

HB

309

HOUSE COMMITTEE REPORT

(7)

Date Referred: April 13, 1995

FURTHER REFERRALS:

Finance

Date of Committee Action: 4/20/95

The HEALTH, EDUCATION AND SOCIAL SERVICES 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 _____ 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) University

fiscal note(s) _____

zero fiscal note(s) _____

zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>Wendy Kately</i>				X
<i>Tom Dyer</i>			✓	
<i>Carla Buehler</i>			✓	
<i>Carol Ann Johnson</i>	✓			
<i>Tom Dyer</i>			✓	
<i>Tom Dyer</i>				X

CHAIR'S SIGNATURE

Carla Buehler

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 15 465-3783
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.



**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 5% 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.

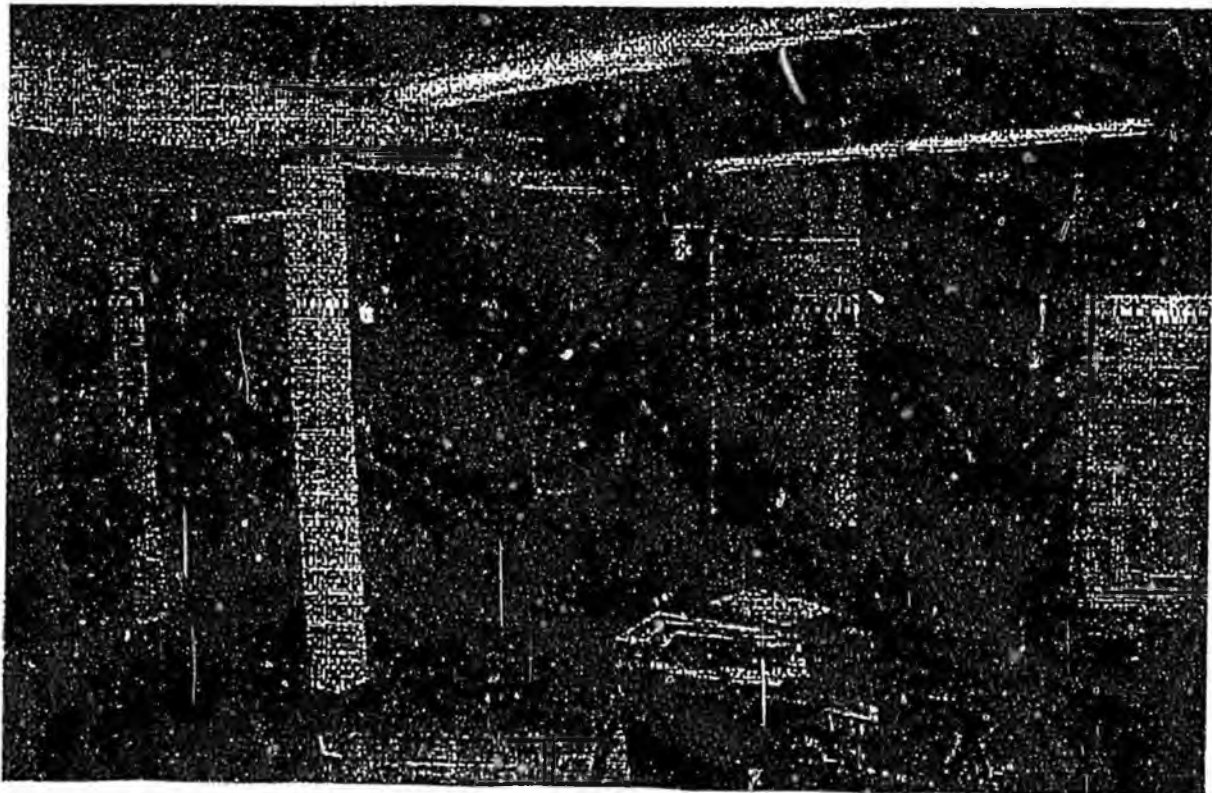
PROJECT SCHEDULE:

It is the intent of the corporation and campus to have housing for the 1996-97 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
(Incl 'ding utility hookups and parking)	<u> </u>
	\$733,000

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

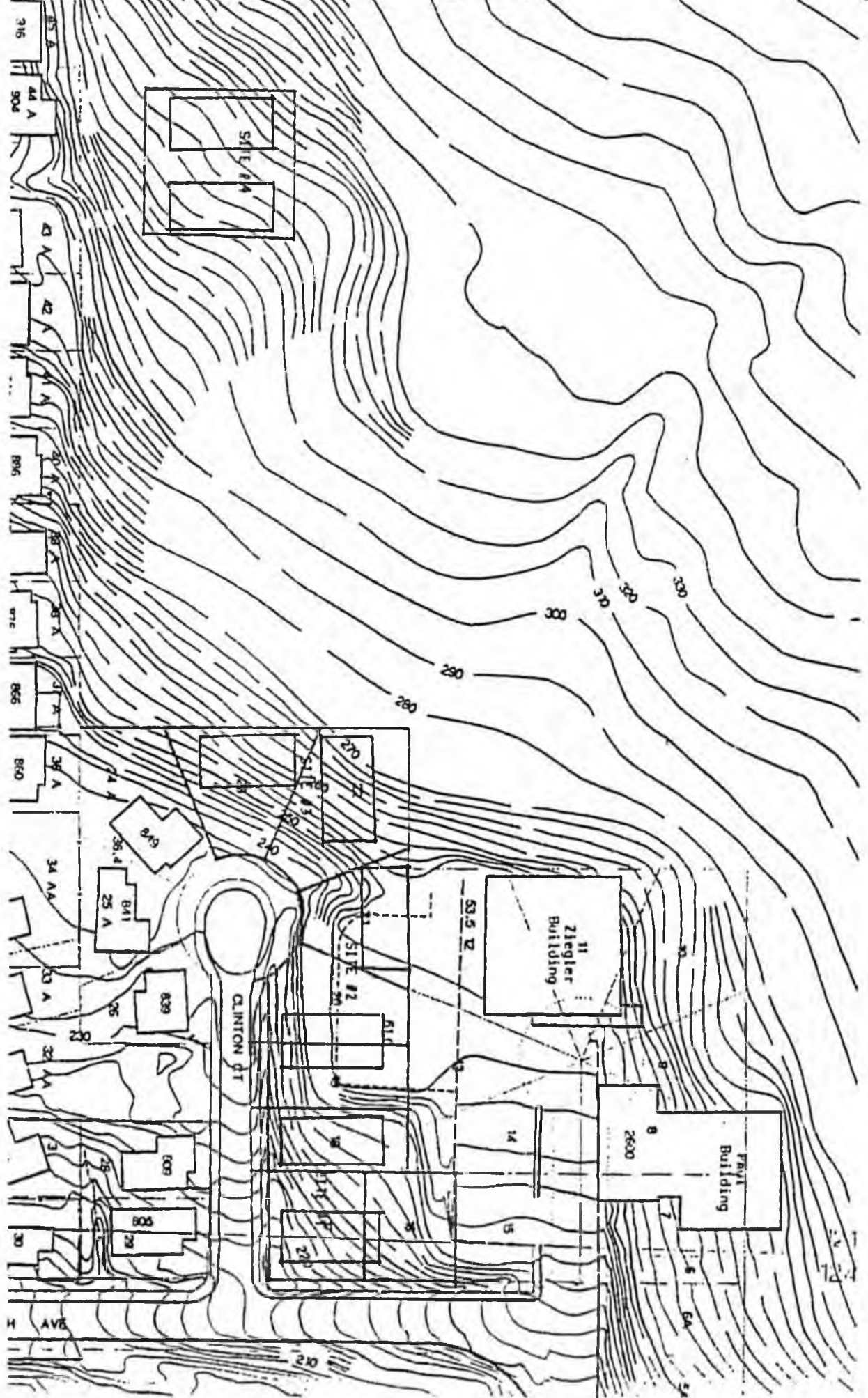
EQUIPMENT:	\$ 20,000
(Furnishing of Dormitory and two apartments)	

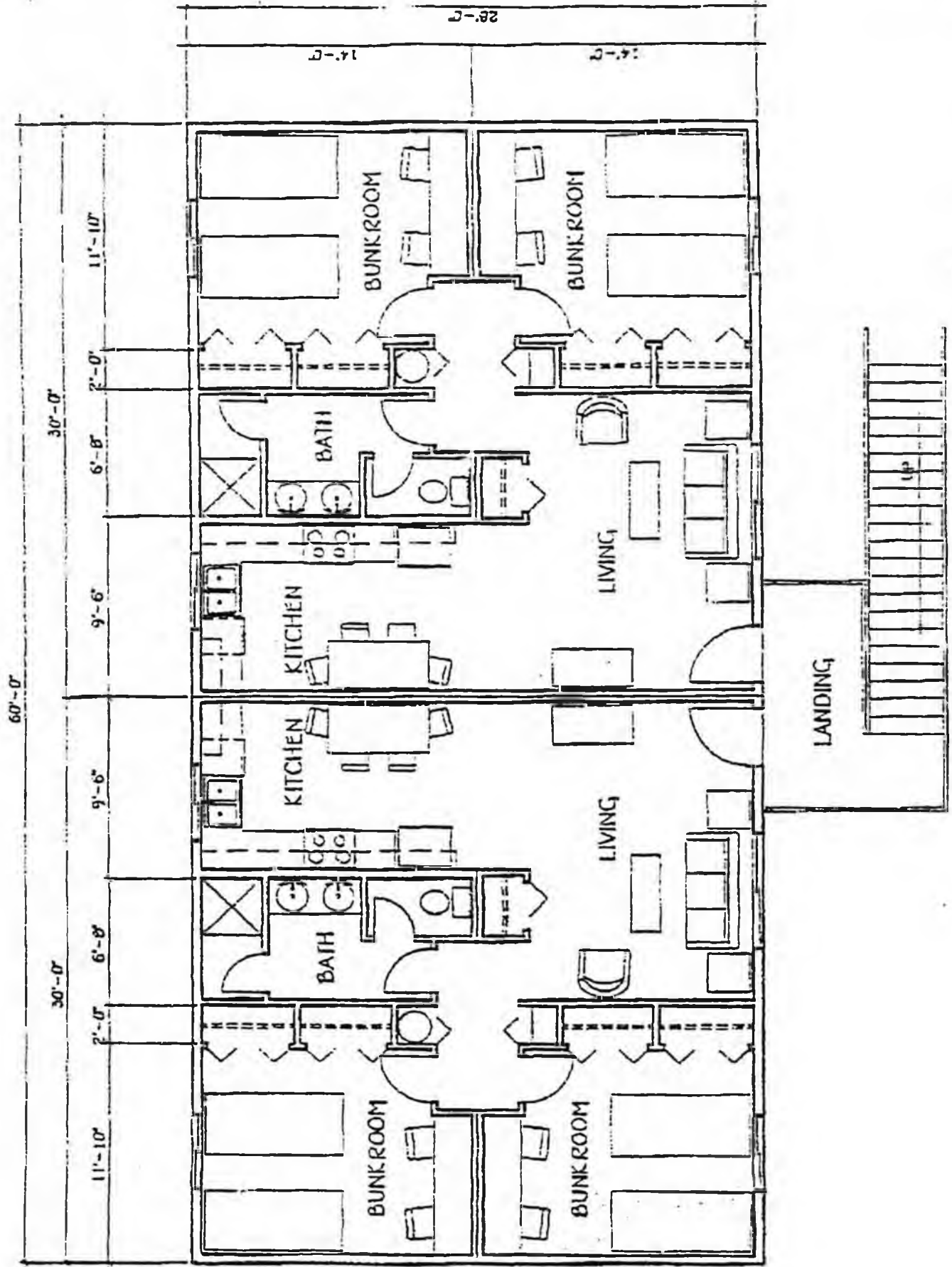
PROJECTED ANNUALIZED REVENUES:

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

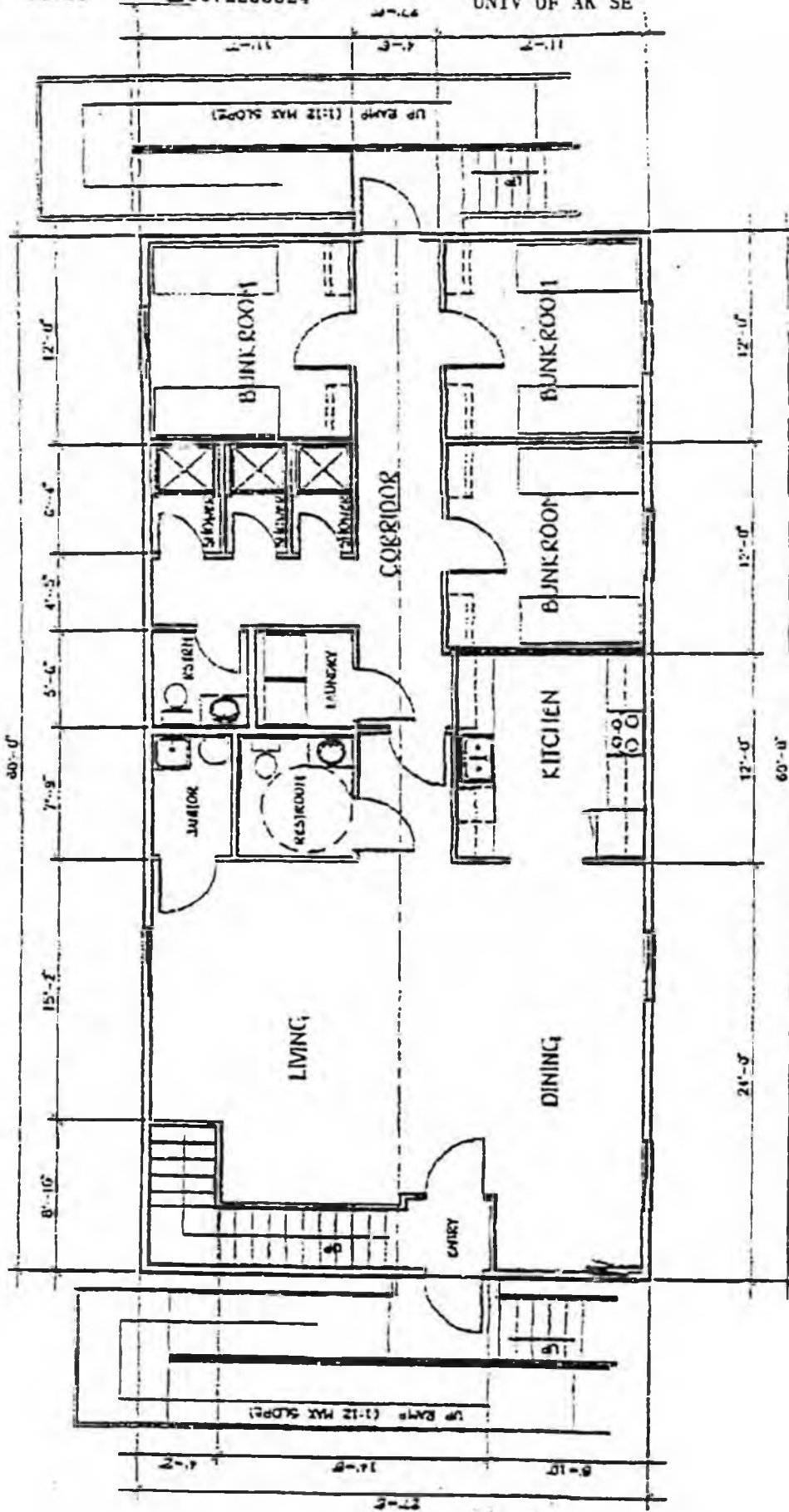
PROJECTED ANNUALIZED EXPENDITUES:

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> </u>
	\$91,330





PROPOSED FLOOR PLAN
 28' X 60' TWO STORY APARTMENT BUILDING



FIRST FLOOR PLAN
NOT TO SCALE

Affordability Index

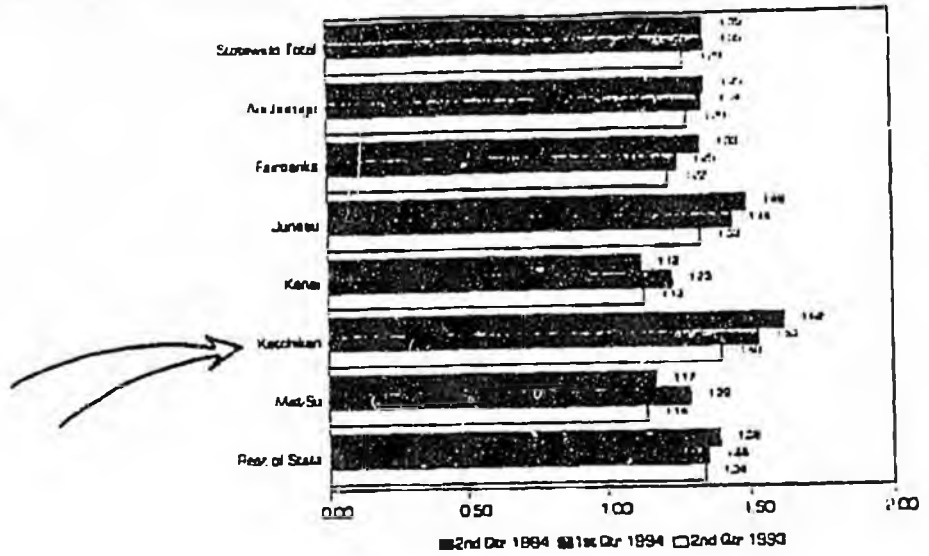
Single-Family Residences, Private and Public Agency Lenders

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 8.5% mortgage. The 1st Quarter 1994's data is preliminary.

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



Average Sales Price

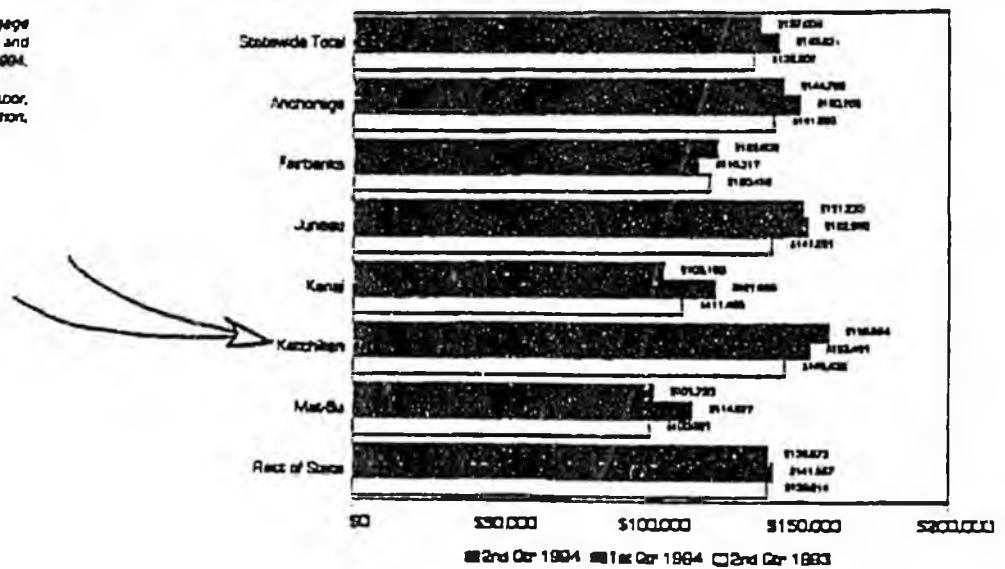
Single-Family Homes

2nd Qtr 1994 vs Previous Qtr and a year ago

Figure 1-1

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

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



Housing crisis must be addressed

Alaska 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 Roderick of the Roderick Institute of Leadership Skills of Tacoma, Wash., will lead the workshop. The following article is part of a series of pieces written by Ketchikan leaders beginning the thought and debate process in preparation for the workshop. Anyone with 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 Jacksonville Association study. The high cost of housing contributes to the difficulty of finding and retaining employees. Significant economic stress 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 camped in doorway shacks, 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 found. The demand for housing exceeds the supply by 400 to 600 units at this time. New home prices start at approximately \$135,000 with three-bedroom, two-bath executive homes having an average value of \$205,000. Single family rentals range from \$800 to \$1,500 per month for two- to three-bedroom units. Two- and three-bedroom apartments typically rent from \$750 to \$1,200 per month. Housing expense is the largest single item on family budgets in Ketchikan.

Rent rates have increased the rent 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 31.1 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 income. Many of these service sector jobs produce annual incomes below the poverty level. This trend appears unstoppable, 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 make 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 entitlement 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 reason 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 price 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 aggravate the problem. The preponderance of single-family construction is built on 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. Concerted 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 social problems impacting 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) 886-6332
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.

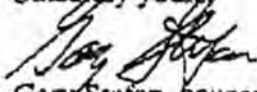
Dear Karen:

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
Total Project Costs	4.200 Mil	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
Housing Summary					
Total Revenues	\$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
Total Expenditures	\$608,118	\$713,533	\$776,147	\$807,305	\$849,158
Net Surplus Available for Debt Repayment	\$66,008	\$223,173	\$230,810	\$229,860	\$219,125
Food Service Summary					
Total Revenues	\$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
Total Expenditures	\$182,833	\$429,143	\$433,434	\$437,769	\$442,146
Net Surplus Available for Debt Repayment	\$21,887	\$51,883	\$52,402	\$52,926	\$53,455
Combined Housing/Food Svc					
Net Surplus Available for Debt Repayment	\$87,895	\$275,056	\$283,212	\$282,786	\$272,581

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

	Fiscal Year 2001	Fiscal Year 2002	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005
Housing Summary					
Total Revenues	\$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
Total Expenditures	\$902,242	\$936,769	\$972,307	\$1,008,885	\$1,046,527
Net Surplus Available for Debt Repayment	\$198,089	\$196,570	\$195,031	\$193,474	\$191,902
Food Service Summary					
Total Revenues	\$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
Total Expenditures	\$446,568	\$451,034	\$455,541	\$460,099	\$464,700
Net Surplus Available for Debt Repayment	\$53,990	\$54,530	\$55,075	\$55,626	\$56,182
Combined Housing/Food Svc					
Net Surplus Available for Debt Repayment	\$252,079	\$251,100	\$250,105	\$249,100	\$248,084

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

	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010
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Housing Summary

Total Revenues	\$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
Total Expenditures	\$1,085,265	\$1,125,125	\$1,166,141	\$1,208,340	\$1,251,757

Net Surplus Available for Debt Repayment	\$190,318	\$188,725	\$187,125	\$185,524	\$183,923
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Food Service Summary

Total Revenues	\$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
Total Expenditures	\$469,347	\$474,041	\$478,781	\$483,569	\$488,405

Net Surplus Available for Debt Repayment	\$56,744	\$57,311	\$57,884	\$58,463	\$59,048
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Combined Housing/Food Svc

Net Surplus Available for Debt Repayment	\$247,062	\$246,036	\$245,009	\$243,987	\$242,971
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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
Housing Summary					
Total Revenues	\$1,478,750	\$1,523,113	\$1,568,806	\$1,615,870	\$1,664,346
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
Total Expenditures	\$1,296,422	\$1,342,370	\$1,389,634	\$1,438,250	\$1,488,255
Net Surplus Available for Debt Repayment	\$182,328	\$180,743	\$179,172	\$177,620	\$176,091

Food Service Summary					
Total Revenues	\$552,927	\$558,456	\$564,041	\$569,681	\$575,378
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
Total Expenditures	\$493,289	\$498,222	\$503,204	\$508,236	\$513,318
Net Surplus Available for Debt Repayment	\$59,638	\$60,235	\$60,837	\$61,445	\$62,060

Combined Housing/Food Svc					
Net Surplus Available for Debt Repayment	\$241,966	\$240,978	\$240,008	\$239,065	\$238,150

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

	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020
Housing Summary					
Total Revenues	\$1,714,277	\$1,765,705	\$1,818,676	\$1,873,236	\$1,929,434
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
Total Expenditures	\$1,539,685	\$1,592,577	\$1,646,972	\$1,702,909	\$1,760,431
Net Surplus Available for Debt Repayment	\$174,592	\$173,128	\$171,704	\$170,327	\$169,003

Food Service Summary					
Total Revenues	\$581,132	\$586,943	\$592,813	\$598,741	\$604,728
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
Total Expenditures	\$518,451	\$523,636	\$528,872	\$534,161	\$539,503
Net Surplus Available for Debt Repayment	\$62,680	\$63,307	\$63,940	\$64,580	\$65,225

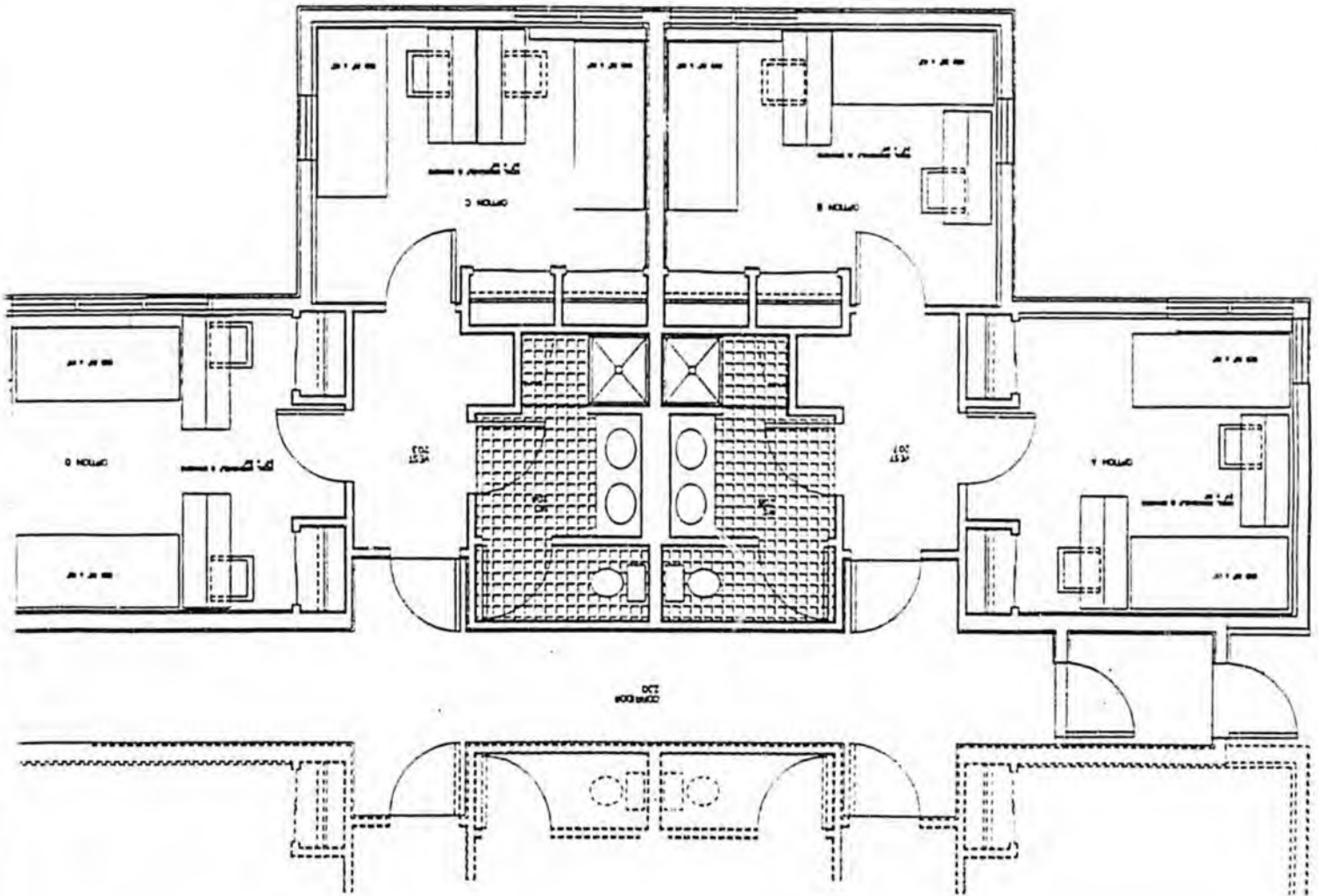
Combined Housing/Food Svc					
Net Surplus Available for Debt Repayment	\$237,272	\$236,435	\$235,644	\$234,907	\$234,229



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

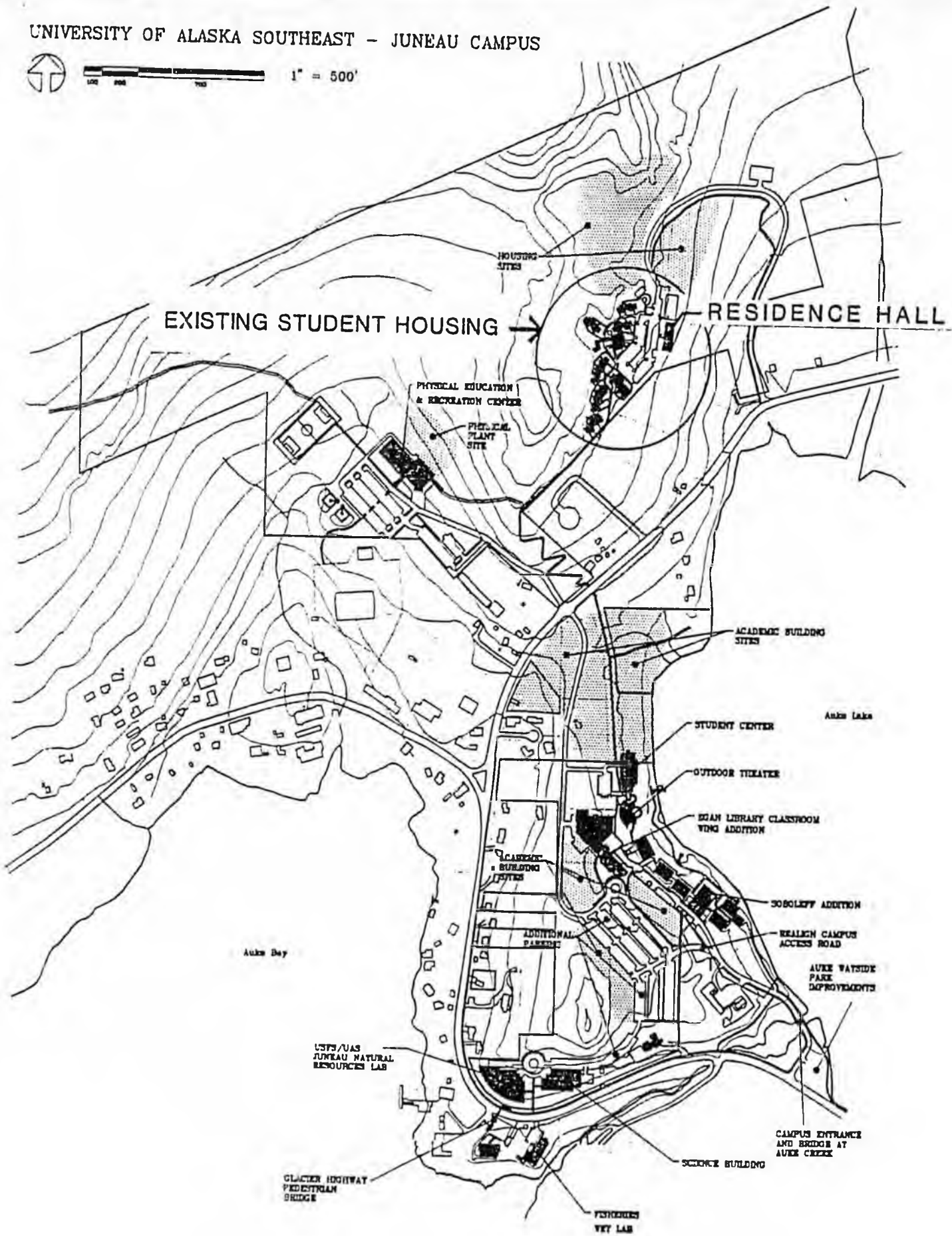
Engineering and architectural design of the facility will be completed in September, 1994, and the project will be released to bidders in May, 1995. Funding of the state supported portion of the project budget is expected in July, 1995, and construction will begin immediately. The facility will be ready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

October 4, 1994

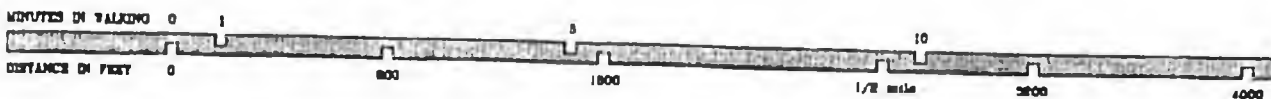
UNIVERSITY OF ALASKA SOUTHEAST - JUNEAU CAMPUS

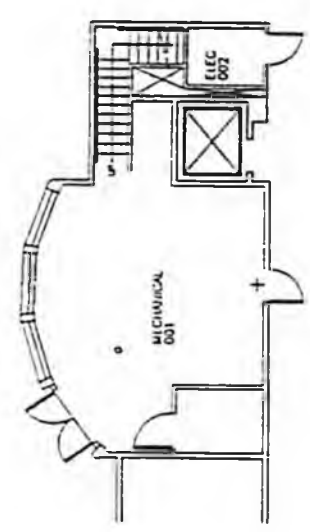
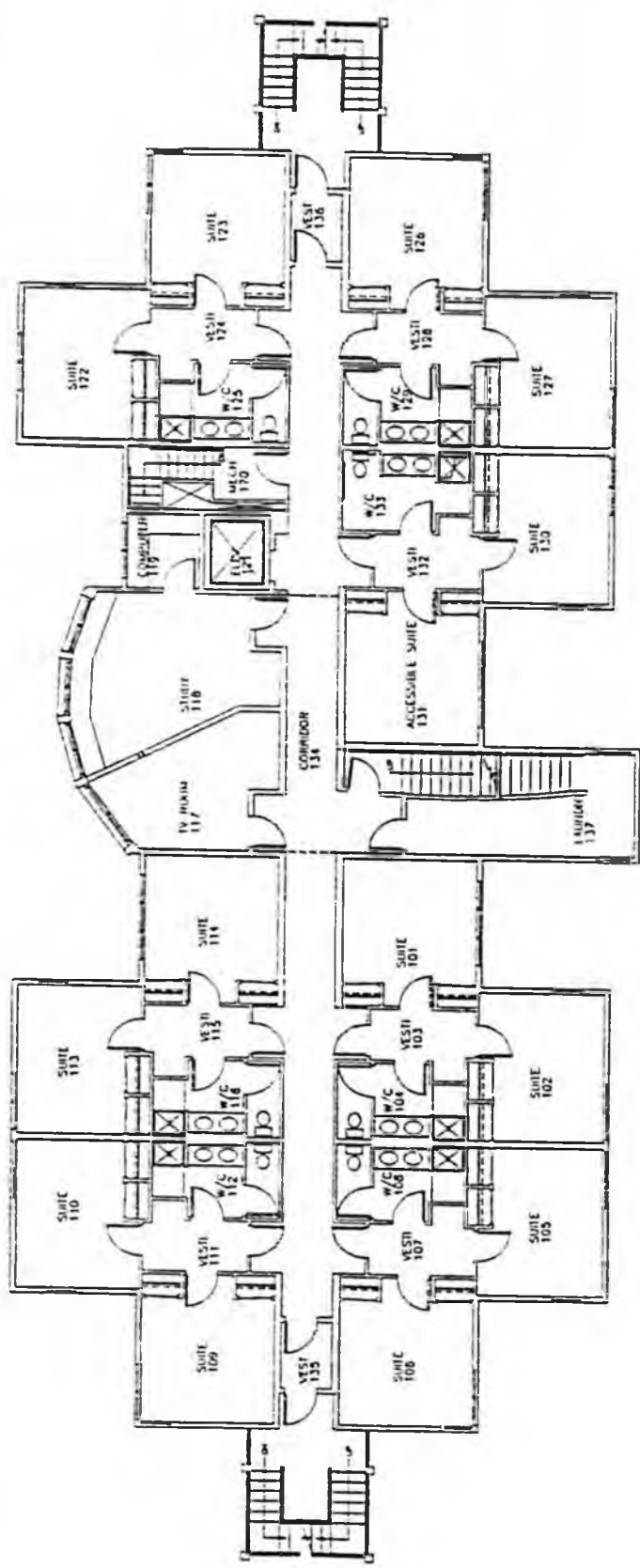


1" = 500'



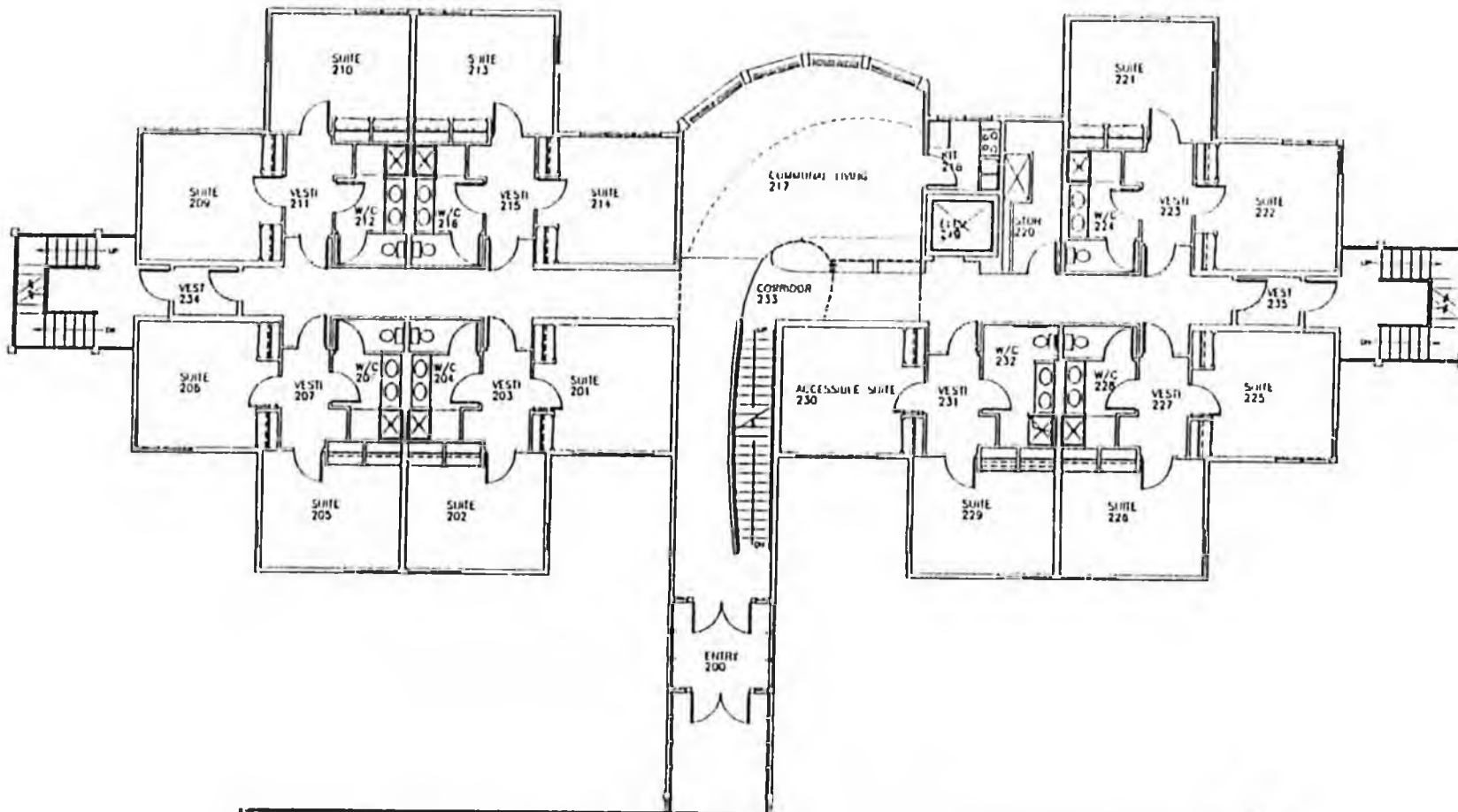
PROPOSED FACILITIES
LONG RANGE DEVELOPMENT SITES





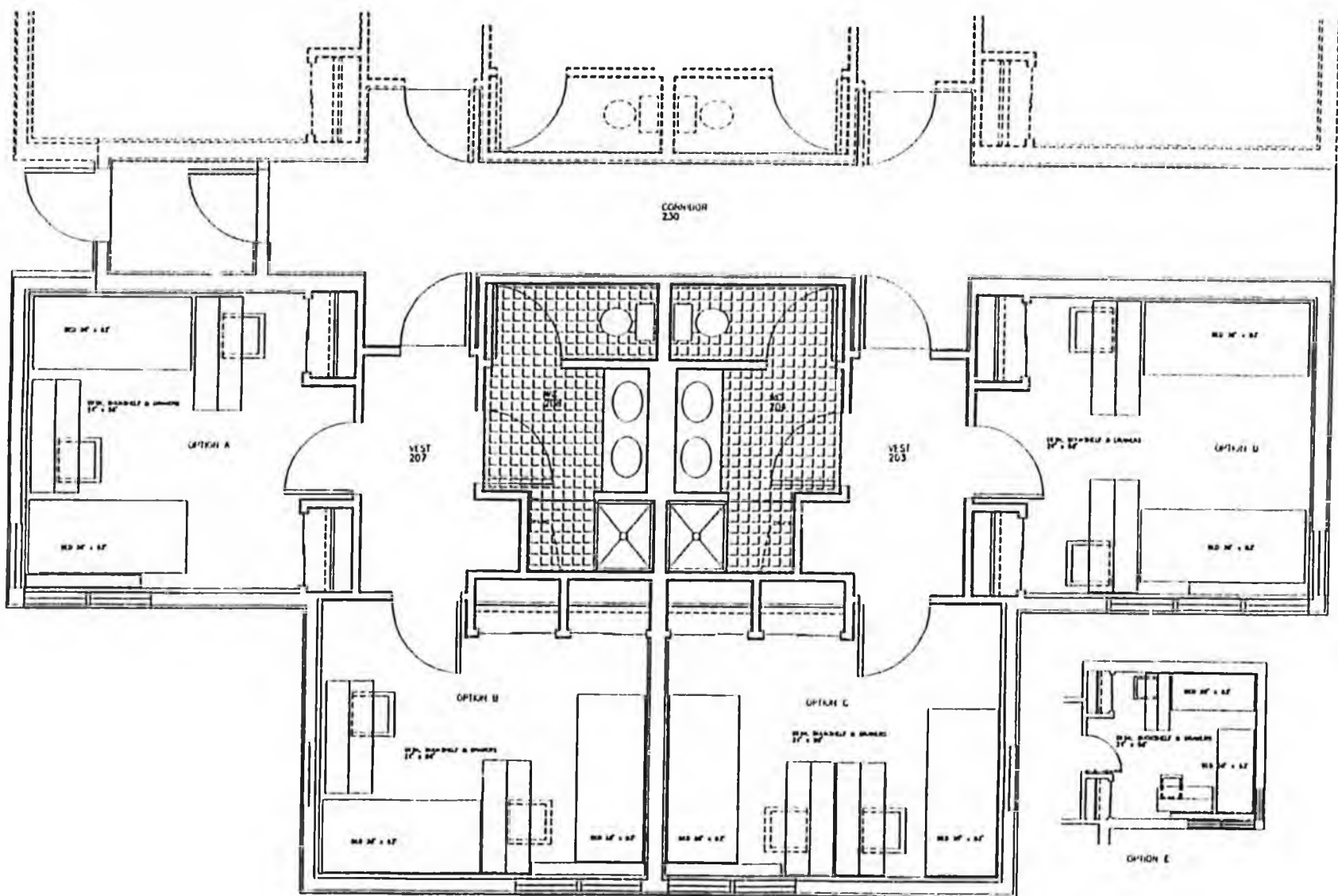
UNIVERSITY OF ALASKA, SOUTHEAST
STUDENT RESIDENCE HALL

at floor



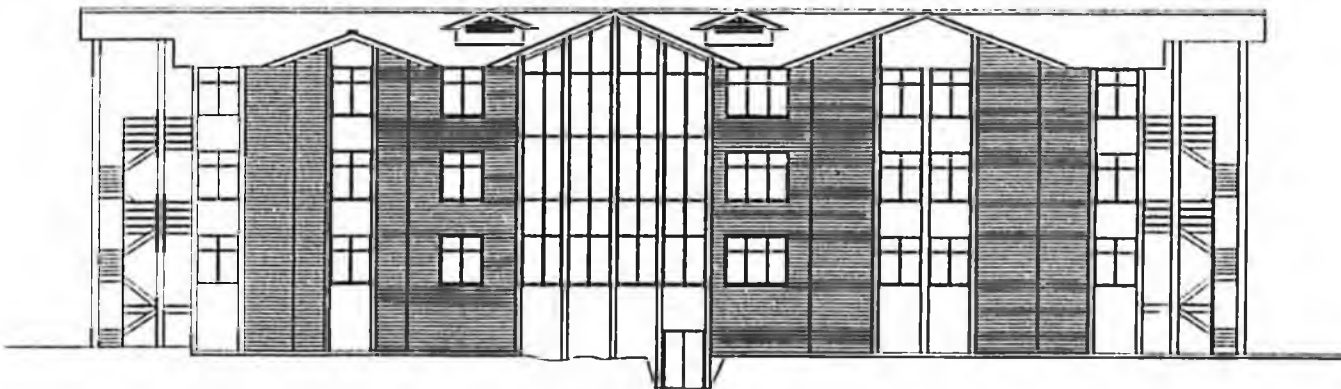
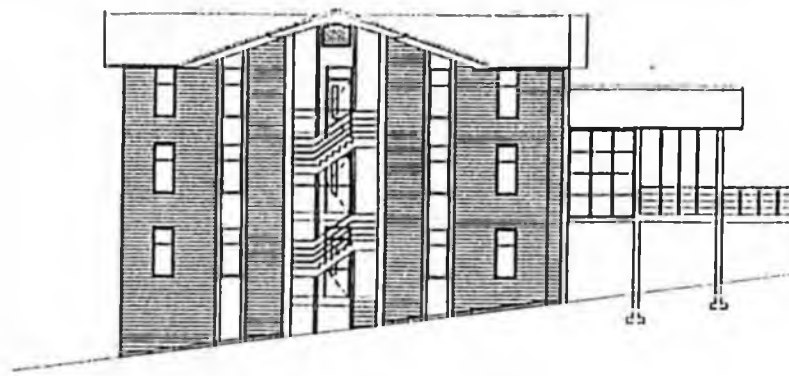
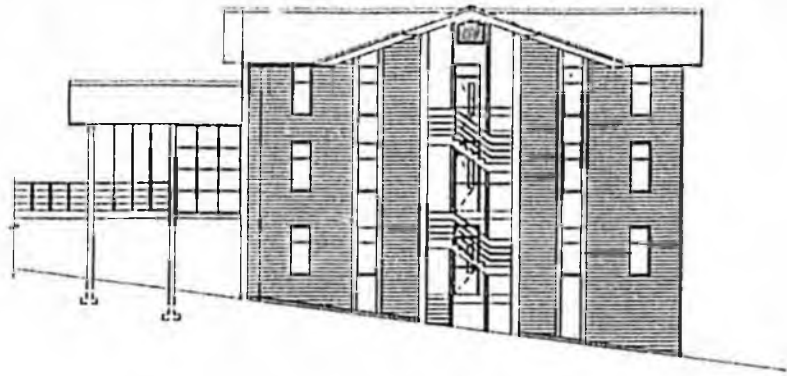
UNIVERSITY OF ALASKA, SOUTHEAST
 STUDENT RESIDENCE HALL

2nd floor



UNIVERSITY OF ALASKA, SOUTHEAST
 STUDENT RESIDENCE HALL

Typical
 Suite Plan



UNIVERSITY OF ALASKA, SOUTHEAST
STUDENT RESIDENCE HALL

Elevations

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. HB309

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	8,483.6	8,728.7	8,981.5	9,239.7
TOTAL OPERATING	970.2	1,689.1	8,483.6	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)						
1002 FEDERAL FUNDS						
1003 GF MATCH						
1004 GENERAL FUND						
1006 GF/MHTIA						
OTHER	970.2	1,689.1	8,483.6	8,728.7	8,981.5	9,239.7
TOTAL FUNDING	970.2	1,689.1	8,483.6	8,728.7	8,981.5	9,239.7

POSITIONS:						
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

Phone: 463-3086

Division: Statewide Budget Office

Date: 4/21/95

Approved by: Marylou Burton, Director

Agency: Statewide Budget Office

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	\$1,382,559	\$7,382,559
1997				\$180,000		\$28,980,000	\$1,270,587	\$30,250,587
1998	\$6,899,472	\$5,359,783	\$1,539,689	\$869,400	\$670,289	\$28,309,711	\$1,173,281	\$29,482,992
1999	\$7,109,426	\$5,846,750	\$1,462,677	\$849,291	\$613,385	\$27,696,326	\$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	\$7,547,368	\$6,246,579	\$1,300,787	\$814,300	\$486,487	\$26,656,846	\$846,172	\$27,503,019
2002	\$7,775,211	\$6,559,898	\$1,215,313	\$789,705	\$415,608	\$26,241,238	\$724,250	\$26,965,489
2003	\$8,009,889	\$6,784,932	\$1,244,957	\$787,237	\$457,720	\$25,783,518	\$595,257	\$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	\$8,500,569	\$7,193,033	\$1,307,536	\$758,440	\$549,096	\$24,732,249	\$314,391	\$25,046,640
2006	\$8,756,998	\$7,416,426	\$1,340,572	\$741,987	\$598,605	\$24,133,644	\$181,826	\$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	\$22,776,845		\$22,776,845
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	\$1,656,421	\$655,261	\$1,001,160	\$20,840,886		\$20,840,886
2011	\$10,159,185	\$8,463,133	\$1,698,053	\$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	\$11,105,462	\$9,281,466	\$1,823,997	\$522,150	\$1,301,847	\$16,103,155		\$16,103,155
2015	\$11,439,985	\$9,570,134	\$1,869,851	\$483,095	\$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	\$11,670,870		\$11,670,870
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	\$10,810,464	\$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	\$6,353,413		\$6,353,413
2021	\$13,668,518	\$11,485,517	\$2,183,001	\$190,602	\$1,992,399	\$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	\$2,236,040	\$13,633		\$13,633
2024	\$14,939,898	\$12,572,736	\$2,367,161	\$409	\$13,633	\$0		\$0

3/27/95



Alaska State Legislature

House of Representatives
 COMMITTEE ON HEALTH, EDUCATION
 AND SOCIAL SERVICES

PLEASE! FILL
 IN ALL REQUESTED
 INFORMATION!

SUBJECT OF MEETING:
 HB 309: Approve U of A
 debt for student
 housing.

DATE: APRIL 20

PLACE: Capitol Room 106

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
Marshall Lind	UAS	11120 Glacier Hwy Juneau	99801			(Y) N	
Bruce Gifford	UAS	11120 Glacier Hwy	99801			Y (N)	
Dan Fausch/Bill Howe	AHFC/Revis	Anchorage AK				(Y) N	
Wendy Redman	AHFC	Uog A				(Y) N	
Jack Dalton	UAA	Anchorage, AK	99508		786-1207	(X) (N)	
Heath Hilgord	ASURF	ASURF c/o Wood Center UAF - Fairbanks AK	99775		474-6036	(Y) N	
						Y N	
	AHFC					Y N	
						Y N	
						Y N	
						Y N	