

ALASKA LEGISLATURE COMMITTEE FILE 1985-1986 86/2

3214, 16 HCRA HB 177 - HB 190

1 additional signatures obtained and filed within 10 days after the date
2 on which the petition is rejected.

3 (c) A petition that is insufficient shall be rejected and filed
4 as a public record unless it is supplemented under (b) of this sec-
5 tion. Within 10 days after a supplementary filing the clerk shall
6 recertify the petition. If it is still insufficient, the petition is
7 rejected and filed as a public record.

8 * Sec. 9. AS 29.28.075 is amended to read:

9 Sec. 29.28.075. PROTEST. If the municipal clerk certifies an
10 initiative or referendum application or [THE] petition is insuffi-
11 cient, a sponsor or signer of the application or petition may file a
12 written protest with the clerk [MUNICIPAL EXECUTIVE] within seven days
13 after the certification. The clerk [AND THE MUNICIPAL EXECUTIVE]
14 shall present the protest at the next regular meeting of [TO] the
15 assembly or council which shall hear and decide the protest.

16 * Sec. 10. AS 29.28.077 is amended to read:

17 Sec. 29.28.077. NEW PETITION. Failure to secure sufficient
18 signatures does not preclude the filing of a new application for an
19 initiative or referendum petition. However, a new application for a
20 petition on substantially the same matter may not be filed sooner than
21 180 days [SIX MONTHS] after the date a petition is rejected as
22 insufficient.

23 * Sec. 11. AS 29.28.080 is repealed and reenacted to read:

24 Sec. 29.28.080. INITIATIVE ELECTION. (a) Unless substantially
25 the same measure is adopted, when a petition seeks an initiative vote
26 the clerk shall submit the matter to the voters at the next regular
27 election occurring no sooner than 45 days after certification of the
28 petition. If no regular election occurs within 75 days after the
29 certification of a petition, the assembly or council shall hold a

1 special election within 75 days but not sooner than 45 days after
2 certification.

3 (b) If the assembly or council adopts substantially the same
4 measure, the petition is void and the matter initiated may not be
5 placed before the voters.

6 (c) The ordinance or resolution stated shall be published in
7 full in the notice of the election, but may be summarized on the
8 ballot to indicate clearly the proposal submitted.

9 (d) If a majority vote favors the ordinance or resolution, it
10 becomes effective upon certification of the election, unless a diff-
11 erent effective date is provided in the ordinance or resolution.

12 * Sec. 12. AS 29.28.090 is repealed and reenacted to read:

13 Sec. 29.28.090. REFERENDUM ELECTION. (a) Unless the ordinance
14 or resolution is repealed, when a petition seeks a referendum vote the
15 clerk shall submit the matter to the voters at the next election
16 occurring no sooner than 45 days after certification of the petition.
17 If no election occurs within 75 days of certification of a petition,
18 the assembly or council shall hold a special election within 75 days,
19 but not sooner than 45 days after certification.

20 (b) If a petition is certified before the effective date of the
21 matter referred, the ordinance or resolution against which the peti-
22 tion is filed shall be suspended pending the referendum vote. During
23 the period of suspension, the assembly or council may not enact an
24 ordinance or resolution substantially similar to the suspended
25 measure.

26 (c) If the assembly or council repeals the ordinance or resolu-
27 tion before the referendum election, the petition is void and the
28 matter referred shall not be placed before the voters.

29 (d) If a majority vote favors the repeal of the matter referred,

1 it is repealed. Otherwise, the matter referred remains in effect or,
2 if it has been suspended, becomes effective on certification of the
3 election.

4 * Sec. 13. AS 29.28.110 is repealed and reenacted to read:

5 Sec. 29.28.110. EFFECT. (a) An ordinance or resolution may not
6 be repealed or amended within one year after its effective date if
7 adopted in an initiative election or if adopted after a petition that
8 contains substantially the same measure has been filed.

9 (b) If an ordinance or resolution is repealed in a referendum
10 election or by the assembly or council after a petition that contains
11 substantially the same measure has been filed, substantially similar
12 legislation may not be enacted for a period of one year.

13 (c) If an initiative or referendum measure fails to receive
14 voter approval, a new petition application for substantially the same
15 measure may not be filed sooner than 180 days after the election
16 results are certified.

17 * Sec. 14. AS 29.28.130 is amended to read:

18 Sec. 29.28.130. RECALL. An [ELECTED] official who is elected
19 or appointed to an elective municipal office [OF A HOME RULE OR
20 GENERAL LAW MUNICIPALITY] may be recalled by the voters after the
21 official has served the first 120 days of the term for which elected
22 or appointed [SIX MONTHS IN OFFICE].

23 * Sec. 15. AS 29.28.140 is amended to read:

24 Sec. 29.28.140. GROUNDS. Grounds for recall are misconduct in
25 office, incompetence, or failure to perform prescribed duties during
26 the term of office the official is presently serving. An official may
27 not be recalled for performance of or failure to perform a
28 discretionary act.

29 * Sec. 16. AS 29.28.140 is amended by adding a new subsection to read:

1 (b) For purposes of this section

2 (1) "failure to perform prescribed duties" means the wilful
3 neglect or failure to perform faithfully a duty imposed by statute;

4 (2) "incompetence" means mental or physical incapacity to
5 perform the duties of office for a continuous period of at least 60
6 days; and

7 (3) "misconduct in office" means an unlawful act committed
8 wilfully.

9 * Sec. 17. AS 29.28 is amended by adding new sections to read:

10 Sec. 29.28.144. APPLICATION FOR RECALL PETITION. (a) An appli-
11 cation for a recall petition shall be filed with the municipal clerk
12 and shall contain

13 (1) the signatures and residence addresses of at least 10
14 municipal voters who will sponsor the petition;

15 (2) the address to which all correspondence relating to the
16 petition may be sent;

17 (3) a statement in 200 words or less of the grounds for
18 recall stated with particularity.

19 (b) An additional sponsor may be added at any time before the
20 petition is filed by submitting the name of the sponsor to the clerk.

21 (c) Each sponsor shall certify that the sponsor believes the
22 grounds for recall stated in the application are true. Knowingly
23 making a false statement on an application is a class A misdemeanor.

24 (d) The clerk shall review an application for a recall petition
25 and accept only those grounds that meet the requirements of AS 29.28.-
26 140. The clerk shall immediately notify the sponsors by certified
27 mail at the address provided under (a)(2) of this section of any
28 grounds for recall in the application that are rejected and the
29 reasons for the rejection.

1 Sec. 29.28.146. REBUTTAL STATEMENTS. Upon receipt of an appli-
2 cation for recall petition that meets the requirements of AS 29.28.-
3 144, the clerk shall send by certified mail a copy of the application
4 to the official sought to be recalled with a notice that the official
5 may submit to the clerk a rebuttal statement of 200 words or less
6 within 10 days after receipt of the application.

7 * Sec. 18. AS 29.28.150 is repealed and reenacted to read:

8 Sec. 29.28.150. RECALL PETITION. (a) After the period during
9 which a rebuttal statement may be submitted has elapsed, the clerk
10 shall prepare a recall petition. All copies of the petition shall
11 contain

12 (1) the name of the official sought to be recalled;

13 (2) the statement of the grounds for recall as set out in
14 the application for the petition;

15 (3) a rebuttal statement if one has been submitted under
16 AS 29.28.146;

17 (4) the date the petition is issued by the clerk;

18 (5) notice that signatures must be secured within 60 days
19 after the date the petition is issued;

20 (6) spaces for each signature, the printed name of each
21 signer, the date of each signature, and the residence and mailing
22 addresses of each signer;

23 (7) a statement, with space for the sponsor's sworn signa-
24 ture and date of signing, that the sponsor personally circulated the
25 petition, that all signatures were affixed in the presence of the
26 sponsor, and that the sponsor believes the signatures to be those of
27 the persons whose names they purport to be; and

28 (8) space for indicating the number of signatures on the
29 petition.

1 (b) Copies of the petition shall be provided to each sponsor by
2 the clerk.

3 * Sec. 19. AS 29.28 is amended by adding a new section to read:

4 Sec. 29.28.155. SIGNATURE REQUIREMENTS. (a) The signatures on
5 a recall petition shall be secured within 60 days after the date the
6 clerk issues the petition. The statement provided under AS 29.23.-
7 150(a)(7) shall be completed and signed by the sponsor. Signatures
8 shall be in ink or indelible pencil.

9 (b) The clerk shall determine the number of signatures required
10 on a petition and inform each sponsor. If a petition seeks to recall
11 an official who represents the municipality at large, the petition
12 shall be signed by a number of voters equal to 25 percent of the
13 number of votes cast at the last regular election held before the date
14 the petition was issued. If a petition seeks to recall an official
15 who represents a district, the petition shall be signed by a number of
16 the voters residing in the district equal to 25 percent of the number
17 of votes cast in the district at the last regular election held before
18 the date the petition was issued.

19 (c) Illegible signatures shall be rejected by the clerk unless
20 accompanied by a legible printed name. Signatures not accompanied by
21 a legible residence address shall be rejected.

22 (d) A petition signer may withdraw the signer's signature upon
23 written application to the clerk before certification of the petition.

24 * Sec. 20. AS 29.28.160 is repealed and reenacted to read:

25 Sec. 29.28.160. SUFFICIENCY OF PETITION. (a) The copies of a
26 recall petition shall be assembled and filed as a single instrument.
27 A petition may not be filed within 180 days before the end of the term
28 of office of the official sought to be recalled. Within 10 days after
29 the date a petition is filed, the municipal clerk shall

1 (1) certify on the petition whether it is sufficient; and
2 (2) if the petition is insufficient, identify the insuffi-
3 ciency and notify the sponsors at the address provided under AS 29.-
4 28.144(a)(2) by certified mail.

5 (b) A petition that is insufficient may be supplemented with
6 additional signatures obtained and filed within 10 days after the date
7 on which the petition is rejected if the supplementary petition is
8 filed more than 180 days before the end of the term of office of the
9 official sought to be recalled.

10 (c) A petition that is insufficient shall be rejected and filed
11 as a public record unless it is supplemented under (b) of this sec-
12 tion. Within 10 days after the supplementary filing the clerk shall
13 recertify the petition. If it is still insufficient, the petition is
14 rejected and filed as a public record.

15 * Sec. 21. AS 29.28.180 is repealed and reenacted to read:

16 Sec. 29.28.180. NEW RECALL PETITION APPLICATION. A new applica-
17 tion for a petition to recall the same official may not be filed
18 sooner than 180 days after a petition is rejected as insufficient.

19 * Sec. 22. AS 29.28.190 is amended to read:

20 Sec. 29.28.190. SUBMISSION. If a recall petition is sufficient,
21 the clerk shall [IMMEDIATELY] submit it to the assembly or council at
22 the next regular meeting.

23 * Sec. 23. AS 29.28.200 is amended to read:

24 Sec. 29.28.200. ELECTION. (a) If a regular election occurs
25 within 75 but not sooner than 45 days after [OF THE] submission of the
26 petition to the assembly or council. the assembly or council shall
27 submit the recall at that election.

28 (b) If no regular election occurs [WILL OCCUR] within 75 days,
29 the assembly or council shall hold a special election on the recall

1 question within 75 days but not sooner than 45 days after a petition
2 is submitted to the assembly or council [OF SUBMISSION].

3 (c) If a vacancy occurs in the office after a sufficient recall
4 petition is filed with the clerk, the recall question [PETITION] shall
5 not be submitted to the voters. An official who resigns after a suffi-
6 cient recall petition is filed naming that official may not be ap-
7 pointed to the same office.

8 * Sec. 24. AS 29.28.210 is amended to read:

9 Sec. 29.28.210. FORM OF RECALL BALLOTS. A recall ballot shall
10 contain [CONTAINS:]

11 (1) the grounds as stated in the recall petition;

12 (2) a [THE OFFICER'S] statement by the official named on
13 the recall petition of 200 words or less, if the statement is filed
14 with the clerk in accordance with AS 29.28.146 [FOR PUBLICATION AND
15 PUBLIC INSPECTION WITHIN 20 DAYS BEFORE THE ELECTION];

16 (3) the following question: "Shall (name of person) be
17 recalled from the office of (name of office)? Yes [] No []".

18 * Sec. 25. AS 29.28.240 is repealed and reenacted to read:

19 Sec. 29.28.240. EFFECT. (a) If a majority vote favors recall,
20 the office becomes vacant upon certification of the recall election.

21 (b) 1. an official is not recalled at the election, an applica-
22 tion for a petition to recall the same official may not be filed
23 sooner than 180 days after the election.

24 * Sec. 26. AS 29.28 is amended by adding new sections to read:

25 Sec. 29.28.242. SUCCESSORS. (a) If an official is recalled
26 from the assembly or council, the office of that official is filled in
27 accordance with AS 29.23.080 or 29.23.280. If all members of the
28 assembly or council are recalled, the governor shall appoint qualified
29 voters to fill the vacancies until the next regular election.

1 (b) If a member of the school board is recalled, the office of
2 that member is filled in accordance with AS 14.12.070. If all members
3 are recalled from a school board, the assembly or council shall ap-
4 point qualified voters to fill the vacancies until the next regular
5 election.

6 (c) A person appointed under (a) or (b) of this section serves
7 until a successor is elected and takes office.

8 (d) If an official other than a member of the assembly or coun-
9 cil or school board is recalled, a successor shall be elected to fill
10 the unexpired portion of the term. The election shall be held not
11 more than 60 days after the date the recall election is certified,
12 except that if a regular election occurs within 75 days after certi-
13 fication the successor shall be chosen at that election.

14 (e) Nominations for a successor may be filed until seven days
15 before the last date on which a first notice of the election must be
16 given. Nominations may not be filed before the certification of the
17 recall election.

18 Sec. 29.28.246. APPEAL. (a) A person aggrieved by the filing
19 of a recall petition or an application for a petition or by the fail-
20 ure of an elected official to perform duties involving a recall may
21 file an action in the superior court. The court may

22 (1) consider the statutory sufficiency or specificity of
23 the grounds for recall;

24 (2) issue an injunction to compel or prevent the perfor-
25 mance of an act relating to the recall;

26 (3) determine whether the stated grounds for recall are
27 true; the person challenging the truthfulness of the grounds is re-
28 quired to prove their falsity by a preponderance of the evidence.

29 (b) An action seeking relief under (a)(1) or (3) of this section

1 must be commenced within 15 days after the date the official sought to
2 be recalled received a copy of the application for a recall petition
3 from the clerk. An action seeking relief under (a)(3) of this section
4 must be commenced within 15 days after the act or failure to act
5 occurs.

6 * Sec. 27. AS 29.28.250 is repealed and reenacted to read:

7 Sec. 29.28.250. APPLICATION. AS 29.28.130 - 29.28.250 apply to
8 home rule and general law municipalities.

9 * Sec. 28. AS 29.78.010(19) is amended to read:

10 (19) "voter" means a United States citizen who is qualified
11 to vote in state election, [AND] has been a resident of the munici-
12 pality for 30 days immediately preceding the election, [AND WHO] is
13 registered to vote in state elections and, if required by ordinance,
14 is registered in the precinct in which the person seeks to vote in
15 municipal elections, and is not disqualified under art. V of the state
16 constitution.

17 * Sec. 29. AS 29.78.010 is amended by adding a new paragraph to read:

18 (20) "residence address" means a physical location such as a
19 street name and number, subdivision name, highway name and mile
20 marker, or public road name, but does not include a post office box
21 number or rural route number.

22 * Sec. 30. AS 29.28.062, 29.28.065, 29.28.220, and 29.28.230 are re-
23 pealed.

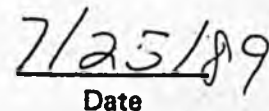


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HB

190

STATE OF ALASKA
THE LEGISLATURE

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May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

HC+RA

4-10-85 3:00 P.M.
3-29-85 3:00 P.M.
3-8-85 3:00 P.M.
2-27-85 3:00 P.M.
3-5-85 3:40 P.M. (Tele)

Original sponsors: M.M. Miller, Duncan,
Goll, et al

1 IN THE HOUSE

BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 190 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to senior citizen housing; and
7 providing for an effective date."

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

9 * Section 1. AS 18.56.096 is amended by adding a new subsection to
10 read:

11 (c) Notwithstanding (a) of this section, the corporation may
12 make, participate in the making of, purchase, or participate in the
13 purchase of a second mortgage loan as a deferred payment loan to a
14 person over the age of 60.

15 * Sec. 2. AS 44.47 is amended by adding a new section to article 10 to
16 read:

17 Sec. 44.47.605. OFFICE OF SENIOR HOUSING. The office of senior
18 housing is established within the Department of Community and Regional
19 Affairs, division of housing assistance.

20 * Sec. 3. AS 44.47.610 is repealed and reenacted to read:

21 Sec. 44.47.610. PURPOSE. There exists in the state a serious
22 shortage of available and affordable residential housing designed to
23 meet the special needs of Alaska's senior citizens. It is the purpose
24 of the office to use both private and public resources to provide a
25 full range of housing opportunities and services for all older
26 Alaskans regardless of income. It is also the purpose of the office
27 to emphasize alternatives to institutionalization, to support indi-
28 vidual dignity and independence, and to assist senior citizens in
29 remaining in their own homes for as long as is desirable and

1 appropriate.

2 * Sec. 4. AS 44.47 is amended by adding a new section to read:

3 Sec. 44.47.615. POWERS OF THE OFFICE. ^{dissem} The office may

4 (1) provide information and assistance relating to senior
5 citizen housing to state agencies, senior citizens' organizations,
6 individual senior citizens, and other interested people;

7 (2) compile and regularly update an information system
8 including

9 (A) an inventory of senior citizen housing projects in
10 the state;

11 *delete?* (B) published manuals describing materials and tech-
12 niques for the design and construction of senior citizen housing;

13 (C) a set of blueprints describing senior citizen home
improvements;

(D) a directory of in-home supportive services for
senior citizens;

(E) a description of federal senior citizen housing
assistance;

(F) research and literature on new approaches to
senior citizen housing;

(3) administer the older Alaskans' housing development
fund; and

(4) make an annual report to the Older Alaskans' Commission
24 (AS 44.21.200) and the legislature of the activities of the office.

25 * Sec. 5. AS 44.47.620 is amended to read:

26 Sec. 44.47.620. OLDER ALASKANS' [SENIOR CITIZENS] HOUSING
27 DEVELOPMENT FUND. (a) There is created in the department, as a
28 revolving fund, an older Alaskans' [A SENIOR CITIZENS] housing devel-
29 opment fund. Subject to direct appropriation or through proceeds of a

1 bond issue the department shall make loans to sole proprietors and
2 corporations considered eligible under standards established by the
3 office and make grants to municipalities or public or private nonprof-
4 it corporations designated as tax exempt under 26 U.S.C. 501(c)(3) and
5 (4) (Internal Revenue Code of 1954) for the purpose of developing
6 senior citizen housing. A grant from the proceeds of a bond issue may
7 be made only to municipalities.

8 (b) Application for a loan or grant under (a) of this section
9 shall be in the form prescribed by the office [DEPARTMENT]. The
10 application shall demonstrate the need for senior citizen housing in
11 the area to be served, the feasibility of the proposed project, and an
12 adequate management plan that shall demonstrate the ability of the
13 eligible recipient to sustain the proposed project.

14 (c) All grant projects under this section shall be in accordance
15 with facility procurement policies developed under AS 35.10.160 -
16 35.10.200 and are public facilities under those sections. Loan proj-
17 ects are not subject to facility procurement policies developed under
18 AS 35.10.160 - 35.10.200.

19 (d) The office [DEPARTMENT] shall adopt regulations to carry out
20 the purposes of this section. The provisions of the Administrative
21 Procedure Act (AS 44.62) apply to regulations adopted under this
22 section.

23 [(e) IN THIS SECTION "SENIOR CITIZEN HOUSING" MEANS A SPECIFIC
24 WORK OR IMPROVEMENT UNDERTAKEN PRIMARILY TO PROVIDE DWELLING ACCOMMO-
25 DATIONS FOR PERSONS 60 YEARS OF AGE OR OLDER, INCLUDING BUT NOT LIMIT-
26 ED TO CONVENTIONAL HOUSING, HOUSING FOR THE FRAIL ELDERLY; GROUP
27 HOMES, CONGREGATE HOUSING, AND OTHER HOUSING THAT MEETS SPECIAL NEEDS
28 OF THE ELDERLY; SENIOR CITIZEN HOUSING INCLUDES THE ACQUISITION,
29 CONSTRUCTION, OR REHABILITATION OF LAND, BUILDINGS, IMPROVEMENTS, AND

1 OTHER NONHOUSING FACILITIES THAT ARE INCIDENTAL OR APPURTENANT TO THE
2 HOUSING.]

3 * Sec. 6. AS 44.47 is amended by adding new sections to read:

4 Sec. 44.47.622. OLDER ALASKANS' HOUSING LOAN PROGRAM. (a) The
5 office may use funds in the older Alaskans' housing development fund
6 to make interest free loans for the development of senior citizen
7 housing to individuals and corporations considered eligible under
8 standards established by the office.

9 (b) A loan made from the older Alaskans' housing development
10 fund may not exceed 50 percent of the lesser of the actual cost or the
11 appraised value of the project and shall

12 (1) be made interest free, provided that the loan contract
13 shall provide for equity participation by the state in proportion to
14 the relationship between the loan amount and total cost of the proj-
15 ect;

16 (2) be repaid in a period of 25 years, or upon sale of the
17 property by the borrower, whichever is sooner, except that the office
18 may make the loan assumable;

19 (3) provide in the loan contract that, for rental projects,
20 rents may be raised only once annually and the increase may not be
21 greater than the increase in the Anchorage consumer price index for
22 all urban consumers for the same year;

23 (4) provide in the loan contract that, for a project con-
24 sisting of five or more units, at least 20 percent of the units must
25 be reserved for low income senior citizens.

26 (c) A loan made from the older Alaskans' housing development
27 fund may be subordinated to a first deed of trust held by an author-
28 ized financial institution.

29 Sec. 44.47.626. DEFINITIONS. In AS 44.47.600 - 44.47.626

1 (1) "equity participation" means an interest in the value
2 of the appreciation of the project;

3 (2) "office" means the office of senior housing;

4 (3) "senior citizen housing" means a specific work or
5 improvement undertaken primarily to provide dwelling accommodations
6 for persons 60 years of age or older, including conventional housing,
7 housing for the frail elderly, group homes, congregate housing, and
8 other housing that meets special needs of the elderly; senior citizen
9 housing includes the acquisition, construction, or rehabilitation of
10 land, buildings, improvements, and other nonhousing facilities that
11 are incidental or appurtenant to the housing.

12 * Sec. 7. This Act takes effect October 1, 1985.
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Levy
3/28/85 ✓✓

Original sponsors: M.M. Miller, Duncan,
Goll, et al

1 IN THE HOUSE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 190 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to senior citizen housing; and
7 providing for an effective date."

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

9 * Section 1. AS 44.47.610 is repealed and reenacted to read:

10 Sec. 44.47.610. PURPOSE. There exists in the state a serious
11 shortage of available and affordable residential housing designed to
12 meet the special needs of Alaska's senior citizens. The division of
13 housing assistance shall use both private and public resources to
14 provide a full range of housing opportunities and services for all
15 older Alaskans regardless of income. The division shall also
16 emphasize alternatives to institutionalization, to support individual
17 dignity and independence, and to assist senior citizens in remaining
18 in their own homes for as long as is desirable and appropriate.

19 * Sec. 2. AS 44.47 is amended by adding a new section to read:

20 Sec. 44.47.615. POWERS OF THE DIVISION. The division may
21 (1) provide information and assistance relating to senior
22 citizen housing to state agencies, senior citizens' organizations,
23 individual senior citizens, and other interested people;
24 (2) compile and regularly update an information system
25 including
26 (A) an inventory of senior citizen housing projects in
27 the state;
28 (B) published manuals describing materials and tech-
29 niques for the design and construction of senior citizen housing;

1 (C) a set of blueprints describing senior citizen home
2 improvements;

3 (D) a directory of in-home supportive services for
4 senior citizens;

5 (E) a description of federal senior citizen housing
6 assistance;

7 (F) research and literature on new approaches to
8 senior citizen housing;

9 (3) administer the older Alaskans' housing development
10 fund; and

11 (4) make an annual report to the Older Alaskans' Commission
12 (AS 44.21.200) and the legislature of the activities of the office.

13 * Sec. 3. AS 44.47.620 is amended to read:

14 Sec. 44.47.620. OLDER ALASKANS' [SENIOR CITIZENS] HOUSING
15 DEVELOPMENT FUND. (a) There is created in the division, as a
16 revolving fund, an older Alaskans' [DEPARTMENT A SENIOR CITIZENS]
17 housing development fund. The division [SUBJECT TO DIRECT
18 APPROPRIATION OR THROUGH PROCEEDS OF A BOND ISSUE THE DEPARTMENT]
19 shall make loans to individuals and corporations considered eligible
20 under standards established by the division and make grants to
21 municipalities or public or private nonprofit corporations designated
22 as tax exempt under 26 U.S.C. 501(c)(3) and (4) (Internal Revenue Code
23 of 1954) for the purpose of developing senior citizen housing. Only
24 income earned on the investment of money from the fund ~~may~~ be used to
25 make loans and grants under this section. Income of the fund may also
26 be used to pay administrative costs incurred under AS 44.47.610 -
27 44.47.626. [A GRANT FROM THE PROCEEDS OF A BOND ISSUE MAY BE MADE
28 ONLY TO MUNICIPALITIES.]

29 (b) Application for a loan or grant under (a) of this section

1 shall be in the form prescribed by the division [DEPARTMENT]. The
2 application shall demonstrate the need for senior citizen housing in
3 the area to be served, the feasibility of the proposed project, and an
4 adequate management plan that shall demonstrate the ability of the
5 eligible recipient to sustain the proposed project.

6 (c) All grant projects under this section shall be in accordance
7 with facility procurement policies developed under AS 35.10.160 -
8 35.10.200 and are public facilities under those sections. Loan proj-
9 ects are not subject to facility procurement policies developed under
10 AS 35.10.160 - 35.10.200.

11 (d) The division [DEPARTMENT] shall adopt regulations to carry
12 out the purposes of this section. The provisions of the
13 Administrative Procedure Act (AS 44.62) apply to regulations adopted
14 under this section.

15 [(e) IN THIS SECTION "SENIOR CITIZEN HOUSING" MEANS A SPECIFIC
16 WORK OR IMPROVEMENT UNDERTAKEN PRIMARILY TO PROVIDE DWELLING ACCOMMO-
17 DATIONS FOR PERSONS 60 YEARS OF AGE OR OLDER, INCLUDING BUT NOT LIMIT-
18 ED TO CONVENTIONAL HOUSING, HOUSING FOR THE FRAIL ELDERLY; GROUP
19 HOMES, CONGREGATE HOUSING, AND OTHER HOUSING THAT MEETS SPECIAL NEEDS
20 OF THE ELDERLY; SENIOR CITIZEN HOUSING INCLUDES THE ACQUISITION,
21 CONSTRUCTION, OR REHABILITATION OF LAND, BUILDINGS, IMPROVEMENTS, AND
22 OTHER NONHOUSING FACILITIES THAT ARE INCIDENTAL OR APPURTENANT TO THE
23 HOUSING.]

24 * Sec. 4. AS 44.47 is amended by adding new sections to read:

25 Sec. 44.47.622. OLDER ALASKANS' HOUSING LOAN PROGRAM. (a) The
26 division ^{shall} may use income earned on the investment of money from the
27 older Alaskans' housing development fund to make interest free loans
28 for the development of senior citizen housing to individuals and
29 corporations considered eligible under standards established by the

Appreciation from your build

1 division.

2 (b) A loan made from the older Alaskans' housing development
3 fund may not exceed 50 percent of the lesser of the actual cost or the
4 appraised value of the project and shall

5 (1) be made interest free, provided that the loan contract
6 shall provide for *minor* (equity participation) by the state in proportion to
7 the relationship between the loan amount and total cost of the proj-
8 ect;

9 (2) be repaid in a period of 25 years, or upon sale of the
10 property by the borrower, whichever is sooner, except that the office
11 may make the loan assumable;

12 (3) provide in the loan contract that, for rental projects,
13 rents may be raised only once annually and the increase may not be
14 greater than the increase in the Anchorage consumer price index for
15 all urban consumers for the same year;

16 (4) provide in the loan contract that, for a project con-
17 sisting of five or more units, at least ^{80%} 20 percent of the units must
18 be reserved for low income senior citizens.

19 (c) A loan made from the older Alaskans' housing development
20 fund may be subordinated to a first deed of trust held by an authcr-
21 ized financial institution.

22 Sec. 44.47.626. DEFINITIONS. In AS 44.47.600 - 44.47.626

23 (1) "division" means the division of housing assistance;

Protection from above

24 (2) "senior citizen housing" means a specific work or
25 improvement undertaken primarily to provide dwelling accommodations
26 for persons 60 years of age or older, including conventional housing,
27 housing for the frail elderly, group homes, congregate housing, and
28 other housing that meets special needs of the elderly; senior citizen
29 housing includes the acquisition, construction, or rehabilitation of

how low we insure it relates to senior -4-

1 land, buildings, improvements, and other nonhousing facilities that
2 are incidental or appurtenant to the housing.

3 * Sec. 5. This Act takes effect immediately in accordance with AS 01.-
4 10.070(c).

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Original sponsors: M.M. Miller, Duncan,
Coll, et al

1 IN THE HOUSE

BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 190 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to senior citizen housing; and
7 providing for an effective date."

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

9 * Section 1. AS 44.47.610 is repealed and reenacted to read:

10 Sec. 44.47.610. PURPOSE. There exists in the state a serious
11 shortage of available and affordable residential housing designed to
12 meet the special needs of Alaska's senior citizens. It is the purpose
13 of AS 44.47.610 - 44.47.626 to use both private and public resources
14 to provide a full range of housing opportunities and services for all
15 older Alaskans regardless of income. It is also the purpose of
16 AS 44.47.610 - 44.47.626 to emphasize alternatives to institutional-
17 zation, to support individual dignity and independence, and to assist
18 senior citizens in remaining in their own homes for as long as is
19 desirable and appropriate.

20 * Sec. 2. AS 44.47.620 is amended to read:

21 Sec. 44.47.620. OLDER ALASKANS' [SENIOR CITIZENS] HOUSING
22 DEVELOPMENT FUND. (a) There is created in the department, as a
23 revolving fund, an older Alaskans' [A SENIOR CITIZENS] housing devel-
24 opment fund. Subject to direct appropriation or through proceeds of a
25 bond issue the division [DEPARTMENT] shall make loans to businesses
26 and corporations considered eligible under standards established by
27 the division and make grants to municipalities or public or private
28 nonprofit corporations designated as tax exempt under 26 U.S.C.
29 501(c)(3) and (4) (Internal Revenue Code of 1954) for the purpose of

1 developing senior citizen housing. A grant from the proceeds of a
2 bond issue may be made only to municipalities.

3 (b) Application for a loan or grant under (a) of this section
4 shall be in the form prescribed by the division [DEPARTMENT]. The
5 application shall demonstrate the need for senior citizen housing in
6 the area to be served, the feasibility of the proposed project, and an
7 adequate management plan that shall demonstrate the ability of the
8 eligible recipient to sustain the proposed project.

9 (c) All grant projects under this section shall be in accordance
10 with facility procurement policies developed under AS 35.10.160 -
11 35.10.200 and are public facilities under those sections. Loan proj-
12 ects are not subject to facility procurement policies developed under
13 AS 35.10.160 - 35.10.200.

14 (d) The division [DEPARTMENT] shall adopt regulations to carry
15 out the purposes of this section. The provisions of the Administra-
16 tive Procedure Act (AS 44.62) apply to regulations adopted under this
17 section.

18 [(e) IN THIS SECTION "SENIOR CITIZEN HOUSING" MEANS A SPECIFIC
19 WORK OR IMPROVEMENT UNDERTAKEN PRIMARILY TO PROVIDE DWELLING ACCOMMO-
20 DATIONS FOR PERSONS 60 YEARS OF AGE OR OLDER, INCLUDING BUT NOT LIMIT-
21 ED TO CONVENTIONAL HOUSING, HOUSING FOR THE FRAIL ELDERLY; GROUP
22 HOMES, CONGREGATE HOUSING, AND OTHER HOUSING THAT MEETS SPECIAL NEEDS
23 OF THE ELDERLY; SENIOR CITIZEN HOUSING INCLUDES THE ACQUISITION,
24 CONSTRUCTION, OR REHABILITATION OF LAND, BUILDINGS, IMPROVEMENTS, AND
25 OTHER NONHOUSING FACILITIES THAT ARE INCIDENTAL OR APPURTENANT TO THE
26 HOUSING.]

27 * Sec. 3. AS 44.47 is amended by adding new sections to read:

28 Sec. 44.47.622. OLDER ALASKANS' HOUSING LOAN PROGRAM. (a) The
29 division may use funds in the older Alaskans' housing development fund

1 to make interest free loans for the development of senior citizen
2 housing to individuals and corporations considered eligible under
3 standards established by the division.

4 (b) A loan made from the older Alaskans' housing development
5 fund may not exceed 50 percent of the lesser of the actual cost or the
6 appraised value of the project and shall

7 (1) be made interest free, provided that the loan contract
8 shall provide for equity participation by the state in proportion to
9 the relationship between the loan amount and total cost of the proj-
10 ect;

11 (2) be repaid in a period of 25 years, or upon sale of the
12 property by the borrower, whichever is sooner, except that the divi-
13 sion may make the loan assumable;

14 (3) provide in the loan contract that, for rental projects,
15 rents may be raised only once annually and the increase may not be
16 greater than the increase in the Anchorage consumer price index for
17 all urban consumers for the same year;

18 (4) provide in the loan contract that, for a project con-
19 sisting of five or more units, at least 20 percent of the units must
20 be reserved for low income senior citizens.

21 (c) A loan made from the older Alaskans' housing development
22 fund may be subordinated to a first deed of trust held by an author-
23 ized financial institution.

24 Sec. 44.47.626. DEFINITIONS. In AS 44.47.610 - 44.47.626

25 (1) "division" means the division of housing assistance
26 established under AS 44.47.360;

27 (2) "equity participation" means an interest in the value
28 of the appreciation of the project;

29 (3) "senior citizen housing" means a specific work or

1 improvement undertaken primarily to provide dwelling accommodations
2 for persons 60 years of age or older, including conventional housing,
3 housing for the frail elderly, group homes, congregate housing, other
4 housing that meets special needs of the elderly, and adaptation of
5 existing owner-occupied or rental senior citizen residential units to
6 incorporate gerontological features; senior citizen housing includes
7 the acquisition, construction, or rehabilitation of land, buildings,
8 improvements, and other nonhousing facilities that are incidental or
9 appurtenant to the housing.

10 * Sec. 4. This Act takes effect January 1, 1986.
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PROJECT ASSUMPTIONS

Project Costs

All projects assume that total project costs will average \$60,000 per unit, and that 10 units will be built per project at a total cost of \$600,000, with an appraised value of \$675,000. Costs include land, site development, interim financing, all fees such as legal and architect, and construction costs. Average size of the units is expected to be 750 square feet.

The project analysis assumes that the developer will finance the project by borrowing 75 percent of the value, or \$506,250, and by providing \$93,750 in equity.

Rental Rates

3 units x \$450 (2 bedroom) x 12 months = \$16,200

7 units x \$375 (1 bedroom) x 12 months = 31,500

\$47,700

- 3% vacancy -1,431

Gross Income: \$46,269

- Operating Expenses: water, sewer,
garbage, maintenance, insurance
and property taxes (\$150 per unit) -18,000

,,269 Left for debt
service and profit

Interest Rate Analysis

(1) 14% debt service @ 25-year
amortization x \$506,250 = \$72,900

Negative Cash Flow: \$44,631 annually

(2) 11% debt service @ 25-year
amortization x \$506,250 = \$59,535

Negative Cash Flow: \$31,266 annually

(3) Blended rate:
0% x \$300,000
14% x 206,250 = \$29,696

Negative Cash Flow: \$1,427 annually

(4) Blended rate:
0% x \$300,000
11% x 206,250 = \$24,255

Profit \$4,014 annually or 4.3%
return on equity

Long Term Analysis

All projects assume the developer repays the principal of the loan at the end of 25 years, and 50 percent of the appreciation in appraised value. Thus, if the project appreciates at 5 percent per year compounded annually, the appraised value at the end of the loan term will be \$2,285,550. The appreciation will be \$1,610,550.

The return to the State, at that time, will be:

\$300,000 (principal)
805,275 (half the appreciation)

\$1,105,275 = compound annual return on equity of @ 5.5%

The return to the developer, at that time, will be:

\$1,180,275 (developer's share of value)
- 93,750 (developer's equity investment)

\$1,086,525 = compound annual return on equity of @ 10.25%

Costs-Benefits Analysis

(1) For the State, the costs are:

* opportunity cost of money @ 4.5% - 5.5% compounded annually

(2) For the State the benefits are:

* 10 new units of senior housing constructed under competitive bid, at affordable rents for 25 years;
* no required operating subsidies;
* repayment of principal and return on investment of 5.5% compounded annually for use on additional senior housing loans in the future;

* minimal servicing expenses.

(3) For the developer, the benefits are:

* annual return on investment ranging from 10.25% - 15%;
* substantial leveraged increase in personal net worth;
* depreciation advantages;
* additional tax shelter (e.g. deduction for interest payments)

EQUITY REAL ESTATE
INVESTMENTS IN
MULTIFAMILY PROPERTIES

Prepared for:

ALASKA PERMANENT FUND CORPORATION

Pension Realty Advisors, Inc.
260 California Street, Suite 1200
San Francisco, CA 94111
(415) 421-4000
October 29, 1984

excess of 3% for multifamily properties considered in the aggregate.

- b. Cash-on-Cash Returns -- Distinct from overall capitalization rates, which evaluate net operating income as divided by the property market value, Miles and McCue [12] measured property type cash flow as a percentage of book value (original purchase price plus periodic improvements over the holding period). The performance measure employed can also be regarded as the return on investment (ROI).

The data base included public information from 10-Ks of 16 REITs whose shares were traded on the New York Stock Exchange and American Stock Exchange. Miles and McCue used a regression equation to estimate the annual cash yields for different property types including apartments, office, retail, and "other" property.

Inflation during the period of analysis caused a general increase in the cash-on-cash yield, as evident in Exhibit 3. The average nominal return over the 7-year period was estimated at 9.62%. Adjusted for inflation, the real cash-on-cash yield is approximately 2.06% between 1972 and 1978.

In comparison to the McMahan analysis presented above, over the same period (1972-1978), the average nominal rate of return based on the capitalization rates is estimated at 9.93% with a real rate of return at 2.36%. While the two analyses use distinct return measures, the capitalization rate will be equivalent to the cash-on-cash return when the value of the property equals the property cost (cash investment).

An erroneous inference would be that inflation-adjusted market values for multifamily properties have been relatively insignificant, due to the proximity of the two return measures. However, one may note that the capitalization rates remain generally stable over time, while the cash-on-cash returns generally increase at

Exhibit 3

CASH-ON-CASH YIELD ESTIMATES
BY PROPERTY TYPE
MILES AND McCUE

	<u>Residential</u>	<u>Office</u>	<u>Retail</u>	<u>Other</u>	<u>R2 (1)</u>
1972	9.78%	7.36%	6.88%	9.25%	.9870
1973	8.82	8.98	7.94	8.69	.9916
1974	8.15	9.24	9.09	8.04	.9732
1975	8.40	9.53	8.40	6.79	.9528
1976	9.54	9.04	9.01	6.43	.9498
1977	10.46	7.57	8.96	6.56	.9740
1978	12.21	8.61	8.79	8.57	.9695
Mean Return (Nominal)	9.62	8.62	8.44	7.76	
Mean Return (Real)	2.06	1.13	0.97	1.00	

(1) R2 is the coefficient of determination; it is the total proportion of the total variations in the dependent variable (total cash yield) explained by fitting the regression to the multiple data set for each year. A value equal to 1.0 or -1.0 indicates that the regression will explain 100% of the observed variations; a value equal to 0 implies that the regression explains nothing.

SOURCES: Miles and McCue;
Pension Realty Advisors, Inc.

a faster rate, both events suggesting appreciation of value. Nonetheless, it is otherwise preferred to draw this conclusion when the same data set is utilized to evaluate both rate of return calculations.

- c. Total Returns -- Some of the most reliable and consistent data on real estate investment performance has been developed by the National Council of Real Estate Investment Fiduciaries (NACREIF) and the Frank Russell Company [18]. The data base includes unleveraged real estate owned by commingled funds on behalf of tax-exempt institutions. Unfortunately, the data base on multifamily investments includes only 17 properties, or 3.6% (\$203.6 million) of the total index market value (\$5,736 million).

The measurement of returns includes both net operating income before fees and market value adjustments based on appraisal. The performance results for the period between 1978 and third quarter 1983 are summarized in Exhibit 4. These multifamily properties, which are selected and managed for large tax exempt portfolios, have an average market value in 1983 of \$12 million.

The nominal total rate of return was 18.1% over the nearly six year period, while the real rate of return was 7.3%. It is important to remember that these returns reflect a small sample size and the returns are likely influenced by a number of factors including the investment policies, and the timing and availability of new investment dollars.

As discussed later in this study, the isolation of institutional quality multifamily investments provides an excellent indication of the historical returns associated with comparable multifamily investments that might otherwise be undertaken by APFC.

Revisiting research presented above, McMahan also analyzed total returns between 1951 and 1978 (see Exhibit 5). The total return, however, was broken into two parts: current yield

Exhibit 4

FRANK RUSSELL COMPANY PROPERTY INDEX
Apartment - Property Type Subindex
1978 - Third Quarter 1983

	<u>Time-Weighted Rate of Return</u>
1983 (thru 3rd quarter)	9.8%
1982	15.4
1981	13.7
1980	17.1
1979	32.2
1978	16.7
Nominal Mean Return	18.1
Real Mean Return	7.3

SOURCE: National Council of Real Estate
Investment Fiduciaries;
Pension Realty Advisors, Inc.

Exhibit 5

ESTIMATES OF TOTAL RETURN
McMAHAN

Property Type: Apartments
Region: All Regions

Year	Current Yield	Appreciation	Total Return
1978	10.08	10.19	20.27
1977	9.97	6.94	16.91
1976	10.26	6.43	16.69
1975	10.67	7.17	17.84
1974	9.78	6.69	16.47
1973	9.41	10.75	20.16
1972	9.39	9.12	18.51
1971	9.71	9.51	19.22
1970	10.46	3.51	13.97
1969	9.43	9.09	18.52
1968	8.90	6.52	15.42
1967	8.60	3.03	11.63
1966	8.37	4.96	13.33
1965	8.36	2.37	10.73
1964	8.21	2.10	10.31
1963	8.21	3.11	11.32
1962	8.35	2.04	10.39
1961	8.76	.50	9.26
1960	9.04	1.54	10.58
1959	8.54	3.74	12.28
1958	8.79	1.47	10.26
1957	8.54	2.42	10.96
1956	9.13	5.11	14.24
1955	8.46	4.82	13.28
1954	8.16	2.77	10.93
1953	7.87	1.80	9.67
1952	7.90	-.38	7.52
1951	7.87	15.05	22.92
NOMINAL			
RETURN:	8.97%	5.08%	14.06%
STD. DEV.:			
YEARS:	.81%	3.59%	3.99%
	28	28	28
REAL			
RETURN:			10.10%

Note: Appreciation computed from composite of all regions replacement cost file. Surrogate construction class: Type D - Predominantly wood frame.

SOURCES: John McMahan;
Pension Realty Advisors, Inc.

(presented above) and appreciation. The appreciation component was derived from historic appraisal/construction cost tables. In considering the standard deviation of the appreciation and total return components, the appreciation/total return standard deviation presents almost four times as much volatility compared to the income component standard deviation.

Total nominal return is estimated at 14% over the 28-year holding period, which translates to a 10.1% real rate of return. However, given the earlier discussion on net operating income increases lagging behind inflation, combined with generally stable capitalization rate, it does not seem readily probable that multifamily property values alone have maintained parity with construction cost inflation. (Only the combined return from current yield/income and appreciation has surpassed the inflation rate, generating a real rate of return). In fact, a reduction of total return by one standard deviation would otherwise result in an adjusted total return of 10% with a real rate of return of approximately 6.2%, while maintaining a reasonable degree of accuracy confidence.

McMahan also analyzed total investment performance between 1951 and 1978 by geographic regions, which indicated that Mountain (14.25%), West South Central (14.21%), Pacific (14.17%) and West North Central (14.07%) have performed slightly better than the 14.06% return for the aggregated U.S. multifamily market. The difference is not overwhelming enough, however, to indicate a policy preference to these regions.

The final analysis of the McMahan data included an evaluation of returns during alternative inflationary periods. During high inflationary times (1968-1978), the real return was 10.76% versus 9.55% during low inflationary times (1951-1968). This relative analysis indicates that apartments have performed in generating consistent real rates of return, on a historic basis, through alternative inflationary scenarios.

HOUSING ASSISTANCE DIVISION
LOAN PROGRAM INFORMATION

The Housing Assistance Division (HAD) offers four loan programs; the Rural Owner Occupied, Rural Non-Owner Occupied, Nonconforming Housing Loan Program, and the Housing Rehabilitation Program. The following is a brief summary of these programs.

Rural Owner-Occupied Program - Provides financing to qualified borrowers for the construction or purchase of a single family residence and duplex housing for owner occupancy. The maximum loan term is 30 years.

For new construction, the Division may finance 100% of allowable cost incurred during construction or 85% of appraised value, whichever is less. The maximum dollar amount a borrower may receive is \$172,900 for single units and \$221,200 for duplexes.

For purchase of existing housing, the Division may finance 95% of the sale price or 95% of the appraised value, whichever is less. The maximum dollar amounts are the same for purchase as shown for construction.

Rural Non-Owner Occupied Program - Provides financing to qualified borrowers for the construction, purchase or rehabilitation of non-owner occupied rental housing units. The interest rate for this program is 10.5% with a maximum loan term of 30 years. The project may involve two to eight units in a single community or specific area.

The principal amount of the loan or loans for housing under this program can not exceed \$1,250,000.00. Also, the loan must not exceed 80% of the appraised value or 80% of the purchase price whichever is less. The borrower may not reside in the housing financed.

Nonconforming Housing Loan Program - Provides financing to qualified borrowers for the construction, rehabilitation or purchase of single family detached or duplex housing which exhibits one or more characteristics, with respect to design, construction practices, materials, foundation systems, utilities and minimum space requirements, which are not common to the community in which the property is located and which would ordinarily preclude financing by private financial institutions. The maximum loan term is 30 years.

For new construction, the Division may finance 100% of allowable cost incurred during construction or 85% of appraised value, whichever is less. The maximum dollar amount a borrower may receive is \$172,900 for single units and \$221,200 for duplexes.

For purchase of existing housing, the Division may finance 95% of the sales price or 95% of the appraised value, whichever is less. The maximum dollar amounts are the same for purchase as for construction.

Housing Rehabilitation Program - Provides financing to qualified borrowers for the repair, remodeling or rehabilitation of existing single family and duplex housing. In addition, the Division may provide first or second deeds of trust financing.

For first deeds of trust, the Division may finance 100% of allowable cost of construction, plus pay off any existing liens on the subject property. However, the amount financed may not exceed the lesser of 95% of the appraised value of the property, or \$172,900 for single families and \$221,200 for duplexes. The maximum term of the loan is 30 years.

For second deeds of trust, the Division may finance up to \$45,000 Maximum term for second is 15 years.

Under the Rehabilitation Program, the amount financed may include costs for contracted labor/services other than that of the borrower.

In the event a borrower requires financing for building materials only (no labor), the Division may provide rehab financing up to 80% of the appraised value of the subject property or \$45,000 whichever is less and the maximum term is 15 years.

The Homeownership Assistance Fund (HOAF) was created during the 1983 legislative session and became effective January 1, 1984. The purpose of this fund was to subsidize mortgage payments of low to moderate income borrowers. A qualified borrower may have their monthly mortgage payment subsidized to an interest rate as low as 6%. The subsidy amount is determined by how much the borrower can pay. Income limits, loan limits, and asset value limits are taken into consideration.

The borrower(s) household income limits must not exceed the following:

1-2 adults	\$30,000, plus
1st child	5,000
Additional children or adult	\$ 1,500

The borrower's maximum gross yearly income limit can not exceed \$39,500 per household. Additionally, the borrower may not have assets that exceed three times the applicable income limit for the household. Assets do not include permits for business opportunities, restricted title land, or land, acquired through ANCSA or ANILCA.

The loan limits are as follows:

1-2 member family	\$105,000
3 member family	110,000
4 or more member family	120,000

Additionally, for those borrowers whose home is owner-built new construction, the following appraised values may not be exceeded:

1-2 member family	\$130,000
3 member family	140,000
4 or more member family	150,000

Once the borrower is determined eligible to obtain a loan with a HOAF subsidy, they are required to enter an assistance agreement. The agreement is re-evaluated at least annually to determine continued eligibility, and the monthly subsidy amount for the next year.

How to Apply - Anyone interested in applying for a housing loan of any type through the Division must first contact all approved mortgage lenders which service the area where the property is located. In the event financing cannot be obtained through this source, the Division may provide financing directly to the borrower.

The interest rates for the Rural Owner-Occupied and Nonconforming Housing Loan Programs fluctuate. The information provided is general in nature and other restrictions may apply.

SUPPLEMENTAL HOUSING DEVELOPMENT GRANTS

Governing Regulations: 19 AAC 88.010 - .900

Governing Statutes: AS 18.55.998

Funding Available: FY84 \$3,500,000
 FY85 \$3,500,000

Program Summary: This grant program provides grants only to regional housing authorities as supplemental funding to their approved HUD housing projects. Statute limits the grants to regional housing authorities. The statute also limits the grant to project site development for road, water and sewer and electrical distribution work. Grant awards are made to each project when HUD submits to this division an approved HUD project budget indicating the need for supplemental funding and signs concurrence in the need for a grant award. Payment under the grant for the work is made to the housing authority upon HUD's providing a copy of the construction contract for the work and requests payment. The work accomplished with State funds is part of the HUD project and is reviewed, in design and construction by HUD. We have a Memorandum of Understanding with HUD, BIA, and PHS on all aspects of this grant program.

Criteria for Award:

1. HUD project approved
2. Housing authority request
3. HUD concurrence
4. HUD budget shows need for supplemental funding and amount for roads, water, sewer and electrical distribution
5. Construction contract for work provided

Process for Award of Grants: There is no advertisement for grant applications or deadline for grant requests. The grants are awarded on a first come first served basis within the funds available in accordance with the grant award process outlined above.

STATE ASSISTED RENTAL HOUSING CONSTRUCTION PROGRAM

Governing Regulations: 19 AAC 83.010 - .900

Governing Statutes: AS.44.47.630 - .635

Funding Available: FY84 \$5,000,000
 FY85 \$3,580,000

Program Summary: This program became effective January 1, 1984. The legislature appropriates funds to the Low Cost and Low Income Multiple Family Housing Development Fund to provide grants to municipalities or public or private non profit corporations for planning and construction of low income rental housing.

The division provides notice in newspapers statewide of the grant application period and deadline for grant applications, and also provides this notice to an extensive mailing list of possible interested applicants. The first application deadline is November 15 annually. The applications are reviewed by a committee and awards announced not later than January 31 annually. An appeal period is provided for the applicants not selected. Following the appeal period, grant agreements are entered into with the successful applicants.

Criteria for Selection of Applicants:

1. Need for housing
2. Other funding available
3. Project Feasibility
4. Rental cost
5. Management plan
6. Evidence of community support
7. Project cost per unit
8. Project density

Process of Awarding Grants:

1. Advertise in papers and mailout of mailing list
2. Selection committee established
3. Selection committee sets criteria and rates and ranks grant applicants
4. Grant awards announced by DCRA Commissioner
5. Appeal period of 15 days provided to non selected applicants
6. Grant agreements prepared and executed

SENIOR CITIZEN HOUSING DEVELOPMENT FUND

Governing Regulations: 19 AAC 85.010 - .130

Governing Statutes: AS 44.47.610 - .620

Funding Available:

FY84	\$10,000,000
FY85	\$ 8,000,000

Program Summary: This grant program awards grants for both the planning and construction of senior citizen housing. The grant applicants are limited to municipalities and public and private non-profit corporations. Notices are placed in newspapers statewide announcing the grant periods and deadlines for grant applications for award. Notice is also sent to an extensive mailing list for this grant program. Planning grant applications are received and grant awards made four times a year, in July, October, January and April. These grants are up to \$75,000, depending on the size of the project. Grants for construction are awarded twice annually in November and March, depending on funding. The grant applications are reviewed and ranked by a selection committee and awards announced by the Commissioner. An appeal process is provided for the applicants not selected. This grant program provides senior citizen housing statewide. The program is administered out of the Housing Assistance Division in Anchorage.

Criteria for Selection of Applicants:

- A. Planning Grants
 - 1. Satisfactory completion of application
 - 2. Establishment and documentation of housing need
 - 3. Establishment of a senior citizen steering committee

- B. Construction Grant
 - 1. Satisfactory completion of application
 - 2. Housing need
 - 3. Other funding and rental subsidy available
 - 4. Feasibility analysis
 - 5. Management plan

Grant Award Process:

- 1. Advertise in newspapers statewide and send notice to extensive mailing list of grant application period and deadline.
- 2. Establish a selection committee
- 3. Committee set criteria and rate and rank applications
- 4. Grant awards announced by Commissioner
- 5. Appeal period of 15 days is provided to non selected applicants
- 6. Grant agreements are prepared and executed

Senior Citizen Housing Development Fund (cont'd)

Grant Award Process:

1. Advertise in newspapers statewide and send notice to extensive mailing list of grant application period and deadline.
2. Establish a selection committee
3. Committee set criteria and rate and rank applications
4. Grant awards announced by Commissioner
5. Appeal period of 15 days is provided to non selected applicants
6. Grant agreements are prepared and executed

A M E N D M E N T

Offered in the SENATE

TO: SB 137

By the Community and
Regional Affairs
Committee

Page 1, line 26

Delete "shall" and insert "may"

Passed unanimously 3/4/85



Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-4833

HEARING DATE: *February 27, 1985*

AB 190

NAME (Please Print)	ADDRESS	REPRESENTING	TESTIFY (Yes or No)	PHONE NUMBER
<i>Gov. M. Kull</i>	<i>326-4th, Juneau</i>	<i>Older Alaska Com.</i>	<i>yes</i>	<i>586-2670</i>
<i>Don Moore</i>	<i>Pouch C M.S. 0209</i>	<i>Older Alaska Com</i>	<i>YES</i>	<i>3250</i>
<i>Frank Island</i>	<i>" " " "</i>	<i>Older Alaska Com</i>	<i>if necessary</i>	<i>3250</i>
<i>Jeff Smith</i>	<i>Pouch B</i>	<i>DCRA</i>	<i>YES</i>	<i>4700</i>
<i>Paul Becker</i>	<i>"</i>	<i>"</i>	<i>NO</i>	<i>4735</i>
<i>Catherine Allen</i>	<i>PO Box 304 Juneau</i>	<i>Self</i>	<i>No</i>	<i>586-6680</i>
<i>James J. HETTER</i>	<i>BOX 304, Juneau AK</i>	<i>Self</i>	<i>Yes</i>	<i>6-6680</i>
<i>SHERRIE GOU</i>	<i>419 Kennedy St. Juneau</i>	<i>Alaska Women's Affly</i>	<i>NO</i>	<i>—</i>
<i>Tom Anand</i>	<i>P.O. Box 676, Juneau, AK 99801</i>	<i>New TRADERS ASSOCIATION</i>	<i>NO</i>	<i>586-3912</i>
<i>Cindy Kvethi</i>		<i>Seacap</i>	<i>NO</i>	<i>586-1990</i>
<i>Genieve Jate</i>	<i>Pouch B</i>	<i>DCRA</i>	<i>no</i>	<i>4700</i>
<i>Rep. Mike Miller</i>	<i>Pouch</i>	<i>House - Sponsor</i>	<i>yes</i>	<i>4552</i>

LEFT BY
DOVE KULL
RE: HB 190

SHE WANTED TO STRESS THE NEED
IN FAIR MARKET HOUSING TO MEET
THE HOUSING NEEDS OF "FRAIL + VULNERABLE"
SENIORS WHO DO NOT QUALIFY FOR "POVERTY"
HOUSING BUT WOULD BE PUSHED INTO POVERTY
LEVEL BY THE COST OF NURSING HOME CARE
IF SENIOR HOUSING WHICH INCLUDES LOWER
WINDOWS, CABINETS + GRAB BARS ARE NOT
AVAILABLE, WOULD LIKE INFO ON REQUIRE
MADE AVAILABLE TO PRIVATE
CONTRACTORS.



Older Alaskans Commission

Pouch C, Mall Stop 0209
Juneau, Alaska 99811
907/465-3250

Final Recommendations of the Housing Task Force
To the Older Alaskans Commission
December 11, 1984

1) The OAC Housing Task Force recommends that the goal of the State's Senior Housing Program be to encourage the use of both private and public resources to provide a full range of housing opportunities and services for all older Alaskans, regardless of income. The emphasis should be on alternatives to institutionalization, supporting individual dignity and independence, and assisting people to remain in their own homes for as long as is desirable and appropriate.

2) The OAC Housing Task Force recommends that the Legislature support, with adequate funding, those programs which help accomplish the goal of the State's Senior Housing Program. These programs include:

- * Older Alaskans Commission Programs
- * Senior Citizens Housing Development
- * Homemaker Services
- * Home Health Aide Services
- * Public and Home Nursing
- * Medicaid
- * General Relief Medical (GRM)
- * Catastrophic Illness
- * Old Age Assistance
- * Elder Abuse Intervention
- * Low Income Weatherization Program
- * Village Safe Water
- * Longevity Bonus
- * Pioneers Homes
- * Senior Citizens Property Tax Exemption
- * Senior Citizens Renters' Rebate
- * Power Cost Equalization Program
- * Energy Assistance Program

3) The OAC Housing Task Force recommends that there be established within the Housing Assistance Division in the Department of Community and Regional Affairs, an Office of Senior Housing. It is further recommended that the Legislature approve a new position for the Office to assist the present individual to accomplish existing and proposed new responsibilities. The duties and responsibilities are as follows:

A) compilation and continuous updating of inventory of all public sponsored senior housing projects in Alaska; the inventory should include the following information:

- * project name and location
- * owner/manager
- * number and size of units

- * number of persons on the waiting list
- * historical turnover rate
- * description of ancillary facilities (if any)
- * services available to residents on-site
- * year of construction
- * cost of construction
- * sources of financing
- * operation and maintenance costs
- * types of rental subsidies provided (if any)
- * rents charged/received
- * criteria for occupancy
- * level(s) of care
- * number of section 8 certificates available/in use
- * number of seniors with section 8 certificates

B) management of a Senior Housing Information System, the purpose of which would be to facilitate the active sharing of information, such as the senior housing inventory, with members of the public and all affected and interested government and private organizations. In addition to the inventory, the System should also include information such as:

- * a manual (or manuals) describing state-of-the-art materials and techniques for the design and construction of housing with gerontological features;

- * a set of generic blueprints describing various gerontological home improvements which individual older Alaskan homeowners could use to make changes to their existing homes to add safety and comfort;

- * a directory of in-home supportive services provided by the Older Alaskans Commission and the Department of Health and Social Services and other programs (this should be distributed regularly to the Office by the Older Alaskans Commission);

- * a description of federal senior housing assistance available to Alaskan residents;

- * research and literature on innovative and emerging new approaches to senior housing, such as shared housing, group homes, and Home Equity Conversations.

C) administration of the Senior Citizens Housing Development Fund.

4) The OAC Housing Task Force recommends that the Legislature appropriate \$15 million to the Senior Citizens Housing Development Fund for FY 86. It is further recommended that the Legislature amend the statutes authorizing this Fund to allow, in addition to grants to municipalities and nonprofit organizations, loans to private developers under a Builders' Incentive Program. The Builders' Incentive Program, which would make money available to builders at zero interest but with shared appreciation, would result in the construction of more residential units per State dollar than is possible under the existing grant program. In addition, it would produce senior housing units at reasonable rents, with no need for long-term operation and maintenance subsidies. It would assist moderate as well as low-income older Alaskans, and it would return the original investments to the State, with shared appreciation profit, for a second and third

use. It is anticipated that under this program, as under the existing grant program, a showing of need would be required.

5) The OAC Housing Task Force recommends that the Office of Senior Housing make an effort to fund demonstration projects which would specifically address some of the more innovative types of senior housing authorized by existing statutes. Demonstration projects might include Group Homes in Rural Alaska, a House Sharing Referral Service, or the construction of Senior Boarding Homes with gerontological design.

6) The OAC Housing Task Force recommends that the Older Alaskans Commission immediately assume responsibility for the compilation and continuous updating of an inventory of all senior supportive services in the State. (see recommendation #3) Because the availability of these services can be extremely important in assisting individual seniors to take care of themselves in the least restrictive setting, it is critical that this information receive a wide distribution. The OAC should consider a mass distribution of this information annually in conjunction with Home Care Week as proclaimed each year by the Governor.

7) The OAC Housing Task Force recommends that the Older Alaskans Commission make an effort to fund Pilot Project Grants as authorized by AS 47.65.030, and further that in FY 86, the OAC seek a pilot project for In-Home Care Case Management.

8) The OAC Housing Task Force recommends that the Legislature enact a bill authorizing the establishment of a sliding fee schedule for recipients of homemaker services, home health aide services, and home health nursing services. It is further recommended that any increase in program funds be used, first, to increase staff training, and second, to increase hours of service.

9) The OAC Housing Task Force recommends that the Older Alaskans Commission establish a new task force for in-home services, and that group carefully examine the State's provision of homemaker services, home health aide services and other in-home services to determine whether or not changes are necessary in the method of delivery.

10) The OAC Housing Task Force recommends that there be developed a standardized list of definitions for the various levels of care. The definitions should be developed by, and agreed upon by, the Department of Health and Social Services, the Department of Administration, the Department of Community and Regional Affairs, and members of the private sector, particularly the Alaska State Hospital Association.

11) The OAC Housing Task Force recommends that the Department of Health and Social Services become more involved in senior citizens programs, and make a greater effort to segregate its data for use by senior citizens. In particular, it is recommended that the Commissioner of the Department take a more active role in meeting his responsibilities as a member of the Older Alaskans Commission.

12) The OAC Housing Task Force recommends that the Older Alaskans Commission immediately assume responsibility for an annual analysis and evaluation of all the services which are provided to older Alaskans, as required by AS 44.21.230. Adequate funding for the programs which support the goal of the State's Senior Housing Program is important, but the funding should be predicated on a serious analysis which relates cost to benefits, and effectiveness to performance.

13) The OAC Housing Task Force recommends that the Legislature approve a supplemental appropriation of \$325,000 to fully fund for FY 85, the Senior Citizens' Property Tax Exemption program.

OLDER ALASKANS COMMISSION
HOUSING TASK FORCE
June 20, 1984

Dove M. Kull
Kendenhall Apts. #1010
326 4th St.
Juneau, Alaska 99801
586-2670

Louis Odsather
P.O. Box 870178
Wasilla, Alaska 99687
376-5148

Jim Kelly
Legislative Affairs Agency
Pouch V
Juneau, Alaska 99811
465-3793

Jane Windsor
319 E. Bentley Dr.
Fairbanks, Alaska 99701
456-6035

Rose Palmquist
c/o OPAG
P.O. Box 2240
Anchorage, Alaska 99510
276-1059

Richard Pryor
Housing Assistance Division
Community and Regional Affairs
Suite 410
949 E. 36th St.
Anchorage, Alaska 99504
561-0900

Patti Becker
Division of Municipal and
Regional Assistance
Community and Regional Affairs
Pouch B
Juneau, Alaska 99811
465-4707

Fran Toland, Associate Coordinator
Older Alaskans Commission
Pouch C, M.S. 0209
Juneau, Alaska 99811
465-3250

Matt Zencey, Energy Director
Rural CAP
P.O. Box Box 3-3908
Anchorage, Alaska 99501
279-2511

PRELIMINARY FINAL REPORT

OLDER ALASKANS COMMISSION

HOUSING TASK FORCE

FEBRUARY 25, 1985

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I. EXECUTIVE SUMMARY

Final Recommendations of the Housing Task Force To the Older Alaskans Commission

1) The OAC Housing Task Force recommends that the goal of the State's senior housing program be to encourage the use of both private and public resources to provide a full range of housing opportunities and services for all older Alaskans, regardless of income. The emphasis should be on alternatives to institutionalization, supporting individual dignity and independence, and assisting people to remain in their own homes for as long as is desirable and appropriate.

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6) The OAC Housing Task Force recommends that the Older Alaskans Commission immediately assume responsibility for the compilation and continuous updating of an inventory of all senior supportive services in the State. (see recommendation #3) Because the availability of these services can be extremely important in assisting individual seniors to take care of themselves in the least restrictive setting, it is critical that this information receive a wide distribution. The OAC should consider a mass distribution of this information annually in conjunction with Home Care Week as proclaimed each year by the Governor.

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13) The OAC Housing Task Force recommends that the Legislature approve a supplemental appropriation of \$325,000 to fully fund for FY 85, the Senior Citizens' Property Tax Exemption program.

II Abstract

The Older Alaskans Commission recognized the need for a senior housing task force in their three-year plan, A New Beginning for Older Alaskans. The housing action plan in that report called for "an inter-agency housing task force to prepare recommendations regarding the coordination and efficient delivery of housing-related services." As a result, a nine-member task force was established consisting of representatives of state agencies, consumers, and service providers. It met seven times between June and December, 1984.

After hearing presentations on housing related topics such as energy assistance, weatherization, in-home services, housing alternatives and financing, the task force formulated thirteen legislative and policy recommendations. The Older Alaskans Commission accepted those recommendations on December 11, 1984. This action complies with AS 44.21.230(a)(2).

III. Analysis of Recommendations

In accordance with AS 44.21.230(a)(1), the Older Alaskans Commission in September, 1983 adopted a three-year plan, A New Beginning for Older Alaskans. The plan identified the primary regional housing concerns of the State's elders as: weatherization, affordable housing, high energy costs, housing shortages, housing options, fragmentation of housing programs, water and sewer installation, and Pioneer Homes.

Programs which address most of these concerns currently exist in the Departments of Health and Social Services, Community and Regional Affairs and Administration. The task force recommended that the Commission encourage legislative support and adequate funding for eighteen programs which directly or indirectly affect senior housing. One recommendation and accompanying legislation calls for a specific supplemental appropriation to address a shortfall in the FY 1985 Senior Citizens' Property Tax Exemption program. The task force considered this a cost-effective program designed to keep seniors in their own homes.

Since fragmentation of housing programs appeared as a concern, the task force recommended establishing the Office of Senior Housing within the Housing Assistance Division of the Department of Community and Regional Affairs. Among other duties, this office would inventory public housing and manage a senior housing information system to facilitate dissemination of information.

Another recommendation emphasizes the Commission's role as a coordinating agency by encouraging it to compile and annually update an inventory of senior supportive services. Through annual budget reviews the Commission should further analyze all senior programs and services for their cost effectiveness. Commission review, evaluation and comment on senior programs is mandated in AS 44.21.230(b)(1).

To moderate the effect of declining State revenues the task force made several recommendations with accompanying legislation. One recommendation

would establish a sliding fee scale for recipients of the in-home services of homemakers, home health aides and home health nursing. Such fees would extend the effective range of current funding, allowing more clients to benefit from those services, and also allowing more training for the service providers. In addition, seniors have repeatedly expressed their desire to pay for this kind of care.

The most significant recommendation to supplement declining state revenues calls for a change within the Senior Citizens Housing Development Grant program in the Department of Community and Regional Affairs, Housing Assistance Division. This change would allow the program to provide loans to private builders as well as grants to non-profits.

The State's specific commitment to senior housing began in 1975 with the creation in the Department of Community and Regional Affairs of a Senior Citizens Housing Development Fund. Since then, the Fund has received over \$53 million in appropriations from the Legislature. When that money is completely spent late next year, there will have been constructed over 1,000 new senior apartments, with a total present value in excess of \$75 million.

At first, virtually all the projects financed were simply "congregate housing", i.e. apartment complexes designed for older residents. As the program evolved, however, the concept of senior housing has expanded to include not only the actual residential units, but also the ancillary facilities that provide needed social and health supportive services.

Another change in the program has related to the financing of the projects. Almost all of the units built so far have been at least partially financed with money from other sources, usually the U.S. Department of Housing and Urban Development (HUD). Not only has this allowed State dollars to stretch further in terms of construction of new units, but more importantly, HUD participation has also included 40-year operation and maintenance subsidies. Consequently, HUD-subsidized projects only require tenants to pay up to 30 percent of their monthly incomes, no matter how small, for rent.

Unfortunately, this form of federal support for seniors has been almost completely eliminated. As a result, with a few notable exceptions, the State can no longer count on either the federal construction subsidies or the more valuable long-term operation and maintenance subsidies for future senior housing projects.

Recognizing nonetheless, that the need for senior housing will continue to grow, the task force developed the concept of a builders' incentive program. To institute this program requires a statutory amendment in the Senior Citizens Housing Development Fund to allow loans to private developers. Those loans, with zero interest but with shared appreciation, would result in the construction of more residential units per state dollar than is possible under the existing grant program. The loans would produce senior housing units at reasonable rents with no need for long-term operation and maintenance subsidies. Furthermore, the original investments plus shared appreciation profit would return to the state for future use.

IV. Project Assumptions for Older Alaskans' Housing Loan Program

Project Costs: All projects assume that total project costs will average \$50,000 per unit, and that ten units will be built per project at a total cost of \$600,000. Appraised value will be \$675,000. Costs include land, site development, interim financing, all fees such as legal and architect, and construction costs. Average size of the units is expected to be 750 square feet.

The project analysis assumes that the developer will finance the project by borrowing 75 percent of the value, or \$506,250, and by providing \$93,750 in equity.

Rental Rates:

3 units x \$450 (2 bedroom) x 12 months =	\$16,200
7 units x \$375 (1 bedroom) x 12 months =	31,500
	<u>\$47,700</u>
- 3% vacancy	<u>-1,431</u>

Gross Income: \$46,269

- Operating Expenses: water, sewer,
garbage, maintenance, insurance and
property taxes (\$150 per unit) -18,000

Left for debt service and profit \$28,269

Interest Rate Analysis:

(1) 14% debt service @ 25-year amortization x \$506,250	=	<u>\$72,900</u>
Annual Negative Cash Flow:		\$44,631
(2) 11% debt service @ 25-year amortization x \$506,250	=	<u>\$59,535</u>
Annual Negative Cash Flow:		\$31,266
(3) Blended rate: 0% x \$300,000 14% x 206,250	=	<u>\$29,696</u>
Annual Negative Cash Flow:		<u>\$ 1,427</u>
(4) Blended rate: 0% x \$300,000 11% x 206,250	=	<u>\$24,255</u>
Annual Profit		\$ 4,014
4.3% return on equity		

Long-Term Analysis: All projects assume the developer repays the principal of the loan at the end of twenty-five years. In addition, the developer shares fifty percent of the appreciation in appraised value at the time of sale of the building. Thus, if the project appreciates at five percent per year compounded annually, the appraised value at the end of the loan term will be \$2,285,550. The appreciation will be \$1,610,550.

The return to the State at that time will be:

\$300,000 (principal)
805,275 (half of the appreciation)

\$1,105,275 = compound annual return on equity of 5.5%

The return to the developer at that time will be:

\$1,180,275 (developer's share of value)
- 93,750 (developer's equity investment)
\$1,086,525 = compound annual return on equity of 10.25%

Costs-Benefits Analysis:

Costs to the State are opportunity cost of money at 4.5 - 5.5% compounded annually.

The State benefits through:

1. 10 new units of senior housing constructed under competitive bid, at affordable rents for 25 years;
2. no required operating subsidies;
3. repayment of principal and return on investment of 5.5% compounded annually for use on additional senior housing loans in the future;
4. minimal servicing expenses.

Costs to the developer are:

1. an equity contribution of 25% of the appraised value;
2. conventional loan expenses;
3. ceilings on rent increases.

The developer, benefits through:

1. annual return on investment ranging from 10.25% - 15%;
2. substantial leveraged increase in personal net worth;
3. depreciation advantages;
4. additional tax shelter (e.g. deduction for interest payments)

V. Future Action by the Commission

The task force acknowledged the involvement of several agencies in senior housing and housing related services. Since the Commission's legislative mandate calls upon us to coordinate senior services, the task force made three recommendations for future action in this area.

Under AS 47.65.030, the Commission may award Pilot Project Grants. The task force encouraged the Commission to fund pilot projects, beginning with

one on case management that addresses in-home care. This would require coordination of community-based services for individuals, eliminating duplication while providing comprehensive service.

At its meetings, the task force discovered that terms pertaining to institutional care and housing alternatives were ambiguous and varied. To clarify terms involving levels of care and types of living arrangements for seniors, the task force recommended that the Commission coordinate the development of a list of standardized definitions by the Departments of Health and Social Services, Administration, Community and Regional Affairs and private sector providers, especially the Alaska State Hospital Association. Standardized definitions will eliminate the confusion existing among agencies and facilitate the coordinated planning of housing services.

At the beginning of its investigations the task force established the goal and recommendation to keep seniors in their own homes as long as possible and to seek alternatives that would prevent or delay costly institutionalization. The task force recognized in-home services as a key element supporting this recommendation. Since investigating in-home services extended beyond the scope of the housing task force, it recommended that the Commission establish another task force to specifically examine these services as they relate to the elderly.

VI. Conclusion

The need to continue existing senior housing and housing-related programs while expanding the available options became evident to the task force. A lack of appropriate housing exists between independent residential housing and restrictive institutionalization. These gaps in the continuum often result in premature institutionalization for seniors or their forced move to another state or area in Alaska where suitable housing is available.

Seniors in rural and remote Alaska who are unable to live independently in their communities are often forced to move to nursing homes in the larger cities. Removed from their familiar cultural surroundings, these seniors suffer from the alienation of culture shock as well as from the loss of personal dignity.

Community-based options such as group homes, senior foster care homes, and handicapped accessible adaptations of existing homes could supply the types of housing needed in all Alaska to prevent or delay admission to nursing homes. More efficient delivery of in-home services in local communities could also help seniors remain in less restrictive housing environments.

Through its efforts, the task force attempted to convey the importance of inter-agency cooperation in meeting the housing needs of Alaska's senior population. Designed to encourage coordination at the state level, the legislative and policy recommendations also seek to solve senior housing needs through increased awareness and action by local communities. By accepting the recommendations, the Older Alaskans Commission acknowledged its role as a coordinating agency to encourage continued and increased participation by the Departments of Administration, Health and Social

Services, and Community and Regional Affairs. As the Commission and legislature act on housing task force recommendations, state agencies and the public will acquire a more unified view of senior housing and related services delivered in Alaska.

HOUSING ASSISTANCE DIVISION
LOAN PROGRAM INFORMATION

The Housing Assistance Division (HAD) offers four loan programs; the Rural Owner Occupied, Rural Non-Owner Occupied, Nonconforming Housing Loan Program, and the Housing Rehabilitation Program. The following is a brief summary of these programs.

Rural Owner-Occupied Program - Provides financing to qualified borrowers for the construction or purchase of a single family residence and duplex housing for owner occupancy. The maximum loan term is 30 years.

For new construction, the Division may finance 100% of allowable cost incurred during construction or 85% of appraised value, whichever is less. The maximum dollar amount a borrower may receive is \$172,900 for single units and \$221,200 for duplexes.

For purchase of existing housing, the Division may finance 95% of the sale price or 95% of the appraised value, whichever is less. The maximum dollar amounts are the same for purchase as shown for construction.

Rural Non-Owner Occupied Program - Provides financing to qualified borrowers for the construction, purchase or rehabilitation of non-owner occupied rental housing units. The interest rate for this program is 10.5% with a maximum loan term of 30 years. The project may involve two to eight units in a single community or specific area.

The principal amount of the loan or loans for housing under this program can not exceed \$1,250,000.00. Also, the loan must not exceed 80% of the appraised value or 80% of the purchase price whichever is less. The borrower may not reside in the housing financed.

Nonconforming Housing Loan Program - Provides financing to qualified borrowers for the construction, rehabilitation or purchase of single family detached or duplex housing which exhibits one or more characteristics, with respect to design, construction practices, materials, foundation systems, utilities and minimum space requirements, which are not common to the community in which the property is located and which would ordinarily preclude financing by private financial institutions. The maximum loan term is 30 years.

For new construction, the Division may finance 100% of allowable cost incurred during construction or 85% of appraised value, whichever is less. The maximum dollar amount a borrower may receive is \$172,900 for single units and \$221,200 for duplexes.

For purchase of existing housing, the Division may finance 95% of the sales price or 95% of the appraised value, whichever is less. The maximum dollar amounts are the same for purchase as for construction.

Housing Rehabilitation Program - Provides financing to qualified borrowers for the repair, remodeling or rehabilitation of existing single family and duplex housing. In addition, the Division may provide first or second deeds of trust financing.

For first deeds of trust, the Division may finance 100% of allowable cost of construction, plus pay off any existing liens on the subject property. However, the amount financed may not exceed the lesser of 95% of the appraised value of the property, or \$172,900 for single families and \$221,200 for duplexes. The maximum term of the loan is 30 years.

For second deeds of trust, the Division may finance up to \$45,000 Maximum term for second is 15 years.

Under the Rehabilitation Program, the amount financed may include costs for contracted labor/services other than that of the borrower.

In the event a borrower requires financing for building materials only (no labor), the Division may provide rehab financing up to 80% of the appraised value of the subject property or \$45,000 whichever is less and the maximum term is 15 years.

The Homeownership Assistance Fund (HOAF) was created during the 1983 legislative session and became effective January 1, 1984. The purpose of this fund was to subsidize mortgage payments of low to moderate income borrowers. A qualified borrower may have their monthly mortgage payment subsidized to an interest rate as low as 6%. The subsidy amount is determined by how much the borrower can pay. Income limits, loan limits, and asset value limits are taken into consideration.

The borrower(s) household income limits must not exceed the following:

1-2 adults	\$30,000, plus
1st child	5,000
Additional children or adult	\$ 1,500

The borrower's maximum gross yearly income limit can not exceed \$39,500 per household. Additionally, the borrower may not have assets that exceed three times the applicable income limit for the household. Assets do not include permits for business opportunities, restricted title land, or land, acquired through ANCSA or ANILCA.

The loan limits are as follows:

1-2 member family	\$105,000
3 member family	110,000
4 or more member family	120,000

Additionally, for those borrowers whose home is owner-built new construction, the following appraised values may not be exceeded:

1-2 member family	\$130,000
3 member family	140,000
4 or more member family	150,000

Once the borrower is determined eligible to obtain a loan with a HOAF subsidy, they are required to enter an assistance agreement. The agreement is re-evaluated at least annually to determine continued eligibility, and the monthly subsidy amount for the next year.

How to Apply - Anyone interested in applying for a housing loan of any type through the Division must first contact all approved mortgage lenders which service the area where the property is located. In the event financing cannot be obtained through this source, the Division may provide financing directly to the borrower.

The interest rates for the Rural Owner-Occupied and Nonconforming Housing Loan Programs fluctuate. The information provided is general in nature and other restrictions may apply.

SUPPLEMENTAL HOUSING DEVELOPMENT GRANTS

Governing Regulations: 19 AAC 88.010 - .900

Governing Statutes: AS 18.55.998

Funding Available:

FY84	\$3,500,000
FY85	\$3,500,000

Program Summary: This grant program provides grants only to regional housing authorities as supplemental funding to their approved HUD housing projects. Statute limits the grants to regional housing authorities. The statute also limits the grant to project site development for road, water and sewer and electrical distribution work. Grant awards are made to each project when HUD submits to this division an approved HUD project budget indicating the need for supplemental funding and signs concurrence in the need for a grant award. Payment under the grant for the work is made to the housing authority upon HUD's providing a copy of the construction contract for the work and requests payment. The work accomplished with State funds is part of the HUD project and is reviewed, in design and construction by HUD. We have a Memorandum of Understanding with HUD, BIA, and PHS on all aspects of this grant program.

Criteria for Award:

1. HUD project approved
2. Housing authority request
3. HUD concurrence
4. HUD budget shows need for supplemental funding and amount for roads, water, sewer and electrical distribution
5. Construction contract for work provided

Process for Award of Grants: There is no advertisement for grant applications or deadline for grant requests. The grants are awarded on a first come first served basis within the funds available in accordance with the grant award process outlined above.

STATE ASSISTED RENTAL HOUSING CONSTRUCTION PROGRAM

Governing Regulations: 19 AAC 83.010 - .900

Governing Statutes: AS.44.47.630 - .635

Funding Available:

FY84	\$5,000,000
FY85	\$3,580,000

Program Summary: This program became effective January 1, 1984. The legislature appropriates funds to the Low Cost and Low Income Multiple Family Housing Development Fund to provide grants to municipalities or public or private non profit corporations for planning and construction of low income rental housing.

The division provides notice in newspapers statewide of the grant application period and deadline for grant applications, and also provides this notice to an extensive mailing list of possible interested applicants. The first application deadline is November 15 annually. The applications are reviewed by a committee and awards announced not later than January 31 annually. An appeal period is provided for the applicants not selected. Following the appeal period, grant agreements are entered into with the successful applicants.

Criteria for Selection of Applicants:

1. Need for housing
2. Other funding available
3. Project Feasibility
4. Rental cost
5. Management plan
6. Evidence of community support
7. Project cost per unit
8. Project density

Process of Awarding Grants:

1. Advertise in papers and mailout of mailing list
2. Selection committee established
3. Selection committee sets criteria and rates and ranks grant applicants
4. Grant awards announced by DCRA Commissioner
5. Appeal period of 15 days provided to non selected applicants
6. Grant agreements prepared and executed

SENIOR CITIZEN HOUSING DEVELOPMENT FUND

Governing Regulations: 19 AAC 85.010 - .130

Governing Statutes: AS 44.47.610 - .620

Funding Available: FY84 \$10,000,000
 FY85 \$ 8,000,000

Program Summary: This grant program awards grants for both the planning and construction of senior citizen housing. The grant applicants are limited to municipalities and public and private non-profit corporations. Notices are placed in newspapers statewide announcing the grant periods and deadlines for grant applications for award. Notice is also sent to an extensive mailing list for this grant program. Planning grant applications are received and grant awards made four times a year, in July, October, January and April. These grants are up to \$75,000, depending on the size of the project. Grants for construction are awarded twice annually in November and March, depending on funding. The grant applications are reviewed and ranked by a selection committee and awards announced by the Commissioner. An appeal process is provided for the applicants not selected. This grant program provides senior citizen housing statewide. The program is administered out of the Housing Assistance Division in Anchorage.

Criteria for Selection of Applicants:

- A. Planning Grants
 - 1. Satisfactory completion of application
 - 2. Establishment and documentation of housing need
 - 3. Establishment of a senior citizen steering committee

- B. Construction Grant
 - 1. Satisfactory completion of application
 - 2. Housing need
 - 3. Other funding and rental subsidy available
 - 4. Feasibility analysis
 - 5. Management plan

Grant Award Process:

- 1. Advertise in newspapers statewide and send notice to extensive mailing list of grant application period and deadline.
- 2. Establish a selection committee
- 3. Committee set criteria and rate and rank applications
- 4. Grant awards announced by Commissioner
- 5. Appeal period of 15 days is provided to non selected applicants
- 6. Grant agreements are prepared and executed

Senior Citizen Housing Development Fund (cont'd)

Grant Award Process:

1. Advertise in newspapers statewide and send notice to extensive mailing list of grant application period and deadline.
2. Establish a selection committee
3. Committee set criteria and rate and rank applications
4. Grant awards announced by Commissioner
5. Appeal period of 15 days is provided to non selected applicants
6. Grant agreements are prepared and executed

EXPLANATION OF \$300,000 CONTRACTUAL FUNDING IN FISCAL NOTE FOR SB137

The \$300,000 in contractual funding is broken down as follows:

1. Professional Service Contract to assist in the development of regulations for this program. Contractor will gather input from many organizations and individuals on implementation of the program and conduct public hearings statewide for input and prepare a draft of proposed regulations. \$30,000
2. Professional Service Contract to develop a computer program for the Senior Citizen Housing Inventory, assemble inventory data from project owners or through research of state and/or HUD records, provide for an update system. \$40,000
3. Professional Services Contract to develop, write, and print program handbooks describing the program, application requirements, forms, and materials for loans and grants, develop the forms required, and prepare and print a small informational brochure. \$30,000
4. Prepare a manual, handouts, and informational brochures for elderly homeowners on what they can do to fix up their homes to include general blueprints, drawings, and specifications they can use in working with a contractor for specific work on their home. Also, some guidelines and information on how to obtain a contractor and negotiate or get bids for the work. \$55,000
5. Advertise program and the availability of grants and loans in newspapers throughout the state on two or three occasions to give maximum exposure to this new program. \$5,000
6. Prepare a manual for the design of public senior citizen housing in Alaska. This manual would become a guide specification to be used by architect/engineering design firms when designing public elderly housing in Alaska. The manual will have all the mandatory and optional gerontological design criteria for elderly housing, checklists for the architect that must be completed as part of the design, checklist to insure the project owner all gerontological design criteria were considered as followed. This design manual for elderly housing would be quite comprehensive, technical, and represent an up-to-date state-of-the-art design guide with standard specifications. \$140,000

RECEIVED
ALASKA SENIORS COMMISSION
MARCH 1985

IMPLEMENTATION OF SB137

The effective date of SB137 should be no earlier than January 1, 1986. This time is required to develop regulations and a program of implementation guidelines.

Our first consideration would be to giving grants to the organizations that are currently planning projects under an existing program and expect to apply and receive HUD rental subsidy for low-income elderly housing. Those projects currently being planned are as follows:

<u>LOCATED</u>	<u>PROJECT SPONSOR</u>	<u>UNITS</u>	<u>ESTIMATED COST</u>
Stebbins	City of Stebbins	15	1,500,000
Palmer	ASHA	30	3,000,000
Wake	Tlingit-Haida H.A.	12	1,200,000
Yakutat	Tlingit-Haida H.A.	14	1,400,000
Haines	City of Haines	15	1,500,000
Anchorage	Cook Inlet H.A.	45	4,500,000
			<u>\$13,100,000</u>

It is anticipated that from the available funding under the new Older Alaskans Housing Development Fund the projects listed above that receive HUD rental subsidy would be awarded grants in competition among themselves and not in competition with the private developers for loans. It is possible, depending on funds available, that the entire FY86 funding may go to these grants.

If there is funding remaining, it will be utilized in awarding grants and/or loans to those who respond to the advertising for the new program. These projects would include three that are currently being planned under our existing program as moderate income housing without HUD low-income rental subsidy. These projects are:

<u>Project Location</u>	<u>Grant Applicant</u>	<u># Units</u>	<u>Possible Future Funding Request</u>
Homer	Homer Senior Citizens	24	2,000,000
Anchorage	Meridian Living	35	3,500,000
Fairbanks	City of Fairbanks	25	2,500,000
			<u>\$8,000,000</u>

The above is a very general overview of the implementation of this program.

To specifically address the implementation of the loan program as it might relate to individuals, we interpret the bill as to not allow loans to individuals for "the development of senior citizen housing". The phrase "Development of Senior Citizen Housing", as used throughout the bill is interpreted to mean the development of projects for construction of housing such as rental apartments. It is not to give loans to individuals to accomplish work on their own homes.

In SB137 there is only one reference to assisting senior citizens to remain in their own homes. That is Sec. 2, Purpose. From that point on the bill strictly addresses project for the "construction" of housing. Examples of statements throughout the bill that support this are:

1. Section 4, page 2, line 28 - "for the purpose of developing senior citizen housing".
2. Section 4, page 3, line 4 - "demonstrate the need for senior citizen housing in the area to be served".
3. Section 4, page 3, line 6 - "adequate management plan that shall demonstrate the ability of the eligible recipient to sustain the proposed project".
4. Section 5, page 3, line 29 - "development of senior citizen housing".
5. Section 5, page 4, line 25 - "Senior citizen housing means a specific work or improvement undertaken to provide dwelling accommodations.

We think the definition of senior citizen housing found in the bill is quite specific that it is to provide housing and not repair privately owned homes. Without some specific statements in the bill that would provide for loans to individuals to repair their own homes, we would not develop regulations that would permit it.

During the discussions at the task force meetings this bill was primarily discussed as a "Builders Incentive Program" to get private builders into the construction of new elderly housing projects.

It seems to me that if we really want to keep elderly in their own homes we need a program to allow that. No interest loans may be one way to do it and should possibly take priority over no interest loans to private builders to make a profit providing apartments for moderate income elderly people. A loan program such as this, however, may be better placed in AHFC and not in this office.

SEARCH - QUERY
00009 8

SCRA 0305851 DOCUMENT= 2 OF 2

DOC ID SCRA 0305851540
HEADING

SENATE COMMUNITY & REGIONAL AFFAIRS
STANDING COMMITTEE
MARCH 5, 1985
3:40 P.M.

MEMBERS PRESENT: SENATOR EDNA DEVRIES, CHAIR
SENATOR FRANK FERGUSON
SENATOR JACK COGHILL
SENATOR ARLISS STURGULEWSKI

MEMBERS ABSENT: SENATOR VIC FISCHER

CALENDAR SB 137

AMENDED TITLE: AN ACT RELATING TO SENIOR
CITIZEN HOUSING; AND PROVIDING FOR AN EFFECTIVE
DATE.

SB 142

AMENDED TITLE: AN ACT RELATING TO MUNICIPAL
GOVERNMENT; AND PROVIDING FOR AN EFFECTIVE DATE.

WITNESS REGISTER

WITNESS:

JANE WINDSOR
AMERICAN ASSOCIATION OF RETIRED PERSONS
319 E. BENTLEY DRIVE
FAIRBANKS, ALASKA 99701
456-6035

POSITION STATEMENT: TESTIFIED IN SUPPORT OF SB 137.

WITNESS:

JEFF SMITH, DEPUTY COMMISSIONER
DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS
POUCH B
JUNEAU, ALASKA 99811
465-4700

POSITION STATEMENT: EXPLAINED PROGRAM ENVISIONED BY DEPARTMENT UNDER
SB 137.

WITNESS:

JAMES KELLY
3786 MCGINNIS DRIVE
JUNEAU, ALASKA
789-9982

POSITION STATEMENT: TESTIFIED IN SUPPORT OF SB 137.

WITNESS:

DOROTHY ENGLUND
508 RAMOLA STREET
FAIRBANKS, ALASKA 99701
452-1735

POSITION STATEMENT: TESTIFIED IN SUPPORT OF SB 137.

WITNESS:

DORIS SOUTHALL
2-B-7 DIXON APARTMENTS
100-10TH
FAIRBANKS, ALASKA 99701
465-6358

POSITION STATEMENT: SUPPORTED SB 137.

WITNESS:

SCOTT BURGESS, EXECUTIVE DIRECTOR
ALASKA MUNICIPAL LEAGUE
105 MUNICIPAL WAY, SUITE 301
JUNEAU, ALASKA 99801
586-13256

POSITION STATEMENT: TESTIFIED IN SUPPORT OF SB 142.

WITNESS:

DOUG GRIFFIN
DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS
POUCH B
JUNEAU, ALASKA 99811

POSITION STATEMENT: GAVE HISTORY OF TITLE 29 LEGISLATIVE MEASURES.

PREVIOUS ACTION

SB 137

PLEASE REFER TO SENATE COMMUNITY & REGIONAL
AFFAIRS COMMITTEE MINUTES DATED 02/28/85.

SB 142

NO SENATE PREVIOUS ACTION TO RECORD ON SB 142.

ACTION NARRATIVE

TAPE#1 FOR 3/05/85, SIDE A.

RECORDING
NUMBER 000

THE MEETING OF THE SENATE COMMUNITY & REGIONAL
AFFAIRS COMMITTEE WAS CALLED TO ORDER AT 3:40
P.M. WITH MEMBER SENATORS DEVRIES, COGHILL,
FERGUSON AND STURGULEWSKI PRESENT. SENATOR V.
FISCHER WAS ABSENT.

NUMBER 001

CHAIR DEVRIES CALLED THE MEETING TO ORDER AND
ANNOUNCED THAT THE COMMITTEE WOULD RECEIVE
TESTIMONY BY TELECONFERENCE ON SB 137. ALL
COMMITTEE MEMBERS WERE PRESENT EXCEPT SENATOR
VIC FISCHER, WHO WAS OUT OF TOWN.
THE FIRST ORDER OF BUSINESS WAS SB 137, AN ACT
RELATING TO SENIOR CITIZEN HOUSING; AND
PROVIDING FOR AN EFFECTIVE DATE.

NUMBER 014

JANE WINDSOR, AMERICAN ASSOCIATION OF RETIRED
PERSONS, CHAIR, STATE LEGISLATIVE COMMITTEE,
TESTIFIED IN FAVOR OF THE BILL. COMMENTED ON
PORTION OF BILL DEALING WITH THE ESTABLISHMENT
OF A SENIOR HOUSING INFORMATION SYSTEM. SHE
THOUGHT MONEY MIGHT BE PUT TO A BETTER USE.

NUMBER 078

JEFF SMITH, DEPUTY COMMISSIONER, DEPARTMENT OF
COMMUNITY & REGIONAL AFFAIRS, EXPLAINED WHAT WAS
ENVISIONED AS THE FIRST YEAR'S PROGRAM UNDER SB
137. THE DEPARTMENT WANTS TO DEVELOP A SENIOR
HOUSING INVENTORY AROUND THE STATE, DEVELOP AND
PRINT MANUALS, PROGRAM BROCHURES, AND ADVERTISE
THE PROGRAM. HE THOUGHT THE HEART OF THE
PROGRAM WAS ITS BUILDER INCENTIVE FEATURE.

NUMBER 160

MAJOR PORTION OF THE CONTRACTUAL FUNDS WOULD GO
TO DEVELOP A COMPREHENSIVE MANUAL ON THE
GERONTOLOGICAL DESIGN CRITERIA OF PUBLIC SENIOR
CITIZEN HOUSING IN ALASKA. THE DEPARTMENT WOULD
BE WILLING TO PUT CERTAIN CONTRACTUAL ITEMS ON
HOLD UNTIL FUNDS WERE AVAILABLE.

JAMES KELLY COMMENTED THAT THE COSTS EXPLAINED
IN THE DEPARTMENT OF COMMUNITY & REGIONAL
AFFAIRS FISCAL NOTE ANALYSIS ARE ONE TIME COSTS.
A GOAL IS TO ALSO PROVIDE MINOR IMPROVEMENTS TO

NUMBER 201 SENIORS HOMES SO THEY MAY STAY THERE AS LONG AS APPROPRIATE. HE SUPPORTED \$300,000 FISCAL NOTE ON SB 137 AS NECESSARY AND APPROPRIATE. SENATOR COGHILL SAID THAT WORD "SHALL" IN BILL SHOULD PROBABLY READ "MAY" SO OFFICE OF SENIOR HOUSING COULD PICK AMONG DUTIES OUTLINED, IF FISCAL NOTE IS CUT. HE SAID HE WAS IN FAVOR OF THE BILL, BUT IT WOULD LIKELY FAIL IF THE MONEY ISN'T AVAILABLE.

NUMBER 210 SENATOR STURGULEWSKI THOUGHT FUNDING SHOULD BE APPROVED TO SET UP A SENIOR HOUSING DATA BANK.

NUMBER 236 JEFF SMITH, SAID THE INTENT OF THE BILL WAS NOT TO PROVIDE DIRECT LOANS TO INDIVIDUAL SENIOR CITIZENS. ITEM 6, HE STATED, APPLIES TO DIRECT LOANS TO INDIVIDUALS TO BE PASSED ON TO BUILDING CONTRACTORS FOR CONSTRUCTION OF SENIOR HOUSING. DOROTHY ENGLUND STATED SHE WAS DISAPPOINTED THAT THE BILL DID NOT COVER LOANS TO INDIVIDUALS.

NUMBER 261 JAMES KELLY SAID PEOPLE ON THE TASK FORCE DID NOT INTEND THAT BILL WOULD PROVIDE FOR LOANS TO INDIVIDUALS. THE DEPARTMENT COULD CONTRACT WITH SOMEONE TO PROVIDE GERONTOLOGICAL IMPROVEMENTS IN A GROUP OF SENIOR HOMES.

NUMBER 273 DOROTHY ENGLUND SAID SHE WAS PLEASED THERE WAS SOME PROVISION FOR MAKING IMPROVEMENTS IN SENIOR CITIZENS HOMES.

NUMBER 288 JEFF SMITH STATED NEW LEGISLATION WOULD HAVE TO BE DRAFTED TO PROVIDE GRANTS TO SENIOR CITIZENS FOR IMPROVEMENTS TO THEIR EXISTING HOMES.

NUMBER 301 DORIS SOUTHALL COMMENTED A NEED EXISTS TO PROVIDE SENIOR HOUSING FOR MIDDLE INCOME LEVEL PEOPLE.

NUMBER 313 JEFF SMITH SAID THE MAIN BENEFIT UNDER SB 137 WOULD BE TO SERVE MIDDLE INCOME SENIOR CITIZENS THROUGH LOANS FOR SENIOR CITIZEN HOUSING. HE SAID 50% OF A LOAN WOULD COME FROM LOCAL LENDING INSTITUTIONS AND 50% (INTEREST FREE) FROM THE STATE, WITH 25 YEAR TERM.

NUMBER 337 SENATOR COGHILL MOVED AND ASKED UNANIMOUS CONSENT THAT SB 137 BE AMENDED TO REPLACE THE WORD "SHALL" WITH THE WORD "MAY". WITHOUT OBJECTION, IT WAS SO ORDERED.

NUMBER 358 SENATOR STURGULEWSKI MOVED THAT SB 137 AMENDED BE PASSED OUT BY THE COMMITTEE, AND WITHOUT OBJECTION, IT WAS SO ORDERED. THE NEXT ORDER OF BUSINESS WAS SB 142, AN ACT RELATING TO MUNICIPAL GOVERNMENT; AND PROVIDING FOR AN EFFECTIVE DATE.

NUMBER 370 JEFF SMITH TESTIFIED IS FAVOR OF SB 142 AND REQUESTED THAT AMENDMENTS BE SUBMITTED AS SEPARATE LEGISLATION TO PASS OR FAIL ON THEIR OWN MERIT. HE PROVIDED ADDITIONAL TESTIMONY FROM WRITTEN TEXT.

NUMBER 423 SENATOR STURGULEWSKI SAID SHE DIDN'T WANT PLANNING CHANGED FROM THE WORDING IN THE ORIGINAL BILL.

NUMBER 501

NUMBER 000
NUMBER 006

CHANGE TAPE #1, TO SIDE B.
SCOTT BURGESS, EXECUTIVE DIRECTOR, ALASKA MUNICIPAL LEAGUE, GAVE AN OVERVIEW OF THE BILL HISTORY. HE SAID SB 142 IS A BILL CLEANSSED OF THE AMENDMENTS WHICH REQUIRED A SIMILAR BILL TO BE VETOED BY GOVERNOR HAMMOND. THE MOST SIGNIFICANT AMENDMENT IN THE VETOED BILL DEALT WITH THE BOROUGH POPULATION DETERMINATION ISSUE. DOUG GRIFFIN, DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS, EXPLAINED THAT THE OBJECTIONABLE AMENDMENTS IN BILL VETOED BY GOVERNOR HAMMOND WERE POPULATION RESIDENCY COUNT REGARDING OILFIELD WORKERS; EXEMPTING FOREST LANDS FROM MUNICIPAL TAXATION; AND REGULATING PUBLIC UTILITIES. HE SAID HOUSE COMMITTEE AMENDMENTS TO BILL WERE PRETTY MUCH TECHNICAL, HOUSEKEEPING AMENDMENTS.

NUMBER 030

NUMBER 068

SCOTT BURGESS SAID SB 142 IS FOR THE MOST PART THE SAME AS HB 172, LAST YEAR'S BILL CLEANSSED OF THOSE AMENDMENTS. THERE ARE TWO CHANGES. ONE DEALING WITH SECOND CLASS TO HOME RULE -- A DESCRIPTION OF THOSE, AND ONE DEALING WITH THE HEALTH FACILITY. THE BILL IS A TOP LEGISLATIVE PRIORITY FOR BOTH THE MUNICIPAL LEAGUE AND THE CONFERENCE OF MAYORS. THE LAND USE ASPECT HAS TO DO WITH CHANGES IN ZONING REGULATIONS -- THE POWERS OF A BOROUGH TO REGULATE ITS LAND USE. SENATOR COGHILL REQUESTED SCOTT BURGESS TO FURNISH AN ANALYSIS OF THE HOUSE COMMITTEE AMENDMENTS AND HE SAID HE WOULD PROVIDE ONE. MEETING WAS ADJOURNED AT 4:40 P.M.

NUMBER 158

NUMBER 167

R0601 * END OF DOCUMENTS IN LIST - ENTER RETURN OR ANOTHER COMMAND.

Introduced: 2/13/85
Referred: Community & Regional
Affairs and Finance

BY M.M. MILLER, DUNCAN, GOLL,
BOUCHER, GRUSSENDORF, KOPONEN
AND SUND

1 IN THE HOUSE

2 HOUSE BILL NO. 190

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to senior citizen housing; and
7 providing for an effective date."

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

9 * Section 1. AS 44.47 is amended by adding a new section to article 10
10 to read:

11 Sec. 44.47.605. OFFICE OF SENIOR HOUSING. The office of senior
12 housing is established within the Department of Community and Regional
13 Affairs, division of housing assistance.

14 * Sec. 2. AS 44.47.610 is repealed and reenacted to read:

15 Sec. 44.47.610. PURPOSE. There exists in the state a serious
16 shortage of available and affordable residential housing designed to
17 meet the special needs of Alaska's senior citizens. It is the purpose
18 of the office to use both private and public resources to provide a
19 full range of housing opportunities and services for all older
20 Alaskans regardless of income. It is also the purpose of the office
21 to emphasize alternatives to institutionalization, to support indi-
22 vidual dignity and independence, and to assist senior citizens in
23 remaining in their own homes for as long as is desirable and appropri-
24 ate.

25 * Sec. 3. AS 44.47 is amended by adding a new section to read:

26 Sec. 44.47.615. DUTIES OF THE OFFICE. The office shall
27 (1) provide information and assistance relating to senior
28 citizen housing to state agencies, senior citizens' organizations,
29 individual senior citizens, and other interested people;

1 (2) compile and regularly update an information system
2 including

3 (A) an inventory of senior citizen housing projects in
4 the state;

5 (B) published manuals describing materials and tech-
6 niques for the design and construction of senior citizen housing;

7 (C) a set of blueprints describing senior citizen home
8 improvements;

9 (D) a directory of in-home supportive services for
10 senior citizens;

11 (E) a description of federal senior citizen housing
12 assistance;

13 (F) research and literature on new approaches to
14 senior citizen housing;

15 (3) administer the older Alaskans' housing development
16 fund; and

17 (4) make an annual report to the Older Alaskans' Commission
18 (AS 44.21.200) and the legislature of the activities of the office.

19 * Sec. 4. AS 44.47.620 is amended to read:

20 Sec. 44.47.620. OLDER ALASKANS' [SENIOR CITIZENS] HOUSING
21 DEVFLOPMENT FUND. (a) There is created in the department, as a
22 revolving fund, an older Alaskans' [A SENIOR CITIZENS] housing devel-
23 opment fund. Subject to direct appropriation or through proceeds of a
24 bond issue the department shall make loans to individuals and corpo-
25 rations considered eligible under standards established by the office
26 and make grants to municipalities or public or private nonprofit
27 corporations designated as tax exempt under 26 U.S.C. 501(c)(3) and
28 (4) (Internal Revenue Code of 1954) for the purpose of developing
29 senior citizen housing. A grant from the proceeds of a bond issue may

1 be made only to municipalities.

2 (b) Application for a loan or grant under (a) of this section
3 shall be in the form prescribed by the office [DEPARTMENT]. The
4 application shall demonstrate the need for senior citizen housing in
5 the area to be served, the feasibility of the proposed project, and an
6 adequate management plan that shall demonstrate the ability of the
7 eligible recipient to sustain the proposed project.

8 (c) All grant projects under this section shall be in accordance
9 with facility procurement policies developed under AS 35.10.160 -
10 35.10.200 and are public facilities under those sections. Loan proj-
11 ects are not subject to facility procurement policies developed under
12 AS 35.10.160 - 35.10.200.

13 (d) The office [DEPARTMENT] shall adopt regulations to carry out
14 the purposes of this section. The provisions of the Administrative
15 Procedure Act (AS 44.62) apply to regulations adopted under this
16 section.

17 [(e) IN THIS SECTION "SENIOR CITIZEN HOUSING" MEANS A SPECIFIC
18 WORK OR IMPROVEMENT UNDERTAKEN PRIMARILY TO PROVIDE DWELLING ACCOMMO-
19 DATIONS FOR PERSONS 60 YEARS OF AGE OR OLDER, INCLUDING BUT NOT LIMIT-
20 ED TO CONVENTIONAL HOUSING, HOUSING FOR THE FRAIL ELDERLY; GROUP
21 HOMES, CONGREGATE HOUSING, AND OTHER HOUSING THAT MEETS SPECIAL NEEDS
22 OF THE ELDERLY; SENIOR CITIZEN HOUSING INCLUDES THE ACQUISITION,
23 CONSTRUCTION, OR REHABILITATION OF LAND, BUILDINGS, IMPROVEMENTS, AND
24 OTHER NONHOUSING FACILITIES THAT ARE INCIDENTAL OR APPURTENANT TO THE
25 HOUSING.]

26 * Sec. 5. AS 44.47 is amended by adding new sections to read:

27 Sec. 44.47.622. OLDER ALASKANS' HOUSING LOAN PROGRAM. (a) The
28 office may use funds in the older Alaskans' housing development fund
29 to make interest free loans for the development of senior citizen

1 housing to individuals and corporations considered eligible under
2 standards established by the office.

3 (b) A loan made from the older Alaskans' housing development
4 fund may not exceed 50 percent of the lesser of the actual cost or the
5 appraised value of the project and shall

6 (1) be made interest free, provided that the loan contract
7 shall provide for equity participation by the state in proportion to
8 the relationship between the loan amount and total cost of the proj-
9 ect;

10 (2) be repaid in a period of 25 years, or upon sale of the
11 property by the borrower, whichever is sooner, except that the office
12 may make the loan assumable;

13 (3) provide in the loan contract that, for rental projects,
14 rents may be raised only once annually and the increase may not be
15 greater than the increase in the Anchorage consumer price index for
16 all urban consumers for the same year;

17 (4) provide in the loan contract that, for a project con-
18 sisting of five or more units, at least 20 percent of the units must
19 be reserved for low income senior citizens.

20 (c) A loan made from the older Alaskans' housing development
21 fund may be subordinated to a first deed of trust held by an author-
22 ized financial institution.

23 Sec. 44.47.626. DEFINITIONS. In AS 44.47.600 - 44.47.626

24 (1) "office" means the office of senior housing;

25 (2) "senior citizen housing" means a specific work or
26 improvement undertaken primarily to provide dwelling accommodations
27 for persons 60 years of age or older, including conventional housing,
28 housing for the frail elderly, group homes, congregate housing, and
29 other housing that meets special needs of the elderly; senior citizen

1 housing includes the acquisition, construction, or rehabilitation of
2 land, buildings, improvements, and other nonhousing facilities that
3 are incidental or appurtenant to the housing.

4 * Sec. 6. This Act takes effect immediately in accordance with AS 01.-
5 10.070(c).

6

7

Introduced: 1/30/85
Referred: Community & Regional
Affairs and Finance

1 IN THE HOUSE

BY BINKLEY

2

HOUSE BILL NO.145

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act authorizing certain second class cities to
7 adopt home rule charters."

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

9 * Section 1. AS 29.08.010 is amended to read:

10 Sec. 29.08.010. HOME RULE. A home rule municipality is a munic-
11 ipal corporation and political subdivision and is a city [OF THE FIRST
12 CLASS] or an organized borough that has adopted a home rule charter.
13 It has all legislative powers not prohibited by law or charter.

14 * Sec. 2. AS 29.13.010(a) is amended to read:

15 (a) A first class municipality or second class borough may adopt
16 a charter for its own government. A second class city ^{that exceeds 35} ~~may~~ ^{sq miles more} ~~adopt a~~
17 charter for its own government if the Department of Community and
18 Regional Affairs determines from the best figures available that the
19 population of the city is at least 3,500 permanent residents. A home
20 rule municipality may amend its charter or adopt a new one.

21 * Sec. 3. AS 29.18.180(a) is amended to read:

22 (a) For the purpose of defraying the cost of transition to
23 borough or city government and in order to provide for development and
24 interim governmental operations, each borough and city incorporated
25 after January 1, 1968, ~~and~~ in the case of a second class city, incor-
26 porated or reclassified as a first class or home rule city after
27 January 1, 1968, other than a unified municipality incorporated under
28 the provisions of AS 29.68.240 - 29.68.440 or former AS 29.85, or a
29 municipality otherwise incorporated by consolidation, is entitled to

1 an organization grant equal to \$10 for every voter who voted in the
2 [BOROUGH OR CITY] incorporation or charter election. However, each
3 incorporated borough and each first class or home rule city incor-
4 porated or established by reclassification outside an organized bor-
5 ough is entitled to at least \$25,000.

SEARCH - QUERY
00008 SB ADJ 137

SCRA 0228851 DOCUMENT= 1 OF 2

DOC ID SCRA 0228851537
HEADING

SENATE COMMUNITY & REGIONAL AFFAIRS
STANDING COMMITTEE
FEBRUARY 28, 1985
3:37 P.M.

MEMBERS PRESENT: SENATOR EDNA DEVRIES, CHAIR
SENATOR FRANK FERGUSON
SENATOR JACK COGHILL
SENATOR VIC FISCHER
SENATOR ARLISS STURGUIEWSKI

CALENDAR SJR 18

AMENDED TITLE: DISAPPROVING THE RECOMMENDATION
OF THE LOCAL BOUNDARY COMMISSION FOR ANNEXATION
OF TERRITORY TO THE CITY OF TOGIAK.

SJR 17

AMENDED TITLE: DISAPPROVING THE RECOMMENDATION
OF THE LOCAL BOUNDARY COMMISSION FOR ANNEXATION
OF TERRITORY TO THE CITY OF FAIRBANKS.

SB 137

AMENDED TITLE: AN ACT RELATING TO SENIOR
CITIZEN HOUSING; AND PROVIDING FOR AN EFFECTIVE
DATE.

SB 69

AMENDED TITLE: AN ACT RELATING TO LICENSING AND
REGULATION OF THE SALE AND DISTRIBUTION OF
ALCOHOLIC BEVERAGES; AND PROVIDING FOR AN
EFFECTIVE DATE.

WITNESS REGISTER

WITNESS:
SENATOR PAT RODEY
ALASKA STATE LEGISLATURE
POUCH V
JUNEAU, ALASKA 99811
465-3717

POSITION STATEMENT: AS SPONSOR EXPLAINED THE PURPOSE OF SB 137.

WITNESS:
JEFF SMITH, DEPUTY COMMISSIONER
DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS
POUCH B
JUNEAU, ALASKA 99811
465-4700

POSITION STATEMENT: EXPLAINED THE PURPOSE OF SB 137 FROM THE
PERSPECTIVE OF THE DEPARTMENT OF COMMUNITY &
REGIONAL AFFAIRS, AND SAID THE DEPARTMENT COULD
NOT SUPPORT IT BECAUSE OF REDUCED STATE
REVENUES.

WITNESS:
JON WOLFE, EXECUTIVE DIRECTOR
OLDER ALASKANS COMMISSION
POUCH C (M.S. 0209)
JUNEAU, ALASKA 99811
465-3750

POSITION STATEMENT: TESTIFIED IN SUPPORT OF SB 137.

WITNESS:
DOVE M. KULL