

HJR

57

HOUSE COMMITTEE REPORT

(7)

Date Referred: February 13, 1992

FURTHER REFERRALS:

Finance

Date of Committee Action: 2/26/92

The STATE AFFAIRS Committee considered:

HJR 57

HOUSE JOINT RESOLUTION NO. 57

"INCOME" FOR HUD RENTAL ASSISTANCE

Requesting the Secretary of Housing and Urban Development to omit Alaska permanent fund dividends and Alaska longevity bonus payments from gross income for purposes of making rent calculations applicable to certain housing assistance programs.

RECOMMENDATIONS: the same title
 be replaced with CS HJR 57 (STA) a new title
 have attached amendments(s)
 do pass
 do not pass
 no recommendations
 individual recommendations
 additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____
 fiscal impact _____
 zero fiscal note Admin

APPROVES PREVIOUS: (Dept/Date) _____
 fiscal note(s) _____
 zero fiscal note(s) DCEO

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Eugene G. Kubera</i>	X				
<i>Don Meyer</i>	X				
<i>E. ...</i>	X				
<i>John ...</i>	X				

Eugene G. Kubera
 CHAIRMAN'S SIGNATURE

FISCAL NOTE

BILL NO. CSSB 381 (SA)

STATE OF ALASKA
1992 LEGISLATIVE SESSION

Revision Date: _____
Title: An Act relating to information concerning health benefits for retired members of PERS, TRS, JRS & EPORS.

Department Affected: Administration
BRU: Retirement and Benefits

Sponsor: Kerttula
Requestor: Senate State Affairs

Component: Retirement and Benefits
COMPONENT SERIAL NO. 64

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE FUND SOURCE:	0	0	0	0	0	0
-------------------------	---	---	---	---	---	---

FUNDING: (Thousands of dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS

FULL-TIME:	0	0	0	0	0	0
PART-TIME:	0	0	0	0	0	0
TEMPORARY:	0	0	0	0	0	0

Estimate of current year impact: none

ANALYSIS: (attach a separate page if necessary.) The division is currently informing members of the information outlined in this bill. There will be no additional impact on the division.

Prepared By: Gary Bader *Walter Campbell*
Division: Retirement and Benefits

Phone: 465-4470
Date: February 14, 1992

Approved by Commissioner: Nancy Bear Usery *Nancy Bear Usery*
Agency: Department of Administration

Date: 2/21/92

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB & Impacted Agency(ies).
Rev 10/90

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. HJR57

Revision Date: _____
Title: Omitting PFD & Longevity Bonus from income calculations for HUD Rental Assistance
Sponsor: Representative Boyer
Requestor: House Health, Education & Social Services

Department Affected: Administration
BRU: Division of Pioneers' Benefits
Component: Longevity Bonus Program

COMPONENT

		2	6
--	--	---	---

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE FUND SOURCE:	0	0	0	0	0	0
----------------------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.) The resolution itself would have zero fiscal impact. However if HUD did change their method of calculation, it would have a fiscal impact.

See attached page 2 for analysis.

Prepared by: Barbara Bathony *B. Bathony*
Division: Pioneers' Benefits

Phone: 465-4400
Date: January 30, 1992

Approved by Commissioner: Nancy Bear Usera *Nancy Bear Usera*
Agency: Administration

Date: 2/13/92

Distribution (by preparer): Legislative Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., & Impacted Agency(ies).

FISCAL NOTE HJR57
Longevity Bonus
page 2 of 2

The resolution requests a waiver from the Federal Government to eliminate the use of the Longevity Bonus and the Permanent Fund Dividend from gross income in the rent calculation for housing assistance. If the federal method of calculation was changed, the following impact is expected.

Alaska Housing Authority estimates they have 635 families with a member over 65 years of age, of which 94% are receiving the Longevity Bonus. The other 6% (or 38 families) are not receiving the Longevity Bonus.

Therefore the fiscal note was calculated on the maximum number of persons who would qualify from statistics available.

From the statistics in the "1990 census of Population and Housing, STF 1A", it was estimated that 38 households equal 60 persons. An additional 60 persons over 65 years of age would apply for the Longevity Bonus if the bonus no longer counted as income in determining the housing assistance eligibility. Sixty persons at \$3,000 a year equals \$180,000 per year. The fiscal note includes the estimated population increase for each additional year.

Alaska Housing Authority estimates that about 63 individuals would qualify under the bill, which supports the Division's calculations.

Fiscal Year	Number of People	Total Cost
93	60	\$180,000.00
94	63	\$189,000.00
95	66	\$198,000.00
96	69	\$207,000.00
97	72	\$216,000.00
98	75	\$225,000.00

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. HB 57

Revision Date: _____ Department Affected: DCSD
 Title: Request to HUD Secretary to exclude permanent fund & longevity bonus from income for rent calculations BRU: Alaska State Housing Authority
 Sponsor: Representative Boyer Component: _____
 Requestor: Representative Boyer COMPONENT SERIAL NO. _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE FUND SOURCE:	0	0	0	0	0	0
----------------------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE:	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

Estimate of current year impact: none

ANALYSIS: (Attach a separate page if necessary.)

The amount of subsidy received by ASHA would remain the same, in spite of the passage of this bill. Rents are based on the Fair Market Rent or other formula, and this amount would remain the same. Tenants pay 30% of their adjusted gross income, so the amount they pay would be adjusted, but HUD would then be required to pay the difference.

Prepared By: Sherric Simmonds Phone: 562-2813
 Division: Alaska State Housing Authority Date: 2/6/92
 Approved by Commissioner: [Signature]
 Agency: Commissioner of Education Date: 2-10-92

Alaska State Legislature

REPRESENTATIVE
MARK BOYER

VICE-CHAIRMAN
HOUSE FINANCE COMMITTEE

FAIRBANKS

SUITE 205
119 NORTH CUSHMAN STREET
FAIRBANKS, ALASKA 99701-2879
(907) 456-6473

JUNEAU

STATE CAPITOL
JUNEAU, ALASKA 99801-1182
(907) 465-3466

House of Representatives

MEMORANDUM

TO: Rep. Gene Kubina, Co-Chair
House State Affairs Committee

FROM: Rep. Mark Boyer *MB*

DATE: February 12, 1992

RE: HJR 57, "income" for HUD housing assistance

EB 12 1992

I would like to request that HJR 57 be scheduled for a hearing in the State Affairs Committee. This resolution passed out of the Health, Education and Social Services Committee today with all members recommending "do pass".

Currently the State of Alaska has "hold harmless" provisions for most need based programs so that recipients of permanent fund dividends and longevity bonuses do not lose benefits for which they would otherwise qualify. However, the U.S. Department of Housing and Urban Development (HUD) factors income from these sources into payment calculations for housing assistance. This affects approximately 8100 Alaskans in 3129 housing units throughout the state.

The Alaska State Housing Authority (ASHA) is the state agency that handles the HUD housing assistance programs. ASHA's Board passed resolutions supporting the exemption of permanent fund dividends and longevity bonuses from gross income for the purposes of rent calculations.

The Secretary of HUD has the authority to grant waivers. HJR 57 requests that the Secretary "approve as a waiver the Alaska permanent fund dividend program and the longevity bonus program in determining annual adjusted gross income for purposes of payment calculations for [HUD's] housing assistance programs."

FAIRBANKS 20B

Alaska State Legislature

REPRESENTATIVE
MARK BOYER

VICE-CHAIRMAN
HOUSE FINANCE COMMITTEE

FAIRBANKS

SUITE 205
119 NORTH CUSHMAN STREET
FAIRBANKS, ALASKA 99701-2879
(907) 456-6473

JUNEAU

STATE CAPITOL
JUNEAU, ALASKA 99801-1182
(907) 465-3466

House of Representatives

02/12/92

HJR 57

"Income" for HUD Housing Assistance

Currently the State of Alaska has "hold harmless" provisions for most need based programs so that recipients of permanent fund dividends and longevity bonuses do not lose benefits for which they would otherwise qualify. However, the U.S. Department of Housing and Urban Development (HUD) factors income from these sources into payment calculations for housing assistance. This affects approximately 8100 Alaskans in 3129 housing units throughout the state.

The Alaska State Housing Authority (ASHA) is the state agency that handles the HUD housing assistance programs. ASHA's Board passed resolutions supporting the exemption of permanent fund dividends and longevity bonuses from gross income for the purposes of rent calculations.

The Secretary of HUD has the authority to grant waivers. HJR 57 requests that the Secretary "approve as a waiver the Alaska permanent fund dividend program and the longevity bonus program in determining annual adjusted gross income for purposes of payment calculations for [HUD's] housing assistance programs."

FAIRBANKS 20B

SPONSOR STATEMENT

RESOLUTION REQUESTING THE SECRETARY OF HUD TO APPROVE A WAIVER OF THE PERMANENT FUND DIVIDEND CHECKS FROM CONSIDERATION IN GROSS INCOME FOR RENT CALCULATIONS

Resolution No. 379

WHEREAS, the Alaska Permanent Fund Dividend (APFD) checks are considered income by the U.S. Department of Housing & Urban Development (HUD) in determining annual adjusted gross income for rent calculations; and

WHEREAS, the amount of the APFD varies, based upon the earnings of the APFD account; and

WHEREAS, the amount of the APFD checks has varied from a low of \$331 to a high of \$1,000, and has averaged \$670 since its inception in 1982; and

WHEREAS, income from the APFD arrives in one annual check, any time during the last three-month period of the year; and

WHEREAS, the APFD of every family member is currently included in determining the total adjusted annual income; and

WHEREAS, the total family's APFD may place families above qualification income limits for housing assistance; and

WHEREAS, monthly rental payments are based on the total adjusted income; and

WHEREAS, this causes seniors and low-income families to pay a high percentage of their income each month in order to compensate for this once-a-year payment; and

WHEREAS, it is the intention of HUD to provide opportunities for low-income residents to save money for homeownership, self-employment, or other self-sufficiency opportunities; and

WHEREAS, it is the intent of this resolution to provide greater opportunities to all low-income Alaskans to increase their quality of life.

NOW, THEREFORE, BE IT RESOLVED, that through support from residents, Alaska public and Indian housing authorities, and the Alaska Legislature, a campaign be waged to request the Secretary of HUD to grant a waiver of the Alaska Permanent Fund Dividend checks from inclusion in annual adjusted gross income for rent calculations.

Passed by the Board of the Alaska State Housing Authority this 11th day of October, 1991.

RESOLUTION REQUESTING THE SECRETARY OF HUD TO
APPROVE A WAIVER OF THE LONGEVITY BONUS CHECKS FROM
CONSIDERATION IN GROSS INCOME FOR RENT CALCULATIONS

Resolution No. 380

WHEREAS, the Longevity Bonus checks are considered income by the U.S. Department of Housing & Urban Development (HUD) in determining annual adjusted gross income for rent calculations; and

WHEREAS, the amount of the Longevity Bonus was instituted by the Alaska State Legislature to encourage seniors to remain in Alaska in their retirement years, in spite of the long, harsh winters; and

WHEREAS, the continuation of the Longevity Bonus is based on the Legislature's willingness to continue its funding; and

WHEREAS, the amount of the Longevity Bonus has increased from \$100 a month to its current \$250 per month; and

WHEREAS, any person at least 65 years of age who has resided in Alaska for one year is eligible for the Longevity Bonus; and

WHEREAS, receipt of the Longevity Bonus places many seniors over income limits for housing assistance; and

WHEREAS, seniors often choose to forego applying for the Longevity Bonus in order to stay within the income limits for housing assistance; and

WHEREAS, monthly rental payments are based on the total adjusted income; and

WHEREAS, it is the intention of HUD to provide opportunities for low-income residents to save money for homeownership, self-employment, or other self-sufficiency opportunities; and

WHEREAS, it is the intent of this resolution to provide greater opportunities to low-income Alaskan seniors to increase their quality of life.

NOW, THEREFORE, BE IT RESOLVED, that through support from residents, Alaska public and Indian housing authorities, and the Alaska Legislature, a campaign be waged to request the Secretary of HUD to grant a waiver of the Longevity Bonus checks from inclusion in annual adjusted gross income for rent calculations.

Passed by the Board of the Alaska State Housing Authority this 11th day of October, 1991.

ASSOCIATION OF ALASKA HOUSING AUTHORITIES

Entitled: Requesting the Secretary of HUD to approve a Waiver of the Permanent Fund Dividend Checks from consideration in gross income for rent calculations



Resolutions 91-03

WHEREAS, the Alaska Permanent Fund Dividend (APFD) checks are considered income by the U.S. Department of Housing and Urban Development in determining annual adjusted gross income for rent calculations; and

WHEREAS, the amount of the APFD varies, based upon the earnings of the APFD account; and

WHEREAS, the amount of the APFD checks has varied from a low of \$331 to a high of \$1,000, and has averaged \$670 since its inception in 1982; and

WHEREAS, income from the APFD arrives in one annual check, sometime within the last three-month period of the year, and

WHEREAS, the APFD of every family member is currently included in determining the total adjusted annual income; and

WHEREAS, the total family's APFD may place many families above qualification income limits for housing assistance; and

WHEREAS, monthly rental payments are based on the total adjusted income; and

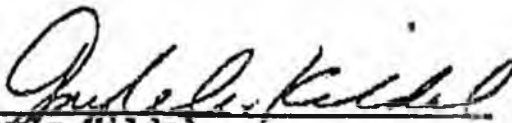
WHEREAS, this causes seniors and low-income families to pay a high percentage of their income each month in order to compensate for this once-a-year payment; and

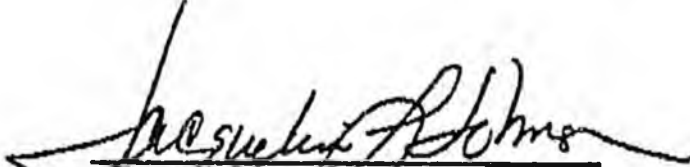
WHEREAS, it is the intention of HUD to provide opportunities for low-income residents to save money for homeownership, self-employment, or other self-sufficiency opportunities; and

Association of Alaska Housing Authorities
Resolution 91-03
Page 2

WHEREAS, it is the intent of this resolution to provide these opportunities to all low-income Alaskans to increase their quality of life.

NOW, THEREFORE, BE IT RESOLVED, by the Association of Alaska Housing Authorities, that through a campaign of support letters from residents and Alaska public and Indian housing authorities, and support from the Alaska Legislature, a campaign be waged to request the Secretary of HUD to grant a waiver of the Alaska Permanent Fund Dividend checks from inclusion in annual adjusted gross income for rent calculations.


Gayle Kildal
Secretary, AAHA

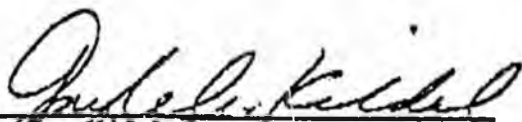

Jacqueline L. Johnson
President, AAHA




Association of Alaska Housing Authorities
Resolution 91-03
Page 2

WHEREAS, it is the intent of this resolution to provide these opportunities to all low-income Alaskans to increase their quality of life.

NOW, THEREFORE, BE IT RESOLVED, by the Association of Alaska Housing Authorities, that through a campaign of support letters from residents and Alaska public and Indian housing authorities, and support from the Alaska Legislature, a campaign be waged to request the Secretary of HUD to grant a waiver of the Alaska Permanent Fund Dividend checks from inclusion in annual adjusted gross income for rent calculations.



Gayle Kildal
Secretary, AAHA



Jacqueline L. Johnson
President, AAHA



areas. The distribution of contract authority by individual program need not be the same for each allocation area, so long as the total amounts of contract authority made available to the field office for each program type and for the metropolitan and nonmetropolitan portions are not exceeded.

§ 791.405 Field office consultation procedures.

(a) *Consultation with single-jurisdiction allocation areas.* The field office shall consult with the chief executive officers of SMSA central cities and other local governments that have been designated as single-jurisdiction allocation areas pursuant to § 791.404(b)(2). Sufficient time should be provided prior to the consultation to allow the local government to review the preliminary allocation plan and to consult with its local public housing agency. As part of the consultation process, the field office shall ask the chief executive officer to comment on local government preferences with regard to housing type, program type, and the extent to which the local government wishes to use its allocation for carrying out public housing modernization. The field office shall accommodate these preferences as much as possible, consistent with limitations on contract authority by housing type assigned to the field office, the contract authority made available to the allocation area, and the competing preferences of local governments in other allocation areas.

(b) *Consultation with multi-jurisdictional allocation areas.* The field office shall develop appropriate procedures for consultation with local governments within each multi-jurisdictional allocation area about the preliminary allocation plan. Local governments shall have an opportunity, after consulting with their public housing agencies, to indicate their preferences with regard to housing type, program type, and the extent to which they wish to compete for the use of available contract authority for carrying out public housing modernization. The field office shall accommodate these preferences as much as possible, consistent with limitations on contract au-

the field office, the contract authority made available to the allocation area, and the competing preferences of other local governments within the allocation area and in other allocation areas.

(1) Where all of the contract authority for an allocation area is to be targeted for exclusive use in previously underfunded localities in accordance with § 791.404(d), consultation shall be limited to those localities.

(2) Where an areawide housing plan has been developed by two or more local governments or by an APO on behalf of the local governments, the field office shall consult with local government and APO representatives on their preferences and on the need for targeting to previously underfunded localities.

(c) *Consultation with State housing agencies and FmHA.* The field office manager shall meet with representatives of the State housing agencies and FmHA, as appropriate, in order to reach agreement on what portion of the housing assistance in each allocation area will be provided by the set-asides for their respective programs. If the field office and the State agency or FmHA cannot agree, the regional administrator shall resolve the differences. The regional administrator shall also coordinate the use of any State agency or FmHA set-aside which affects more than one field office jurisdiction.

§ 791.406 Approval of the allocation plan.

After the consultation procedures in § 791.405 are completed and appropriate adjustments made, the field office manager shall approve the allocation plan. For each allocation area within the field office jurisdiction, the plan shall indicate the number of assisted housing units by housing type and program type for each household type, the amounts of contract and budget authority for each, and any amounts allocated for public housing modernization. The plan shall include a map or maps clearly showing the allocation areas within the field office jurisdiction. The approved allocation

working days after receipt of the field office allocation.

§ 791.407 Exchanges and reallocations of contract authority.

(a) The field office shall make every reasonable effort to obtain a sufficient number of approvable applications to use the available contract authority for each allocation area in a manner consistent with the housing, household and program types specified in the allocation plan. If this objective cannot be achieved, the field office shall make exchanges or reallocations of contract authority in accordance with the following procedures.

(1) If applications for a particular program type or housing type would not use all of the contract authority designated for that program type or housing type in the allocation area, the field office shall attempt to exchange the remaining contract authority for an equal amount of contract authority in another program type or housing type in another allocation area, so long as the total amount of contract authority for each allocation area remains unchanged.

(2) If applications are not sufficient to use all of the contract authority designated for a particular household type in the allocation area, even after exchanges in program type and housing type, the remaining contract authority may be provided to localities within the allocation area that have already met their annual household type goals on a proportional basis.

(3) If the field office manager determines that not all of the contract authority allocated for a particular allocation area is likely to be used during the fiscal year, the remaining authority may be reallocated to other allocation areas where it is likely to be used during that fiscal year.

(4) If the regional administrator or the appropriate Assistant Secretary determines that not all of the contract authority allocated to a field office is likely to be used during the fiscal year, the remaining authority may be reallocated to another field office where it is likely to be used during that fiscal

year. Only the appropriate Assistant Secretary may reallocate contract authority among regional administrators.

(b) Any exchanges or reallocations of contract authority between allocation areas, field offices, or regions shall be consistent with the assignment of contract and budget authority for the specific program type and housing type, any established set-asides, and metropolitan and nonmetropolitan designations.

(c) In addition to the requirements of paragraph (b) of this section, contract authority shall not be reallocated for use in another State unless the field office manager, the regional administrator, or the appropriate Assistant Secretary has determined that other allocation areas within the same State cannot use the available authority in accordance with HAPs during that fiscal year.

PARTS 792-798 [RESERVED]

PART 799—WAIVER AUTHORITY

§ 799.101 Waivers.

(a) *Basic provision.* Upon determination of good cause, the Secretary of Housing and Urban Development may, subject to statutory limitations, waive any provision of this chapter. Each such waiver shall be in writing and shall be supported by documentation of the pertinent facts and grounds.

(b) *Reservation of authority by the Secretary.* The authority under paragraph (a) of this section is reserved to the Secretary and no delegation of this waiver authority shall be effective unless executed subsequent to June 7, 1976, for the Assistant Secretary for Housing—Federal Housing Commissioner on September 6, 1983, for the Assistant Secretary for Public and Indian Housing. Authority to waive by either Assistant Secretary is limited to each Assistant Secretary's respective programs.

(Sec. 76d, Department of Housing and Urban Development Act (12 U.S.C. 3545d))
(19 FR 6715, Feb. 24, 1984)