



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of
Health and Social Services

ALASKA COMMISSION ON AGING

P.O. Box 110693
Juneau, Alaska 99811-0693
Main: 907.465.3250
Fax: 907.465.1398

April 4, 2015

The Honorable Pete Kelly, Co-Chair
The Honorable Senator Anna MacKinnon, Co-Chair
Senate Finance Committee
Alaska State Capitol, Rooms 518 & 516
Juneau, Alaska 99811-1182

Regarding: Support AHFC's Senior Citizen Housing Development Fund, SB 26 Capital Budget

Dear Chair Kelly and Chair MacKinnon:

The Alaska Commission on Aging is concerned about the need for well-designed housing for seniors as a strategy to control the growth in long-term care spending. During these times of fiscal constraint, we recognize the difficult budget decisions you are called upon to make. We want to take this opportunity to share how important senior housing is for the growing number of older people in Alaska. More seniors are choosing to remain in Alaska and appropriate, affordable housing is a critical need statewide.

Alaska's communities are aging. Not only are the numbers of seniors increasing at unprecedented rates, life expectancy is increasing thanks to advances in medical science. In Alaska, average life expectancy has increased from 72 years in 1980 to 78 years currently. As a result, many seniors live longer after developing chronic health issues, disabilities, and Alzheimer's disease and related dementias. While families have traditionally cared for their elderly loved ones at home, many are now being called upon to provide specialized care for longer periods of time – which some families are unable to do.

Alaska's demographic transition has significant economic consequences. Alaska's cost of institutionalized care for seniors and other disabled individuals is among the highest in the nation, averaging \$200,000 per person annually for nursing home placement. Affordable senior housing, combined with appropriate home- and community-based support services, facilitates the ongoing independence of older Alaskans. ACoA's recent needs assessment activities (FY2014-2015) for the Alaska State Plan for Senior Services FY2016-2019 show that senior housing ranked in the top three issues of importance for Alaska seniors according to 2,300 survey responses from seniors statewide and 130 participants of six Elder-Senior Listening Sessions.

Alaska Housing Finance Corporation's (AHFC) Senior Citizen Housing Development Fund (SCHDF) is the *only* senior housing fund available in Alaska that directly results in the construction of new senior housing units. According to AHFC, the Senior Housing Development Fund has leveraged \$2 non-state funds for every \$1 SCHDF funds; provided gap financing for 73 senior housing projects with 1,420 units

(SFY1991-SFY2014); created 35-45 construction jobs with each year's \$3.5 million allocation; and funded accessibility improvements for over 300 senior households statewide.

We ask for your consideration to restore at least partial funding for AHFC's Senior Citizen Housing Development Fund which has been funded at \$4.5 million for the last five years. Housing specifically designed for the senior population helps seniors to remain living independently longer which improves the quality of life for seniors, increases their abilities to contribute to their families and communities, and has the potential to save the State money from institutionalized care. We have attached ACoA's Resolution in support of AHFC's Senior Citizen Housing Development Fund. Thank you for your consideration of the need for senior housing and for your leadership serving Alaskans!

Sincerely,

Mary E. Shields
Chair, Alaska Commission on Aging

Sincerely,

Denise Daniello
ACoA Executive Director

Cc: Senator Peter Micciche, Vice Chair
Senator Click Bishop
Senator Mike Dunleavy
Senator Lyman Hoffman
Senator Donald Olson