

LEG. FINANCE - BILLS 1975 - 1976 548
SB 285 cont., thru SB 288

POSITION PAPER
ON
SENATE BILL 285

This bill supplements by \$40,050 a current contract with the Anchorage Retarded Citizens Association (ARCA) for the current year (1974-75).

ARCA has provided a high quality of rehabilitation services to mentally retarded citizens for several years. These services substantially assist mentally retarded citizens in their effort to achieve as normal and as productive a life as possible. This program was funded in prior years through Title IV-A and XVI funds from the Division of Family and Children Services.

The amount of the 1973-74 contract was over 200,000 for approximately 55 clients. Early in the 1974-75 year, it was found that the Division of Vocational Rehabilitation (DVR) in the Department of Education was able to fund services for more than they had in 1973-74. Because of DVR's capability for an increased level of funding for 1974-75, the Department of Health and Social Services (DHSS) was able to reduce its level of expenditures for 1974-75 commensurate with the increase by DVR. As a result, the figure of \$58,000 for 1974-75 was determined to be an equitable amount by DHSS. Subsequently, it was learned that ARCA has misjudged its needs for 1974-75 by \$40,050 claiming that even with the increase in DVR funds, a maintenance budget for 1974-75 would necessitate a contract for \$98,050 rather than \$58,000 (shortfall of \$40,050). By that time DHSS had committed all funds and was unable to increase from DFCS to DEH and the Title IV-A and XVI reimbursement was dropped (i.e., the \$58,000 for 1974-75 comes from the general fund).

Even though the need for an additional \$40,050 for 1974-75 is recognized, the Governor's budget does not include an equal amount to be carried over into 1975-76. It is possible that federal Vocational Education funds can be used during 1975-76 to offset the 1975-76 costs. This depends on the availability of funds in the Department of Education and a pending interpretation on the use of Vocational Education funds by Region X.

The Department recommends approval of this bill.

Recommended by:

David L. Johnson, Director
(Director)

4-3-75
(date)

Approval by:

David Johnson
for Commissioner Williamson

4/10/75
(date)

Comments by Governor's Office:

By: _____

(date)

Introduced: 3/18/75
Referred: Finance

1 IN THE SENATE

BY CHANCE, BRADLEY, COLLETTA, CROFT,
RADER, RODEY AND WILLIS

2 SENATE BILL NO. 285

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the
7 Department of Health and Social Services, Alaska
8 Retarded Citizens Association work activities center;
9 and providing for an effective date."

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

11 * Section 1. The sum of \$40,500 is appropriated from the general fund to
12 the Department of Health and Social Services for operating expenses for the
13 sheltered and work activities center; Alaska Retarded Citizens Association.

14 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
15 070(c).

17
18
19 *① Sec. 1 - \$6,350 - (An)*

21
22 *② Sec. 2 - \$850,000 - 1 to Rehab. Assn, Inc.
23 pursuant to*

25
26 *③ Sec. 3 - \$654,000 - for contract
27 to operate Kofachue Place
28 Home*

29
④ - Change Title.

File

February 10, 1976

Mr. Lowell Schwartz, Coordinator
Health Facilities Development
Office of Comprehensive Health Planning
Pouch H
Juneau, Alaska 99801

Dear Mr. Schwartz:

We are hereby requesting a second construction advance in the amount of \$20,000.00. Following is a report on expenditures to date:

	<u>New Chalet</u>	
	Engineering Fees	\$ 4,420.00
	Architectural Fees	14,195.90
	<u>Sunrise</u>	
	Sprinkler installation - 90%	9,953.00
Hop	<u>Hop Park</u>	
	Smoke detector system	398.00
	<u>General</u>	
	Bank Charges	51.33
	Total Expenditures	\$ 29,029.25
	Original Advance Amount	<u>-30,000.00</u>
	Balance	\$ 970.75

Against this balance of \$970.75 we have outstanding invoices as follows:

	<u>New Chalet</u>	
	Architectural Fees	\$ 14,760.80
	<u>Sunrise</u>	
	Sprinkler installation - 10%	1,217.00
		<u>\$ 15,977.80</u>
		\$ 15,977.80

Your assistance will be appreciated.

Yours truly,

Raymond L. Kent, Executive Director

WRITTEN TESTIMONY BY HOPE COTTAGE

IN SUPPORT OF

SENATE BILL 635

Since the intent of Senate Bill 635 is to provide Hope Cottage with reimbursement for debt that has accrued over a substantial period of time as a result of a program which should have been adequately funded by the State of Alaska from its inception, this will be an attempt to collate the facts as they occurred so that you might be apprised of what caused the situation, as well as what is recommended for solution.

Hope Cottage initiated the Program presently known as Hope Cottage's Program "C" in February, 1971. The program was initiated at the request of Mr. James Doak, who was then the Coordinator for Developmental Disabilities for the State of Alaska. His request was motivated by the fact that Chugach Rehab Industries, a workshop activity center operating at that time, was closing. This facility provided housing for the adults they employed, or who were involved in the activity center there. Following the closing of that facility, the Association for Retarded Citizens took over the function of the workshop and activity center and renamed the facility Rehab Industries. Hope Cottage was requested to provide housing since the Association for Retarded Children did not provide this kind of service and there was substantial need for at least ten people who were then residents of Chugach Rehab Industries, while being employed by the workshop. Therefore, in February of 1971, Hope Cottage purchased a building presently known as Hope Chalet and began providing housing for ten adults. The State was then approached for funding, and a contract proposal was submitted to

Mr. Stan Harris, who was then Director of the Division of Family and Children's Services. Mr. Stan Harris responded by saying that the State Department of Health & Social Services did not have any money to fund a program that was starting in mid-year, and suggested that Hope Cottage fund the program in order to justify its need until the end of the fiscal year, at which time Stan indicated, the State would consider it for funding. Following the format normally used for AS 47.40, and at the suggestion of Mr. Stan Harris, Hope Cottage revised its contract application, and resubmitted it to be effective June 30, 1971, for a 12-month period in order to establish eligibility for AS 47.40 (full-cost-of-care) funding. This proposal was rejected by the State and further negotiations were conducted with the then-Commissioner Frederick McGinnis. Dr. McGinnis also refused to fund the program; ~~however by this time a substantial~~ waiting list had developed and, if Hope Cottage was going to continue to be responsive to the need, it would have been necessary to relocate in order to accept some twenty additional referrals to the program made during the time period previously mentioned. This information was passed on to Commissioner McGinnis and another request was made for funding the adult program at a new location.

This new location is the present site of the facility, 2805 Bering Street. The move was effected in August of 1972, at which time the program expanded from ten residents to 36 residents. Again, funding was requested and denied. Hope Cottage operated the program from February 6, 1971, through the end of that fiscal year, June 30, 1971, and was told then that funding could not be considered

until the following year, because one-year experience had to be established in order to justify rate structure for full-cost-of-care funding.

On June 30, 1972, a full seventeen months from the date of its starting, a new budget and contract proposal were submitted to Commissioner McGinnis, and again rejected, using the statement that adult programs did not qualify for full-cost-of-care funding and there were no funds in the budget to write a contract. This information was relayed to the Hope Cottage Board of Directors, who again voted to continue the program for another year and also for Hope to continue the attempt to find alternative funding sources.

The problem was bandied back and forth for some time after that, and finally on July 1, 1974, a minor breakthrough occurred and we were able to write a contract for ten people in what was identified as Hope Cottage's Program "D", or the New Adult Program. This was a new concept of care for adults that would be housed in small groups in individual, leased apartments in the community. It reduced the size of the original program substantially, and shortly after the initial period of negotiation, the program was expanded to twenty individuals. Shortly after July 1, 1974, Hope ended up with twenty people of the original group of thirty-six, which had by then been reduced to thirty, funded and ten people still not funded. On January 1, 1975, we were successful in getting a contract for the remaining ten people.

For approximately four years, Hope Cottage has been totally supporting a program that should have been the responsibility of the State Department of Health and Social Services. I might add that, if the staff of the Department hadn't changed, probably the

people the State would normally have to provide services for in some form or other, i.e. at A.P.I. or Harborview Memorial Hospital. They are all in need of out-of-home support or maintenance care services. Hope Cottage exists simply to provide services for the State of Alaska to the Developmentally Disabled people who the State is not able to serve because of the lack of adequate State facilities. All facilities exist because of an expressed need by the State Department of Health and Social Services, and an agreement to contract with Hope Cottage to provide these services. Hope Cottage has since 1970 invested approximately \$100,000.00 annually via fund-raising activities into these programs, and will continue to do so. However, if we are going to be successful in providing services for those people for whom the State has determined that services are necessary, then it must be able to recover any losses in excess of that \$100,000.00 ~~in order to remain solvent and to~~ stay a viable resource.

As a result of the policy of supporting the Adult Programs "C" and "D", Hope Cottage finds itself in debt for approximately \$100,000, with no resources for the recovery of that amount of money other than this Senate Bill 635. We feel that the documentation attached is adequate for the purposes of securing this reimbursement. The budget pages you have, with the disbursements, are those excerpts from proposals submitted to the State Department of Health and Social Services on the dates indicated at the top of the page. Hope Cottage believes that during this time period the State was very remiss in its acceptance of its obligations to provide services to those residents of the state who are so handicapped as to require them. Hope Cottage also feels that the State Administration has

CORRECTION

THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY

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The problem was bandied back and forth for some time after that, and finally on July 1, 1974, a minor breakthrough occurred and we were able to write a contract for ten people in what was identified as Hope Cottage's Program "D", or the New Adult Program. This was a new concept of care for adults that would be housed in small groups in individual, leased apartments in the community. It reduced the size of the original program substantially, and shortly after the initial period of negotiation, the program was expanded to twenty individuals. Shortly after July 1, 1974, Hope ended up with twenty people of the original group of thirty-six, which had by then been reduced to thirty, funded and ten people still not funded. On January 1, 1975, we were successful in getting a contract for the remaining ten people.

For approximately four years, Hope Cottage has been totally supporting a program that should have been the responsibility of the State Department of Health and Social Services. I might add that, if the staff of the Department hadn't changed, probably the

solution would not have been arrived at to date. I have to give a lot of credit to Commissioner Williamson, recently, and to Dr. Gregovich, who came on the scene about two years ago and has really done an excellent job of trying to respond to the needs of the Developmentally Disabled.

However, the fact that these Programs are now funded does not solve the problem of the debt that has accrued over this time period relative to these Programs. This debt is somewhat over \$100,000.00. During this same time period, Hope Cottage dumped some 250 to 300 thousand dollars in funds it raised in the community to support the various aspects of these Programs. So, over the four and one-half year time period, approximately 400 thousand dollars was invested into these programs, and approximately 300 thousand dollars came from funds raised in the community or generated by the residents in some form or other. Hope Cottage's intent now is to recover only the amount of money that it wasn't able to secure through other resources during that time period, i.e. \$100,000.00. This is clearly identified in the attached budget sheets.

I believe the foregoing correctly summarizes the history of the Adult Program. It was in actuality much more complicated than it may appear there. Additionally, I am providing you with a copy of the current contract to Program "C" and Program "D", in order for you to have a good description of the kind of service the program provides.

HOPE COTTAGE'S POSITION

Simply stated, Hope Cottage's position is that it exists entirely for the benefit of its residents. These residents are

people the State would normally have to provide services for in some form or other, i.e. at A.P.I. or Harborview Memorial Hospital. They are all in need of out-of-home support or maintenance care services. Hope Cottage exists simply to provide services for the State of Alaska to the Developmentally Disabled people who the State is not able to serve because of the lack of adequate State facilities. All facilities exist because of an expressed need by the State Department of Health and Social Services, and an agreement to contract with Hope Cottage to provide these services. Hope Cottage has since 1970 invested approximately \$100,000.00 annually via fund-raising activities into these programs, and will continue to do so. However, if we are going to be successful in providing services for those people for whom the State has determined that services are necessary, then it must be able to recover any losses in excess of that \$100,000.00 ~~in order to remain solvent and to~~ stay a viable resource.

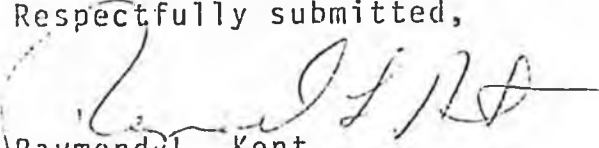
As a result of the policy of supporting the Adult Programs "C" and "D", Hope Cottage finds itself in debt for approximately \$100,000, with no resources for the recovery of that amount of money other than this Senate Bill 635. We feel that the documentation attached is adequate for the purposes of securing this reimbursement. The budget pages you have, with the disbursements, are those excerpts from proposals submitted to the State Department of Health and Social Services on the dates indicated at the top of the page. Hope Cottage believes that during this time period the State was very remiss in its acceptance of its obligations to provide services to these residents of the state who are so handicapped as to require them. Hope Cottage also feels that the State Administration has

did not carry out the intent of the Legislature as indicated by Alaska Statute 47.40. It is our hope that this present Legislature will review the situation and vote positively in favor of Hope Cottage, which, for many years has strived diligently to provide first-class services for those people for whom the State has assumed responsibility.

It appears to us that a substantial injustice has occurred and we are looking forward to discussing this with this Legislature. We are confident that this Legislature will be interested in correcting this injustice.

If further justification for this request is required, please don't hesitate to call. I would be more than happy to supply anything that you ask for, and will be available to testify if you so desire.

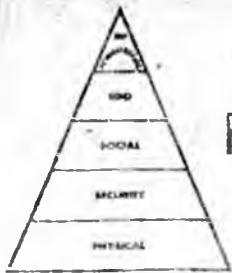
Respectfully submitted,



Raymond L. Kent
Executive Director

RLK/db

Attachments



Fairbanks Rehabilitation Association, Inc.

117 SLATER DRIVE - FAIRBANKS, ALASKA 99701
TELEPHONE (907) 452-5226

HOPE CENTER DIVISION
117 SLATER DRIVE
452-5226

HOPE INDUSTRIES DIVISION
1448 DAVIS ROAD
479-6210

Fairbanks Rehabilitation Association, Inc. is an Alaskan, non-profit corporation, which provides rehabilitation services to the handicapped. The purpose of the corporation is to provide diagnostic residential and vocational programs to persons with mental and/or physical disabilities, that will allow their attainment of economic and social independence. In accomplishing this purpose, the association operates two major divisions, entitled Residential Division and Vocational Division. Within these two divisions, there are three physical facilities, called Sheffield House, Hope Center and Hope Industries. Sheffield House and Hope Center are part of the Residential Division. Hope Industries is the physical facility of the Vocational Division. This paper deals only with the Hope Industries facility.

The Vocational Division of Fairbanks Rehabilitation Association prepares disabled persons for competitive employment through an emphasis placed on the value of work to the individual and the dignity that comes from social usefulness and economic independence. In the achieving of these goals, the Vocational Division utilizes real work through a sub-contracting program with various Alaskan industries, as well as government entities. In so doing, the Vocational Division (Hope Industries) becomes a combination rehabilitation service and business enterprise. The business activities not only provide a realistic (real) work setting, through which vocational rehabilitation may take place, but also help defray some of the costs of Hope Industries' rehabilitation services. Business activities also provide handicapped clients with real wages, based upon their productivity, thus producing tax payers from tax receivers and saving the state money.

The two major programs that Hope Industries provides to achieve full vocational rehabilitation are embodied in work adjustment training and work evaluation. The former is a program designed on an individual client basis to help the client form a work personality that will allow him to increase his productivity and handle day-to-day demands of competitive employment. As stated above, the tool in providing this service is real work. Work evaluation is a comprehensive process designed to assist the individual client in vocational development by systematically utilizing work as the focal point for assessment and vocational exploration.

A major tool utilized by Fairbanks Rehabilitation Association's Hope Industries Division to accomplish work evaluation is the Singer Career System. This system assesses client aptitude, work tolerance, attitude and interest through a range of 1,000 codes, as delineated in the United States Department of Labor's Dictionary of Occupational Titles. It is composed of fourteen (14) work sampling stations, through which audio - visual programmed instructions permit each client to easily identify the program with his occupational aspirations. Job environments can be visually explored and associated with 'hands on tools' station work tasks. The professional work evaluator employed by Fairbanks Rehabilitation Association can work with seven (7) people per day in this system. The fourteen (14) sampling stations include:

Basic Tools	Plumbing and Pipe Fitting
Bench Assembly	Woodworking and Carpentry
Drafting	Refrigeration, Air Conditioning and Heating
Electrical Wiring	Welding and Soldering
Sheet Metal	Clerk, Sales and Office
Needle Trades	Medical Services
Food Service	
Small Engine Repair	

There are an average of twenty-five (25) clients served daily within Hope Industries. Of this number seventeen (17) are in work evaluation and eight (8) are in work activities programs.

Present work contracts include an United States Government Services Administration contract for upholstered furniture rehabilitation. The annual gross volume of this contract is \$200,000.00. Other work accounts for an additional \$50,000.00 per year.

There are a number of major reasons that necessitate the association's acquiring a different facility to house its Vocational (Hope Industries) Division. While the following reasons are not all inclusive, they do provide the reader with an overall view of the necessity.

- 1) In order for the State of Alaska, through its Division of Vocational Rehabilitation, to purchase services from Fairbanks Rehabilitation Association's Vocational Division, it has been mandated by both federal and state agencies that Hope Industries meet recognized standards. Standards that must be met are those published by the Commission on the Accreditation of Rehabilitation Facilities. These standards include physical facility standards which closely correlate with the United States Standard Specifications for making buildings and facilities accessible to and usable

by the handicapped. In addition, the present building does not meet OSHA requirements or P.L. 90-840 standards. To meet these standards, the present buildings would have to be rebuilt, except for the shell, at a cost above the present fair market value.

2) In that Hope Industries is at contract capacity in the present 6,740 square feet building, they are unable to accept more work contracts, even though there are a number of such contracts upon which Hope Industries could bid (i.e.: a General Services Administration mattress rehabilitation contract). Without the ability to accept more work contracts, Hope Industries cannot provide or expand its rehabilitation services to meet the demand for such services, in that rehabilitation services are predicated on the availability of real work. In addition, with the limitation placed by space, on the acquisition of new and varying sub-contracts, fixed costs will remain a too-high percentage of total business income. Also efficiency of production methodology will continue to be severely curtailed (example: excess handling of furniture necessitated by lack of space, decreases efficiency in production by 20%).

As per the attached floor plan of the present building, it readily can be seen that poor interior design (cut-up space) blocks a clear production flow. Also attached is a sample order received under the General Services Administration contract. Of the furniture to be rehabilitated on the order, only five percent (5%) (in the case of the sample attached, 18 of 332 items), can be picked up at one time due to the lack of storage space. If storage space were available in a sufficient amount, a greatly increased percentage of items on each order could be picked up at one time, providing a savings in cost.

3) Current building design and land allocation does not allow for effective and efficient production and work flow. For example, loading and unloading a truck with furniture, currently necessitates opening a twelve foot (12') overhead door, for approximately one hour daily. At 50° below zero (-50°), the heat loss and associated recovery time is needlessly excessive. A comparison of the present buildings and the proposed building is attached.

C O M P A R I S O N

HOPE INDUSTRIES PHYSICAL FACILITIES
PROPOSED AND CURRENT

ITEM	CURRENT BUILDINGS	PROPOSED BUILDING
Space	6,740 square feet	12,140 square feet
Meets OSHA Standards	No	Yes
Meets P.L. 90-480	No	Yes
Meets CARF Standards	No	Yes
On Railroad Spur	No	Yes
Land	.45 acre	1.6 acres
Lease cost - current	.60¢ square foot	\$1.02 square foot
Lease cost - next year	Unknown - tied to price index	\$1.02 square foot
Lease terms	Unknown - tied to price index	\$1.02 square foot
Sale price - building	Not for Sale	\$70.30 square foot or \$853,441.00 total
Sale price - land	Not for Sale	1.6 acres times approx. \$20,000.00 an acre or \$32,000.00 total
Possible expansion	None	Double present space
Fire protection	Manual alarm	Sprinkler system and Automatic Alarm
Enclosed truck dock	No	Yes
Heat cost per square foot	.079¢ square foot	.064¢ square foot

For the reader's information, current lease rates in Fairbanks are \$1.50 to \$2.00 per square foot for commercial buildings and .75¢ to .95¢ for warehouse space. Construction costs in Fairbanks average around \$100.00 per square foot for office space. These figures were obtained from Fairbanks realtors, the Chamber of Commerce and various construction firms.

While the proposed building is to house the same type of rehabilitation program as the Anchorage Retarded Children's Association building, the cost will be considerably less. The building in Anchorage cost 2.1 million dollars, of which 1.6 million was state funded money.

In the last six (6) months, Hope Industries placed an average of two (2) clients per month in competitive employment in the open labor market. Additionally, they placed an average of three (3) clients per month in specific skills training. These persons are now wage earners, paying state taxes instead of receiving state taxes.

This request for funds to purchase the building and land is a one time request and will not be repeated.

Attachments are:

- | | |
|-------------|---|
| Exhibit I | Itemized List of Specifications |
| Exhibit II | Example of United States Standard Specifications |
| Exhibit III | Floor Plan and Dimensions of Current Building |
| Exhibit IV | Singer Vocational Evaluation System Work Sampling Section |
| Exhibit V | General Services Administration Order for Services |
| Exhibit VI | Letter from Chena Construction Company on Lease of Proposed Building |
| Exhibit VII | Letter from Chena Construction Company on Purchase of Proposed Building |

EXHIBIT I

ITEMIZED LIST OF SPECIFICATIONS

SITE WORK 02000

SITE WORK 02010 SITE TESTING

Core samples on grid for building location.

02100 CLEARING

To allow complete utilization of 1.6 acres.

02200 EARTH WORK

Excavation for footings and foundations conforming with local building codes.

02500 SITE DRAINAGE

Backfill to be such to allow natural effective drainage of area.

02550 SITE UTILITIES

Hookup to City sewer system and provisions for hookup to City water service, (shall provide temporary water hookup if necessary).

02850 RAILROAD WORK

Building shall be located on site for future utilization of rail services to the south side of the building.

03100 CONCRETE FORM WORK

To be performed in accordance to local codes.

03110 FOOTING & FOUNDATION FORMS

To be built so as to provide a spread footing with a 5 bag cement mix and necessary steel. The foundation to be a minimum of 4' deep, 8" wide, with a 5 bag mix and necessary steel coming from the footing.

03500 CEMENTITIOUS SLAB

Entire building to receive a 5" concrete slab to test 4,000 psi with 6-6 wire mesh.

05500 METAL FABRICATIONS

To provide Behlen convex building 80' wide by 151'9" long, with a 16' eaves height.

05510

Complete steel erection of Behlen building as noted in 05500.

06100 ROUGH CARPENTRY

All interior walls to be framed with Kiln dried lumber as per floor plan.

06200 FINISHED CARPENTRY

All necessary finished carpentry to be performed as needed, as per floor plan.

07100 WATER PROOFING

Complete exterior building to be sealed with a "3M" sealant as provided by Behlen Manufacturing.

07200 INSULATION

Exterior perimeter walls to be insulated to a continuous R-19 rating. Entire ceiling of the building to be insulated to a continuous R-26 rating. A 6 mil vapor barrier shall be provided for the exterior walls. The ceiling shall be protected by the vapor barrier design, provided by the Behlen Convex ceiling system. The perimeter of the slab shall be protected by insulation under that portion of the slab.

08000 DOORS & WINDOWS

As per floor plans.

08100 METAL DOORS & FRAMES

As provided by Behlen Manufacturing.

08200 DOORS & FRAMES

Provided by the contractor as per plans.

08300 SPECIAL DOORS

See USA Standard Specifications for the physically handicapped.

08400 ENTRANCES

Vestibule entry as shown on floor plan for Arctic entrance.

08700 HARDWARE & SPECIALTIES

See USA Standard Specifications for the physically handicapped.

08900 WINDOW/CURTAIN WALLS

Exterior windows as per plans, thermopane.

09000

Finishes

09250 GYPSUM WALL BOARD

5/8 drywall on all exterior walls. 5/8 drywall on all interior partitions. 5/8 drywall or appropriate fire proofing on Behlen metal ceiling.

09300 RESILIENT FLOORING

12' x 12' x 1/8" floor tile in the following areas: Contract production, work supervisors, nurse-medical, janitors closet, lunch room, pre-vocational work activities areas.

09310 CERAMIC TILE

Restroom areas.

09540 SUSPENSION SYSTEMS

Fire retardent suspended ceiling, 2 x 4 grid in the following areas. All areas with the exception of the truck well and contract production.

09680 CARPETING

To provide a 24 ga. nylon round wire weave commercial type carpet in all other areas not listed in 09300, with the exception of the vestibule and truck well areas.

09700

Special flooring.

09710

Matting jute type for vestibule.

09800

Special coatings. Concrete sealer for floor in truckwell area.

09900

Painting

09910

Color of exterior to be selected from a standard Behlen color chart.

09220

Interior wall colors to be selected.

10,000 SPECIALTIES

As per USA Standards Specifications for the physically handicapped.

15,000

Mechanical

15,400

All necessary plumbing as per floor plans. Floor drains in rest rooms, medical room, lunch room, contract production area and truck well.

15,500 FIRE PROTECTION

Complete wet type sprinkler system.

15,600 HEAT GENERATION

All heating to conform to City and Borough codes.

15,610

180,000 BTU oil-fired powermatic ceiling hung furnaces as follows: 4 each contract production. 2 each truck well.

15,620

Oil-fired boiler in mechanical room to supply baseboard hot water heat to all other areas not listed in Section 15,610. Boiler to be of sufficient size to maintain a temperature of 75 degrees Fahrenheit at Minus 60 degrees Fahrenheit.

16,000 ELECTRICAL

All electrical to conform to City and Borough codes.

16,400 ELECTRICAL SERVICES & DISTRIBUTION

Shall provide all service distribution for the building.

16,500 LIGHTING

To allow sufficient candle power in all areas and conform to code for both office and contract production areas.

The basic guide lines for this project follow those outlined in the USA Standard Specifications for the physically handicapped.

USA Standard Specifications for Making Buildings and Facilities Accessible to, and Usable by, the Physically Handicapped

1. Scope and Purpose

1.1 Scope

1.1.1 This standard applies to all buildings and facilities used by the public. It applies to temporary or emergency conditions as well as permanent conditions. It does not apply to private residences.

1.1.2 This standard is concerned with non-ambulatory disabilities, semi-ambulatory disabilities, sight disabilities, hearing disabilities, disabilities of incoordination, and aging.¹

1.2 Purpose. This standard is intended to make all buildings and facilities used by the public accessible to, and functional for, the physically handicapped, to, through, and within their doors, without loss of function, space, or facility where the general public is concerned. It supplements existing American Standards, and reflects great concern for safety of life and limb. In cases of practical difficulty, unnecessary hardship, or extreme differences, administrative authorities may grant exceptions from the literal requirements of this standard or permit the use of other methods or materials, but only when it is clearly evident that equivalent facilitation and protection are thereby secured.

2. Definitions

2.1 Non-ambulatory Disabilities. Impairments that, regardless of cause or manifestation, for all practical purposes, confine individuals to wheelchairs.

2.2 Semi-ambulatory Disabilities. Impairments that cause individuals to walk with difficulty or insecurity. Individuals using braces or crutches, amputees, arthritics, spastics, and those with pulmonary and cardiac ills may be semi-ambulatory.

2.3 Sight Disabilities. Total blindness or impairments affecting sight to the extent that the individual functioning in public areas is insecure or exposed to danger.

2.4 Hearing Disabilities. Deafness or hearing handicaps that might make an individual insecure in public areas because he is unable to communicate or hear warning signals.

2.5 Disabilities of Incoordination. Faulty coordination or palsy from brain, spinal, or peripheral nerve injury.

2.6 Aging. Those manifestations of the aging processes that significantly reduce mobility, flexibility, coordination, and perceptiveness but are not accounted for in the aforementioned categories.

2.7 Standard. When this term appears in small letters and is not preceded by the word "American," it is descriptive and does not refer to an American Standard approved by ASA; for example, a "standard" wheelchair is one characterized as standard by the manufacturers.

2.8 Fixed Turning Radius, Wheel to Wheel. The tracking of the caster wheels and large wheels of a wheelchair when pivoting on a spot.

2.9 Fixed Turning Radius, Front Structure to Rear Structure. The turning radius of a wheelchair, left front-foot platform to right rear wheel, or right front-foot platform to left rear wheel, when pivoting on a spot.

2.10 Involved (Involvement). A portion or portions of the human anatomy or physiology, or both, that have a loss or impairment of normal function as a result of genesis, trauma, disease, inflammation, or degeneration.

2.11 Ramps, Ramps with Gradients. Because the term "ramp" has a multitude of meanings and uses, its use in this text is clearly defined as ramps with gradients (or ramps with slopes) that deviate from what would otherwise be considered the normal level. An exterior ramp, as distinguished from a "walk," would be considered an appendage to a building leading to a level above or below existing ground level. As such, a ramp shall meet certain requirements similar to those imposed upon stairs.

2.12 Walk, Walks. Because the terms "walk" and "walks" have a multitude of meanings and uses, their use in this text is clearly defined as a predetermined, prepared-surface, exterior pathway leading to or from a building or facility, or from one exterior area to another, placed on the existing ground level

¹See definitions in Section 2.

and not deviating from the level of the existing ground immediately adjacent.

2.13 Appropriate Number. As used in this text, appropriate number means the number of a specific item that would be necessary, in accord with the purpose and function of a building or facility, to accommodate individuals with specific disabilities in proportion to the anticipated number of individuals with disabilities who would use a particular building or facility.

EXAMPLE: Although these specifications shall apply to all buildings and facilities used by the public, the numerical need for a specific item would differ, for example, between a major transportation terminal, where many individuals with diverse disabilities would be continually coming and going, an office building or factory, where varying numbers of individuals with disabilities of varying manifestations (in many instances, very large numbers) might be employed or have reason for frequent visits, a school or church, where the number of individuals may be fixed and activities more definitive, and the many other buildings and facilities dedicated to specific functions and purposes.

NOTE: Disabilities are specific and where the individual has been properly evaluated and properly oriented and where architectural barriers have been eliminated, a specific disability does not constitute a handicap. It should be emphasized that more and more of those physically disabled are becoming participants, rather than spectators, in the fullest meaning of the word.

3. General Principles and Considerations

3.1 Wheelchair Specifications. The collapsible-model wheelchair of tubular metal construction with plastic upholstery for back and seat is most commonly used. The standard model of all manufacturers falls within the following limits, which were used as the basis of consideration:

- (1) Length: 42 inches
- (2) Width, when open: 25 inches
- (3) Height of seat from floor: 19 $\frac{1}{2}$ inches
- (4) Height of armrest from floor: 29 inches
- (5) Height of pusher handles (rear) from floor: 36 inches
- (6) Width, when collapsed: 11 inches

3.2 The Functioning of a Wheelchair

3.2.1 The fixed turning radius of a standard wheelchair, wheel-to-wheel, is 18 inches. The fixed turning radius, front structure to rear structure, is 31.5 inches.

3.2.2 The average turning space required (180 and 360 degrees) is 60 x 60 inches.

NOTE: Actually, a turning space that is longer than it is

wide, specifically, 63 x 56 inches, is more workable and desirable. In an area with two open ends, such as might be the case in a corridor, a minimum of 51 inches between two walls would permit a 360-degree turn.

3.2.3 A minimum width of 60 inches is required for two individuals in wheelchairs to pass each other.

3.3 The Adult Individual Functioning in a Wheelchair²

3.3.1 The average unilateral vertical reach is 60 inches and ranges from 54 inches to 78 inches.

3.3.2 The average horizontal working (table) reach is 30.8 inches and ranges from 28.5 inches to 33.2 inches.

3.3.3 The bilateral horizontal reach, both arms extended to each side, shoulder high, ranges from 54 inches to 71 inches and averages 64.5 inches.

3.3.4 An individual reaching diagonally, as would be required in using a wall-mounted dial telephone or towel dispenser, would make the average reach (on the wall) 48 inches from the floor.

3.4 The Individual Functioning on Crutches³

3.4.1 On the average, individuals 5 feet 6 inches tall require an average of 31 inches between crutch tips in the normally accepted gaits.⁴

3.4.2 On the average, individuals 6 feet 0 inches tall require an average of 32.5 inches between crutch tips in the normally accepted gaits.⁴

4. Site Development⁵

4.1 Grading. The grading of ground, even contrary to existing topography, so that it attains a level with a normal entrance will make a facility accessible to individuals with physical disabilities.

²Extremely small, large, strong, or weak and involved individuals could fall outside the ranges in 3.3.1, 3.3.2, 3.3.3, and their reach could differ from the figure given in 3.3.4. However, these reaches were determined using a large number of individuals who were functionally trained, with a wide range in individual size and involvement.

³Most individuals ambulating on braces or crutches, or both, or on canes are able to manipulate within the specifications prescribed for wheelchairs, although doors present quite a problem at times. However, attention is called to the fact that a crutch tip extending laterally from an individual is not obvious to others in heavily trafficked areas, certainly not as obvious or protective as a wheelchair and is, therefore, a source of vulnerability.

⁴Some cerebral palsied individuals, and some severe arthritics, would be extreme exceptions to 3.4.1 and 3.4.2.

⁵Site development is the most effective means to resolve the problems created by topography, definitive architectural designs or concepts, water table, existing streets, and atypical problems, singularly or collectively, so that access, ingress, and egress to buildings by physically disabled can be facilitated while preserving the desired design and effect of the architecture.

4.2 Walks

4.2.1 Public walks should be at least 48 inches wide and should have a gradient not greater than 5 percent.⁶

4.2.2 Such walks shall be of a continuing common surface, not interrupted by steps or abrupt changes in level.

4.2.3 Wherever walks cross other walks, driveways, or parking lots they should blend to a common level.⁷

NOTE: 4.1 and 4.2, separately or collectively, are greatly aided by terracing, retaining walls, and winding walks allowing for more gradual incline, thereby making almost any building accessible to individuals with permanent physical disabilities, while contributing to its esthetic qualities.

4.2.4 A walk shall have a level platform at the top which is at least 5 feet by 5 feet, if a door swings out onto the platform or toward the walk. This platform shall extend at least 1 foot beyond each side of the doorway.

4.2.5 A walk shall have a level platform at least 3 feet deep and 5 feet wide, if the door does not swing onto the platform or toward the walk. This platform shall extend at least 1 foot beyond each side of the doorway.

4.3 Parking Lots

4.3.1 Spaces that are accessible and approximate to the facility should be set aside and identified for use by individuals with physical disabilities.

4.3.2 A parking space open on one side, allowing room for individuals in wheelchairs or individuals on braces and crutches to get in and out of an automobile onto a level surface, suitable for wheeling and walking, is adequate.

4.3.3 Parking spaces for individuals with physical disabilities when placed between two conventional

⁶It is essential that the gradient of walks and driveways be less than that prescribed for ramps, since walks would be void of handrails and curbs and would be considerably longer and more vulnerable to the elements. Walks of near maximum grade and considerable length should have level areas at intervals for purposes of rest and safety. Walks or driveways should have a nonslip surface.

⁷This specification does not require the elimination of curbs, which, particularly if they occur at regular intersections, are a distinct safety feature for all of the handicapped, particularly the blind. The preferred method of meeting the specification is to have the walk incline to the level of the street. However, at principal intersections, it is vitally important that the curb run parallel to the street, up to the point where the walk is inclined, at which point the curb would turn in and gradually meet the level of the walk at its highest point. A less preferred method would be to gradually bring the surface of the driveway or street to the level of the walk. The disadvantage of this method is that a blind person would not know when he has left the protection of a walk and entered the hazards of a street or driveway.

diagonal or head-on parking spaces should be 12 feet wide.

4.3.4 Care in planning should be exercised so that individuals in wheelchairs and individuals using braces and crutches are not compelled to wheel or walk around parked cars.

4.3.5 Consideration should be given the distribution of spaces for use by the disabled in accordance with the frequency and persistency of parking needs.

4.3.6 Walks shall be in conformity with 4.2.

5. Buildings

5.1 Ramps with Gradients. Where ramps with gradients are necessary or desired, they shall conform to the following specifications:

5.1.1 A ramp shall not have a slope greater than 1 foot rise in 12 feet, or 8.33 percent, or 4 degrees 50 minutes.

5.1.2 A ramp shall have handrails on at least one side, and preferably two sides, that are 32 inches in height, measured from the surface of the ramp, that are smooth, that extend 1 foot beyond the top and bottom of the ramp, and that otherwise conform with American Standard Safety Code for Floor and Wall Openings, Railings, and Toe Boards, A12-1932.

NOTE 1: Where codes specify handrails to be of heights other than 32 inches, it is recommended that two sets of handrails be installed to serve all people. Where major traffic is predominantly children, particularly physically disabled children, extra care should be exercised in the placement of handrails, in accordance with the nature of the facility and the age group or groups being serviced.

NOTE 2: Care should be taken that the extension of the handrail is not in itself a hazard. The extension may be made on the side of a continuing wall.

5.1.3 A ramp shall have a surface that is non-slip.

5.1.4 A ramp shall have a level platform at the top which is at least 5 feet by 5 feet, if a door swings out onto the platform or toward the ramp. This platform shall extend at least 1 foot beyond each side of the doorway.

5.1.5 A ramp shall have a level platform at least 3 feet deep and 5 feet wide, if the door does not swing onto the platform or toward the ramp. This platform shall extend at least 1 foot beyond each side of the doorway.

5.1.6 Each ramp shall have at least 6 feet of straight clearance at the bottom.

5.1.7 Ramps shall have level platforms at 30 foot intervals for purposes of rest and safety and shall have level platforms wherever they turn.

5.2 Entrances

5.2.1 At least one primary entrance to each building shall be usable by individuals in wheelchairs.

NOTE: Because entrances also serve as exits, some being particularly important in case of an emergency, and because the proximity of such exits to all parts of buildings and facilities, in accordance with their design and function, is essential (see 112 and 2000 through 2031 of American Standard Building Exits Code, A9.1-1953) it is preferable that all or most entrances (exits) should be accessible to, and usable by, individuals in wheelchairs and individuals with other forms of physical disability herein applicable.

5.2.2 At least one entrance usable by individuals in wheelchairs shall be on a level that would make the elevators accessible.

5.3 Doors and Doorways

5.3.1 Doors shall have a clear opening of no less than 32 inches when open and shall be operable by a single effort.

NOTE 1: Two-leaf doors are not usable by those with disabilities defined in 2.1, 2.2, and 2.5 unless they operate by a single effort, or unless one of the two leaves meets the requirement of 5.3.1.

NOTE 2: It is recommended that all doors have kick plates extending from the bottom of the door to at least 16 inches from the floor, or be made of a material and finish that would safely withstand the abuse they might receive from canes, crutches, wheelchair foot platforms, or wheelchair wheels.

5.3.2 The floor on the inside and outside of each doorway shall be level for a distance of 5 feet from the door in the direction the door swings and shall extend 1 foot beyond each side of the door.

5.3.3 Sharp inclines and abrupt changes in level shall be avoided at doorsills. As much as possible, thresholds shall be flush with the floor.

NOTE 1: Care should be taken in the selection, placement, and setting of door closers so that they do not prevent the use of doors by the physically disabled. Time-delay door closers are recommended.

NOTE 2: Automatic doors that otherwise conform to 5.3.1, 5.3.2, and 5.3.3 are very satisfactory.

NOTE 3: These specifications apply both to exterior and interior doors and doorways.

5.4 Stairs. Stairs shall conform to American Standard A9.1-1953, with the following additional considerations:

5.4.1 Steps in stairs that might require use by those with disabilities defined in 2.2 and 2.5 or by the aged shall not have abrupt (square) nosing. (See Fig. 1.)

NOTE: Individuals with restrictions in the knee, ankle, or hip, with artificial legs, long leg braces, or comparable conditions cannot, without great difficulty and hazard, use steps with nosing as illustrated in Fig. 1a, but can safely and with minimum difficulty use steps with nosing as illustrated in Fig. 1b.

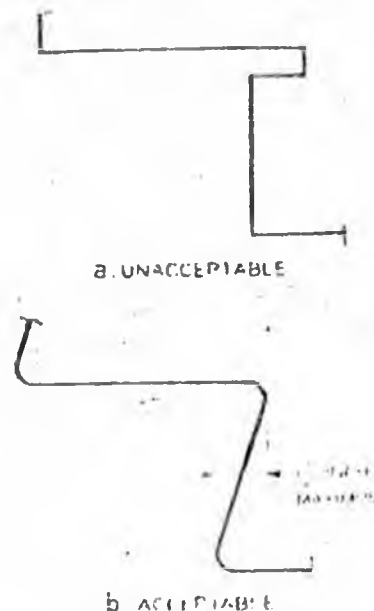


Fig. 1
Steps

5.4.2 Stairs shall have handrails 32 inches high as measured from the tread at the face of the riser.

NOTE: Where codes specify handrails to be at heights other than 32 inches, it is recommended that two sets of handrails be installed to serve all people. Where traffic is predominantly children, particularly physically disabled children, extra care should be exercised in the placement of handrails in accordance with the nature of the facility and the age group or groups being serviced. Dual handrails may be necessary.

5.4.3 Stairs shall have at least one handrail that extends at least 36 inches beyond the top step and beyond the bottom step.

NOTE: Care should be taken that the extension of the handrails is not in itself a hazard. The extension may be made on the side of a continuing wall.

5.4.4 Steps should, wherever possible, and in conformation with existing step formulas, have risers that do not exceed 7 inches.

5.5 Floors

5.5.1 Floors shall have a surface that is non-slip.

5.5.2 Floors on a given story shall be of a common level throughout or be connected by a ramp in accord with 5.1.1 through 5.1.6, inclusive.

EXAMPLE 1: There shall not be a difference between the level of the floor of a corridor and the level of the floor of the toilet rooms.

EXAMPLE 2: There should not be a difference between the level of the floor of a corridor and the level of a meeting room, dining room, or any other room, unless proper ramps are provided.

5.6 Toilet Rooms. It is essential that an appropriate number* of toilet rooms, in accordance with the nature and use of a specific building or facility, be made accessible to, and usable by, the physically handicapped.

5.6.1 Toilet rooms shall have space to allow traffic of individuals in wheelchairs, in accordance with 3.1, 3.2, and 3.3.

5.6.2 Toilet rooms shall have at least one toilet stall that—

- (1) Is 3 feet wide
- (2) Is at least 4 feet 8 inches, preferably 5 feet, deep
- (3) Has a door (where doors are used) that is 32 inches wide and swings out
- (4) Has handrails on each side, 33 inches high and parallel to the floor, $11\frac{1}{2}$ inches in outside diameter, with $11\frac{1}{2}$ inches clearance between rail and wall, and fastened securely at ends and center
- (5) Has a water closet with the seat 20 inches from the floor

NOTE: The design and mounting of the water closet is of considerable importance. A wall-mounted water closet with a narrow understructure that tapers sharply is most desirable. If a floor-mounted water closet must be used, it should not have a front that is wide and perpendicular to the floor at the front of the seat. The bowl should be shallow at the front of the seat and turn backward more than downward to allow the individual in a wheelchair to get close to the water closet with the seat of the wheelchair.

5.6.3 Toilet rooms shall have lavatories with narrow aprons, which when mounted at standard height are usable by individuals in wheelchairs; or shall have lavatories mounted higher, when particular designs demand, so that they are usable by individuals in wheelchairs.

NOTE: It is important that drain pipes and hot water pipes under a lavatory be covered or insulated so that a wheelchair individual without sensation will not burn himself.

5.6.4 Some mirrors and shelves shall be provided above lavatories at a height as low as possible and no higher than 40 inches above the floor, measured from the top of the shelf and the bottom of the mirror.

5.6.5 Toilet rooms for men shall have wall-mounted urinals with the opening of the basin 19 inches from the floor, or shall have floor-mounted urinals that are on level with the main floor of the toilet room.

5.6.6 Toilet rooms shall have an appropriate number* of towel racks, towel dispensers, and other dispensers and disposal units mounted no higher than 40 inches from the floor.

5.7 Water Fountains. An appropriate number* of water fountains or other water-dispensing means shall be accessible to, and usable by, the physically disabled.

5.7.1 Water fountains or coolers shall have up-front spouts and controls.

5.7.2 Water fountains or coolers shall be hand-operated or hand- and foot-operated. (See also American Standard Specifications for Drinking Fountains, Z12-1912.)

NOTE 1: Conventional floor-mounted water coolers can be serviceable to individuals in wheelchairs if a small fountain is mounted on the side of the cooler 30 inches above the floor.

NOTE 2: Wall mounted, hand-operated coolers of the latest design, manufactured by many companies, can serve the able-bodied and the physically disabled equally well when the cooler is mounted with the basin 36 inches from the floor.

NOTE 3: Fully recessed water fountains are not recommended.

NOTE 4: Water fountains should not be set into an alcove unless the alcove is wider than a wheelchair. (See 3.1.)

5.8 Public Telephones. An appropriate number* of public telephones should be made accessible to, and usable by, the physically disabled.

NOTE: The conventional public telephone booth is not usable by most physically disabled individuals. There are many ways in which public telephones can be made accessible and usable. It is recommended that architects and builders confer with the telephone company in the planning of the building or facility.

5.8.1 Such telephones should be placed so that the dial and the handset can be reached by individuals in wheelchairs, in accordance with 3.3.

5.8.2 An appropriate number* of public telephones should be equipped for those with hearing disabilities and so identified with instructions for use.

NOTE: Such telephones can be used by everyone.

5.9 Elevators. In a multiple-story building, elevators are essential to the successful functioning of physically disabled individuals. They shall conform to the following requirements:

5.9.1 Elevators shall be accessible to, and usable by, the physically disabled on the level that they use to enter the building, and at all levels normally used by the general public.

5.9.2 Elevators shall allow for traffic by wheelchairs, in accordance with 3.1, 3.2, 3.3 and 5.3.

5.10 Controls. Switches and controls for light, heat, ventilation, windows, draperies, fire alarms, and all similar controls of frequent or essential use, shall be placed within the reach of individuals in wheelchairs. (See 3.3.)

* See 2.13.

5.11 Identification. Appropriate identification of specific facilities within a building used by the public is particularly essential to the blind.

5.11.1 Raised letters or numbers shall be used to identify rooms or offices.

5.11.2 Such identification should be placed on the wall, to the right or left of the door, at a height between 4 feet 6 inches and 5 feet 6 inches, measured from the floor, and preferably at 5 feet.

5.11.3 Doors that are not intended for normal use, and that might prove dangerous if a blind person were to exit or enter, by them, should be made quickly identifiable to the touch by knurling the door handle or knob. Knurling may also be accomplished by the use of an acceptable plastic, abrasive coating. (See Fig. 2.)

EXAMPLE: Such doors might lead to loading platforms, boiler rooms, stages, fire escapes, etc.

5.12 Warning Signals

5.12.1 Audible warning signals shall be accompanied by simultaneous visual signals for the benefit of those with hearing disabilities.

5.12.2 Visual signals shall be accompanied by simultaneous audible signals for the benefit of the blind.

5.13 Hazards. Every effort shall be exercised to obviate hazards to individuals with physical disabilities.

5.13.1 Access panels or manholes in floors, walks, and walls can be extremely hazardous, particularly when in use, and should be avoided.

5.13.2 When manholes or access panels are open and in use, or when an open excavation exists on a site, particularly when it is approximate to normal pedestrian traffic, barricades shall be placed on all open sides, at least 8 feet from the hazard, and warning devices shall be installed in accord with 5.12.2.

5.13.3 Low-hanging door closers that remain within the opening of a doorway when the door is open, or that protrude hazardously into regular corridors or traffic ways when the door is closed, shall be avoided.

5.13.4 Low-hanging signs, ceiling lights, and similar objects or signs and fixtures that protrude into regular corridors or traffic ways shall be avoided. A minimum height of 7 feet, measured from the floor, is recommended.

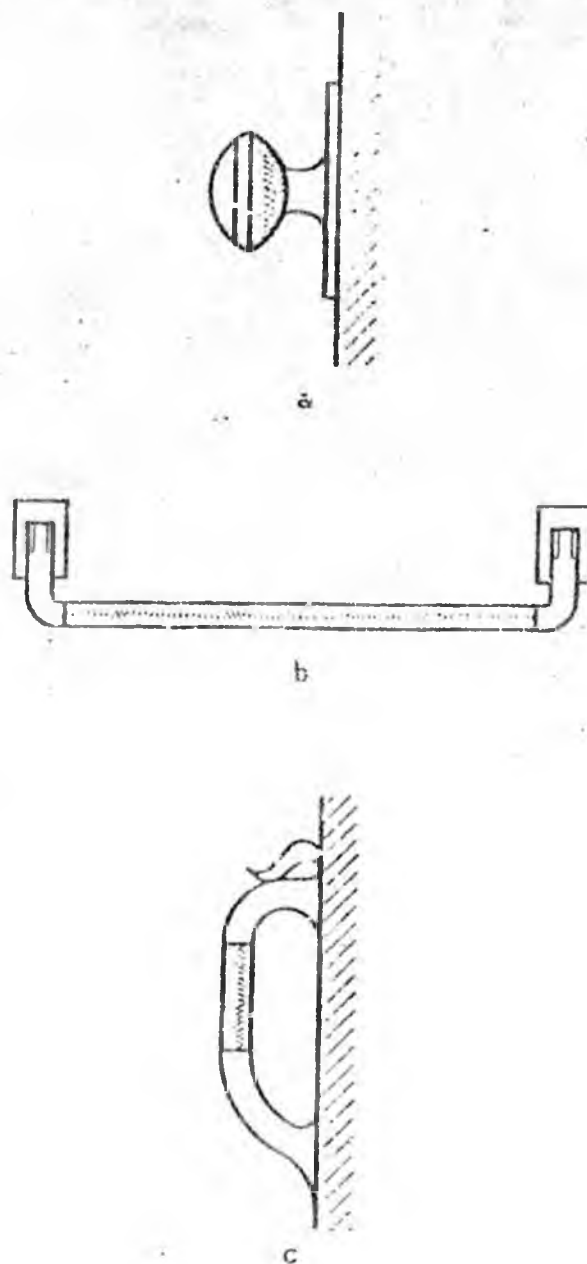


Fig. 2

Knurled Door Handles and Knobs

5.13.5 Lighting on ramps shall be in accord with 1201, 1202, 1203, and 1204 of American Standard A9.1-1953.

5.13.6 Exit signs shall be in accord with 1205 of American Standard A9.1-1953, except as modified by 5.11 of this standard.

Minimum standards should not be confused with optimum standards. Minimum standards are those on which there is a favorable consensus at a particular time. Optimum standards reflect the latest state of the art.

- (b) Control the size, shape and location of objects, such as door handles, rest rooms, toilets, water fountains, control knobs.
- (c) Indirectly place a limit on both personal energy output by the handicapped person—by limiting, say, the angle of ramps—and the degree of hazard he is exposed to, as by modifying door hardware design to alert blind people whenever doors lead to hazardous spaces.
- (d) Specify the size and nature of signs and signals that guide a handicapped person as he enters and uses a building.

HIGHLIGHTS OF CURRENT STANDARDS

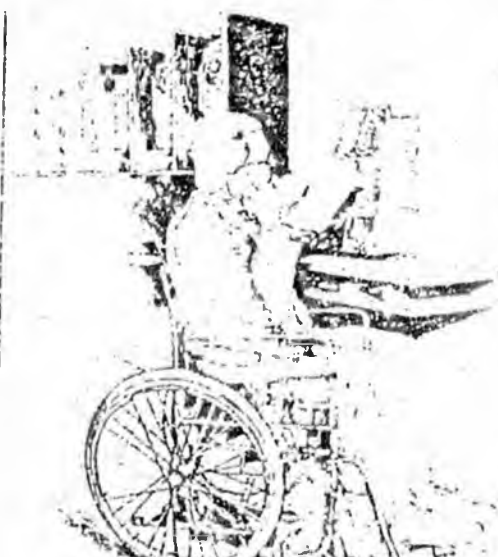
The section that follows is not intended to serve as a detailed barrier-free design manual. You will find a selection of those listed in Chapter IV of this Syllabus. But the section does present, in quantitative terms and with useful drawings, highlights of our current standards. It can also serve as the basis for a commonly barrier-free building survey, described later in this chapter.

The section is divided into logical parts related to the way a handicapped person typically approaches and uses a building.⁴

1. Parking and approaches to building entrance.

PARKING Place near building. Identify for use by handicapped only. Make level. Minimum width, 12 feet. Clear step-free route from reserved space to building entrance.

APPROACHES 5 feet minimum width, 1 in 20 maximum gradient. Non-slip surface. Curb cuts if road crossing required. No downspouts discharg-



"Clear, curb cut and handrail between 3 feet and 4 feet from floor. Five-foot standing space beneath for wheelchair."

ing onto walkway. Change in paving texture to alert visually impaired, especially when there are ramps or curb cuts.

RAMPS Avoid if inevitable, 1 in 12 maximum slope. Handrail on at least one side, 32 inches above ramp surface and to extend 12 inches beyond top and bottom of ramp. Non-slip surface. Snow melting apparatus if out of doors. 6 feet of straight clearance at top and bottom. Level rest platform at 30-foot intervals and at turns.

ENTRANCE One primary entrance barrier-free, with access to elevators. 32-inch clear door opening. View panel at 3 feet height if two-way door. Less than 8 pounds of pressure needed to operate. Door sill flush with floor. If vestibule, 6 feet 6 inches between doors. Adequate night illumination.

STAIRS (EXTERIOR) No protruding nosings. Non-slip surface. Lit for night time use by ambulatory handicapped. Riser, 5 1/4 inches (maximum); tread, 14 inches (minimum).

Handrails 32 inches high to extend 30 inches horizontally at top and bottom.

2. Movement within building.

STAIRS No protruding nosings, 7-inch maximum riser height. Handrails 32 inches above tread at face of riser, extend 12 inches beyond top and bottom parallel to floor. Handrails circular or oval, 1 1/2 inches to 2 inches thick.

ELEVATORS Install in all buildings of two or more stories. Cab dimensions and cab doors to conform to wheelchair dimensions and movement constraints. Minimum cab size 5 feet deep by 5 feet 6 inches wide. Doors to have safety edge with sensing device. No control higher than 4 feet from floor. Control buttons to have raised or braille information adjacent to buttons.

CORRIDORS 5 feet minimum.

FLOORS Non-slip surface. Differences of level connected by ramp.

DOORS See Entrance above.

3. Services.

TOILETS Stall size 3 feet wide by 5 feet deep (minimum) with an outswinging door providing 32-inch clearance (4 feet 10 inches x 5 feet for lateral transfer). Toilet wall-mounted with seat 17 inches from floor. Grab bars (1 1/2 inches in diameter and 1 1/2 inches from walls) on both walls, 33 inches from floor. Add rail at rear if stall over 40 inches wide.

LAVATORY Clearance to bottom of apron, 2 feet 6 inches (minimum). Faucet handles easy to operate. Shield hot water line and trap. Mirror both a soap and towel dispenser and other accessories not over 40 inches above floor. No net slope mirror.

URINAL At least one fixture 15 inches above floor.

⁴ With acknowledgements to John C. Werster, AIA, California State architect, and to the New York State University Construction Fund, from whose checklists these data are drawn.

WATER FOUNTAINS: Upper edge of basin not over 3 feet above floor. Controls and spouts at front. If recessed, recess not less than 3 feet wide.

COIN PHONES: Do not place phone in booths. Dial, coin slot and handset between 3 and 4 feet from floor. Hearing disabilities accounted for.

CONTROLS: Light and other switches between 3 feet and 3 feet 6 inches from floor, with unobstructed access. Level handles (versus rotating). Foot operation included where possible.

4. Hazards.

OBSTRUCTIONS: Low hanging door closers, signs, ceiling fixtures: 7 feet (minimum) clearance above floor.

LIGHTING ON RAMPS: 1 foot candle (minimum).

ALARMS: Visual signal to alert hearing-impaired. Audible signal to alert visually impaired.

The preceding standards are geared to three relatively fixed design conditions: the man or woman in a wheelchair, the person on crutches, and the blind.

Wheelchair dimensions and maneuverability are shown on page 20. For an individual on crutches, minimum width between crutch tips is 36 in.

THE BLIND INDIVIDUAL

When properly trained, blind persons have a somewhat greater freedom of mobility than those who are confined to wheelchairs. Indeed, there is a strong faction that opposes any kind of special provisions in the belief that proper training makes them unnecessary. Barriers, they feel, are a problem only for those who are not fully rehabilitated and for elderly persons with a loss of sight.

More widely held is the view that by including certain kinds of barrier-free design provisions, architects make access to and use of buildings easier for not only the blind, but for other

categories of handicapped too, especially the wheelchair-bound. Typical of this is grade level entry and the elimination of steps.

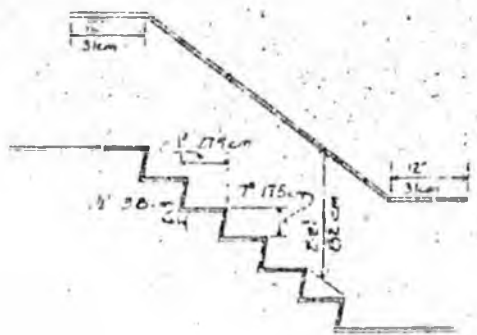
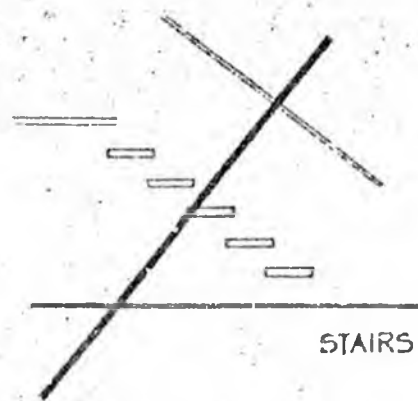
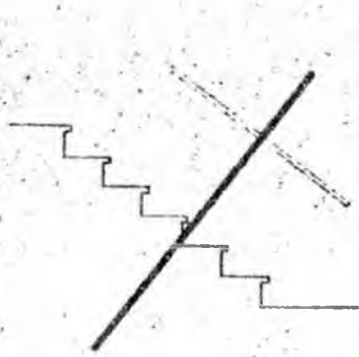
Other design provisions to expand access to the blind should include:

(a) Floor texture changes. A standard scale should be developed, with "roughest" texture equal to "most hazardous." Endless "seamless" surfaces of tile, carpeting or marble are confusing to blind people, especially in such hazardous transition locations as sidewalk-to-street and landing-to-stairs.

(b) Color contrast. Since many individuals who are classified as blind in fact have some usable vision, color contrast is a useful way to warn against hazards. Even those with 3% vision can react to color change, especially when of high contrast such as dark blue versus beige.

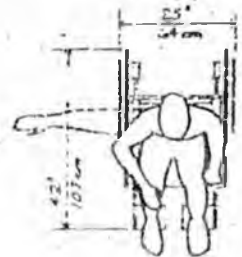
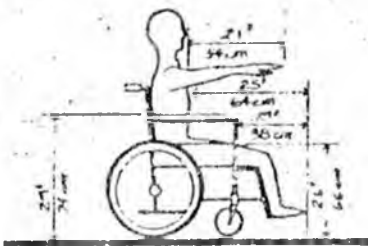
(c) Elevator indicators. Some kind of acoustic indicator would help the blind know whether the elevator they have called is heading up or down. (A two-tone signal has been suggested—high pitched for "up", lower pitch for "down".)

In any case many authorities on the problems of the blind feel that mobility training for the blind should focus not only on touch and the cane but also on developing greater sensitivity to such stimuli as sound and air currents.

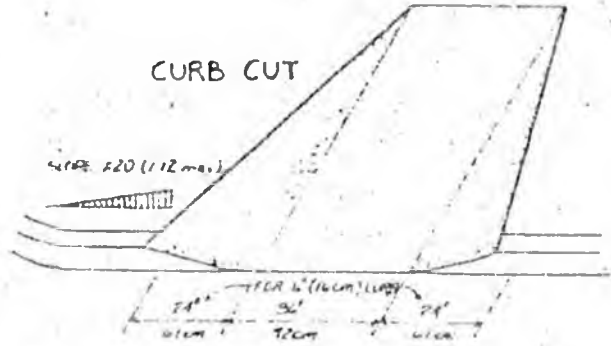


STAIRS

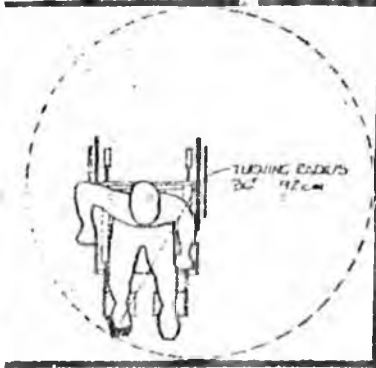
WHEELCHAIR



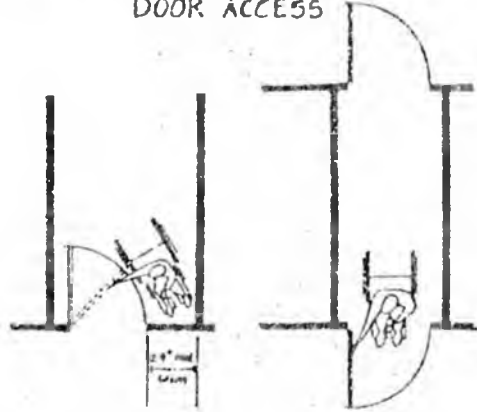
CURB CUT



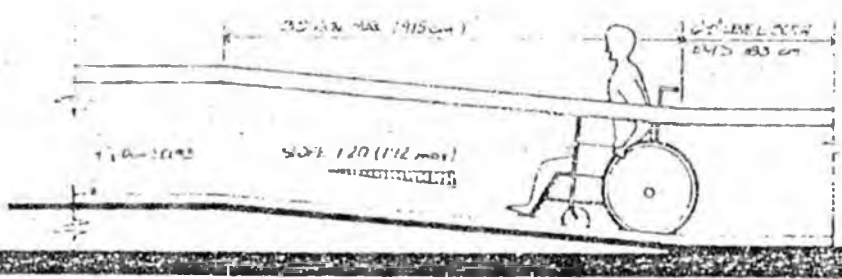
WHEELCHAIR TURNING



DOOR ACCESS



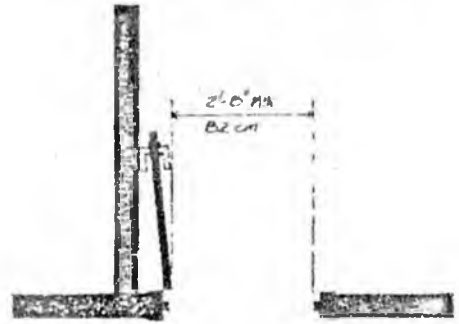
CRUTCHES

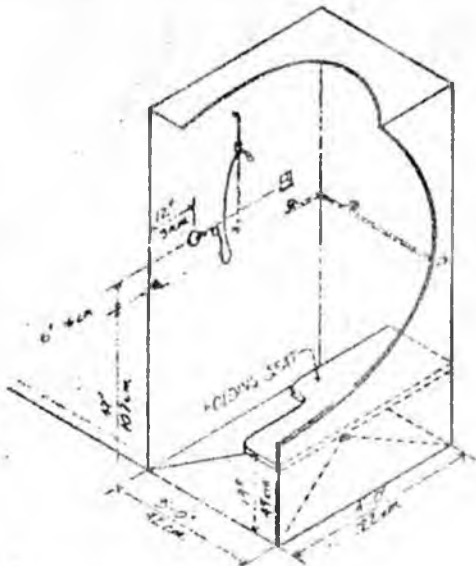


RAMP WIDTH: 2'-10" (107 cm) MIN, 5'-0" (153 cm) PREFERRED

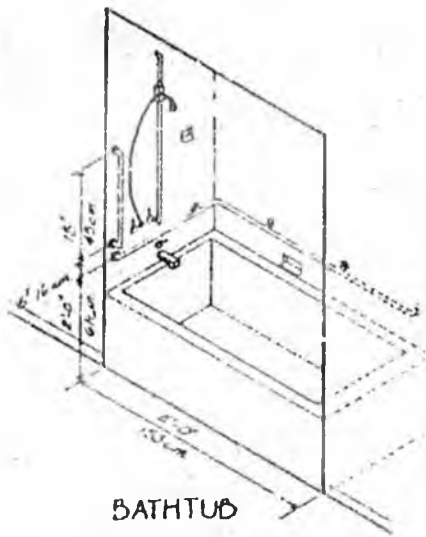
RAMP

DOOR CLEARANCE

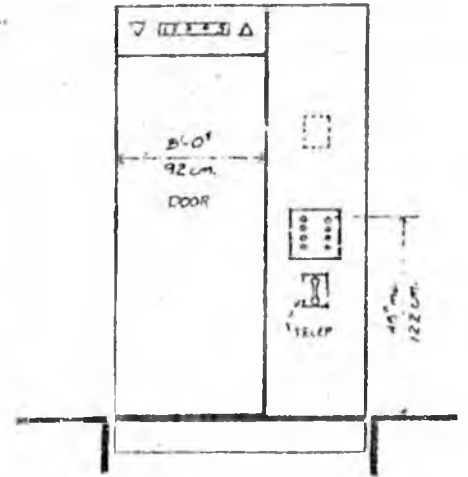




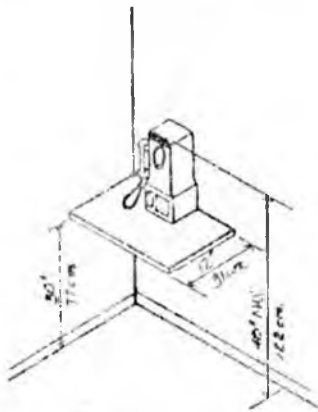
SHOWER STALL



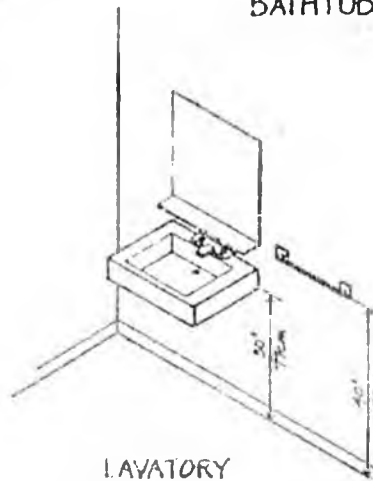
BATHTUB



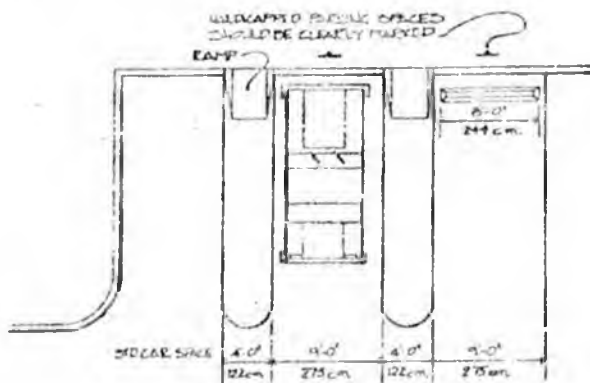
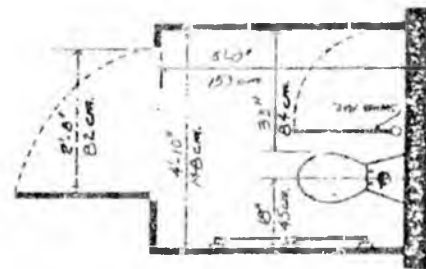
ELEVATOR INTERIOR



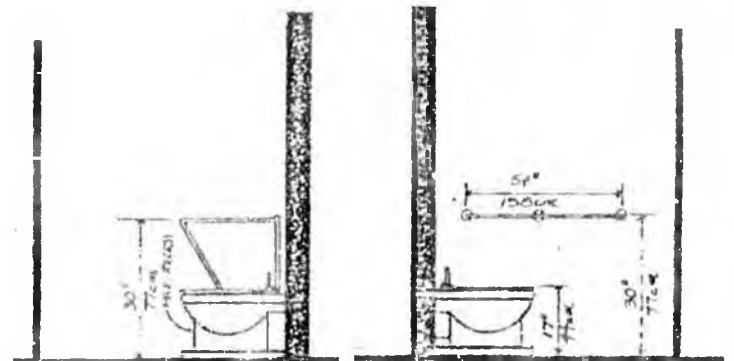
TELEPHONE



LAVATORY

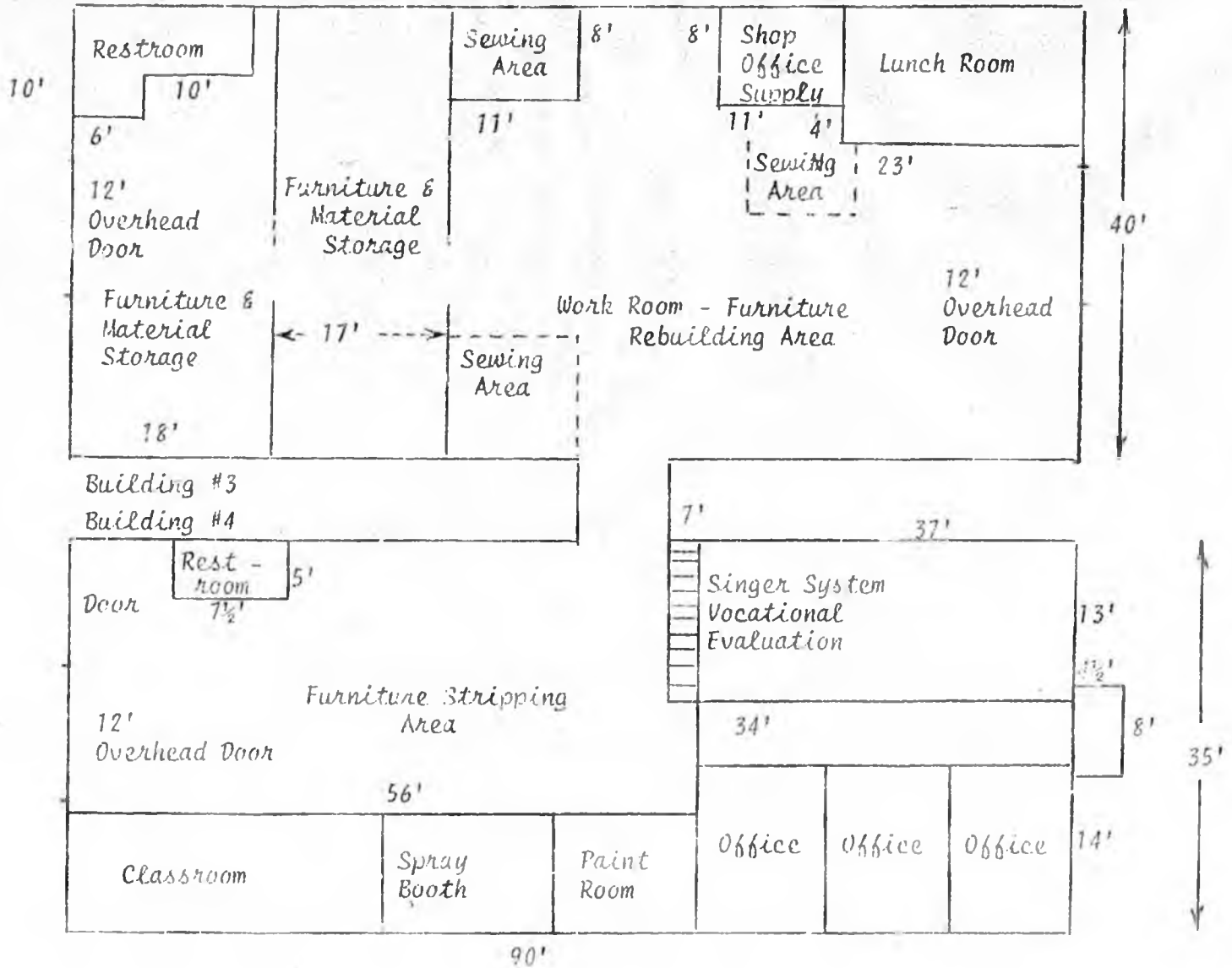


PARKING



TOILET STALL

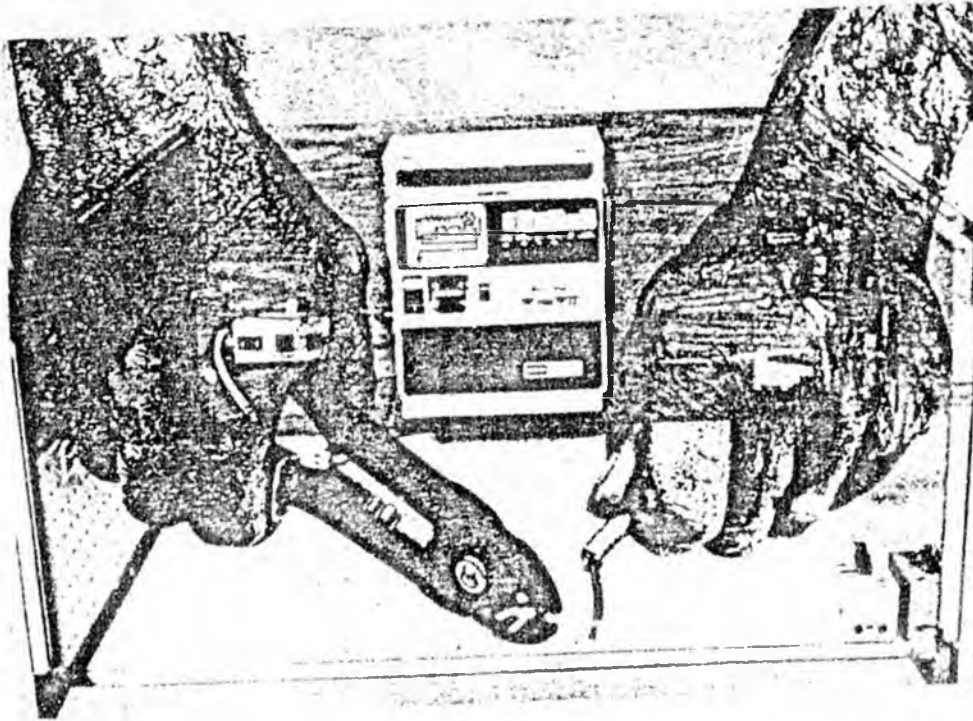
EXHIBIT III



FAIRBANKS REHABILITATION ASSN. VOCATIONAL DIVISTON (HOPE INDUSTRIES)
CURRENT PHYSICAL FACILITY

Singer

Vocational Evaluation



• Singer Vocational Evaluation System work sampling station

EXHIBIT V

<input checked="" type="checkbox"/> CHECKED BOX APPLICIES	<input checked="" type="checkbox"/> ORDER FOR SUPPLIES OR SERVICES	<input type="checkbox"/> REQUEST FOR QUOTATION NO.	PAGE 2
1. CONTRACT/PURCH ORDER NO. GS-10W-65314(H1)		2. DELIVERY ORDER NO. F65503-76-M-3141	
3. DATE OF ORDER 76 JAN 23		4. REQUISITION/PURCH REQUEST NO. 76-0600	
5. ISSUED BY: 023 BASE PROCUREMENT OFFICE 5010/LGP, BLDG 3112 EIELSON AFB ALASKA 99702		6. DELIVERY FOR <input checked="" type="checkbox"/> DEST <input type="checkbox"/> OTHER <small>(See Schedule if other)</small>	
7. CONTRACTOR/QUOTER NAME AND ADDRESS HOPE INDUSTRIES 1448 DAVIS RD FAIRBANKS AK 99701		8. DELIVER TO FOB POINT BY: 76 APR 26	
9. FACILITY CODE TT7 54HIG		10. DISCOUNT TERMS NET	
11. CHECK IF SMALL BUSINESS <input type="checkbox"/>		12. DATE INVOICES TO: SEE BLOCK 15	
13. SHIP TO: CONTRACT REPAIR SERVICE 5010/LGPM, BLDG 1141 MR FOR: F65503-76-M-3141 EIELSON AFB ALASKA 99702		14. PAYMENT WILL BE MADE BY: ACCOUNTING & FINANCE OFFICER 5010 ACP, BLDG 3112	

15. TYPE OF ORDER: DELIVERY PURCHASE

This delivery order is subject to instructions contained on this side of form only and is issued on another Government agency or in accordance with and subject to terms and conditions of above numbered contract.

Reference your _____, furnish the following on terms specified herein, including, for U. S. purchases, General Provisions of Purchase Order on DD Form 1155r (EXCEPT CLAUSE NO. 12 APPLIES ONLY IF THIS BOX IS CHECKED, AND O. 15 IF THIS BOX IS CHECKED); special provisions _____, and delivery as indicated. This purchase is negotiated under authority of 48 USC 2304(a)(3) or as specified in the schedule if within the U. S., its possessions or Puerto Rico; if otherwise, under 2304(a)(6).

If checked, Additional General Provisions apply; Supplier shall sign "Acceptance" on DD Form 1155r and return coupons.

16. ACCOUNTING AND APPROPRIATION DATA/LOCAL USE
57-9760700 306 7126 364499 01 P721 56902 S674400

ITEM NO.	SCHEDULE OF SUPPLIES/SERVICES	QUANTITY ORDERED/ACCEPTED*	UNIT	UNIT PRICE	AMOUNT
	SEE CONTINUATION SHEET FOR ITEM(S)				
	CONFIRMING ORDER WITH LEROY DEAN ON 76 JAN 23. DO NOT DUPLICATE.				

24. UNITED STATES OF AMERICA		25. TOTAL 35,010.00	
26. QUANTITY IN COLUMN 20 HAS BEEN: <input type="checkbox"/> INSPECTED <input type="checkbox"/> RECEIVED <input type="checkbox"/> ACCEPTED, AND CONFORMS TO THE CONTRACT EXCEPT AS NOTED		27. SHIP NO.	
28. SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE <i>John A. ...</i>		29. U. S. VOUCHER NO.	
30. DATE		31. PAYMENT <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL	
32. SIGNATURE AND TITLE OF CERTIFYING OFFICER		33. PAID BY	
34. RECEIVED AT		35. CHECK NUMBER	
35. RECEIVED BY		36. BILL OF LADING NO.	
36. DATE RECEIVED		37. S/R VOUCHER NO.	
37. RECEIVED AT		38. TOTAL CONTAINERS	
38. RECEIVED BY		39. S/R ACCOUNT NUMBER	
39. DATE RECEIVED		40. S/R VOUCHER NO.	

CONTINUATION SHEET

F65503-76-M-3141

2 2

NAME OF OFFEROR OR CONTRACTOR

HOPE INDUSTRIES

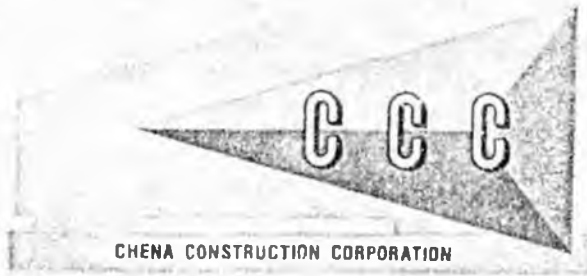
ITEM NO.	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
SERVICES NON-PERSONAL. CONTRACTOR TO FURNISH ALL NECESSARY LABOR, MATERIAL, PARTS AND EQUIPMENT TO REPAIR THE BELOW LISTED ITEMS IN ACCORDANCE WITH GSA CONTRACT NO. GS-10W-65314(H1). ALL WORK IS SUBJECT TO IN-PROGRESS AND FINAL INSPECTION.					
1	RIGHT SECTIONAL ITEM 136, GROUP H	83	EA	43.50	3610.50
2	LEFT SECTIONAL ITEM 136, GROUP H	83	EA	43.50	3610.50
3	CHAIR, EASY T CUSHION ITEM 116, GROUP H	166	EA	44.50	7387.00
4	PLUS 70% ALASKA PRICE				10225.60
5	MATERIAL FURNISHED PLUS 10%	2158	YDS	4.73	10207.31
MJ66	933 005 BB LB				35040.91

CONTRACTOR MUST SUBMIT INVOICE ON MATERIAL BEFORE ACTUAL WORK IS PERFORMED.

RECEIVED

FEB 2 1976

FEDERAL BUREAU OF INVESTIGATION
 WASHINGTON, D.C.



600 HUGHES AVE. • P. O. BOX 80369 • FAIRBANKS, ALASKA 99701
907-456-4711, 456-6403, 452-4344



February 2, 1976

Mr. Thomas F. Henderson
Executive Director
Fairbanks Rehabilitation Assoc.
117 Slater Drive
Fairbanks, Alaska 99701

Dear Mr. Henderson:

In compliance with your request, the following is a resume of your proposed work shop building, located on the North Star Terminals site, south Cushman Extension:

This 12,140 square foot single story building shall be situated on 1.6 acres of land with adjoining rail spur.

This project shall be completely turn-key, including the following.

One Behlen 80' x 151'9" stress skin building with 3-30 lock doors ^{36"} one 60' lock door, all necessary windows, overhead doors, fascia, soffets and gutters. Color selection to be made from standard colors.

All erection, excavation, fill, footings, foundation and slab work is also included.

All electrical, mechanical and interior ceiling, floor and wall finish is also figured in this project. Adequate insulation to comply with code for this area will be adhered to.

Interior doors and building facilities shall be as per the American National Standards Specifications for use by the Physically Handicapped.

The construction portion of this project will be provided for by Chena Construction Corporation to the leasing agent, North Star, Inc.

Mr. Thomas Henderson

-2-

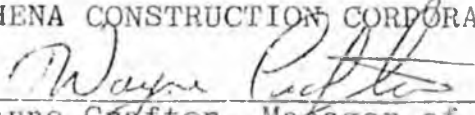
Feb. 2, 1976

North Star, Inc. shall lease to Fairbanks Rehabilitation Association, Inc. for a period of ten (10) years, building and ground at \$1.02 per square foot per month, on a Net/Net/Net lease.

If either your or any of your Board members have any further questions concerning this quotation, please do not hesitate to contact me at your earliest possible convenience.

Very truly yours,

CHENA CONSTRUCTION CORPORATION


Wayne Crafton, Manager of Sales

cc: Charles P. Rees

WC:csr



CHENA CONSTRUCTION CORPORATION

670 HUGHES AVE. • P.O. BOX 60389 • FAIRBANKS, ALASKA 99701
907-456-4711, 456-6403, 452-4544



March 12, 1976

Mr. Thomas F. Henderson
Executive Director
Fairbanks Rehabilitation Assoc.
117 Slater Drive
Fairbanks, Alaska 99701

Dear Mr. Henderson:

In compliance with your request, the following is a resume of your proposed work shop building, located on the North Star Terminals site, south Cushman Extension.

This 12,140 square foot single story building shall be situated on 1.6 acres of land with adjoining rail spur.

This project shall be completely turn-key, including the following:

One Behlen 80' x 151'9" stress skin building with a 3-30 lock doors one 60 lock door, all necessary windows, overhead doors, fascia, soffets and gutters. Color selection to be made from standard colors.

All erection, excavation, fill, footings, foundation and slab work is also included.

All electrical, mechanical and interior ceiling, floor and wall finish is also figured in this project. Adequate insulation to comply with code for this area will be adhered to.

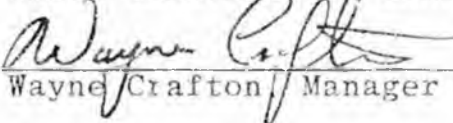
Interior doors and building facilities shall be as per the American National Standards Specifications for use by the Physically Handicapped.

1.6 acres for the sum of \$80,000.00 which also includes the right to hook up to the underground existing sewer and electrical. The purchase price of the turn-key project is \$853,441.00, less the 1.6 acres.

If either you or any of your Board members have any further questions, please do not hesitate to contact me.

Very truly yours,

CHENA CONSTRUCTION CORPORATION


Wayne Crafton, Manager of Sales

cc: Charles P. Rees, North Star, Inc.

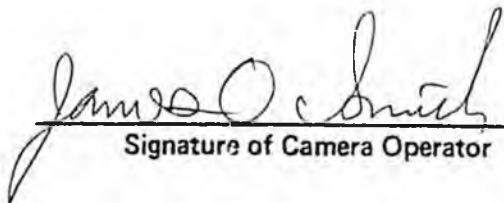
WC:csr



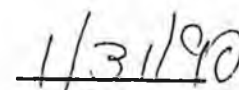
RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.



Signature of Camera Operator



Date

COMMITTEE REPORT

4/17/75

SENATE

Mr. President:

Date _____

The Committee on FINANCE has had SB 288 special appropriation to the Alaska Housing Finance Corporation under consideration. A Majority of the members of the Committee

- () recommends it DO PASS
- () recommends it DO NOT PASS
- () recommends it DO PASS WITH ATTACHED AMENDMENT(S)
- () recommends it BE REPLACED WITH CS FOR _____ AND THAT
CS FOR _____ DO PASS
- () "and" recommends it BE REFERRED TO THE _____
COMMITTEE
- () reports it back WITHOUT RECOMMENDATION
- () "other"

Members signing the majority report:

Members NOT concurring in the Majority report:

_____ recommends:
 _____ recommends:
 _____ recommends:
 _____ recommends:
 _____ recommends:

Chairman

COMMITTEE REPORT

4/17/75

SENATE

Mr. President:

Date _____

The Committee on FINANCE has had SB 238 special appropriation to the Alaska Housing Finance Corporation under consideration. A Majority of the members of the Committee

- () recommends it DO PASS
- () recommends it DO NOT PASS
- () recommends it DO PASS WITH ATTACHED AMENDMENT(S)
- () recommends it BE REPLACED WITH CS FOR _____ AND THAT
CS FOR _____ DO PASS
- () "and" recommends it BE REFERRED TO THE _____
COMMITTEE
- () reports it back WITHOUT RECOMMENDATION
- () "other"

Members signing the Majority report:

Members NOT concurring in the Majority report:

_____ recommends:
 _____ recommends:
 _____ recommends:
 _____ recommends:
 _____ recommends:

_____ Chairman

COMMITTEE REPORT

SENATE

3/19/75

Mr. President:

Date 4-17-75

The Committee on COMMERCE has had SB 288 special appropriation to the Alaska Housing Finance Corporation under consideration. A Majority of the members of the Committee

- recommends it DO PASS
- recommends it DO NOT PASS
- recommends it DO PASS WITH ATTACHED AMENDMENT(S)
- recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS
- "and" recommends it BE REFERRED TO THE Finance COMMITTEE
- reports it back WITHOUT RECOMMENDATION
- "other"

Members signing the Majority report:

J. Kettle _____

Edward C. Wallis _____

Colette _____

Members NOT concurring in the Majority report:

3 recommends: w/o rec.

Joseph L. Orsini recommends: no rec.

_____ recommends:

_____ recommends:

_____ recommends:

J. Kettle Chairman

Introduced: 3/19/75
Referred: Commerce and
Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2 SENATE BILL NO. 288

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE -- FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special app opriation to the
7 mortgage insurance fund of the Alaska Housing
8 Finance Corporation; and providing for an
9 effective date."

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

11 * Section 1. The sum of \$500,000 is appropriated from the general fund
12 to the mortgage insurance fund of the Alaska Housing Finance Corporation.
13 The Alaska Housing Finance Corporation is directed to pay into the mortgage
14 insurance fund the sum of \$500,000 from its unrestricted surplus funds.

15 * Sec. 2. This Act takes effect on the effective date of "An Act
16 enlarging the purposes and powers of the Ala Housing Finance Corporation;
17 and providing for an effective date."

ALASKA STATE LEGISLATURE

NINTH Legislature FIRST Session

SENATE BILL NO. 288

By THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

"An Act making a special appropriation to the mortgage insurance fund of the Alaska Housing Finance Corporation; and providing for an effective date."

spec. approp. Alaska Housing Finance Corp.

Introduced in the Senate ... 3/19, 19.75

HISTORY IN THE SENATE

19	75	Read first time and referred to Committee on
3	19	Commerce and Finance
4	17	Reported back with recommendation that <i>Con. 3rd page In. re T. Finance</i>
		Read second time and
		Read third time and
		PASS Effective Date
		Yeas Yeas
		Nays Nays
		Absent Absent
		Excused Excused
		Reconsideration
		PASS Effective Date
		Yeas Yeas
		Nays Nays
		Absent Absent
		Excused Excused
		Reported correctly engrossed
		Signed by President
		Sent to House
SECRETARY OF THE SENATE		

HISTORY IN THE HOUSE

19	Read first time and referred to Committee on
	Reported back with recommendation that
	Read second time and
	Read third time and
	PASS Effective Date
	Yeas Yeas
	Nays Nays
	Absent Absent
	Excused Excused
	Reconsideration
	PASS Effective Date
	Yeas Yeas
	Nays Nays
	Absent Absent
	Excused Excused
	Reported correctly engrossed
	Signed by Speaker
	Returned to Senate
CHIEF CLERK OF THE HOUSE	

HISTORY IN THE SENATE

19	Received from House
	Reported correctly enrolled
	Sent to Governor
 By Governor
	Filed with Lt. Governor
	Chapter No.



JUNEAU, ALASKA

Alaska State Legislature

Senate

RECEIVED

DEC 1 1975

RECEIVED

DEC 8 1975

DEPARTMENT OF COMMERCE

MEMORANDUM

TO: Lois Cook

DATE: December 5, 1975

FROM: James D. Fennel
Staff Assistant
Senate Finance Committee

SUBJ: Fiscal Notes

Attached is a fiscal note submitted for SB288+289, which was referred to the Senate Finance Committee during the last legislative session.

Would you please review this information for accuracy, revise figures to reflect current costs, and add any pertinent data necessary.

We would appreciate receiving the revised fiscal note by January 1, 1976.

1/2/76

Alaska Housing Finance Corporation advises me that there is no change for the fiscal note on SB288 (SB289 passed last session). They also indicate that they will seek an additional appropriation this session for the mortgage insurance fund.

James Fennel



LAWS OF ALASKA

1975

Source

Chapter No.

HCS CSSB 280 am H

151

AN ACT

Relating to housing and to political subdivisions of the state involved in housing; and providing for an effective date.

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

* Section 1. AS 18.55.100 is amended by adding a new subsection to read:

(c) Any two or more authorities may join or cooperate with one another in the exercise of any or all of the power conferred by the housing authorities law for the purpose of financing, planning, undertaking, constructing or operating a housing project or projects located within the area of operation of one or more of the authorities.

* Sec. 2. AS 18.55.995 is amended to read:

Sec. 18.55.995. PURPOSE AND INTENT. The legislature finds that an acute shortage of housing and related facilities exists in the villages of Alaska and that adequate housing cannot be provided by the private sector due to the economic depression which exists in most villages of Alaska. It is the purpose and intent of the legislature to provide a means for certain native associations to form public corporations with the powers and duties comparable to the Alaska State Housing Authority.

* Sec. 3. AS 18.55.996(b) is amended to read:

(b) There is created with respect to each of the associations named in (a) of this section a public body corporate and politic to function in the operating area of the individual associations to be known as the regional housing authority of the associations possessing all powers, rights and functions now or subsequently specified for the Alaska State Housing Authority, under the Alaska State

Housing Authority Act (secs. 10 - 290 of this chapter) except those specified with respect to the construction and acquisition of public buildings for lease to the state or any subsequently specified authority which is inconsistent with sec. 995 of this chapter. The authority shall have the power to enter into agreements with local government, other political subdivisions of the state, the state or the federal government for the exercise of a function or power relating to construction, operation and maintenance of public facilities or public utilities. Upon execution of such an agreement and for the period of the agreement the authority shall have the same powers and functions relating to the subject matter of the agreement as those which may legally be exercised by the governmental unit with whom the agreement is made including the authority to separately or together with the other unit borrow money and issue notes, bonds or other evidence of indebtedness to finance a project within the scope of the agreement subject to the express limitations, if any, contained in the agreement. All obligations or liabilities of the regional housing authorities shall remain their own and shall not be obligations or liabilities of the state.

* Sec. 4. AS 18.56.010 is amended by adding new subsections to read:

(d) The program of making loans for residential housing to veterans in accordance with AS 26.15 has increased and improved the supply of adequate housing in the state, and the continuation of the program is essential to the economic growth of the state and the expansion of the supply of adequate residential housing in the state. Participation by the Alaska Housing Finance Corporation in the program of purchasing and insuring state veterans' loans as provided in this chapter will be of material aid in insuring the continuance of the program of making loans for residential housing to veterans in accordance with AS 26.15.

(e) Expansion of the program of the Alaska Housing Finance Corporation of purchasing insured and uninsured mortgage loans is essential to the economic growth of the state and the supply of adequate residential housing in the state.

(f) The legislature finds that enabling the Alaska Housing Finance Corporation to assist in financing the program of veterans' loans for residential housing in accordance with AS 26.15 and to expand its program of purchasing other mortgage loans serves a public purpose in benefiting the people of the state. The Alaska Housing Finance Corporation is empowered to act on behalf of the state and its people in serving this public purpose for the benefit of the general public.

* Sec. 5. AS 18.56.030 is amended to read:

Sec. 18.56.030. CORPORATION GOVERNING BODY. The corporation shall be governed by a board of directors, consisting of the commissioner of commerce and six members appointed by the governor. Members serve without compensation except that each member may be reimbursed by the corporation for actual and necessary expenses at the same

rate as set out in AS 39.20.180.

* Sec. 6. AS 18.55.996 is amended by adding a new subsection to read:

(f) The authority shall have the power to acquire, construct, operate and maintain group homes, multipurpose community centers, child care centers and other community facilities.

* Sec. 7. AS 18.56 is amended by adding a new section to read:

Sec. 18.56.072. VETERANS' LOANS FOR RESIDENTIAL HOUSING. The corporation is additionally authorized to exercise the powers enumerated in sec. 90 of this chapter for the purpose of assisting the financing of the program of veterans' loans for residential housing in accordance with AS 26.15.

* Sec. 8. AS 18.56 is amended by adding a new section to read:

Sec. 18.56.095. MORTGAGE INSURANCE. (a) There is another special fund of the state to be known as the "state mortgage insurance fund" (called the "mortgage insurance fund") which shall be completely segregated and set apart from all other funds of the state, and which is a trust fund for the uses and purposes of this section and into and from which money shall be paid as provided in this section. The mortgage insurance fund shall be held by the commissioner of revenue, subject to the power of the commissioner of commerce to enter into and perform agreements with respect to the use of money in the mortgage insurance fund and to pledge, assign or grant interests in the mortgage insurance fund as provided in this section. The commissioner of commerce may enter into agreements with the corporation with respect to the exercise of any power or approval relating to the mortgage insurance fund under this section, including, without limitation, agreements as to the use of money in the mortgage insurance fund, agreements with respect to the terms and conditions upon which payments from the mortgage insurance fund shall be made to the corporation with respect to mortgage loans insured under this section, and agreements regarding the payment of and security for mortgage insurance bonds, and in connection with these agreements the commissioner of commerce may pledge, assign or grant other interests in the mortgage insurance fund to the corporation as may be necessary or appropriate in connection with the insurance of mortgage loans and to provide for the payment of and security for mortgage insurance bonds. Any such agreement or any of the rights of the corporation under the agreement and payments received or to be received under the agreement may be pledged or assigned by the corporation for the benefit of the holders of mortgage insurance bonds.

(b) In addition to any other fees and charges which the corporation may charge on mortgage loans, it may collect or cause to be collected on all mortgage loans made or purchased with the proceeds of the sale of mortgage insurance bonds, either or both a special mortgage loan insurance commitment fee or a mortgage loan insurance premium. The

special mortgage loan insurance commitment fees and special mortgage loan insurance premiums when received shall be deposited in the mortgage insurance fund by the corporation, or by any mortgage loan servicer, trustee, or agent designated by the corporation to receive them, and shall be held, invested and, together with all investment income derived from them, reinvested by the commissioner of revenue in investments authorized under AS 37.10.070(a), subject to any agreement with the corporation under (a) of this section.

(c) If, at any time after receipt by the corporation of a payment from the mortgage insurance fund with respect to a mortgage loan or any portion of the principal and interest and other amounts payable on a mortgage loan, the corporation recovers an amount on the mortgage loan or portion of it from any source other than the mortgage insurance fund, it shall apply the amount recovered in the following order: first to repay the general fund of the state to the extent of appropriations made pursuant to requests made under (f) of this section, and second, to repay the mortgage insurance fund.

(d) A mortgage loan, including a state veterans' loan, may be insured if the loan to value ratio at the time of the insurance loan does not exceed 80 per cent or, if the loan to value ratio does exceed that percentage, if it is federally insured or guaranteed or insured by a qualified mortgage insurance company to the extent of the excess. In addition, a state veterans' loan may be insured if the loan to value ratio does not exceed 90 per cent. The endorsement of the corporation on the mortgage at the time of purchase or acquisition of the mortgage loan is conclusive evidence that the mortgage loan is insured under the provisions of this section. The insurance is payable solely from the mortgage insurance fund.

(e) Mortgage loans may only be insured when the amount in the mortgage insurance fund as a percentage of the sum of all mortgage loans to be insured and all unpaid principal on mortgage loans insured by the corporation, equals or exceeds the fund requirement. As used in this section, the "fund requirement" is calculated as follows as to the following mortgage loans insured by the corporation:

(1) in the case of federally insured or guaranteed mortgage loans, or mortgage loans, including state veterans' loans, insured by a qualified mortgage insurance company or, if not so insured or guaranteed, with a loan to value ratio at the time of the mortgage insurance application less than 80 per cent, the greater of (A) two per cent of the unpaid principal amount of those mortgage loans, or (B) a percentage which the corporation with the approval of the commissioner of commerce determines is actuarially sound for operation of the mortgage insurance fund;

(2) in the case of state veterans' loans not insured by a qualified mortgage insurance company and with a loan to value ratio at the time of the mortgage insurance application between 80 and 90 per cent, the greater of (A) six per cent of the unpaid principal amount of those state veterans' loans, or (B) a percentage which the corporation with the approval of the commissioner of commerce determines

is actuarially sound for the operation of the mortgage insurance fund.

(f) On December 1 of each year the commissioner of commerce shall determine the amount on deposit in the mortgage insurance fund. If the amount in the fund is less than the fund requirement, the commissioner shall request the corporation to transfer from any available funds the amount necessary to restore the mortgage insurance fund to the fund requirement and the corporation shall promptly comply with the request from any funds available subject to agreements with holders of any of its obligations. If sufficient funds are not provided as the result of such requests, the commissioner shall, no later than January 2 of the following year, make and deliver to the governor and to the chairmen of the house and senate finance committees his certificate stating the sum required to restore the fund to the fund requirement and the sum so certified may be appropriated and paid to the fund during the then current state fiscal year. Nothing in this subsection creates a debt or liability of the state.

(g) The commissioner of revenue may sell to the corporation, and the corporation may purchase, state veterans' loans purchased for and held in the general fund on such terms and conditions as the commissioner of revenue and the corporation consider appropriate. When the commissioner of revenue sells any state veterans' loan to the corporation he may cause to be deposited in the mortgage insurance fund from the proceeds of sale an amount not exceeding the lesser of (1) six per cent of the proceeds of sale, or (2) the difference between the amount the commissioner of revenue actually receives on the sale and the amount the commissioner determines would have been received if the state veterans' loans had been sold in the private mortgage market. The determination shall be based on information reasonably available to the commissioner of revenue at the time of sale and is conclusive in determining the amount of the deposit.

(h) As used in this section, unless the context clearly indicates a different meaning:

(1) "loan to value ratio" means the ratio between the principal amount of a mortgage loan and the appraised value, as determined by the corporation, of the residential housing financed by such mortgage loan;

(2) "mortgage insurance bond" means a bond, note or other obligation of the corporation, the proceeds of which are authorized to be expended to purchase or make a mortgage loan insured under this section;

(3) "qualified mortgage insurance company" means a mortgage insurance company satisfactory to the corporation;

(4) "special mortgage loan insurance commitment fee" and "special mortgage loan insurance premium" mean, respectively, a fee of such per cent of the principal amount of a mortgage loan to be insured under this section, and an annual insurance premium of such per cent of the portion of

the unpaid principal amount of a mortgage loan insured under this section which is not federally insured or guaranteed or insured by a private mortgage insurance company, which the corporation with the approval of the commissioner of commerce determines is actuarially sound for the operation of the mortgage insurance fund;

(5) "state veterans' loan," means a mortgage loan for residential housing made in accordance with AS 26.15;

(6) the determination of what is "actuarially sound" with respect to the operation of the mortgage insurance fund shall be based on a consideration of the factors which will provide sufficient revenues for the operation of the fund, without regard to amounts which may have been or may, after the date of determination of actuarial soundness, be appropriated pursuant to (f) of this section, including, without limitation, estimates of future defaults and losses on mortgage loans insured under this section based on actual default and loss experience on those mortgage loans or on similar mortgage loans in Alaska or elsewhere, estimates of recoveries on defaulted or foreclosed mortgage loans based on that experience, the terms and conditions of the mortgage loans insured under this section, estimates of earnings and income of amounts on deposit in the mortgage insurance fund, and any other appropriate factors.

* Sec. 9. AS 18.56 is amended by adding a new section to read:

Sec. 18.56.125. CAPITAL RESERVE FUND. (a) For the purpose of securing any one or more issues of its obligations, the corporation may establish one or more special funds, called "capital reserve funds", and shall pay into those capital reserve funds (1) any money appropriated and made available by the state for the purpose of any of those funds, (2) any proceeds of the sale of its obligations, to the extent provided in the resolution or resolutions of the corporation authorizing their issuance, and (3) any other money which may be made available to the corporation for the purposes of those funds from any other source. All money held in a capital reserve fund, except as provided in this section, shall be used as required, solely for (1) the payment of the principal of obligations or of the sinking fund payments with respect to those obligations, (2) the purchase or redemption of obligations, (3) the payment of interest on obligations, or (4) the payment of any redemption premium required to be paid when those obligations are redeemed before maturity; however, money in any fund may not be withdrawn from it at any time in an amount which would reduce the amount of that fund to less than the capital reserve requirement set out in (b) of this section, except for the purpose of making, with respect to those obligations, payment, when due, of principal, interest, redemption premiums and the sinking fund payments for the payment of which other money of the corporation is not available. Any income or interest earned by, or increment to, a capital reserve fund, due to the investment of the fund or any other amounts in it, may be transferred by the corporation to other funds or accounts of the corporation to the extent that the transfer does not reduce the amount of the capital reserve fund below the capital reserve fund requirement.

(b) If the corporation decides to issue obligations secured by such a capital reserve fund, the obligations may not be issued if the amount in such capital reserve fund is less than such a per cent, not exceeding 10 per cent of the principal amount of all of those obligations secured by that capital reserve fund then to be issued and then outstanding in accordance with their terms, as may be established by resolution of the corporation (called the "capital reserve fund requirement"), unless the corporation, at the time of issuance of the obligations, deposits in such capital reserve fund from the proceeds of the obligations to be issued or from other sources, an amount which, together with the amount then in the fund, will not be less than the capital reserve fund requirement.

(c) In computing the amount of a capital reserve fund for the purpose of this section, securities in which all or a portion of the funds are invested shall be valued at par or, if purchased at less than par, at amortized costs as that term is defined by resolution of the corporation authorizing the issue of the obligations, or by some other reasonable method established by the corporation by resolution. Valuation on a particular date shall include the amount of any interest earned or accrued to that date.

(d) To assure the continued operation and solvency of the corporation for the carrying out of its corporate purposes, provision is made in (a) of this section for the accumulation in capital reserve funds of an amount equal to their capital reserve fund requirement.

(e) The chairman of the corporation shall annually, not later than January 2, make and deliver to the governor and chairmen of the house and senate finance committees his certificate stating the sum, if any, required to restore a capital reserve fund to the capital reserve fund requirement. The legislature may appropriate such a sum, and all sums appropriated during the then current fiscal year by the legislature for such restoration shall be deposited by the corporation in the proper capital reserve fund. Nothing in this section creates a debt or liability of the state.

(f) Whenever the corporation has created and established a capital reserve fund, the commissioner of revenue may lend surplus money in the general fund to the corporation for deposit in a capital reserve fund in an amount equal to the capital reserve fund requirement. The loans shall be made on such terms and conditions as may be agreed upon by the commissioner of revenue and the corporation, including without limitation terms and conditions providing that the loans need not be repaid until the obligations of the corporation secured and to be secured by the capital reserve fund are no longer outstanding.

* Sec. 10. AS 18 is amended by adding a new chapter to read:

CHAPTER 100. HOUSING DEVELOPMENT REVOLVING LOAN FUND.

Sec. 18.100.010. DECLARATION OF PURPOSE. There exist within the state a serious shortage of decent, safe and sanitary residential housing available at low or moderate prices or rentals to persons of lower and moderate income.

Chapter 151

There also exists in the state organizations whose purposes are to provide the kinds of housing needed to alleviate this shortage. Development work to provide such housing involves substantial expense which is often beyond the resources of the organizations.

Sec. 18.100.020. FUND ESTABLISHED. There is created in the Department of Community and Regional Affairs a housing development revolving loan fund to be administered by the community planning division.

Sec. 18.100.030. POWERS AND DUTIES OF THE DEPARTMENT. The department may

(1) make loans to sponsors, builders and developers of residential housing for the costs approved by the division as appropriate expenditures which may be incurred by sponsors, builders and developers of residential housing, before commitment and initial advance of the proceeds of a construction loan or of a mortgage loan, including but not limited to

(A) payments for options to purchase properties on the proposed residential housing site;

(B) legal and organizational expenses, including payments of attorney fees, project manager, clerical and other staff salaries, office rent and other incidental expenses;

(C) payment of fees for preliminary feasibility studies and advances for planning, engineering and architectural work;

(D) expenses for tenant surveys and market analyses; and

(E) necessary application and other fees;

(2) designate agents and delegate powers to them as is necessary;

(3) adopt regulations necessary to carry out the purposes of this chapter;

(4) determine the eligibility of applicants for loans under this chapter.

Sec. 18.100.040. REPAYMENT OF LOAN. The repayment of a loan made under this chapter shall be at such time as the department designates but not later than final closing of a permanent loan on the project. The department may not require payment if construction of the contemplated project does not commence.

Sec. 18.100.050. ELIGIBILITY FOR LOANS. Only public or nonprofit private corporations are eligible for loans under this chapter. The nonprofit corporations must be designated as tax exempt under sec. 501(e)(3) and (4) of the Internal Revenue Code of 1954.

Sec. 18.100.060. INTEREST. The interest rate on loans

Chapter 151

made under this chapter shall be set by the Department at a rate sufficient to pay the administrative costs of the fund but the interest rate may not exceed three per cent.

* Sec. 11. This Act takes effect immediately in accordance with AS 01.10.070(c).

The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. SB 288 and SB 289
 Title: An Act enlarging the purposes & powers of AHFC
 Requested by: Budget and Management Date: _____
 Return Date Requested: ASAP
 Agency: Commerce Program: Alaska State Housing Author.

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
Matching Capitalization	500.0					
TOTAL						

B. FUNDING: (Thousands of dollars)

GENERAL FUND	500.0					
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	0 / 0	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

No administration costs anticipated.

IV. ATTACHMENTS

- Memorandum from Wohlforth & Flint
- Teletype from Tolbert Elliott

V. DATE: 4-18-75

PREPARED BY: Lois J. Cook
Lois J. Cook

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

TO: Members of the Board, Alaska
Housing Finance Corporation

FROM: Wohlforth & Flint

DATE: March 6, 1975

RE: Bill Enlarging the Powers and Purposes of the Alaska
Housing Finance Corporation

The bill submitted herewith enlarges the purposes of the Alaska Housing Finance Corporation by permitting the purchase and state insurance of State Veterans housing loans with the intent of expanding the State's ability to make such loans and by permitting a substantial program of conventional housing loan financing by the Corporation.

By June 30, 1975, the Corporation expects to have purchased \$104.5 million in Alaska home mortgages. Funds for the mortgage purchases have been provided through the issuance of tax exempt bonds and notes. \$8.2 million of the mortgages are non-federally insured. With funds borrowed from the State of Alaska the Corporation has made or purchased a total of \$8.3 million in conventional loans.

These housing mortgage loans have been purchased at below market rates with savings reflected in reduced interest rates to home owners. The Corporation has operated this program without any State general fund appropriations and now enjoys a surplus.

The demand, however, for conventional housing loan moneys outpaces the ability of the State to provide these funds and the ability of the Corporation to borrow money for the purpose under existing legislation and bond covenants. The demand for conventional housing loans is of course particularly acute in rural areas. Here, however, private mortgage insurance has recently become available and throughout

the State conventional home mortgage financing has increasingly become a preferred borrowing vehicle for homeowners. In these times of inflationary stress it is obvious that the Corporation should act to increase its ability to purchase conventional mortgage loans at below market rates.

To accomplish these purposes the bill creates a State mortgage insurance fund to be initially funded by a companion appropriation bill with \$500,000 of State funds and \$500,000 of Corporation surplus. The bill provides that the Corporation can purchase and insure private or federally insured mortgage loans on a 50 to 1 basis or whenever the amount in the fund equals two percent (2%) of the amount of the loans to be insured. The fund could also purchase uninsured loans with a loan to value ratio of 80% or less.

The insurance fund would have additional income of whatever commitment fee and annual premium the Corporation with the approval of the commissioner of commerce determines is sound for its operation. As drawn the legislation provides for an annual examination of the soundness of the insurance fund and the submission to the legislature of a request for a deficiency appropriation if the fund falls below its requirements.

The second major feature of the bill is provision for insurance of State Veterans housing mortgage loans sold to the Corporation by the commissioner of revenue. Currently the commissioner of revenue holds approximately \$42 million of State Veterans loans. In order to insure the continuance of this program the bill provides that the commissioner of revenue at the time he sells Veterans loans to the Corporation

may deposit in the fund from the proceeds of sale an amount equal to the lesser of 6% of the total amount of proceeds or the difference between the amount at which he sells the mortgages to the Corporation and the amount which he would have realized in private sale. Because of the ability of the Corporation to borrow money at tax exempt rates it is expected that veterans mortgages could be sold to the Corporation for an amount substantially above the amount the mortgages would command if sold on the private markets. As to uninsured State Veterans loans with a loan to value ratio between 80 and 90 percent, the insurance fund requirement would be 6% of the State Veterans loans insured or to be insured by the fund.

Finally, in order to insure the marketability of bonds at the best possible interest rate, the bill provides that the commissioner of revenue may lend to the Corporation for deposit in a capital reserve fund an amount equal to 10% of principal amount of bonds in the Corporation outstanding. This bond security feature is essentially designed to permit the Corporation to function when unforeseen events such as accelerated prepayments disrupt the planned schedule of bond repayments. The money is loaned to the capital reserve fund with provision for repayment at such time as bonds secured by the fund are no longer outstanding.

REV INVEST JNJ

ASHA AHG
15 APRIL 1975 ANCHORAGE AK

DEPT OF REVENUE
JINEAU

PLEASE DELIVER FOLLOWING MESSAGE TO BARBARA MARLOW OFFICE OF THE
COMMISSIONER, DEPARTMENT OF COMMERCE

BARBARA MARLOW
DEPT OF COMMERCE
RE YOUR REQUEST FOR FISCAL NOTE ON SB 289. THERE WILL BE NO COSTS
TO THE STATE FOR ADMINISTRATION UNDER SB289. THE ONLY APPROPRIA-
TION IS UNDER SB289 FOR \$520,000 MATCHING FUNDS FOR THE MORTGAGE
INSURANCE FUND. WE DO NOT HAVE FISCAL NOTE FORMS. WILL BE IN
JINEAU THURSDAY IF YOU HAVE FURTHER QUESTIONS.

TOLPERT F ELLIOTT
ACTING EXECUTIVE DIRECTOR
ALASKA HOUSING FINANCE CORPORATION

*
REV INVEST JNJ

ASHA AHG
V

COMMERCE COMMITTEE REPORT

TO ACCOMPANY

CSSB 289 AND SB 288

Section One consists of the necessary statutory findings to expand the program of the Corporation to include the purchase of State veterans loans.

Section 2 of the bill may cause confusion. The only new matter in section 2 is the matter underlined in lines 8, 9 and 10 on page 2. The balance of page 2, page 3, page 4 and page 5 down to section 3 is existing law:

The essence of the bill starts with section 3 on page 5 which creates the State Mortgage Insurance Fund. The Fund which is held for investment purposes by the Commissioner of Revenue, is controlled by the Commissioner of Commerce who is empowered to enter into agreements with bondholders of the Corporation with respect to the use of the money in the Fund. In subparagraph (b) on page 6, line 27, the Corporation is empowered to charge insurance fees and/or commitment fees which are to be deposited in the Fund. Subparagraph (d) on page 7 permits the insurance by the State Insurance Fund of any mortgage loans including State Veterans Loans which do not exceed 80% of the appraised value of the property securing the mortgage, and State Veterans Loans if they do not exceed 90% of appraised value.

Subparagraph (e) provides that mortgage loans may only be insured when the amount in the Fund is equal to the "Fund Requirement" which is defined in said subsection. The Fund Requirement with respect to 80% loan to value loans is 2% of the unpaid principal amount of the loans or such percentage as the Corporation determines is actuarially sound for operation of the Fund. In the case of State Veterans Loans with a loan to value ratio between 80 and 90 per cent the Fund Requirement is 6% of the unpaid principal amount of the State Veterans Loans. Again the percentage may be increased if it is determined to be necessary for the sound operation of the Fund. The Fund Requirement operates to limit the amount of loans which may be insured by the Corporation.

Subparagraph (f) on pages 8 and 9 provide for annual information to the Legislature as to whether the Fund contains a balance equal to the Fund Requirement.

Subparagraph (g) on page 9 permits the Commissioner of Revenue to sell to the Corporation State Veterans Loans. It also provides that the Commissioner may cause to be deposited in the Mortgage Insurance Fund from the proceeds of sale of State Veterans Loans an amount equal to the lesser of 6% of the proceeds of sale or the price received on the sale less the amount the Commissioner determines would have been received if the State Veterans Loans had been sold on the private market.

In addition, section 4 of the Bill starting on page 10, provides for a capital reserve fund which is a fund to secure payment of the bonds. The capital Reserve Fund Requirement is stated to be 10% of the principal amount of the obligations secured by the Fund. Subparagraph (b) on page 12 provides for an annual legislative report as to whether or not the Fund contains the requirement.

Subparagraph (f) on page 13 provides that the Commissioner of Revenue may lend monies in the General Fund to the Corporation for deposit in the capital reserve fund in amount equal to the capital reserve requirement.

The companion Bill SB 288, provides for an initial seed money appropriation from the General Fund to the Mortgage Insurance Fund of \$500,000 which is to be matched by payment from the Housing Finance Corporation of an equal sum from its unrestricted surplus funds.

ALASKA HOUSING FINANCE CORPORATION
CURRENT POSITION AND WORKING MECHANISM

Current Position:

\$92,000,000 in bonds outstanding
50,000,000 notes (Due 1976)
2,500 single family units statewide for low and moderate income persons.

AHFC works as follows:

Home buyer - Bank - AHFC - Bonds

Current program allows for:

90% of funds FHA and VA insured loans.
10% Conventional

SB 288 and SB 289 provides for alternatives

1. Existing program.
2. 100% conventional loan program.
3. Option provided to the State to sell veterans loans.

AHFC - TAX EXEMPT These factors should make long term money available
NON PROFIT at lowest possible rate to consumer.

\$500,000 of AHFC Corporation money into new program with \$500,000 of state funding will allow us to make up to \$50,000,000 in conventional loans.

- a. Veterans will fund their own reserve at time loans are sold to AHFC Corporation.
- b. \$500,000 of AHFC money was created through arbitrage on notes prior to bond sale.
- c. State participation needed to show good faith to bond buyers.
- d. Future money will need to be appropriated by state to mortgage insurance fund.

Two funds are created in SB 289

Mortgage Insurance Fund 2% of portfolio	Bond Insurance Fund 10% of bonds.
---	---

1. 80% loan to value ratio.
If 95% loan then top 15% will be covered by private mortgage insurance (PMI)
2. This takes the place of FHA and VA Insurance.

Bond Council says this program will sell.

Dean Witter	Wolforth
Solmon Brothers	Dalefield Wood etc.
Pain Weber	
Blyth Eastman Dillon	

Need for new expanded legislation -

1. Now we must abide by FHA & VA rates - 8%
Our cost of money is more than that
(A historical high - we hope will settle down)
2. Only 10% conventional
Most condominiums and town houses are not federally insured.
3. Covers rural Alaska.
4. Option to state for placing Vets loans.
5. Option to state to loan surplus funds to AHFC from bonus sales etc. in the future. Take place of the Bond Market.
6. Provide lowest possible mortgage rates for the consumer.

J. Kerttula
Jaumar Kerttula
Chairman

Ed Willis
Ed Willis
Vice Chairman

Mike Colletta
Mike Colletta

J. Orsini
Joseph Orsini

Robert Ziegler
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Vice Chairman

Mike Colletta
Mike Colletta

J. Orsini
Joseph Orsini

Ziegler
Robert Ziegler

AHFC
 Conventional Mtg
 Number - Amount - Location

District	Location	Total Number	Number %	Total Mtg & Commitments	Dollar %
# 1	Letchikan, Prince Wales	1 UNIT - 56 UNITS 24	7.38 %	236494428	16.55 %
# 2	Wrangell, Petersburg	8	2.36 %	26676561	1.87 %
# 3	Sitka, Hornah	7	2.06 %	26736086	1.87 %
# 4	Juneau, Haines, Douglas, Yakutat	56	16.52 %	214892574	15.04 %
# 6	Cordova, Valdez, Chitina	22	6.49 %	84158053	5.89 %
# 7	Wasilla, Palmer, Talkeetna	27	7.97 %	107923573	7.55 %
# 8	Anchorage, Chugiak, Eagle River, Rabbit Creek	70	20.65 %	292614285	20.47 %
# 9	Lemond, Moose Pass	8	2.36 %	22564154	1.58 %
# 10	Kenai, Homer, Seldovia Soldotna	18	5.31 %	54559867	3.82 %
# 11	Kodiak, Chiniak	7	2.06 %	24507254	1.72 %
# 12	Sand Point	3	.89 %	11813439	.83 %
# 13	Dillingham	4	1.18 %	6701455	.47 %
# 14	Bethel	16	4.72 %	57840432	4.05 %
# 15	Nenana, Idley, McGrath	2	.59 %	4628122	.32 %
# 16	Fairbanks, Fort Yukon, Big Delta	45	13.27 %	172134139	12.05 %
# 17	Kotzebue, Barrow, Liana	16	4.72 %	55938165	3.91 %
# 18	Nome, Gambell	1 UNIT - 12 UNITS 4	1.18 %	28735526	2.01 %
E. Johnson, AHFC 11 April 1975		339	100.00 %	1428918118	100.00 %

Introduced: 3/19/75
Referred: Commerce and
Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 288

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the
7 mortgage insurance fund of the Alaska Housing
8 Finance Corporation; and providing for an
9 effective date."

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

11 * Section 1. The sum of \$500,000 is appropriated from the general fund
12 to the mortgage insurance fund of the Alaska Housing Finance Corporation.
13 The Alaska Housing Finance Corporation is directed to pay into the mortgage
14 insurance fund the sum of \$500,000 from its unrestricted surplus funds.

15 * Sec. 2. This Act takes effect on the effective date of "An Act
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15 * Sec. 2. This Act takes effect on the effective date of "An Act
16 enlarging the purposes and powers of the Alaska Housing Finance Corporation;
17 and providing for an effective date."

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Introduced: 3/19/75
Referred: Commerce and
Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 288

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the
7 mortgage insurance fund of the Alaska Housing
8 Finance Corporation; and providing for an
9 effective date."

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

11 * Section 1. The sum of \$500,000 is appropriated from the general fund
12 to the mortgage insurance fund of the Alaska Housing Finance Corporation.
13 The Alaska Housing Finance Corporation is directed to pay into the mortgage
14 insurance fund the sum of \$500,000 from its unrestricted surplus funds.

15 * Sec. 2. This Act takes effect on the effective date of "An Act
16 enlarging the purposes and powers of the Alaska Housing Finance Corporation;
17 and providing for an effective date."
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SB 288

MEMORANDUM

TO: Members of the Board, Alaska
Housing Finance Corporation

FROM: Wohlforth & Flint

DATE: March 6, 1975

RE: Bill Enlarging the Powers and Purposes of the Alaska
Housing Finance Corporation

The bill submitted herewith enlarges the purposes of the Alaska Housing Finance Corporation by permitting the purchase and state insurance of State Veterans housing loans with the intent of expanding the State's ability to make such loans and by permitting a substantial program of conventional housing loan financing by the Corporation.

By June 30, 1975, the Corporation expects to have purchased \$104.5 million in Alaska home mortgages. Funds for the mortgage purchases have been provided through the issuance of tax exempt bonds and notes. \$8.2 million of the mortgages are non-federally insured. With funds borrowed from the State of Alaska the Corporation has made or purchased a total of \$8.3 million in conventional loans.

These housing mortgage loans have been purchased at below market rates with savings reflected in reduced interest rates to home owners. The Corporation has operated this program without any State general fund appropriations and now enjoys a surplus.

The demand, however, for conventional housing loan moneys outpaces the ability of the State to provide these funds and the ability of the Corporation to borrow money for the purpose under existing legislation and bond covenants. The demand for conventional housing loans is of course particularly acute in rural areas. Here, however, private mortgage insurance has recently become available and throughout

Memorandum to Members of the Board,
Alaska Housing Finance Corporation
March 6, 1975
Page 2

the State conventional home mortgage financing has increasingly become a preferred borrowing vehicle for homeowners. In these times of inflationary stress it is obvious that the Corporation should act to increase its ability to purchase conventional mortgage loans at below market rates.

To accomplish these purposes the bill creates a State mortgage insurance fund to be initially funded by a companion appropriation bill with \$500,000 of State funds and \$500,000 of Corporation surplus. The bill provides that the Corporation can purchase and insure private or federally insured mortgage loans on a 50 to 1 basis or whenever the amount in the fund equals two percent (2%) of the amount of the loans to be insured. The fund could also purchase uninsured loans with a loan to value ratio of 80% or less.

The insurance fund would have additional income of whatever commitment fee and annual premium the Corporation with the approval of the commissioner of commerce determines is sound for its operation. As drawn the legislation provides for an annual examination of the soundness of the insurance fund and the submission to the legislature of a request for a deficiency appropriation if the fund falls below its requirements.

The second major feature of the bill is provision for insurance of State Veterans housing mortgage loans sold to the Corporation by the commissioner of revenue. Currently the commissioner of revenue holds approximately \$42 million of State Veterans loans. In order to insure the continuance of this program the bill provides that the commissioner of revenue at the time he sells Veterans loans to the Corporation

may deposit in the fund from the proceeds of sale an amount equal to the lesser of 6% of the total amount of proceeds or the difference between the amount at which he sells the mortgages to the Corporation and the amount which he would have realized in private sale. Because of the ability of the Corporation to borrow money at tax exempt rates it is expected that veterans mortgages could be sold to the Corporation for an amount substantially above the amount the mortgages would command if sold on the private markets. As to uninsured State Veterans loans with a loan to value ratio between 80 and 90 percent, the insurance fund requirement would be 6% of the State Veterans loans insured or to be insured by the fund.

Finally, in order to insure the marketability of bonds at the best possible interest rate, the bill provides that the commissioner of revenue may lend to the Corporation for deposit in a capital reserve fund an amount equal to 10% of principal amount of bonds in the Corporation outstanding. This bond security feature is essentially designed to permit the Corporation to function when unforeseen events such as accelerated prepayments disrupt the planned schedule of bond repayments. The money is loaned to the capital reserve fund with provision for repayment at such time as bonds secured by the fund are no longer outstanding.

B 288

ALASKA HOUSING FINANCE CORPORATION
18.56

Current Position:

\$92,000,000 in bonds outstanding
50,000,000 notes (Due 1976)
2,500 single family units statewide for low and moderate income persons.

AHFC works as follows:

Home buyer - Bank - AHFC - Bonds

Current program allows for:

90% of funds FHA and VA insured loans.
10% Conventional

SB 288 and SB 289 provides for alternatives

1. Existing program.
2. 100% conventional loan program.
3. Option provided to the State to sell veterans loans.

AHFC - TAX EXEMPT These factors should make long term money available
NON PROFIT at lowest possible rate to consumer.

\$500,000 of AHF Corporation money into new program with \$500,000 of state funding will allow us to make up to \$50,000,000 in conventional loans.

- a. Veterans will fund their own reserve at time loans are sold to AHF Corporation.
- b. \$500,000 of AHFC money was created through arbitrage on notes prior to bond sale.
- c. State participation needed to show good faith to bond buyers.
- d. Future money will need to be appropriated by state to mortgage insurance fund.

Two funds are created in SB 289

Mortgage Insurance Fund
2% of portfolio

Bond Insurance Fund
10% of bonds.

1. 80% loan to value ratio.
If 95% loan then top 15% will be covered by private mortgage insurance (PMI)
2. This takes the place of FHA and VA Insurance.

Bond Council says this program will sell.

Dean Witter	Wolforth
Solmon Brothers	Dalefield Wood etc.
Pain Weber	
Blyth Eastman Dillon	

Need for new expanded legislation -

1. Now we must abide by FHA & VA rates - 8%
Our cost of money is more than that
(A historical high - we hope will settle down)
2. Only 10% conventional
Most condominiums and town houses are not federally insured.
3. Covers rural Alaska.
4. Option to state for placing Vets loans.
5. Option to state to loan surplus funds to AHFC from bonus sales etc. in the future. Take place of the Bond Market.
6. Provide lowest possible mortgage rates for the consumer.

Comments of

E. T. Hall

Chairman AHFC

Before Senate Commerce Committee

April 4, 1975

ALASKA HOUSING FINANCE CORPORATION

Conventional Loans - Purchased and Committed
(Based on average cost of actual mortgages purchased)

④ Anchorage	21	\$707,504.28	① Juneau	44	1,482,389.92
546 { Barrow	15	505,360.20	Kenai	9	303,216.12
Bethel	15	505,360.20	② Ketchikan	24*	808,576.32
Big Delta	1	33,690.68	Kiana	1	33,690.68
Bird Creek	1	33,690.68	Kodiak	7	235,834.76
Chiniak	1	33,690.68	McGrath	1	33,690.68
Chitina	1	33,690.68	Moose Pass	2	67,381.36
Chugiak	4	134,762.72	Nome	3**	101,072.04
Cordova	13	437,978.84	North Pole	4	134,762.72
Delta Junction	2	67,381.36	Palmer	13	437,978.84
Dillingham	2	67,381.36	Peters Creek	3	101,072.04
Douglas	6	202,144.08	Petersburg	4	134,762.72
Eagle River	3	101,072.04	Sand Point	4	134,762.72
③ Fairbanks	23	774,885.64	Seldovia	2	67,381.36
Gambell	2	67,381.36	Seward	5	113,453.40
Glennallen	1	33,690.68	Sitka	2	67,381.36
Haines	5	113,453.40	Soldotna	5	113,453.40
Healy	1	33,690.68	Valdez	7	235,834.76
Homer	3	101,072.04	Wasilla	4	134,762.72
Hoonah	3	101,072.04	Wrangell	2	67,381.36
Iliamna	2	67,381.36	Yakutat	12 units Elderly Housing	283

271 Single Family Units @ average \$33,690.68 per = \$9,130,174.28
 *Ketchikan + 1 multi-family (56 units) 1,550,000.00
 **Nome + 1 multi-family (12 units) 200,000.00
 Yakutat - 1 multi-family (12 units -elderly) 260,000.00
 82 multi-f
\$11,140,174.28

Of the total amount of conventional mortgage loans shown above, funds in the amount of \$5,250,000 were borrowed from the State of Alaska by Alaska Housing Finance Corporation. The balance is from our regular program which provides 10% for conventional mortgages after 90% is committed for federally insured loans.