

**HB**

**309**

**HFIN**

**FILE**

# HOUSE COMMITTEE REPORT

(11)

Date Referred: April 21, 1995

FURTHER REFERRALS:

Date of Committee Action: 5/7/95

The FINANCE Committee considered:

HB 309

HOUSE BILL NO. 309

APPROVE U OF A DEBT FOR STUDENT HOUSING

"An Act approving the University of Alaska's plans to enter into long-term obligations to borrow money from the Alaska Housing Finance Corporation for the acquisition of student housing facilities; and providing for an effective date."

recommends it be replaced with the following committee substitute CS HB 309 (FIN)  the same title  a new title

additional referral to \_\_\_\_\_ Committee  
 attached amendment(s)

ADOPTS: \_\_\_\_\_ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): \_\_\_\_\_ (Dept)

APPROVES PREVIOUS: \_\_\_\_\_ (Dept/Date)

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

fiscal note(s) STATEWIDE Budget Office 4/21/95

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

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

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>Richard Foster</i>	Foster	X		
<i>Mark Miller</i>	Miller	X		
<i>Terry Masten</i>	Masten	X		
<i>Vic Kohring</i>	Kohring		X	
<i>Ben Grussendorf</i>	Grussendorf	X		
<i>Mike Navarre</i>	Navarre		X	
<i>Tom Brown</i>	Brown	X		
<i>Pat Kelly</i>	Kelly		X	
<i>Gene Theriault</i>	Theriault		X	

CO CHAIR'S SIGNATURE \_\_\_\_\_

*Richard Foster*  
FOSTER

FISCAL NOTE

No. 1  
 Bill Version: HB 309  
 (H) Publish Date: 4/21/95

STATE OF ALASKA  
 1995 LEGISLATIVE SESSION

Revision Date:  
 Title: U OF A - BORROW MONEY FROM AHFC FOR ACQUISITION  
 OF STUDENT HOUSING FACILITIES  
 Sponsor: REPRESENTATIVE MARTIN  
 Requestor:

Department Affected: University of Alaska  
 BRU: ANCHORAGE, JUNEAU AND  
 Component: KETCHIKAN CAMPUSES

COMPONENT SERIAL NO. 753,762,765

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS	970.2	1,689.1	3,483.6	8,728.7	8,981.5	9,239.7
TOTAL OPERATING	970.2	1,689.1	3,483.6	8,728.7	8,981.5	9,239.7

CAPITAL						
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REVENUE FD SOURCE						
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FUNDING: (Thousands of Dollars)	FY96	FY97	FY98	FY99	FY00	FY01
1002 FEDERAL FUNDS						
1003 GF MATCH						
1004 GENERAL FUND						
1006 GF/MHTIA						
OTHER	970.2	1,689.1	3,483.6	8,728.7	8,981.5	9,239.7
TOTAL FUNDING	970.2	1,689.1	3,483.6	8,728.7	8,981.5	9,239.7

POSITIONS:	FY96	FY97	FY98	FY99	FY00	FY01
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)  
 SEE ATTACHED

Prepared by: Wendy Matheny, Budget Analyst  
 Division: Statewide Budget Office  
 Approved by:  Marylou Burton, Director  
 Agency: Statewide Budget Office

Phone: 463-3086  
 Date: 4/21/95  
 Date: 4/21/95

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

### UAA Student Housing Alternatives

Alternative: 2  
 Total Project: \$30,000,000  
 Legislative funding: \$0  
 Private gifts: \$1,200,000  
 AHFC loan amount: \$28,800,000  
 AHFC loan interest: 3.00%  
 APU housing HQ included?: No

Fiscal year	Total housing revenues	Total housing expenses	Available for AHFC payment	AHFC interest payment	AHFC principal payment	AHFC loan balance	Templewood bonds outstanding	Total UAA housing debt outstanding
1996				\$0		\$6,000,000	\$1,362,559	\$7,362,559
1997				\$180,000		\$28,980,000	\$1,270,587	\$30,250,587
1998	\$6,898,472	\$6,359,783	\$1,539,689	\$869,400	\$670,289	\$28,309,711	\$1,173,281	\$29,482,992
1999	\$7,109,428	\$5,646,750	\$1,462,677	\$843,291	\$613,385	\$27,696,328	\$1,070,331	\$28,766,657
2000	\$7,326,155	\$5,942,273	\$1,383,882	\$830,890	\$552,992	\$27,143,334	\$961,410	\$28,104,744
2001	\$7,547,366	\$6,246,579	\$1,300,787	\$814,300	\$486,487	\$26,656,846	\$846,172	\$27,503,019
2002	\$7,775,211	\$6,559,888	\$1,215,313	\$799,705	\$415,608	\$26,241,238	\$724,260	\$26,965,498
2003	\$8,009,889	\$6,784,932	\$1,244,957	\$787,237	\$457,720	\$25,783,518	\$606,257	\$26,378,775
2004	\$8,251,605	\$6,975,926	\$1,275,679	\$773,506	\$502,174	\$25,281,345	\$458,782	\$25,740,126
2005	\$8,500,589	\$7,193,033	\$1,307,556	\$758,440	\$549,096	\$24,732,249	\$314,391	\$25,046,640
2006	\$8,756,998	\$7,416,426	\$1,340,572	\$741,967	\$598,605	\$24,133,644	\$161,826	\$24,295,269
2007	\$9,021,116	\$7,646,285	\$1,374,832	\$724,009	\$650,822	\$23,482,821	\$0	\$23,482,821
2008	\$9,293,153	\$7,882,792	\$1,410,361	\$704,485	\$705,876	\$22,776,945		\$22,776,945
2009	\$9,573,346	\$7,955,139	\$1,618,207	\$683,308	\$934,899	\$21,842,046		\$21,842,046
2010	\$9,861,940	\$8,205,519	\$1,856,421	\$655,261	\$1,001,160	\$20,840,886		\$20,840,886
2011	\$10,159,185	\$8,463,133	\$1,696,053	\$625,227	\$1,070,826	\$19,770,060		\$19,770,060
2012	\$10,465,342	\$8,728,186	\$1,737,156	\$593,102	\$1,144,054	\$18,626,006		\$18,626,006
2013	\$10,780,676	\$9,000,891	\$1,779,785	\$558,780	\$1,221,005	\$17,405,002		\$17,405,002
2014	\$11,105,482	\$9,281,488	\$1,823,997	\$522,150	\$1,301,347	\$16,103,155		\$16,103,155
2015	\$11,439,985	\$9,570,134	\$1,869,851	\$483,085	\$1,386,756	\$14,716,399		\$14,716,399
2016	\$11,784,534	\$9,867,128	\$1,917,407	\$441,482	\$1,475,915	\$13,240,484		\$13,240,484
2017	\$12,139,411	\$10,172,683	\$1,966,728	\$397,215	\$1,569,514	\$11,670,970		\$11,670,970
2018	\$12,504,925	\$10,487,045	\$2,017,880	\$350,129	\$1,667,751	\$10,003,220		\$10,003,220
2019	\$12,881,393	\$10,810,484	\$2,070,929	\$300,087	\$1,770,833	\$8,232,387		\$8,232,387
2020	\$13,269,145	\$11,143,200	\$2,125,946	\$246,972	\$1,878,974	\$5,353,413		\$5,353,413
2021	\$13,668,518	\$11,485,517	\$2,183,001	\$190,602	\$1,992,389	\$4,361,014		\$4,361,014
2022	\$14,079,860	\$11,837,690	\$2,242,171	\$130,830	\$2,111,340	\$2,249,673		\$2,249,673
2023	\$14,503,530	\$12,200,000	\$2,303,531	\$67,490	\$2,238,040	\$13,633		\$13,633
2024	\$14,939,896	\$12,572,736	\$2,367,161	\$409	\$13,633	\$0		\$0

3/27/95

9-LS1076AK  
Chenoweth  
5/7/95

R/O

**CS FOR HOUSE BILL NO. 309( )**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**NINETEENTH LEGISLATURE - FIRST SESSION**

**BY**

**Offered:**  
**Referred:**

**Sponsor(s): REPRESENTATIVES MARTIN, Brown**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to the assets of the Alaska Housing Finance Corporation;  
2 authorizing an agreement between the Alaska Housing Finance Corporation and  
3 the commissioner of revenue relating to transfer of assets of the corporation, and  
4 making certain pledges to obligees of the corporation regarding that agreement;  
5 approving the University of Alaska's plans to enter into long-term obligations to  
6 borrow money from the corporation for the acquisition of new student housing  
7 facilities; and providing for an effective date."

8 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

9 \* **Section 1. UNIVERSITY OF ALASKA STUDENT HOUSING PROJECT APPROVAL.**

10 (a) The Nineteenth Alaska State Legislature approves the plans of the Board of Regents of  
11 the University of Alaska to enter into obligations to borrow money from the Alaska Housing  
12 Finance Corporation at an interest rate of three percent for a period of 25 years for the  
13 construction and acquisition of

1 (1) student housing facilities at the Anchorage campus in the amount of  
2 \$31,300,000;

3 (2) a student residence hall at the University of Alaska Southeast Juneau  
4 campus in the amount of \$4,200,000; and

5 (3) a student housing facility at the Ketchikan campus in the amount of  
6 \$1,000,000.

7 (b) Subsection (a) of this section provides the project approval required by  
8 AS 14.40.253 for obligations of the University of Alaska having an annual payment by the  
9 university anticipated to exceed \$1,000,000.

10 \* Sec. 2. TRANSFER AGREEMENT AUTHORIZED. The Alaska Housing Finance  
11 Corporation and the commissioner of revenue may enter into a transfer agreement that  
12 provides for annual transfer of certain assets of the corporation to the state general fund from  
13 July 1, 1995, to June 30, 2000. The commissioner of revenue shall immediately notify the  
14 governor and the legislature when the agreement has been signed. The agreement must  
15 provide

16 (1) for the transfer from the corporation to the state of each of the following  
17 amounts in each of the following state fiscal years:

18	FY 1996	\$70,000,000
19	FY 1997	50,000,000
20	FY 1998	50,000,000
21	FY 1999	50,000,000
22	FY 2000	50,000,000;

23 (2) that the amounts to be transferred under (1) of this section will be

24 (A) available for transfer from the net liquid assets of the general  
25 account of the revolving fund of the corporation; and

26 (B) reduced as the board of directors of the corporation determines may  
27 be necessary to maintain compliance with existing financing agreements and to meet  
28 the following payment conditions of the corporation that, when made by the board of  
29 directors of the corporation before each transfer, are positive determinations that

30 (i) the corporation is not in default as to payments of any  
31 required amounts;

1 (ii) the transfer to the state of the payment is not expected to  
2 impair the corporation's ability to meet financial requirements, including debt  
3 service and program costs associated with debt, and will not cause the  
4 corporation to be in default under the terms of financial agreements or disable  
5 the corporation from meeting any financial covenant;

6 (iii) the amount of the transfer does not exceed the corporation's  
7 net income as reflected in its audited financial statements for the immediately  
8 preceding fiscal year; and

9 (iv) the corporation's fund equity subsequent to the transfer will  
10 remain at a level that the board of directors of the corporation reasonably  
11 believes adequate to prevent existing debt ratings from being reduced,  
12 withdrawn, or suspended; and

13 (3) that the conditions described in (2)(B) of this section must be met by the  
14 corporation before payments are made in any state fiscal year set out in (1) of this section.

15 \* Sec. 3. PLEDGE OF THE STATE. If, before the date of adjournment of the First  
16 Regular Session of the Nineteenth Alaska State Legislature, an agreement between the Alaska  
17 Housing Finance Corporation and the commissioner of revenue in a form substantially as  
18 described in sec. 2 of this Act is executed by those parties, the state pledges to obligees of the  
19 corporation that during the term of the transfer agreement

20 (1) the state will not alter the power of the corporation to fulfill the terms of  
21 any other agreement with an obligee of the corporation; or

22 (2) the state will not cause assets of the corporation to be transferred from the  
23 corporation in excess of the amount set out in the transfer agreement.

24 \* Sec. 4. Section 3 of this Act takes effect only if the transfer agreement described in  
25 sec. 2 of this Act is signed on or before the date of adjournment of the First Regular Session  
26 of the Nineteenth Alaska State Legislature. The commissioner of revenue shall immediately  
27 notify the governor, the legislature, and the revisor of statutes when the transfer agreement has  
28 been signed.

29 \* Sec. 5. If sec. 3 of this Act takes effect, it takes effect on the later of the date of  
30 execution of the agreement described in sec. 2 of this Act, or the effective date of secs. 1 and  
31 2 of this Act.

1

\* Sec. 6. Sections 1 and 2 of this Act take effect immediately under AS 01.10.070(c).

9-LS1076G  
Chenoweth  
5/2/95

CS FOR HOUSE BILL NO. 309( )  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
NINETEENTH LEGISLATURE - FIRST SESSION

BY

Offered:  
Referred:

Sponsor(s): REPRESENTATIVE MARTIN

A BILL

FOR AN ACT ENTITLED

1 An Act authorizing an agreement between the Alaska Housing Finance  
2 Corporation and the commissioner of revenue relating to transfer of assets of the  
3 corporation, and making certain pledges to obligees of the corporation regarding  
4 that agreement; relating to the authorization for and the issuance of bonds by  
5 the corporation to pay for the costs of repair and rehabilitation of student  
6 housing facilities at the Anchorage, Fairbanks, Juneau, Prince William Sound, and  
7 Kuskokwim campuses of the University of Alaska; and approving the University  
8 of Alaska's plans to enter into long-term obligations to borrow money from the  
9 corporation for the acquisition of new student housing facilities at the university's  
10 Anchorage, Juneau, and Ketchikan campuses; and providing for an effective date."

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

12 \* Section 1. LEGISLATIVE FINDINGS AND PURPOSE. (a) The legislature finds that

1 the Alaska Housing Finance Corporation has served an important public purpose by helping  
 2 to remedy the shortage of adequate housing throughout the state. The corporation has assisted  
 3 in providing Alaskans with rural housing and sewer and water systems, senior housing, special  
 4 needs housing, and low and moderate income housing through its various programs. The  
 5 corporation's resources must remain strong in order to continue progress in meeting these  
 6 housing needs, both directly and through borrowing in capital markets. In particular, capital  
 7 markets require assurances that payments by the corporation to the general fund are fixed at  
 8 a prudent and predictable level.

9 (b) It is the purpose of this Act

10 (1) to fix payments from the Alaska Housing Finance Corporation to the state  
 11 general fund at a prudent and predictable level for the next five fiscal years through a formal  
 12 transfer agreement; and

13 (2) to authorize the Alaska Housing Finance Corporation to issue its bonds to  
 14 enable the University of Alaska to repair and rehabilitate student housing facilities and to  
 15 construct and acquire new student housing facilities.

16 \* Sec. 2. TRANSFER AGREEMENT AUTHORIZED. The Alaska Housing Finance  
 17 Corporation and the commissioner of revenue may enter into a transfer agreement that  
 18 provides for annual transfer of certain assets of the corporation to the state general fund from  
 19 July 1, 1995, to June 30, 2000. The commissioner of revenue shall immediately notify the  
 20 governor and the legislature when the agreement has been signed. The agreement must  
 21 provide

22 (1) for the transfer from the corporation to the state of each of the following  
 23 amounts in each of the following state fiscal years:

24	FY 1996	\$70,000,000
25	FY 1997	50,000,000
26	FY 1998	50,000,000
27	FY 1999	50,000,000
28	FY 2000	50,000,000

29 (2) that the amounts to be transferred under (1) of this section will be

30 (A) available for transfer from the net liquid assets of the general  
 31 account of the revolving fund of the corporation; and

1 (B) reduced as the board of directors of the corporation determines may  
2 be necessary to maintain compliance with existing financing agreements and to meet  
3 the following payment conditions of the corporation that, when made by the board of  
4 directors of the corporation before each transfer, are positive determinations that

5 (i) the corporation is not in default as to payments of any  
6 required amounts;

7 (ii) the transfer to the state of the payment is not expected to  
8 impair the corporation's ability to meet financial requirements, including debt  
9 service and program costs associated with debt, and will not cause the  
10 corporation to be in default under the terms of financial agreements or disable  
11 the corporation from meeting any financial covenant;

12 (iii) the amount of the transfer does not exceed the corporation's  
13 net income as reflected in its audited financial statements for the immediately  
14 preceding fiscal year; and

15 (iv) the corporation's fund equity subsequent to the transfer will  
16 remain at a level that the board of directors of the corporation reasonably  
17 believes adequate to prevent existing debt ratings from being reduced,  
18 withdrawn, or suspended; and

19 (3) that the conditions described in (2)(B) of this section must be met by the  
20 corporation before payments are made in any state fiscal year set out in (1) of this section.

21 \* Sec. 3. PLEDGE OF THE STATE. If, before the date of adjournment of the First  
22 Regular Session of the Nineteenth Alaska State Legislature, an agreement between the Alaska  
23 Housing Finance Corporation and the commissioner of revenue in a form substantially as  
24 described in sec. 2 of this Act is executed by those parties, the state pledges to obligees of the  
25 corporation that during the term of the transfer agreement

26 (1) the state will not alter the power of the corporation to fulfill the terms of  
27 any other agreement with an obligee of the corporation; or

28 (2) the state will not cause assets of the corporation to be transferred from the  
29 corporation in excess of the amount set out in the transfer agreement.

30 \* Sec. 4. ALASKA HOUSING FINANCE CORPORATION BOND AUTHORIZATION;  
31 UNIVERSITY OF ALASKA STUDENT HOUSING REPAIR AND REHABILITATION. The

1 Alaska Housing Finance Corporation may issue bonds under AS 18.56 in an aggregate  
2 principal amount not to exceed \$30,000,000 to provide amounts to the University of Alaska  
3 to pay costs of a project to repair and rehabilitate student housing facilities owned by the  
4 University of Alaska at its Anchorage, Fairbanks, Juneau, Prince William Sound, and  
5 Kuskokwim campuses and to pay related costs, and to provide amounts for the Alaska  
6 Housing Finance Corporation to pay costs of issuing the bonds. The Alaska Housing Finance  
7 Corporation and the University of Alaska may enter into an agreement with respect to the  
8 transfer and expenditure of the bond proceeds for these purposes by the University of Alaska.  
9 The Alaska Housing Finance Corporation shall pay the principal and interest on the bonds  
10 from Alaska Housing Finance Corporation funds and the bonds shall be obligations of the  
11 Alaska Housing Finance Corporation payable from revenue and other assets of the corporation.

12 \* Sec. 5. UNIVERSITY OF ALASKA STUDENT HOUSING PROJECT APPROVAL.

13 (a) The Nineteenth Alaska State Legislature approves the plans of the Board of Regents of  
14 the University of Alaska to enter into obligations to borrow money from the Alaska Housing  
15 Finance Corporation at an interest rate of three percent for a period of 25 years for the  
16 construction and acquisition of

17 (1) student housing facilities at the Anchorage campus in the amount of  
18 \$31,300,000;

19 (2) a student residence hall at the University of Alaska Southeast Juneau  
20 campus in the amount of \$4,200,000; and

21 (3) a student housing facility at the Ketchikan campus in the amount of  
22 \$1,000,000.

23 (b) Subsection (a) of this section provides the project approval required by  
24 AS 14.40.253 for obligations of the University of Alaska having an annual payment by the  
25 university anticipated to exceed \$1,000,000.

26 \* Sec. 6. Section 3 of this Act takes effect only if the transfer agreement described in  
27 sec. 3 of this Act is signed on or before the date of adjournment of the First Regular Session  
28 of the Nineteenth Alaska State Legislature. The commissioner of revenue shall immediately  
29 notify the governor, the legislature, and the revisor of statutes when the transfer agreement has  
30 been signed.

31 \* Sec. 7. If sec. 3 of this Act takes effect, it takes effect on the later of the date of

1 execution of the agreement described in sec. 2 of this Act, or the effective date of secs. 1, 2,  
2 and 4 - 6 of this Act.  
3 \* Sec. 8. Sections 1, 2, and 4 - 6 of this Act take effect immediately under  
4 AS 01.10.070(c).

REPRESENTATIVE  
**TERRY MARTIN**  
CHAIRMAN  
BUDGET & AUDIT COMMITTEE  
MEMBER  
HOUSE FINANCE COMMITTEE

# Alaska State Legislature



MAY 15 - JAN 15 258-8169  
716 W. 4TH. SUITE 650  
ANCHORAGE, AK 99504

JAN 15 - MAY 15 465-3782  
STATE CAPITOL  
JUNEAU, AK 99801-1182

HOME 333-6990  
355 DONNA DRIVE, #11  
ANCHORAGE, AK 99504

## Sponsor Statement HB 309

### AHFC Loan Approval for the University of Alaska

HB309 is in response to the current shortage of student housing in the University of Alaska statewide system. Specifically, the University of Alaska, Anchorage campus houses only 7% of the full-time student population compared to the national average ranging from 35-50% housing accommodation. Coupled with this shortage is the limited housing at the Juneau campus of the University of Alaska, Southeast, and the absence of any housing at the Ketchikan campus.

Fortunately, the Board of Regents were able to establish a loan agreement with the Alaska Housing Finance Corporation (AHFC) which is defined in the bill. This loan package will effectively curb the student housing crisis at that same time it fulfills the mandate of AHFC to meet the needs of those earning low and moderate incomes. In addition, the University will not have to attempt its own bonding, nor will the State's General Fund be affected.

Whereas the University of Alaska has the ability to repay the principal of the money borrowed from AHFC, it cannot raise housing rates sufficiently to pay market interest rates. This bill solves that problem. Finally, in terms of the affect on AHFC, the financing will not deplete the corporation's capital assets or affect its bond rating.



**DIVISION OF LEGAL SERVICES**  
**LEGISLATIVE AFFAIRS AGENCY**  
**STATE OF ALASKA**

(907) 465-3867 or 465-2450  
F: (907) 465-2029  
Mail Stop 3101

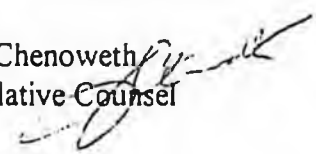
130 Seward Street, Suite 409  
Juneau, Alaska 99801-2105

**MEMORANDUM**

May 2, 1995

**SUBJECT:** Draft CSHB 309( ) (Work Order No. 9-LS1076\G)

**TO:** Representative Terry Martin  
ATTN: Tom Anderson

**FROM:** Jack Chenoweth   
Legislative Counsel

The draft committee substitute adds the provisions of HB 281 to HB 309.

Tom, I have taken some liberties with the bill. I've identified what I understand to be the specific projects that the University wants to use the AHFC bond proceeds for in its rehabilitation effort. These are named both in the title and the body (bill section 4) of the bill.

I don't know what to do about the cross-referenced AHFC-Department of Revenue agreement that didn't get executed on May 1. I suggest that one way to handle it is as I have--set out the principal features in the bill and direct execution not later than the last day of this legislative session.

As to that agreement, I really don't know what is added by the legislature's "ratification" of it. My suspicion is that it is something included to make people "feel good" about the arrangement but carries no legal weight. Consequently, I'm not certain that legislative ratification is necessary. (While the desirability of an expression of a statement of legislative self-control or forbearance in tapping into these assets to balance the state operating budget should be obvious to all, I don't think that the legislature is even bound by the "pledge" proposed in bill section 3.) I purposely drafted to avoid the notion that the legislature is, here, ratifying anything--especially something that hasn't been executed. If you want to go back to the ratification concept of the original, please let me know.

As to the material originally part of HB 281, I personally feel that the bond authorization language of the original suffers from some shortcomings. The bonds that are being authorized lack specificity. Sec. 4 of the draft merely says that AHFC "may issue bonds under AS 18.56" for these purposes. AS 18.56 may give AHFC authority to issue bonds, but how the bond proceeds are permissibly used is another question. We answered that question by identifying the probable legal authority that would support AHFC's bond issue and set the language out in our drafting of what has been introduced as SCR 14, a companion concurrent resolution.

Representative Terry Martin

May 2, 1995

Page 2

As to those portions of this bill draft that are drawn from HB 281, the legislature would be well advised to try to make the same effort.

JBC:pl

95-102.plm

Enclosure



University of Alaska Southeast

Juneau • Ketchikan • Sitka

Office of the Director

Ketchikan Campus

March 14, 1995

The Board of Regents  
University of Alaska

We are pleased to bring this proposal for student housing before you. It is a response to documented need in Ketchikan both for our current student body and for potential students from southern Southeast communities who otherwise might find university education beyond their abilities and resources.

This proposal culminates nearly ten years of work, study, and planning. It is coming together now in part because strong support from the not-for-profit and private sectors is available and in part because financial constraints on the university are providing pressure and flexibility to find new ways to tackle continuing problems.

This project is complex, and it will require the cooperation and support of many parties. But if it is successful, as we expect it to be, then it may also be a new model that will facilitate meeting this need elsewhere. To date, over 200 hours of non-university volunteer time – including bankers, housing project developers, architectural firms, modular contractors, and local government planners and engineers – have been spent on this new project design alone.

We are requesting two actions, one immediate and one subsequent, from the Board of Regents:

First, we request approval for initiating the project as required under Regent's policies. This will allow us to spend general funds to document carefully the feasibility of the project, initiate an engineering study of potential campus building sites, and provide the university, lending, and granting agencies with detailed information.

Second, we will request Regents' authorization to release a building site. We expect to request that it be leased with a provision that students have first claim on facility use. When student needs have been met, remaining units may be rented to the non-students. The building site contribution is one of many which will make the project feasible

Sincerely,

A handwritten signature in cursive script that reads "Frances Feinerman".

Dr Frances Feinerman  
Director Ketchikan Campus UAS

## Project Overview

### ASSUMPTIONS:

- ▶ Despite a continuing need for student housing (documented in 1986 and 1990 campus studies), solving the problem through university construction of a campus dormitory or apartment building is not feasible. Fiscal downsizing, changes in university priorities, and lack of statewide policy on extended campus housing prevents adequate state funding for meeting the demand.
- ▶ Placement of students in local homes, the current campus model, is unreliable due to the severe housing shortage (worst in the state), high housing costs (highest in Alaska), and staff time required to find housing and place students.
- ▶ The private sector, on its own, cannot afford to provide housing for students at reasonable cost. Two specific efforts within the last four years collapsed.
- ▶ The cost of construction through normal university channels by itself renders self-supporting projects impractical.
- ▶ There is significant, documented support for an affordable housing program in Ketchikan. And the leaders in this effort see student housing as a viable, visible project that will enhance community interest in future projects.
- ▶ There is a serious need for student housing currently, and available housing in Ketchikan will positively impact the number and success of area students attending college.

### THE PROGRAM:

A not-for-profit corporation, including influential community leaders and help from the campus, will be formed in Ketchikan to focus on affordable student housing. This corporation will be wholly separate from the campus, and not accountable to the university. The corporation will apply for Federal Home Loan Grants to serve as up-front funding for the project and will seek out grant and low interest funding from government and private financial agencies. Organizers of this corporation have begun meeting and preparing incorporation papers. The core of this effort has been supported by local banks as part of Community Reinvestment Act responsibilities.

This corporation initially is looking to purchase two modular units (in a dormitory and an apartment configuration) and place them on university property near the campus which is, most important, easily and cheaply accessible to utilities and street access. The primary contribution of the university will be accessible land. This is more than reasonable in that the university will be the primary beneficiary of the project.

The corporation will provide for management and maintenance of the facilities, most likely through a Ketchikan property management firm.

Among construction alternatives being considered is use of university construction classes assisting with assembly of the modular units, foundation preparation, and landscaping.

### STUDENT HOUSING NEED SURVEY:

In 1986 and 1990, UAS contracted with Ira Fink and Associates to study student housing needs on the Ketchikan campus. The report, noting demographic characteristics of the campus which complicated the housing issue, concluded, "We now recommend a 12 unit project that could accommodate between 18 and 36 students. If this is not a feasible alternative for the university, UAS Ketchikan should seek Board of Regents concurrence to obtain and operate an existing small apartment project in proximity to the university for the benefit of AS Ketchikan students."

Since then, a number of changes have occurred in the Ketchikan student population. In 1990, 72% of the student population was single; only half of those never married. Fink's conclusion was that parents with children was the primary norm for housing. However, a sample population of full-time students undertaken in March indicates that 68% of current students are single and only 15% of those have children. This bears up under a study of currently enrolled students. In 1989 26% of full-time students (67) were between 18-22 years of age, the next largest group was between 30-39 years of age (25%). This semester, 57% of our 64 full time students are between 18-24 and the next largest group is between 25-29 (23%). This reflects a major demographic change on the campus; we have younger students and more students without children. There is reason to expect this pattern to continue as the campus moves increasingly away from vocational programs in into two-year transfer studies. (The number of Associate of Arts enrollments has increased steadily and significantly since 1986, with 11 students in 1986, 46 in 1990 and 62 now.

The current survey indicates 72% are willing to live with roommates, a significant change from the 1990 study. Currently, 53% of full-time students are living with parents. Fully 6% are living in alternative housing: one out of his camper and a second in a different home each week in an effort to stay in school with the help of friends. Currently, 53% of our full-time students indicated that they would live in student housing if available.

Another important factor for this campus is the ability to house students from neighboring communities. As indicated by attached letters of support, there is considerable interest in transitioning students between small communities and larger universities through an accessible, affordable option. Initial inquiries indicate a probable population each year of 10-15 students out of southern Southeast. Also, regional, short-term vocational and skill training in Ketchikan would be possible were housing available. We estimate a very low vacancy rate by using available units for housing students for short-courses and continuing education efforts.

The need for summer housing for cannery workers and foresters and hostellers tells us that a full summer occupancy would present no difficulties in the current market. These are people who are not able to afford local hotel rates, and the number of low-cost housing units is far exceeded by demand. In addition, 83% of full-time students indicate interest in year-round housing.

### PROJECT SITES:

Several campus sites have been reviewed for the construction of student residence halls. The primary considerations for choosing a site are accessibility and cost of development. In addition, impact on future building sites and residential side streets are factors to be considered. The following descriptions are brief summaries of four prospective locations on UAS property.

- ▶ The first, and most attractive site measures 135' x 135' and occupies lots 16, 17, and 18. This site is adjacent to the campus parking lot and is accessible from Clinton Court and 7th Avenue and the campus parking lot. The site is large enough to permit residence parking between the buildings.
- ▶ The second parcel measures roughly 105' x 135' and occupies lots 22 and 23. Both lots are pie shaped so actual footage is approximate. This site is also located adjacent to the campus at slightly more removal than the primary site, but it is more costly to develop and has higher impact on the residential area.
- ▶ The third site measures 150' x 60' and occupies lots 20, 21, and half of 19. This site is also adjacent to the campus parking lot and accessible by Clinton Court, but really allows for only one unit of housing without disrupting the already limited parking area.
- ▶ The fourth site was originally the preferred site. It measures roughly 180' x 180' (currently unplatted and unsurveyed) and is accessible from Monroe Street. This location, however, has high development expenses, due in part to construction of 160' access road and utility corridor. It is not cost effective given the current fiscal limitations.

Each identified site is within walking distance of elementary and high schools as well as shopping and postal services. This summer, the city bus service will include a route to and from the campus.

The campus has considered Facilities Planning and Development long-term plans for campus growth. None of the first three proposed sites reflect that long-term development plan; the fourth does. However, considering a 20-30 time frame for the proposed housing, it is unlikely that the university will undertake such classroom development as to be impacted by releasing any of the proposed sites. Two additional classroom sites – the first choices of FP&C – are not impacted by this proposal. An expansion of the Ziegler building, long a part of the capital development plan, is proposed for directly behind the current building. A future classroom building, not yet in any concrete planning, would be yet behind that. In addition, the campus has higher priority classroom possibilities to be developed in the Robertson and Hamilton complexes on the waterfront campus.

**PROJECT SCHEDULE:**

It is the intent of the corporation and campus to have housing for the 1995-97 academic year. An engineering review for the sites and a decision regarding a specific site will be accomplished upon approval by the Regents to proceed. A recommendation for provision of a specific site will be made to one of the next two Board of Regents meetings. Engineering through Facilities Planning and Construction for construction on that site will follow to provide guidance to the corporation in appropriate and approved use of the property.

A potential design for the units was begun on a voluntary basis by a private modular facility builder. A copy of plans for a current unit existing in Ketchikan was sent to FP&C for review and recommendation. FP&C returned a schematic apartment layout which was forwarded to the builder for incorporation into a second proposal. Modular construction, if approved, would take approximately four months to build.

The longer task will be to secure adequate financing for the project. This will begin immediately with a \$10,000 grant request to the Federal Home Loan Bank. We expect that the corporation financing package will require a minimum of six months and perhaps a year to develop.

If construction classes can be developed to work with foundations and assembly, such work will be scheduled for next spring semester. That means the financing package must be approved in time to begin site development between January and March, 1996.

**Princess Tours****Ketchikan employee housing**

PROJECT COSTS (1995 Dollars)

## CONSTRUCTION:

Land:	\$150,000
Modular Units (2)	400,000
Shipping and Placement	83,000
Site Development	100,000
(Including utility hookups and parking)	<u>733,000</u>

## OFFSETS:

Land: Donated by University of Alaska	\$150,000
Construction Classes: UAS	14,000
Grants: (Banks, government, contractors)	<u>180,000</u>
	\$344,000

FINANCING: (20 years @ 9%)	\$389,000
Setup fees	11,670

EQUIPMENT:	\$ 20,000
(Furnishing of Dormitory and two apartments)	

## PROJECTED ANNUALIZED REVENUES:

Apartments (4)	
\$750/mo at 95% occupancy	\$34,200
Dormitories (9)	
\$600/mo at 85% occupancy	\$55,080
Transient rentals	
5 persons * 12 weeks @ \$350/wk	<u>\$ 2,100</u>
	\$91,380

## PROJECTED ANNUALIZED EXPENDITUES:

Annual Loan Payments	\$ 48,000
Building Management Fees	\$ 9,130
Custodial Contract Fees	\$ 7,200
Building Maintenance	\$ 10,000
(Unused funds to accrue for major maintenance)	
Program Management	\$ 5,000
Commodities - General Fund	
Utilities (dormitory)	\$ 12,000
Apartment Units born by residents	
Dormitory Units recovered by housing fees	
	<u>\$91,330</u>

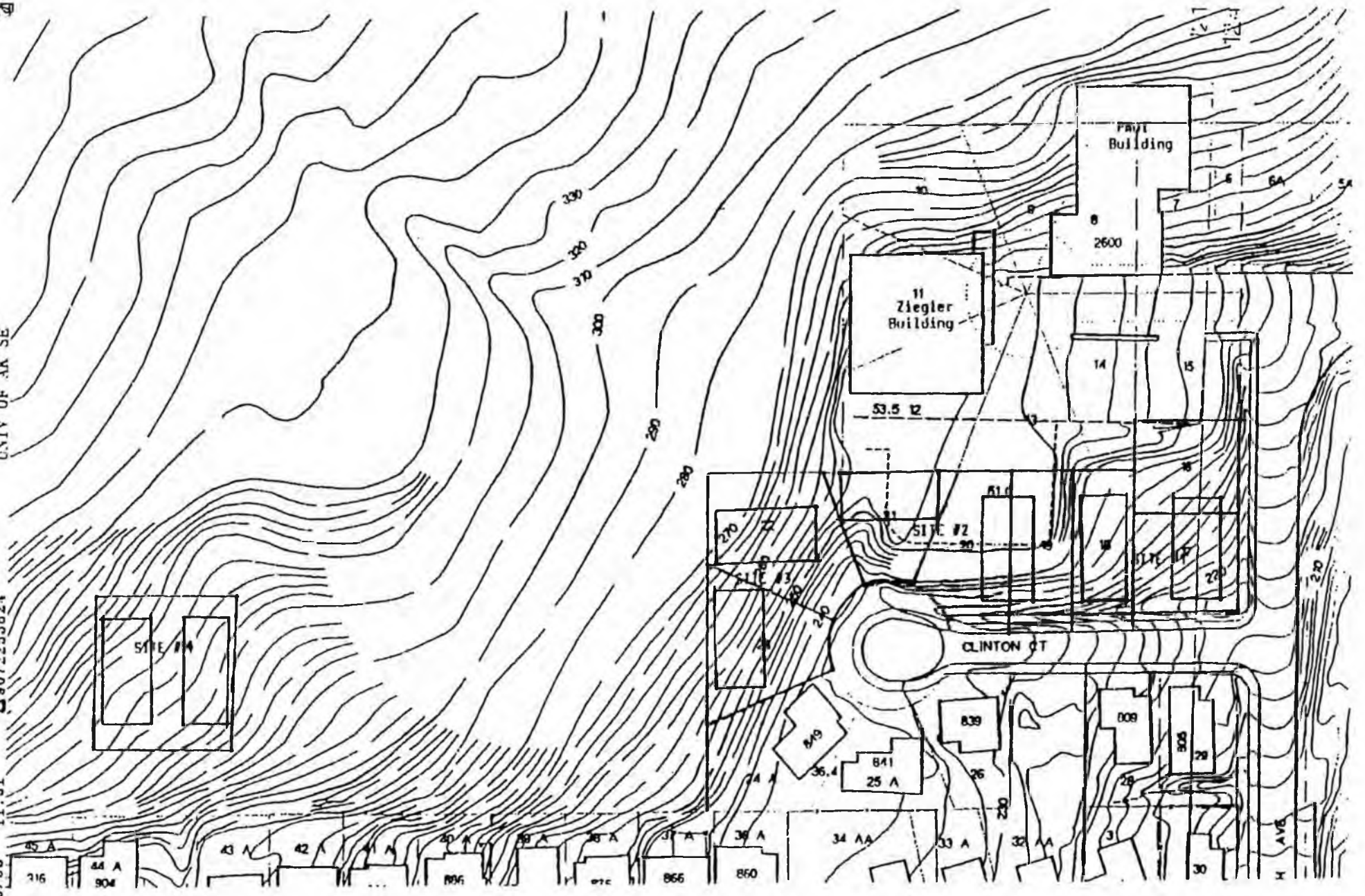
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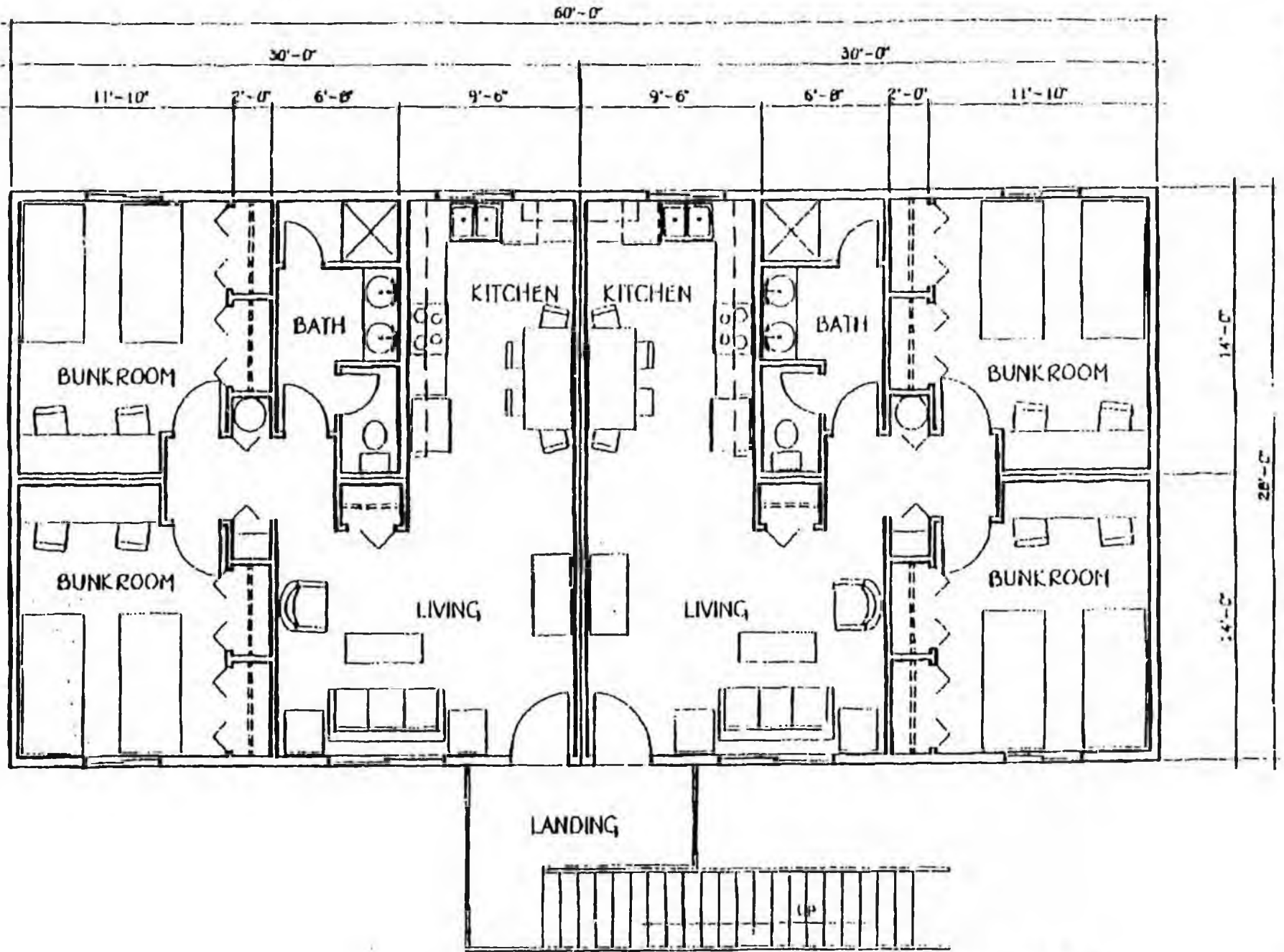
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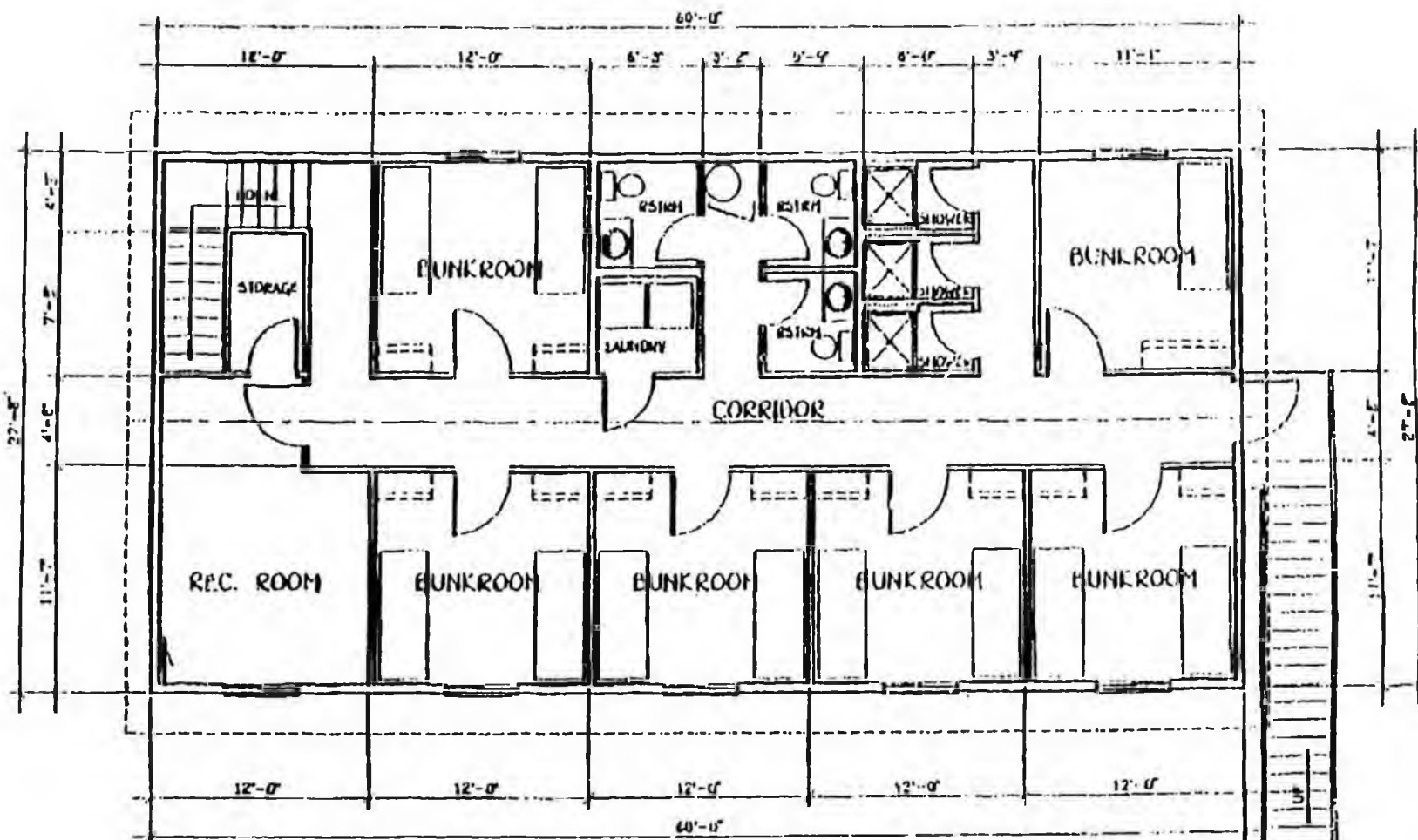
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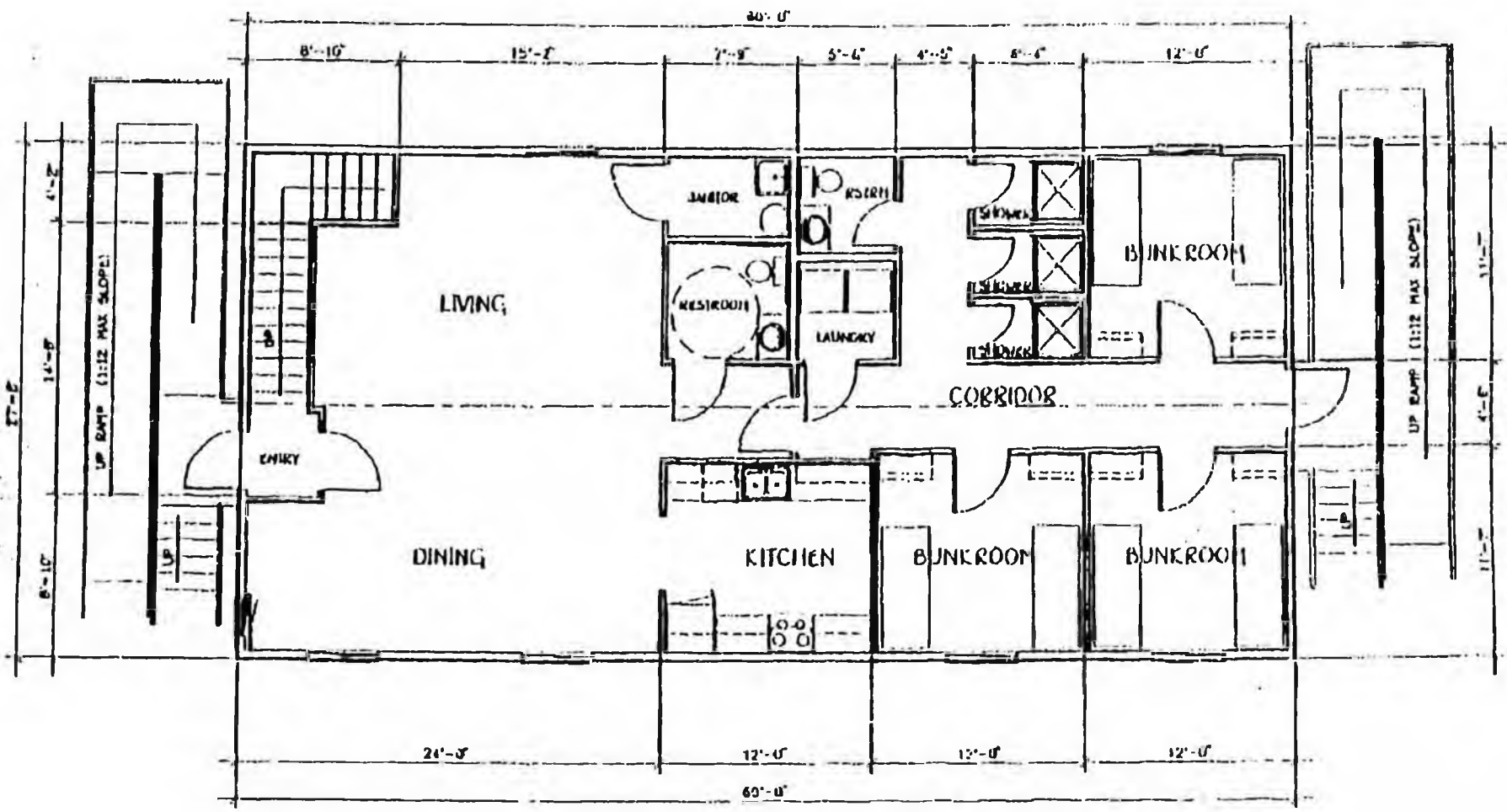


**PROPOSED FLOOR PLAN**

28' X 60' TWO STORY APARTMENT BUILDING



**SECOND FLOOR PLAN**  
 NOT TO SCALE



**FIRST FLOOR PLAN**  
NOT TO SCALE

## Affordability Index

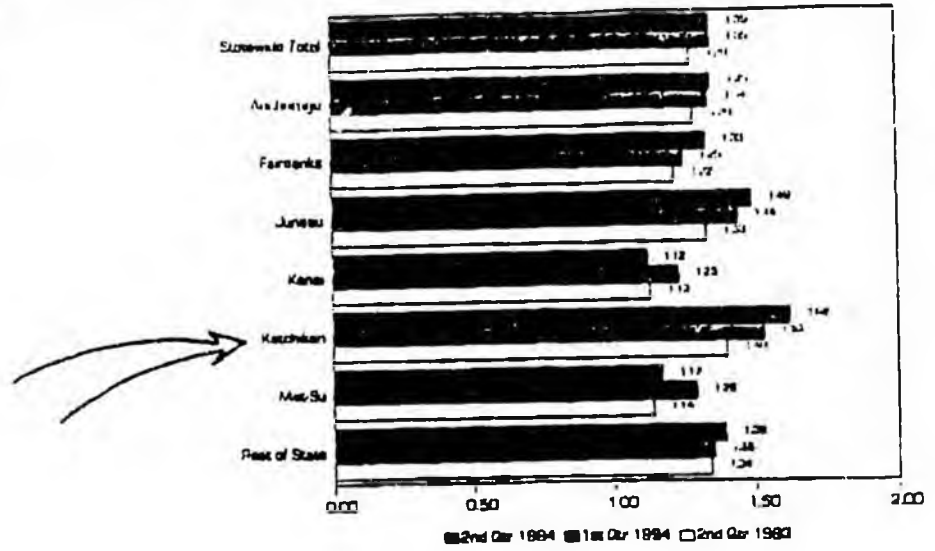
### Single-Family Residences, Private and Public Agency Lenders

2nd Qtr 1994 vs Previous Qtr and a year ago

Figure 1-4

Note: Index is the number of earners needed to qualify for an 28% mortgage. The 1st Quarter 1994's data is preliminary.

Source: Alaska Department of Labor, Research and Analysis Section



## Average Sales Price

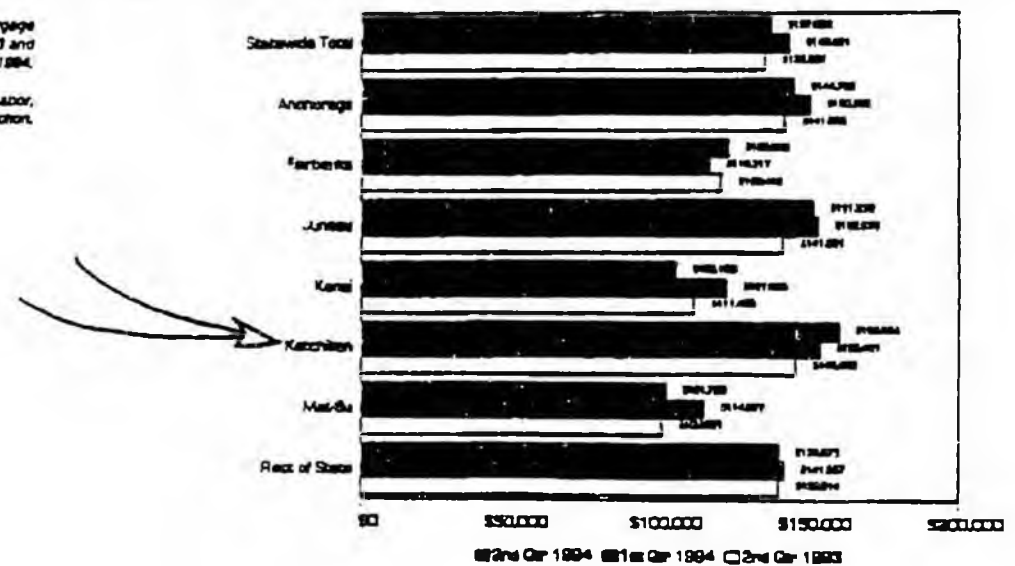
### Single-Family Homes

2nd Qtr 1994 vs Previous Qtr and a year ago

Figure 1-1

Note: Based on survey of 13 mortgage lenders in 1992 and 14 in 1993 and 1994.

Source: Alaska Department of Labor, Research and Analysis Section.



# Housing crisis must be addressed

*Alaskan Daily News*

12-1-93

(Ketchikan's leaders, primarily those from business and political arenas, are preparing for a workshop called Ketchikan 2004. The leadership workshop will assist in planning Ketchikan's future. Dr. Gerald Rodenick of the Rodenick Institute of Leadership Skills of Tacoma, Wash., will lead the workshop. The following article is part of a series of articles written by Ketchikan leaders beginning the thought and debate process in preparation for the workshop. As you write questions about the workshop may contact C.L. Cheshire at the Economic Development Center at the University of Alaska Southeast Ketchikan campus.)

By KIM WOLD

The quality of life and economic viability of Ketchikan is threatened by an inadequate supply of housing. Housing costs in Ketchikan are the highest compared to the largest Alaska cities, based upon the American Chamber of Commerce-Jesseman Associates study. The high cost of housing contributes to the difficulty of finding and retaining employees. Significant economic growth is placed on family budgets because of high rents and house prices.

Individuals and families on every rung of the economic ladder are faced with the question of affordable housing and limited selection of housing alternatives. Possessing the financial resources to afford housing in Ketchikan is not a guarantee that one will find suitable housing. The housing shortage is evidenced, not so much by individuals cramped in doorway sleepers, but by individuals and families living in motels, camp sites, or with family and friends until suitable housing can be found.

The demand for housing can be met. The demand for housing exceeds the supply by 400 to 600 units at this time. New home prices start at approximately \$135,000 with 1111 sq. ft. in size, 1000 sq. ft. executive homes having an average value of \$205,000. Single family rentals run from \$800 to \$1,300 per month for two- to three-bedroom units. Two- and three-bedroom apartments typically rent from \$750 to \$1,200 per month. Housing expenses is the largest single item on family budgets in Ketchikan.

Real estate taxes increase the cost on a new apartment in excess of \$100 per month, and now as much as \$375 per month to a house payment.

Our free market system has historically been viewed as being responsive to demand for housing. The market is generally viewed as being elastic, responding to demand by the building of new housing units. However, the market has not been responsive because new development is not financially feasible.

The existing inventory of housing is mostly older and tends to be overpriced relative to the quality of living. Owners

and landlords have been able to take advantage of the excess demand by raising house prices and rental rates beyond the level of affordability. Compounding the problem is the fact that there is a virtual absence of economic incentive to develop new housing units or to renovate existing units.

Due to a number of factors, the market has become incapable of meeting the housing needs of the community. The factors include demographic, economic, government public attitude, lack of utility infrastructure and high construction costs. No single factor is by itself responsible of the housing shortage, but in combination has led to a constrained supply of new housing. Ketchikan's population is growing, and a change in median age, family size, and income levels have increased the demand and the need for certain types of housing.

Transition in the structural makeup of the Ketchikan economy is occurring, which is having an effect upon the housing industry. Economic growth that is currently taking place primarily in the base tourism and support services industries, job growth in tourism, retailing, and support services is largely viewed as environmentally correct. Nonetheless, they have a significant adverse effect upon the local economy. These particular industries offer comparatively low wages relative to the manufacturing and construction industries. The average work week in the retail sector is 31.3 hours, versus 40 hours in the manufacturing and construction sectors, which compounds the problem of the wage differential. A combination of significantly lower hourly wages and less hours worked per week results in a declining trend for average annual incomes. Many of these service sector jobs produce annual incomes below the poverty level. This trend appears conspicuous, which increases the demand for low income housing.

Employment in the fish processing, tourism, and hospitality industries is highly seasonal, which creates a wide fluctuation in housing demand from winter to summer. Low wages and seasonal employment makes it extremely difficult for the market to provide housing that is affordable as well as economically viable to construct.

Laws, regulations and taxes have put a heavy weight on the shoulders of the housing market. The American Disabilities Act and the Alaska Thermal Energy Standards for Residential Construction have increased construction costs by as much as 10 percent. The residential energy standards have proven to be a burden, as the additional construction

costs cannot be recovered through energy savings, even after allowing for public grants and interest rate discounts.

Multi-family loan programs offered by conventional lenders will not finance apartments in Ketchikan. Multi-family loan programs offered through federal and state agencies are generally not suitable for Ketchikan due to the difficult application process, a lack of a public housing authority, and high overhead costs, even with rents at \$600 per month for a two-bedroom apartment, either are insufficient profits to justify the risk of developing apartments by private investors.

The city and borough have made their contribution to the housing shortage. During the past 10 years, the borough has moved toward requiring larger

residential lots outside of the city limits. These zoning changes were in response to on-site septic system failures and privacy concerns of area residents. The result has been increased land costs attributable to site development and off-site road and utility construction. The proliferation of large lots outside the city limits will greatly increase the future cost of extending public water and sewer.

The borough recently traded all of its residential and commercial lands to the State of Alaska. These entitlement lands represented one of the few opportunities of large tract development to meet future housing needs. Currently, the cost of developing a subdivision with roads and utilities exceeds the price that the market is willing to pay for the lots.

Ketchikan Gateway Borough and the City of Ketchikan have virtually eliminated all high density residential zoning within the city limits. This zoning classification is required for any construction having three or more units. The City of Ketchikan is currently considering the down zoning of the Washington Park Subdivision so that no future apartment buildings may be built in this area. The zoning of this subdivision will all but eliminate the possibility of low income multi-family development in Ketchikan.

We have all heard about the NIMBY (not in my back yard) syndrome. This public attitude has played a part in increasing the cost of housing. The liberal elite have recognized that through down zoning and blocking new development, existing property values can be increased. Rather than support public policies to create affordable housing

that benefits the community, the elite choose to individually profit from their own investments.

The lack of water and sewer utilities is an impediment to development. Cisterns and on-site septic systems are expensive and, in many cases, fail to provide adequate year-around water supply and safe on-site disposal.

High construction costs are partially attributable to lumber prices increases resulting from logging restrictions in the Lower 48. The limited number of local contractors and workers skilled in the employment trades also increases costs. The lack of land and high site development costs further aggravates the problem. The predominance of single-family construction is built to a specific site, which increases design costs, makes labor less productive, and eliminates volume discounts for material purchases which are enjoyed by larger scale developments.

The housing crisis must be addressed by the community. Coordinated efforts by government, the public, and those involved in the housing industry are required to increase the availability of low and moderate income housing. Demographic and economic trends will require changes in public policies. Government must avoid laws and regulations that increase the cost of housing. Additional areas must be zoned for high density residential development. Local tax policies must promote new housing. Public water and sewer extension is necessary to increase the supply of development lands. Businesses should be encouraged to construct housing for their seasonal employees through incentives. A local housing authority should be created to promote and facilitate the development of low-income housing.

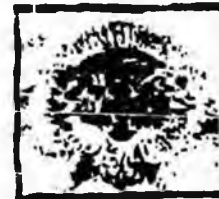
The City of Ketchikan should consider a program to promote low income housing in the Washington Park Subdivision. An innovative approach would have the city donate the Washington Park Subdivision to a public housing authority which, in turn, would utilize federal or state housing programs and subsidies in conjunction with community reinvestment funding. This development holds the potential to create more than 200 units of affordable housing. We cannot afford to miss any opportunity to increase housing availability in Ketchikan. As long as family budgets are stressed by the high cost of housing, there will be corresponding economic and environmental impacts on the community.

— (Kim Wold is owner of Alaska Appraisal Associates in Ketchikan.)

KETCHIKAN  
**204**

Southeast Island School District  
**THORNE BAY SCHOOL**

P.O. Box 5, 1010 Sandy Beach Road Thorne Bay, Alaska 99919  
(907) 828-3921



March 7, 1995

Karen Jones, Counselor  
University of Alaska SE Ketchikan

Dear Ms. Jones:

This is to support the University of Alaska SE Ketchikan in your bid to acquire housing for your out of city students.

Although our annual graduating classes are small, almost every year we have one or more students who would attend at least their first year of college in Ketchikan if reasonably priced student housing was available. As you are likely aware, the cost of living in Ketchikan is one of the highest in the country, a factor that would impact college students less if on-campus housing was provided.

Each year more than half of our graduates pack up and fly off to college, leaving a portion of our graduates who are still in need of additional post-secondary training. Many of these graduates either cannot afford the high cost of education at a major institution or are otherwise tied more closely to their homes than their classmates. Providing on-campus housing in Ketchikan would offer these students a reasonable means of seeking training beyond high school closer to home.

I support the efforts of the University of Alaska SE Ketchikan to acquire housing for your out of city students.

Sincerely,

A handwritten signature in cursive script, appearing to read "Michael G. Walker".

Michael G. Walker  
Principal



## ANNETTE ISLANDS SCHOOL DISTRICT

P.O. Box 7 • Metlakatla, AK 99926

Accredited by Northwest Accreditation Association

High School Principals' Office  
(907) 886-6000  
FAX: (907) 886-5120

Superintendent's Office  
(907) 886-6382  
FAX: (907) 886-5130

Elementary Principals' Office  
(907) 886-4171

March 7, 1995

Mrs. Karen Jones  
University of Alaska, S.E./Ketchikan  
2600 Seventh Av.  
Ketchikan, Ak.

Dear Karen:

Thank you, once again, for taking the time to visit Metlakatla High School and assisting our students with their college planning. Your institution offers a wonderful program for our students and one that I hope they continue to pursue.

As you and I discussed during your visit, the availability of *housing* is of primary concern. This is the first question asked of me during the college selection process. It is my feeling that providing adequate and reasonably priced housing for students attending your institution would be the most essential improvement that could be made. Those of us on this end of the college admission process would heartily agree that providing appropriate housing in Ketchikan would greatly enhance the desirability of attending the University of Alaska, S.E., Ketchikan Campus. For parents and students alike, this would make your school very appealing. It would enhance, greatly, your competitive position relative to the interest many of our students have in attending school down South.

I realize that this is a large task to undertake, but, I think, it is one that will provide dividends for your institution in the years ahead and is, certainly, a very worthwhile endeavor. I hope that this will one day become a reality.

Sincerely yours,

  
Gary Stefan, counselor



## UAS HOUSING RESOLUTIONS

Whereas the last three fall semesters UAS Juneau Student Housing has had a waiting list of at least 125 students on opening day and

Whereas the local Juneau rental market has a current vacancy rate of less than 1% and

Whereas a substantial number of students choose not to attend UAS because of the lack of available housing and

Whereas as of April 1995 UAS already has a waiting list of 97 students for fall housing, which is substantially higher than a year ago at this time and

Whereas the UAS Juneau Student Housing receives no general fund support and maintains a positive fund balance and

Whereas the UAS Juneau Student Housing has been 100% occupied for the last four years and

Whereas the Board of Regents, in their February meeting, approved the new UAS Juneau 81 bed residence hall design and the debt retirement plan presented.

**University of Alaska Southeast Juneau Campus  
Dormatory Housing/Food Service Financing Repayment Plan**

Housing Construction Cost	3.710 Mil	Interest Rate	3.0% Annual
Food Svc Remodeling Cost	<u>.490 Mil</u>	Loan Period	25 Years
<b>Total Project Costs</b>	<b>4.200 Mil</b>	Qtrly Pymnt	\$61,541

1st Year Payment on Interest Only, Years 2 thru 25 include Amortized Principal from Year 1.

Yr.	Beginning Available Fund Bal for Debt Svc.	Investment Income on Fund Bal @ 4.0%	Fiscal Year Surplus before Debt Svc.	Less Debt Svc.	Ending Available Fund Balance
1996 Combined	\$491,000	\$19,640	\$87,895	(\$126,000)	\$472,535
1997 Combined	\$472,535	\$18,901	\$275,056	(\$246,164)	\$520,328
1998 Combined	\$520,328	\$20,813	\$283,212	(\$246,164)	\$578,189
1999 Combined	\$578,189	\$23,128	\$282,786	(\$246,164)	\$637,939
2000 Combined	\$637,939	\$25,518	\$272,581	(\$246,164)	\$689,873
2001 Combined	\$689,873	\$27,595	\$252,079	(\$246,164)	\$723,382
2002 Combined	\$723,382	\$28,935	\$251,100	(\$246,164)	\$757,253
2003 Combined	\$757,253	\$30,290	\$250,105	(\$246,164)	\$791,485
2004 Combined	\$791,485	\$31,659	\$249,100	(\$246,164)	\$826,080
2005 Combined	\$826,080	\$33,043	\$248,084	(\$246,164)	\$861,043
2006 Combined	\$861,043	\$34,442	\$247,062	(\$246,164)	\$896,383
2007 Combined	\$896,383	\$35,855	\$246,036	(\$246,164)	\$932,110
2008 Combined	\$932,110	\$37,284	\$245,009	(\$246,164)	\$968,239
2009 Combined	\$968,239	\$38,730	\$243,987	(\$246,164)	\$1,004,792
2010 Combined	\$1,004,792	\$40,192	\$242,971	(\$246,164)	\$1,041,790
2011 Combined	\$1,041,790	\$41,672	\$241,966	(\$246,164)	\$1,079,264
2012 Combined	\$1,079,264	\$43,171	\$240,978	(\$246,164)	\$1,117,249
2013 Combined	\$1,117,249	\$44,690	\$240,008	(\$246,164)	\$1,155,783
2014 Combined	\$1,155,783	\$46,231	\$239,065	(\$246,164)	\$1,194,916
2015 Combined	\$1,194,916	\$47,797	\$238,150	(\$246,164)	\$1,234,699
2016 Combined	\$1,234,699	\$49,388	\$237,272	(\$246,164)	\$1,275,195
2017 Combined	\$1,275,195	\$51,008	\$236,435	(\$246,164)	\$1,316,473
2018 Combined	\$1,316,473	\$52,659	\$235,644	(\$246,164)	\$1,358,612
2019 Combined	\$1,358,612	\$54,344	\$234,907	(\$246,164)	\$1,401,699
2020 Combined	\$1,401,699	\$56,068	\$234,229	(\$246,164)	\$1,445,832

Total Loan Payments	\$6,033,936
Total Principal Paid	\$4,200,000
Total Interest Paid	\$1,833,936

**UAS Housing/Food Service  
20 Yr. Summarized Financial Plan**

	Fiscal Year 1996	Fiscal Year 1997	Fiscal Year 1998	Fiscal Year 1999	Fiscal Year 2000
<b>Housing Summary</b>					
<b>Total Revenues</b>	\$674,126	\$936,706	\$1,006,957	\$1,037,165	\$1,068,283
Building Operations Expenditures	\$244,155	\$294,716	\$303,556	\$312,663	\$322,043
Building Maintenance	\$176,607	\$195,158	\$208,009	\$211,649	\$225,124
Building Renewal/Replacement Reserve	\$69,257	\$71,440	\$107,796	\$121,503	\$135,656
Total Program Operations & Management	\$118,099	\$152,219	\$156,786	\$161,490	\$166,335
<b>Total Expenditures</b>	\$608,118	\$713,533	\$776,147	\$807,305	\$849,158
<b>Net Surplus Available for Debt Repayment</b>	\$66,008	\$223,173	\$230,810	\$229,860	\$219,125

**Food Service Summary**

<b>Total Revenues</b>	\$204,720	\$481,026	\$485,836	\$490,695	\$495,602
Total Cost of Goods Sold	\$72,322	\$171,846	\$173,564	\$175,300	\$177,053
Total Other Program Expenditures	\$96,112	\$228,497	\$230,782	\$233,090	\$235,421
Total Facility Rental	\$14,400	\$28,800	\$29,088	\$29,379	\$29,673
<b>Total Expenditures</b>	\$182,833	\$429,143	\$433,434	\$437,769	\$442,146
<b>Net Surplus Available for Debt Repayment</b>	\$21,887	\$51,883	\$52,402	\$52,926	\$53,455

**Combined Housing/Food Svc**

<b>Net Surplus Available for Debt Repayment</b>	\$87,895	\$275,056	\$283,212	\$282,786	\$272,581
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**UAS Housing/Food Service  
20 Yr. Summarized Financial Plan**

	Fiscal Year 2001	Fiscal Year 2002	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005
<b>Housing Summary</b>					
<b>Total Revenues</b>	\$1,100,331	\$1,133,339	\$1,167,338	\$1,202,359	\$1,238,429
Building Operations Expenditures	\$331,704	\$341,655	\$351,905	\$362,462	\$373,336
Building Maintenance	\$248,946	\$253,302	\$257,735	\$262,245	\$266,835
Building Renewal/Replacement Reserve	\$150,267	\$165,347	\$180,909	\$196,966	\$213,529
Total Program Operations & Management	\$171,325	\$176,464	\$181,758	\$187,211	\$192,828
<b>Total Expenditures</b>	<b>\$902,242</b>	<b>\$936,769</b>	<b>\$972,307</b>	<b>\$1,008,885</b>	<b>\$1,046,527</b>
<b>Net Surplus Available for Debt Repayment</b>	<b>\$198,089</b>	<b>\$196,570</b>	<b>\$195,031</b>	<b>\$193,474</b>	<b>\$191,902</b>
<b>Food Service Summary</b>					
<b>Total Revenues</b>	\$500,558	\$505,563	\$510,619	\$515,725	\$520,882
Total Cost of Goods Sold	\$178,824	\$180,612	\$182,418	\$184,242	\$186,085
Total Other Program Expenditures	\$237,775	\$240,153	\$242,554	\$244,980	\$247,430
Total Facility Rental	\$29,969	\$30,269	\$30,572	\$30,877	\$31,186
<b>Total Expenditures</b>	<b>\$446,568</b>	<b>\$451,034</b>	<b>\$455,544</b>	<b>\$460,099</b>	<b>\$464,700</b>
<b>Net Surplus Available for Debt Repayment</b>	<b>\$53,990</b>	<b>\$54,530</b>	<b>\$55,075</b>	<b>\$55,626</b>	<b>\$56,182</b>
<b>Combined Housing/Food Svc</b>					
<b>Net Surplus Available for Debt Repayment</b>	<b>\$252,079</b>	<b>\$251,100</b>	<b>\$250,105</b>	<b>\$249,100</b>	<b>\$248,084</b>

**UAS Housing/Food Service  
20 Yr. Summarized Financial Plan**

	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010
<b>Housing Summary</b>					
<b>Total Revenues</b>	\$1,275,583	\$1,313,850	\$1,353,266	\$1,393,864	\$1,435,680
Building Operations Expenditures	\$384,536	\$396,072	\$407,954	\$420,193	\$432,799
Building Maintenance	\$271,504	\$276,256	\$281,090	\$286,009	\$291,014
Building Renewal/Replacement Reserve	\$230,612	\$248,227	\$266,389	\$285,109	\$304,404
Total Program Operations & Management	\$198,612	\$204,571	\$210,708	\$217,029	\$223,540
<b>Total Expenditures</b>	<b>\$1,085,265</b>	<b>\$1,125,125</b>	<b>\$1,166,141</b>	<b>\$1,208,340</b>	<b>\$1,251,757</b>
<b>Net Surplus Available for Debt Repayment</b>	<b>\$190,318</b>	<b>\$188,725</b>	<b>\$187,125</b>	<b>\$185,524</b>	<b>\$183,923</b>

**Food Service Summary**

<b>Total Revenues</b>	\$526,091	\$531,352	\$536,665	\$542,032	\$547,452
Total Cost of Goods Sold	\$187,945	\$189,825	\$191,723	\$193,640	\$195,577
Total Other Program Expenditures	\$249,904	\$252,403	\$254,927	\$257,476	\$260,051
Total Facility Rental	\$31,498	\$31,813	\$32,131	\$32,453	\$32,777
<b>Total Expenditures</b>	<b>\$469,347</b>	<b>\$474,041</b>	<b>\$478,781</b>	<b>\$483,569</b>	<b>\$488,405</b>
<b>Net Surplus Available for Debt Repayment</b>	<b>\$56,744</b>	<b>\$57,311</b>	<b>\$57,884</b>	<b>\$58,463</b>	<b>\$59,048</b>

**Combined Housing/Food Svc**

<b>Net Surplus Available for Debt Repayment</b>	<b>\$247,062</b>	<b>\$246,036</b>	<b>\$245,009</b>	<b>\$243,987</b>	<b>\$242,971</b>
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**UAS Housing/Food Service****20 Yr. Summarized Financial Plan**

	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015
<b>Housing Summary</b>					
<b>Total Revenues</b>	<b>\$1,478,750</b>	<b>\$1,523,113</b>	<b>\$1,568,806</b>	<b>\$1,615,870</b>	<b>\$1,664,346</b>
Building Operations Expenditures	\$445,783	\$459,156	\$472,931	\$487,119	\$501,732
Building Maintenance	\$296,107	\$301,289	\$306,561	\$311,926	\$317,385
Building Renewal/Replacement Reserve	\$324,286	\$344,771	\$365,874	\$387,609	\$409,994
Total Program Operations & Management	\$230,246	\$237,154	\$244,268	\$251,596	\$259,144
<b>Total Expenditures</b>	<b>\$1,296,422</b>	<b>\$1,342,370</b>	<b>\$1,389,634</b>	<b>\$1,438,250</b>	<b>\$1,488,255</b>
<b>Net Surplus Available for Debt Repayment</b>	<b>\$182,328</b>	<b>\$180,743</b>	<b>\$179,172</b>	<b>\$177,620</b>	<b>\$176,091</b>
<b>Food Service Summary</b>					
<b>Total Revenues</b>	<b>\$552,927</b>	<b>\$558,456</b>	<b>\$564,041</b>	<b>\$569,681</b>	<b>\$575,378</b>
Total Cost of Goods Sold	\$197,533	\$199,508	\$201,503	\$203,518	\$205,553
Total Other Program Expenditures	\$262,651	\$265,278	\$267,931	\$270,610	\$273,316
Total Facility Rental	\$33,105	\$33,436	\$33,770	\$34,108	\$34,449
<b>Total Expenditures</b>	<b>\$493,289</b>	<b>\$498,222</b>	<b>\$503,204</b>	<b>\$508,236</b>	<b>\$513,318</b>
<b>Net Surplus Available for Debt Repayment</b>	<b>\$59,638</b>	<b>\$60,235</b>	<b>\$60,837</b>	<b>\$61,445</b>	<b>\$62,060</b>
<b>Combined Housing/Food Svc</b>					
<b>Net Surplus Available for Debt Repayment</b>	<b>\$241,966</b>	<b>\$240,978</b>	<b>\$240,008</b>	<b>\$239,065</b>	<b>\$238,150</b>

**UAS Housing/Food Service  
20 Yr. Summarized Financial Plan**

	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020
<b>Housing Summary</b>					
<b>Total Revenues</b>	<b>\$1,714,277</b>	<b>\$1,765,705</b>	<b>\$1,818,676</b>	<b>\$1,873,236</b>	<b>\$1,929,434</b>
Building Operations Expenditures	\$516,784	\$532,288	\$548,256	\$564,704	\$581,645
Building Maintenance	\$322,939	\$328,591	\$334,341	\$340,192	\$346,145
Building Renewal/Replacement Reserve	\$433,043	\$456,773	\$481,201	\$506,344	\$532,221
Total Program Operations & Management	\$266,918	\$274,926	\$283,174	\$291,669	\$300,419
<b>Total Expenditures</b>	<b>\$1,539,685</b>	<b>\$1,592,577</b>	<b>\$1,646,972</b>	<b>\$1,702,909</b>	<b>\$1,760,431</b>
<b>Net Surplus Available for Debt Repayment</b>	<b>\$174,592</b>	<b>\$173,128</b>	<b>\$171,704</b>	<b>\$170,327</b>	<b>\$169,003</b>

**Food Service Summary**

<b>Total Revenues</b>	<b>\$581,132</b>	<b>\$586,943</b>	<b>\$592,813</b>	<b>\$598,741</b>	<b>\$604,728</b>
Total Cost of Goods Sold	\$207,609	\$209,685	\$211,782	\$213,899	\$216,038
Total Other Program Expenditures	\$276,049	\$278,810	\$281,598	\$284,414	\$287,258
Total Facility Rental	\$34,794	\$35,141	\$35,493	\$35,848	\$36,206
<b>Total Expenditures</b>	<b>\$518,451</b>	<b>\$523,636</b>	<b>\$528,872</b>	<b>\$534,161</b>	<b>\$539,503</b>
<b>Net Surplus Available for Debt Repayment</b>	<b>\$62,680</b>	<b>\$63,307</b>	<b>\$63,940</b>	<b>\$64,580</b>	<b>\$65,225</b>

**Combined Housing/Food Svc**

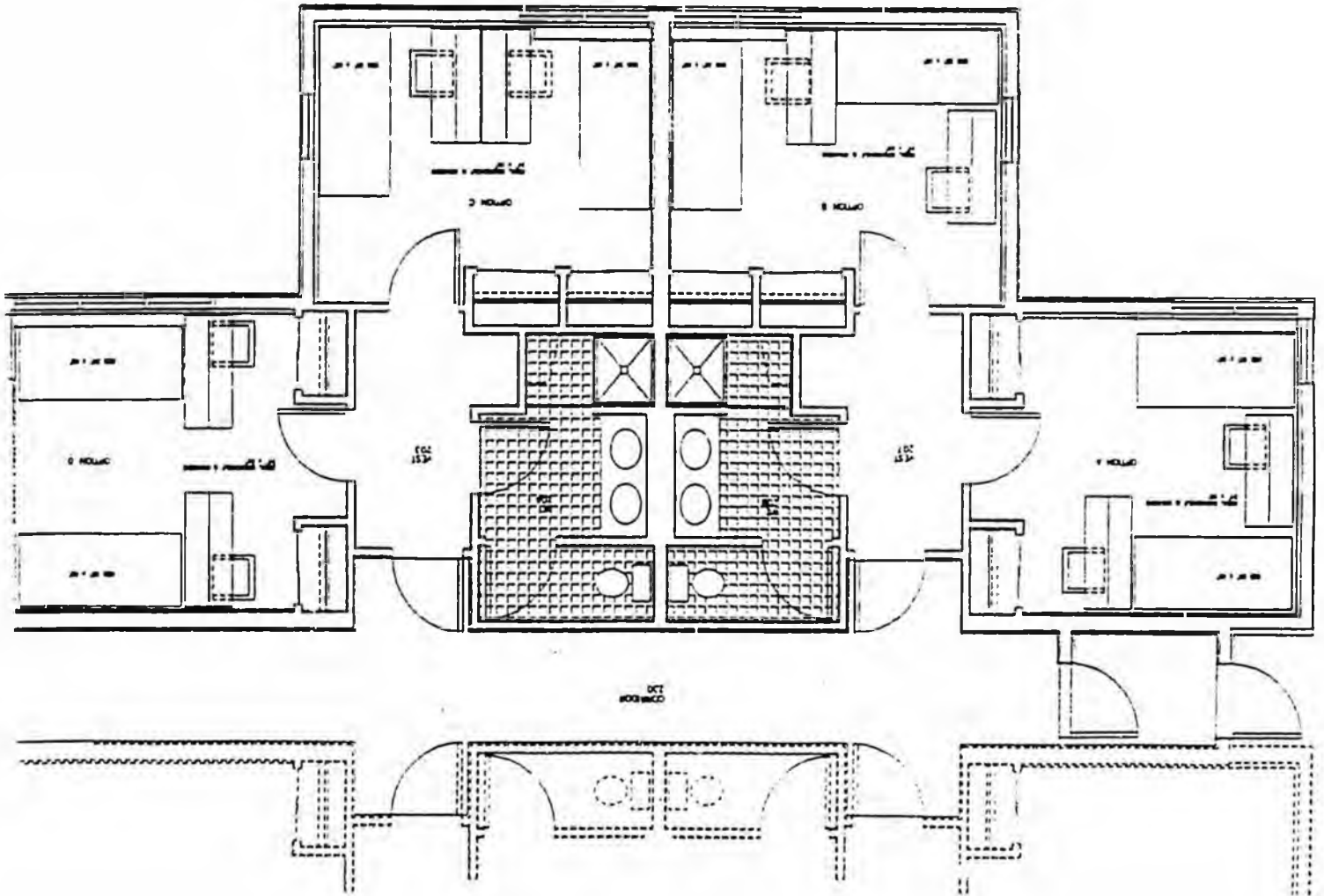
<b>Net Surplus Available for Debt Repayment</b>	<b>\$237,272</b>	<b>\$236,435</b>	<b>\$235,644</b>	<b>\$234,907</b>	<b>\$234,229</b>
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JUNEAU CAMPUS

UNIVERSITY OF ALASKA SOUTHEAST

# STUDENT RESIDENCE HALL



## PROJECT PLANNING GUIDE

### 81 BED STUDENT RESIDENCE HALL

#### FY96 CIP REQUEST

#### UNIVERSITY OF ALASKA SOUTHEAST JUNEAU CAMPUS

### INTRODUCTION

Enrollment growth at the Juneau campus is being constrained by lack of facilities including insufficient on-campus housing for both single students and students with families. The problem is exacerbated by a rental vacancy rate of 0.8% in the community and the high rental rates that accompany such a low vacancy rate (first quarter 1994 vacancy rates from AHFC). An informal poll of students who planned to attend UAS in the Fall 1992 semester, but who failed to register for classes, indicated that the majority listed financial pressures and lack of affordable housing as reasons for not enrolling.

The existing housing complex, completed in the Fall of 1985, consists of 50 apartments, each capable of housing four students in either single or double bedrooms. However, 11 of the apartments are currently dedicated to families. The result is that about 167 students are routinely housed. For the past three years, at the beginning of the Fall semester, the occupancy rate has been 100% with a substantial waiting list. In an effort to ease the housing shortage, UAS has acquired two older private residences and converted them to housing for UAF graduate students in the fisheries program.

### PROPOSED PROJECT

UAS proposes to develop housing for single students in a residence hall format to accommodate 81 students. This will provide a more traditional housing type which will be better suited to the younger student -- a growing component of the total UAS enrollment. The younger student can be expected to more easily make the transition from home to campus in a collective type of housing environment, and can later transfer to apartment style living on campus.

The proposed housing type is more efficient, and more cost effective, than apartment style housing because less floor area is constructed for each student. However, the existing campus food service operation will have to be expanded and the hours extended to accommodate a full meal service program. That work is planned as a separate capital improvement project.

### PROJECT DESCRIPTION

The residence hall is anticipated to consist of 42 bedrooms, each housing 2 students except for a single resident advisor bedroom on each floor. Each pair of bedrooms will share a semi-private bathroom. The total floor area is 18,433 GSF arranged in three levels with 14 bedrooms

and 7 bathrooms at each level. Mechanical and electrical services are located in a partial basement. The facility will also include a communal living room, study room, TV room, and some laundry facilities. Other amenities, such as a game room, are available in the existing lodge building nearby.

Major systems and assemblies have been evaluated by several criteria including first cost, operating cost, maintenance, weatherability, vandal resistance, thermal performance, and acoustic performance. Preliminary selections of materials assume the following: stained siding on exterior walls similar in character to existing buildings; metal roofing similar in appearance to existing buildings; two layers of painted gypsum drywall on interior walls; thermal break double casement aluminum windows with insulating glass.

The structural system assumes simple spread footings, wood truss roof framing, metal joists at floors, and walls framed with metal studs. The mechanical system assumes oil fired boilers and distribution of heat through a perimeter baseboard radiation system. The ventilation system will include air-to-air heat exchangers. Like the existing complex, the building will be served by city water and sewer systems.

A site has been selected east of the lodge building. There will be no need for additional parking. Extension of utilities to the site will require approximately 300 foot runs for power, sewer, water and communications.

## **PROJECT BUDGET**

The budget is based on a building cost of \$2,736,000. Site development costs are estimated to be \$209,000, and furnishings and equipment are budgeted at \$192,000.

Design fees, construction contingency, art in public places acquisitions, and project management costs bring the total project budget to an estimated \$3,710,000 in 1995 dollars. UAS is requesting half of the project cost, in the amount of \$1,855,000, as part of the University of Alaska FY96 Capital Improvement Program funded by the state legislature. The remaining cost of the project will be funded by revenue bonds that will be repaid from rent receipts.

## **PROJECT SCHEDULE**

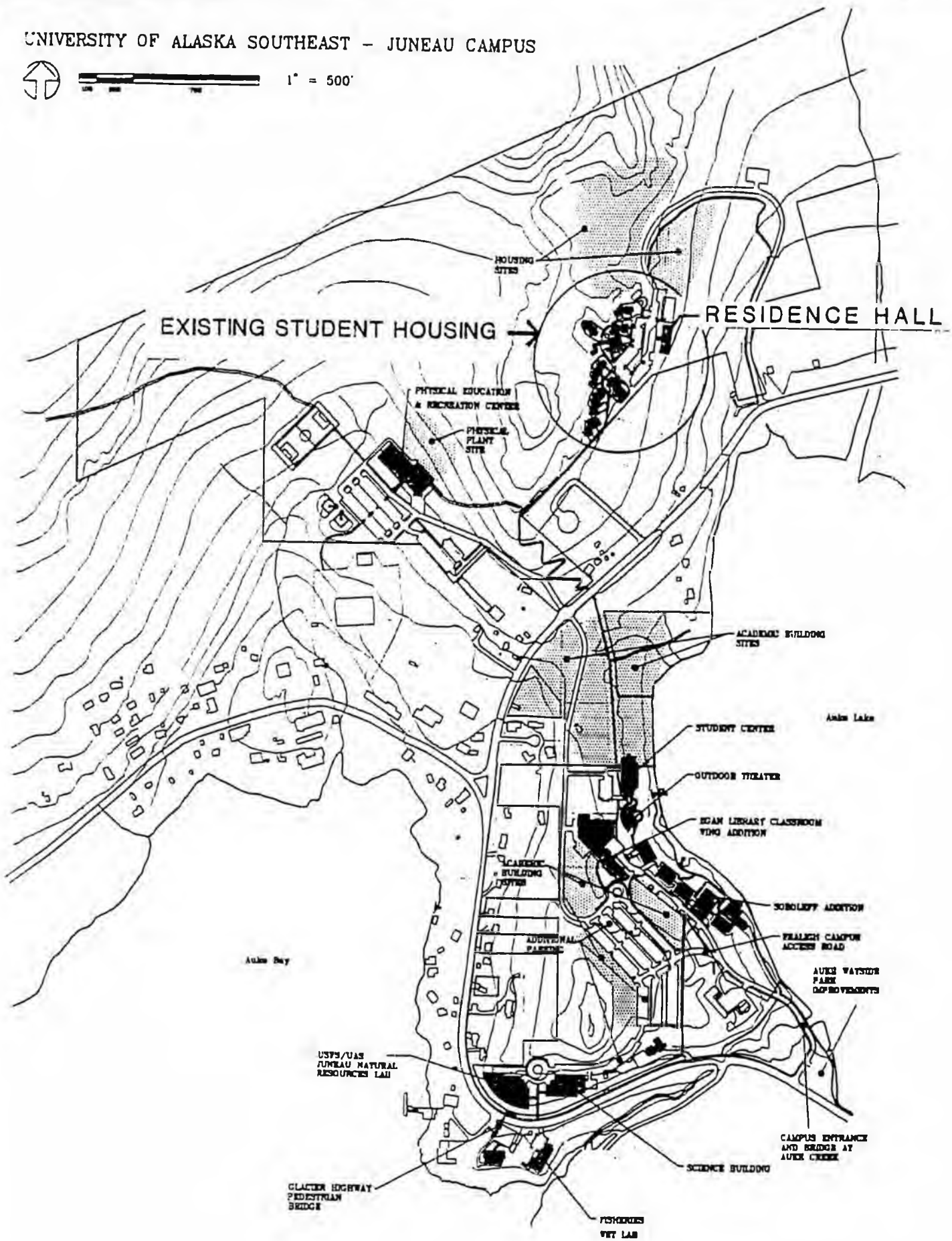
Engineering and architectural design of the facility will be completed in September, 1994, and the project will be released to bidders in May, 1995. Funding of the state supported portion of the project budget is expected in July, 1995, and construction will begin immediately. The facility will be ready for use at the start of the Fall semester in 1996.

October 4, 1994

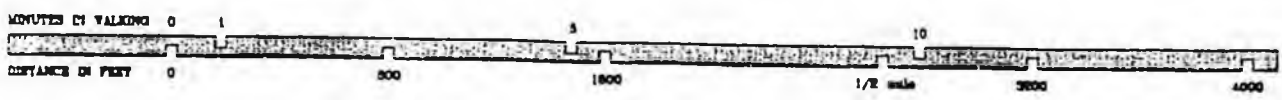
UNIVERSITY OF ALASKA SOUTHEAST - JUNEAU CAMPUS

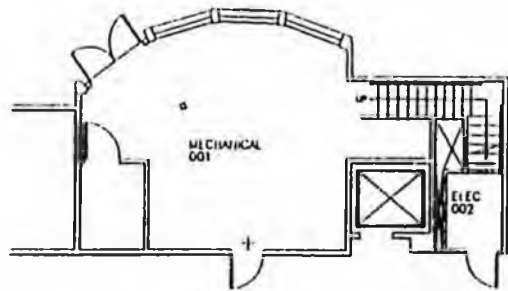
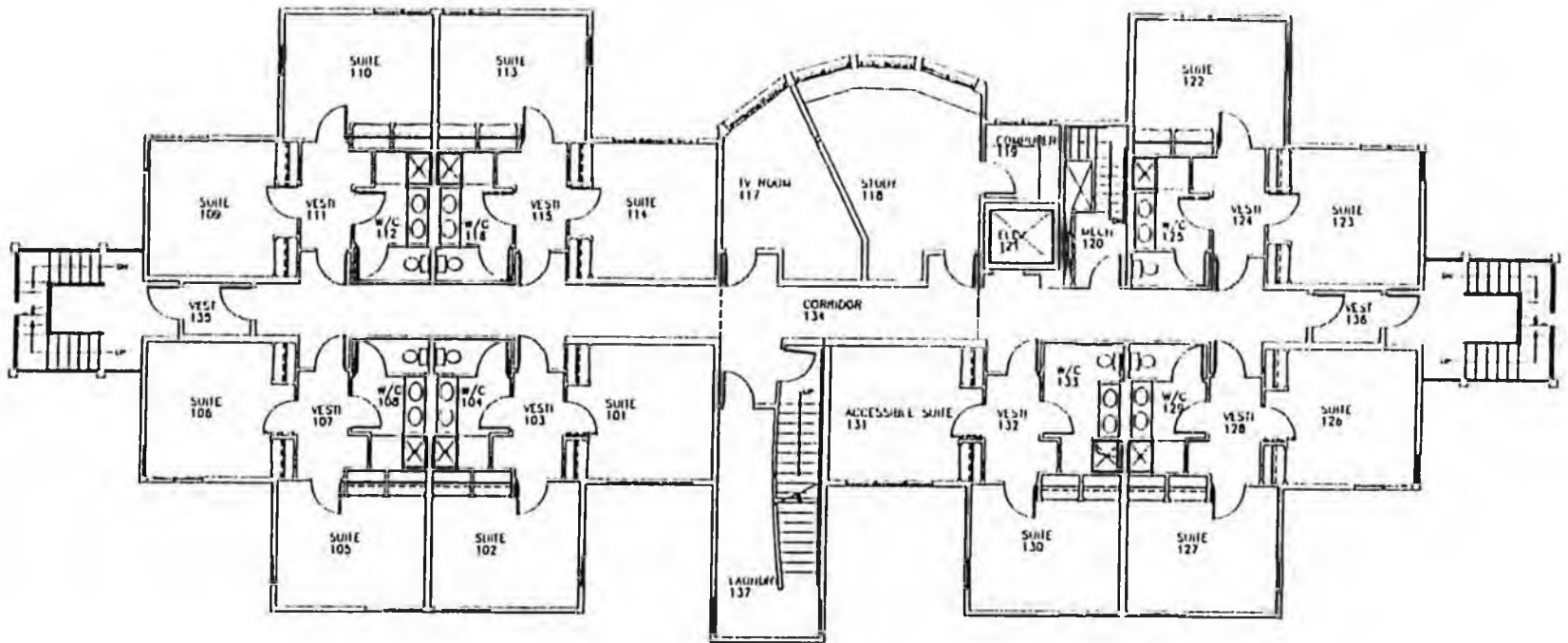


1" = 500'



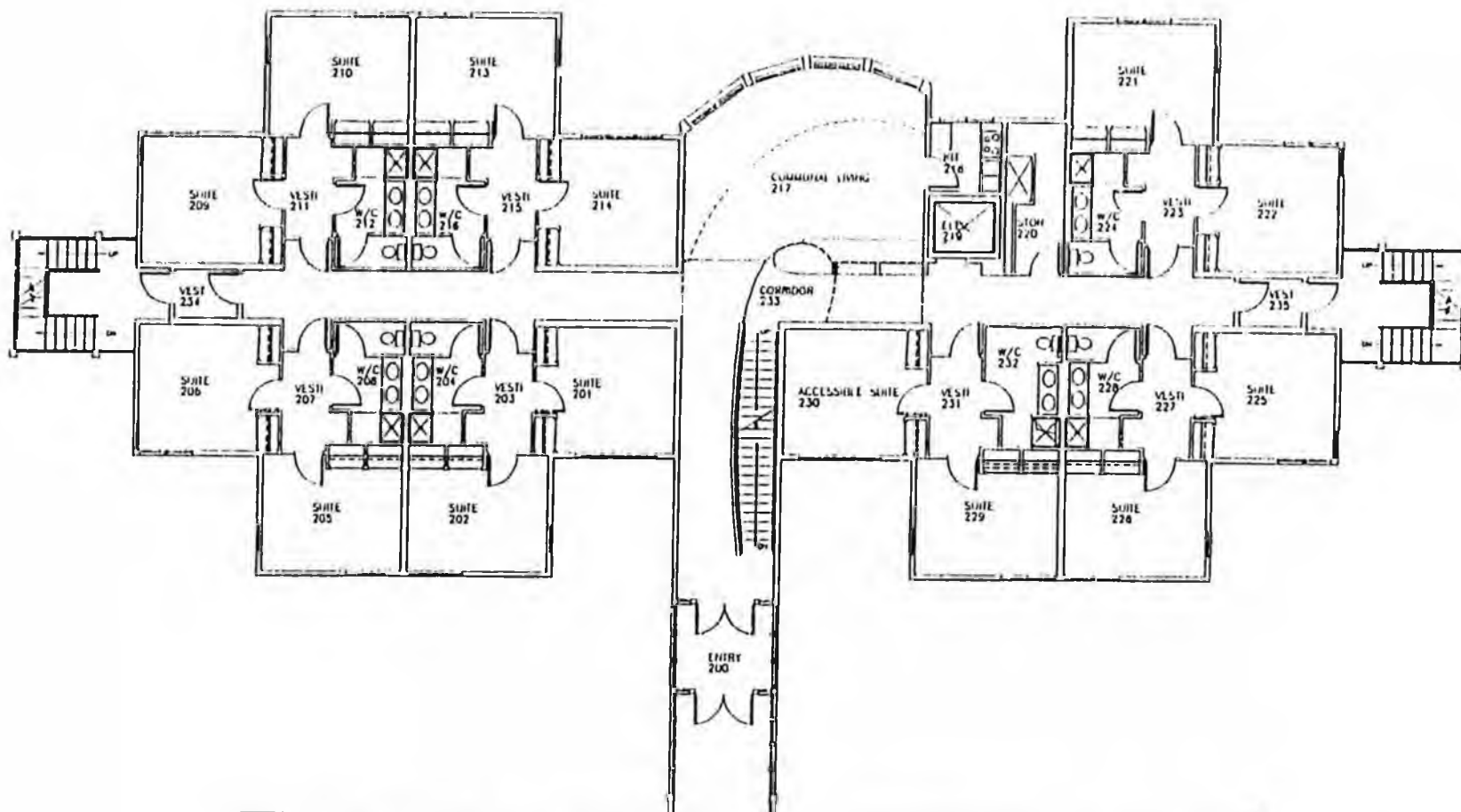
PROPOSED FACILITIES  
LONG RANGE DEVELOPMENT SITES





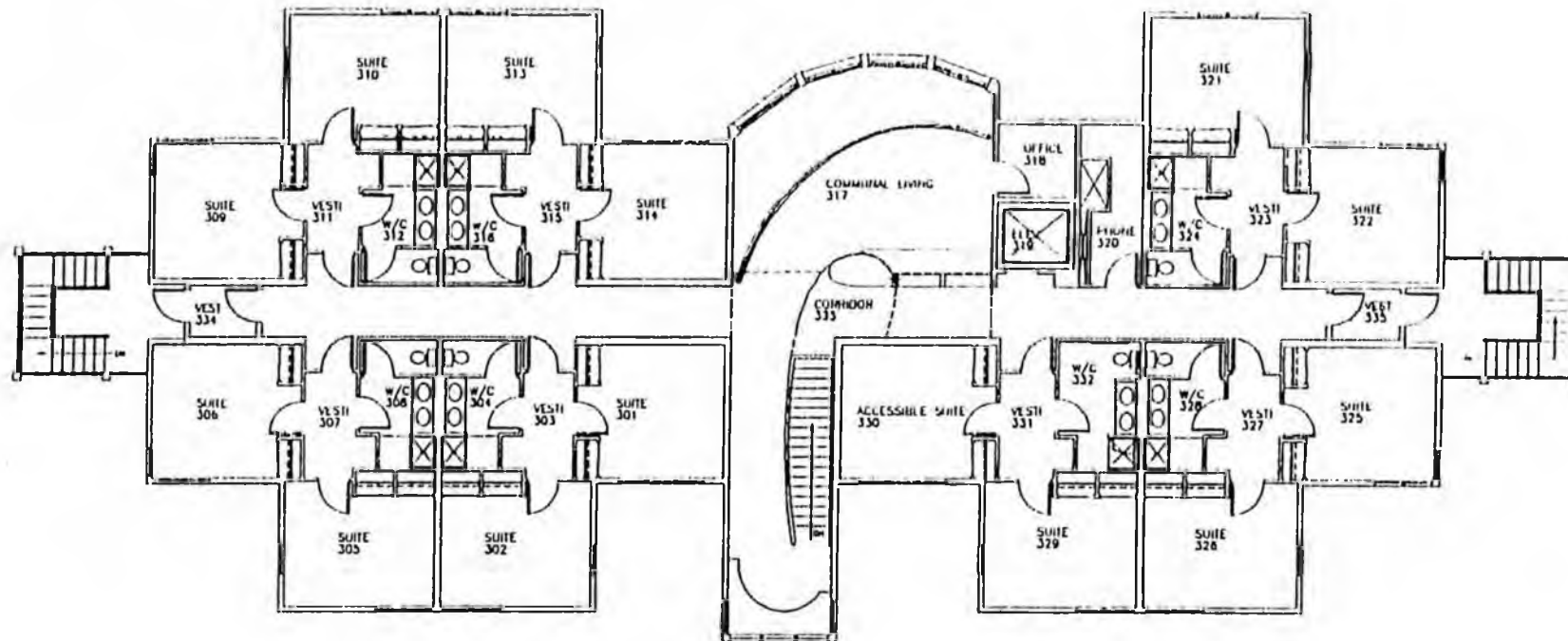
UNIVERSITY OF ALASKA, SOUTHEAST  
STUDENT RESIDENCE HALL

at floor



UNIVERSITY OF ALASKA, SOUTHEAST  
STUDENT RESIDENCE HALL

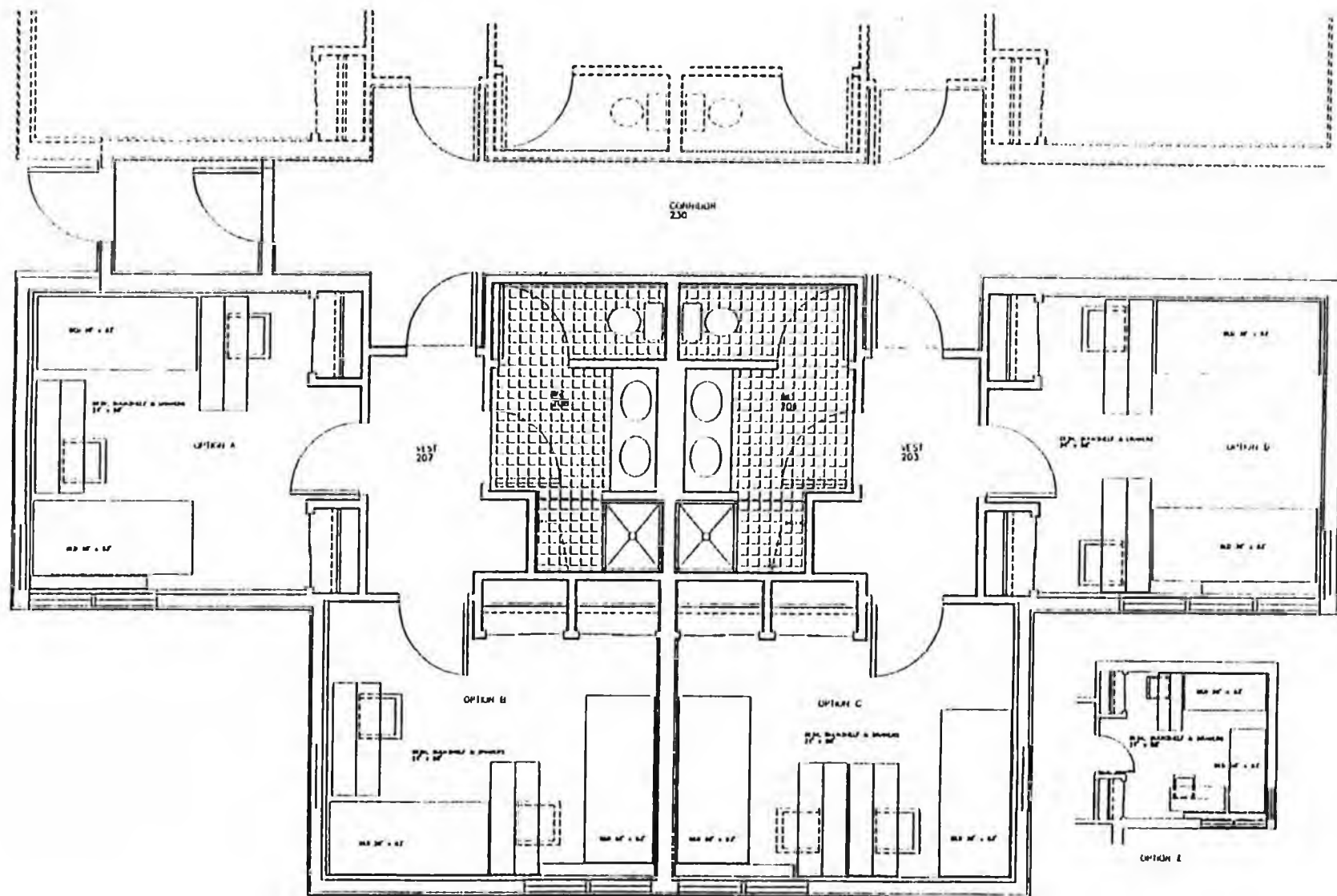
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UNIVERSITY OF ALASKA, SOUTHEAST

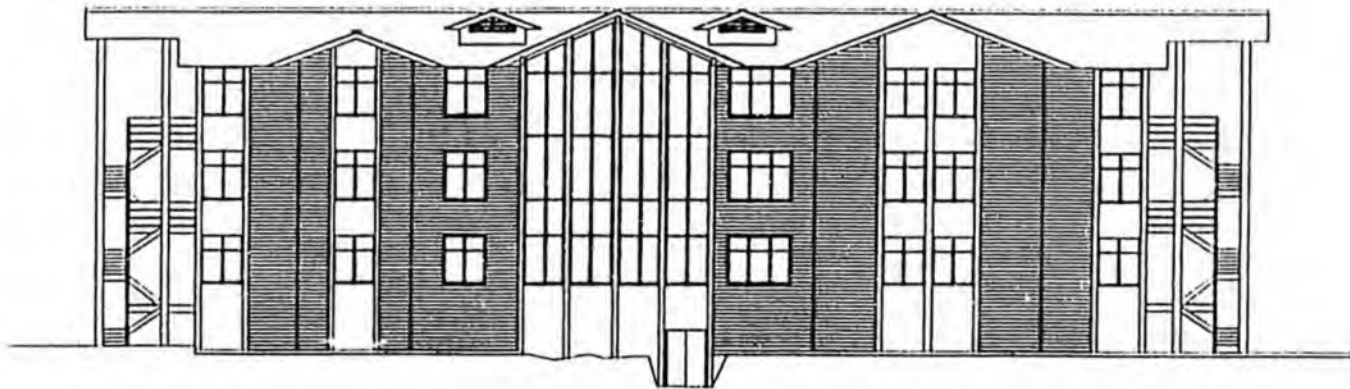
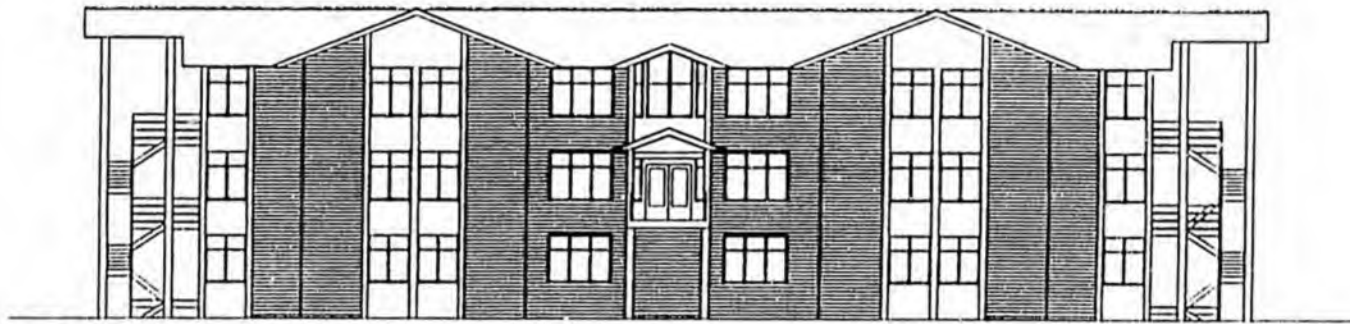
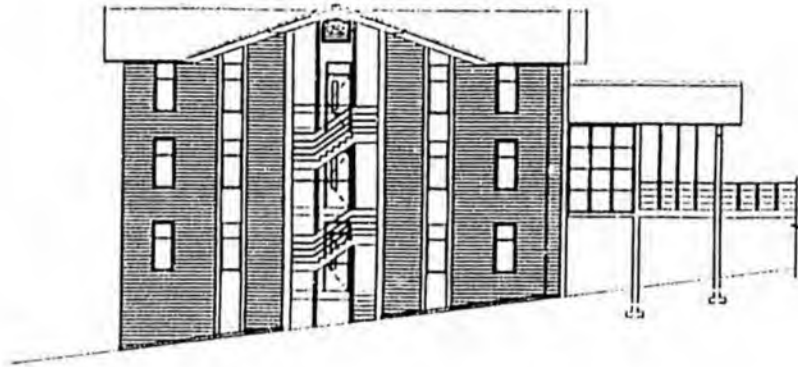
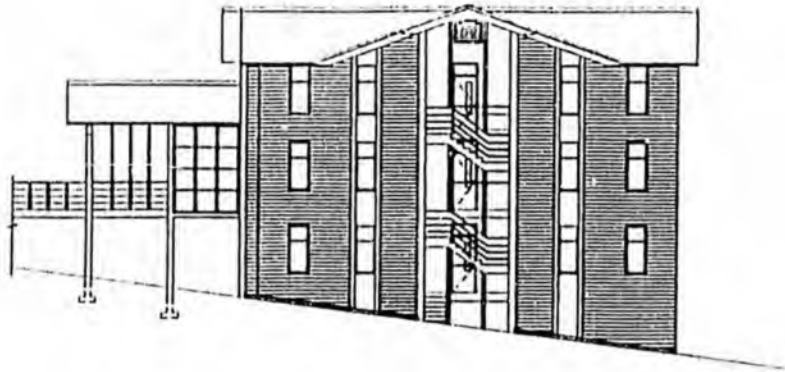
STUDENT RESIDENCE HALL





UNIVERSITY OF ALASKA, SOUTHEAST  
 STUDENT RESIDENCE HALL

Typical Suite Plan



UNIVERSITY OF ALABAMA, SOUTHEAST  
STUDENT RESIDENCE HALL

Elevations

### UAA Student Housing Loan from AHFC

Total Project: \$32,500,000  
 Legislative funding: \$0  
 Private gifts: \$1,200,000  
 AHFC loan amount: \$31,300,000  
 AHFC loan interest: 3.00%  
 APU housing HQ included?: Yes

Fiscal year	Total housing revenues	Total housing expenses	Available for AHFC payment	AHFC interest payment	AHFC principal payment	AHFC loan balance	Templewood bonds outstanding	Total UAA housing debt outstanding
1996				\$0		\$6,000,000	\$1,362,559	\$7,362,559
1997				\$180,000		\$31,480,000	\$1,270,587	\$32,750,587
1998	\$6,999,472	\$5,359,783	\$1,639,689	\$914,400	\$695,289	\$30,784,711	\$1,173,281	\$31,957,992
1999	\$7,212,426	\$5,646,750	\$1,565,677	\$923,541	\$642,135	\$30,142,576	\$1,070,331	\$31,212,907
2000	\$7,432,245	\$5,942,273	\$1,489,972	\$904,277	\$585,695	\$29,556,881	\$961,410	\$30,518,292
2001	\$7,656,639	\$6,246,579	\$1,410,060	\$886,706	\$523,354	\$29,033,528	\$846,172	\$29,879,700
2002	\$7,887,762	\$6,559,898	\$1,327,864	\$871,006	\$456,354	\$28,576,669	\$724,250	\$29,300,920
2003	\$8,125,817	\$6,764,932	\$1,360,885	\$857,300	\$503,585	\$28,073,084	\$595,257	\$28,668,341
2004	\$8,371,010	\$6,975,926	\$1,395,084	\$842,193	\$552,892	\$27,520,193	\$458,782	\$27,978,974
2005	\$8,623,556	\$7,193,033	\$1,430,524	\$825,606	\$604,918	\$26,915,275	\$314,391	\$27,229,666
2006	\$8,883,675	\$7,416,426	\$1,467,249	\$807,458	\$659,791	\$26,255,484	\$161,626	\$26,417,109
2007	\$9,151,594	\$7,646,285	\$1,505,309	\$787,665	\$717,645	\$25,537,839	\$0	\$25,537,839
2008	\$9,427,545	\$7,882,792	\$1,544,753	\$766,135	\$778,617	\$24,759,222		\$24,759,222
2009	\$9,711,770	\$7,955,139	\$1,756,631	\$742,777	\$1,013,854	\$23,745,368		\$23,745,368
2010	\$10,004,516	\$8,205,519	\$1,798,997	\$712,261	\$1,086,636	\$22,658,732		\$22,658,732
2011	\$10,306,039	\$8,463,122	\$1,842,906	\$679,762	\$1,163,144	\$21,495,587		\$21,495,587
2012	\$10,616,601	\$8,728,186	\$1,898,415	\$644,868	\$1,243,547	\$20,252,040		\$20,252,040
2013	\$10,936,473	\$9,000,891	\$1,935,582	\$607,561	\$1,328,020	\$18,924,020		\$18,924,020
2014	\$11,265,933	\$9,281,466	\$1,984,468	\$567,721	\$1,416,747	\$17,507,273		\$17,507,273
2015	\$11,605,270	\$9,570,134	\$2,035,135	\$525,218	\$1,509,917	\$15,997,356		\$15,997,356
2016	\$11,954,778	\$9,867,128	\$2,087,650	\$479,921	\$1,607,729	\$14,389,626		\$14,389,626
2017	\$12,314,762	\$10,172,683	\$2,142,079	\$431,689	\$1,710,390	\$12,679,236		\$12,679,236
2018	\$12,685,536	\$10,487,045	\$2,198,491	\$380,377	\$1,818,114	\$10,861,122		\$10,861,122
2019	\$13,067,423	\$10,810,464	\$2,256,959	\$325,834	\$1,931,125	\$8,929,997		\$8,929,997
2020	\$13,460,756	\$11,143,200	\$2,317,556	\$267,900	\$2,049,656	\$6,880,341		\$6,880,341
2021	\$13,865,877	\$11,485,517	\$2,380,360	\$206,410	\$2,173,950	\$4,706,391		\$4,706,391
2022	\$14,283,140	\$11,837,690	\$2,445,450	\$141,192	\$2,304,258	\$2,402,133		\$2,402,133
2023	\$14,712,908	\$12,200,000	\$2,512,908	\$72,064	\$2,402,133	\$0		\$0

\*Interest added to principal during construction



# UNIVERSITY OF ALASKA ANCHORAGE

OFFICE OF THE CHANCELLOR

3211 Providence Drive  
Anchorage, Alaska 99508-8060  
(907) 786-1437 - FAX (907) 786-6123  
AYCHANC

April 24, 1995

Representative Terrence H. Martin  
Alaska State Legislature  
State Capitol Room 502 (MS 3101)  
Juneau, AK 99801-1182

Dear Representative <sup>Terry</sup> Martin:

I am writing on behalf of 15,000 students who attend the University of Alaska Anchorage to urge your full support of a low interest AHFC loan for UAA student housing as contained in HB 309. Each year over 600 students pay a fee to be placed on UAA's housing list, only to be wait-listed. An additional 2000 students have expressed a strong desire to have campus housing available to them.

While UAA will always be a predominantly urban commuter campus, approximately 20 percent of our student body needs campus housing. Without it, non-Anchorage students who wish to enter professional studies such as nursing and dental hygiene, offered only on the Anchorage campus, are denied the opportunity. Anchorage parents of college age students are finding the cost of sending their children to an out-of-state college increasingly prohibitive and would like to send their students to UAA, if UAA provided campus housing and an active student life. Similarly, many students would like to participate in student exchanges, yet until UAA can reciprocate with campus housing as part of the agreement, exchanges will be limited to those students who do not need housing.

Most importantly, the majority of UAA's full-time students do not have much money and need financial help, including access to affordable housing. Because AHFC is in the business of providing low income housing, helping to finance student housing is consistent with its mission. All prior university student housing has been constructed with direct capital grants. UAA is proposing to build a residence hall, not with capital dollars, but with a low interest mortgage. Our financing package includes allowance for full funding of all operations, maintenance, and replacement costs, plus the cost of the student life program. This is an exemplary proposal which warrants state support.

Admittedly, student housing would follow an expanded library and additional faculty on my priority list, but these are all operating dollars which I understand will not be forthcoming. UAA also desperately needs more parking. The proposed residence hall will provide over 700 additional parking spaces and alleviate demand for the spaces located next to the classroom buildings. Also this summer, we will be adding additional parking spaces financed by parking fees, and I will be exploring with the Anchorage Parking Authority the possibility of building a parking garage, perhaps on a joint venture

UNIVERSITY OF ALASKA ANCHORAGE  
Office of the Chancellor

Representative Terrence H. Martin  
April 24, 1995  
Page 2

basis. Thus, I and the students, faculty, staff, and friends of UAA are asking for loan assistance in order to offer our students the same access to campus housing afforded students on the other main campuses. UAA's \$35 million capital request has been pared back to a modest \$5 million to provide for wiring to connect our buildings and offices to the university computer, to open the Mat-Su building, to fix a roof in Valdez, to match a potential contribution from Bob Atwood, and to meet other essential code compliances.

While UAA educates over half of all students pursuing higher education in Alaska, UAA has the fewest number of books per student, the fewest number of full-time faculty per student, the least amount of state dollars per student, the least amount of campus housing per student, and the least amount of office and classroom space per student or faculty. As our representative, we implore you to support our urgent needs and request. We are willing to finance most of our housing requirements, but we need your help and AHFC's for this to happen. We are in full support of proposals to meet the urgent deferred maintenance needs of the university, three-fourths of which are on the UAF campus, and urge your support of these as Anchorage priority projects as well.

Finally, I also urge your support on the retirement incentive program contained in HB 270 and SB 137. I estimate that UAA would save, on average, almost \$22,000 per retiring faculty member. While an entry-level faculty member will not be hired in every instance, this significant saving would help offset the loss in state general funds and enable me to preserve course offerings needed by UAA students, which may otherwise be cut.

I appreciate your interest in and support of UAA. Please feel free to call me with any questions or concerns you may have.

Sincerely,



Edward Lee Gorsuch  
Chancellor

# Smart thinking

## *UAA seeks housing loan*

The University of Alaska Anchorage is offering state lawmakers a heck of a deal. Instead of coming begging for millions of dollars in cash handouts to build a big new dormitory, UAA would like to pursue an innovative, low-cost way to triple its miniscule supply of student housing.

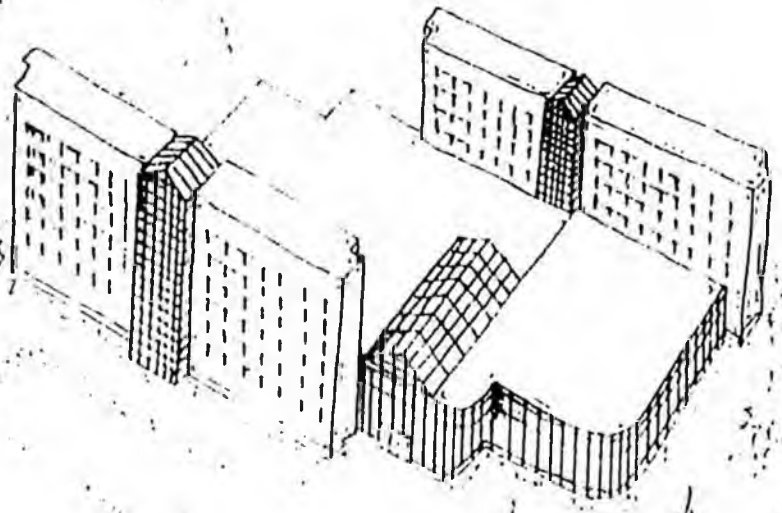
UAA wants Alaska Housing Finance Corp. to underwrite a new dorm with a loan of roughly \$30 million at 3 percent. Through fees, UAA would cover all the costs of running the place, except for the interest break on the loan. Student rents would generate enough money for the loan payments, operations and maintenance, resident assistants to keep an eye on the building and a sinking fund for repairs and replacement.

The loan subsidy would cost the housing agency perhaps \$1 million a year, according to a rough guess by UAA Chancellor Lee Gorsuch.

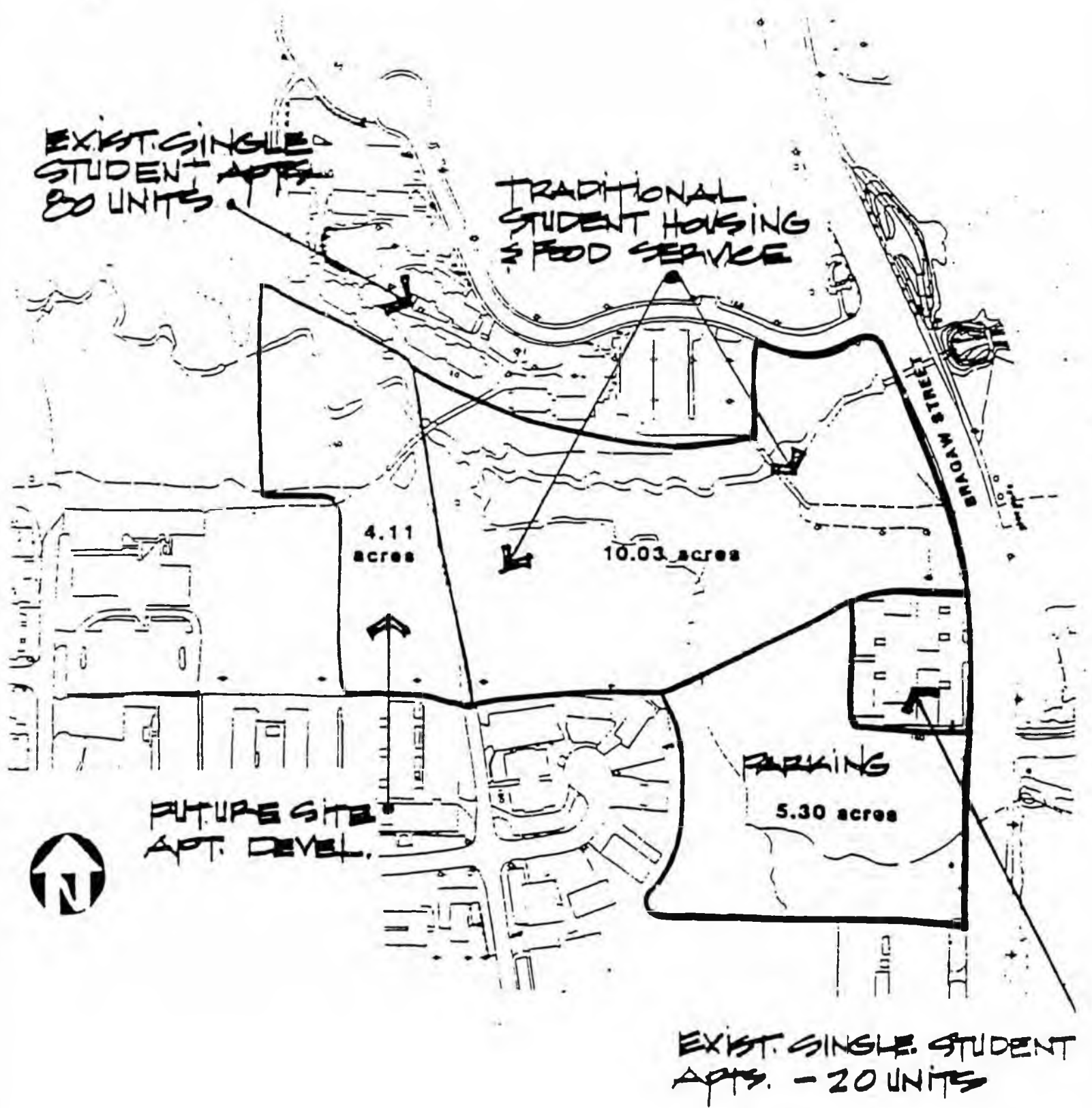
That's not much when compared to AHFC's \$1.7 billion of assets and spendable income of around \$100 million a year. But AHFC's big bank accounts have drawn the greedy eye of legislators, who already have raided them to pay for nonhousing items in the regular budget. Even though UAA's request falls squarely within the housing agency's main mission, it faces tough competition.

Right now, UAA has room for only 388 residential students. More than 700 students who want on-campus housing get turned away every year. They're left with less time for studies as they hassle with driving back and forth and try to catch meals on the fly. The lack of student housing makes their transition to college life more difficult.

UAA is trying to grow from being a community college and commuter school into a mature urban university. If the financing for the new dorm can be worked out, UAA would move closer to becoming a solid, full-service educational institution.



# STUDENT HOUSING DEVELOPMENT





The White House  
Conference on Small Business

Foundation for a New Century

RESOLUTION SUPPORTING UAA HOUSING

WHEREAS the University of Alaska Anchorage (UAA) is currently a commuter campus due to the lack of University housing on campus; and

WHEREAS there are only 400 rooms available on-campus with a current established need for 3000 rooms; and

WHEREAS the establishment of a campus life at the UAA would increase UAA's enrollment; and

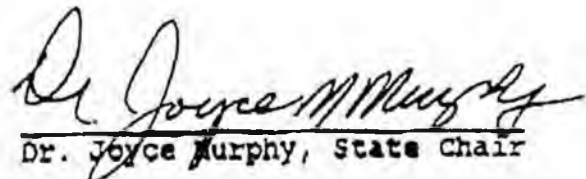
WHEREAS this increased enrollment is likely to represent more traditionally aged college students coming from Alaska communities; and

WHEREAS these additional students will certainly support small businesses in Anchorage, will be more likely to remain in the state to complete their higher education and will provide a more knowledgeable, educated work force for Alaska businesses;

NOW THEREFORE BE IT RESOLVED that the Alaska delegation of the White House Conference on Small Business supports legislative authorization for Alaska Housing Finance Corporation (AHFC) to issue a bond in the amount of \$31,300,000 at 3% interest for the construction of a 600 bed residence hall with food service at the University of Alaska Anchorage; and

BE IT FURTHER RESOLVED that the Alaska delegation urges the Alaska House of Representatives and the Alaska Senate to pass House Bill 309 prior to adjournment of this session.

PASSED this 26th day of April, 1995.

  
Dr. Joyce Murphy, State Chair