

HJR

57

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. CS HJR 57 (STA)

Revision Date: _____
Title: Omitting PFD & Longevity Bonus from income calculations for HUD Rental Assistance
Sponsor: Representative Boyer
Requestor: House State Affairs Committee

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

COMPONENT

0	0	2	6
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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
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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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: Dennis L. DeWitt
Division: Pioneers' Benefits

Phone: 465-4400
Date: March 11, 1992

Approved by Commissioner: Nancy Bear Usura
Agency: Administration

Date: 3/16/92

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

Rev 3/11/92
b/legCSHJR57FN

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FISCAL NOTE CS HJR57(STA)

Longevity Bonus

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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

Alaska State Legislature

REPRESENTATIVE
MARK BOYER

VICE-CHAIRMAN
HOUSE FINANCE COMMITTEE

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House of Representatives

MEMORANDUM

TO: Senator Arliss Sturgulewski, Chair
Senate Health, Education and Social Services Committee

FROM: Representative Mark Boyer *MB*

DATE: March 11, 1992

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

I would like to request that HJR 57 be scheduled for a hearing in the Health, Education and Social Services Committee.

Currently the State of Alaska has "hold harmless" provisions for most needs-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 Secretary of HUD has the authority to grant waivers (see attached). HJR 57 requests that the Secretary exercise this authority and "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."

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.

HJR 57 passed the House earlier this week with a vote of 32 to eight. It has zero fiscal notes from the Dept. of Administration and the Dept. of Commerce and Economic Development.

Thank you.

FAIRBANKS 20B

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.

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 § 791.104(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, con-

sistent with limitations on 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

Office of the Secretary, HUD

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. 7(d), Department of Housing and Urban Development Act (12 U.S.C. 3535(d)) (19 FR 6715, Feb. 21, 1981))

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

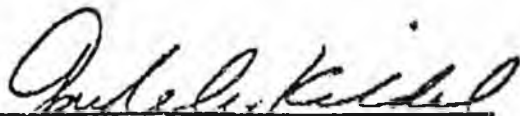
WHEREAS, this causes seniors and low-income families to pay a high percentage of their income each month in order to compensate for this once-a-year payment; and

WHEREAS, it is the intantion 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
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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



03/18/92 16:31

002/002



MEMORANDUM

March 18, 1992

To: Dennis DeWitt, Division of Pioneer Benefits
From: Sherrie Simmonds, Community Relations Coordinator
Subject: Longevity Bonus Waiver, HJR 57

The following is updated information concerning HJR 57, support of a waiver of the longevity bonus income from HUD income calculations.

The Alaska State Housing Authority (ASHA) currently has 505 units occupied by senior heads of household. Of those, 43 are not receiving the Longevity Bonus; however, only 3 of those fall on the border of the income cutoffs and would not qualify for ASHA housing if they were receiving the Bonus. Right now, we are unsure if the remaining 40 people are not receiving the Bonus because of lack of information and/or ability to apply, or if they have made a conscious decision not to apply. (We do plan to pursue that.) In the meantime, it does not appear that this waiver, even if it were approved by HUD, would have a significant impact on your program.

The next hearing for HJR 57 is in Senate HESS on Friday, March 20, at 8 a.m. You mentioned that you wouldn't have time to get anything together in writing, but might be available to testify. We would appreciate any help you can give.

Thank you.

c: Fawn Helms, Representative Boyer's Office

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We the undersigned support House joint resolution No.57 (State Affairs)

A Resolution requesting the Secretary of Housing and urban Development to omit the Alaska permanent fund dividend and the Alaska longevity bonus from gross income for purposes of making payment calculations applicable to certain housing assistance programs.

1. Paula Butler
2. Janie P Williams
3. Elizabeth Smith
4. Veronica Durand
5. June M. Stanfield
6. J Arthur Matthews
7. Ray J. Kennedy
8. Luth S. Wallace
9. Drina E. Horn
10. G L J Woods
11. Mary E. ...
12. Dorothy H. ...
13. Rachel E. Morrissey
14. Kathryn E. Luska
15. Ramona Perry
16. Oleci E. Watkins
17. Arthur L. Davis
18. Bonnie W. Morgan
19. Robert J. Kemp
20. Geraldine Fullon
21. G. Houghton
22. C. J. ...
23. Pearl Chissum
24. Ralph D. Lewis
25. Dorothy ...
26. Raymond L. Bird
27. Agnes Pratt
28. John M. Hansen
29. Rosella Williams
30. Fred Pease
31. George W. Craft
32. Anne Moore
33. Gladys Nicholas
34. Leannine Baskett
35. Mabel Charlie
36. Jayne Parker
37. ...
38. Edwin Ford
39. Margaret A. Leewood
40. Tom L. Russell

