

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672  
6633 SENATE STATE AFFAIRS

1037

**S B**

**150**

SENATE STATE AFFAIRS COMMITTEE

BILL NUMBER SB 150

SPONSOR Duncan - Roxanne

BILL TITLE ~~SA~~ Senior Housing

DATE REFERRED 2.1.89

HEARING SCHEDULED 1.22.90 /

FISCAL NOTE PREPARED Requested Jim Plasmen - CRA 4750 (1.11.90)

SPONSOR CONTACTED - Roxanne:

INTERESTED PARTIES CONTACTED Teleconfering

- OAC: 3250 - Fraw Toland L.M.
- Boucher: Dennis Burns - 4931 - won't testify, will follow
- AK. Housing Marketing Council - 563-3325 (Heather Arnette) L.M.
- TCC - ~~Frank~~ Tanaka Chief - Don Shirrel 452-8257 L.M.
- Sterling Gallagher - 586-1636 L.M.
- CRA - Mike Harper - 561-0900 - Someone will be available for?
- AK. St. Housing Auth. - Julia Tucker 562-2813 L.M.
- Cynthia Parker - AK. Neighborhood Housing (Susan) 243-1558
- Ulmer - 4947 - L.M.
- AHFC - 561-1900 - Margaret Nelson L.M. Tom Behan  
Lao Kaye - 376-8810 - Sr. Hsg Advocate
- Chuck Logsdon - 745-3664 - Palmer Senior Housing Comm.
- John Williams - Kawai
- Sylvia Short - 562-4992

OTHER Anch. Pioneer Home - 276-3414 - Stan Sott Manager  
Lareen Duncanson.

FAX: 786-6248

FAX: 243-3214

SENATE STATE AFFAIRS COMMITTEE

BILL NUMBER SB 150

SPONSOR Duncan Roxanne 4766

BILL TITLE Senior Housing Office in DAC

DATE REFERRED 2-1-89

HEARING SCHEDULED 5-19-89

FISCAL NOTE PREPARED

SPONSOR CONTACTED

INTERESTED PARTIES CONTACTED

- ✓ Older Alaskans Comm <sup>7th Floor, SOB</sup> 3250 <sup>~~MR~~</sup> Fran Toland  
Connie Sipe
  - ✓ Dennis Burns (Boucher) x4931
  - ✓ Glenda Straube, AK Housing Marketing Council  
(Heather Annette) 563-3325
  - ✓ TCC - Oscar Frank, Don Shircel  
452-8251
  - ✓ Sterling Gallagher 586-1636 <sup>240 NW # 601  
99601</sup>
  - ✓ C & RA, Mike Harper 561-0900
  - ✓ ASHA, Julia Tucker 562-2813 <sup>will  
be in Seattle</sup>  
<sup>2000 1st</sup> FAX 786-6248
  - ✓ Cynthia Parker, AK Neighborhood Housing 243-1558  
<sup>participating Harmit  
Condo</sup>
- HB 218  
OTHER  
Fran Ulmer  
✓ AHFC - Margaret Nelson 561-1900

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE \_\_\_\_\_  
IN ACCORDANCE WITH UNIFORM RULE 23

\*\*FISCAL NOTE(S) MUST BE ATTACHED  
IN ACCORDANCE WITH AS 24.08.035

FURTHER

CRA  
FIN

DATE TURNED INTO OFFICE \_\_\_\_\_

4/13/89

Mr. President:

STATE AFFAIRS \_\_\_\_\_ Committee considered SSSB 150

establishing a senior housing office and loan program in the Department of Community and Regional Affairs; and authorizing the issuance of bonds for senior housing.

and recommended:

replace with (CS) SS SB 150  same title  
 attached amendment(s) and  new title

\_\_\_\_\_ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

DCRA - 2-21-90  
AHFC - 2-23-90

FISCAL NOTE(S) attached  zero

fiscal impact

appropriation no FN attached

Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

*Tim Kelly*  
\_\_\_\_\_  
*Rich Kelly*  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*[Signature]*  
Chair: signature and recommendation

Committee backup attached

# Alaska State Legislature

Sen. Pat Pourchot, Chairman

Sen. Jan Faiks, Vice Chairman

Sen. Al Adams

Sen. Tim Kelly

Sen. Rick Uehling



P.O. Box V  
State Capitol  
Juneau, Alaska 99811

907-465-3712

## Senate State Affairs Committee

### MEMORANDUM

TO: Senate State Affairs Committee Members

FROM: Senator Pat Pourchot

RE: Monday, January 22 Committee Hearing

DATE: January 20, 1990

TELECONFERENCE: Anchorage, Mat-Su, Valdez, Soldotna, Fairbanks, Bethel, Delta Junction, Sitka and Homer. Invited testimony and others as time permits.

On Monday, January 22 at 1:30 p.m. in the Beltz Room the Senate State Affairs Committee will hear the following bills:

SB 5. An Act amending and making effective an annuity program and amendments to the longevity bonus program.

SB 5 establishes an annuity program to replace the existing Longevity Bonus Program. Alaskans would contribute to an individual annuity account by dedicating all or part of their PFDs to that account. Other than omitting the schedule for declining longevity bonus payments, the is essentially the same as SB 56, which the Governor vetoed in 1988. This bill provides that persons who turn 65 on or before January 1, 1991 will continue to receive \$250 per month as long as they reside in Alaska.

In December, 1989 the state issued 19,082 longevity bonus checks as compared to 17,702 in January, 1989. The Governor's proposed FY 91 budget contains a request for \$59.4 million, an increase on approximately \$3.3 million over FY 90 and an increase of nearly \$7.3 million over FY 89. The committee will discuss alternatives to reducing program costs.

SSSB 150. An Act establishing a senior housing office and loan program in the Department of Community and Regional Affairs; and authorizing the issuance of bonds for senior housing.

SSSB 150 authorizes the Alaska State Housing Authority to issue bonds, the proceeds of which would be deposited in the Senior Housing Revolving Fund. It establishes the Fund, which consists of the bond proceeds, legislative appropriations and loan payments. Funds could be used for mortgage loans, as well as construction loans. SSSB 150 establishes a Senior Housing Office in the Department of Community and Regional Affairs to administer a senior housing loan program.

Original sponsor(s): SEN. DUNCAN, Kerttula, Fahrenkamp, Zharoff, Rodey, Szymanski, Sturgulewski, Fischer

1 IN THE SENATE

2 CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 150 ( )

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a senior housing office and loan  
7 program in the Department of Community and Regional  
8 Affairs; and authorizing the issuance of bonds for  
9 senior housing."

*changes from  
sponsor substitute  
dated 4/13/89*

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

11 \* Section 1. AS 18.56 is amended by adding a new section to read:

12 Sec. 18.56.083. BONDS FOR SENIOR HOUSING. (a) Under the proce-  
13 dures of this chapter, the corporation may issue up to \$30,000,000  
14 worth of bonds to fund senior housing loans made by the Department of  
15 Community and Regional Affairs under AS 44.47.585 - 44.47.609 that are  
16 approved by the corporation under (b) of this section.

*ASHA to  
AHFC  
CAP of  
\$30.0M  
AHFC  
approve  
bonds*

17 (b) Before requesting the corporation to issue bonds under this  
18 section, the Department of Community and Regional Affairs shall com-  
19 pile a list of senior housing projects that the department has deter-  
20 mined are financially feasible and meet housing needs for senior  
21 citizens as required under AS 44.47.587(b). Upon the department's  
22 submission to the corporation of appropriate documentation of project  
23 feasibility and desirability, the corporation shall approve or disap-  
24 prove the projects proposed.

*CRA  
determine  
feasibility*

25 (c) The proceeds of bonds issued under this section for approved  
26 projects shall be deposited in the senior housing revolving fund  
27 administered by the senior housing office under AS 44.47.585 -  
28 44.47.609 on a schedule determined by the corporation.

*Proceeds of  
bonds  
deposited  
in loan  
fund  
as needed*

29 (d) There is established in the corporation a senior housing

*Bond proceeds remain in bond acct. until needed for specific projects.*

*ATFC may pledge bond & loan acct for bonds. If necessary, use bond acct to pay bond interest & principal.*

bond account. The account consists of proceeds of bonds issued under this section, money appropriated to the account, repayments of principal transferred to the corporation under AS 44.47.593(a), and assignments made under AS 44.47.593(b). The corporation may pledge assets in the account and in the senior housing revolving fund for the payment of bonds issued under this section and may use money in the account for payment of the bonds.

AS 44.47 is amended by adding new sections to read:

ARTICLE 9A. SENIOR HOUSING OFFICE.

Sec. 44.47.585. SENIOR HOUSING OFFICE. There is established in the department a senior housing office. The office shall promote a comprehensive response to the needs of senior citizens for adequate, accessible, secure, and affordable housing in the state. In order to fulfill this purpose, the office may

- (1) study the needs of senior citizens in the state for housing to meet their needs;
- (2) seek funding from appropriate sources for the development of housing alternatives for senior citizens;
- (3) administer the senior housing loan program established under AS 44.47.587 - 44.47.609;
- (4) cooperate and coordinate with other public and private agencies, including the Older Alaskans Commission, the Alaska Housing Finance Corporation, and the Alaska State Housing Authority, to respond to the housing needs of senior citizens;
- (5) offer public education programs to increase the awareness of alternatives to large residential facilities for senior citizens;
- (6) provide information to senior citizens to help them understand their financial alternatives related to homes they might

*ATFC added*

1 already own and to help them coordinate with other senior citizens  
2 finding housing alternatives, including information and coordinati  
3 on home equity conversion and home sharing; and

4 (7) disseminate information to construction contractors  
5 educate them about remodeling projects that would meet the needs  
6 many senior citizens for accessible and secure housing.

7 Sec. 44.47.587. SENIOR HOUSING REVOLVING FUND. (a) The senic  
8 housing revolving fund is established in the department. The revolv  
9 ing fund consists of appropriations made to it by the legislature, th  
10 proceeds of bonds sold under AS 18.56.083 as they are deposited by th  
11 Alaska Housing Finance Corporation for specific projects, and money o  
12 other assets transferred to the revolving fund by the department  
13 Amounts deposited in the revolving fund may be pledged by the Alaska  
14 Housing Finance Corporation for bonds issued under AS 18.56.083 and  
15 used by the office for making, purchasing, or participating in

16 (1) senior housing mortgage loans;

17 (2) loans made for building materials for senior housing;

18 (3) loans made for renovation or improvement of or for  
19 senior housing, including loans for renovation or improvement of

20 congregate or individual residences;

21 (4) loans under AS 44.47.605; and

22 (5) loans made for the construction of senior housing.

23 (b) The department, under guidelines established in regulations  
24 adopted by the department in consultation with the Alaska Housing  
25 Finance Corporation, shall determine for each loan proposed to be made  
26 under AS 44.47.587 - 44.47.609 the financial feasibility of the  
27 project for which the loan would be used and the extent to which the  
28 project would meet senior housing needs in the area for which it is  
29 proposed.

*clarify that all renovation projects including single family dwellings. REQUIRES CRA & HFLC to jointly develop regulations concerning financial feasibility and market for senior housing.*

*Establishes interest rate on construction loans + 2% as cost of funds and permanent loans at cost + 1/2%*

1 ESTABLISHES INTEREST RATE. The interest rate on loans made  
2 on construction loans + 2% under AS 44.47.587 - 44.47.609 that are funded by a bond issue of the  
3 as cost of funds  
4 Alaska Housing Finance Corporation is equal to the cost of funds of  
5 that bond issue plus  
6 (1) two percentage points for a construction loan;  
7 (2) one-half of one percentage point for a permanent loan.

8 *Change title from security for loans*  
9 Sec. 44.47.591. CONDITIONS ON LOANS. (a) The commissioner  
10 shall adopt regulations in accordance with the Administrative Proce-  
11 dure Act (AS 44.62) establishing acceptable security for loans origi-  
12 nated or purchased in whole or in part under AS 44.47.587 - 44.47.-  
13 609.

*add CRA regulations to maintain identifying of facilities as senior housing*

14 (b) The department may condition a loan under AS 44.47.587 -  
15 44.47.609 on an agreement by the borrower to maintain the financed  
16 project as senior housing for a time period specified by the depart-  
17 ment. The department shall establish by regulation the criteria it  
18 will use for specifying time periods under this subsection and for  
19 determining under what circumstances the time periods can be decreased  
20 after the loan is made.

21 Sec. 44.47.593. TRANSFER AND ASSIGNMENT OF CERTAIN ASSETS. (a)  
22 The department shall transfer to the Alaska Housing Finance Corpora-  
23 tion repayments of principal it collects for a loan made under AS 44.-  
24 44.47.587 - 44.47.609 that was funded by bonds issued by the Alaska  
25 Housing Finance Corporation under AS 18.56.083.

*CRA transfers principal payments to AHFC*

26 (b) The department shall assign to the Alaska Housing Finance  
27 Corporation all right, title, and interest of the department in prop-  
28 erty financed through a loan made under AS 44.47.587 - 44.47.609 that  
29 was funded by bonds issued by the Alaska Housing Finance Corporation  
under AS 18.56.083.

*CRA assigns security interest to AHFC*

30 Sec. 44.47.595. FIRE INSURANCE. Before purchasing or

1 participating in the purchase of a senior housing mortgage loan, the  
2 office may require the borrower to agree to purchase and maintain fire  
3 insurance for the real property for which the loan is made in an  
4 amount not less than the outstanding principal balance of the loan.

5 Sec. 44.47.597. LOAN ORIGINATION AND SERVICING. (a) Before  
6 purchasing or participating in the purchase of a senior housing loan  
7 the office shall enter into a loan servicing agreement with the pri  
8 vate financial institution from which the loan is to be purchased.

9 (b) The office may execute service agreements with privat  
10 lending institutions or with regional native housing authoritie  
11 established under AS 18.55.996 to service loans originated by the  
12 office.

13 (c) Under the servicing agreement, the private financial insti-  
14 tution or the regional native housing authority shall administer the  
15 loan and may charge the office a negotiated origination or servicing  
16 fee on the office's share of the loan. When appropriate, the private  
17 financial institution or the regional native housing authority may  
18 also charge the borrower a reasonable origination fee not to exceed  
19 one percent.

20 Sec. 44.47.599. APPRAISALS. Before originating or purchasing or  
21 participating in the purchase of a senior housing mortgage loan, the  
22 office may have or may require the borrower to have an appraisal made  
23 of the fair market value of the real property, including structures on  
24 the real property, for which the loan is made. In conducting an  
25 appraisal under this section, the appraiser shall give full value to  
26 insulation and other features of construction in structures on the  
27 real property that add to the energy efficiency of the structures.

28 Sec. 44.47.601. TOLL-FREE TELEPHONE NUMBER. The office shall  
29 arrange for and maintain a toll-free telephone number for the office

1 so that private financial institutions and their borrowers may contact  
2 the office from any location in the state by telephone without a toll  
3 charge.

4 Sec. 44.47.603. ASSISTANCE BY OFFICE PERSONNEL. (a) The office  
5 may establish field offices under this chapter, may hire one or more  
6 lending officers, and, under AS 36.30 (State Procurement Code), may  
7 contract for the services of

8 (1) real property appraisers who are familiar with con-  
9 struction of senior housing; and

10 (2) engineers who are familiar with engineering problems in  
11 arctic and subarctic regions.

12 (b) The personnel described in (a) of this section may make  
13 visits to provide preconstruction and post-construction inspections of  
14 real property for which loans are originated or purchased by the  
15 office in whole or in part under AS 44.47.587 - 44.47.609 and to  
16 provide assistance to private financial institutions and their  
17 borrowers. Authority for final approval of loans may not be ex-  
18 ercised by the personnel described in this section.

19 *\$2,000 Charitable  
Loans authorized  
from this  
Section.*  
20 Sec. 44.47.605. COOPERATIVES. The funds appropriated or made  
21 available under AS 44.47.535 - 44.47.609 may be used by the office to  
22 make loans to public agencies, private nonprofit or limited dividend  
23 corporations, or private corporations or cooperatives organized under  
24 AS 10.15 for moderate-cost or rental senior housing facilities and  
25 senior housing projects. Until termination of all of a cooperative's  
26 loan obligations to it, the office shall regulate or restrict the  
27 rents or sales, charges, capital structure, rate of return, and  
28 methods of operation of a cooperative that receives a loan under this  
29 section to the extent and in the manner that provides reasonable  
rentals to tenants and a reasonable return on the investment. A loan

1 to a cooperative may be made for up to 85 percent of the appraised  
2 value of the housing facility but may not exceed the replacement cost  
3 of the facility.

4 Sec. 44.47.609. DEFINITIONS. In AS 44.47.585 - 44.47.609,

5 (1) "office" means the senior housing office established  
6 under AS 44.47.585;

7 (2) "senior housing" means construction or improvement  
8 undertaken primarily to provide dwelling accommodations for persons 60  
9 years of age or older, including conventional housing, housing for  
10 frail elderly, group homes, congregate housing, cooperatives, and  
11 other housing that meets special needs of the elderly; "senior hous-  
12 ing" includes acquisition, construction, or rehabilitation of land,  
13 buildings, improvements, and other nonhousing facilities that are  
14 incidental or appurtenant to the housing.

*definition  
of senior housing  
added*

REVISED  
**FISCAL NOTE**

*Superseded*

**REQUEST:**

Revision Date: \_\_\_\_\_  
Title: Establishing Senior Housing  
Office and Loan Program  
Sponsor: Senator Duncan  
Requestor: \_\_\_\_\_

Agency Affected: Community & Regional Affairs  
BRJ: Housing  
Components: Housing Construction and  
Housing Loan

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	80.1	182.0	189.2	196.8	204.7	212.8
TRAVEL	20.0	20.0	20.0	20.0	20.0	20.0
CONTRACTUAL	114.7	115.9	115.9	115.9	115.9	115.9
SUPPLIES	5.0	5.1	5.1	5.1	5.1	5.1
EQUIPMENT	2.0	4.0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>221.8</b>	<b>327.0</b>	<b>330.2</b>	<b>337.8</b>	<b>345.7</b>	<b>353.8</b>

CAPITAL						
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REVENUE						
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**FUNDING:** (Thousands of Dollars)

GENERAL FUND	121.8	123.0	126.3	129.8	133.4	137.4
FEDERAL FUNDS						
OTHER	100.0	204.0	203.9	208.0	212.3	216.4
<b>TOTAL</b>						

**POSITIONS:**

FULL-TIME	2	4	4	4	4	4
PART-TIME		1	1	1	1	1
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary)

There is no fiscal effect for FY 90.

Please see attachment.

Prepared by: Hank Hodge *M. C. Hodge*  
Division: Rural Development Division

Phone: 563-1073  
Date: 1/22/90

Approved by Commissioner: David G. Hoffman  
Agency: Department of Community & Regional Affairs

Date: 1-22-90

**Distribution (by preparer):**

Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

STATE OF ALASKA 1990 - 16TH LEGISLATURE  
SECOND SESSION  
FISCAL NOTE

Bill/Resolution No.: SSSB 150

Title: "An Act establishing a senior housing office and loan program in the Department of Community and Regional Affairs and authorizing the issuance of bonds for senior housing."

The establishment of a senior housing office and senior housing loan program will require two additional staff positions for FY 91 and two additional full-time staff positions and one part-time position in FY 92.

It is anticipated that in the first year, the Senior Housing Office would be created with a project coordinator, range 18A and clerical position, range 8A funded by the General Fund. The project coordinator would work with a great deal of independence basically setting up the office by coordinating and meeting with a large constituency, gathering information, responding to requests, attending meetings, and attending to other issues relating to developing a senior office including information dissemination.

The second year would incorporate processing of loans with the additional loan staff. A great deal of interest is to be expected by the public for this program. One part-time accountant position will also be needed beginning in FY 92.

The loan processing and accounting staff would be funded through the revolving loan fund from the sale of bonds by the Alaska State Housing Authority.

The largest part (100.) of contractual fees will be to pay the bank fees to process the origination of loan applications to construct Senior Citizen Housing.

Position Title <b>Project Coordinator</b>			No. of Positions <b>1</b>	Range/Step <b>18A</b>	Barg. Unit <b>GGU</b>
Time Status <b>Full</b>	Staff Months <b>12 Months</b>		Location <b>Anchorage</b>		Election District
			<b>Justification</b>		
<b>Type of Expenditure</b>			<b>Amount</b>		
<b>1</b>	<b>2</b>	<b>3</b>			
Salary	37.4		SSSB 150 Senior Housing Office in FY 91 will require this additional staff person. Position will be responsible for setting up the office by coordinating and meeting with a large constituency, gathering information, responding to requests, attending meetings, and attending to other issues relating to developing a senior housing office including information dissemination.		
Benefits	12.8				
Premium Pay					
Other					
Total Personal Services		50.2			
Travel		20.0			
Contractual		14.7			
Commodities		5.0			
Equipment		2.0			
Other		0			
Total Cost		41.7			
<b>Funding Source for Total Cost</b>					
Federal Receipts	1002				
G. F. Match	1003				
General Fund	1004	91.9			
I-A Receipts	1006				
CIP Receipts	1061				
Other					

**Request For  
New Position**

Agency Department of Community & Regional Affairs  
 BRU Housing Assistance  
 Component Housing Construction

Page 3 of 7  
 Revised Date

**FY 91**

Position Title Clerk Typist III		No. of Positions 1	Range/Step 8 A	Barg. Unit GGU
Time Status Full	Staff Months 12 Months	Location Anchorage		Election District
Justification				
SSSB 150 Senior Housing Office FY 91 will require this position as clerical support for the project coordinator in setting up the office. It is anticipated there will be substantial typing, mailing, copying of materials, etc. in support of this new office proposed in SSSB 150.				
Type of Expenditure		Amount		
1	2	3		
Salary	19.9			
Benefits	10.0			
Premium Pay				
Other				
Total Personal Services		29.9		
Travel		0		
Contractual		0		
Commodities		0		
Equipment		0		
Other		0		
Total Cost		0		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	29.9		
I-A Receipts	1006			
CIP Receipts	1061			
Other				

**Request For  
New Position**

Agency Department of Community & Regional Affairs  
 BRU Housing Assistance  
 Component Housing Construction

Page 4 of 7  
 Revised Date

**FY 91**

Position Title <b>Accountant II</b>		No. of Positions <b>1</b>	Range/Step <b>16 A</b>	Barg. Unit <b>GGU</b>
Time Status <b>PPT</b>	Staff Months <b>6.0</b>	Location <b>Juneau</b>		Election District <b>4</b>
Type of Expenditure		Amount		
<b>1</b>	<b>2</b>	<b>3</b>		
Salary	16.3			
Benefits	5.9			
Premium Pay	-0-			
Other	-0-			
<b>Total Personal Services</b>		<b>22.2</b>		
Travel				
Contractual		1.2		
Commodities		.1		
Equipment		2.0		
Other				
<b>Total Cost</b>		<b>25.8</b>		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1061			
Other		25.8		
Justification				
In order to process loans made for Senior Housing project, a part time accountant will be necessary. This position will be responsible for the principle and interest payback accounting on the State Accounting System. Also, will be responsible for all related financial reports. This position will be needed starting in FY 92.				

**Request For  
New Position**

Agency Department of Community & Regional Affairs  
 BRU Admin & Support  
 Component Admin Services

Page 5 of 7  
 Revised Date

**FY 91**

Position Title <b>Loan Closer I</b>		No. of Positions <b>1</b>	Range/Step <b>12 A</b>	Barg. Unit <b>GGU</b>
Time Status <b>Full</b>	Staff Months <b>12 Months</b>	Location <b>Anchorage</b>		Election District
Justification				
SSSB 150 Senior Housing Office Loan Staff for FY 92 will require this additional staff person. The position will be responsible for processing and closing all loans for senior citizen housing which have been approved by the Loan Examiner.				
Type of Expenditure		Amount		
1	2	3		
Salary	24.9			
Benefits	10.1			
Premium Pay				
Other				
Total Personal Services		35.0		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost				
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1061			
<del>Other</del>	Revolving Loan Fund	35.0		

**Request For  
New Position**

Agency Community & Regional Affairs  
 BRU Housing Assistance  
 Component Housing Construction

Page 6 of 7  
 Revised Date

**FY 91**

Position Title <b>Loan Examiner</b>		No. of Positions <b>1</b>	Range/Step <b>15 A</b>	Barg. Unit <b>GGU</b>
Time Status <b>Full</b>	Staff Months <b>12 Months</b>	Location <b>Anchorage</b>		Election District
Type of Expenditure		Justification		
1	2	3	SSSB 150 Senior Housing Office loan staff for FY 92 will require this additional staff person. The position will be responsible for reviewing, underwriting and processing of senior housing loan applications.	
Salary	30.2			
Benefits	11.3			
Premium Pay				
Other				
<b>Total Personal Services</b>	<b>41.5</b>			
Travel				
Contractual				
Commodities				
Equipment				
Other				
<b>Total Cost</b>				
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1061			
<del>Other</del> Revolving Loan Fund		41.5		

**Request For  
New Position**

Agency Department of Community & Regional Affairs  
 BRU Housing Assistance  
 Component: Housing Construction

Page 7 of 7  
 Revised Date

**FY 91**

**FISCAL NOTE**

**REQUEST:**

Revision Date: \_\_\_\_\_  
Title: Establishing Senior Housing  
Office and Loan Program  
Sponsor: Senator Duncan  
Requestor: \_\_\_\_\_

Agency Affected: Community & Regional Affairs  
BRU: Housing  
Components: Housing Construction and  
Housing Loan

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	80.1	182.0	189.2	196.8	204.7	212.8
TRAVEL	20.0	20.0	20.0	20.0	20.0	20.0
CONTRACTUAL	114.7	115.9	115.9	115.9	115.9	115.9
SUPPLIES	5.0	5.1	5.1	5.1	5.1	5.1
EQUIPMENT	2.0	4.0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>221.8</b>	<b>327.0</b>	<b>330.2</b>	<b>337.8</b>	<b>345.7</b>	<b>353.8</b>

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

**FUNDING: (Thousands of Dollars)**

GENERAL FUND	221.8	327.0				
FEDERAL FUNDS						
OTHER			330.2	337.8	345.7	353.8
<b>TOTAL</b>						

**POSITIONS:**

FULL-TIME	2	4	4	4	4	4
PART-TIME		1	1	1	1	1
TEMPORARY						

**ANALYSIS : (Attach a separate page if necessary)**

There is no fiscal effect for FY 90.

Please see attachment.

Prepared by: Hank Hodge Phone: 563-1073  
Division: Rural Development Division Date: 2/21/90  
Approved by Commissioner: [Signature] Date: 2-21-90  
Agency: Department of Community & Regional Affairs

**Distribution (by preparer):**

Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

STATE OF ALASKA 1990 - 16TH LEGISLATURE  
SECOND SESSION  
FISCAL NOTE

Bill/Resolution No.: CSSSSB 150

Title: "An Act establishing a senior housing office and loan program in the Department of Community and Regional Affairs and authorizing the issuance of bonds for senior housing."

The establishment of a senior housing office and senior housing loan program will require two additional staff positions for FY 91 and two additional full-time staff positions and one part-time position in FY 92.

The Senior Housing Office would be created with a project coordinator, range 18A and clerical position, range 8A. The project coordinator would work with a great deal of independence basically setting up the office by coordinating and meeting with a large constituency, gathering information, responding to requests, attending meetings, and attending to other issues relating to developing a senior office including information dissemination.

The second year would incorporate processing of loans with the additional loan staff. A great deal of interest is to be expected by the public for this program. One part-time accountant position will also be needed beginning in FY 92.

The largest part (100.) of contractual fees will be to pay the bank fees to process the origination of loan applications to construct Senior Citizen Housing.

Position Title Project Coordinator		No. of Positions 1	Range/Step 18A	Barg. Unit GGU
Time Status Full	Staff Months 12 Months	Location Anchorage		Election District
Justification				
The Senior Housing Office in FY 91 will require this additional staff person. Position will be responsible for setting up the office by coordinating and meeting with a large constituency, gathering information, responding to requests, attending meetings, and attending to other issues relating to developing a senior housing office including information dissemination.				
Type of Expenditure		Amount		
1	2	3		
Salary	37.4			
Benefits	12.8			
Premium Pay				
Other				
Total Personal Services		20.4		
Travel		20.0		
Contractual		14.7		
Commodities		5.0		
Equipment		2.0		
Other		0		
Total Cost		41.7		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	91.9		
I-A Receipts	1006			
CIP Receipts	1061			
Other				

**Request For  
New Position**

Agency Department of Community & Regional Affairs  
 BRU Housing Assistance  
 Component Housing Construction

Page 3 of 7  
 Revised Date

**FY 91**

Position Title <b>Clerk Typist III</b>		No. of Positions <b>1</b>	Range/Step <b>8A</b>	Barg. Unit <b>GGU</b>																																																						
Time Status <b>Full</b>	Staff Months <b>12 Months</b>	Location <b>Anchorage</b>		Election District																																																						
<table border="1"> <thead> <tr> <th>Type of Expenditure</th> <th>1</th> <th>2</th> <th>Amount</th> <th>3</th> </tr> </thead> <tbody> <tr> <td>Salary</td> <td></td> <td>19.9</td> <td rowspan="4"></td> <td rowspan="4"></td> </tr> <tr> <td>Benefits</td> <td></td> <td>10.0</td> </tr> <tr> <td>Premium Pay</td> <td></td> <td></td> </tr> <tr> <td>Other</td> <td></td> <td></td> </tr> <tr> <td><b>Total Personal Services</b></td> <td></td> <td><b>29.9</b></td> <td></td> <td></td> </tr> <tr> <td>Travel</td> <td></td> <td></td> <td>0</td> <td></td> </tr> <tr> <td>Contractual</td> <td></td> <td></td> <td>0</td> <td></td> </tr> <tr> <td>Commodities</td> <td></td> <td></td> <td>0</td> <td></td> </tr> <tr> <td>Equipment</td> <td></td> <td></td> <td>0</td> <td></td> </tr> <tr> <td>Other</td> <td></td> <td></td> <td>0</td> <td></td> </tr> <tr> <td><b>Total Cost</b></td> <td></td> <td></td> <td><b>0</b></td> <td></td> </tr> </tbody> </table>		Type of Expenditure	1	2	Amount	3	Salary		19.9			Benefits		10.0	Premium Pay			Other			<b>Total Personal Services</b>		<b>29.9</b>			Travel			0		Contractual			0		Commodities			0		Equipment			0		Other			0		<b>Total Cost</b>			<b>0</b>		<b>Justification</b> The Senior Housing Office in FY 91 will require this position as clerical support for the project coordinator in setting up the office. It is anticipated there will be substantial typing, mailing, copying of materials, etc. in support of this new office.		
Type of Expenditure	1	2	Amount	3																																																						
Salary		19.9																																																								
Benefits		10.0																																																								
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**Request For  
New Position**

Agency Department of Community & Regional Affairs  
BRU Housing Assistance  
Component Housing Construction

Page 4 of 7  
Revised Date

**FY 91**

Position Title <b>Accountant II</b>		No. of Positions <b>1</b>	Range/Step <b>16A</b>	Barg. Unit <b>GGU</b>
Time Status <b>PPT</b>	Staff Months <b>6.0</b>	Location <b>Juneau</b>		Election District
Type of Expenditure		Amount		
<b>1</b>	<b>2</b>	<b>3</b>		
Salary	16.3			
Benefits	5.9			
Premium Pay	0			
Other	0			
<b>Total Personal Services</b>		<b>22.2</b>		
Travel				
Contractual		1.2		
Commodities		.1		
Equipment		2.0		
Other				
<b>Total Cost</b>		<b>25.8</b>		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	25.8		
I-A Receipts	1006			
CIP Receipts	1061			
Other				
<b>Justification</b> In order to process loans made for Senior Housing project, a part time accountant will be necessary. This position will be responsible for the principle and interest payback accounting on the State Accounting System. Also, will be responsible for all related financial reports. This position will be needed starting in FY 92.				

**Request For  
New Position**

Agency Department of Community & Regional Affairs  
 ERU Admin & Support  
 Component Admin Services

Page 5 of 7  
 Revised Date

**FY 91**

Position Title Loan Closer I		No. of Positions 1	Range/Step 12A	Barg. Unit GGU
Time Status Full	Staff Months 12 Months	Location Anchorage		Election District
Type of Expenditure		Justification		
		The Senior Housing Office Loan Staff for FY 92 will require this additional staff person. The position will be responsible for processing and closing all loans for senior citizens housing which have been approved by the Loan Examiner.		
	Amount			
1	2	3		
Salary	24.9			
Benefits	10.1			
Premium Pay				
Other				
Total Personal Services	35.0			
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost				
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	35.0		
I-A Receipts	1006			
CIP Receipts	1061			
Other				

**Request For  
New Position**

Agency Department of Community & Regional Affairs  
 BRU Housing Assistance  
 Component Housing Construction

Page 6 of 7  
 Revised Date

**FY 91**

Position Title Loan Examiner		No. of Positions 1	Range/Step 15A	Barg. Unit GGU
Time Status Full	Staff Months 12 Months	Location Anchorage		Election District
Type of Expenditure		Amount		
1	2	3		
Salary	30.2			
Benefits	11.3			
Premium Pay				
Other				
Total Personal Services	41.5			
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost				
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	41.5		
I-A Receipts	1006			
CIP Receipts	1061			
Other				
Justification				
The Senior Housing Office loan staff for FY 92 will require this additional staff person. The position will be responsible for reviewing, underwriting and processing of senior housing loan applications.				

**Request For  
New Position**

Agency Department of Community & Regional Affairs  
 BRU Housing Assistance  
 Component Housing Construction

Page 7 of 7  
 Revised Date

**FY 91**

## FISCAL NOTE

**REQUEST:**

Revision Date: 2/23/90  
 Title: Establishing a Senior Housing Office and Loan Program  
 Sponsor: Senator Duncan  
 Requestor: Senator Pouchot  
 Agency Affected: \_\_\_\_\_  
 BRU: Alaska Housing Finance Corporation  
 Components: \_\_\_\_\_

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0	0	0	0	0	0
<b>CAPITAL</b>	0	0	0	0	0	0
<b>REVENUE</b>	0	0	0	0	0	0

**FUNDING:** (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	0	0	0	0	0	0

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

(Attach a separate page if necessary)

Prepared by: Robert Sullivan Phone: 5649315  
 Division: AHFC Mortgage department Date: 2/23/90  
 ACKNOWLEDGED BY [Signature]  
 Approved by Commissioner: \_\_\_\_\_ Date: 2/23/90  
 Agency: \_\_\_\_\_

- Distribution (by preparer):
- Legislative Finance
  - Legislative Sponsor
  - Requestor
  - Office of Management and Budget
  - Impacted Agency(ies)

Superseded

6-0685D  
Lauterbach  
2/16/90

Original sponsor(s): SEN. DUNCAN, Kerttula, Fahrenkamp, Zharoff, Rodey, Szymanski, Sturgulewski, Fischer

1  
2 IN THE SENATE

3 CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 150 ( )

4 IN THE LEGISLATURE OF THE STATE OF ALASKA

5 SIXTEENTH LEGISLATURE - SECOND SESSION

6 A BILL

7 For an Act entitled: "An Act establishing a senior housing office and loan  
8 program in the Department of Community and Regional  
9 Affairs; and authorizing the issuance of bonds for  
10 senior housing."

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

12 \* Section 1. AS 18.56 is amended by adding a new section to read:

13 Sec. 18.56.083. BONDS FOR SENIOR HOUSING. (a) Under the proce-  
14 dures of this chapter, the corporation may issue bonds the proceeds of  
15 which shall be deposited in the senior housing revolving fund adminis-  
16 tered by the senior housing office under AS 44.47.585 - 44.47.609.

17 (b) There is established in the corporation a senior housing  
18 bond account. The account consists of money appropriated to it,  
19 repayments of principal transferred to the corporation under AS 44.-  
20 47.593(a), and assignments made under AS 44.47.593(b). The corpora-  
21 tion may pledge assets in the account and in the senior housing  
22 revolving fund for the payment of bonds issued under (a) of this  
23 section and may use money in the account for payment of the bonds.

24 \* Sec. 2. AS 44.47 is amended by adding new sections to read:

25 ARTICLE 9A. SENIOR HOUSING OFFICE.

26 Sec. 44.47.585. SENIOR HOUSING OFFICE. There is established in  
27 the department a senior housing office. The office shall promote a  
28 comprehensive response to the needs of senior citizens for adequate,  
29 accessible, secure, and affordable housing in the state. In order to

1 fulfill this purpose, the office may

2 (1) study the needs of senior citizens in the state for  
3 housing to meet their needs;

4 (2) seek funding from appropriate sources for the develop-  
5 ment of housing alternatives for senior citizens;

6 (3) administer the senior housing loan program established  
7 under AS 44.47.587 - 44.47.609;

8 (4) cooperate and coordinate with other public and private  
9 agencies, including the Older Alaskans Commission, the Alaska Housing  
10 Finance Corporation, and the Alaska State Housing Authority, to re-  
11 spond to the housing needs of senior citizens;

12 (5) offer public education programs to increase the aware-  
13 ness of alternatives to large residential facilities for senior citi-  
14 zens;

15 (6) provide information to senior citizens to help them  
16 understand their financial alternatives related to homes they might  
17 already own and to help them coordinate with other senior citizens in  
18 finding housing alternatives, including information and coordination  
19 on home equity conversion and home sharing; and

20 (7) disseminate information to construction contractors to  
21 educate them about remodeling projects that would meet the needs of  
22 many senior citizens for accessible and secure housing.

23 Sec. 44.47.587. SENIOR HOUSING REVOLVING FUND. The senior  
24 housing revolving fund is established in the department. The revolv-  
25 ing fund consists of appropriations made to it by the legislature, the  
26 proceeds of bonds sold under AS 18.56.083, and money or other assets  
27 transferred to the revolving fund by the department. Amounts de-  
posited in the revolving fund may be pledged by the Alaska Housing  
Finance Corporation for bonds issued under AS 18.56.083 and used by

# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**

1 fulfill this purpose, the office may

2 (1) study the needs of senior citizens in the state for  
3 housing to meet their needs;

4 (2) seek funding from appropriate sources for the develop-  
5 ment of housing alternatives for senior citizens;

6 (3) administer the senior housing loan program established  
7 under AS 44.47.587 - 44.47.609;

8 (4) cooperate and coordinate with other public and private  
9 agencies, including the Older Alaskans Commission, the Alaska Housing  
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25 ing fund consists of appropriations made to it by the legislature, the  
26 proceeds of bonds sold under AS 18.56.083, and money or other assets  
27 transferred to the revolving fund by the department. Amounts de-  
28 posited in the revolving fund may be pledged by the Alaska Housing  
29 Finance Corporation for bonds issued under AS 18.56.083 and used by

1 the office for making, purchasing, or participating in

- 2 (1) senior housing mortgage loans;
- 4 (2) loans made for building materials for senior housing;
- 5 (3) loans made for renovation or improvement of or for  
6 senior housing;
- 7 (4) loans under AS 44.47.605; and
- 8 (5) loans made for the construction of senior housing.

9 Sec. 44.47.589. OPERATING LOSS RESERVE ACCOUNT. (a) There is  
10 established an operating loss reserve account for the purpose of  
11 meeting legal expenses incurred through the foreclosure of senior  
12 housing properties acquired by the commissioner under AS 44.47.370(6)  
13 and making repairs to these properties so that they may be sold to new  
14 buyers.

15 (b) The operating reserve loss account consists of money appro-  
16 priated by the legislature. To the extent that money is paid out of  
17 the operating loss reserve account for the purposes stated in this  
18 section, this money shall be replaced with money received as interest  
19 on loans authorized by AS 44.47.587, subject to appropriation.

20 Sec. 44.47.591. SECURITY FOR LOANS. The commissioner shall  
21 adopt regulations in accordance with the Administrative Procedure Act  
22 (AS 44.62) establishing acceptable security for loans originated or  
23 purchased in whole or in part under AS 44.47.587.

24 Sec. 44.47.593. TRANSFER AND ASSIGNMENT OF CERTAIN ASSETS. (a)  
25 The department shall transfer to the Alaska Housing Finance Corpora-  
26 tion repayments of principal it collects for a loan made under AS 44.-  
27 47.585 - 44.47.609 that was funded by bonds issued by the Alaska  
28 Housing Finance Corporation under AS 18.56.083.

29 (b) The department shall assign to the Alaska Housing Finance  
Corporation all right, title, and interest of the department in

*new section*

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property financed through a loan made under AS 44.47.585 - 44.47.609 that was funded by bonds issued by the Alaska Housing Finance Corporation under AS 18.56.083.

Sec. 44.47.595. FIRE INSURANCE. Before purchasing or participating in the purchase of a senior housing mortgage loan, the office may require the borrower to agree to purchase and maintain fire insurance for the real property for which the loan is made in an amount not less than the outstanding principal balance of the loan.

Sec. 44.47.597. LOAN ORIGINATION AND SERVICING. (a) Before purchasing or participating in the purchase of a senior housing loan, the office shall enter into a loan servicing agreement with the private financial institution from which the loan is to be purchased.

(b) The office may execute service agreements with private lending institutions or with regional native housing authorities established under AS 18.55.995 to service loans originated by the office.

(c) Under the servicing agreement, the private financial institution or the regional native housing authority shall administer the loan and may charge the office a negotiated origination or servicing fee on the office's share of the loan. When appropriate, the private financial institution or the regional native housing authority may also charge the borrower a reasonable origination fee not to exceed one percent.

Sec. 44.47.599. APPRAISALS. Before originating or purchasing or participating in the purchase of a senior housing mortgage loan, the office may have or may require the borrower to have an appraisal made of the fair market value of the real property, including structures on the real property, for which the loan is made. In conducting an appraisal under this section, the appraiser shall give full value to

1 insulation and other features of construction in structures on the  
2 real property that add to the energy efficiency of the structures.

3 Sec. 44.47.601. TOLL-FREE TELEPHONE NUMBER. The office shall  
4 arrange for and maintain a toll-free telephone number for the office  
5 so that private financial institutions and their borrowers may contact  
6 the office from any location in the state by telephone without a toll  
7 charge.

8 Sec. 44.47.603. ASSISTANCE BY OFFICE PERSONNEL. (a) The office  
9 may establish field offices under this chapter, may hire one or more  
10 lending officers, and, under AS 36.30 (State Procurement Code), may  
11 contract for the services of

12 (1) real property appraisers who are familiar with con-  
13 struction of senior housing; and

14 (2) engineers who are familiar with engineering problems in  
15 arctic and subarctic regions.

16 (b) The personnel described in (a) of this section may make  
17 visits to provide preconstruction and post-construction inspections of  
18 real property for which loans are originated or purchased by the  
19 office in whole or in part under AS 44.47.587 and to provide assis-  
20 tance to private financial institutions and their borrowers. Author-  
21 ity for final approval of loans may not be exercised by the personnel  
22 described in this section.

23 Sec. 44.47.605. COOPERATIVES. The funds appropriated or made  
24 available under AS 44.47.585 - 44.47.609 may be used by the office to  
25 make

26 (1) character loans, not exceeding \$2,000 for each dwell-  
27 ing, to residents or cooperatives for the improvement, conversion, or  
28 construction of dwellings for occupancy by the residents or members of  
29 the cooperatives who are senior citizens;

1 (2) loans for moderate-cost or rental senior housing facil-  
2 ities and senior housing projects to public agencies, or private  
3 nonprofit or limited dividend corporations, or private corporations or  
4 cooperatives organized under AS 10.15 that are regulated or restricted  
5 by the office (until the termination of all loan obligations to it) as  
6 to rents or sales, charges, capital structure, rate of return, and  
7 methods of operation to the extent and in the manner that provides  
8 reasonable rentals to tenants and a reasonable return on the invest-  
9 ment; loans to cooperatives may be made for up to 85 percent of the  
10 appraised value of the housing facility but may not exceed the re-  
11 placement cost of the facility.

12 Sec. 44.47.609. DEFINITIONS. In AS 44.47.585 - 44.47.609,

13 (1) "office" means the senior housing office established  
14 under AS 44.47.585;

15 (2) "senior housing" has the meaning given "senior citizen  
16 housing" in AS 44.47.620(e).

*Amended  
Page 5, Line 2  
[May] to Shall*

6-0685R  
Lauterbach  
2/23/90

Original sponsor(s): SEN. DUNCAN, Kerttula, Fahrenkamp, Zharoff, Rodey, Szymanski, Sturgulewski, Fischer

1 IN THE SENATE

2 CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 150 ( )

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a senior housing office and loan  
7 program in the Department of Community and Regional  
8 Affairs; and authorizing the issuance of bonds for  
9 senior housing."

*changes from  
Sponsor substitute  
dated 4/13/89*

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

11 \* Section 1. AS 18.56 is amended by adding a new section to read:

*ASHA to  
AHFC  
CAP of  
\$30.0M*

12 Sec. 18.56.083. BONDS FOR SENIOR HOUSING. (a) Under the proce-  
13 dures of this chapter, the corporation may issue up to \$30,000,000  
14 worth of bonds to fund senior housing loans made by the Department of  
15 Community and Regional Affairs under AS 44.47.585 - 44.47.609 that are  
16 approved by the corporation under (b) of this section.

*AHFC  
approve  
loans*

17 (b) Before requesting the corporation to issue bonds under this

*CCA  
determine  
feasibility*

18 section, the Department of Community and Regional Affairs shall com-  
19 pile a list of senior housing projects that the department has deter-  
20 mined are financially feasible and meet housing needs for senior

*submit  
to AHFC  
package  
for  
approval*

21 citizens as required under AS 44.47.587(b). Upon the department's  
22 submission to the corporation of appropriate documentation of project  
23 feasibility and desirability, the corporation shall approve or disap-  
24 prove the projects proposed.

*Proceeds of  
bonds  
deposited  
in loan  
fund  
as needed*

25 (c) The proceeds of bonds issued under this section for approved  
26 projects shall be deposited in the senior housing revolving fund  
27 administered by the senior housing office under AS 44.47.585 -  
28 44.47.609 on a schedule determined by the corporation.

29 (d) There is established in the corporation a senior housing

*Bond proceeds remain in bond acct. until needed for specific projects.*

*ATFC may pledge bond & loan acct for bonds. If necessary, may use bond acct to pay bond interest & principal.*

bond account. The account consists of proceeds of bonds issued under this section, money appropriated to the account, repayments of principal transferred to the corporation under AS 44.47.593(a), and assignments made under AS 44.47.593(b). The corporation may pledge assets in the account and in the senior housing revolving fund for the payment of bonds issued under this section and may use money in the account for payment of the bonds.

AS 44.47 is amended by adding new sections to read:

ARTICLE 9A. SENIOR HOUSING OFFICE.

Sec. 44.47.585. SENIOR HOUSING OFFICE. There is established in the department a senior housing office. The office shall promote a comprehensive response to the needs of senior citizens for adequate, accessible, secure, and affordable housing in the state. In order to fulfill this purpose, the office may

- (1) study the needs of senior citizens in the state for housing to meet their needs;
- (2) seek funding from appropriate sources for the development of housing alternatives for senior citizens;
- (3) administer the senior housing loan program established under AS 44.47.587 - 44.47.609;
- (4) cooperate and coordinate with other public and private agencies, including the Older Alaskans Commission, the Alaska Housing Finance Corporation, and the Alaska State Housing Authority, to respond to the housing needs of senior citizens;
- (5) offer public education programs to increase the awareness of alternatives to large residential facilities for senior citizens;
- (6) provide information to senior citizens to help them understand their financial alternatives related to homes they might

1 already own and to help them coordinate with other senior citizens i  
2 finding housing alternatives, including information and coordinatio  
3 on home equity conversion and home sharing; and

4 (7) disseminate information to construction contractors to  
5 educate them about remodeling projects that would meet the needs of  
6 many senior citizens for accessible and secure housing.

7 Sec. 44.47.587. SENIOR HOUSING REVOLVING FUND. (a) The senior  
8 housing revolving fund is established in the department. The revolv-  
9 ing fund consists of appropriations made to it by the legislature, the  
10 proceeds of bonds sold under AS 18.56.083 as they are deposited by the  
11 Alaska Housing Finance Corporation for specific projects, and money or  
12 other assets transferred to the revolving fund by the department.  
13 Amounts deposited in the revolving fund may be pledged by the Alaska  
14 Housing Finance Corporation for bonds issued under AS 18.56.083 and  
15 used by the office for making, purchasing, or participating in

16 (1) senior housing mortgage loans;

17 (2) loans made for building materials for senior housing;

18 (3) loans made for renovation or improvement of or for  
19 senior housing, including loans for renovation or improvement of  
20 congregate or individual residences;

21 (4) loans under AS 44.47.605; and

22 (5) loans made for the construction of senior housing.

23 (b) The department, under guidelines established in regulations  
24 adopted by the department in consultation with the Alaska Housing  
25 Finance Corporation, shall determine for each loan proposed to be made  
26 under AS 44.47.587 - 44.47.609 the financial feasibility of the  
27 project for which the loan would be used and the extent to which the  
28 project would meet senior housing needs in the area for which it is  
29 proposed.

*clarify that all renovation projects including single family dwellings are eligible*  
*REQUIRE'S CRA & ATTIC to joint develop regulations concerning financial feasibility and market for senior housing.*

*Establishes interest rate on construction loans as cost of funds + 2% and permanent loans at cost + 1/2%*

1 44.47.589. INTEREST RATE. The interest rate on loans made  
2 under AS 44.47.587 - 44.47.609 that are funded by a bond issue of the  
3 Alaska Housing Finance Corporation is equal to the cost of funds of  
4 that bond issue plus

- 5 (1) two percentage points for a construction loan;
- 6 (2) one-half of one percentage point for a permanent loan.

7 Sec. 44.47.591. *change title from security for loans* CONDITIONS ON LOANS. (a) The commissioner  
8 shall adopt regulations in accordance with the Administrative Proce-  
9 dure Act (AS 44.62) establishing acceptable security for loans origi-  
10 nated or purchased in whole or in part under AS 44.47.587 - 44.47.-  
11 609.

*add CRA regulations to maintain identification of securities for senior housing*

12 (b) The department may condition a loan under AS 44.47.587 -  
13 44.47.609 on an agreement by the borrower to maintain the financed  
14 project as senior housing for a time period specified by the depart-  
15 ment. The department shall establish by regulation the criteria it  
16 will use for specifying time periods under this subsection and for  
17 determining under what circumstances the time periods can be decreased  
18 after the loan is made.

19 Sec. 44.47.593. TRANSFER AND ASSIGNMENT OF CERTAIN ASSETS. (a)

*CRA transfers principal payments to AHFC*

20 The department shall transfer to the Alaska Housing Finance Corpora-  
21 tion repayments of principal it collects for a loan made under AS 44.-  
22 44.47.587 - 44.47.609 that was funded by bonds issued by the Alaska  
23 Housing Finance Corporation under AS 18.56.083.

*CRA assigns security interest to AHFC*

24 (b) The department shall assign to the Alaska Housing Finance  
25 Corporation all right, title, and interest of the department in prop-  
26 erty financed through a loan made under AS 44.47.587 - 44.47.609 that  
27 was funded by bonds issued by the Alaska Housing Finance Corporation  
28 under AS 18.56.083.

29 Sec. 44.47.595. FIRE INSURANCE. Before purchasing or

1 participating in the purchase of a senior housing mortgage loan, th  
2 office <sup>shall</sup> may require the borrower to agree to purchase and maintain fir  
3 insurance for the real property for which the loan is made in a  
4 amount not less than the outstanding principal balance of the loan.

5 Sec. 44.47.597. LOAN ORIGINATION AND SERVICING. (a) Before  
6 purchasing or participating in the purchase of a senior housing loan,  
7 the office shall enter into a loan servicing agreement with the pri-  
8 vate financial institution from which the loan is to be purchased.

9 (b) The office may execute service agreements with private  
10 lending institutions or with regional native housing authorities  
11 established under AS 18.55.996 to service loans originated by the  
12 office.

13 (c) Under the servicing agreement, the private financial insti-  
14 tution or the regional native housing authority shall administer the  
15 loan and may charge the office a negotiated origination or servicing  
16 fee on the office's share of the loan. When appropriate, the private  
17 financial institution or the regional native housing authority may  
18 also charge the borrower a reasonable origination fee not to exceed  
19 one percent.

20 Sec. 44.47.599. APPRAISALS. Before originating or purchasing or  
21 participating in the purchase of a senior housing mortgage loan, the  
22 office may have or may require the borrower to have an appraisal made  
23 of the fair market value of the real property, including structures on  
24 the real property, for which the loan is made. In conducting an  
25 appraisal under this section, the appraiser shall give full value to  
26 insulation and other features of construction in structures on the  
27 real property that add to the energy efficiency of the structures.

28 Sec. 44.47.601. TOLL-FREE TELEPHONE NUMBER. The office shall  
29 arrange for and maintain a toll-free telephone number for the office

1 so that private financial institutions and their borrowers may contact  
2 the office from any location in the state by telephone without a toll  
3 charge.

4 Sec. 44.47.603. ASSISTANCE BY OFFICE PERSONNEL. (a) The office  
5 may establish field offices under this chapter, may hire one or more  
6 lending officers, and, under AS 36.30 (State Procurement Code), may  
7 contract for the services of

8 (1) real property appraisers who are familiar with con-  
9 struction of senior housing; and

10 (2) engineers who are familiar with engineering problems in  
11 arctic and subarctic regions.

12 (b) The personnel described in (a) of this section may make  
13 visits to provide preconstruction and post-construction inspections of  
14 real property for which loans are originated or purchased by the  
15 office in whole or in part under AS 44.47.587 - 44.47.609 and to  
16 provide assistance to private financial institutions and their  
17 borrowers. Authority for final approval of loans may not be ex-  
18 ercised by the personnel described in this section.

19 Sec. 44.47.605. COOPERATIVES. The funds appropriated or made  
20 available under AS 44.47.585 - 44.47.609 may be used by the office to  
21 make loans to public agencies, private nonprofit or limited dividend  
22 corporations, or private corporations or cooperatives organized under  
23 AS 10.15 for moderate-cost or rental senior housing facilities and  
24 senior housing projects. Until termination of all of a cooperative's  
25 loan obligations to it, the office shall regulate or restrict the  
26 rents or sales, charges, capital structure, rate of return, and  
27 methods of operation of a cooperative that receives a loan under this  
28 section to the extent and in the manner that provides reasonable  
29 rentals to tenants and a reasonable return on the investment. A loan

1 to a cooperative may be made for up to 85 percent of the appraised  
2 value of the housing facility but may not exceed the replacement cost  
3 of the facility.

4 Sec. 44.47.609. DEFINITIONS. In AS 44.47.585 - 44.47.609,

5 (1) "office" means the senior housing office established  
6 under AS 44.47.585;

7 (2) "senior housing" means construction or improvement  
8 undertaken primarily to provide dwelling accommodations for persons 60  
9 years of age or older, including conventional housing, housing for  
10 frail elderly, group homes, congregate housing, cooperatives, and  
11 other housing that meets special needs of the elderly; "senior hous-  
12 ing" includes acquisition, construction, or rehabilitation of land,  
13 buildings, improvements, and other nonhousing facilities that are  
14 incidental or appurtenant to the housing.

*definition  
of senior housing  
added*

# Alaska State Legislature



SENATOR JIM DUNCAN

P. O. Box V JUNEAU, ALASKA 99811-3100  
(907) 465-4766

COMMITTEES:  
FINANCE  
VICE CHAIR —  
HEALTH EDUCATION  
& SOCIAL SERVICES  
BUDGET & AUDIT  
BANKING &  
ECONOMIC  
DEVELOPMENT

## MEMORANDUM

DATE: February 26, 1990

TO: Senator Pat Pourchot, Chair  
Senate State Affairs Committee

FROM: Senator Jim Duncan

RE: SS SB 150, establishing a senior housing office and loan program in the Department of Community and Regional Affairs; and authorizing the issuance of bonds for senior housing.

Attached is a new proposed CS for SS SB 150, dated 2/23/90, establishing a senior housing office and revolving loan fund. Working with AHFC and C&RA since Wednesday, February 21, we have arrived at a mutually agreeable solution for the financing and operation of the Senior Housing Loan Program.

### Major provisions and changes to SS SB 150 are as follows:

**Section 1.** (Page 1, line 11) Sec. 18.56.083. **Bonds for Senior Housing.** (a) Authorizes AHFC to issue up to \$30,000,000 in senior housing bonds for senior housing projects of which AHFC approves. (b) Requires Community and Regional Affairs to compile and submit to AHFC for approval lists of senior housing projects which they have determined to be desirable and financially feasible. (c) The bond proceeds are deposited in the loan fund as determined necessary by AHFC. (d) Establishes a Senior Housing Bond Account in AHFC. Allows AHFC to pledge funds and security interest assignments in the Bond Account and assets in the Senior Housing Revolving Loan Fund for the payment of the bonds. If necessary, AHFC may also use money in the Bond Account for payment of the bonds.

**Section 2.** (Page 2, Line 9) Sec. 44.47.585. **Senior Housing Office.** Establishes a Senior Housing Office in Community and Regional Affairs to coordinate senior housing programs and administer the loan fund.

**SS SB 150**

**Section 2 continued.**

(Page 3, Line 7) Sec. 44.47.587. (a) Establishes the **Senior Housing Revolving Fund** in Community and Regional Affairs and clarifies on lines 10-11 that the proceeds of bonds sold by AHFC will be deposited in the Fund for specific projects . Again on page 3, line 18, item (3) is clarified to include congregate or individual residences in those for which senior housing loans can be made. This relates to the deletion of \$2,000 character loans in the Cooperative section on page 6. Borrowers could still do minor renovations to accommodate the special needs of the elderly, but it would be treated as a second mortgage rather than a character loan. (b) Requires CRA and AHFC to jointly establish guidelines in regulations for determining financial feasibility and the need for projects.

(Page 4, Line 1) Sec. 44.47.589. **Interest Rate.** A new section is added, specifying the interest rate to be charged to borrowers on the senior housing loans to be the cost of funds plus two percent for construction loans, and the cost of funds plus 1/2 percent for permanent loans.

(Page 4, Line 7) Sec. 44.47.591. The title is changed from "Security for Loans" ----to ----"**Conditions on Loans**" and (b) is added which requires CRA to develop regulations intended to reasonably preserve the use of facilities constructed as senior housing with senior housing loan funds for senior citizens.

(Page 4, Line 19) Sec. 44.47.593. **Transfer and Assignment of Certain Assets.** (a) Directs C&RA to transfer repayments of bond principal to AHFC. (b) Directs C&RA to assign to AHFC a security interest in property financed with bond proceeds.

(Page 6, Line 19) Sec. 44.47.605. **Cooperatives.** Character loans of up to \$2,000 are eliminated from the section as stated earlier. Individuals desiring loans to retrofit individual housing units will be accommodated by the language on Page 3, line 19 of the bill.

(Page 7, Line 7) Sec 44.47.609. **Definitions.** (2) A definition of senior housing is added for ease in interpreting the bill.

**SB 487 now accomplishes the following:**

**Section 1.** \$10 million is appropriated from AHFC's Revolving Loan Fund to capitalize a Senior Housing Bond Account established in AHFC.

**Section 2.** Retains within the Senior Housing Revolving Loan Fund all funds received or accrued to the fund for the Fiscal Year beginning July 1, 1990, except for the interest due on the bonds which is appropriated to AHFC in Section 3.

**Section 3.** The interest due and payable on the bonds issued by AHFC will be transferred from the revolving loan account in C&RA to the bond account in AHFC for Fiscal Year 1991. Note that payments on the bond principal are transferred from the Senior Housing Revolving Loan Account in Section 44.47.593 of SB 150.

The funding mechanism as contained in SB 487, will make an appropriation of \$10,000,000 of AHFC's Revolving Loan Funds to establish the Senior Housing Bond Account in AHFC. It also establishes an appropriation of earnings to the Senior Housing Revolving Loan Account in CRA. Since our meeting last week AHFC has indicated a willingness to allow appropriation of \$10 million of their Revolving Loan Fund to capitalize the Senior Housing Bond Fund, rather than tying the appropriation amount to their current year earnings. They feel retention of their current year earnings within the Corporation will enhance their bond rating, while transfer of funds from their Revolving Loan Account to the Senior Housing Bond Account would be perceived by the bond market as simply an internal transfer. I plan to provide the Banking and Economic Development Committee with an amended version of SB 487 to reflect these changes at the hearing scheduled for Tuesday, February 27.

Attachments

# Alaska State Legislature



SENATOR JIM DUNCAN

P. O. Box V JUNEAU, ALASKA 99811-3100

(907) 465-4766

COMMITTEES:  
FINANCE  
VICE CHAIR —  
HEALTH EDUCATION  
& SOCIAL SERVICES  
BUDGET & AUDIT  
BANKING &  
ECONOMIC  
DEVELOPMENT

## MEMORANDUM

DATE: February 24, 1990

TO: Senator Pat Pourchot, Chair  
Senate State Affairs Committee

FROM: Senator Jim Duncan

RE: SS SB 150, establishing a senior housing office and loan program in the Department of Community and Regional Affairs; and authorizing the issuance of bonds for senior housing.

Attached is a new proposed CS for SS SB 150, dated 2/23/90, establishing a senior housing office and revolving loan fund. Working with AHFC and C&RA since Wednesday, February 21, we have arrived at a mutually agreeable solution for the financing and operation of the Senior Housing Loan Program.

### Major provisions and changes to SS SB 150 are as follows:

**Section 1.** (Page 1, line 11) Sec. 18.56.083. **Bonds for Senior Housing.** (a) Authorizes AHFC to issue up to \$30,000,000 in senior housing bonds for senior housing projects of which AHFC approves. (b) Requires Community and Regional Affairs to compile and submit to AHFC for approval lists of senior housing projects which they have determined to be desirable and financially feasible. (c) The bond proceeds are deposited in the loan fund as determined necessary by AHFC. (d) Establishes a Senior Housing Bond Account in AHFC. Allows AHFC to pledge funds and security interest assignments in the Bond Account and assets in the Senior Housing Revolving Loan Fund for the payment of the bonds. If necessary, AHFC may also use money in the Bond Account for payment of the bonds.

**Section 2.** (Page 2, Line 9) Sec. 44.47.585. **Senior Housing Office.** Establishes a Senior Housing Office in Community and Regional Affairs to coordinate senior housing programs and administer the loan fund.

**SS SB 150**  
**Section 2 continued.**

(Page 3, Line 7) Sec. 44.47.587. (a) Establishes the **Senior Housing Revolving Fund** in Community and Regional Affairs and clarifies on lines 10-11 that the proceeds of bonds sold by AHFC will be deposited in the Fund for specific projects . Again on page 3, line 18, item (3) is clarified to include congregate or individual residences in those for which senior housing loans can be made. This relates to the deletion of \$2,000 character loans in the Cooperative section on page 6. Borrowers could still do minor renovations to accommodate the special needs of the elderly, but it would be treated as a second mortgage rather than a character loan. (b) Requires CRA and AHFC to jointly establish guidelines in regulations for determining financial feasibility and the need for projects.

(Page 4, Line 1) Sec. 44.47.589. **Interest Rate.** A new section is added, specifying the interest rate to be charged to borrowers on the senior housing loans to be the cost of funds plus two percent for construction loans, and the cost of funds plus 1/2 percent for permanent loans.

(Page 4, Line 7) Sec. 44.47.591. The title is changed from "Security for Loans" ---to ----"**Conditions on Loans**" and (b) is added which requires CRA to develop regulations intended to reasonably preserve the use of facilities constructed as senior housing with senior housing loan funds for senior citizens.

(Page 4, Line 19) Sec. 44.47.593. **Transfer and Assignment of Certain Assets.** (a) Directs C&RA to transfer repayments of bond principal to AHFC. (b) Directs C&RA to assign to AHFC a security interest in property financed with bond proceeds.

(Page 6, Line 19) Sec. 44.47.605. **Cooperatives.** Character loans of up to \$2,000 are eliminated from the section as stated earlier. Individuals desiring loans to retrofit individual housing units will be accommodated by the language on Page 3, line 19 of the bill.

(Page 7, Line 7) Sec 44.47.609. **Definitions.** (2) A definition of senior housing is added for ease in interpreting the bill.

**SB 487 accomplishes the following:**

**Section 1.** Up to \$10 million is appropriated from AHFC's corporate earnings for FY 90 to capitalize a Senior Housing Bond Account established in AHFC.

**Section 2.** Retains within the Senior Housing Revolving Loan Fund all funds received or accrued to the fund for the Fiscal Year beginning July 1, 1990, except for the interest due on the bonds which is appropriated to AHFC in Section 3.

**Section 3.** The interest due and payable on the bonds issued by AHFC will be transferred from the revolving loan account in C&RA to the bond account in AHFC for Fiscal Year 1991. Note that payments on the bond principal are transferred from the Senior Housing Revolving Loan Account in Section 44.47.593 of SB 150.

The funding mechanism as contained in SB 487, makes an appropriations of corporate receipts within AHFC to establish the Senior Housing Bond Account and establishes an appropriation of earnings to the Senior Housing Revolving Loan Account in CRA. Some confusion had apparently resulted from the \$10,000,000 General Fund appropriation amount listed on the bill. Mike Greany from Legislative Finance advises that AHFC's earnings are considered **corporate receipts** and therefore should be listed as Other Funds rather than General Funds. We will correct the fund source on the bill in the Banking and Economic Development Committee hearing on SB 487 on Tuesday, February 27. Other than the change in fund sources, SB 487 remains the same.

Attachments

# Alaska State Legislature



SENATOR JIM DUNCAN

P. O. BOX V JUNEAU, ALASKA 99811-3100  
(907) 465-4766

COMMITTEES:  
FINANCE  
VICE CHAIR -  
HEALTH EDUCATION  
& SOCIAL SERVICES  
BUDGET & AUDIT  
BANKING &  
ECONOMIC  
DEVELOPMENT

## MEMORANDUM

DATE: February 20, 1990

TO: Senator Pat Pourchot, Chair  
Senate State Affairs Committee

FROM: Senator Jim Duncan

RE: SS SB 150, establishing a senior housing office and loan program in the Department of Community and Regional Affairs; and authorizing the issuance of bonds for senior housing.

Attached is a proposed CS for SS SB 150, establishing a senior housing office and revolving loan fund and a copy of SB 487 for your use. Working with AHFC and C&RA over the past weeks, we have arrived at a solution for the financing of the Senior Housing Revolving Loan Fund.

The funding mechanism is contained in SB 487, making appropriations to AHFC for the Senior Housing Bond Account and making an appropriation to the Senior Housing Revolving Fund in the Department of Community and Regional Affairs.

### SB 487 accomplishes the following:

Page 1, Line 13. **Section 1.** (a) Gives AHFC authority to issue bonds for deposit in the Senior Housing Revolving Fund in Community and Regional Affairs. (b) AHFC provides up to \$10.0 million of their current year earnings to capitalize a Senior Housing Bond Account established in AHFC.

Page 1, Line 18. **Section 2.** Retains within the Senior Housing Revolving Loan Fund all funds received or accrued to the fund for the Fiscal Year beginning July 1, 1990, except for the interest due on the bonds which is appropriated to AHFC in Section 3.

Page 1, Line 27. **Section 3.** The interest due and payable on the bonds issued by AHFC will be transferred from the revolving loan account in C&RA to the bond account in AHFC for Fiscal Year 1991. Note

that payments on the bond principal are transferred from the Senior Housing Revolving Loan Account in Section 44.47.593 of the Committee Substitute for SB 150 which is attached.

Changes proposed to Senate Bill 150 are as follows:

Page 1, Line 12. Section 1. **Bonds for Senior Housing.** (a) Authorizes AHFC to issue bonds, the proceeds of which shall be deposited in the Senior Housing Revolving Fund in C&RA. (b) Establishes a Senior Housing Bond Account in AHFC. Allows AHFC to pledge funds and security interest assignments in the Bond Account and assets in the Senior Housing Revolving Loan Fund for the payment of the bonds. If necessary, AHFC may also use money in the Bond Account for payment of the bonds.

Page 2, Line 8. Section 2. **Senior Housing Office.** Subsection 4 - adds AHFC to those agencies with which the Senior Housing Office should cooperate and coordinate.

Page 2, Line 23. Section 3. 44.4.587 - establishing the **Senior Housing Revolving Fund** in C & RA - changes the reference from ASHA to AHFC.

Page 3, Line 23. Sec. 44.47.593. Adds a new section entitled, **Transfer and Assignment of Certain Assets.** (a) Directs C&RA to transfer repayments of bond principal to AHFC. (b) Directs C&RA to assign to AHFC a security interest in property financed with bond proceeds.

Attachments

# Alaska State Legislature



P.O. Box V  
State Capitol  
Juneau, Alaska 99811

Sen. Pat Pourchot, Chairman

Sen. Jan Faiks, Vice Chairman

Sen. Al Adams

Sen. Tim Kelly

Sen. Rick Uehling

907-465-3712

## Senate State Affairs Committee

### MEMORANDUM

TO: Members, Senate State Affairs Committee

FROM: Senator Pat Pourchot, Chairman

RE: October 19 Hearing

DATE: October 12, 1989

On Thursday, October 19 the House and Senate State Affairs Committees will meet in the downstairs conference room of the Anchorage LIO on the following topics.

9:00 a.m. - 1:00 p.m. Senior Housing  
2:30 p.m. - 4:30 p.m. Longevity Bonus (Senate committee only)

The focus of the housing discussion will be SB 150, which would establish a senior housing loan program in the Department of Community and Regional Affairs (to be funded with bond proceeds) and HB 218, which would authorize AHFC to assist in the development of senior citizens' housing. The Older Alaskans Commission will present their study documenting the need for housing and the difficulty of obtaining financing for preferred forms of housing (such as congregate housing, independent apartments, and group homes).

The focus of the Longevity Bonus discussion -- in light of the underfunding of the program for FY 90 and the intent language directing the Department of Administration to analyze capping the program at \$50 million annually -- will be program alternatives. This will include a discussion of SB 5, which would establish an annuity program.

The agenda for each portion of the hearing is enclosed.

John Shaw, Palmer

AGENDA

HOUSE AND SENATE STATE AFFAIRS COMMITTEES  
October 19, 1989 9 a.m. - 1 p.m.  
Anchorage LIO, 3111 C Street

I. Senior Housing Needs Assessments

*OK* Fran Toland, Associate Coordinator, Older Alaskans Commission  
*OK* Glenda Straube, Director, Alaska Housing Market Council 563-3325

II. Issues in Financing Senior Housing

A. Independent Living -- Middle Income Seniors

*OK* Pat Porter, Kenai Senior Center  
*OK* John Williams

B. Independent Living - Low Income Seniors

*OK* Chuck Logsdon, Palmer Senior Center Housing Committee 745-3664

C. Family Care and Group Homes

*OK* Linda Smith, Juneau Provider

D. Rural Settings

*NO* *OK* Don Shircel, Tanana Chiefs Conference 452-8251  
*OK* Spud Williams

III. Proposals to Address Housing Needs

*OK* Senator Jim Duncan, Sponsor of SB 150 (An Act establishing a senior housing office and loan program and authorizing the issuance of bonds for senior housing)

*OK* Representative Fran Ulmer, Sponsor of HB 218 (An Act extending the authority of the Alaska Housing Finance Corporation to assist in the development of senior citizens' housing)

IV. Financing Options

has to leave  
at 10am

*OK* Kelly Gunnels, Denali State Bank 456-1400 ←  
*OK* Sterling Gallagher, John Nuveen and Company

V. Public Comment (Approximately 11:30 a.m. - 1:00 p.m.)

THE HEARING WILL BE TELECONFERENCED TO SELECT SITES. PLEASE CONTACT SENATOR PAT POURCHOT (561-7623) OR REPRESENTATIVE RED BOUCHER (561-7624) IF YOU WOULD LIKE TO TESTIFY.

FOLLOWING THE HEARING ON SENIOR HOUSING, FROM 2:30-4:30 P.M., THE SENATE STATE AFFAIRS COMMITTEE WILL HOLD A PUBLIC HEARING ON THE LONGEVITY BONUS PROGRAM. FOR MORE INFORMATION, CONTACT SENATOR PAT POURCHOT (561-7623).

# Alaska State Legislature

Sen. Pat Pourchot, Chairman

Sen. Jan Faiks, Vice Chairman  
Sen. Al Adams  
Sen. Tim Kelly  
Sen. Rick Uehling



P.O. Box V  
State Capitol  
Juneau, Alaska 99811

907-465-3712

## Senate State Affairs Committee

### MEMORANDUM

TO: Interested Parties

FROM: Sandra Schubert *Sandra* Administrative Assistant  
to Senator Pat Pourchot

RE: October 19 Hearing on Senior Housing

DATE: October 3, 1989

As we discussed, please find enclosed the agenda for the above referenced hearing and the two bills (SB 150 and HB 218) that will be discussed at the hearing. The needs assessment conducted by the Older Alaskans Commission is still at the printers; I will send it to you as soon as it's available.

Although the hearing will be chaired out of Anchorage, it will be teleconferenced to sites around the state (Juneau, Mat-Su, Kenai, Fairbanks, and the Anchorage Pioneer Home so far) -- you are welcome to participate over the teleconference network if you prefer.

Please give me a call if you have any questions or need additional information (in Juneau, 465-3712). Thanks again for your participation!

# Alaska State Legislature

Sen. Pat Pourchot, Chairman

Sen. Jan Faiks, Vice Chairman  
Sen. Al Adams  
Sen. Tim Kelly  
Sen. Rick Uehling



P.O. Box V  
State Capitol  
Juneau, Alaska 99811

907-465-3712

## Senate State Affairs Committee

October 6, 1989

Dear Alaska Senior:

I'm writing to let you know that the Senate State Affairs Committee is hosting a public hearing on two issues that may be important to you -- senior citizen's housing and the Longevity Bonus Program. The hearing will be held:

Thursday, October 19  
at: Anchorage LIO, 3111 C Street, First Floor  
9:00 am - 1:00 pm Senior Citizens' Housing  
2:30 pm - 4:30 pm Longevity Bonus Program

In addition, the hearing will be teleconferenced to select sites including the Anchorage Pioneers' Home. Both the afternoon and the morning sessions will begin with informational presentations, and will end with public comment (approximately 11:30-1:00 on housing and 3:30-4:30 on Longevity Bonus).

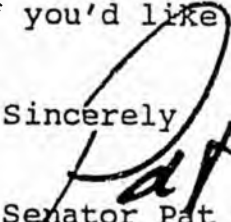
The focus of the housing discussion will be SB 150, which would establish a senior housing loan program, and HB 218, which would authorize the Alaska Housing Finance Corporation to assist in the development of senior citizens' housing. A study conducted by the Older Alaskans Commission documents the need for housing alternatives that complement the system of Pioneers' Homes and other facilities; we now need to work on methods of financing construction and development of these alternatives.

The focus of the Longevity Bonus discussion will be SB 5, which would establish an annuity program. Other alternatives to the current bonus program will also be discussed. As you may know, the House and Senate Finance Committees directed the Department of Administration, through intent language accompanying this year's funding for the bonus program, to analyze the possibility of capping the program's cost at \$50 million annually. Since the current cost of the program exceeds this amount, such a cap would require restructuring of the program.

While there is clearly no consensus on what that restructuring might look like, several options have been discussed. The options include limiting eligibility for the program and limiting the amount of the monthly bonus, as well as the annuity proposal. I feel strongly that bonus recipients should participate in any changes to the program, and would really appreciate your comments on these options.

Please give me a call (561-7623) if you'd like more information on the hearing. Hope to see you on the 19th!

Sincerely

  
Senator Pat Pourchot  
Chairman



# Alaska State Legislature

Please enter into the record my testimony to the J. H. S. STATE AFFAIRS  
committee name

committee on SENIOR HOUSING, dated 10/19/89  
bill/subject

I have been involved with Senior Citizen housing for years, with the HUD ASHA senior housing in Fairbanks, Juneau, Anchorage and Wasilla. Now I am a member of Palmers Sr. Citizen Housing steering committee. There is no question in my mind that Senator Duncan's SB 150 is the best way to go, altho the other might work also - SB 150 uses established, well tried routes, whereas AHFC would be a new strategy with everything still to be established. ASHA already has the structure in place.

Signed: Pres Palmquist

Testifier

The Senior Palmquist

Representing (Optional)

P.O. BOX 870294, WASILLA 99687

Address

907-376-0110

Phone No.

TRANSCRIPT OF CLINTON POLLEY'S TESTIMONY TO SENATE STATE AFFAIRS COMMITTEE  
SENIOR HOUSING OCTOBER 19, 1989

I'm Clinton L. Polley, Juneau. I'm a 73 year resident of Alaska, a retired dentist. I'd like to speak in favor of the state providing intermediate care facilities for moderate income residents through the issuance of Alaska State Housing Authority revenue bonds.

In Juneau we have an excellent facility constructed with state and federal funds for low income residents, but there are no provisions for middle and higher income residents. One needs only to check the recent survey done in Juneau as to how much volunteer work is done for both the city and the state to realize that we must try to retain this group of retirees in Alaska. Many Alaskans can afford to retire elsewhere but chose to remain here for many reasons.

Our population is living longer and there is a greater demand for more intermediate and full nursing care. With the construction of intermediate residential housing, the residential facilities in the Pioneers Homes could be eliminated and those beds turned into partial and full care nursing units.

A recently completed survey of senior citizens in Juneau with a 76% response shows that there is a definite interest and demand for independent living in their own facility, provided they are physically able to care for themselves. I believe Alaska leads the nation in the benefits that are provided its elderly. The Pioneers Homes are excellent facilities for the elderly when they can no longer take care of themselves.

I was in Sitka when the first Pioneer Home was in the old marine barracks. I witnessed the care and treatment provided the early year residents of the territory. This pride in care and treatment has continued down through the years. After retirement I stayed in Alaska, not only because of my family and friends but also because I knew I had a haven -- the Pioneers Home to go to if I needed it.

We are not ready to enter the Pioneers Home as long as my wife and I can take care of ourselves. But we and many others are approaching the time when we can no longer maintain the home and the garden and need to move into a facility with all the amenities one requires in old age.

I don't think any of us in the moderate income group is looking for a free ride. I can speak only for myself, of course, but I am willing to pay for adequate housing as long as the cost does not pauperize me. I think the state should build such facilities through the Alaska Housing Authority in any community that can show need and ability to pay for site. They could be operated by the state or leased out to such agencies that are interested in having senior citizen housing.

I appreciate having this opportunity to present my views on a subject that I think needs immediate action. I hope your committee and the other legislators will act accordingly.

Thank you.

HIGHLIGHTS OF STERLING GALLAGHER'S TESTIMONY TO SENATE STATE  
AFFAIRS COMMITTEE ON SENIOR HOUSING - OCTOBER 19, 1989

Two federal programs available -- "Quite frankly, they're marginal at best. The rent levels and construction costs in Alaska are such that you need about a 30% subsidy to make the programs work."

221-B-3 Financing

Tax exempt federally insured loans available to nonprofit organizations for up to 100% of construction cost; current interest 7-3/8%. Income to project (i.e. cash flow through rents) must be 110% of debt service. Problem is that market rents aren't usually high enough to provide this cash flow because construction costs are so high. For projects to be feasible in Alaska's three urban areas it would probably require a 30% subsidy, and a greater subsidy in other areas of the state. Example: In Juneau, without subsidy, rents would need to be \$748/month.

To qualify for a 221-B-3 loan, the housing project must meet one of two tests:

1. 20/50 test (20% or more of the units are rent restricted and occupied by persons with incomes less than 50% of the median gross income of the area)
2. 40/60 test (40% or more of the units are rent restricted and occupied by persons whose incomes are 60% or less of the median gross income of the area). In Juneau, 60% for a family of two is \$29,000; in Fairbanks \$20,000; in Anchorage \$23,000; in MatSu \$20,000.

In Alaska, most projects would qualify under the 40/60 test, not the 20/50. Renters below the income standard pay only 30% of their income as rent.

Federal Income Tax Credits

For developers of low income housing -- 9% of cost of new construction; 4% of cost of remodeling. Only \$640,000 available to Alaska this year (amount is based on state population; our chance of getting more money is slim to none). Administered by ASHA -- federal law requires at least 25% go to nonprofits; this year all is going to nonprofits, none specifically for elderly. (Woodridge Apartments in Kenai \$52,000; Tanana apartments in North Pole \$66,000; Terrace Apartments in Kodiak; Park West Apartments in Fairbanks \$267,000; Panoramic View Apartments in Anchorage.)

"Using a nonprofit to buy an existing facility in Anchorage for remodeling comes closest to working at the present time in Alaska. New construction would be very difficult -- Juneau comes the closest to working."

Joe Alter provided the following summary of a survey of Juneau seniors: Income levels for persons over age 65:

15-20%	are \$10-20,000	(acceptable rent \$500)
30%	are \$20-30,000	(acceptable rent \$720)
16-25%	are \$30-40,000	(acceptable rent \$935)
8-10%	are \$40-50,000	(acceptable rent \$1105)
8-10%	are \$50-60,000	(acceptable rent \$1300)
10-25%	are \$60,000 +	(acceptable rent \$1500)

Total need in Juneau is 100 units of housing over time.

1) non-profits remodeling best chance Walla  
Annie Thomas  
Federal by Cashed

2) 26K non-profit, Tax exempt, Finance  
Tuneau  
new construction 30% subsidy required  
with  
ASHA has authority

640K in Fed tax credits available  
for AK - most for non-profits  
for low-income  
(Panoramic Apt)  
Admin by ASHA - Henry ~~Thompson~~ Ford?  
9562-28  
Seniors 60-65?

Jean Smith - expand coops in SB 150  
to include indiv

Sped Williams - bills don't speak  
to rural needs  
operational & lacking

Murray - look at costs ~~state~~ &  
state involvement - ~~the~~ fed  
guidelines ~~great~~ not restrictive  
but state grants ~~cost~~ cost deposits

SENATE STATE AFFAIRS COMMITTEE TESTIMONY  
October 19, 1989

My name is Amos J. Alter. I live at 303 Distin Ave. in Juneau. I speak in recognition of a serious need for affordable housing alternatives for Alaska's elderly people. In addition to recognizing the need I speak in support of actions to provide housing for middle and low income persons.

As a member of the State Legislative Committee of the American Association of Retired Persons, a group with an Alaska membership of about 32,000 persons, I speak in support of the concept of making those resources available to seniors which enable them to stay in their own homes as long as possible, thereby avoiding the high costs to society incurred by institutionalization. Among other things such resources should include a variety of housing alternatives, congregate, group new or converted facilities, additions to existing housing, non-profit, public or private participation. State and local governments and individuals as well as the private sector should be encouraged to cooperate in meeting the need.

A sizable proportion of the senior citizen community is able and willing to make reasonable payment for housing. Incentives such as funding through revenues, low interest loans, land grants for sites and coordination and leadership in developing viable alternatives are all needed. There is a singular lack of housing alternatives for those middle income persons ineligible for low rent housing and yet unable to meet housing needs beyond a private home. Residential and assisted living alternatives for these persons in their own communities would allow them to remain in Alaska. As they are allowed to remain in Alaska they would continue to contribute to their communities economically as well as socially. A retired person spending retirement income in the community is a significant part of the economic base of that community.

In summary it is to the advantage of all Alaskans to provide housing alternatives for the elderly which keep seniors independent as long as possible. AARP supports those actions which will expedite and provide affordable housing alternatives for all Alaskan elders regardless of their income.



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Miss Ann L. Walsh  
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SENIOR CITIZEN HOUSING  
POSITION PAPER

BACKGROUND/PROBLEM

Since 1980, Alaska's senior population has grown by 66% to more than 19,000 residents according to the Department of Labor. It is one of the fastest growing age groups in the state. If Alaska's population continues to grow older as projected, the senior population could double soon after the year 2000. Many seniors who formerly would have retired Outside are now remaining in Alaska.

Affordable, secure, accessible housing facilities with attendant supportive services are meager at best, and totally unavailable in most rural and urban Alaska communities. Thus, the strong desire of older Alaskans to remain independent as long as possible in their own homes must give way to some other housing solution when they can no longer maintain a private residence.

It is socially and economically advantageous to all Alaskans to effectively address senior citizen housing needs.

PROPOSED SOLUTION

Mechanisms must be established to enable and encourage seniors and their families, profit or non-profit organizations and government agencies to work cooperatively in meeting the needs. Development of alternative approaches, home equity conversions and provision of methods for realistic financing are but a few of the topics which must be addressed. Appropriate lands on which to locate necessary facilities need to be made available.

Physical housing, as such, is not the only aspect to be addressed in meeting senior needs. Greater support must be provided for adult family care, weatherization, day care, respite care, case management, and other services which make it possible for a senior to stay in his or her own home as long as possible.

In summary, necessary lands, financing methods, mechanisms for cooperative action and supportive services must be made available if we are to solve senior citizen housing problems in Alaska.

PROPOSED LEGISLATION

SB 150 would create a senior housing office in the Department of Community and Regional Affairs, and a revolving loan fund for all types of senior housing.

HB 218 would expand the Alaska Housing Finance Corporation's authority to include loans to build congregate housing for seniors, and to cooperatively establish a pilot program of such housing.

These bills currently in the Alaska Legislature would constitute a start in addressing senior housing problems, and the AARP ALASKA STATE LEGISLATIVE COMMITTEE supports passage of this legislation.

sssbl150.txt

SSSB 150: Duncan Senior Housing

TELECONFERENCE; DCRA and AHFC will both be one line from Anchorage.

Notified: \* indicates will testify

\*Senator Duncan

\*C. and R.A: Mike Harper,  
Kay Graham,

AK. Housing Marketing Council: Glenda Straube

OAC: Fran Toland, Connie Sipes

AK. State Housing Auth: Julia Tucker

AK. Neighborhood Housing: Cynthia Parker

Rep. Ulmer

\*AHFC: Tom Behan, Bob Sullivan,  
Sylvia Short

F.Y.I.

Last minute changes have occurred to the funding mechanism bill: the \$10 million will no longer be tied to AHFCs current year earnings. Duncan will be proposing this to the Banking Committee.

Copy of Questions presented to the group I met with are attached.

( Below are the questions given to Duncan, AHFC, CRA, Bill Drafter and Connie Sipes)

RE: Committee Substitute for SS SB 150

The Senate State Affairs Committee hearing on the proposed committee substitute (CS) for SS SB 150 shed light on some of the gray areas within the bill and some points that need clarification. The following information is needed prior to the next hearing:

1. The assumption that this is not, nor ever will be a subsidized program needs to be spelled out.

a. How many construction dollars does the \$10 million AHFC guarantee? Examples of AHFC bond yields over the past 5-10 years.

b. What are the AHFC administrative costs and what are these paid out of?

c. What are the other costs: relating to both bonds and loans. Bond coverage, insurance? Loan servicing costs?

d. What would a realistic bond cap be to ensure a revolving fund and meet senior housing needs: \$10 million, \$20 million?

e. If a cap is proposed, should it be set on an annual basis, life-time of the program or set at a pre-determined figure reached in the revolving fund?

f. Who sets the interest rate. What is the definition of favorable market rate. Who sets the underwriting criteria?

g. What are the risks, how would failure impact each party involved? Amount required for operating loss reserve account? What would the average amount needed each year to cover legal costs be?

h. Are bond monies project specific? If not, when and how are monies transferred (at what point in the project approval process)? Who actually decides which loan applications qualify?

i. Are there similar programs being offered at this time in the state? examples?

j. What effect will this program have on AHFC's bond rating.

k. Are there any matching federal monies available for this program or programs similar? If yes, could this bill be restructured to guarantee eligibility?

2. A scenario showing how a small congregate senior housing facility would be developed from concept to reality would help clarify many issues.

a. What are the general guidelines for the potential investor/contractor. Who sets the guidelines, ie. which people/positions within which agencies? Is the facility based on a verifiable community need? Who establishes need, verifies viability of project. How are factors such as economic health of the community, trends and projected growth incorporated into the planning?

b. Which agency approves the project as eligible for the favorable loan rate. What is the "market test" for a senior housing project and who verifies that the project meets the standards?

c. If the project fails, how does the failure impact those involved, including, how is the resident senior population provided for? Additionally, what if the contractor/investor builds a senior facility under this program and later fails to serve seniors as originally intended, would there be penalties?

3. Further clarification on Character loans (page 5, line 22)

a. Why listed under cooperatives. Could a single family home be eligible for retro-fitting?

b. Are the \$2000 loans considered signature loans?

c. What % of the "fund" could be used for character loans?

D. Is CRA actually granting these loans?

4. Would the public be better served by expanding AHFC staff to include a person to manage the senior housing loan program instead of creating a new office within CR & A.

sssbl50.txt

SSSB 150: Duncan Senior Housing

Notified: \* indicates will testify

\*C. and R.A: Mike Harper, someone will be available

- ✓ AK. Housing Marketing Council: Glenda Straube will be available

OAC: Fran Toland, Connie Sipes (left message)

Rep. Boucher

Tanana Chiefs: Don Shircel

Sterling Gallagher

AK. State Housing Auth: Julia Tucker

AK. Neighborhood Housing: Cynthia Parker

Rep. Ulmer

AHFC: Margaret Nelson

Leo Kaye:

Chuck Logsdon: Palmer

John Williams: Kenai

Sylvia Short

Anch. Pioneer Home

F.Y.I.

The only "new" information this round is the Fiscal Note and the senior housing survey results. Both are in members packets.

The question of "How much would it take to capitalize the revolving fund?" has not really been answered. I included a page from the Sr. Housing Report showing that there are \$23 million in applications with CRA which could be eligible under this program.

sssb150.txt

SSSB 150: Duncan Senior Housing

Notified: \* indicates will testify

\*Senator Duncan  
C. and R.A: Mike Harper,  
Kay Graham,  
AK. Housing Marketing Council: Glenda Straube  
OAC: Fran Toland, Connie Sipes  
AK. State Housing Auth: Julia Tucker  
AK. Neighborhood Housing: Cynthia Parker  
Rep. Ulmer  
AHFC: Tom Behan, Bob Sullivan,  
Sylvia Short

F.Y.I.

Ulmer's congregate housing bill passed the house yesterday, was referred today to Senate Banking and Economic Development then to State Affairs. I have copies available for today's hearing if you get any questions.

FISCAL NOTES; CS does not change the CR & A fiscal note and AHFC is not submitting a fiscal note through Revenue.

The Alaska Housing Commission draft prepared by Glenda Straube and revised by Rodey staff is still being considered by Rodey as to whether he plans to introduce or not. They may deliver a message to us during hearing.

The old issue of the "fragmentation of housing" will be brought up again today, Cynthia Parker wishes to testify.

Pat - FY1  
Not in  
Comm. packets

# STATE OF ALASKA

## THE LEGISLATURE

1988

Source

Legislative  
Resolve No.

CSSCR 50(Fin)

84



Relating to senior citizen housing.

### BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS senior citizens in the state are a valuable resource of experience and have contributed with their accomplishments to the development of the state; and

WHEREAS it is the desire of all residents of the state that our senior citizens live out their lives in a way that enhances their individual dignity and independence; and

WHEREAS there may be housing alternatives that complement our system of Pioneers' Homes and other senior citizen facilities and these alternatives might be appropriate for many senior citizens, including residential assisted living facilities or other alternative housing arrangements;

BE IT RESOLVED that the Alaska State Legislature respectfully requests the Governor to direct the Older Alaskans Commission to

(1) work with the Department of Administration, the Department of Community and Regional Affairs, the Alaska State Building Authority, and other appropriate state agencies to develop housing alternatives for senior citizens;

(2) conduct an inventory of existing senior citizen housing in the state;

(3) assess the future needs for housing for senior citizens in the state with particular attention to the type or nature of the housing alternatives that could meet the needs of senior citizens, including arrangements by which they could live in private dwellings while receiving certain types of social

services to ease their lives; and

(4) report to the legislature and the Governor by January 15, 1989, with detailed comprehensive recommendations for legislative and executive actions that are necessary to provide housing arrangements that will best meet the needs of all senior citizens in the state.

STA

Source

HCR 56

Relating to a ski resort

BE IT RESOLVED BY THE L

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**Sec. 44.47.610. Declaration of purpose.** There exists in the state a serious shortage of decent, safe and sanitary residential housing available at low or moderate prices or rentals to persons 60 years of age or older. There also exists in the state organizations whose purposes are to provide the kinds of housing needed to alleviate this shortage. Development work to provide such housing involves substantial expense that is often beyond the resources of the organizations. (§ 51 ch 113 SLA 1982)

**Sec. 44.47.620. Senior citizens housing development.** (a) There is created in the department a senior citizens housing development fund. Subject to direct appropriation or through proceeds of a bond issue the department shall make grants to municipalities or public or private nonprofit corporations designated as tax exempt under 26 U.S.C. 501(c)(3) and (4) (Internal Revenue Code of 1954) for the purpose of developing senior citizen housing. A grant from the proceeds of a bond issue may be made only to municipalities.

(b) Application for a grant under (a) of this section shall be in the form prescribed by the department. The application shall demonstrate the need for senior citizen housing in the area to be served, the feasibility of the proposed project, and an adequate management plan that shall demonstrate the ability of the eligible recipient to sustain the proposed project.

(c) All projects under this section shall be in accordance with facility procurement policies developed under AS 35.10.160 — 35.10.200 and are public facilities under those sections.

(d) The department shall adopt regulations to carry out the purposes of this section. The provisions of the Administrative Procedure Act (AS 44.62) apply to regulations adopted under this section.

(e) In this section "senior citizen housing" means a specific work or improvement undertaken primarily to provide dwelling accommodations for persons 60 years of age or older, including but not limited to conventional housing, housing for the frail elderly, group homes, congregate housing, and other housing that meets special needs of the elderly; senior citizen housing includes the acquisition, construction, or rehabilitation of land, buildings, improvements, and other nonhousing facilities that are incidental or appurtenant to the housing. (§ 51 ch 113 SLA 1982)

### Article 11. Low Cost and Low Income Multiple Family Housing Development Fund.

#### Section

630. Declaration of purpose

635. Low cost and low income multiple family housing development



Susie ✓ (I copied Sr. Hsing)  
Jewne

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924 Kellum #201  
Fairbanks, AK 99701  
(907) 456-6737

February 15, 1990

Dear <sup>Sen.</sup> Ben. Bourchot:

The AARP Alaska State Legislative Committee met in Juneau on February 6-7 and adopted the attached position papers regarding senior citizen housing and long-term care. To supplement the Committee's long-term care position, we are also enclosing a research and issue paper prepared by our Health and Long-term Care Subcommittee, which outlines the problem at the national level as well as within Alaska.

The State Legislative Committee endorsed the principles expressed in HB 382 regarding absences from Alaska, which establish uniformity between the Longevity Bonus program and the Permanent Fund Dividend program. The Committee also voted to support HCR 38 and SCR 36--both of which resolutions call for an Alaskan Conference on Aging to be held in 1991.

If we can be of assistance in any of these matters, please feel free to contact me at 586-2066, Mr. Joe Alter at 586-6680, or any member of our Capital City Task Force (CCTF) listed below.

In behalf of the 34,000 older Alaskans who belong to the American Association of Retired Persons, we thank you for your continued interest in the positions expressed by the AARP Alaska State Legislative Committee.

Respectfully,

Bob Pavitt  
Chairman

- Mrs. Mary Lou Meiners - 586-2568
- Mrs. Maxine Race - 586-1661
- Ms. Harriet Roberts - 463-3234
- Mr. Robert Thibodeau - 586-2138
- Mr. Warren Wild - 789-7628



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**S E N I O R   C I T I Z E N   H O U S I N G**  
**POSITION PAPER**

**BACKGROUND/PROBLEM**

Since 1980, Alaska's senior population has grown by 66% to more than 19,000 residents according to the Department of Labor. It is one of the fastest growing age groups in the state. If Alaska's population continues to grow older as projected, the senior population could double soon after the year 2000. Many seniors who formerly would have retired Outside are now remaining in Alaska.

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These bills currently in the Alaska Legislature would constitute a start in addressing senior housing problems, and the AARP ALASKA STATE LEGISLATIVE COMMITTEE supports passage of this legislation.

# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**

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### Article 11. Low Cost and Low Income Multiple Family Housing Development Fund.

#### Section

630. Declaration of purpose

635. Low cost and low income multiple  
family housing development

Sec. 44.47.583. When boundary change takes effect. When a local government boundary change is proposed to the legislature during the first 10 days of any regular session, the change becomes effective 45 days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house. (§ 2 ch 45 SLA 1960)

Revisor's notes. — Formerly AS 44.19.340. Renumbered in 1980.  
Cross references. — For other provi-

sions relating to procedures of the local boundary commission, see AS 29.68.010.

NOTES TO DECISIONS

By this section and AS 44.47.567 it is provided that the commission must make studies of local government boundary problems, develop proposed standards and procedures for changing boundaries, and consider boundary changes requested of it by political subdivisions. The commission may conduct hearings on boundary changes and present proposed changes to the legislature. The change becomes effective unless the legislature disapproves; legislative silence permits the change. United States Smelting, Ref. & Mining Co. v. Local Boundary Comm'n, Sup. Ct. Op. No. 727 (File No. 1461), 489 P.2d 140 (1971).

Legislature handicapped in absence of known standard governing change of boundary lines. — Under Alaska's Constitution the supreme court has the duty of insuring that administrative action complies with the laws of Alaska. Absent known standards governing the changing of local boundary lines, the legislature's ability to make rational decisions as to whether to approve or disapprove proposed local boundary changes of the commission is seriously handicapped. United States Smelting, Ref. & Mining Co. v. Local Boundary Comm'n, Sup. Ct. Op. No. 727 (File No. 1461), 489 P.2d 140 (1971).

Alaska Const., art. X, § 12, empowers the legislature to veto commission actions. United States Smelting, Ref. & Mining Co. v. Local Boundary Comm'n, Sup. Ct. Op. No. 727 (File No. 1461), 489 P.2d 140 (1971).

Existing cities with local boundary commission created boundaries remain unaffected by the holding, under the de facto municipality doctrine, in United States Smelting, Ref. & Mining Co. v. Local Boundary Comm'n, Sup. Ct. Op. No. 727 (File No. 1461), 489 P.2d 140 (1971).

But such section does nothing to compel the legislature to review for compliance with its own requirements. United States Smelting, Ref. & Mining Co. v. Local Boundary Comm'n, Sup. Ct. Op. No. 727 (File No. 1461), 489 P.2d 140 (1971).

Standing to contest annexation. — An aggrieved property owner in an area to be annexed has standing to contest the annexation. United States Smelting, Ref. & Mining Co. v. Local Boundary Comm'n, Sup. Ct. Op. No. 727 (File No. 1461), 489 P.2d 140 (1971).

This section and Alaska Const., art. X, § 12, do not make the decision as to whether the commission has complied with the law exclusively legislative. United States Smelting, Ref. & Mining Co. v. Local Boundary Comm'n, Sup. Ct. Op. No. 727 (File No. 1461), 489 P.2d 140 (1971).

Stated in State, Dep't of Nat'l Resources v. City of Haines, Sup. Ct. Op. No. 2342 (File No. 5067), 627 P.2d 1047 (1981).

Article 10. Senior Citizens Housing Development Fund.

Section

- 610. Declaration of purpose
- 620. Senior citizens housing development

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February 15, 1990

Dear Ben. Bourchot:

The AARP Alaska State Legislative Committee met in Juneau on February 6-7 and adopted the attached position papers regarding senior citizen housing and long-term care. To supplement the Committee's long-term care position, we are also enclosing a research and issue paper prepared by our Health and Long-term Care Subcommittee, which outlines the problem at the national level as well as within Alaska.

The State Legislative Committee endorsed the principles expressed in HB 382 regarding absences from Alaska, which establish uniformity between the Longevity Bonus program and the Permanent Fund Dividend program. The Committee also voted to support HCR 38 and SCR 36--both of which resolutions call for an Alaskan Conference on Aging to be held in 1991.

If we can be of assistance in any of these matters, please feel free to contact me at 586-2066, Mr. Joe Alter at 586-6680, or any member of our Capital City Task Force (CCTF) listed below.

In behalf of the 34,000 older Alaskans who belong to the American Association of Retired Persons, we thank you for your continued interest in the positions expressed by the AARP Alaska State Legislative Committee.

Respectfully,

Bob Pavitt  
Chairman

Mrs. Mary Lou Meiners - 586-2568  
Mrs. Maxine Race - 586-1661  
Ms. Harriet Roberts - 463-3234  
Mr. Robert Thibodeau - 586-2138  
Mr. Warren Wild - 789-7628



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**SENIOR CITIZEN HOUSING  
POSITION PAPER**

BACKGROUND/PROBLEM

Since 1980, Alaska's senior population has grown by 66% to more than 19,000 residents according to the Department of Labor. It is one of the fastest growing age groups in the state. If Alaska's population continues to grow older as projected, the senior population could double soon after the year 2000. Many seniors who formerly would have retired Outside are now remaining in Alaska.

Affordable, secure, accessible housing facilities with attendant supportive services are meager at best, and totally unavailable in most rural and urban Alaska communities. Thus, the strong desire of older Alaskans to remain independent as long as possible in their own homes must give way to some other housing solution when they can no longer maintain a private residence.

It is socially and economically advantageous to all Alaskans to effectively address senior citizen housing needs.

PROPOSED SOLUTION

Mechanisms must be established to enable and encourage seniors and their families, profit or non-profit organizations and government agencies to work cooperatively in meeting the needs. Development of alternative approaches, home equity conversions and provision of methods for realistic financing are but a few of the topics which must be addressed. Appropriate lands on which to locate necessary facilities need to be made available.

Physical housing, as such, is not the only aspect to be addressed in meeting senior needs. Greater support must be provided for adult family care, weatherization, day care, respite care, case management, and other services which make it possible for a senior to stay in his or her own home as long as possible.

In summary, necessary lands, financing methods, mechanisms for cooperative action and supportive services must be made available if we are to solve senior citizen housing problems in Alaska.

PROPOSED LEGISLATION

SB 150 would create a senior housing office in the Department of Community and Regional Affairs, and a revolving loan fund for all types of senior housing.

HB 218 would expand the Alaska Housing Finance Corporation's authority to include loans to build congregate housing for seniors, and to cooperatively establish a pilot program of such housing.

These bills currently in the Alaska Legislature would constitute a start in addressing senior housing problems, and the AARP ALASKA STATE LEGISLATIVE COMMITTEE supports passage of this legislation.



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**COMPLETING THE CONTINUUM OF QUALITY LONG TERM CARE IN ALASKA  
POSITION PAPER**

One of the most serious health issues facing our State is the increasing need for a comprehensive and coordinated long-term care system, consisting of institutional as well as home and community based services. As health care is improved, more and more Americans are living longer, often with chronic disabilities. Consequently, a comprehensive range of medical, personal and social services must be developed and coordinated to meet the physical, social and emotional needs of chronically ill and disabled people of all ages. These services may be delivered in an institution, in the community or in a person's residence. Individual cases are planned on the continuum of care basis with emphasis on individual needs and optimum maintenance of individual choice.

Home and community services such as homemaker, personal care, adult day care, respite care and congregate living facilities enable people to live in the community as long as possible, and provide the necessary support for their informal caregivers. A state level system could insure that all persons in need of long-term services would enter the system through a uniform evaluation system. An Alaskan long-term care plan must meet strong consumer protection standards.

Alaska faces a unique problem in meeting the long-term care challenge. Institutional care in Alaska, unlike many states, has been of high quality. It is important to maintain that quality care for nursing homes while establishing the beginning level of intervention.

Alaska is lagging behind the national scene in its establishment of home and community based services. These services have been spotty in their location and have been inadequately funded. Dedicated providers have been forced to deliver services and base spending programs on an ever shrinking budget. Many areas of the state are underserved. Both the legislature and consumers must be vigilant in their efforts to maintain the high quality of institutional care and bring on board the home and community-based services.

**PROPOSED LEGISLATIVE ACTION**

1. Promote legislation and appropriation to take advantage of a "Medicaid Waiver" that would fund programs to deliver home and community based services. (The state unsuccessfully applied in 1984.)
2. Promote legislation and appropriation to develop a comprehensive and coordinated program of home, community, and institutionally based services that would serve uniquely Alaskan needs.
3. Promote legislation that would promote a bonding program to encourage private sector congregate housing for seniors.



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**LONG TERM CARE ON THE NATIONAL SCENE**

**RESEARCH & ISSUE PAPER**

The entire American health care system is receiving critical and concerned scrutiny. The United States is the only industrialized nation other than South Africa without health insurance for all citizens. Almost all Americans lack adequate protection for the costs of long term chronic conditions. The "new" definition of long term care refers to a comprehensive range of medical, personal and social services developed and coordinated to meet the physical, social and emotional needs of chronically ill and disabled people of all ages. These services may be delivered in an institution, in the community or in a person's residence.

People of all ages may need long-term care including children and young adults who are physically disabled. Other people in need include the developmentally disabled, chronically mentally ill and those with chronic infectious diseases like AIDS. Older people represent about two thirds of those who require long-term care assistance.

Federal programs that finance long term health and social services include Medicare (limited coverage), Medicaid (strict income eligibility requirements), the Veterans Administration, the Social Services Block Grant Program and Title III and the Older Americans Act. Medicaid is a federal program paying most of the costs. The Medicaid program's eligibility, criteria and services vary widely among the states and contribute to the fragmentation of the long-term care system. Current financing nationally comes primarily from two sources: Private payments by individuals and families and public payments by Medicaid. While the private long-term care insurance shows signs of growth, it is still in its infancy. Recent projections by the Brookings Institute indicate that the proportion of total nursing home care financed through private insurance by the years 2016-2020 will be between 7 and 12 percent at the most.

**ALASKAN LONG TERM CARE**

"Health care still only accounts for about 4 percent of all state and local government spending in Alaska, compared to the average of all states of about 12 percent." (Governors Interim Commission Report.) The role of the state is to assure that a full continuum of long term services is available to the needs of functionally-impaired individuals in the least restrictive setting at affordable cost. The services should include: (1) in-home assistance; (2) community services; (3) long-term care services in specialized housing such as congregate housing; (4) high quality institutional care; and (5) rehabilitative services.

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There is no question that seniors prefer to remain at home. Nevertheless home and community based services are only in their inception. Numbers of skilled workers will be needed to staff these services. There appears to be broad support for completing the long-term care continuum, but consistent funding must also be provided to allow a broad array of service. Present nursing homes would not be dismantled. Rather, as people age, the acuity of cases going into nursing homes will require even more skilled care. People will move in both directions along the continuum of care if appropriate services are provided.

**MAJOR LONG TERM CARE PROBLEMS IN ALASKA STILL TO BE SOLVED:**

1. Cost containment;
2. Fragmentation of services;
3. Growing long term personnel shortage;
4. Mental health as an unmet need;
5. Diversity of population to be served;
6. Needs of the informal care givers, family and friends;
7. Lack of long-term care options for the middle class;
8. Loss of Public Health Nurses (Numbers now available smaller than before statehood. Budget constrictions mean less competitive salaries.)

(The 1990-91 OAC State Plan addresses many of these problems.)

January, 1990

# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**