those years as a member of the Executive Board. This Oakland, California, based non-profit corporation operates 14 housing complexes for older citizens in the western states.

Rev. Richard Madden, Vice President (Presbyterian), PhD

Dr. Madden is the Pastor of Emmanuel Presbyterian Church of Anchorage. He serves as an Adjunct Professor at Alaska Pacific University and is the Chairman of the Social Concerns Committee of the Presbytery of the Yukon.

Mr. Joseph Henri, Esquire, Secretary (Roman Catholic)

Mr. Henri is an attorney with a broad background of public service in both governmental and Church agencies. He served the State of Alaska as the Commissioner of Administration under Governor Egan.

Rev. Fr. Steven Moore, Treasurer (Roman Catholic)

Father Moore is the Administrative Assistant to Archbishop Francis Hurley of the Roman Catholic Archdiocese of Anchorage.

Mr. Frank Willis, Board Member (United Methodist)

Mr. Willis is an active Churchman and a professional realtor.

Mrs. Jean Stassel, Board Member (United Methodist)

Mrs. Stassel is an active Churchwoman and a professional fisherwoman.

Mr. Hadley Jenner, Board Member (Mennonite)

Mr. Jenner is an active Churchman and a professional land planner for the Municipality of Anchorage.

Miss Janna Alley, Board Member (Mennonite)

Miss Alley is an active Churchwoman and an architect.

Mr. Kirk Waldhaus, Board Member (Lutheran)

Mr. Waldhaus is an active Churchman and a computer service sales specialist.

The Rev. Fr. Peter Richmond, Board Member (Episcopalian)

Father Richmond is pastor of the Episcopalian Church in Fairbanks, Alaska, and is a licensed civil engineer.

The Rev. Fr. Chuck Eddy, Board Member (Episcopalian)

Father Eddy is the pastor of St. Mary's Episcopalian Church of Anchorage.

The Rev. Alonzo Patterson, Board Member (Baptist)

Mr. Patterson is the pastor of the Shiloh Missionary Baptist Church of Anchorage. He presently serves as the Chairman of the Parol Board for the State of Alaska.

The Alaska Housing Ministries will contract with the National Housing Ministries to provide for the long term administration and management of these projects. The National Housing Ministries, a church sponsored non-profit corporation, has a long and outstanding history of successful management of low and moderate income projects, and currently has over 3,000 units under its administration.

The National Housing Ministries' management plan is based on the following general concepts:

1. Sufficient income from the projects was allocated to insure a high standard of maintenance and management. No additional funds will ever be required from the State of Alaska.
2. On-site management personnel will be selected from the community served, and will be thoroughly trained and supported throughout the life of these projects.
3. The National Housing Ministries recognizes and fills the requirement for the more intensive management required by low and moderate income people, and works with the tenants individually and collectively to insure that they will enjoy the benefits of this housing opportunity for many years to come.



EAGLE RIVER APARTMENT  
EAGLE RIVER ALASKA  
ALASKA HOUSING MINISTRIES • PRK

### LUXURY SENIOR RETIREMENT COMMUNITIES

(Alphabetically listed, information current as of June 10, 1989)

Breakdown of units

Additional staff

Name of property Address (cross streets) City, Telephone Manager	Total no. of units	Independent/price range	Assisted living/price range	Skilled/price range	Buy-in or deposit	Min. lease	Min. income/age	Average age of residents	Occupancy rate	R.N.	Social worker	Security
Arvada Meridian 9555 W. 59th Ave. (59th/Ralston) Arvada 80004, 425-1900 Steven Woodworth	125	109 \$1095-1450	18 \$1545-1900		Dep. \$3500-5500	12 mo.	\$20,000 None	78	38%	12 hrs. daily (L.P.N.)		24 hrs.
Boulder Meridian 801 Gillaspie Dr. (Table Mesa/Broadway) Boulder 80033, 494-3900 Denise Dennis	98	91 \$858-1200+			Dep. \$3500-5500	12 mo.	\$20,000 None	78	90%	12 hrs. daily (L.P.N.)		24 hrs.
Canterbury Gardens and The Inn at Canterbury 11265 E. Mississippi Ave. (Mississippi/Moline) Aurora 80012, 341-1412 William J. Nowell	237	141 \$885-1300	96 \$995-1495		Dep. \$500	1 mo.	None None	82	90%	40 hrs. weekly	40 hrs. weekly	24 hrs.
Cherry Oaks Retirement Community 6800 Leetsdale (Leetsdale/Monaco) Denver 80224, 331-9963 Terri Brunger	151	151 \$875-1525	Assisted living avail. in all units		Dep. \$500	3 mo.	None 55 yrs.	80	72%	8 hrs. daily + on-call		
Clinton Place Retirement Community 1950 S. Dayton St. (Dayton/Jewell) Denver 80231, 751-5150 John Patterson	190	103 \$995-1350	90 \$1255-1555		Dep. \$100-300	1 mo.	None 82 yrs.	80+	48%	4 hrs. daily	on-call	24 hrs.
Heritage Club 2020 S. Monroe St. (Evans/Monroe) Denver 80210, 758-0025 Ron Barker	238	205 \$1000-2800	34 \$1800		Dep. 1 mo. rent	12 mo.	None 82 yrs.	79	55%	24 hrs.		24 hrs.
Inglenook Retirement Community 2195 E. Egbert (22nd Ave./Egbert) Brighton 80601, 659-4148 Ferron Bernhardt	111	99 \$745-1065	12 \$575		Dep. \$250	1 mo.	None 55 yrs.	85	60%	30 hrs. weekly		24 hrs.
Lakewood Estates 8585 W. Dakota Ave. (Alameda/Carr) Lakewood 80226, 987-3888 Ron Logan	90	90 \$730-1850			Dep. \$100	1 mo.	None 55 yrs.	82	68%	10 hrs. weekly		24 hrs.
Lakewood Meridian 1805 S. Balsam (Wadsworth/Jewell) Lakewood 80226, 980-5500 Gary Wetzel	178	114 \$735-1195	13 Not available	52 Not available	Dep. \$3500-5500	12 mo.	\$20,000 None	75	98%	24 hrs.		24 hrs.
Oakhurst Towers 8030 E. Girard Ave. (Hampden/Tamarac) Denver 80231, 698-0578 Mildred Richards	171	171 \$730-1130			Dep. \$300	6 mo.	Individual evaluation 55 yrs.	80		7 hrs. weekly		Nights
Parkplace 111 Emerson St. (Speer/Emerson) Denver 80218, 744-0400 John Mobley	233	180 \$875-1720	53 \$1600		Dep. 1 mo. rent	12 mo.	None 52 yrs.	77	45%	24 hrs.	24 hrs.	24 hrs.

Amenities

Laundry services/fee	Laundry facilities	Housekeeping services	Transportation	Errand service	Parking	Meal program price/requirements	Emergency call system	Swimming pool	Jacuzzi	Exercise room	Hair salon	Concierge store	Pets allowed/deposit	Houseguests/children restrictions	Wheelchair restricted areas
Weekly linens included in rent		X	X	X	Covered parking	3 meals daily available; 180 meals a year included in rent	X			X	X		Yes None	Guest rooms available	Resident transferred to regular chair while dining in dining room
Weekly linens included in rent	X	X	X	X	Garage and parking lot	3 meals daily available; 180 meals a year included in rent	X		X	X	X		Yes None	Guest rooms available	Resident transferred to regular chair while dining in dining room
Additional fee for laundry services	X	X	X	X	Parking lot	2 meals & continental breakfast included in rent	X		X	X	X	X	Yes \$250	Guest and respite care rooms available	
Weekly linens included in rent	X	X	X	X	Covered parking	3 meals daily available Some included in rent according to package	X				X		No	Guest rooms available	
	X	X	X	X	Parking lot	3 meals daily/ Included in rent	X			X	X	X	Yes \$250	Guest rooms available	
	X	X	X	X	Parking lot & covered parking	3 meals daily/ 25 meals per month included in rent	X		X	X	X	X	Yes none	Guest rooms available	Wheelchairs restricted to assisted living areas
	X	X	X		Parking lot, garages	2 meals daily/ Included in rent breakfast additional \$50 mo.	X		X		X	X	Yes \$250	Guest rooms available	
Weekly linens included in rent	X	X	X		Underground parking	3 meals daily/ Included in rent	X			X	X	X	Yes \$250	Guest rooms available	
Weekly linens included in rent	X	X	X	X	Underground and parking lot	3 meals daily available; 180 meals a year included in rent	X		X	X	X	X	Yes None	Guest rooms available	Resident transferred to regular chair while dining in dining room
Weekly linens included in rent	X	X	X	X	Underground parking	1 or 2 meal lease option	X	X	X	X	X		No	Short term visits ok/ Guest rooms available	
	X	X	X	X	Garage & parking lot	3 meals daily/ cost included in assisted living rent, extra in independent	X	X	X	X	X	X	Yes \$150	Age limit on pool use/ Guest rooms available	Independent living residents must be ambulatory

Amenities

Laundry service/fee	Laundry facilities	Housekeeping services	Transportation	Errand service	Parking	Meal program price/requirements	Emergency call system	Swimming pool	Jacuzzi	Exercise room	Hair salon	Convenience store	Pets allowed/deposit	Houseguests/children restrictions	Wheelchair restricted areas
	X	X	X	X	Underground parking	2 meals every/ included in rent on package; 3 meals daily available for fee	X	X	X	X	X	X	Yes none	Guest rooms available	
	X	X	X		Garage and parking lot	3 meals daily/ included in rent	X				X		Yes none	Guest rooms available	
Weekly linens included in rent	X	X	X		Garage, carport, parking lot	3 meals daily/ included in rent	X			X	X	X	No	Guest rooms available	
	X	X	X		Limited underground parking	1 meal daily/ included in rent; additional meals available for fee	X		X	X	X	X	Yes \$300	1 mo. per year allowed/ Guest rooms available	
	X	X	X	X	Parking lot	3 meals daily/ included in rent	X		X	X	X		Yes none	Guest rooms available	
Weekly linens included in rent	X	X	X	X	Covered parking and parking lot	2 meals daily/ included in rent; additional meals available for fee	X			X	X	X	Yes none	Guest rooms available	
Weekly linens included in rent	X	X	X		Off-street, carports, garages	3 meals daily/ for fee; 3 meals daily included in rent for skilled							Yes none	Guest rooms available	
Weekly linens included in rent	X	X	X	X	Underground parking	3 meals daily/ available for fee	X			X	X		Yes none		
Weekly linens included in rent	X	X	X	X	Underground parking	Variable, some meals included in rent according to package	X		X	X	X	X	Yes none	Guest rooms available	
	X	X	X		Underground parking	2 meals daily/ included in rent; additional meals available	X		X	X	X		Yes \$200	Guest rooms available, fee	
	X	X	X	X	Limited covered parking	3 meals daily/ included in rent	X			X	X		Yes \$300	Guest apartment available	
Weekly linens included in rent	X	X	X	X	Carports and parking lot	3 meals daily available; 180 meals a year included in rent	X			X	X		Yes None	Guest rooms available	Resident transferred to regular chair while dining in dining room

Amenities

Laundry service/line	Laundry facilities	Housekeeping services	Transportation	Errand service	Parking	Meal program price/requirements	Emergency call system	Swimming pool	Jacuzzi	Exercise room	Hair salon	Convenience store	Pets allowed/deposit	Houseguests/children restrictions	Wheelchair restricted areas
	X	X	X	X	Underground parking	2 meals every included in rent on package; 3 meals daily available for fee	X	X	X	X	X	X	Yes none	Guest rooms available	
	X	X	X		Garage and parking lot	3 meals daily/ included in rent	X				X		Yes none	Guest rooms available	
Weekly linens included in rent	X	X	X		Garage, carport, parking lot	3 meals daily/ included in rent	X			X	X	X	No	Guest rooms available	
	X	X	X		Limited underground parking	1 meal daily/ included in rent; additional meals available for fee	X		X	X	X	X	Yes \$300	1 mo. per year allowed/ Guest rooms available	
	X	X	X	X	Parking lot	3 meals daily/ included in rent	X		X	X	X		Yes none	Guest rooms available	
Weekly linens included in rent	X	X	X	X	Covered parking and parking lot	2 meals daily/ included in rent; additional meals available for fee	X			X	X	X	Yes none	Guest rooms available	
Weekly linens included in rent	X	X	X		Off-street, carports, garages	3 meals daily/ for fee; 3 meals daily included in rent for skilled							Yes none	Guest rooms available	
Weekly linens included in rent	X	X	X	X	Underground parking	3 meals daily/ available for fee	X			X	X		Yes \$200	Guest rooms available	
Weekly linens included in rent	X	X	X	X	Underground parking	Variable, some meals included in rent according to package	X		X	X	X	X	Yes none	Guest rooms available	
	X	X	X		Underground parking	2 meals daily/ included in rent; additional meals available	X		X	X	X		Yes \$200	Guest rooms available, fee	
	X	X	X	X	Limited covered parking	3 meals daily/ included in rent	X			X	X		Yes \$300	Guest apartment available	
Weekly linens included in rent	X	X	X	X	Carports and parking lot	3 meals daily available; 180 meals a year included in rent	X			X	X		Yes None	Guest rooms available	Resident transferred to regular chair while dining in dining room

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ALASKA HOUSING MARKET RESEARCH  
HOUSING POLICY DEVELOPMENT BOARD  
LOW INCOME, AFFORDABLE, AND SENIOR HOUSING ISSUES

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Real estate

✓  
 Alaska Wildlife Authority  
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 Anchorage, Alaska 99518  
 907-281-2100 (ext)

Resource: 11-1-73

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 HC 39  
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advocate

Sally Jack  
 Alaska Travel Services Corporation  
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 Fairbanks, Alaska 99701  
 452-5191

Travel agency  
specialist

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## PIONEERS' HOMES ADVISORY

MEMBER		APPT	REAAPT	REAPPT	TERM
Amos "Joe" Box 304 Juneau Public	Alter  99802	84/09/03	0/00/00	0/00/00	0/00/00
Vallie 1002 Tenth Avenue Fairbanks Public	M Byrdsong  99701	87/09/14	0/00/00	0/00/00	0/00/00
John 1505 HPR Box #1081 Sitka Public	E Dapcevich  99835	88/01/21	0/00/00	0/00/00	0/00/00
Robert #911-119 Austin Street Ketchikan Public Chair	Gore  99901	0/00/00	0/00/00	0/00/00	0/00/00
George P.O. Box E Kenai Public	Navarre  99611	84/09/01	0/00/00	0/00/00	0/00/00
Louis 537 "M" Street Anchorage Public	Odsather  99501	76/09/02	0/00/00	0/00/00	0/00/00
John P.O. Box 888 Palmer Public	D Shaw  99645	88/05/01	0/00/00	0/00/00	0/00/00

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Housing Market Council  
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Norma Lundy  
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Robyn Johnson  
Anchorage Pioneer Home  
823 W. 11th Ave.  
Anchorage, AK 99501

Cynthia Parker  
Anch Neighborhood House  
3700 Woodland, #500  
Anchorage, AK 99517

Clean copy for  
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SR HOUSING

Send 10/19 agenda, SB 150  
HB 218 10-3-89

Pat Porter  
Kenai Senior Center  
361 Senior Court  
Kenai, AK 99611  
283-4156

Sterling Gallagher  
John Nuveen & Co.  
240 Main Street, #601  
Juneau, AK 99801 586-1636

Linda Smith  
5952 Montgomery Street  
Juneau, AK 99801  
780-6754

Chuck Logsdon  
Palmer Senior House Comm  
Box 387  
Palmer, AK 99645  
745-3664

Don Shircel ✓ 452-8251  
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Anchorage, AK 99517

**SIGN-IN SHEET**

SPONSOR: Joint Hb/Sen State Affairs

SUBJECT: Senior Housing

START/END TIME: 9A-1p DATE: 10/19/89



**PLEASE PRINT**

	NAME/REPRESENTING	ADDRESS	PHONE #	TESTIFY	OBSERVE	BILL #
1	<i>[Handwritten]</i>	<i>[Handwritten]</i>	<i>[Handwritten]</i>			
2	Dean Dickson	P.O. Box 500504 Anchorage 99520	278 28 57			
	RW Sullivan AHFC		561 1900		✓	
①	John J. Williams City of Kenai	210 Fidalgest Kenai	283-7539	X		
②	Norma Landry	6143 Stadsen Dr. Anch	333-7000		✓	
	<i>[Handwritten]</i>	1601 Sunrise Dr Anch 99507			✓	
7	Janet Kewalshu	3111 C St.				
⑧	ED WOLW <del>MURPHY</del> observed ALB	1261 E. 14th Ave Anchorage 99501	277-5783	✓		
9	Walter Johnson	1521 G St Anchorage AK 99501	279-1669		✓	
10	Joan McKinnon	5801 Roadville	337-0742			
11	Joyce Augustson	1506 Turpin St	333-5828		✓	
12	Lee Smith - City	5500 E 14th Anchorage	345-1698			
13	ERIC MYERS	3111 C Street Anchorage 507	561-7627		✓	
14	<i>[Handwritten]</i>	12266 Buley - Kenai Jimmy Ellis	561-7627		✓	
15	Tom Forrest Fuhr	PO Box 100401 - Anchorage 99510	274-8193		✓	
16						
17						
18						



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SUBJECT: \_\_\_\_\_

START/END TIME: \_\_\_\_\_ DATE: \_\_\_\_\_

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1	Jean Smith Realton	Box 1928 Anchorage 99510	277-6013	✓		
2	Merritt C. Olson	1032 7th Ave. Anchorage				
3	Mark Rowick (ASHA)	P.O. Box 230329 Anch. 99522	562-2813		✓	
4	Mike Harper - DCRA	949 E 36th St. Anch. AK 99503	561-0900			
5	Kay Graham - DERA	949 E 36th " " "	" "			
6						
7	Also: (5)					
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* ORIGINAL
* SENT: 10/19/89 TIME: 08:59
* FROM: LTCKTR
* SUBJECT: JT STA: SENIORS; 10-19; FL#1
* PRINT DATE: 10/19/89 TIME: 08:59
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T/C NO: 89-09-028

DATE: OCTOBER 19, 1989
SPONSOR: JOINT STATE AFFAIRS COMMITTEE
SUBJECT: SENIOR HOUSING AND LONGEVITY BONUS
MODERATOR: JUNE ROBBINS
SITE: KETCHIKAN

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PARTICIPANT LIST

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*****

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TESTIFIED

NAME/REPRESENTING	ADDRESS	PHONE	BILL NO.
1. BOB GORE			
2. LOIS GORDON			
3.			
4.			
5.			

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OBSERVED

NAME/REPRESENTING	ADDRESS	PHONE	BILL NO.
1.			
2.			
3.			
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5.			

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 \* DELIVER TO. LIUCINE \*  
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 \* ORIGINAL \*  
 \* SENT: 10/19/89 TIME: 09:14 \*  
 \* FROM: LTCCFBX \*  
 \* SUBJECT: STA.AFF;PL41 - SENIORS; 10-19 \*  
 \* PRINT DATE: 10/19/89 TIME: 09:14 \*  
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T/C NO: 89-09-028

DATE: OCTOBER 19, 1989  
 SPONSOR: JOINT HOUSE AND SENATE STATE AFFAIRS COMMITTEE  
 SUBJECT: SENIOR HOUSING AND LONGEVITY BONUS  
 MODERATOR: MELBA  
 SITE: FAIRBANKS

PARTICIPANT LIST  
 FINAL STATS

\*\*\*\*\*  
 TESTIFIED

NAME/REPRESENTING	ADDRESS	PHONE	BILL NO.
1. KELLY GUNNELS,	DENALI STATE BANK - HAS TO LEAVE AT 10 AM		
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 OBSERVED

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T/C NO: 89-09-028  
DATE: 10-19-89  
SPONSOR: JT.H&S STATE AFFAIRS  
SUBJECT: SR. HOUSING/LARGE VLTZ BURD  
MODERATOR: MARGARET  
SITE: SOL

PARTICIPANT LIST

\*\*\*\*\*  
TESTIFIED

	NAME/REPRESENTING	ADDRESS	PHONE	BILL NO.
1.	PAT PORTER/SENIOR CENTER	361 SENIOR CT./KENAI	99611/	283-4156
ADD 3.	<u>DENNIS MURRAY</u>	HERITAGE PLACE/232 ROCKWELL/SOLDONTNA		262-2545
4.				
5.	Dennis Murray			
6.				
7.				
8.				

- 9.
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\*\*\*\*\*  
OBSERVED

	NAME/REPRESENTING	ADDRESS	PHONE	BILL NO.
1.	FRANCES ARTZ/POBOX	2576/SOLDOTNA	99669	262-9288
2.	MARION DAVIS/	4463 SPUR HWY/	KENAI 99611	283-3595
3.	HAROLD DAVIS	"	"	"
4.	LINDA SWARNER/CITY COUNCIL/BOX	2602/	KENAI 99611/	283-4366
5.				
6.				
7.				

DATE: OCTOBER 19, 1989  
 SPONSOR: JT, STATE AFFAIRS  
 SUBJECT: SENIOR HOUSING AND LONGEVITY BONUS  
 MODERATOR: JOANNE  
 SITE: JUNEAU

PARTICIPANT LIST

\*\*\*\*\*

TESTIFIED

NAME/REPRESENTING	ADDRESS	PHONE	BILL NO.
1. FRAN TOLUND	OAC	465-3250	
2. LINDA SMITH	5952 MONTGOMERY, JNU 99801	780-6754	
3. JOE ALTER	BOX20304 JNU, 99802	586-6608	

UNABLE

NAME/REPRESENTING	ADDRESS	PHONE	BILL NO.
1. DENNIS BURNS	STAFF, REP. BOUCHER		
2. ROXANNE STEWART	STAFF, SEN. DUNCAN		
3. ROBERT THIBODEAU	1516 GLACIER AVE, JNU	586-2138	
4. BONNIE MCGUIRE	319 SEWARD	586-1790	
5. JAMES FISHER	AK, LEGAL SERVICE	586-6425	
6. REBECCA GOODMAN	525 W. 9TH ST, JNU	463-3085	

7. TERRI LAUTERBACH	LEGAL SERVICES DIC, LAA	465-2450	
8.			
9.			
10.			

\*\*\*\*\*

TESTIFIED:  
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 OBSERVED:  
 TOTAL:

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# Tanana Chiefs Conference, Inc.



*Call on me for all call.*



**ALASKA CHAPTER  
NATIONAL ASSOCIATION OF  
SOCIAL WORKERS**

8923 Tanis Drive  
Juneau, Alaska 99801  
(907) 789-7099

Executive Director  
William Diebels, ACSW

February 18, 1989

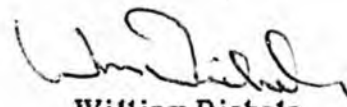
The Honorable Pat Pourchot  
Senate State Affairs Committee  
P.O. Box V  
Juneau, AK 99811

Dear Senator Pourchot:

The Alaska Chapter of the National Association of Social Workers supports SB150. We believe that the housing needs of Alaska's senior citizens are a growing and complex concern.

A Senior Housing Office will allow an in depth and reasoned assessment of the several approaches to meeting the residential needs of the elderly. The Older Alaskans Commission is an appropriate place to insure the intent of the bill.

Sincerely,



William Diebels

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BOARD OF DIRECTORS

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Anchorage

**VICE—PRESIDENT—1990**  
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Homer

**STUDENT REPRESENTATIVE—1989**  
Colleen Seybert  
Anchorage

CITY OF KENAI  
SENIOR CITIZENS  
CONGREGATE HOUSING PROJECT

OUR ANSWER  
to  
AFFORDABLE SENIOR HOUSING





1791 - 1991

CITY OF KENAI  
"Oil Capital of Alaska"

210 FIDALGO KENAI, ALASKA 99611  
TELEPHONE 283-7535  
FAX 907-283-3014

October 10, 1989

TO ALL CONCERNED:

Please be advised that the Kenai City Council has established as its absolute #1 priority for capital improvement projects within the City of Kenai, the Senior Citizen Congregate Housing facility.

The price tag for this facility has been set at \$5,700,000.  
A full study funded by the Alaska State Legislature has been completed. Additionally a broad scope of study was completed indicating need on the Kenai Peninsula for housing of this type by the Older Alaskans Commission.

*body of paper = 5.6 m*

The City of Kenai has agreed to donate one of the most valuable pieces of real estate that they own overlooking the mouth of the Kenai River, with a view of the surrounding Chugach mountains and the Alaska range - including Mt. Redoubt and Illiamna - and the Cook Inlet as the intended location for the project.


The City of Kenai has also agreed to furnish all utility service to the facility including water & sewer. The City of Kenai further agrees to assume the operating responsibility for the entire facility at no cost to the State of Alaska once the project has been completed. It is our firm belief that the grant of \$5,700,000 to the City of Kenai for the construction of this project will allow it to be operated on an economically successful basis for the life of the project.

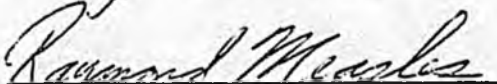
October 10, 1989  
Page 2

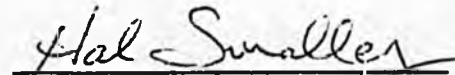
We urge your strong consideration and approval of this grant as an investment by the State in the future of not only its present senior citizens but of all those who will follow in the years to come.

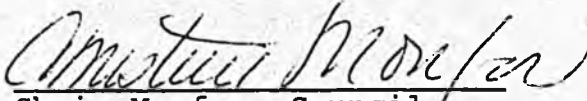
With best regards we remain sincerely yours

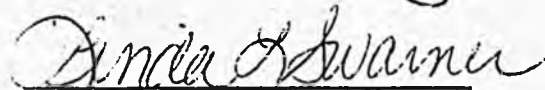
Members of the Council of the City of Kenai.

  
John Williams, Mayor

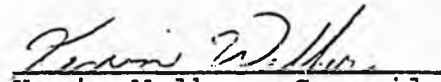
  
Ray Measles, Council

  
Hal Smalley, Council

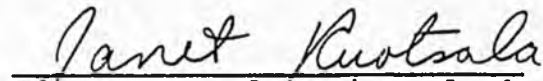
  
Chris Monfor, Council

  
Linda Swarner, Council

  
Marj O'Reilly, Council

  
Kevin Walker, Council

ATTEST:

  
Janet Ruotsala, City Clerk

JJW: jr

## WHAT IS CONGREGATE HOUSING?

As defined in the State of Alaska Senior Housing Report prepared by the Older Alaskans Commission, January 1989, Congregate Living is:

"large group-living facility, with meals and some on-site supportive services, operated by a non-profit housing authority or private developer...fills a gap between independent living and nursing care; basic services prolong tenants' ability to maintain a semi-independent lifestyle."

Proposed in the "Feasibility and Schematic Design for a Congregate Housing Facility for the City of Kenai, Alaska," a 40 unit apartment house will be built adjacent to the Kenai Senior Citizens Center with a covered walkway connecting the two buildings on land donated by the City of Kenai. A hot meal will be served seven days a week.

Unlike low income housing, Congregate Housing as proposed for this project would provide housing for the frail and elderly WITHOUT government occupancy restrictions. Seniors who would normally enter a Pioneer Home if one were available in the area would have an alternative presently denied.

This project would address the very real need for middle-income and residential care facilities and provides the necessary alternatives to independent living and nursing care. It allows Seniors INDEPENDENCE WITHOUT INSECURITY.

A one-time State grant of approximately \$5.7 million would cover all construction costs. It is expected that rents would cover all operating costs and the project would not be a continuing burden to the taxpayers. Similar to the senior housing facilities built and operating in Chugiak and Homer, a State grant would establish a Congregate Housing facility for the Kenai Peninsula.

## WHY FUNDING CONSTRUCTION WITH A STATE GRANT?

The Senior Housing Report prepared by the Older Alaskans Commission in January, 1989 summed up the conflict faced by Seniors who are seeking residential facilities without occupancy restrictions:

"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."

There also exists a precedent as the Chugiak and Homer senior housing facilities were built with State grants and maintain reasonable rents with a waiting list of Seniors desiring affordable housing.

As a State grant for \$5.7 million would cover construction of a 40 unit facility, the "Feasibility and Schematic Design for a Congregate Living Facility for the City of Kenai, Alaska" reveals that a 40 unit facility shows a "better relationship between revenues and expenses...the current and future needs demand for congregate housing would be met." Eliminating the added burden of debt retirement (as a loan would require) the rents can remain reasonable and the facility can maintain itself WITHOUT continuing State support.

## WHY KENAI?

- \* The City of Kenai has made the Congregate Housing Project its top legislative priority.
- \* The City of Kenai has graciously donated the site as well as the water, sewer, and road facilities for the proposed Congregate Housing project adjacent to the Kenai Senior Citizens Center.
- \* Pioneer Homes are located almost everywhere in Alaska EXCEPT the Kenai Peninsula, yet of the four largest boroughs in the State (Anchorage, Fairbanks North Star, Mat-Su, and the Kenai Peninsula) the Kenai Peninsula Borough has the largest percentage of seniors in relation to total population - and the Senior population is growing!
- \* The proposed location is within walking distance of medical facilities, grocery and drug stores, City library, shopping areas, recreation complex, and municipal airport services.
- \* The Congregate Housing facility will be built adjacent to the Kenai Senior Center providing access to recreational facilities, small library, sewing room, large kitchen facilities, and most importantly a great social atmosphere. Duplication of services and sense of community will not occur.
- \* The State of Alaska has already funded a \$161,500 grant to the City of Kenai for the purpose of compiling a feasibility study which indicated the serious need on the Kenai Peninsula for housing of this nature and the City of Kenai was the most appropriate place to locate this facility.

## COST

April 1988

The original cost based on the schematic design was prepared by architect Carmen Gintoli in 1988. As published in the "Feasibility and Schematic Design for a Congregate Housing Facility for the City of Kenai, Alaska," the total project cost was summed up as follows:

Main Structure	40,000 sq.ft. x \$125/ sq.ft.	= \$ 5,000,000
Addition to Senior Center Dining Room -		
	1250 sq.ft. x \$125/sq.ft.	= 156,250
Site Development		
Paving	16,100 sq.ft. x \$5	= 80,500
Landscaping	1 job	= 20,000
Water & Sewer Lines	150 lin.ft. x \$40 each	= 12,000
Re-route water & sewer mains (assumed)		
	400 lin.ft. x \$50 each	= 40,000
Furnishings & Equipment, i.e.:		
Laundry equipment, Adult Day Care, office commons, conference room, etc.		= 40,000
Sub Total		= <u>\$5,348,750</u>
Architectural and Engineering Fees		= 425,000
		<u>5,773,750</u>
Project Contingency @10%		= 577,375
TOTAL PROJECT COST		= <u>\$6,351,125</u>

ROUNDED COST = \$6,400,000

June 1989

In an effort to re-assess and reduce the proposed cost of the project, dedicated volunteers called upon the expertise of Kenai brown, Public Works Director, Kenai Peninsula Borough; Keith Kornelis, public Works Director, City of Kenai; and Bill Kluge, of Kluge and Associates Architects and Planners. While various cost-saving techniques were discussed, significant cuts came when current production/labor costs were factored in and it was agreed that budgeted costs and a modification of building design would be implemented. The addition to the Senior Center dining room would be deleted as well, and the total proposed cost was reduced by approximately \$700,000 and the most recent proposed cost analysis follows:

PROPOSED COST ANALYSIS

Main Structure	40,000 sq.ft. x \$115/sq.ft.	= \$4,600,000
Site Development		
Paving	16,000 sq.ft. x \$2.50/sq.ft.	= 40,000
Landscaping	1 job	= 20,000
Water & sewer lines	150 lin.ft. .. \$40 each	= 12,000
Re-route water & sewer mains (assumed)	400 lin.ft. x \$50 each	= 40,000
Furnishings & Equipment, i.e.:		
Laundry equipment, Adult Day Care, office commons, conference room, etc.		= 40,000
Sub Total		= <u>\$4,752,000</u>
Architectural & Engineering Fees		= 381,200
		<u>5,133,200</u>
Project Contingency 10%		= 513,320
TOTAL PROJECT COST		= <u>\$5,646,520</u>

ROUNDED COST = \$5,700,000

CITY OF KENAI  
 CONGREGATE HOUSING PROJECT  
 ECONOMIC IMPACT PROJECTIONS

As with any project where City and State money is being used, a financial impact model should be constructed. The following represents what is considered by the writer to be a fair assessment of the positive financial impact that will occur to the City of Kenai as a result of the construction of 40 units of elderly congregate as proposed by the City of Kenai to the State of Alaska. Considerations are given to the following areas and are considered to be conservative in nature.

1. Sales tax impact to City and Borough
2. Economic impact to the local area
3. Number of jobs created as a result

SALES TAX IMPACT

Forty units of housing rented under the proposal will generate \$192,000 in rental income per year at \$400 per month per unit. All rentals are taxed at 5% with 2% going to the Borough and 3% to the City. The following represents the "first impact" of those funds,

	\$192,000.00
	x           .05
	<u>          9,600.00</u>
60% City	5,760.00
40% Borough	<u>          3,840.00</u>
	\$ 9,600.00

Since the \$192,000 in rental income will in all likelihood be spent within the local economy on such things as utilities, maintenance, and services, the roll over impact at a conservative estimate of three times will bring a secondary sales tax effect represented as follows:

	\$ 9,600.00
	x           3
	<u>          28,800.00</u>
60% City	17,280.00
40% Borough	<u>          11,520.00</u>
	\$ 28,800.00

Thus the sales tax effect from the rentals alone, using the three times multiplier will be:

	\$ 9,600.00
	+ 28,800.00
	<u>          38,400.00</u>
60% City	23,040.00
40% Borough	<u>          15,360.00</u>
	\$ 38,400.00

ECONOMIC IMPACT TO LOCAL AREA

With the addition of 40 units of senior housing, the community benefits from the same effect as having 60 new jobs brought into the economy. The 60 figure is based on the assumption that one half of the units will be occupied by singles and one half will be occupied by married couples. Additionally, at least 30 of the residents will have additional pension money from retirement accounts other than social security. All of the residents will have spendable income on an annual basis calculated as follows:

30 RESIDENTS, ANNUAL MINIMAL INCOME

Longevity Bonus	\$ 3,000.00
Permanent Fund	900.00
Social Security	<u>7,200.00</u>
	11,100.00

30 Residents	x	<u>30</u>
		\$330,000.00

30 RESIDENTS WITH HIGHER INCOME

Social Security	\$ 7,200.00
Longevity Bonus	3,000.00
Permanent Fund	900.00
Add. Retirement	<u>7,200.00</u>
	18,300.00

30 residents	x	<u>30</u>
		\$549,000.00

Total all spendable income	330,000.00
	<u>549,000.00</u>
	879,000.00
Less rent paid to unit	- 192,000.00
Net spendable income	<u>\$ 687,000.00</u>

Given once again, a conservative economic roll of three times through the economy we can show a real value to the economy with the above figure of:

\$ 687,000.00	
x	<u>3</u>
\$2,061,000.00	

The secondary take on sales tax from the total spendable package then can be seen as:

	\$2,061,000.00	
	x	<u>.05</u>
	103,050.00	
60% City	61,830.00	
40% Borough	<u>41,220.00</u>	
	\$ 103,050.00	

In recapping the above figures, we find that the local economy should benefit in a total of \$2,253,000 (including original rents paid), the City of Kenai should receive \$67,590 sales tax and the Kenai Peninsula Borough should receive \$45,060 as their share of sales tax.

#### NUMBER OF JOBS CREATED IN LOCAL AREA

Assuming that 40% of the \$2,253,000 would be spent on wages and 60% on the wholesale merchandise that will create the wages we find the following jobs created based on \$30,000 gross per job created per year.

	\$2,253,000.00
	<u>40%</u>
	901,200.00
Divided by	<u>30,000.00</u>
Jobs created	30

One can see by the economic model that there are several variables. One being the rental factor of the project, another being the income of the senior citizens, and third being the roll over factor of the local economy, (three being conservative and five being to liberal in the writer's estimation) a fourth being the amount allowed for wages versus materials (60/40), and finally, the amount assigned to the value per job, (\$30,000.00). It has often been said that "what we need is more one handed economists so that they can't say, on one hand, but then on the other hand". I trust that the reader will find the foregoing helpful in the decision making process as it relates to the Kenai Senior Citizens Congregate Housing Project.

#### SUMMARY ECONOMIC MODEL SENIOR CITIZEN CONGREGATE HOUSING

1.	Total cost of project	\$5,700,000
2.	Annual economic impact	2,253,000
3.	Sales tax to City	67,590
4.	Sales tax to Borough	45,060
5.	Jobs created in the local economy at \$30,000 each	30

MODEL PRODUCED BY:  
JOHN J. WILLIAMS  
MAYOR, CITY OF KENAI

## HISTORY

January 1983

The need for a Pioneer Home is discussed and local physicians write letters confirming the Seniors request. Letters to legislators follow.

Later in the year the current Kenai Senior Citizens Center was completed, and it was hailed as a "much-needed social outlet for those living in the (proposed) Pioneer Home."

1984

State appropriates monies for a study by Laventhol and Horwath to determine the need of a Pioneer Home for the Kenai Peninsula. The study indicates that the Pioneer Home should be built in Kenai and provide at least 56 beds of which 26 would be residential beds and 30 would be intermediate and skilled nursing beds. "Current demand for the facility would support 56 beds .. suitable site at a location central to the eligible population and accessible to supporting services."

1985

House Bill 52 was introduced which would provide for a Pioneer Home in Kenai at the cost of \$10.2 million.

Seniors organized a letter writing campaign to urge legislators to pass HB 52.

1986

While HB 52 would not pass this session, Senator Fischer obtained funds for a feasibility and schematic design for a Congregate Housing Study which would be conducted by the Lutheran Hospitals and Homes Society. They sought to find what finance model would combine the elements necessary for a successful project: ←

Cost effectiveness  
Does not duplicate existing services  
Addresses specific needs of frail elderly (residential) care

1987-1988

A group of committed volunteers formed the "Design Review Committee" and met regularly with representatives from the Lutheran Hospitals and Homes Society and architect Carmen Gintoli, to develop a project that would best meet the needs of Peninsula Seniors and would be cost efficient.

The "Feasibility and Schematic Design for a Congregate Housing Facility for the City of Kenai, Alaska," was a result of many hours of work. The 40 unit facility was estimated to cost \$6.4 million. The Seniors distributed copies of the study to the legislative delegation and sought their support.

January 1989

Congregate Housing Committee meets to discuss means of obtaining legislative support and funding for proposed project and agrees to meet every Monday thereafter.

February/March 1989

Letter writing drive began to convince legislators of support and need.

April 1989

A special representative and Linda Swarner, member of the Kenai City Council, go to Juneau to meet with legislators to discuss the possibility of funding the Congregate Housing project. Senator Fischer thought we might be able to obtain \$350,000 for the Architectural and Engineering design costs. Bill Kluge, local architect agreed that the estimated \$425,000 was high and he could do it for \$350,000. The legislative appropriation failed to come through, however.

June 1989

The Committee meets to re-evaluate the proposed cost of the project and works to reduce the \$6.4 million price tag. By factoring in current labor/production costs, modifying the structure, and deleting the addition to the Senior Center's dining hall, the proposed cost is now estimated to be \$5.6 million.

The Kenai City Council votes to push the Congregate Housing project, a Senior housing facility for Peninsula Seniors, as the City's top priority for Capital Improvement money from the legislature. Mayor Williams, a dedicated supporter of the project, promises to continue working to obtain funding for Congregate Housing.

September 1989

A petition is drafted to be signed by Peninsula Seniors who support this project. It will be sent to Senator Jay Kerttula, Chairman of the Senate Special Committee on Senior Citizens and Pioneers and the legislative delegation from the Kenai Peninsula indicating the continued and growing support of the Congregate Housing project.

## SUPPORT

Pioneers of Alaska - Igloo 33/Auxiliary 16

"A unanimous vote in favor of the Congregate Housing Program ..."

Senator Paul Fischer

"I understand and appreciate the need for this project and intend to continue working for Seniors on the Kenai Peninsula."

Senator Jay Kerttula

"This would be an invaluable asset for Kenai Seniors as well as the entire community. I have reviewed the study and support the project."

Heritage Place Advisory Board

"There exists a need for such housing on the Kenai Peninsula.." "...such a project could prioritize admittance based on frailty and functional deficit if it were not limited to federal housing regulations .. we hereby endorse the Kenai Congregate Housing Project..."

Representative Swackhammer

"The Congregate Housing proposal is one of the best alternatives proposed and has my support."

Representative Virginia Collins

"I have always been supportive of housing alternatives that allow our Senior Citizens to stay out of nursing homes and promote independent living to the greatest degree possible. I will be happy to work with Kenai legislators to fund the Congregate Living facility..."

North Peninsula Chamber of Commerce

"..WHEREAS the site location is within walking distance of restaurants, theaters, grocery stores, city library, and medical facilities makes it an ideal location for our Senior Citizens on the Kenai Peninsula."  
"...urging the State of Alaska to fund a Senior Citizen residential facility in the City of Kenai to service the entire Kenai Peninsula in lieu of building a Pioneer Home on the Kenai Peninsula."

Senator Mike Szymanski

"I have always been a staunch supporter of seniors and that certainly includes congregate housing."

American Association of Retired Persons - Chapter 745

"The proposed Congregate Housing project would require a one-time State grant of \$5.7 million and would become SELF-SUFFICIENT unlike Pioneer Homes .. and low income housing which requires federal subsidies..."



Heritage Place

232 Rockwell Avenue  
Soldotna, Alaska 99669  
907-262-2545

HERITAGE PLACE

SOLDOTNA, ALASKA

RESOLUTION #2

A resolution of the Heritage Place Advisory Board endorsing and supporting the funding of the construction and operation of the Kenai Congregate Housing Project.

Directed To: Governor Steve Cowper, Older Alaskans Commission,  
Senator Paul Fischer, Rep. C.E. Swackhammer,  
Representative Mike Navarre

Whereas: The Advisory Board of Heritage Place has been involved in the efforts which produced the feasibility study for the construction of 40 units of congregate housing to be attached to the Kenai Senior Center on land to be donated to the project by the City of Kenai, and

Whereas: The project when constructed will provide sheltered housing with non-nursing services as needed by the residents, and

Whereas: There exists a need for such housing on the Kenai Peninsula as other alternatives do not exist or are not adequate to meet the special needs of elderly and handicapped, and

Whereas: Such a project could prioritize admittance based on frailty and functional deficit if it were not limited by federal housing regulations, and

Whereas: Heritage Place would be able to work with the project in securing sheltered housing with appropriate supportive services for those persons who achieve their rehabilitation potential, and are able to be discharged to a non-nursing environment from Heritage Place.

Now Therefore Be It Resolved, That:

The Advisory Board of Heritage Place does hereby endorse the Kenai Congregate Housing Project as proposed in the feasibility study and respectfully requests that the project be funded by the Governor and the Alaska State Legislature.

This resolution was passed unanimously by the Heritage Place Advisory board at its meeting of February 28, 1989.

Page 2

Attest:

*Kathy Gensel*

---

Ms. Kathy Gensel, Secretary to the Board

Kenai Chamber of Commerce

Box 497

Kenai, Alaska 99611

(907) 283-7989



RESOLUTION NO. 59-03

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE GREATER KENAI CHAMBER OF COMMERCE IN SUPPORT OF CONGREGATE HOUSING.

WHEREAS, the number of Alaskans are aging, and

WHEREAS, congregate housing is an acceptable long-term solution for the housing needs of the aged, and

WHEREAS, currently all housing units for senior citizens are full on the local level, and

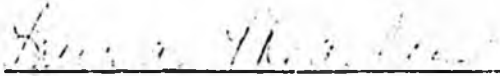
WHEREAS, service delivery would be readily available to residents of a congregate housing facility, and

WHEREAS, congregate housing would allow for the psychosocial development needs of senior citizens, and


WHEREAS, congregate housing also provides for those senior citizens that require transitional housing environments.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE KENAI CHAMBER OF COMMERCE that the Alaska State Legislature proceed in a positive manner to establish congregate housing to serve the needs of senior citizens on the Kenai Peninsula and in all of Alaska.

SIGNED THIS 17 DAY OF February, 1989

  
\_\_\_\_\_  
LAURA MEASLES, PRESIDENT-ELECT

ATTEST

  
\_\_\_\_\_  
Brenda - Mgmt. Executive Director

**KENAI PENINSULA CAUCUS**

**RESOLUTION 88-19**

*(Introduced By Mayor John Williams)*

**A RESOLUTION URGING THE STATE OF ALASKA TO GRANT THE CITY OF KENAI A \$6.5 MILLION GRANT FOR A SENIOR CITIZEN CONGREGATE HOUSING FACILITY IN LIEU OF BUILDING A PIONEER HOME ON THE KENAI PENINSULA**

**WHEREAS**, the Kenai Peninsula Caucus represents Kenai Peninsula municipal governments and Chambers of Commerce and serves to promote the physical, social and economic well being of the Kenai Peninsula Borough; and,

**WHEREAS**, the State of Alaska provided a \$161,500 grant to the City of Kenai for a feasibility study to determine needs and estimates of cost for senior citizen housing on the Kenai Peninsula; and,

**WHEREAS**, the feasibility study concluded that there was a serious need for senior citizen housing on the Kenai Peninsula and that a congregate housing facility would be much less expensive to operate and maintain than conventional Pioneer Homes; and,

**WHEREAS**, the City of Kenai has pledged to provide all real estate and to underwrite all costs of road improvements, water and sewer extensions which would be required incidental to the project; and,

**WHEREAS**, the proposed location would be adjacent to the Kenai Senior Citizens' Center where facilities are already available for preparing and serving meals and for elderly social and recreational activities; and,

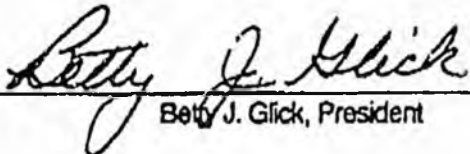
**WHEREAS**, the proposed location would also be within walking distance of restaurants, theaters, grocery stores, the public library and medical facilities; now, therefore,

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE KENAI PENINSULA CAUCUS:**

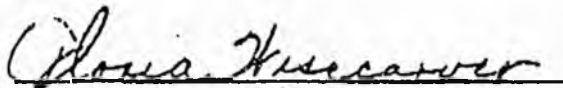
**Section 1.** The Kenai Peninsula Caucus urges the State of Alaska to grant a \$6.5 million grant to the City of Kenai for the design and construction of a Senior Citizen Congregate Housing Facility in lieu of building a Pioneer Home on the Kenai Peninsula.

**Section 2.** The Secretary is hereby directed to send a copy of this resolution to: Governor Steve Cowper, Senator Jalmar Kerttula, Senator Mike Szymanski, Senator Paul Fischer, Representative Jim Zawacki, Representative Kay Wallis, Senator John Binkley, Representative C. E. Swackhammer and Representative Mike Navarre.

**ADOPTED** this 20th day of January, <sup>1989</sup>~~1988~~ at a meeting of the Board of Directors held in Soldotna, Alaska.

  
Betty J. Glick, President

**ATTEST:**

  
Gloria Wisecarver, Secretary/Treasurer

RESOLUTION

A RESOLUTION OF THE NORTH PENINSULA CHAMBER OF COMMERCE URGING THE STATE OF ALASKA TO FUND A SENIOR CITIZEN RESIDENTIAL DEVELOPMENT FACILITY IN THE CITY OF KENAI TO SERVICE THE ENTIRE KENAI PENINSULA IN LIEU OF BUILDING A PIONEER HOME ON THE KENAI PENINSULA.

WHEREAS, the State of Alaska has funded a \$161,500 grant to the City of Kenai, Alaska for the purpose of doing a feasibility study to provide senior citizen congregate type housing on the Kenai Peninsula, and

WHEREAS, professional consultants were hired and have completed a feasibility study for congregate type housing for senior citizens' on the Kenai Peninsula, and

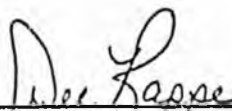
WHEREAS, the result of the study indicated there was a serious need on the Peninsula for housing of this nature for senior citizens and the City of Kenai, Alaska was the most appropriate place to locate said facility, and

WHEREAS, the City of Kenai has committed to provide the real estate adjacent to the present senior citizens' center and further commitment of all of the costs of providing water, sewer, and road facilities to the housing project, and

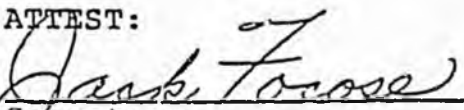
WHEREAS, many facilities in this housing project will not have to be duplicated because they already exist in the Senior Citizens' Center, such as central locations for a good social atmosphere by being able to communicate with many people who live in the same circumstances, providing recreational facilities, small library, sewing room and large kitchen facilities for serving large numbers of people, and

WHEREAS, the site location is within walking distance of restaurants, theatres, grocery stores, City library, and medical facilities makes it an ideal location for housing for our senior citizens on the Kenai Peninsula.

PASSED BY THE NORTH PENINSULA CHAMBER OF COMMERCE, this 9th day of February, 1989.

  
\_\_\_\_\_  
DEE RAPPE  
PRESIDENT OF THE NORTH PENINSULA  
CHAMBER OF COMMERCE

ATTEST:

  
\_\_\_\_\_  
Secretary

Igloo 33 & Auxiliary 16  
**PIONEERS of ALASKA**



Kenai, Alaska

Pat Porter  
Kenai Senior Citizens Center  
361 Senior Court  
Kenai, Alaska 99611

Jan. 24, 1989

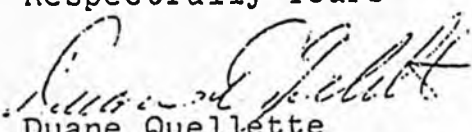
Dear Pat

At our meeting on December the 12th 1988 we had a discussion and a unanimous Vote in favor of the Congregate Housing Program for Kenai.

So I am writing this letter to inform you and document our endorsement for this project in Kenai.

Good Luck and remember a saying "You'll never score unless you shoot."

Respectfully Yours

  
Duane Quellette  
Pres. of Pioneers of Alaska  
Igloo # 33

# ALASKA STATE LEGISLATURE

SENATE STATE AFFAIRS,  
CHAIR

ETHICS COMMITTEE,  
CHAIR



ANCHORAGE

P.O. BOX 104836  
ANCHORAGE, AK 99510  
(W) (907) 561-7623  
(H) (907) 338-2425

JUNEAU

P.O. BOX V  
STATE CAPITOL  
JUNEAU, AK 99811  
(907) 465-3712

Senator Pat Pourchot

October 26, 1989

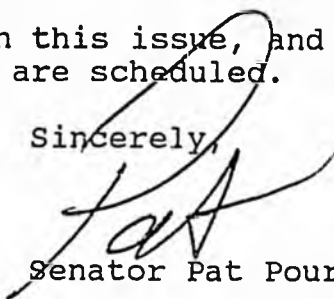
Ms. Justine Johnson  
1601 Sunrise Drive  
Anchorage, Alaska 99508

Dear Justine:

Thank you for attending last week's public hearing on senior citizens' housing. A lot of good information was presented, all of which will be helpful to the legislature as we continue our work on financing and incentive proposals.

I appreciate your interest in this issue, and will keep you posted as additional hearings are scheduled.

Sincerely,



Senator Pat Pourchot

# ALASKA STATE LEGISLATURE

SENATE STATE AFFAIRS.  
CHAIR

ETHICS COMMITTEE.  
CHAIR



ANCHORAGE  
P.O. BOX 104836  
ANCHORAGE, AK 99510  
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Senator Pat Pourchot

October 26, 1989

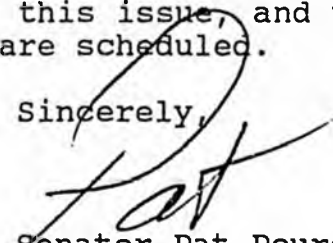
Mr. Walter Johnson  
1521 G Street  
Anchorage, Alaska 99501

Dear Walter:

Thank you for attending last week's public hearing on senior citizens' housing. A lot of good information was presented, all of which will be helpful to the legislature as we continue our work on financing and incentive proposals.

I appreciate your interest in this issue, and will keep you posted as additional hearings are scheduled.

Sincerely,

  
Senator Pat Pourchot

# Alaska State Legislature

Sen. Pat Pourchot, Chairman

Sen. Jan Faiks, Vice Chairman  
Sen. Al Adams  
Sen. Tim Kelly  
Sen. Rick Uehling



P.O. Box V  
State Capitol  
Juneau, Alaska 99811

907-465-3712

## Senate State Affairs Committee

October 26, 1989

Chuck Logsdon  
Box 387  
Palmer, Alaska 99645

Dear Chuck:

Thank you for your participation in last week's public hearing on senior citizens' housing. A lot of good information was presented, all of which will be helpful to the legislature as we continue our work on financing and incentive proposals.

I appreciate your interest in this issue, and will keep you posted as additional hearings are scheduled.

Sincerely,

A handwritten signature in cursive script that reads "Pat".

Senator Pat Pourchot  
Chairman

# Alaska State Legislature

Sen. Pat Pourchot, Chairman

Sen. Jan Faiks, Vice Chairman

Sen. Al Adams

Sen. Tim Kelly

Sen. Rick Uehling



P.O. Box V  
State Capitol  
Juneau, Alaska 99811

907-465-3712

## Senate State Affairs Committee

October 26, 1989

Spud Williams  
Tanana Chiefs Conference  
122 1st Avenue  
Fairbanks, Alaska 99701

Dear Spud:

Thank you for your participation in last week's public hearing on senior citizens' housing. A lot of good information was presented, all of which will be helpful to the legislature as we continue our work on financing and incentive proposals.

I appreciate your interest in this issue, and will keep you posted as additional hearings are scheduled.

Sincerely,

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Senator Pat Pourchot  
Chairman

# Alaska State Legislature

Sen. Pat Pourchot, Chairman

Sen. Jan Faiks, Vice Chairman

Sen. Al Adams

Sen. Tim Kelly

Sen. Rick Uehling



P.O. Box V  
State Capitol  
Juneau, Alaska 99811

907-465-3712

## Senate State Affairs Committee

October 26, 1989

Linda Smith  
5952 Montgomery  
Juneau, Alaska 99801

Dear Linda:

Thank you for your participation in last week's public hearing on senior citizens' housing. A lot of good information was presented, all of which will be helpful to the legislature as we continue our work on financing and incentive proposals.

I appreciate your interest in this issue, and will keep you posted as additional hearings are scheduled.

Sincerely,

A handwritten signature in cursive script that reads "Pat".

Senator Pat Pourchot  
Chairman

# Alaska State Legislature

Sen. Pat Pourchot, Chairman

Sen. Jan Faiks, Vice Chairman  
Sen. Al Adams  
Sen. Tim Kelly  
Sen. Rick Uehling



P.O. Box V  
State Capitol  
Juneau, Alaska 99811

907-465-3712

## Senate State Affairs Committee

October 26, 1989

Joe Alter  
Box 20304  
Juneau, Alaska 99802

Dear Joe:

Thank you for your participation in last week's public hearing on senior citizens' housing. A lot of good information was presented, all of which will be helpful to the legislature as we continue our work on financing and incentive proposals.

I appreciate your interest in this issue, and will keep you posted as additional hearings are scheduled.

Sincerely,

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Senator Pat Pourchot  
Chairman

# Alaska State Legislature

Sen. Pat Pourchot, Chairman

Sen. Jan Faiks, Vice Chairman  
Sen. Al Adams  
Sen. Tim Kelly  
Sen. Rick Uehling



P.O. Box V  
State Capitol  
Juneau, Alaska 99811

907-165-3712

## Senate State Affairs Committee

October 26, 1989

Jean Smith  
Box 1928  
Anchorage, Alaska 99510

Dear Jean:

Thank you for your participation in last week's public hearing on senior citizens' housing. A lot of good information was presented, all of which will be helpful to the legislature as we continue our work on financing and incentive proposals.

I appreciate your interest in this issue, and will keep you posted as additional hearings are scheduled.

Sincerely,

A handwritten signature in cursive script, appearing to read "Pat".

Senator Pat Pourchot  
Chairman

# Alaska State Legislature

Sen. Pat Pourchot, Chairman

Sen. Jan Faiks, Vice Chairman

Sen. Al Adams

Sen. Tim Kelly

Sen. Rick Uehling



P.O. Box V  
State Capitol  
Juneau, Alaska 99811

907-485-3712

## Senate State Affairs Committee

October 26, 1989

Ed Wow  
1281 East 19th Avenue  
Anchorage, Alaska 99501

Dear Ed:

Thank you for your participation in last week's public hearing on senior citizens' housing. A lot of good information was presented, all of which will be helpful to the legislature as we continue our work on financing and incentive proposals.

I appreciate your interest in this issue, and will keep you posted as additional hearings are scheduled.

Sincerely,

Senator Pat Pourchot  
Chairman

# Alaska State Legislature

Sen. Pat Pourchot, Chairman

Sen. Jan Faiks, Vice Chairman

Sen. Al Adams

Sen. Tim Kelly

Sen. Rick Uehling



P.O. Box V  
State Capitol  
Juneau, Alaska 99811

907-465-3712

## Senate State Affairs Committee

October 26, 1989

Norma Lundy  
6143 Staedem Drive  
Anchorage, Alaska 99504

Dear Norma:

Thank you for your participation in last week's public hearing on senior citizens' housing. A lot of good information was presented, all of which will be helpful to the legislature as we continue our work on financing and incentive proposals.

I appreciate your interest in this issue, and will keep you posted as additional hearings are scheduled.

Sincerely,

A handwritten signature in cursive script that reads "Pat".

Senator Pat Pourchot  
Chairman

# Alaska State Legislature



Sen. Pat Pourchot, Chairman

Sen. Jan Faiks, Vice Chairman

Sen. Al Adams

Sen. Tim Kelly

Sen. Rick Uehling

P.O. Box V  
State Capitol  
Juneau, Alaska 99811

907-165-3712

## Senate State Affairs Committee

October 26, 1989

John Williams  
City of Kenai  
210 Fidalgest  
Kenai, Alaska 99611

Dear John:

Thank you for your participation in last week's public hearing on senior citizens' housing. A lot of good information was presented, all of which will be helpful to the legislature as we continue our work on financing and incentive proposals.

I appreciate your interest in this issue, and will keep you posted as additional hearings are scheduled.

Sincerely,

A handwritten signature in cursive script that reads "Pat".

Senator Pat Pourchot  
Chairman

LOGSDON  
Box 387  
Palmer, AK 99645

---

October 24, 1989

Senator Pat Pouchot  
Senate State Affairs Committee  
P. O. Box V  
State Capitol  
Juneau, AK 99811

Dear Senator Pouchot:

I am sorry the weather prevented my personal appearance at the October 19, 1989 Hearing on Senior Housing so that I had to make my presentation via teleconference. Enclosed is a copy of the presentation plus the exhibits I was unable to bring to your attention via telephone. It never occurred to me until just now that I might have faxed them to you at the hearing. My apologies for that oversight.

Very sincerely yours,



Charles E. Logsdon, Chm.  
Palmer Senior Citizen Housing Advisory Committee

enc: Presentation to Hearing on Senior Housing, Oct. 19, 1989.  
1988 Elderly Housing Needs Assessment Study.  
Palmer Senior Housing Land Use Plan.  
Artist's rendition of Palmer Senior Housing Phase I.

PRESENTATION  
TO  
JOINT HOUSE-SENATE STATE AFFAIRS COMMITTEES  
ON  
SENIOR HOUSING  
Oct. 19, 1989

The City of Palmer has long been interested in support of community Seniors, including the Palmer Senior Center which provides for Seniors helping Seniors, the Palmer Pioneer Home, and a project which would provide other adequate and special needs housing to the community's elderly.

A 1982 population study of the Mat-Su Borough by Dr. Richard Ender of the University of Alaska showed by examination of census data, that the area was growing by 14% every 18 months. This resulted in a population high in 1985 of approximately 40,000. A Needs Assessment by the same gentleman indicated a need at that time for 35 Senior Housing units. A second needs assessment in 1984 showed a similar continuing need.

The 13th State Legislature appropriated money to Alaska Housing Authority for development planning for the Palmer site adjacent to the Pioneers Home which would provide for 30 units of low-income housing in a first phase of development for the property in question. The City of Palmer established a Senior Housing Advisory committee to track developments and to advise the Mayor and City Council on actions taken and those needed. This committee has also provided assistance to State agencies wherever possible in the planning process for this project.

With the collapse of oil prices and the accompanying downturn in the Alaskan economy, the City requested a third needs assessment for senior housing, since it was possible that there might have been a population decrease. The published report which is provided herewith shows that the Borough had not lost the population that might have been expected. The 1986 population total was 44,280 of which an estimated 2584 to 2913 were seniors. The range of estimates is due to the use of two methods of estimation. In one case, the increase in Senior population from 1980 to 1987 was 120.5%, and the other figure represented an increase of 148.5%. Of 1260 questionnaires mailed to Seniors in the Borough, 506 were returned. Of these, 44 said they would seriously consider moving into Senior housing within one year if it were available. Since the 506 questionnaires returned represents less than a fifth of the seniors living in the Borough, you might conclude that 5 times

the 44, or at least 200, might seriously consider moving into senior housing if it were available. The majority of Seniors, as might be expected, own their own homes, or are satisfied with present housing arrangements. A major conclusion of the 1987 survey is that the need for senior housing continues to exist.

The targeted location for the project is virtually ideal for these reasons: 1. The property is located adjacent to the Palmer Pioneers Home, 2. it is almost directly across the street from the Palmer Senior Center where congregate feeding and transportation are available at low cost 5 days a week (take out meals are also available for those who cannot come to the Center), 3. the property is within two block of downtown Palmer, two blocks from the Palmer City Library, and only a few blocks from the Valley Hospital and doctors' offices, so walking is an option for those without cars. The Postoffice is a long walk from the site, but there is now local delivery of mail. 4. The site is located along a paved street, although construction of access within the property to the units would be necessary. 5. The City sewer line crosses the property and the City water line, and telephone lines follow the adjacent street. Construction of this project would allow independence of a number of elderly for a very long time and therefore reduce the horrible costs to the State of long term institutional care.

The Plan as presently conceived would essentially divide the 14.89 acres into 5 acre portions for each of three phases. The first phase would be low-income housing. Why low income? Simply because they are most in need and should be taken care of first. The second phase for which we are not yet seeking funding, would be medium-income, and the third phase would be as needed.

The first phase would consist of 6 apartments in each of 5 units plus a central office and community rooms building. I believe 10% of the units would be designed especially for physically handicapped seniors. Phases two and three would consist of 24 units each under this plan. I am providing you with a copy of an artists rendition of how the first phase might look. His rendition in regard to the location of the Pioneers Home and the Senior Center is slightly wrong, and he has left out the rest of town. All in all, his drawing is not too bad, since it fairly represents the proposed layout within the project. The last exhibit I should like to leave with you is a map of the property showing in a more exact fashion the location of the Pioneers Home and the Senior Center in relation to the project. The map also shows the location of the projected phases 2 and 3.

I am sorry I cannot leave with you the architectural Land-Use Plan and the preliminary design plans for the dwelling units, but I have them with me for you to examine if you wish.

Although the cost of real estate has come down, even

drastically in some cases, I am informed by those who should know, that new building costs are not much less than they were. Our original estimate for turnkey construction costs of the first phase of 30 units was \$3,000,000. This might be reduced somewhat in our present economic environment, but I can't say for sure.

I should like to add that this project is very close to being ready to go to construction. Last year, the City had it as #1 on their capital constructions request to the Legislature. The City believes in the project. The Borough believes in the project. And the Seniors believe in it.

THANK YOU. I'd be happy to try to answer any questions.



PALMER SR. CITIZENS HOUSING  
PHASE I: 30 UNITS

ALASKA STATE HOUSING AUTHORITY  
ARCHITECT: THE GRANT/OLIVER ASSOCIATES

EAST FIREWEED L

SR. CIT. CENTER

ROLLER GARDEN

SOUTH CHURCH STREET

PIONEERS HOME

VIEW TO DYERS PK.

THE ALASKA RR.

HILLTOP RECREATION SHARED W/ PIONEER HOME (SHELTER NID)  
PHASE II (41 SIX PLEX UNITS 24 UNITS)

TYPE A RESIDENTIAL - SOUTH ENTRY

PHASE I:  
(8) SIX PLEX UNITS = 80 UNITS  
COMMONS BUILDING:  
• OFFICE  
• MEETING ROOM  
• LAUNDRY  
• MAINTENANCE  
• DUMPSTER

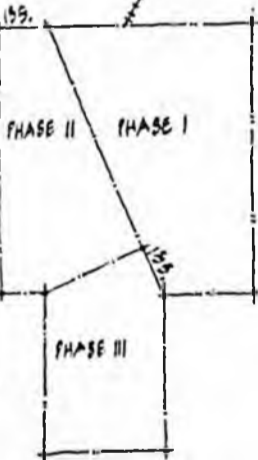
TYPE B RESIDENTIAL - NORTH ENTRY

VIEW TO DYERS PK.

TRACT LEGAL:

TRACT NO. 1, ALASKA RURAL REHAB CORP. 505D.  
PLAT PG9-20 - 14.69 AC.  
LOCATED WITHIN NW 1/4 SECT 4, TOWNSHIP 17 N  
RANGE 2 EAST SEWARD MERIDIAN

END OF PHASE I ROAD - THIS LOT WILL BE REMOVED IN PHASE II



PHASE III (21 SIX PLEX UNITS 24 UNITS)

RECREATION AREA

PARK

MANHOLE (EXIST.)

PALMER EQUIP. CO. (SCREEN FROM PHASE III HOUSING)

SEWER LINE (EXIST.)

INDUSTRIAL WY.

VIEW TO PIONEER PK.

land use plan



0 40 80 120 160 FEET

# Palmer Sr. Citizens Housing

sponsor: the Alaska State Housing Authority

architect: the Grant/Oliver Associates

PHASES I, II, III

**ELDERLY HOUSING NEEDS  
ASSESSMENT STUDY**

**June 16, 1988**

**For: City of Palmer  
By: Matanuska-Susitna Borough  
Planning Department**



MAJANUSKA-SUSITNA BOROUGH  
SENIOR CITIZEN HOUSING SURVEY  
SUMMARY REPORT

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## Executive Summary

The purpose of this study is to provide an assessment of the current housing needs of senior citizens residing in the Matanuska-Susitna Borough. The primary question is whether or not there is a need for additional low to moderate cost housing for senior citizens, and if so, the type and number of additional housing units which are needed. Major findings from this analysis are as follows:

- o 59.9% (N=303) of the respondents are married.
- o 83.4% (N=422) reside in homes, and 82.8% (N=419) are homeowners.
- o 86.4% (N=437) are satisfied with their current residence.
- o 8.7% (N=44) would seriously consider senior citizen housing.

From this, it is determined that there is a current demand for senior citizen housing in the Borough, and that 44 units could be used immediately.

Regarding the type of housing, senior citizens tended to prefer two-bedroom units along with single family homes or few units per building. Several senior citizens also indicated a preference for ranch style or one-story housing.

Since the average affordable rent was indicated as being \$375, and estimated from income to be \$225-350, this suggests a satisfactory rental cost range of \$200-\$400 for senior citizen housing.

## Introduction

At the request of the City of Palmer, the Matanuska-Susitna Borough conducted a senior citizen housing survey during May of 1988. The purpose of this survey is to provide an assessment of the current housing needs of senior citizens residing in the Matanuska-Susitna Borough. The primary question is whether or not there is a need for additional low to moderate cost housing for senior citizens, and if so, the type and number of additional housing units which are needed. While the definition of "senior citizen" includes only those individuals 60 years of age or older, the survey included individuals in the 50-59 age group since many of these persons will become eligible by the time a senior citizen housing project is completed. Their input was therefore desired.

The assessment of current housing needs begins with a brief demographic profile of senior citizens in the Matanuska-Susitna Borough. The demographic profile presents information from previous research which is not covered in the present study, such as the 1980 Census statistics for the Borough. This profile provides a context in which to assess the findings from the present survey.

Demographic questions in the present survey obtain information regarding age, marital status, household composition, financial and current residence. The information is used to establish quantitative indicators of need, e.g., how many units may be needed and at what cost housing should be made available.

The present survey also includes measures regarding the perceived desirability of future housing alternatives. This involves questions assessing satisfaction with current housing, preferences for type of housing structure, type of public services desired, willingness to relocate to senior citizen housing, and preferred location of such housing. Ideally, objective measures should also be included in a housing needs assessment, e.g., objective assessment of structural defects, energy and utility needs in current housing. This type of information was previously obtained for the elderly in the Matanuska-Susitna Borough in a study by Ender (1980). The results of that study may be considered valid for the purpose of the present survey. The present survey focuses, therefore, on the perceived needs of senior citizens within the Borough.

A copy of the questionnaire used in the present survey is presented in Appendix A. Data from the present survey are presented in Tables 1-25. These tables are located in the Appendix B in order to facilitate a smoother reading of the text. Appendix C presents graphs of the major findings of this study.

Demographic Profile of Senior Citizens in the Matanuska-Susitna Borough

The 1980 Census indicates that the Matanuska-Susitna Borough population was 17,816 with 1,172 senior citizens. Thus, in 1980 approximately 6.6% of the Borough population was 60 years of age or older.

The 1986 Borough population was indicated as being 44,280 (MSB, 1987). Since the Borough sample censuses do not obtain information regarding the age of individuals, current age proportions of the Borough population must be estimated. Two approaches have been utilized to estimate the number of senior citizens in the 1986 Borough population (MSB, 1987). The first method uses the 1980 Census data and assumes the proportions found in 1980 are similar to present conditions. This method estimates that there are approximately 2,913 senior citizens currently residing in the Borough (6.6% of the current population). This represents an increase of 1,741 senior citizens or of 148.5% since 1980.

The second method utilizes the Department of Labor's 1986 projections of age from a population cohort-survival model for the State and assumes that the Borough population is similar. Theoretically, this approach tends to favor the younger age categories since many of the other areas in the State have younger populations than the Mat-Su Borough. The method used by the Department of Labor estimates that there are currently 2,584 senior citizens in the Borough (329 less than the population estimated by the other method). This represents an increase of 1,412 senior citizens or of 120.5% since 1980. Whichever method is used, it is clear that the senior citizen population has increased significantly since 1980.

It is also important to consider growth trends in the 50-59 age group since many of these people will soon become eligible for senior citizen housing. The 1980 Census indicates that there were 1,391 people in the Borough population between 50 and 59 years of age. This represents 7.8% of the 1980 Borough population. Using the 1980 Census approach for estimating current age proportions, there are approximately 3,456 individuals in the 50-59 age group currently residing in the Borough. This represents an increase of 2,065 individuals or of 148.5% since 1980. Using the Department of Labor's method for estimating current age proportions, there are approximately 2,897 individuals in the 50-59 age group living in the Borough. This represents an increase of 1,506 individuals or of 108.3% since 1980.

There are important differences between the 50-59 and 60 or older age groups which need to be highlighted. In particular, the marital, employment and educational status of individuals differs markedly between these two groups. That is, there tend to be more widows/widowers and retired individuals as age increases. On the other hand, educational levels tend to

decrease with age (Ender, 1980). The marital and employment status directly affect the housing needs and abilities of an individual, while the educational level indirectly affects the housing needs through its influence on income.

Additionally, previous research (Ender, 1980) has indicated that the elderly tend to be spread throughout the households in the Borough. That is, while senior citizens comprise 6.6% of the Borough's population, they are found in 11.6% of the households. Most of the elderly households, however, are located in the Palmer-Wasilla area. Senior citizens also tend to have an average residence (in the Borough) more than twice that of the general population, and have lived in their present residence several years more than the general population.

### Methods

Using a self-administered questionnaire, a mail-out survey of senior citizens was conducted within the Matanuska-Susitna Borough. The sample of senior citizens was obtained by utilizing all nonduplicated names on the Borough's tax waver list for senior citizens (N=773) and the District 16 list of participants in the Alaska Longevity Bonus Program (N=487). A total of 1260 questionnaires was mailed out. Nine were nondeliverable and sixteen blank questionnaires were returned. A total of 506 completed questionnaires was obtained. This represents a 40.4% return rate. This is slightly lower compared to the return rate of 42% obtained from a similar 1984 assessment study of the elderly housing needs in the Borough, but is relatively high compared to a 30.3% response rate obtained by a 1984 housing survey in the Municipality of Anchorage (The Wakeland Company, 1984).

### Characteristics of the Sample Population

Age and marital status. The majority of the sample population is 62 years of age or older (97.8%) and married (59.9%). This is similar to the 1984 finding for the Borough: 96% of the respondents were 62 years of age or older and 63% were married. This percentage of married senior citizens is considerably more than that found in a similar elderly needs housing study in the Municipality of Anchorage: only 48.4% of the respondents were married (The Wakeland Company, 1984).

In regards to single individuals, 13.0% of the present sample are single men and 24.1% are single women. This represents a female/male ratio of 1.6:1. This ratio is slightly higher than that found for senior citizens in the Borough in 1984 (1.2:1).

The fact that the overwhelming majority of the respondents are 62 years of age or older represents a slight bias in the

sample. Two factors for this upward skewing of age in the sample are possible. One is that the lists from which the sample was obtained could be initially biased towards the older age group. That is, there are more individuals 60 years of age or older on the Alaska Longevity Bonus Program and the Borough tax waver list than individuals 50-59 years of age. The second possible factor for skewing the sample could be because those senior citizens with the greatest need for senior citizen housing are those furthest into the retirement years, and these individuals were the ones most likely to complete and return a questionnaire.

This age bias in the sample, however, is not serious since it provides a profile of those individuals most in need of senior citizen housing. However, this bias should be remembered in the conclusions of the study, especially regarding estimations for future elderly housing needs (usually based on the 50-59 age group who will soon be eligible for senior citizen services).

Household characteristics. The majority of respondents (83.4%) currently reside in single family homes, and most (82.8%) own their home. This is similar to findings in 1980 and 1984 for the Borough which indicated that senior citizens are somewhat more likely to live in single family homes (although housing in the Borough is predominately single family homes) (Matanuska-Susitna Borough Assessment Department, 1988), and are twice as likely to own their home (Ender, 1980; MSB, 1984). The actual percentage of senior citizens residing in homes, however, is lower than that found in 1984 for the Borough (94%), but considerably more than that found in the Municipality of Anchorage for the same year (62.4%).

Most of the respondents live in small-sized households: with a spouse or alone as opposed to extended family or group quarters. This is similar to previous findings for the Borough (Ender, 1980) that senior citizen housing (any unit with at least one individual who is 60 years of age or older) tends to be smaller than the household size for the general population (2.5 persons versus 3.3 persons per household, respectively). This is primarily due to the absence of children.

Financial characteristics. Most respondents (57.2%) indicated that they did not have a monthly rent. It was not asked, however, whether or not an individual had mortgage payments, and if so, the amount of mortgage payment they were making. Those who did indicate a monthly rent or mortgage payment (N=138) were spread fairly evenly across the payment ranges. Thus, there is no obvious pattern regarding current rent/mortgage payments.

The majority of respondents (64.4%) indicated that they have monthly utility expenses between \$76 and \$300. The average monthly utility expense (based on the middle figure within the ranges) is estimated to be \$200.

Regarding income, half of the respondents (50.6%) reported an annual income of more than \$16,000, while 39.3% indicated an income of \$16,000 or less, and 10.5% gave no response. The average yearly income (based on the middle figure of the ranges) is estimated to be \$17,382. This is higher than that found in 1984 for the Borough: the average senior citizen income was estimated to be in the \$12,001-\$16,000 range. This increase in income could be due to inflation, to the fact that more senior citizens are now on the Alaska Longevity Bonus Program and receiving social security than in 1984 (indicated below), as well as to cost of living increases in social security checks.

The 1979 Housing and Urban Development criteria for assistance is listed in Table 25. Based on these criteria, it would appear that 26%-40% of Borough senior citizens may qualify for HUD assistance (the percentage depends on the size of the family). This is similar to the 1980 finding that 40.7% of the Borough senior citizens qualify for HUD assistance. However, this percentage is considerably higher than the eligibility of the general Borough population (27.5%) as well as of the general Anchorage population (25.5%) (Ender, 1980). Overall, senior citizens tend to have a lower income than the general population. In fact, in 1980 the median income of senior citizens was found to be almost \$10,000 below that for the general population. This significant difference in financial capacity suggests that senior citizens are more limited in affording housing options (Ender, 1980).

Since income is a measure of financial capacity, it is a key characteristic in the analysis of housing needs. If one uses the criteria of 25% as the maximum allowable rent to income ratio, and reduces the ratio to 17% for the elderly (following the example of previous research, e.g., The Wakeland Company, 1984), then the average affordable rent range may be estimated to be \$225-\$350 (based on the largest income group of \$16,000-\$24,000). One may also want to consider lower cost housing (an average affordable rent range of \$100-\$200) for those senior citizens in the \$8,000-\$12,000 income group.

Regarding sources of income, most respondents indicated participation in the Alaska Longevity Bonus Program (88.7%) and receiving Social Security (89.1%). Nearly half of the senior citizens (47.0%) also reported receiving a private pension. This is a significant increase from 1980 when only 40.3% of senior citizens in the Borough indicated participation in the Alaska Longevity Bonus Program, only 72.7% received Social Security, and only 35.5% received a private pension (Ender, 1980).

Perceptions regarding future housing alternatives. The majority (86.4%) of respondents are satisfied with their current residence, although 12.1% indicated dissatisfaction. Most respondents who are dissatisfied with their current residence gave several reasons for their dissatisfaction. The most popular are that the house is too small, there is too much yard to take care of, there are problems with utilities and/or a lack

of convenient facilities (e.g., poor heating, no electricity or plumbing, no bathroom on the main floor, etc.), and a combination of responses (they are having difficulty now with stairs, there are repairs/maintenance/renovations which need to be done, etc.).

To measure a greater level of commitment to senior citizen housing, respondents were asked that if senior citizen housing was built in the City of Palmer, would they move into it within one year. Most respondents (83.9%) indicated that they were not interested in moving into senior citizen housing within one year. However, 8.7% indicated that they would be. This represents a current demand for 44 senior citizen housing units. This demand is significantly less than the 11% response obtained in 1984 for the Borough, but is slightly higher than that found in 1980 (7.7%) (Ender, 1980).

The common reasons for disinterest in senior citizen housing are: a lack of perceived need because of owning/buying one's own home, a desire to remain independent as long as physically and financially possible, a preference for living in other areas besides Palmer, and satisfaction with one's present residence and therefore a lack of desire or motivation to move. Previous research has indicated that those who are most willing to move into senior citizen housing are those who are dissatisfied with their present residence and/or are in the lower income bracket (The Wakeland Company, 1984).

Most respondents indicated a preference for a single family home rather than other housing alternatives, such as a duplex or townhouse/condominium units. This is similar to 1980 findings by Ender in which the majority (92.4%) of senior citizens also preferred single family housing.

Respondents also tended to prefer a 2 bedroom unit, with 1-2 units per building. This preference is similar to previous research which indicates that the average number of bedrooms needed for senior citizens is 2.16 as opposed to 2.74 for the general population (Ender, 1980). Other housing choices also tended to emphasize 1-2 units per building (e.g., 17.0% of the respondents prefer a 1 bedroom unit with 1-2 units per building), and most of the write-in responses (N=171, 83.0%) indicated a preference for a single family unit.

A sizable number of respondents (36.0%) did not respond to the amount of monthly rent they could afford. Of those who did respond (N=324) 70.7% indicated they could afford a monthly rent in the range of \$200-\$499. The average affordable rent, based on the middle figure within the range, is \$375. This is similar to the average affordable rent range found for the Borough in 1984 (\$300-\$400) as well as in 1980 (an average of \$331, a median of \$299), and is similar to the median affordable rent found in 1984 for Anchorage residents (\$392).

Most respondents indicated a preference for all of the public services which were listed. There was a slight tendency

for fire protection to be the most desired public service and public sewer to be the least desired.

In regards to the location of a senior citizen housing project, Palmer and Wasilla appear to be the most popular choices. This finding is similar to that found earlier by Ender (1980): 31.6% preferred Wasilla and 20.3% preferred Palmer.

Regardless of whether or not respondents were interested in the proposed senior housing, 85.2% signed/printed their name on the questionnaire.

### Conclusions

The purpose of this study is to provide an assessment of the current housing needs of senior citizens residing in the Matanuska-Susitna Borough. The primary question is whether or not there is a need for additional low to moderate cost housing for senior citizens, and if so, the type and number of additional housing units which are needed. Major findings from this analysis are as follows:

- o 59.9% (N=303) of the respondents are married.
- o 83.4% (N=422) reside in homes, and 82.8% (N=419) are homeowners.
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- o 8.7% (N=44) would seriously consider senior citizen housing.

From this, it is determined that there is a current demand for senior citizen housing in the Borough, and that 44 units could be used immediately.

Regarding the type of housing, senior citizens tended to prefer two-bedroom units along with single family homes or few units per building. Several senior citizens also indicated a preference for ranch style or one-story housing.

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APPENDIX A  
Questionnaire



# Matanuska-Susitna Borough

BOX 1608, PALMER, ALASKA 99645 • PHONE 745-9661

## DEVELOPMENT SERVICES DEPARTMENT

MATANUSKA-SUSITNA BOROUGH

### SENIOR CITIZENS HOUSING NEED ASSESSMENT SURVEY

DEAR FELLOW SENIOR CITIZEN:

Your help is needed to complete an assessment of senior citizen housing within the Matanuska-Susitna Borough. Answers to these questions will be used to determine whether or not there is a need for additional senior citizen housing within the Borough. Please note that information is only being requested about those people 55 years of age and older. If there is no one in your household 55 or over, please check the appropriate box and return the uncompleted survey to us. Only one form should be filled out per household and it should be filled out from the viewpoint of the elderly head of the household. If you should receive a second survey form please disregard it. Your response is important. Please take the time to complete this questionnaire.

Thank you for your cooperation and help in our efforts to determine the housing needs of the elderly in the Matanuska-Susitna Borough for the next few years. Please return your questionnaire by May 4, 1988 in the enclosed self-addressed envelope, no postage is required.

If you have any questions please do not hesitate to telephone me at 745-9688 or John Duffy at 745-9660.

Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "John Duffy", with a long horizontal line extending to the right.

John Duffy,  
Borough Manager

1. What age group are you in:  
 50-54     55-59     60-61     62 or older  
 Less than 50. If less than 50 please stop here and return the survey in the enclosed envelope.
2. Are you:  
 Married     Single Man     Single woman
3. How many persons other than yourself are in one of the following age groups and also live in your household:  
A. Under 60 years of age \_\_\_\_\_  
B. Between 60-62 years of age \_\_\_\_\_  
C. Older than 62 years of age \_\_\_\_\_
4. Present yearly income:  
 \$4,000 or less                     \$12,001-\$16,000  
 \$4,001-\$8,000                     \$16,000-\$24,000  
 \$8,001-\$12,000                    \$24,001 or more
5. Present residence:  
 House                                 Apartment  
 Room
6. Do you own or rent your present residence?:  
 Own                                     Rent
7. Is your present residence satisfactory?  
 Yes                                     No
8. If your residence is not satisfactory, please explain why:  
 Too small                             Too big  
 No plumbing                         Poor heating  
 Too much yard                       Other (please be specific): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
9. What is your monthly rent?  
 Nothing                                 \$301-\$400  
 \$100-\$200                            \$401-\$500  
 \$201-\$300                             \$501 or more  
 Not Applicable
10. What are your monthly utility expenses:  
 \$0 - \$75                               \$301 - \$376  
 \$76 - \$150                            \$376 - \$450  
 \$151 - \$225                           \$451 or more  
 \$226 - \$300
11. Describe the type of housing you prefer:  
 Duplex                                 Multi-family apartments  
 Townhouse units                     Condominium  
 Other (please be specific): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
12. Would you consider living in the following?  
( Check all that apply )  
 1 Bedroom (2 units or less per building)  
 1 Bedroom (3 units or more per building)  
 2 Bedroom (2 units or less per building)  
 2 Bedroom (3 units or less per building)  
 Other (please be specific): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Please continue on the other side)

13. How much could you afford for total monthly rent (including utilities and maintenance)?
- \$100-\$199                       \$400-\$499  
 \$200-\$299                       \$500-\$599  
 \$300-\$399                       \$600 or more

14. Does your income include:
- Alaska Longevity       Old Age Pension  
 Private Pension       Social Security  
 Other (please be specific): \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

15. Describe the type of public services that you would prefer, if any:
- None                                       Public Sewer  
 Public Water                               Natural Gas  
 Garbage/Trash Removal       Police Protection  
 Fire Protection

16. If senior citizen housing is built in the City of Palmer, would you move into it within one year from today's date?
- Yes                                       No

17. If you answer "NO" please explain why:
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

18. If there are other areas of the Borough besides Palmer where you might consider moving to within one year if senior citizen housing was built please indicate the specific area:
- Big Lake                       Butte                       Trapper Creek  
 Houston                       Sutton                       Willow  
 Talkeetna                       Wasilla  
 Other (please be specific): \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

19. If you answered "YES" to question 16 please sign this survey below. This does not commit you to anything. It is just an indication that you are interested in the proposed housing. Please print your name regardless of whether or not you answered yes or no.

\_\_\_\_\_ (Name (Print))                      \_\_\_\_\_ (Signature)                      \_\_\_\_\_ (Date)

\_\_\_\_\_ (Address)                      \_\_\_\_\_ (Phone)

Thank you for taking the time to complete this survey. Please place the survey in the enclosed envelope and mail it at your earliest convenience.

APPENDIX B

Tables

TABLE 1

## AGE DISTRIBUTION OF RESPONDENTS

Age	Frequency	Percent
50-54	0	0.0%
55-59	5	1.0
60-61	3	0.6
62 or older	495	97.8
No response	3	0.6
Total	506	100.0%

TABLE 2

## MARITAL STATUS OF RESPONDENTS

Marital status	Frequency	Percent
Married	303	59.9%
Single man	76	15.0
Single woman	122	24.1
No response	5	1.0
Total	506	100.0%

TABLE 3

## HOUSEHOLD COMPOSITION OF RESPONDENTS

Number of additional people	Age of additional people in household					
	Under 60		60-62		Older than 62	
	Freq.	%	Freq.	%	Freq.	%
0	423	83.6%	481	95.1%	265	52.4%
1	69	13.6	24	4.7	218	43.1
2	6	1.2	0	0.0	21	4.2
3	4	0.8	0	0.0	1	0.2
4	2	0.4	0	0.0	0	0.0
5 or more	2	0.4	1	0.2	1	0.2
Total	506	100.0%	506	100.0%	506	100.0%

TABLE 4

DISTRIBUTION OF RESPONDENTS  
REGARDING INCOME

Income	Frequency	Percent
\$4,000 or less	14	2.8%
\$4,001-\$8,000	37	7.3
\$8,001-\$12,000	80	15.8
\$12,001-\$16,000	68	13.4
\$16,001-\$24,000	122	24.1
\$24,001 or more	132	26.1
No response	53	10.5
<b>Total</b>	<b>506</b>	<b>100.0%</b>

*Handwritten notes:*  
25.1%  
93%

TABLE 5

DISTRIBUTION OF RESPONDENTS  
REGARDING  
TYPES OF CURRENT RESIDENCE

Type of residence	Frequency	Percent
House	422	83.4%
Room	16	3.2
Apartment	43	8.5
Trailer	21	4.2
Motor home	2	0.4
No response	2	0.4
<b>Total</b>	<b>506</b>	<b>100.0%</b>

TABLE 6

DISTRIBUTION OF RESPONDENTS  
REGARDING OWNERSHIP OF CURRENT RESIDENCE

Ownership status	Frequency	Percent
Own	419	82.8%
Rent	77	15.2
House sit/ relatives own it	6	1.2
No response	4	0.8
<b>Total</b>	<b>506</b>	<b>100.0%</b>

TABLE 7

DISTRIBUTION OF RESPONSES REGARDING  
SATISFACTION WITH CURRENT RESIDENCE  
=====

Satisfied?	Frequency	Percent
Yes	437	86.4%
No	61	12.1
No response	8	1.6
Total	506	100.0%

-----

TABLE 8

DISTRIBUTION OF RESPONSES REGARDING  
UNSATISFACTORY RESIDENCE  
=====

Response	Frequency	Percent
Too small	12	2.4%
No plumbing	2	0.4
Too much yard	9	1.8
Too big	4	0.8
Poor heating	3	0.6
Other	55	10.9
No response	421	83.2
Total	506	100.0%

-----

TABLE 9

DISTRIBUTION OF "OTHER" RESPONSES  
REGARDING UNSATISFACTORY RESIDENCE

"Other" response	Frequency	Percent
Combination of listed responses	32	58.2%
Lack of utilities/ convenient facilities*	5	9.1
Too expensive	4	7.3
Needs repairs	4	7.3
Dissatisfied with location**	3	5.4
Difficulty with stairs	3	5.4
Dissatisfied with type of current housing***	2	3.6
Dissatisfied with neighborhood****	2	3.6
<b>Total</b>	<b>55</b>	<b>100.0%</b>

\*E.g., no electricity, no bathroom on main living floor, inadequate washing facilities, no garage.

\*\*E.g., too far away from Palmer, need transportation.

\*\*\*E.g., would rather live outside of Pioneer Home, don't like living in an apartment.

\*\*\*\*E.g., road is poorly maintained, too many dogs run loose.

TABLE 10

DISTRIBUTION OF RESPONSES REGARDING  
AMOUNT OF MONTHLY RENT\*

Monthly rent	Frequency	Percent
Nothing	185	36.6%
\$100-\$200	20	4.0
\$201-\$300	31	6.1
\$301-\$400	29	5.7
\$401-\$500	31	6.1
\$501 or more	27	5.3
Not applicable	104	20.6
No response	79	15.6
<b>Total</b>	<b>506</b>	<b>100.0%</b>

\*Responses which indicated the respondent's amount of monthly mortgage payments were also included.

TABLE 11

DISTRIBUTION OF RESPONSES REGARDING  
AMOUNT OF MONTHLY UTILITY EXPENSES

Monthly utility expense	Frequency	Percent
\$0-\$75	63	12.4%
\$76-\$150	105	20.7
\$151-\$225	144	28.5
\$226-\$300	77	15.2
\$301-\$375	55	10.9
\$376-\$450	21	4.2
\$451 or more	9	1.8
No response	32	6.3
<b>Total</b>	<b>506</b>	<b>100.0%</b>

TABLE 12

DISTRIBUTION OF RESPONSES  
REGARDING PREFERRED TYPE OF HOUSING

Type of housing	Frequency	Percent
Duplex	62	12.3%
Townhouse units	58	11.5
Multi-family apartments	17	3.4
Condominiums	24	4.7
Other	206	40.7
No response	139	27.5
<b>Total</b>	<b>506</b>	<b>100.0%</b>

TABLE 13

DISTRIBUTION OF "OTHER" RESPONSES  
REGARDING PREFERRED TYPE OF HOUSING

Other type of preferred housing	Frequency	Percent
Single family home	171	83.0%
Combination of responses	11	5.3
Housing on ground level	10	4.9
No preference/don't know	5	2.4
Senior housing	4	1.9
Low cost apartments	2	1.0
Pioneer Home	2	1.0
Security apartment	1	0.5
Total	206	100.0%

TABLE 14

DISTRIBUTION OF RESPONSES REGARDING  
SIZE OF LIVING QUARTERS

Size of living quarters	Would consider living in?			
	Yes		No	
	Freq.	%	Freq.	%
1 bedroom (1-2 units/bldg.)	86	17.0%	420	83.0%
1 bedroom (3+ units/bldg.)	43	8.5	463	91.5
2 bedroom (1-2 units/bldg.)	181	35.8	325	64.2
2 bedroom (3+ units/bldg.)	73	14.4	433	85.6
Other	61	12.1	445	87.9

TABLE 15

DISTRIBUTION OF "OTHER" RESPONSES  
REGARDING SIZE OF LIVING QUARTERS

Other preferred sizes	Frequency	Percent
Single family home	45	73.8%
No preference	6	9.8
3 bedroom unit	2	3.3
2 bedroom, 4-6 units/bldg.	1	1.6
3 bedroom on one floor	1	1.6
Multi-unit apartment bldg. 3 units/bldg.	1	1.6
Group of smaller units (2-3 apartments/bldg.) clustered around a court	1	1.6
3-4 units in a row, with small porch, all on ground floor	1	1.6
3 rooms, close to Senior Center in Palmer	1	1.6
Could be more units per bldg. if located on ground floor or had elevator	1	1.6
<b>Total</b>	<b>61</b>	<b>100.0%*</b>

\*Sum does not equal 100.0% due to rounding errors from response distribution.

TABLE 16

DISTRIBUTION OF RESPONSES REGARDING  
AFFORDABLE MONTHLY RENT

Amount of affordable rent	Frequency	Percent
\$100-\$199	35	6.9%
\$200-\$299	71	14.0
\$300-\$399	84	16.6
\$400-\$499	74	14.6
\$500-\$599	36	7.1
\$600 or more	24	4.7
No response	182	36.0
<b>Total</b>	<b>506</b>	<b>100.0%</b>

TABLE 17

DISTRIBUTION OF RESPONSES REGARDING  
SOURCE OF INCOME

Source	Receive		Don't receive	
	Freq.	%	Freq.	%
Alaska longevity	449	88.7%	57	11.3%
Private pension	238	47.0	268	53.0
Old age pension	39	7.7	467	92.3
Social Security	451	89.1	55	10.9
Other	101	20.0	405	80.0

TABLE 18

DISTRIBUTION OF "OTHER" RESPONSES  
REGARDING SOURCE OF INCOME

Other source of income	Frequency	Percent
Personal investments/savings	35	28.5%
Real estate sales/rentals	21	17.1
Currently employed	19	15.4
Alaska Dividend Fund	17	13.8
Annuities	16	13.0
Compensation/disability	8	6.5
Alaska assistance/welfare	5	4.1
Miscellaneous*	2	1.6
Total	123**	100.0%

\*E.g., soil conservation program, unspecified additional income.

\*\*Total does not equal that of "other" responses in Table 17 since each source was coded as a separate response.

TABLE 19

DISTRIBUTION OF RESPONSES REGARDING  
PREFERRED PUBLIC SERVICES

Type of public service	Preferred		Not preferred	
	Freq.	%	Freq.	%
None	51	12.1%	445	87.9%
Public water	233	46.0	273	54.0
Garbage/trash removal	243	48.0	263	52.0
Fire protection	302	59.7	204	40.3
Public sewer	237	46.8	269	53.2
Natural gas	283	55.9	223	44.1
Police protection	272	53.8	234	46.2

TABLE 20

DISTRIBUTION OF RESPONSES REGARDING  
WILLINGNESS TO MOVE  
INTO SENIOR CITIZEN HOUSING  
WITHIN ONE YEAR

Willing to move?	Frequency	Percent
Yes	44	8.7%
No	425	83.9
Depends	18	3.6
No response	19	3.8
Total	506	100.0%

TABLE 21

DISTRIBUTION OF RESPONSES REGARDING  
UNWILLINGNESS TO MOVE INTO SENIOR CITIZEN HOUSING

Response	Frequency	Percent
Own/buying a house: no need	134	26.5%
Will stay independent as long as possible	94	18.6
Don't like Palmer/prefer other areas*	56	11.1
Satisfied at present: no desire to move	44	8.7
Need to/unable to sell house first	21	4.2
Combination of responses	20	4.0
Depends on price, location, health, etc.	9	1.8
Already live in Pioneer Home/senior citizen's housing in Wasilla	7	1.4
Prefer private home	5	1.0
Prefer living with family	4	0.8
Prefer/need services of Pioneer Home	3	0.6
Would not like living in senior housing project	3	0.6
Not interested	2	0.4
Not eligible	2	0.4
Need to take care of horses and pets/farm	2	0.4
Prefer Senior Center for company and convenience	1	0.2
2 years from today	1	0.2
Too many units available now	1	0.2
Don't like too many people too close	1	0.2
No response	96	19.0
<b>Total</b>	<b>506</b>	<b>100.0%**</b>

\*E.g., Wasilla, Big Lake, Houston, Sutton, Anchorage, near family.

\*\*Sum does not equal 100.0% due to rounding errors from response distribution.

TABLE 22

DISTRIBUTION OF RESPONSES REGARDING  
OTHER AREAS FOR SENIOR CITIZEN HOUSING

=====

Willing to move to?

-----

Area	Yes		No	
	Freq.	%	Freq.	%
Big Lake	33	6.5%	473	93.5%
Houston	18	3.6	488	96.4
Talkeetna	8	1.6	498	98.4
Butte	10	2.0	496	98.0
Sutton	8	1.6	498	98.4
Wasilla	101	20.0	405	80.0
Trapper Creek	0	0.0	506	100.0
Willow	9	1.8	497	98.2
Other	13	2.6	493	97.4

-----

TABLE 23

DISTRIBUTION OF "OTHER" RESPONSES  
REGARDING OTHER AREAS FOR  
SENIOR CITIZEN HOUSING

=====

Other preferred area(s)	Frequency	Percent
Anchorage	2	15.4%
First choice is Palmer, second is Anchorage	1	7.7
Caswell Creek/Kashwitna River area	1	7.7
Kenai area	1	7.7
Eagle River	1	7.7
Lazy Mountain	1	7.7
Any place if necessary	1	7.7
Sunshine area	1	7.7
Where there is a view of the sun rising and/or setting	1	7.7
As long as it was close to grocery and shopping area	1	7.7
Needs to be close to medical help	1	7.7
Eventually some housing should be in Big Lake, Houston, Talkeetna, Trapper Creek, Willow area so those elderly persons could be nearer to family and friends. One central location chosen by those communities.	1	7.7
Total	13	100.0%*

-----

\*Sum does not equal 100.0% due to rounding errors from response distribution.

TABLE 24

DISTRIBUTION OF RESPONDENTS  
REGARDING SIGNING QUESTIONNAIRE

Signed name?	Frequency	Percent
Yes	431	85.2%
No	75	14.8
Total	506	100.0%

TABLE 25

1979 INCOME CEILINGS FOR  
HUD ASSISTANCE

Size of family	Income ceiling
1	\$14,000
2	\$16,000
3	\$18,000
4	\$20,000
5	\$21,250
6	\$22,500
7	\$23,750
8 or more	\$25,000

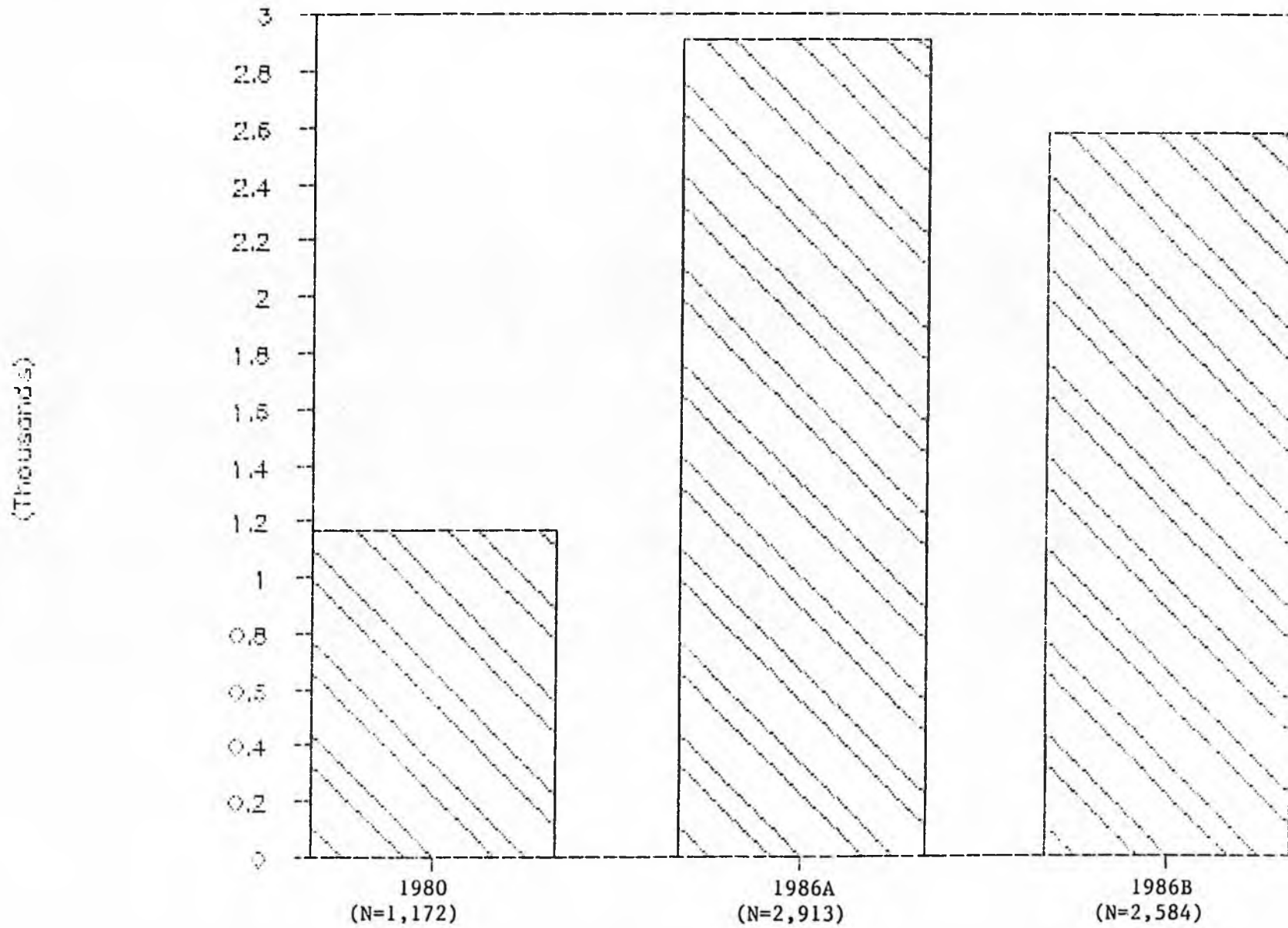
Source: The Department of Housing  
and Urban Development, 1979.

APPENDIX C

Graphs

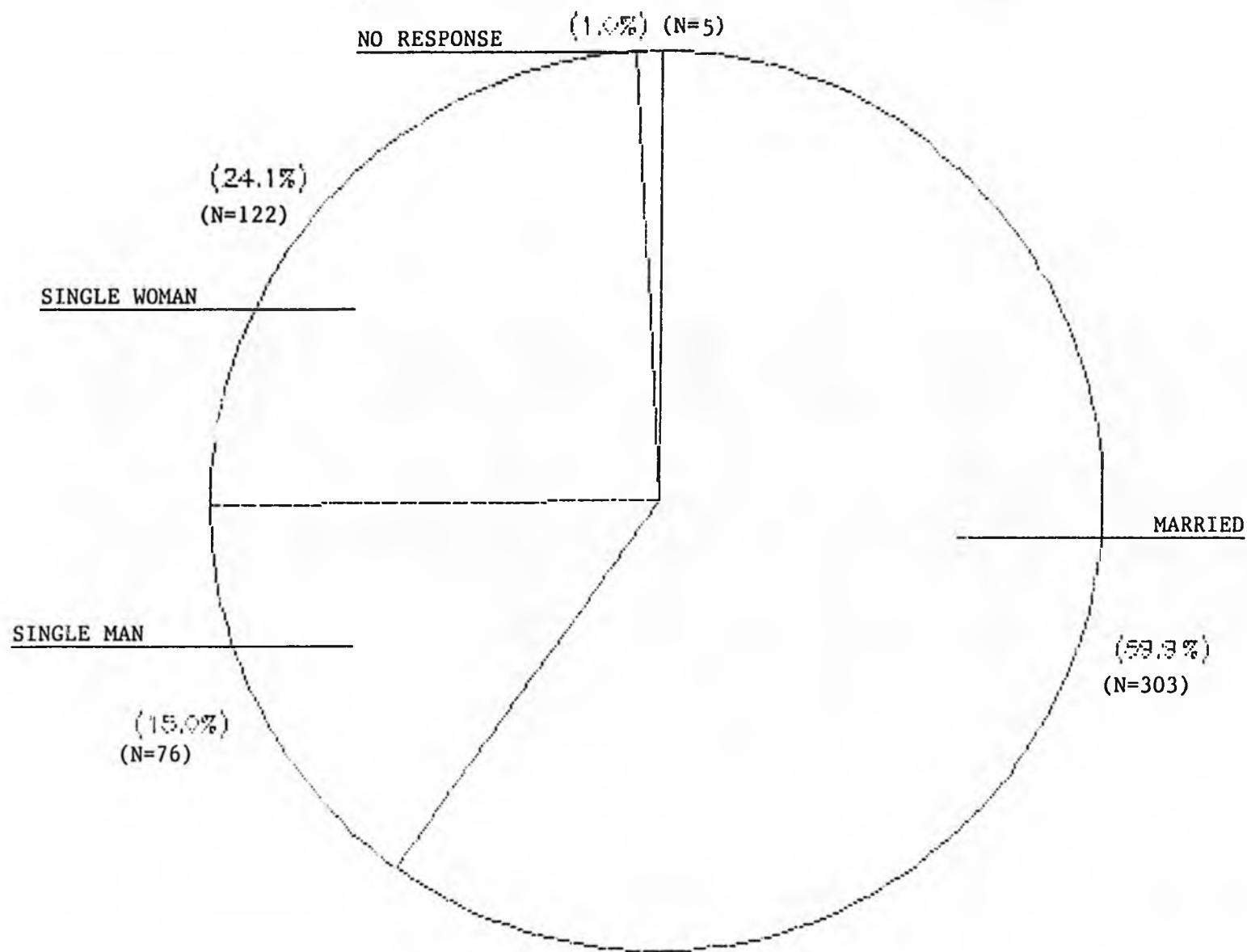
GRAPH 1

NUMBER OF SENIOR CITIZENS WITHIN THE MATANUSKA-SUSITNA BOROUGH

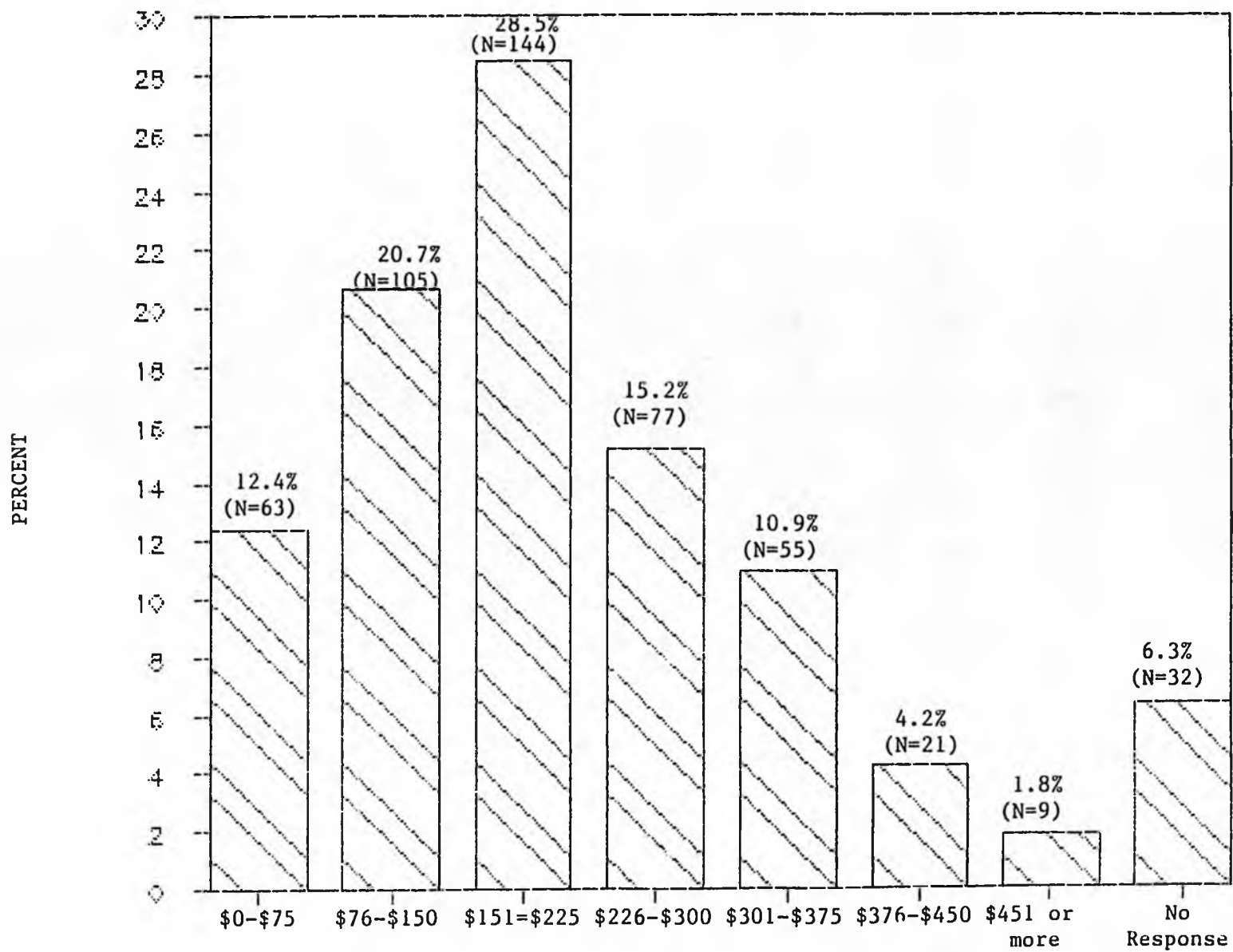


GRAPH 2

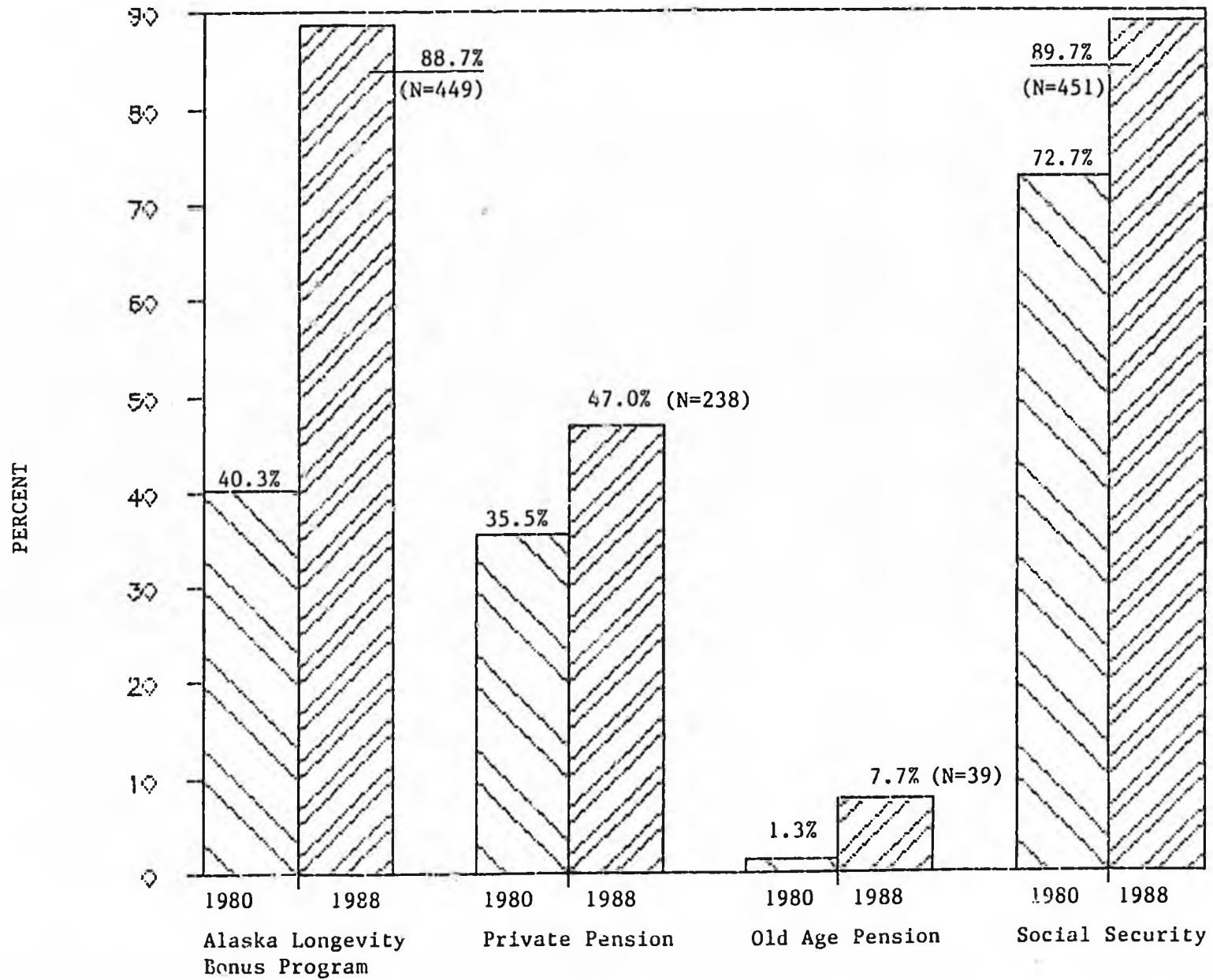
MARITAL STATUS OF RESPONDENTS



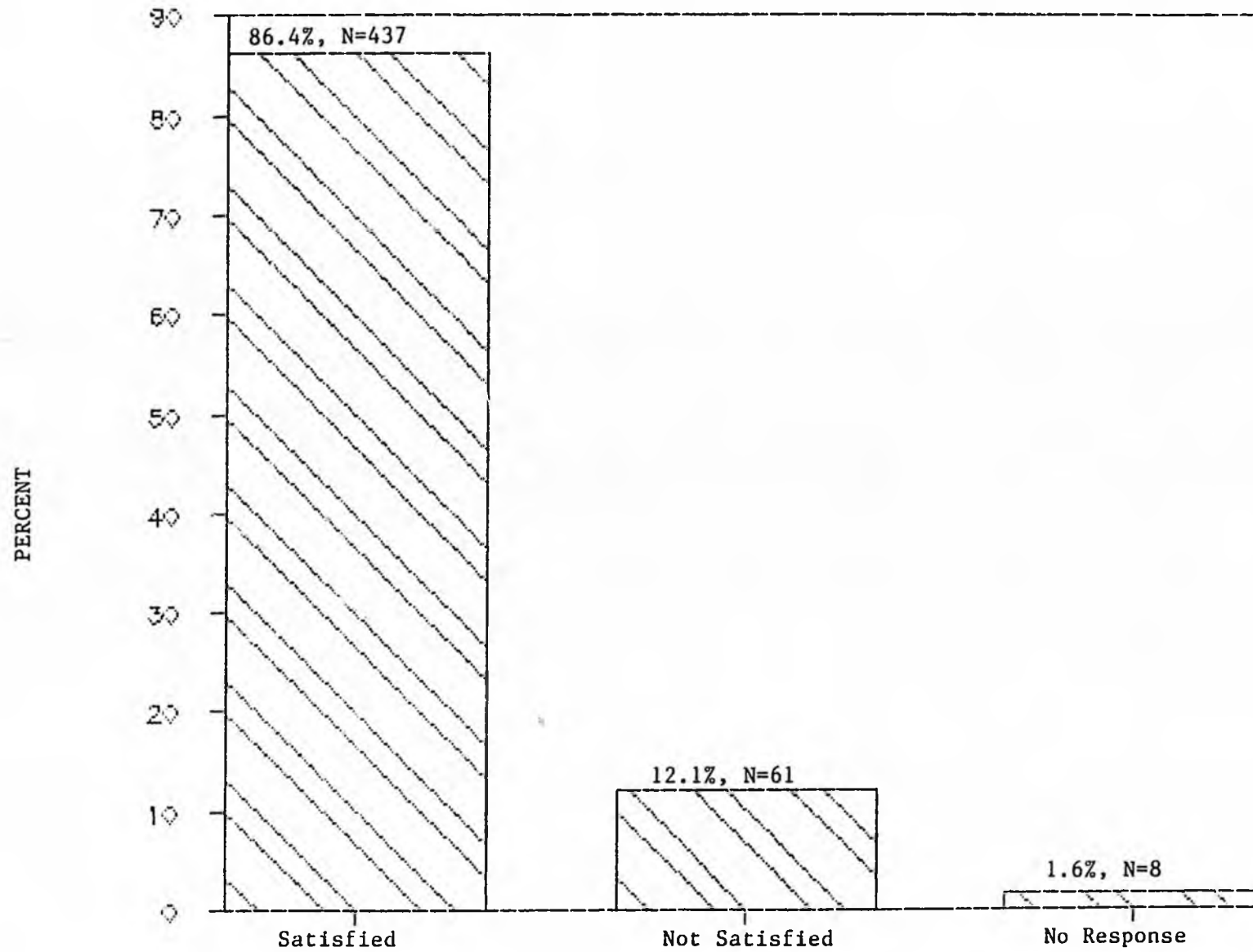
GRAPH 3  
MONTHLY UTILITY EXPENSES



GRAPH 4  
SOURCES ON INCOME

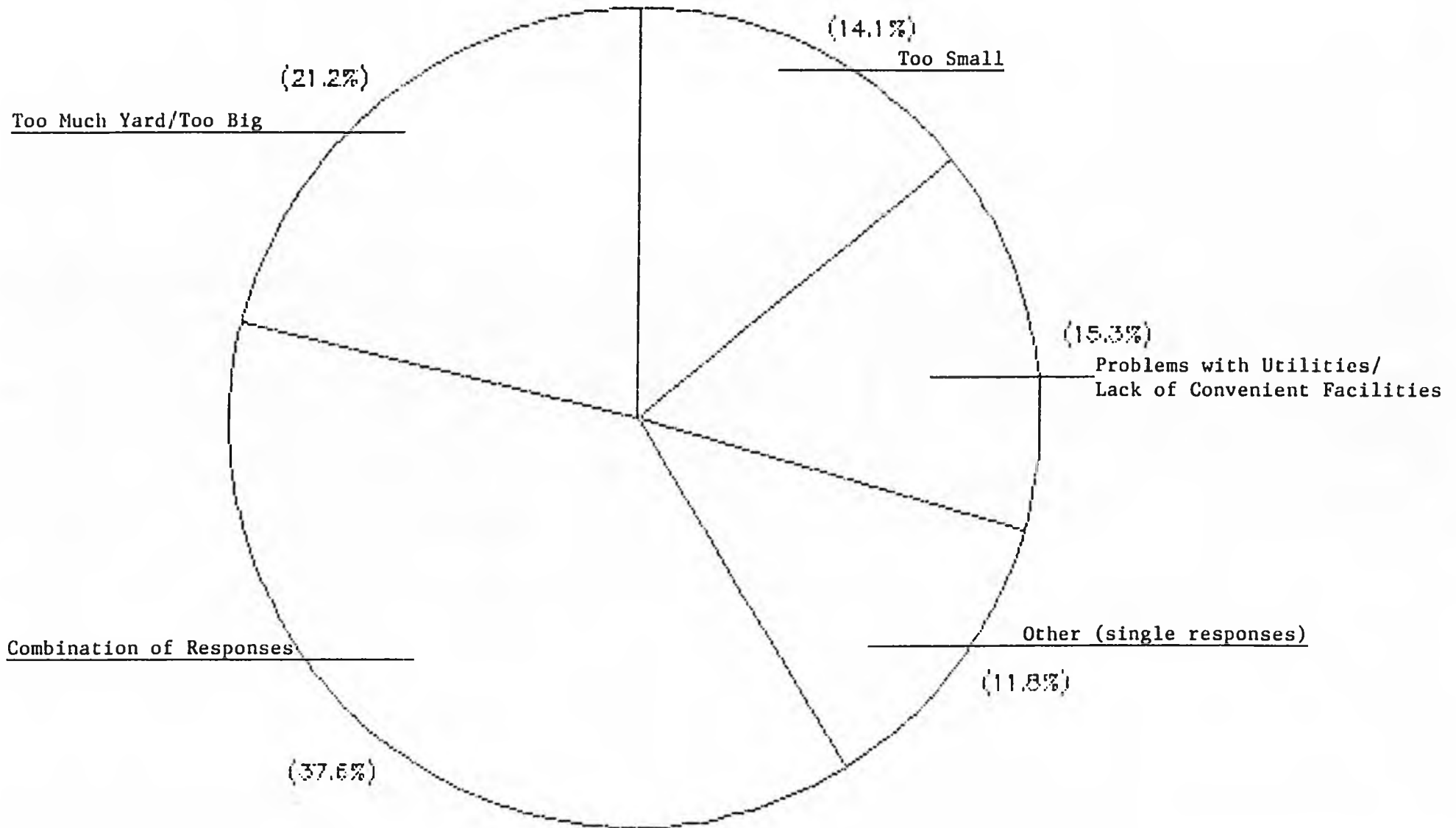


GRAPH 5  
SATISFACTION WITH CURRENT HOUSING



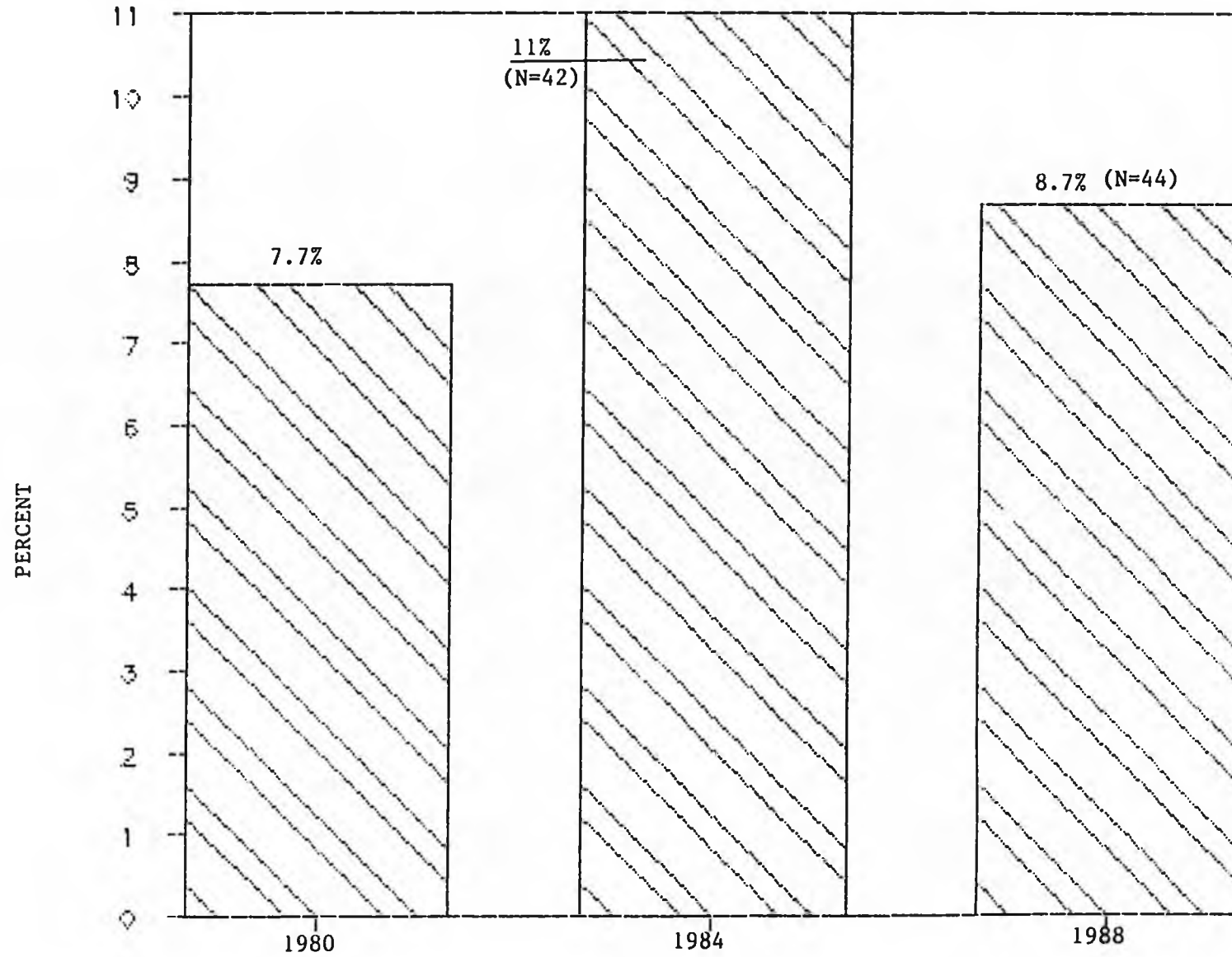
GRAPH 6

REASONS FOR DISSATISFACTION WITH CURRENT HOUSING



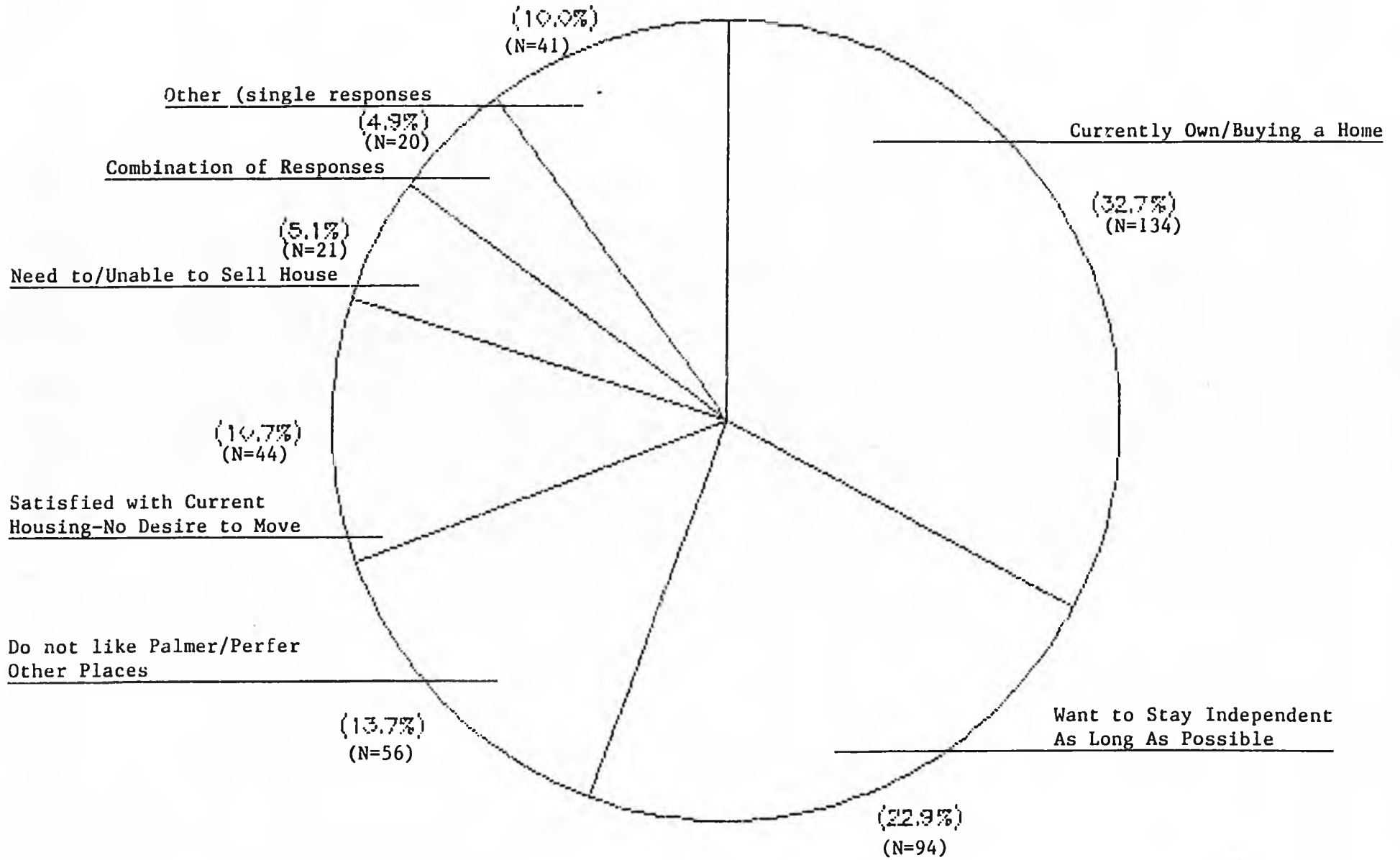
GRAPH 7

DEMAND FOR SENIOR CITIZEN HOUSING IN THE MATANUSKA-SUSITNA BOROUGH



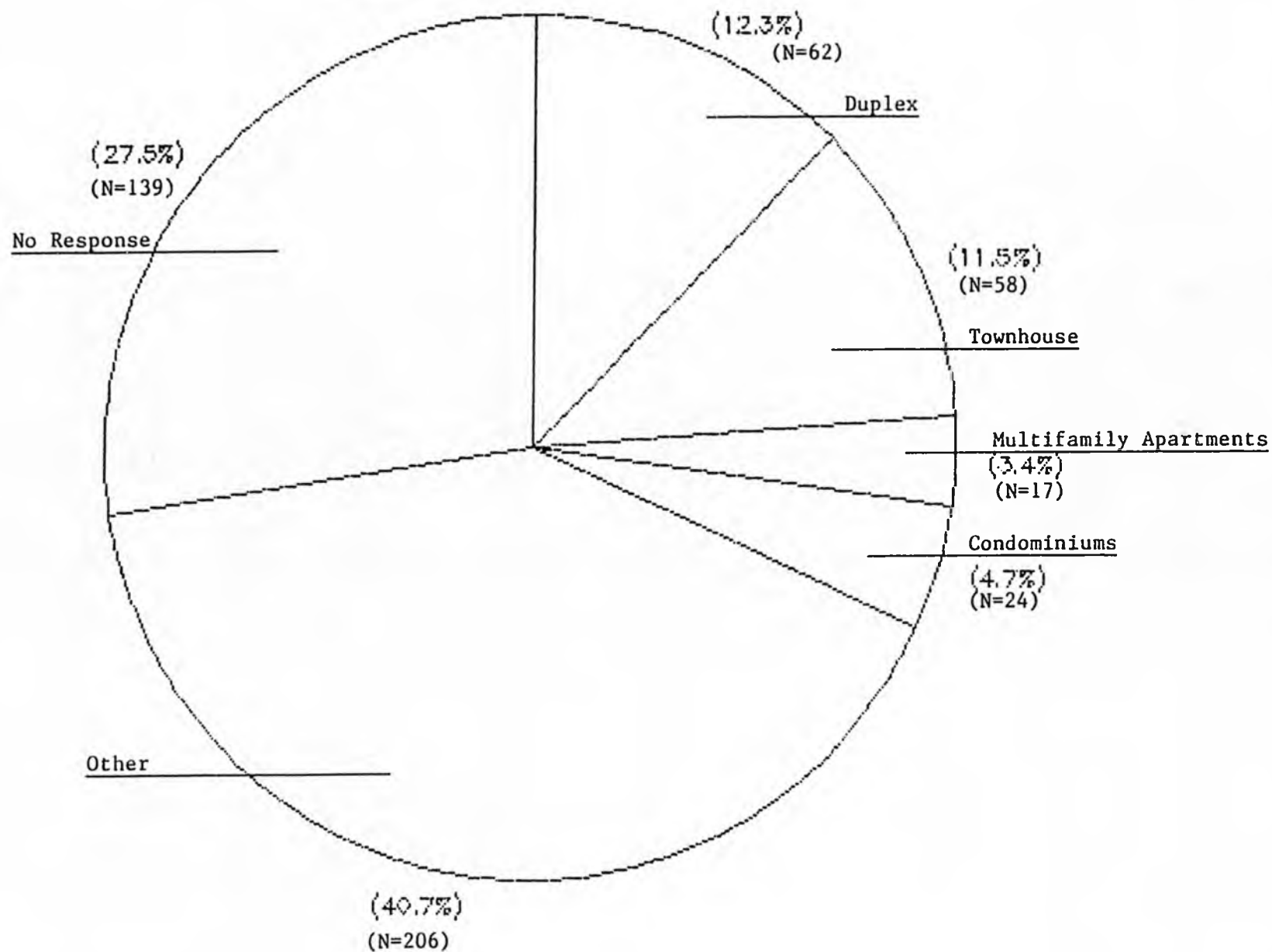
GRAPH 8

REASONS FOR DISINTEREST IN SENIOR CITIZEN HOUSING



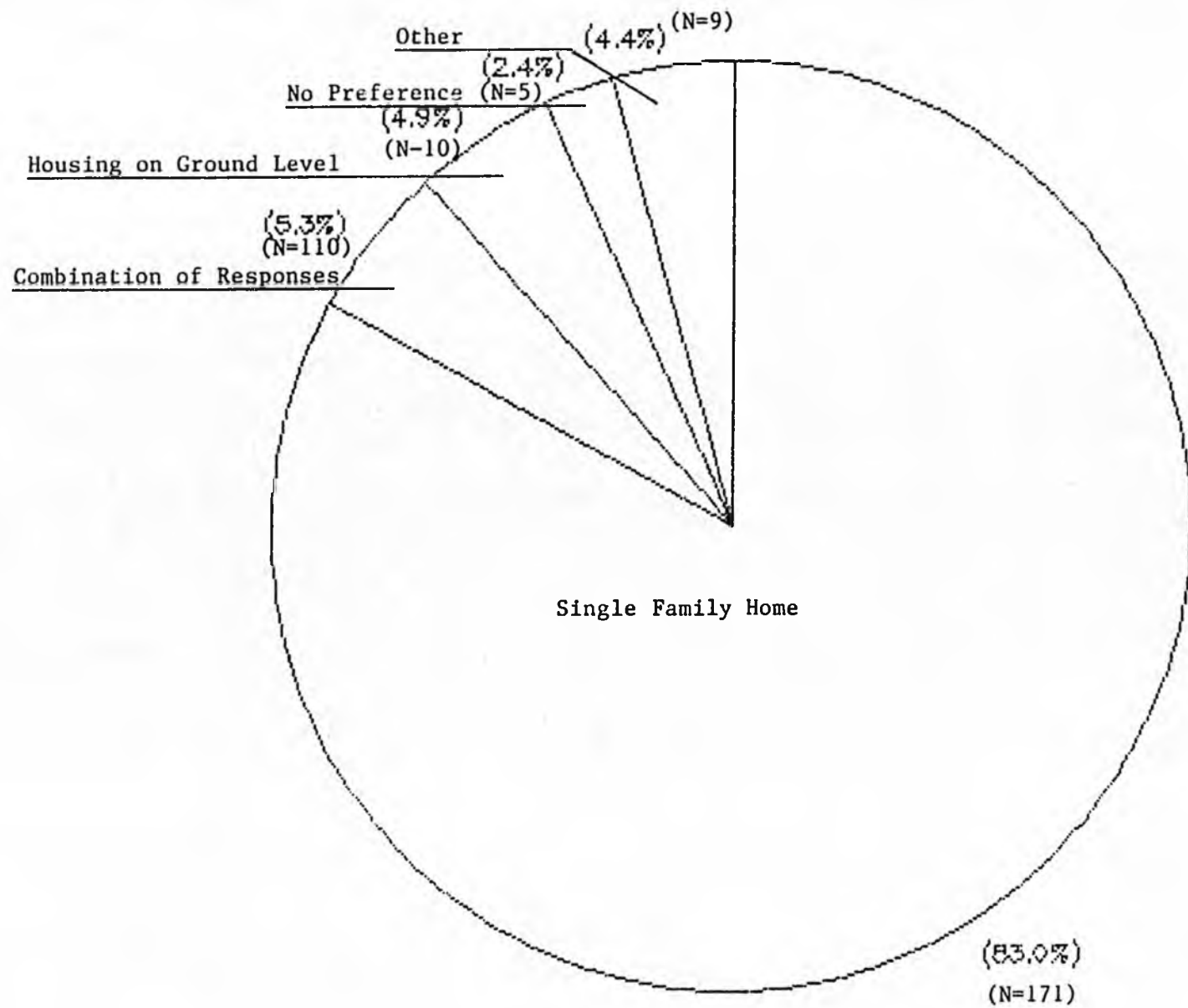
GRAPH 9

PREFERENCE FOR TYPE OF HOUSING



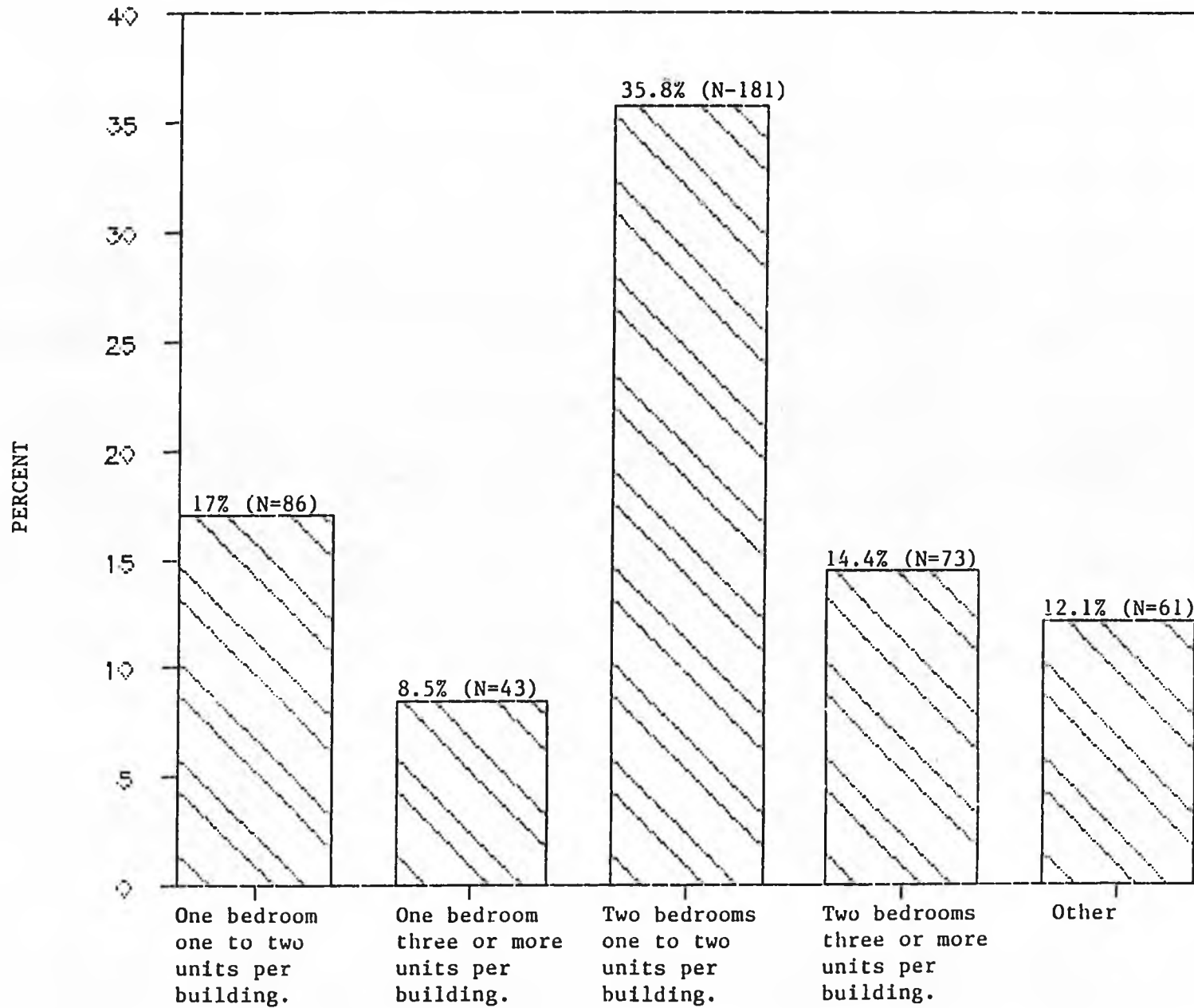
GRAPH 10

WRITE-IN RESPONSES TO PREFERRED TYPE OF HOUSING



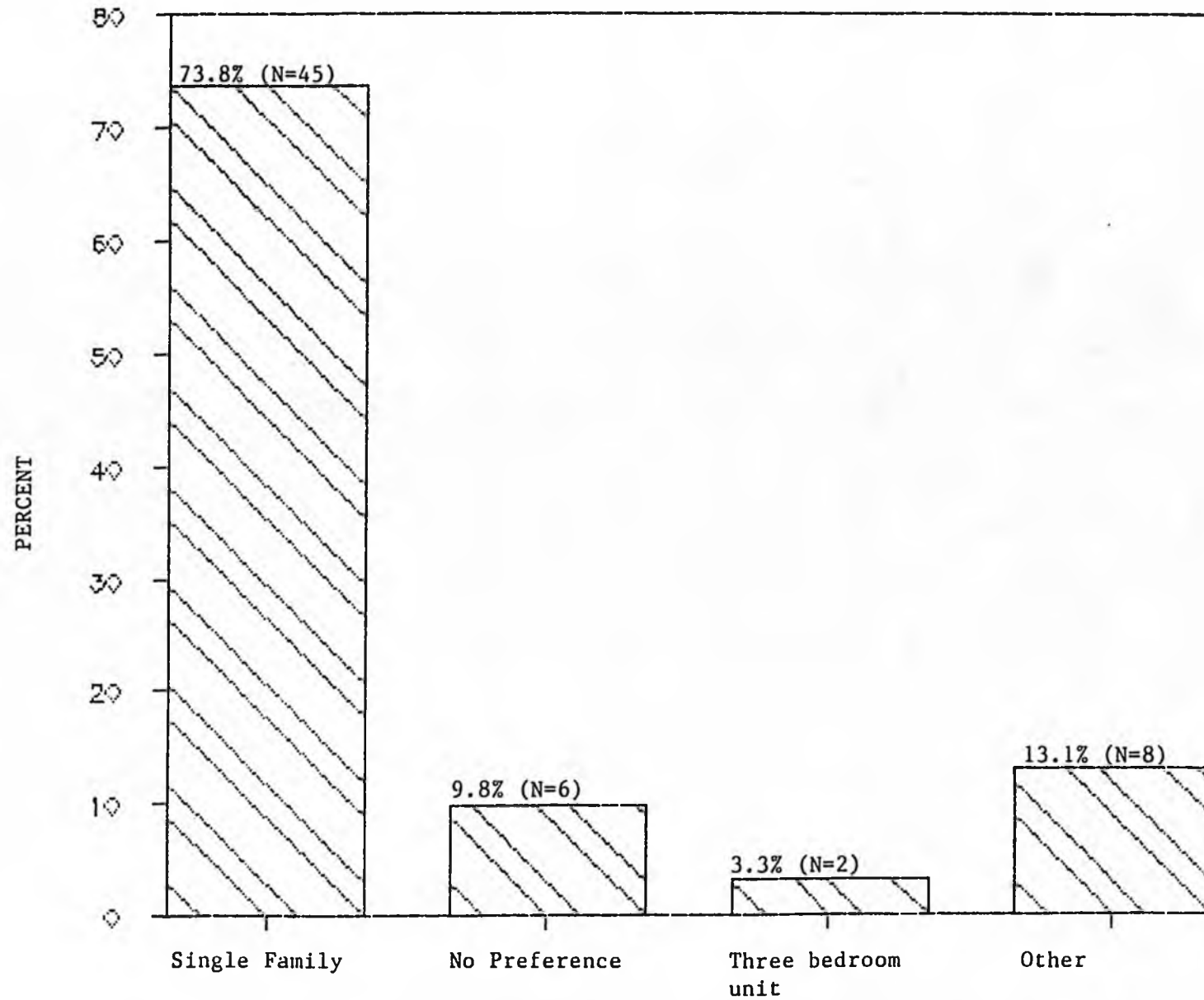
GRAPH 11

PREFERENCES FOR SIZE OF HOUSING



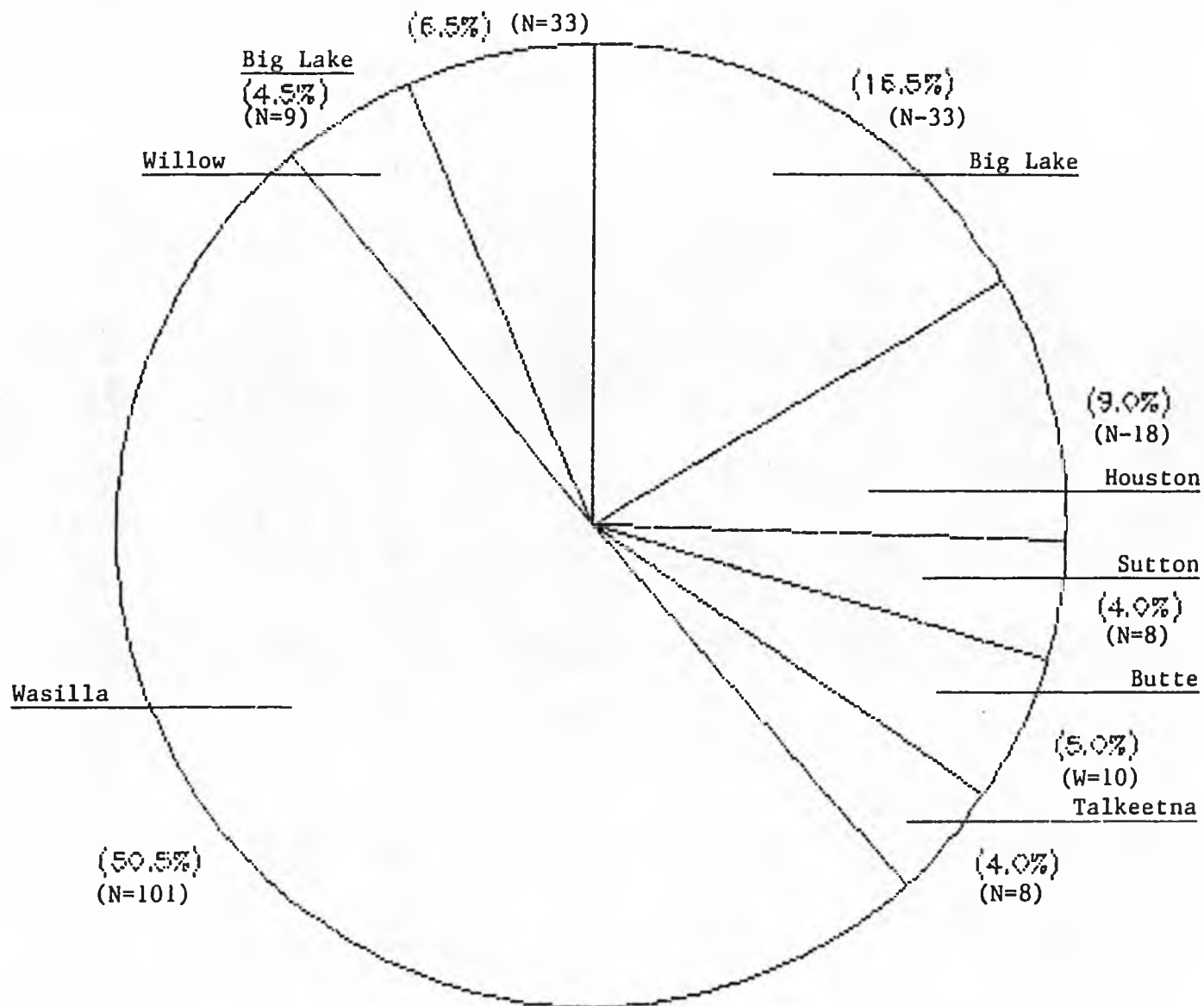
GRAPH 12

WRITE-IN RESPONSES FOR PREFERRED SIZE OF HOUSING



GRAPH 13

DESIRED LOCATION OF HOUSING (other than Palmer)



# Alaska State Legislature



SENATOR JIM DUNCAN

P. O. BOX V JUNEAU, ALASKA 99811-3100  
(907) 465-4766

COMMITTEES:  
FINANCE  
VICE CHAIR -  
HEALTH EDUCATION  
& SOCIAL SERVICES  
BUDGET & AUDIT  
BANKING &  
ECONOMIC  
DEVELOPMENT

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

FEBRUARY 9, 1989

TO: SENATOR PAT POURCHOT, CHAIR  
SENATE STATE AFFAIRS COMMITTEE

FROM: SENATOR JIM DUNCAN

SUBJECT: SENATE BILL 150, AN ACT ESTABLISHING A SENIOR HOUSING  
OFFICE IN THE OLDER ALASKANS COMMISSION.

I REQUEST THAT YOU SCHEDULE SB 150, WHICH WILL ESTABLISH A SENIOR HOUSING OFFICE IN THE OLDER ALASKANS' COMMISSION FOR A COMMITTEE HEARING AS SOON AS POSSIBLE.

LAST SESSION, I INTRODUCED AND SAW PASSED, SCR 50, WHICH DIRECTED THE OLDER ALASKAN'S COMMISSION TO INVENTORY EXISTING SENIOR HOUSING AND RECOMMEND HOUSING ALTERNATIVES FOR SENIORS WHICH MEET THEIR NEEDS AND DESIRES NOW AND IN THE FUTURE.

THE DRAFT "SENIOR HOUSING REPORT" WAS COMPLETED IN LATE JANUARY AND COPIES WERE PROVIDED TO ALL LEGISLATORS AND RECIPIENTS OF THE SENIOR VOICE. THE FIRST PRIORITY LISTED IN THE REPORT IS THE ESTABLISHMENT OF A SENIOR HOUSING OFFICE TO ORGANIZE A COHESIVE, COMPREHENSIVE STATE RESPONSE TO SENIOR HOUSING ISSUES.

THE SENIOR HOUSING OFFICE PROPOSED BY SB 150 WILL PROVIDE INFORMATION TO SENIOR CITIZENS, THEIR FAMILIES, AND OTHERS ON BUILDING DESIGNS, REMODELING PLANS AND COSTS, STATE AND FEDERAL GRANT AND LOAN PROGRAMS, PRIVATE FUNDING SOURCES, STATE HEALTH AND SAFETY REGULATIONS, AND COMMUNITY AND REGIONAL HOUSING NEEDS. MANY OTHER STATES ALREADY OPERATE SENIOR HOUSING OFFICES BECAUSE THEIR NEEDS ARE SO CRITICAL.

I BELIEVE IT IS IMPORTANT TO FIND HOUSING ALTERNATIVES FOR OUR SENIORS WHICH ENABLE THEM TO LIVE AS INDEPENDENTLY AS POSSIBLE FOR AS LONG AS POSSIBLE. NOT ONLY WILL SUCH LIVING ARRANGEMENTS HELP THEM LIVE OUT THEIR LIVES WITH DIGNITY, BUT IT MAKES SENSE FINANCIALLY. GROUP HOMES AND APARTMENTS DESIGNED FOR SENIORS WITH SOME SERVICES AVAILABLE ARE MUCH LESS EXPENSIVE TO OPERATE THAN NURSING HOMES.

I URGE YOU TO SCHEDULE SB 150 FOR A STATE AFFAIRS COMMITTEE HEARING AS SOON AS POSSIBLE.

ATTACHMENT

# Alaska State Legislature



SENATOR JIM DUNCAN

P. O. Box V JUNEAU, ALASKA 99811-3100

(907) 465-4766

COMMITTEES:  
FINANCE  
VICE CHAIR -  
HEALTH EDUCATION  
& SOCIAL SERVICES  
BUDGET & AUDIT  
BANKING &  
ECONOMIC  
DEVELOPMENT

FOR IMMEDIATE RELEASE  
October 16, 1989  
Contact: Pete Carran  
465-4430

## SENATOR DUNCAN'S SENIOR HOUSING BILL SUBJECT OF JOINT HOUSE AND SENATE STATE AFFAIRS COMMITTEE HEARING THIS WEEK

A bill sponsored by Senator Jim Duncan to increase senior housing in Alaska will be heard by the joint House and Senate State Affairs Committee this Thursday in Anchorage and teleconferenced to other locations statewide.

SB 150, introduced during the last legislative session, calls for the establishment of a senior housing office and a revolving loan program for construction of senior housing.

"I have been concerned about the lack of housing in Alaska designed to accommodate the special needs of the elderly," Duncan says. Statistics reveal Alaska's senior population has increased to almost 20,000, a growth of over sixty percent since 1960. This percentage is expected to grow, further impacting the need for appropriate senior housing. "I introduced this legislation because it makes good sense to provide housing opportunities for the elderly which help them live as independently as possible for as long as possible, both for humanitarian and economic reasons."

Senator Duncan says his measure was spurred by a report issued by the Older Alaskan's Commission as the result of a resolution he sponsored during the 1988 legislative session asking the commission to update its inventory of senior housing. "The report called for the establishment of a Senior Housing Office as the top priority," Duncan says. "Other key recommendations were the establishment of loans or loan guarantee programs for adult family care and group homes, state assistance for middle income and residential care projects, and increased financing availability for remodeling costs of foreclosed housing units." Under the measure, the Senior Housing Office would have the authority to sell bonds and deposit proceeds into a revolving loan fund.

(More)

DISTRICT C

Duncan says many other states already operate senior housing offices because the needs of the elderly are so specialized and it makes dissemination of information more efficient. The office would provide information on such subjects as appropriate building designs, remodeling plans and costs, state and federal loan programs, private funding sources, state health and safety regulations, and community housing needs.

The revolving loan program proposed by the legislation would provide financing for almost any dwellings to be occupied by persons 60 years or age or older, according to Duncan. "Its primary purpose is to provide a catalyst to spur development of senior housing by non-profit corporations, developers, and those providing or interested in providing residential services, such as group homes, to the elderly." A recent survey conducted by the Juneau Commission on Aging revealed seniors dissatisfied with their current housing preferred a congregate living environment such as a senior apartment complex with dining facilities. Many existing projects of this type are not available to middle or upper income seniors due to income restrictions because construction and operation of these projects are funded through federal housing and urban development programs.

It is expected rents and fees will be adequate to fund repayment to the loan fund. Duncan says discussions are ongoing about the best means to insure interest rates on loan funds are attractive to borrowers and provide an incentive to increase the availability of senior housing.

Senator Duncan will attend Thursday's hearing at the Anchorage Legislative Information Office beginning at 9 a.m. The teleconference site in Juneau is Room 205 of the Capitol Building. Public testimony is scheduled from 11:30 a.m. to 1 p.m. The Senate State Affairs Committee will also conduct a hearing on the Longevity Bonus Program beginning at 2:30 p.m.

# Alaska State Legislature



SENATOR JIM DUNCAN

P. O. Box V JUNEAU, ALASKA 99811-3100  
(907) 465-4766

COMMITTEES:  
FINANCE  
VICE CHAIR —  
HEALTH EDUCATION  
& SOCIAL SERVICES  
BUDGET & AUDIT  
BANKING &  
ECONOMIC  
DEVELOPMENT

## MEMORANDUM

APRIL 19, 1989

TO: SENATOR PAT POURCHOT, CHAIR  
SENATE STATE AFFAIRS COMMITTEE

FROM: SENATOR JIM DUNCAN

SUBJECT: SPONSOR SUBSTITUTE FOR SENATE BILL 150, AN ACT  
ESTABLISHING A SENIOR HOUSING OFFICE AND LOAN PROGRAM  
IN THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS AND  
AUTHORIZING THE ISSUANCE OF BONDS FOR SENIOR HOUSING.

I REQUEST THAT YOU SCHEDULE THE SPONSOR SUBSTITUTE FOR SB 150, WHICH ESTABLISHES A SENIOR HOUSING OFFICE AND LOAN PROGRAM IN THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS FOR A COMMITTEE HEARING AS SOON AS POSSIBLE.

LAST SESSION, I INTRODUCED AND SAW PASSED, SCR 50, WHICH DIRECTED THE OLDER ALASKAN'S COMMISSION TO INVENTORY EXISTING SENIOR HOUSING AND RECOMMEND HOUSING ALTERNATIVES FOR SENIORS WHICH MEET THEIR NEEDS AND DESIRES NOW AND IN THE FUTURE.

THE DRAFT "SENIOR HOUSING REPORT" WAS COMPLETED IN LATE JANUARY AND COPIES WERE PROVIDED TO ALL LEGISLATORS AND RECIPIENTS OF THE SENIOR VOICE. THE FIRST PRIORITY LISTED IN THE REPORT IS THE ESTABLISHMENT OF A SENIOR HOUSING OFFICE TO ORGANIZE A COHESIVE, COMPREHENSIVE STATE RESPONSE TO SENIOR HOUSING ISSUES. ALSO AMONG THE TOP TEN RECOMMENDATIONS OF THE REPORT WERE ESTABLISHMENT OF LOANS OR LOAN GUARANTEE PROGRAMS FOR ADULT FAMILY CARE AND GROUP HOMES, STATE ASSISTANCE FOR MIDDLE INCOME AND RESIDENTIAL CARE PROJECTS, AND INCREASED FINANCING FOR REMODELING COSTS ON FORECLOSED UNITS.

THE SENIOR HOUSING OFFICE PROPOSED BY SSSB 150 WILL PROVIDE INFORMATION TO SENIOR CITIZENS, THEIR FAMILIES, AND OTHERS ON BUILDING DESIGNS, REMODELING PLANS AND COSTS, STATE AND FEDERAL GRANT AND LOAN PROGRAMS, PRIVATE FUNDING SOURCES, STATE HEALTH AND SAFETY REGULATIONS, AND COMMUNITY AND REGIONAL HOUSING NEEDS. MANY OTHER STATES ALREADY OPERATE SENIOR HOUSING OFFICES BECAUSE THEIR NEEDS ARE SO CRITICAL.

THE LOAN PROGRAM ESTABLISHED IN SSSB 150 WILL PROVIDE FINANCING FOR DWELLING ACCOMMODATIONS FOR PERSONS 60 YEARS OF AGE

SENATOR PAT POURCHOT  
APRIL 19, 1989  
PAGE 2

OR OLDER. THE HOUSING FINANCED THROUGH THE SENIOR HOUSING REVOLVING LOAN FUND WILL INCLUDE CONVENTIONAL HOUSING, HOUSING FOR THE FRAIL ELDERLY, GROUP HOMES, CONGREGATE HOUSING, COOPERATIVE LIVING ARRANGEMENTS AND OTHER HOUSING THAT MEETS SPECIAL NEEDS OF THE ELDERLY. CURRENTLY, ONLY SENIOR CITIZENS MEETING LOW INCOME REQUIREMENTS ARE ELIGIBLE TO RESIDE IN SENIOR APARTMENTS BECAUSE THE FINANCING WAS OBTAINED THROUGH HUD.

I BELIEVE IT IS IMPORTANT TO FIND HOUSING ALTERNATIVES FOR OUR SENIORS WHICH ENABLE THEM TO LIVE AS INDEPENDENTLY AS POSSIBLE FOR AS LONG AS POSSIBLE. NOT ONLY WILL SUCH LIVING ARRANGEMENTS HELP THEM LIVE OUT THEIR LIVES WITH DIGNITY, BUT IT MAKES SENSE FINANCIALLY. GROUP HOMES AND APARTMENTS DESIGNED FOR SENIORS WITH SOME SERVICES AVAILABLE ARE MUCH LESS EXPENSIVE TO OPERATE THAN NURSING HOMES.

I URGE YOU TO SCHEDULE SSSB 150 FOR A STATE AFFAIRS COMMITTEE HEARING AS SOON AS POSSIBLE.

ATTACHMENT

## Senior housing

# Affordable homes are a continuing need

By JIM DUNCAN

At some time now, I have been concerned about the lack of housing in Alaska designed to accommodate the special needs of the elderly. I think we all recognize the value of retaining the experience and expertise of our elders in Alaska, and have been

the desire to relocate are that "the aging tend to become isolated, unable to care for property, without easy access to markets, health care, restaurants, and the amenities to which they are accustomed. Apparently these factors tend to make the seniors want to relocate to a central location

programs, private funding sources, state health and safety regulations, and community housing needs. Many other states already operate senior housing offices because the needs of the elderly are so specialized and a senior housing office makes dissemination of information more efficient.

One method of making development of such housing more attractive, which came to light at a recent joint House and Senate State Affairs committee hearing, is the allocation of federal tax credits through the Alaska State Housing Authority. The credits available are limited to



somewhat successful in doing that through the Longevity Bonus, the Pioneers, Homes, the Senior Citizens Homeowners, and Renters Tax Exemptions, and the home and community based services funded through the Older Alaskan's Commission. In fact, Alaska's senior population has increased to almost 20,000, a growth of over 60 percent since 1980.

I feel it makes good sense to provide housing opportunities for the elderly which help them to live as independently as possible for as long as possible, both for humanitarian and economic reasons. At present, there are some fine housing projects for senior citizens available, such as Chugach Manor and Chugach View in Anchorage, Sunset View in Cordova, Golden Ages and Golden Towers in Fairbanks, Seaview Terrace in Ketchikan, and the Mountainview Apartments in Juneau. However, these projects, whose construction and operation are funded through federal Housing and Urban Development programs, are not available to middle or upper income seniors due to income restrictions for occupancy.

The Juneau Commission on Aging recently completed a survey of Juneau's senior citizens and arrived at the following conclusions. Of the 857 who responded to the survey, approximately 140 individuals over 65 are currently dissatisfied with their housing arrangement. The preferred alternative seems to be a congregate living environment such as a senior apartment complex with dining facilities. Reasons stated in the report for

where fell—ship, security, health and other necessary facilities and services are readily accessible." I am sure this analysis holds true for many elder Alaskans from other communities in Alaska.

To determine the scope of the problem statewide, during the 1988 session, I sponsored a resolution requiring the Older Alaskan's Commission to update their inventory of Senior Housing needs in Alaska. In February, 1989, they released their draft report, entitled "Senior Housing Report". The first priority listed in the report was the establishment of a Senior Housing Office to organize a cohesive, comprehensive state response to senior housing issues. Also among the top ten recommendations were establishment of loans or loan guarantee programs for adult family care and group homes, state assistance for middle income and residential care projects, and increased financing availability for remodeling costs of foreclosed housing units. The final report was released in mid October and is available from the Older Alaskans Commission.

In response to the Senior Housing Report, last session I sponsored Senate Bill 150, which will establish an Office of Senior Housing as well as a Senior Housing Loan Program. The Senior Housing Office proposed in my legislation, which is now Sponsor Substitute for Senate Bill 150, as envisioned will provide information to senior citizens, their families, and others on appropriate building design, remodeling plans and costs, state and federal grant and loan pro-

The revolving loan program envisioned by Senate Bill 150 will provide financing for almost any dwelling to be occupied by persons 60 years of age or older. Its primary purpose is to provide a catalyst to spur the development of senior housing by non-profit corporations, developers, and those providing or interested in providing residential services, such as group homes, to the elderly. It is expected that the rents and fees charged for the facilities will be adequate to fund repayment to the loan fund. Discussions are ongoing about the best means to insure the interest rates on the loan funds are attractive to borrowers and provide an incentive to increase the availability of senior housing in Alaska.

\$640,000 in the current year and at this point it is unclear if the credit program will be continued in coming years. The tax credit program does carry income restrictions for a portion of the occupants of the facility.

I am hopeful that SB 150 will receive favorable action in the upcoming session. If you support establishment of a Senior Housing Program, be sure to contact your legislative delegation and let them know your feelings on the issue. If you would like to receive further information on the Senior Housing proposal, please give my office a call at 465-4766, or write to me, Senator Jim Duncan, P.O. Box V, Juneau, Alaska 99811.

—Duncan is a Juneau Senator.

## Business travelers who don't write it all down will discover a big tax bill

Starting this year, some business travelers will be facing new tax laws resulting from the Family Support Act of 1988, said Robert W. Frock, Alaska District Director for the Internal Revenue Service.

Beginning in 1989, reimbursed business travelers who are not required to adequately account to their employers for their travel or other business expenses, or who are allowed to keep any reimbursement in excess of their expenses, will probably find they have a higher tax bill. This will occur since the employer reports these reimbursements as part of the employee's wages on Form W-2, but the employee can deduct on his or her tax return only the amount of expense that is over two percent of his or her

gross income—and only as an itemized deduction.

In the past, employees could deduct all of their reimbursed expenses as an adjustment, or reduction, to their gross income, regardless of whether the expenses were adequately accounted for.

Business travelers who are required to adequately account for all of their business expenses and whose reimbursements equal their expenses cannot deduct their expenses because the reimbursements will not be reported on their W-2s.

The deduction for business meals and entertainment expense is generally limited to 80 percent of the amount spent.

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(SB 150, SB 112) 11 1/2-1

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(SB 5) 3 1/2-4 1/2

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*Submitted  
By Ed Wow*

HOUSING

# Senior Housing

James F. Sherman  
Executive Director



## NEW TRENDS AND IDEAS

**T**ODAY'S OLDER AMERICANS ARE DIFFERENT from any group of older citizens that preceded them. They have seen more, done more and experienced more than any comparable group in history. And given the improvements in medical technology that have enabled them to be healthier, they expect to continue to live the same type of vibrant and exciting lives that characterized their youth and middle age.

Today's older Americans are used to having diverse options available to them for all types of products and services and they expect to continue to exercise these options.

For companies providing products and services aimed primarily at older adults, the past several years have been revealing. As demographers began to realize the size and economic strength of the elderly market, arbitrarily set at age 65, a small number of companies took notice. Some of these companies developed products to serve this market. But many of the products did not meet with the success that was envisioned, based on size of the market alone.

Why were these products floundering? The answer is that older Americans are not a homogeneous market; this large group is actually made up of many smaller groups that have very different needs, wants and expectations about a product.

Why is this discussion important in an article on senior housing? Many of the housing options available in today's marketplace reflect that older citizens desire alternatives in their living environments. And there are more alternatives in senior housing in 1989 than there ever has been.

## A SHORT HISTORY

From the first retirement communities that came into existence during the early 1800s to the original continuing care communities providing care for life, residents typically turned over their meager assets to the community, which then raised additional funds by soliciting contributions. The pooled resources allowed for the residents to receive care for the remainder of their lives. In addition, the communities provided secure, supportive environments and began to offer activities of interest to the residents.

Gradually the idea of community living spread to other types of nonprofit organizations as more retired people sought this type of lifestyle. Though some communities have existed for a half century or more, many communities were developed in the decades following World War II.

The form that most of these developments took is called a lifecare community. A typical lifecare community offers shelter, food, activities and health care for the lifetime of the resident in exchange for a one-time endowment fee and monthly fee. The resident's agreement usually specifies that the resident receives this care regardless of their ability to pay. In the classic lifecare community, this endowment fee was nonrefundable. The residents had the right to live in the

apartment for life, but had no ownership position.

Over time the lifecare concept has been modified; the communities are now called CCRCs, or continuing care retirement communities. The health care component has remained a vital part of these facilities. To be called a CCRC, a community offers independent living and some type of nursing care. Residents in independent living may reside in apartments or sometimes they may live in townhomes or cluster homes on the periphery of the community. A service package consisting of meals, housekeeping, transportation and activities is usually offered, in return for the monthly fee. It has become more common to give residents the choice of participating in many of the services as they are needed. A health care facility is usually onsite.

## PAYMENT PLANS

CCRCs are almost always financed through an upfront payment and a monthly fee. But the variations in payment plans are numerous. In some communities the residents pay an initial fee that guarantees health care, at no more than the monthly fee. At other communities, only a specified number of nursing care days are paid - or the resident might be limited to a lifetime dollar amount. Still others may provide no health care benefit, except that the

resident has priority admission status.

In some communities, the entrance fee is refundable; in others it is not. Some communities have experimented with entrance fees that are 100 percent or more refundable to the resident's estate, based on the entrance fee charged to the subsequent resident.

A recent development has been the rental CCRC. These communities have two or more types of living units onsite, some type of independent living and some type of nursing care. Residents of these communities do not pay an entrance fee; instead, all payments are made on a monthly basis. The monthly fee pays for a service program, which can vary greatly, and all health care is paid as it is used. Sometimes these rental CCRCs provide the resident with the opportunity to purchase long-term care insurance, which reduces the cost of the out-of-pocket expenditures for nursing care.

## ADULT-CONGREGATE LIVING FACILITY

Another common type of senior rental housing is an adult congregate living facility (ACLF). This type of community offers a wide range of services and amenities, but typically includes no health care. The services are paid for via the monthly fee. In some developments, additional services can be purchased as neces-

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sary. As with all types of retirement housing, there are usually a variety of service plans.

The wide range of payment plans make comparison between the communities based solely on price difficult. When investigating options, be sure to inquire about those services included in the fees and those available but not included.

Another important point about price. The retirement housing industry has developed many different types of communities, designed to fit the needs of older persons. Price ranges vary widely, depending on a number of factors: size of the unit, types of amenities, whether health care is included, how much health care is included and whether the entrance fee is refundable. There is probably a community in your area that has the services you desire, at an affordable price. Be sure to thoroughly research all the available options.

#### NEW OPTIONS

Recently, an increasing number of condominium and cooperative projects have been constructed. Though somewhat different in form, both of these types of projects are designed to give the resident an equity interest in the project, with the potential for this equity to increase.

Assisted living units and projects have also become popular for older and more frail persons as an alternative to a nursing home. In assisted living projects, residents receive help with activities of daily living, such as eating or dressing, but have much greater freedom than in a nursing home. Often these units have been added to CCRCs as a transitional unit between the nursing home and the independent living apartments.

Older persons still have other options. Remaining in one's own house has been made easier with the development of housecleaning companies, home repair firms and other community services that provide needed services to maintain a home. Meals on wheels and home health

agencies have made it easier to receive services on an intermittent basis after illness or injury. Homesharing, where an older and younger person share the home with a reduced rent in return for providing help around the house is being tried in a number of cities.

Relocating to a warmer climate is still a popular option. Many of these warmer climates have retirement villages, such as the famous Sun City, Arizona — an entire town comprised largely of retirees. Another option for some older persons is simply selling the house to move to smaller quarters — whether a smaller house or a conventional apartment or condominium. And for a large number of older persons, moving in with children and their families is still a viable option. In the future, retirees may be able to purchase time sharing units for retirement communities all across the country; the way resort condominiums are currently shared.

What is clear is that older Ameri-

cans have an increasing number of alternatives if they decide to sell the family home. As the available options imply, different types of communities can meet the specific needs and wants of the residents. No one type of community is inherently better than any other.

One word of caution — too many older persons wait until they are seriously incapacitated to explore these options. Obviously, serious illness or physical disability will limit the number of options available. Don't wait too long. Many of the housing options are available for those over age 55, with programs that fit an active lifestyle. Older Americans should be excited about the number of opportunities available to them and have fun with their exploration of these options. ■

*James F. Sherman is a partner and national director, Public Finance and Health Care Consulting, Laventhol & Horwath. He is also the president of the National Association for Senior Living Industries (NASLI).*

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# 5 Most Common Types of Housing For Older Adults

## 1 CONDOMINIUM

Housing in an apartment-like complex in which the individuals hold title to their living unit but share ownership of the common areas with other owners in the development. There is a homeowners association responsible for the building and its

grounds. Owners pay a monthly association fee to cover the costs, including maintenance, of common areas.

## 2 ENDOWMENT

Housing in which the older person pays an entrance fee that helps bring down the monthly rental fee and/or prepays for services. Residents pay a monthly fee, but do not have ownership of their unit. Entrance fees may be partially refundable. Most endowment housing is part of a campus setting where a variety of housing and services are usually available.

## 3 COOPERATIVES

Cooperatives are owned housing but differ from condos, in that residents buy shares in the corporation in exchange for the right to occupy a specific living unit. All shareholders belong to the homeowners association that manages the common areas.

Cooperatives can be *limited equity* or *market-rate*. Limited equity means that if a resident wants to sell

his or her shares in the corporation, the amount of profit the resident can receive is limited. Market-rate means there is no limit on the profit a resident can receive when his or her share is sold.

## 4 LIFE CARE COMPLEX

Housing developments planned, designed and operated to provide a full range of accommodations and services for older adults, including independent living, congregate housing and medical care. Residents may move from one level to another as their needs change. Financial arrangements usually include a substantial entrance fee plus monthly charges. Such housing developments provide for all housing, including nursing home, for life.

## 5 RENTAL UNITS

Apartments that may be owned by either proprietary or nonprofit organizations. Residents do not have any ownership in the apartments. Instead they pay monthly rentals and have monthly or yearly leases. ■

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# Personal Care

## A NEW CHOICE IN SENIOR HOUSING



**S**AM'S MOTHER IS 87 years old and lives alone. Health problems this past year forced her and her family to look at several options to help her maintain dignity and remain independent for as long as possible. The options they considered were:

- Move to a retirement community — but she could no longer live independently.

- Move in with the children — but her children and their spouses work full-time; there would be no one at home.

- Remain at home — but home support services were expensive, and she would lack the friendship of her peer group.

- Move to a nursing home — but she was not ready for the institutional setting and she didn't need full nursing care.

- Or perhaps move to a new form of senior housing — a personal care community.

Personal care seemed to answer many of the concerns expressed by the family. How could they address their mother's physical capabilities while providing service support for her limitations? How would she handle heavy house cleaning? If she had a minor medical problem, would there be someone there to properly monitor her? How could she get around even though it was not safe for her to drive anymore? How could it be easier for her to maintain friendships with her peer group? Would

her anxiety be lessened, her independence increased, her dignity maintained? The personal care community addressed these issues.

### THE NEW CHOICES

Personal care residences can be either an apartment or room-style accommodations designed for the older yet relatively healthy adult. They provide less care than a nursing home but more care than a retirement apartment. Residents most often require some assistance with the activity of daily living, such as bathing, dressing or monitoring medication and nutrition.

This type of facility may be found attached to a retirement community, nursing home or hospital, or it may be a *free-standing* community. In any case, it can provide an alternative way of living at a lower cost than a nursing home.

### HOW TO SELECT

The best way to approach the move to personal care is for the family to first look into the many options and feel comfortable with the advantages and disadvantages of each option. Then bring the elder family member for a visit. Let the staff speak directly with the family member. They should know how to make the potential resident feel comfortable. Perhaps a short-term visit could be arranged and a trial period set up. Consider all options and carefully weigh your alternatives. If the deci-

sion is made to move, follow through quickly with the details. Often a small, family-oriented community can be a much greater comfort to an older person than a large institutional program.

Senior housing has created a new lifestyle that bridges the gap between the independent retirement community and the nursing home. Today, with broader choices, the older person can continue to be involved in new experiences and an active social life while having the additional support of assistance with the chores of daily living. ■

*Barbara Kleger is president of Senior Living Associates, Media, Penn. She has been in the field of senior housing since 1978, and is a trustee of the National Council on Seniors Housing of the National Association of Home Builders.*

See next page for a directory of Minnesota Assisted Living Facilities.

## Sail On The Senior's Choice Cruise

See page 47

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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 or application."*

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Appendix - Housing Bills



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-op 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.

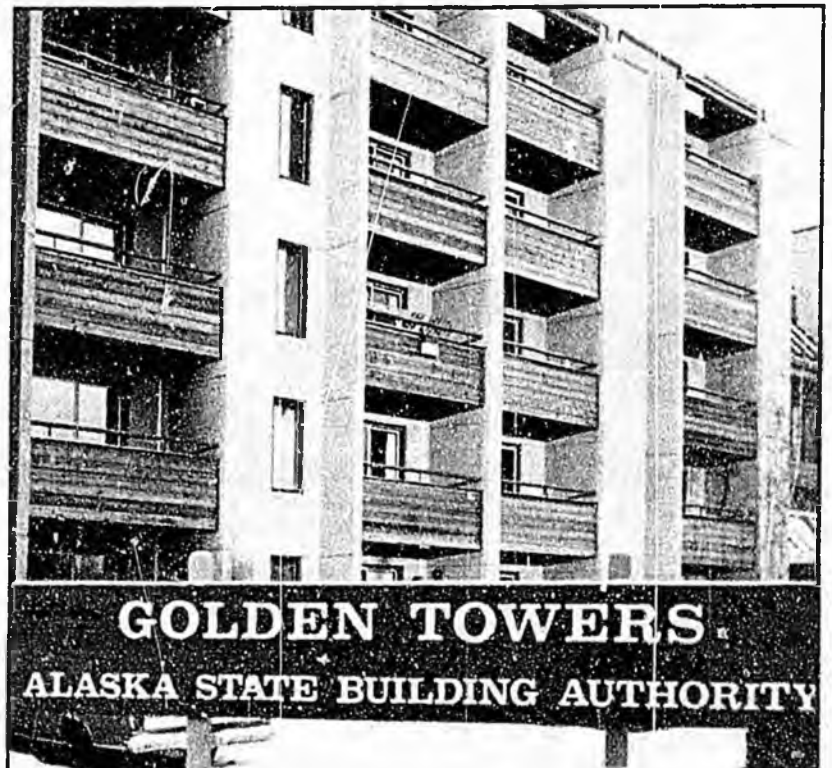
Two senior housing bills were introduced during the 1989 legislative session. Senator Jim Duncan was the primary sponsor of SSB 150, which would establish a senior housing office and loan program in the Department of Community and Regional Affairs. It would also authorize issuance of bonds for senior 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

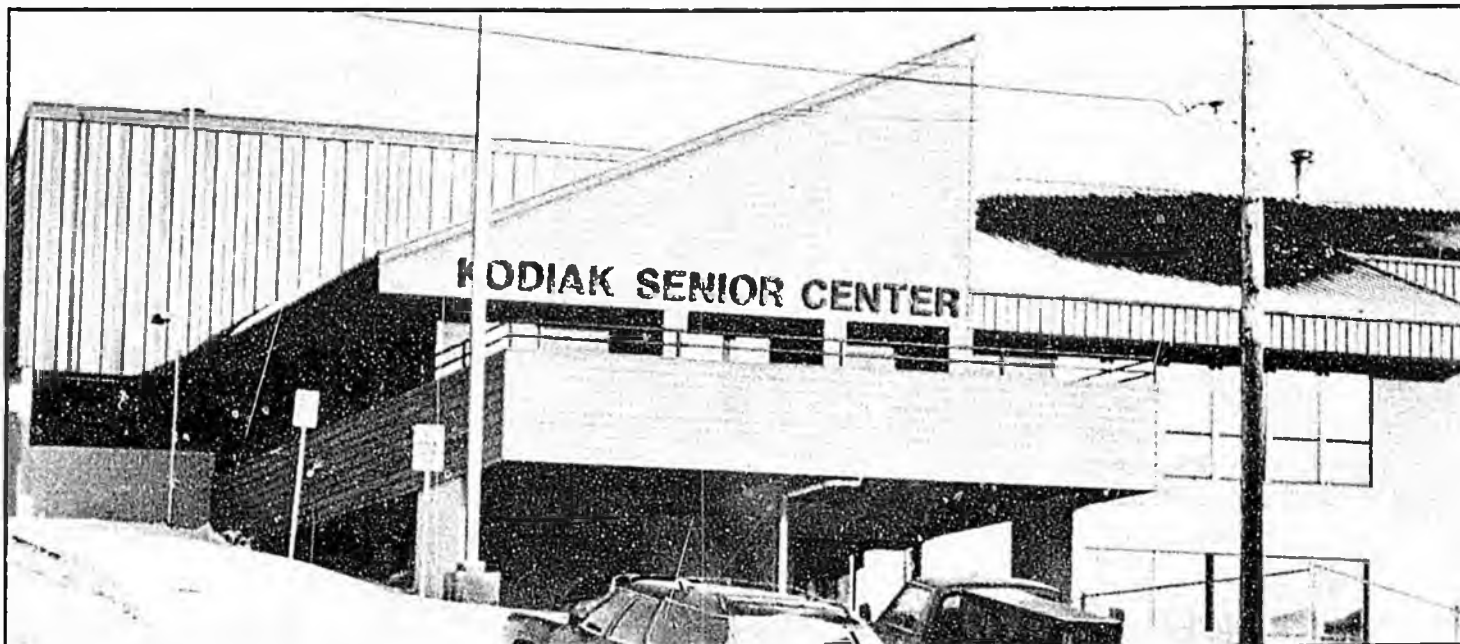
money. There is no senior housing in Nenana, and the proposed project would help provide senior housing for residents of several rural communities in the area. Rather than risk losing almost \$1.4 million in federal construction dollars and the rental subsidies for an under-served area of the state, 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 bush 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 under-

stand that seniors' 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 Northern 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

new 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 upfront 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: AFDC 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

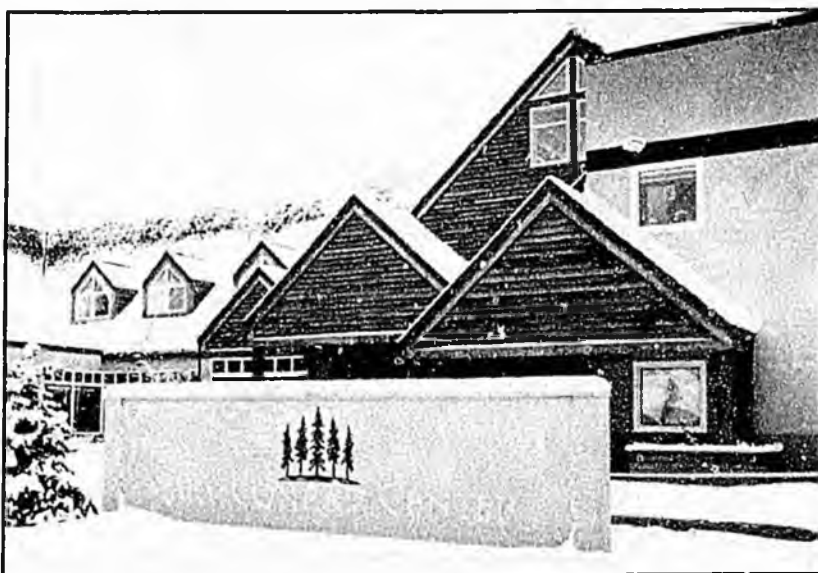
There are more than 1,400 senior apartments in Alaska, most of them in large apartment buildings in Anchorage, Juneau and Fairbanks, with hundreds more spread throughout the state from Earrow to Ketchikan. All of the senior apartments listed in this report are subsidized, either by state construction 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-bdrs., 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/TYPE(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 at 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-

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 held 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 McMahan 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, McMahan, 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 milder 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 felt 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.

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## 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).

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## 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 \$1.583 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 Tbgiaik 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 nurses 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.

## 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 16 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 160 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	41	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+.

	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	45.9
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 OAC 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.

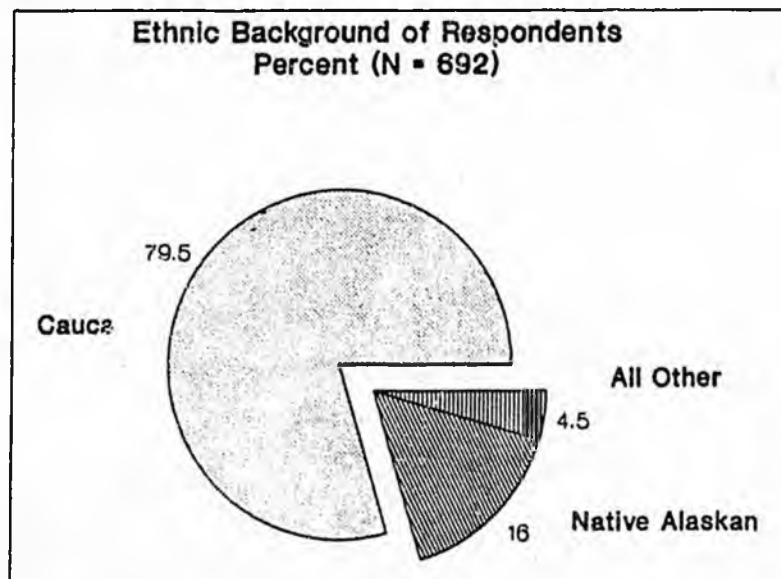


Fig. 1

**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

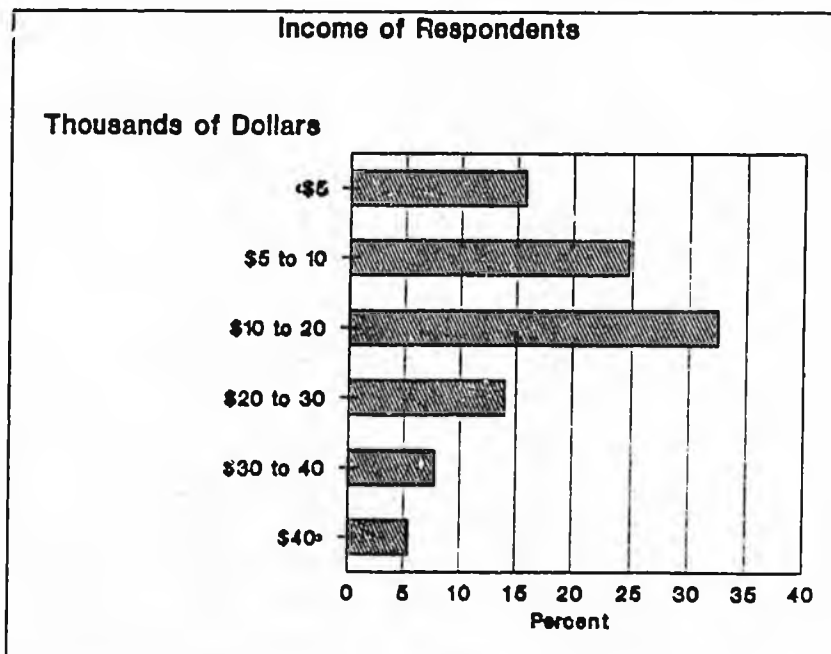


Fig. 2

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.

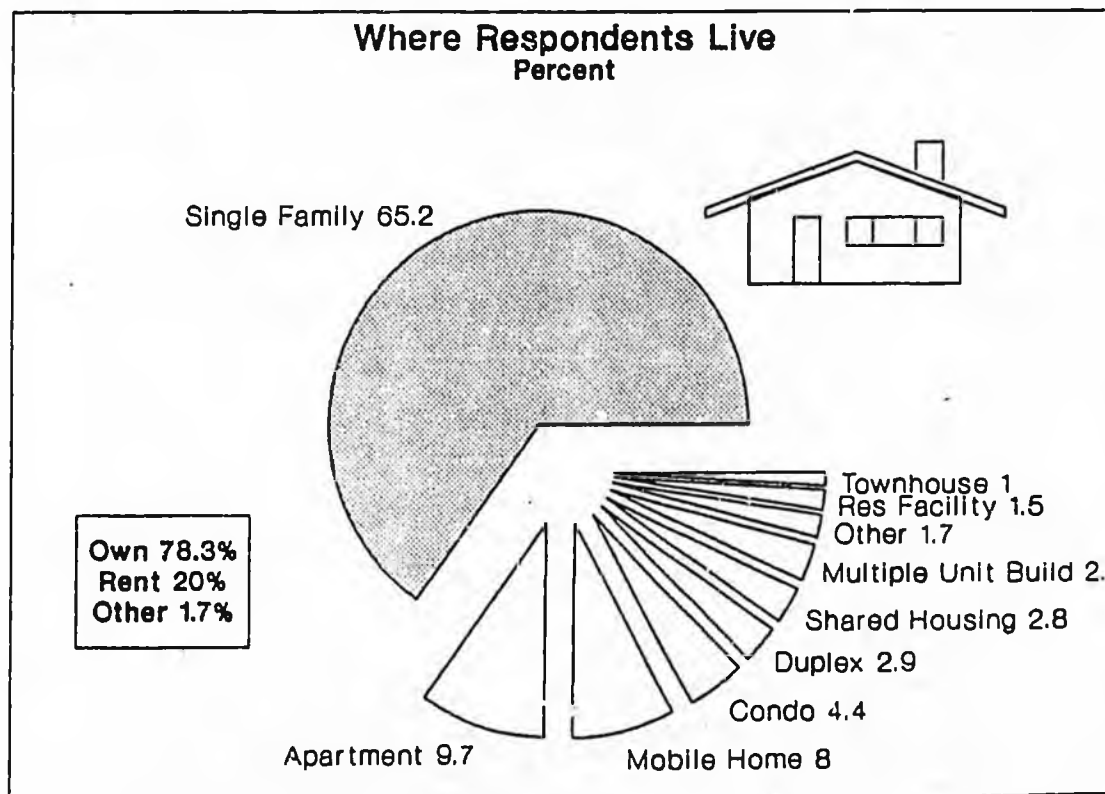


Fig. 3

### 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.

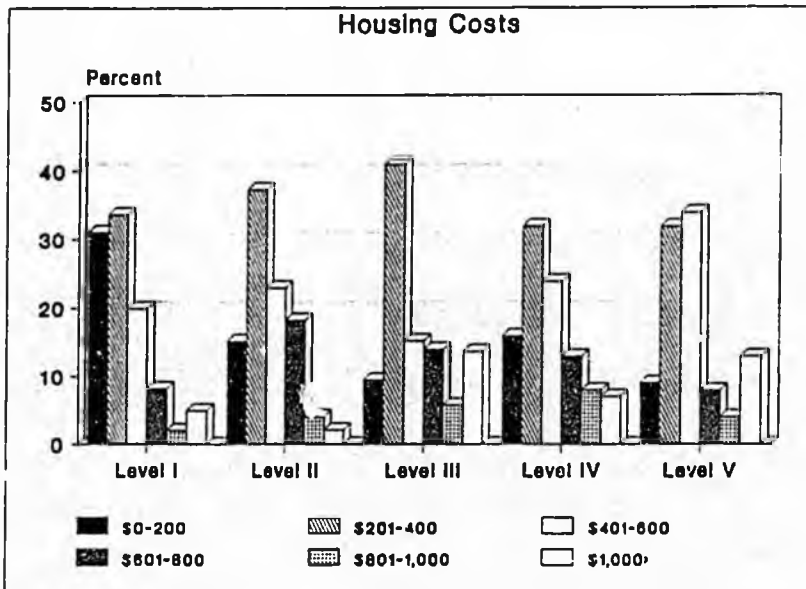


Fig. 4

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+	2.5	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.

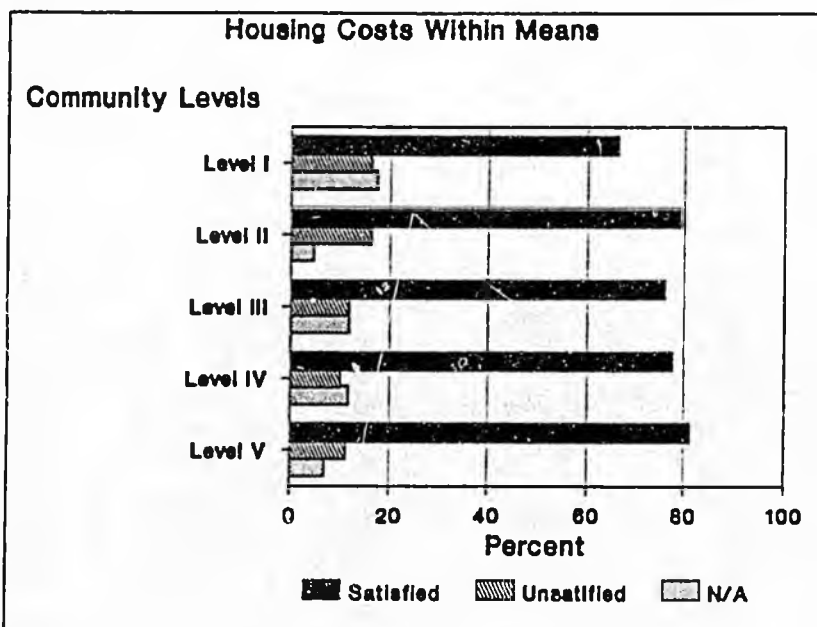


Fig. 5

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.

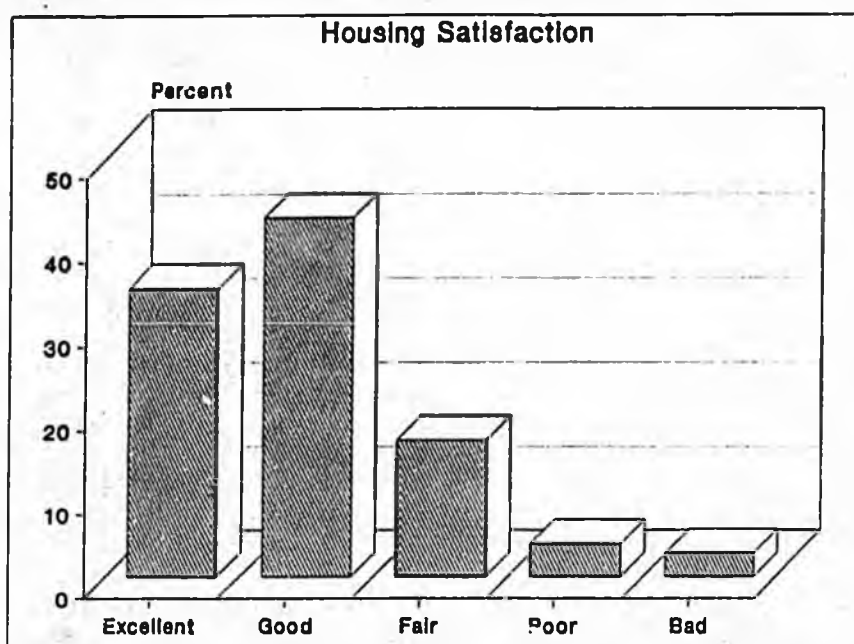


Fig. 6

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.

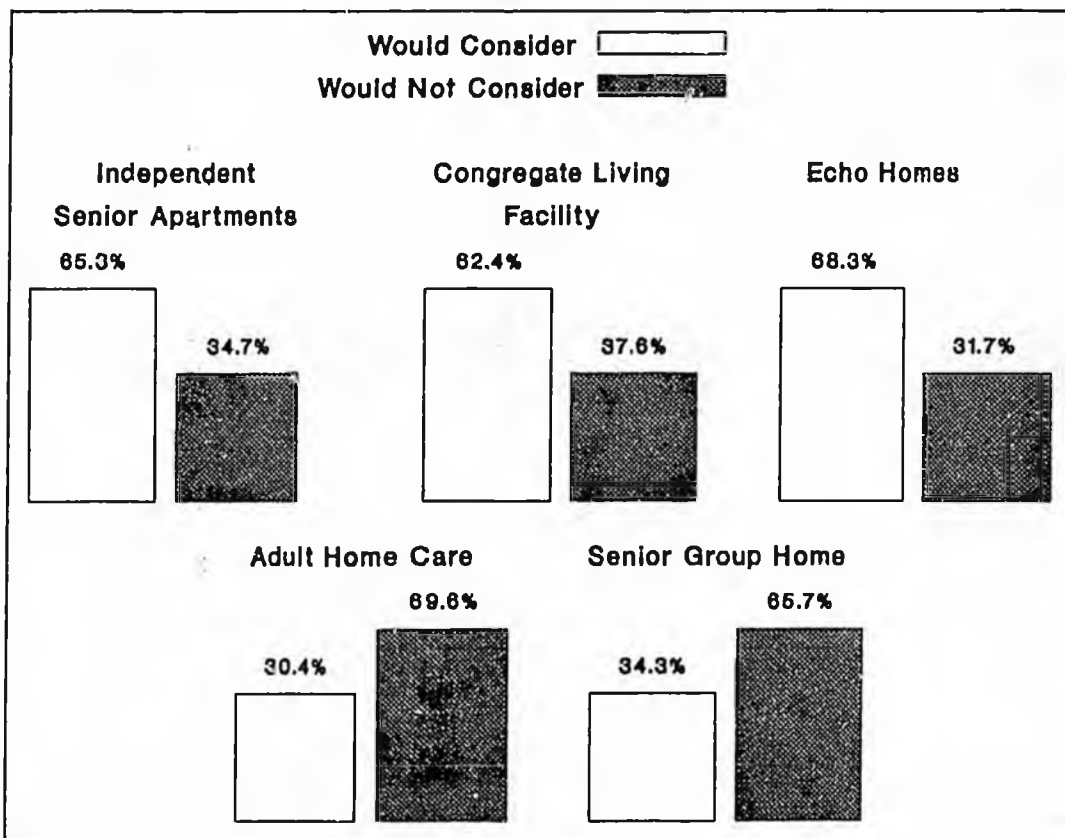


Fig. 7

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?

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.

Figure 8 shows those housing alternatives most pre-

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.

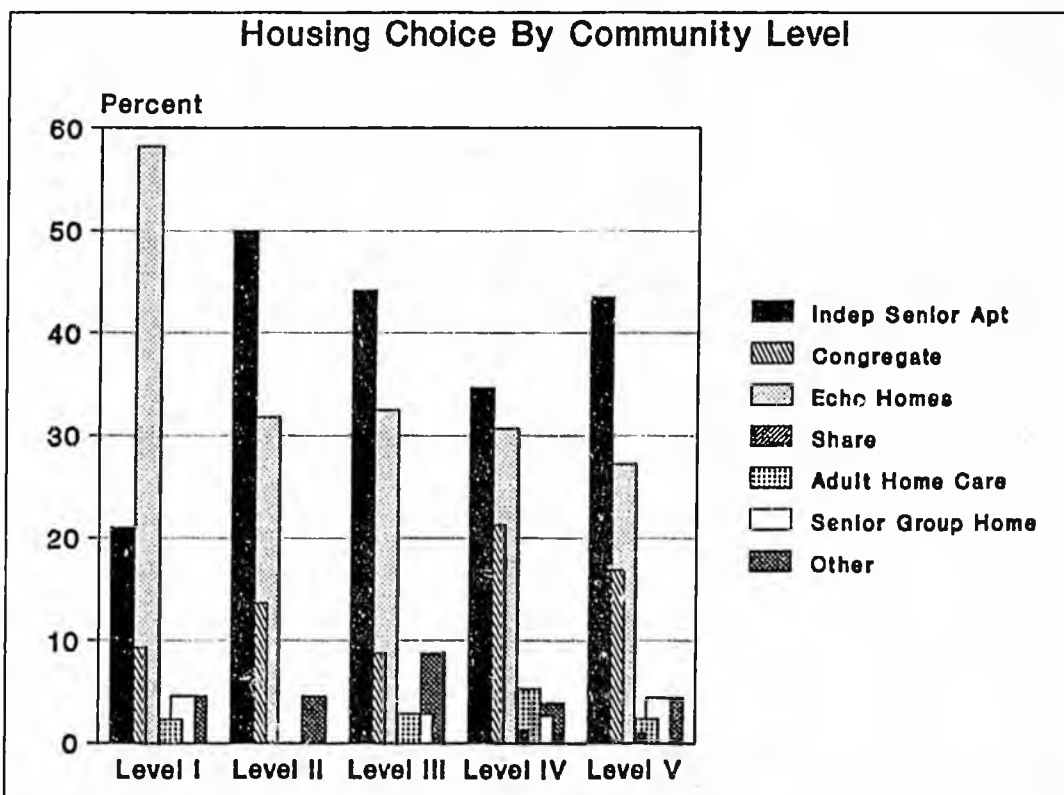


Fig. 8

## 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 Doble 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.

**APPENDIX**

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

1 IN THE SENATE

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  
7 Finance Corporation to assist in the development of  
8 senior citizens' housing; and providing for an effective date."  
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  
13 temporary and permanent loans from the housing development fund, at an  
14 interest rate or rates determined by the corporation, and with the  
15 security for repayment that is necessary and practicable, to purchase,  
16 make, or participate in the making of mortgage loans

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

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

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

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;

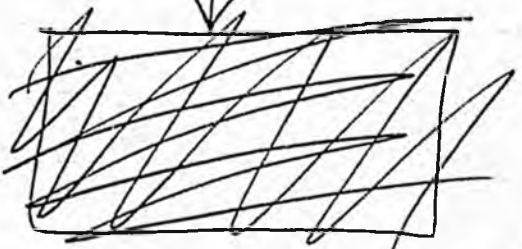
22 (2) "senior citizen" means a resident of the state who is  
23 65 years of age or older.

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

Dvlpr with Project Proposal

Dvlpr goes to DERA Senior Revolving Loan Fund

~~Options~~ ~~Developer~~  
Goes to DERA Sr Housing Office to Consult on Design, etc



DERA goes to AHFC for review of Dvlpr's project

AHFC OKs project for long term financing commitment

DERA makes interim construction loan out of 10 mill senior revolving loan fund

DERA may hire bank to monitor interim construction loan

When project is completely built & OK.

Project goes back to AHFC - AHFC sells a "project specific bond" for long term financing (long term financing at bank)


Bond proceeds pay back interim construction loan to DERA senior revolving fund

Bond is sold

Long Term loan to Dvlpr signed by Dvlpr

# ALASKA

# LEGISLATIVE NEWS

AMERICAN ASSOCIATION  OF RETIRED PERSONS

Volume 3, Number 1

July/August 1989

## NEW PROPOSED STATE HOUSING POLICY RESPONDS TO ALASKAN SENIOR CITIZEN HOUSING NEEDS

A comprehensive housing policy statement for recommendation to the governor and the legislature in January is currently being put together by the Housing Policy Development Committee of the Alaska Housing Market Council in response to Senate Concurrent Resolution 27 passed by the legislature last spring.

The following statement recognizing senior needs, prepared by a subcommittee focusing on low-income, affordable and senior housing, was adopted by the full Committee at its July 28 teleconferenced meeting:

It is the policy of the State of Alaska to recognize that the state's seniors are a valuable asset to the state. Senior Alaskans, of all income levels, should have access to affordable housing. The state should implement a housing program for seniors which emphasizes a continuum of care services. Supportive services should be available which allow seniors to live independently at their level of ability.

At the July 14 meeting of the Low-income, Affordable and Senior Housing Subcommittee, Cynthia Parker provided valuable information about non-profit corporations and public-private housing partnerships. Parker is Executive Director of Anchorage Neighborhood Housing Services and Chair of the Alaska Housing Market Council. She says there can be money available from several sources for housing for middle and upper income seniors through establishment of non-profit corporations.

Both public testimony and statements from subcommittee members emphasized that appropriate housing for senior Alaskans that encourages maximum independence is very limited, and that many older Alaskans are forced to move out of the state when they need even minimal services to remain independent. The subcommittee recognized that their departure constitutes both an economic and a social loss to Alaskan communities.

An additional full committee policy recommendation is supportive:

It is the policy of the State of Alaska to encourage housing partnerships which include public, private and non-profit entities, in order to foster and develop low income and affordable housing in the state.

The Subcommittee had also specified "senior" in its version of the statement. Encouragement from the senior citizen community could perhaps have the word again included although it is implied in "affordable." September 8-9, the full 39-member Housing Policy Development Committee and all subcommittees will meet in Anchorage for completion and tentative approval of action plans to support the policy recommendations adopted.

### CHAIRMAN'S CORNER

I call your attention to the AARP Alaska State Legislative Committee meeting September 6-7 in Juneau. As stated in the last Newsletter, our chief business will be to finalize the survey for distribution next January. If you have ideas to share, please contact me or any committee member prior to the meeting. Their names and phone numbers are listed on page two of this Newsletter.

--Bob Pavitt

## **COORDINATED HOUSING POLICY IS GOAL OF SC RESOLUTION 27**

SCR 27, sponsored by Senator Pat Rodey, passed by both houses, and signed by Governor Cowper, urges development of a statewide housing policy for the decade of the 1990s and asks the Governor to direct the following agencies to develop cooperatively a draft of a coordinated policy: Department of Community and Regional Affairs; Alaska State Building Authority; Alaska Housing Finance Corp.; Alaska Industrial Development and Export Authority; and Alaska Housing Market Council. The Council is coordinating the efforts of the Housing Policy Development Committee, appointed for this purpose.

The recommendations are to give attention to changes and modifications of the state's current housing programs, including mortgage assistance; housing needs of low-income families, senior citizens, and residents of rural areas; and the demand for and supply of multi-family and rental housing.

Draft recommendations were also to consider the changing role of each of the state agencies mentioned and of the federal government in planning, developing and financing of essential housing units and services, and recommend whether any one state agency should be assigned principal responsibility for housing policy implementation--all to be ready not later than January 31, 1990.

All Housing Policy Development Committee members were appointed to specific subcommittees and together make up the full 39-member committee representing the agencies listed above.

This Newsletter is a regular publication of the  
**AARP Alaska State Legislative Committee**  
R.W. "Bob" Pavitt, Chairman, Juneau 586-2066  
Marie MacKenzie, Vice-Chair, Anchorage 562-4895  
Ann L. Walsh, Secretary, Fairbanks 456-6737  
Keith Campbell, Seward 224-5631  
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Marilyn Scott, Editor, Anchorage 345-1698  
P.O. Box 112827  
Anchorage, AK 99511

## **AARP PROGRAMS ARE DESIGNED TO HELP LOCAL ORGANIZATIONS**

Want to change a law or support someone for appointment to a board or commission? AARP state programs are designed to provide assistance, and can utilize the total resources of the American Association of Retired Persons.

If a local AARP Chapter or Retired Teacher Unit perceives a need for a statute change, that group should determine its position and communicate directly with the AARP State Legislative Committee or through the State Director or an Assistant Director.

Often local groups wish to support the appointment of local persons to local or state boards or commissions. Such requests may require organized support. AARP's **Citizen Representation** program provides this kind of assistance. For help call or write to  
**Peggy Burgin, 1530 W. 11th Ave., Apt 1, Anchorage, AK 99501, telephone no. 278-2102.**

## **HOUSING COMMITTEE PROVIDES BROAD REPRESENTATION ACROSS ALASKA**

Low Income, Affordable, and Senior Housing Subcommittee. Bob Arwezon, Realtor, Anchorage; Howard Bess, Alaska Housing Ministries, Anchorage; Bryan Borjesson, engineer, Fairbanks; Paul Carr, developer, Anchorage; Rep. Johnny Ellis, Anchorage; Velma Ellyson, Senior Citizen, Homer; Jo Ann Goyne, Alaska State Building Authority, Anchorage; Kelly Gunnels, Denali State Bank, Fairbanks; Carol Jackson, Alaska State Building Authority, Anchorage; Leo Kaye, Senior Citizen Advisory Board, Wasilla; Kathy Keck, Alaska Legal Services, Fairbanks; Cynthia Parker, Anchorage Neighborhood Housing Services, Anchorage; Ray Price, Alaska State Building Authority, Anchorage; Rep. C.E. Swackhammer, Soldotna; Jesse Bartlett, Alaska State Building Authority, Anchorage.

Alaskan Housing Market / Urban and Rural Subcommittee. Rick Barrier, Malaspina Properties, Anchorage; Tom Behan, AHFC, Anchorage; Senator John Binkley, Bethel; Rob Ganel, Carr-Gottstein, Anchorage; John Guinn, AVCP Housing Authority, Bethel; Mike Harper, Dept of Community & Regional Affairs, Anchorage; Sam Helms, contractor, Fairbanks; Lee Husky, UAA Dept of Economics, Anchorage; Deborah Ingman, Appraisal

Continued on Page 3

## READER EXPRESSES CONCERN WITH AARP SERVICES AND METHODS

A recently received letter to your editor expresses concerns perhaps felt by others and deserves a reply.

July 21, 1989

Attention AARP Directors,

You have done nothing to really represent us in the Medicare Catastrophic Insurance Coverage. It is unfair to segregate and penalize those who worked hard to save for their old age; and are now expected to pay for those who didn't!

Another thing, sending out only 2000 ballots to a membership of 31,000 doesn't tell you anything, just spending a lot of money for nothing.

For some unknown reason many of you think that when we turn 60 or 65 we become stupid. How mistaken you are. I thought that AARP was an organization to help prevent just such situations--I guess we Senior Citizens here were mistaken or misled. So I suggest you get your heads screwed on straight and do the right thing by us.

(Name Withheld)

Dear Reader,

Thank you for your letter. We do want to do what's right, and we hope this answers your questions.

First, let's take a look at Alaska's AARP leaders. How old are they? Most are 60 or older. This editor is 67. And, we're all volunteers--in service to our fellow senior Alaskans. The nearest paid staff is in Seattle.

None of us wants anyone to think we're stupid because we've passed 60 or 65. That's age discrimination, and AARP works hard to eliminate it.

At the same time AARP strives to see that our special needs as we age are met. AARP serves Alaska's growing older population by looking at housing needs--whether we're "low income" or can fully pay our way. AARP opposes age discrimination in the work place and involuntary age-related retirement. AARP Alaska pushed hard for legislation giving credit to AARP's 55-Alive driver-training program to lower insurance rates for seniors.

You've asked about the 2000 surveys. That sent me back to my statistics textbooks for specific answers. Generally speaking, a 5% sample is considered adequate--that or less is what is used when predicting election outcomes. Alaska will be sampling about 6.5% of the AARP membership. If we have a good return,

we should have both valid (they measure what's intended to be measured) and reliable (sent to a similar group would produce similar results) findings. A call to the AARP office in Seattle verified that only 2000 questionnaires are sent out in any state--including Florida and California--regardless of number of members.

The Seattle AARP office reminded us that the survey will also go to AARP chapters and Retired Teacher units that will survey all of their local members. These results will be tabulated separately and compared with the survey of national members. By following these procedures carefully, we should have a good idea of Alaskan senior priorities.

The Medicare Catastrophic Coverage Act--particularly the method of funding--has raised questions everywhere. It's important to remember that AARP supported and lobbied for the **BENEFITS** received under the Act, but **did not approve the FUNDING** mechanism. The national office of AARP has consistently held that "social insurance principles" should determine Medicare financing. AARP believes that Medicare helps everyone and should be paid for by all.

Now, AARP and others are focusing on trying not to throw out the baby with the bath. Can we keep the benefits for the many who need them, alter the funding method, and still say, "No new taxes."?

Hope this helps!

### HOUSING COMMITTEE MEMBERS, cont.

Associates, Juneau; Caren Mathis, Dept of Commerce & Economic Development, Anchorage; Kay Murphy, AHFC, Anchorage; Rep. Steve Rieger, Anchorage; Mike Shuler, Bristol Bay Housing Authority, Dillingham; William Swain, Jack White Co., Anchorage.

Transitional and Longterm Housing Subcommittee. Fred Ali, Covenant House, Anchorage; Sharon Araj, UAA Sociology Dept, Anchorage; Rep. Kay Brown, Anchorage; Gale Cipra, Key Bank, Anchorage; Bob Hammaker, Div. of Mental Health, Anchorage; Stan Hoofard, Muni of Anchorage Housing Services, Anchorage; Barbara Miklos, Council on Domestic Violence/Sexual Assault, Juneau; Nancy Adams, Juneau Alliance for the Mentally Ill; Senator Pat Pourchot, Anchorage; Mary Wolcuff, Assn for Stranded Rural Alaskans, Anchorage.

## CONSTANT VIGILANCE IS NECESSARY SAYS SENATOR UEHLING

At the July meeting in Anchorage of the Older Persons Action Group (OPAG), Senator Rick Uehling pulled no punches as he warned Alaskan seniors that they must work hard and remain constantly watchful if they are to retain the older Alaskan benefits currently in place. The Longevity Bonus and / or Annuity programs are still in question. What will be the attitude of the next legislative session is hard to say. Much depends on funds available and other demands for money. Although he recognizes the need for a statewide health plan, he is not encouraging about its early approval.

Senator Uehling also acknowledges the social and economic contributions of Alaska's senior citizens, but emphasizes that it will be the responsibility of older Alaskans to maintain communication with their legislators and keep their issues in the forefront.

At the end of the 1989 legislative session, SB 5, the Annuity Program, was stalled in the Senate State Affairs Committee, of which Senator Pat Pourchot is chairman and Senator Uehling is a member. Senator Pourchot supports the Annuity Program, but is working to clear up problems with the bill before moving it on. His office reported at press time that no meetings or hearings have yet been scheduled for this fall.



Alaska State Legislative Committee  
PO Box 112827  
Anchorage, AK 99511



Pat Pourchot  
Senator Alaska State Senate  
PO Box 104836  
Anchorage AK 99510

# House & Senate State Affairs

10-19-87

Survey of other states: Entities like AHFC: only non-profit

low → moderate income  
special needs - DD, etc.

Fran's - SS - ~~as well as private~~ include non-profits <sup>as well as private sector</sup>  
(also DD, MI, etc.)

Kelly Munnels - fed programs coming on line, etc. that state should work with

Duncan → need low interest on loan to attract investors

Norma Judy - Res #

→ ASHA now has authority - no legislation needed.

\$70-75/day Mary Conrad

Sterling ~~Mullagher~~ → so w/ Kenai's \$5m project, state pay \$1.5m - rent can then cover debt service.

Hotel programs marginal at best - need 30% subsidy to make programs work in AK - too high.

→ pay 30% income  
have to have 40% of units low-income, rest market value

AK income levels too high. → AK income levels Tax credit to investors. Low-income projects. Woodridge Apts, Kenai

Tax credits:

9% of construction cost  
4% of remodel

allocation based on state population

→ \$40,000 (AK gets) now being used on low income could be used on seniors.

Tanana Apts N Pele Fur 7, Kodiak Park West Apts, Fox Panaramic View, Anch

221(b)(3) financing - 100% of construction cost for nonprofits. But need cash flow to pay debt. In AK, would make rents too high. Need 30% subsidy.

In June, \$748/mo rent.

In Anch (etc.), ~~condos~~ currently on market could be refurbished.

Gallagher's advice → in Auckland, 29,000 condos  
buy existing & do a remodel  
If new construction, hard to cover  
debt service

Spud Williams - will send proposed am.  
to make more suitable for rural areas

~~NSRF~~ CEFA <sup>Mike Harper</sup> - minimum \$5.6m in loan  
fund to be viable

SSSB 150

Duncan: reviewed bill

60 yrs. of age  
\$5-~~5~~6 million to capitalize

Adams: Capitalizing loan fund?

Duncan: \$5-~~5~~6 million

Fauk: Has ADA or ANE been investigated as to capitalizing funds been transferred?

SSSB 150 — ask Pat... Work Session?

!!! Look to transfer of AHFC — Duncan will look  
Pat: Senior vs Generic Housing Office?

↳ Duncan: unique needs

Vehling: Kerttula's bill?

↳ Duncan — new dept is huge job

Faiks: Responsible, reasonable approach to  
senior housing needs.

HARPER:

Rural Housing office exists  
Supports concept

Adams — HB 302 1988? Statute gives CRA  
ability to do this?

Harper — grant only — not loan

Amos Alter: AARP ==

Supports program that facilitates staying  
in one's own home

Juneau: up to 50 units needed

Juneau has 5 to 1 return on dollars  
spent on seniors

Sylvia Short: Middle-Income Housing

Sylvia Carif

➤ Middle Income has distinct need. good financial risk.

➤ Rose Palmquist

➤ Marie Dannew:  
Juneau

1200

76% — 876 seniors

10% home — wish to  
19% renters — make change  
towards  
intermediate  
housing.

Survey: shows support for seniors

Cost study from Anchorage

Call Fran: Fiscal Note

Senior Hsing

Public: Educate/clear-up misinformation (HB 218 (Ulmer))

Testimony

> Fiscal Note: Leg. Finance  
OAC - loan

AHFC:

CRA

*the Graham Housing*

HB - did put AHFC in "banking" position  
Now rec's ASHA (or other) would be  
the "banker" and AHFC becomes  
mortgage holder.

News: is on for ~~the~~ building - end of the \$\$.  
Palmer/Kenai - Fed. Funds

Housing

AHFC - Swackhammer

Juneau - Steve Gilbertson Loans for low-income  
(Down-side)

Hud issue - 20 yr. plan

Jim Kelly - PFD office - 1985 loan prog. involvement

? PFD - invested in senior housing in Wash. D.C. - investment issue

OAC >

Notes: CS SB 150

Clarify:

CR: A Role

AHFC

Questions?

- Interest Rate: Who sets
- If fails, who is the "bad guy", who take loss
- Interim construction lending?

Assumptions?

Single homes, retrofit only

No subsidy - Jump start \$

Ownership, not required to be a senior. What if

CR: A can decide which projects.

? \$ goes to CR: A project by project?

Guidelines

Project Specific

DATA SHEET

AHFC - yield

take a scenario

Bond Proceeds from \$10 million

Market Test

PENALTY CLAUSE for retaining % of seniors =

Pat Why would someone go to CR!A instead of AHFC

Pat CR!A ~~has~~ 10% interest rate concern as not another subsidized program

CR!A No discussion of interest rate. Aggregate Housing: 10 3/4% interest

FRIDAY HEARING

HB 218

Behav SB 150 - Project \$ needs driven

HB 218 - different/separate

Conne Sipe -> pilot project

OAC - SB 150 over HB 218

Page 3: 5 - after wide range "Senior" Housing retained

Glenda Straube

AK. Hsing Mkt Council

Narrow segment  
hodge podge approach  
Housing Commission

Kelly what stops a person (senior) from getting a loan from AHFC now?

CLARIFY SINGLE FAMILY HOME

# Behav - Break-Even Proposition for AHFC

SPELL OUT:

FAVORABLE RATE

Type of Housing  
who can own  
Assisted Living -

WHY CR: A -  
SAME UNDERWRITING CRITERIA  
(Behav, no. will work with CR: A)  
Guidelines - CR: A & AHFC  
projects have to meet the market test.  
Kelly - AHFC should set the  
market standards.

Who takes the loss?

Everyone shares the loss  
Retrofit (signature loan?)

How to keep from nursing homes.  
Statutes (44, 47, 620)

Could combine rental & services  
(i.e. meals)

MARKET TEST - AHFC

Kelly Concern with CR: A involvement  
Social concern over financial responsibility.

NO SUBSIDY  
Assumption

AHFC will review entire project  
prior to \$ into revolving fund

Cynthia Parker

Senior housing needs are clear  
Plus for CRA to be office location  
AHFC

Concern/creation of senior housing office -  
13 Agencies with some housing issues.

CALLS:

GLENDIA STRAUBE

How to pull together all people  
bills:

JUNEAU Borough?

Friday Subject to problem solving

~~Market Test~~

~~Steps - Annually~~

What programs in the past

~~How much \$ does 10 mil. back?~~

> CR = A =

Who is deciding

Administrative Rate

Coverage Rate / Profit Rate

> Favorable Rate

Negotiating with the Bank

> Signature Loans

2.21.90

CS SB 384 - Karla - "less than wordage"

SB 435 - Coghill  
Gov "using public funds for educational endowment"  
Coghill = constitutional basis  
"unless specifically authorized, public funds may not be used"

CS SB 384  
-> thinks appropriating body ought to approve ~~not~~ approve prior to releasing \$

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SB 384

~~Uehling~~ Section 8: relates to paid for by

How does fine structure change. current practice with APOC =

CS SB 150

-> Tom Behar - w support

Uehling - AHFC exceeding cap on bonding? Limited or unlimited?

Chuck Akers

CR & A - collecting principal & interest  
(would need general fund jump start)

Size of units - Single Home?

Mitzy  
Mike Harper  
Hank Hodge  
Bob Sullivan

## AHFC

1. As bill is written, not a subsidized  
Generally, bonds for this type of housing  
~~are~~ at a better rate

a. AHFC will sell \$10 million in bonds  
The \$10 million will be the funds —  
DRCA can use for "anything" i.e.  
interim financing

Developer to DRCA — DRCA will (with AHFC)  
have criteria — will review / AHFC will  
review — ~~with~~ AHFC will issue  
conditional commitment, AHFC will  
fund through the sale of funds

What will DRCA be doing with  
\$10 million — Resp: for interim  
construction loan, then will  
get permanent funding from  
AHFC.

Bob — AHFC — 487 may not be needed.  
487 is written incorrectly

• SB 150 does not authorize  
AHFC to appropriate 10 million

1. d. \$10 million cap on bond to start =  
No cap — will cap itself

1. f. Interim loan = DRCA  
LONG TERM = AHFC

No advantage on "fair market value"

Harper — pay bank to monitor short term loan.

Interest  
Rates

WHY THE BANK

CRA - Hasn't really bought off on responsibility for running loan program

→ runs as Interim Construction Loan Office

( ) Bill needs to require AHFC/DCRA

l.g. Patterned after non-conforming loan program.

Risk - \$10 million  
If program is adopted,

NO OPERATING LOSS RESERVE  
ACCOUNT NECESSARY

Change Page 3, Lwe 11  
Give authority to AHFC to  
foreclosure.

DCRA - ~~will not make loan~~  
empower

DCRA acts as a lender and as  
a servicer.

→ Bonds Issued to get first  
\$10 million

Non-Owner Occupied Program =

2.26.90

SB 370

Physicians payment

183 currently to Disability - w TRS & PERS  
+ 199 - Av. Benefit 735 Police Fire \$1,034 others  
292  
Complexity of case

SB 150

2.26.90

Uehling: AHFC has final approval - Yes / OK

Kelly: Page 4 Line 5 -  
2% loan pretty low for interim construction

Kelly: Legislative approval for AHFC bond repayment?  
NO: / Good

Uehling: Appropriate every year <sup>back</sup> to AHFC

Durca: ~~Bonds proceeds are~~  
Earnings are appropriated not bonds

Kelly: Not Project Specific for Bonds:

↳ Concern for Political Pressure

Kelly: Page 3 - Home Equity Conversion  
People may take advantage

?s for Behav -

When do you go to market\*

Behav: Project Financing

One at a time or pool of projects,  
⇒ would depend on projects/funding

→ Fire Insurance?  
Should be shall

DCRA

Fire Insurance - taken from rural codes

Will a weak project slip in with larger projects

→ SENIOR OFFICE

APPRAISALS:

Kelly Why in-house appraisal

DCRA -

Project Coordinator  
~~Building Officer~~  
Loan Closer →

"We do not know level of interest of private sector"

→ Why not eliminate DCRA people  
↓ fiscal note.

Uehling: field offices? Why more employees.

> Behan \_

AHFC \_ secondary capacity

> Kelly \_ office as seller-services

USE existing resources:

> Hsing Asst \_

> DCRA \_ Rural Outreach Now

ADOPT CS SS SB 150

AMEND \_