Affordable Assisted Living in Alaska

Honoring Traditions by Keeping Our Elders Close to Home

Financial Feasibility Analysis
and
Business Plan Guidebook

State of Alaska
Department of Health and Social Services
Senior and Disabilities Services

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Published and Funded By

State of Alaska
Department of Health and Social Services
Senior and Disabilities Services

Robert Wood Johnson Foundation
Coming Home Program

Alaska Housing Finance Corporation

Project Steering Committee

Alaska Department of Commerce and Economic Development
Alaska Department of Health and Social Services
Alaska Housing Finance Corporation
Alaska Native Tribal Health Consortium
Denali Commission
HUD Office of Native American Programs
Rasmuson Foundation
USDA Rural Development

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April 2004
Revised February 2008

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Introduction

This Business Plan Guidebook is designed to help community organizations in Alaska understand how to develop small, sustainable assisted living homes. Completing this Business Plan will help you to determine whether you have a realistic and financially feasible project. It will also help you develop a complete financial application for various funders to consider. Most of the major funders for assisted living projects in the state have helped create this model, and they may utilize it as part of their funding applications.

Part I of this Business Plan Guidebook can probably be completed within a relatively short time and at minor expense. It will help you begin to assess whether an assisted living home is a reasonable project for your community. Try to include as much community involvement as possible from the beginning of the project. Formulation of a multi-agency Steering Committee is recommended. Completing the Community Self-Assessment could be the primary activity for the first Steering Committee or community meeting you call. These activities are explained in more detail in Parts I and II of this Guidebook.

Following the steps in Part II of the Business Plan Guidebook will require more investment. Part II will explain to you what you need to do in order to make a "go/no-go" decision. These steps include contracting for a market study and needs assessment, conducting a preliminary financial feasibility analysis, and examining the site for suitability. After completing these activities, you will have a very good idea of whether your concept is feasible.

You may want to contract with a consultant or developer to work through Parts II and III of the Business Plan with you, or your organization may have the capacity to complete these steps. Contact the DSDS Rural Long-Term Care Office or the housing agencies for suggestions for knowledgeable consultants and facilitators.

Part III completes the Business Plan. You will complete this section if this is a project in which you want to invest. Completion of the narrative and the financial feasibility analysis will put your project into a format that funding agencies and other key supporters can understand and appreciate.

Part IV includes a number of helpful resources, including a list of potential funding sources for the predevelopment and development phases.

The Appendices include information and tools that will be helpful to you as you move through the development process. The Guidelines for Optimal Design (Appendix H) is a compendium of best practices, and will be useful to anyone interested in building a home where quality of life for the residents is the most important consideration.

Most of the required predevelopment work for an assisted living home project can be completed within a year. Finding the funding for your project may take one to three more years. Construction will probably take about another additional year. Careful planning, a thorough understanding of the purpose and scope of assisted living home services, and a commitment to efficient construction and operations will ensure that you develop a strong and sustainable project.

Preface to the Revised Edition

This guidebook was updated in early 2008 to reflect the changes that have inevitably occurred in the assisted living world since it was first published in 2004. The business plan template in Part III was revised slightly to reflect the AHFC GOAL application and the Denali Commission requirements more closely. Contacts and funding sources have been updated, and some additional resources have been included into the appendices.

Detail has been added to Section H, Guidelines for Optimal Design, which was originally written by Robert Jenkens of NCB Capital Impact (www.ncbcapitalimpact.org). The update was accomplished with the help of Karla Zervos, of Lifespan Home Modifications (www.homemodification.com). It was also reviewed by the Center For Long-Term Care Supports Innovation at NCB Capital Impact.

The revision process was funded by the Pre-development Program, a joint effort of the Alaska Mental Health Trust Authority, the Denali Commission, Rasmuson Foundation, and the Foraker Group. We would also like to thank Mark Romick and Bob Pickett at the Alaska Housing Finance Corporation for their ongoing support for the project.

If you are considering building and/or operating an assisted living home in Alaska, this should be a good resource to help you understand the requirements and prepare your business plan. Good luck with your project!

– Patricia Atkinson, Sustainable Solutions
– Kay Branch, Alaska Native Tribal Health Consortium
– Kjersti Langnes, Senior and Disabilities Services
February 2008

Acknowledgements

The State of Alaska is fortunate to have received funding from the Coming Home Program, a partnership between the Robert Wood Johnson Foundation (RWJF) and NCB Development Corporation. The Coming Home Program is designed to help communities develop affordable assisted living residences that integrate housing with health, social and personal care services for frail or chronically ill older persons and assist them to live as independently as possible.

Robert Jenkens, Vice President of NCB Development Corporation and Deputy Director of the Coming Home Program, provided leadership, vision, and technical guidance throughout the project. His expertise in affordable assisted living development and his experience with other states was invaluable and much appreciated.

The following individuals gave their insight, encouragement, time, and energy during the development of this project as members of the Steering Committee:

- Charles Fagerstrom, *Alaska Native Tribal Health Consortium*
- David Vought, *HUD Office of Native American Programs*
- Deborah Davis, *USDA Rural Development*
- Frank Peratrovich, *Alaska DHSS, Division of Behavioral Health*
- Gary Mandzik, *Alaska DHSS, Division of Behavioral Health*
- George Hieronymus, *Rasmuson Foundation*
- Greg Gould, *Department of Community and Economic Development*
- Jim McCall, *Alaska Housing Finance Corporation Senior Housing Office*
- Joel Niemeyer, *Denali Commission*
- Jon Sherwood, *Alaska DHSS, Office of Program Review*
- Kevin Perron, *Senior and Disabilities Services*
- Michelle Anderson, *HUD and Denali Commission*
- Steve Ashman, *Alaska DHSS, Senior and Disabilities Services*
- Tessa Rinner, *Denali Commission*

We thank the three pilot projects; Yukon-Kuskokwim Health Corporation, Louden Tribal Council, and Tagiugmiullu Nunamiullu Development Corporation for their extraordinary and much appreciated patience and flexibility as we worked out the final details.

Mark Romick from Alaska Housing Finance Corporation provided critical support and direction to the project. We are grateful for his knowledge, patience, good humor, and willingness to review things on a moment's notice.

Finally, we would like to especially thank Kay Branch at the Alaska Native Tribal Health Consortium for her leadership throughout the Alaska Coming Home project.

– Patricia Atkinson and Terri Sult
April 2004

Part I: Background Information and Community Self-Assessment

Assisted Living in Alaska – Background Information

History and Current Status of Assisted Living in Alaska

The first assisted living homes in Alaska for frail elderly people and people with physical disabilities were licensed in 1995, and the number of homes has grown steadily since that time. As of January 2008, 260 homes were licensed through the State Division of Public Health. Nearly three quarters of these are located in the Municipality of Anchorage. Other large concentrations are found in the Mat/Su Valley, Fairbanks/North Pole area and on the Kenai Peninsula. Southeast Alaska has seven licensed facilities, three of which are Pioneer Homes. Only five homes are currently operating outside of these areas. The remaining five homes are located in Barrow, Kotzebue, Dillingham, Tanana, and Kodiak.

An assisted living home helps elderly people and people with disabilities maximize their independence and dignity by providing a residential setting with personal and healthcare services, including 24-hour supervision and assistance. The home provides activities and services designed to: 1) accommodate individual residents' changing needs and preferences; 2) maximize residents' choice, dignity, autonomy, privacy, independence, quality of life, and safety; and 3) encourage family and community involvement.

Affordable assisted living refers to a fee schedule for room, board, and services that is affordable to people with moderate or limited income and resources. People in affordable assisted living may be on Medicaid, General Relief, Social Security, or SSI; or they may have limited retirement or other private funds. Medicaid currently funds over half of the assisted living services in Alaska.

Most assisted living homes in Alaska are small (serving five or fewer residents), private, for-profit businesses. They are usually located in residential areas; single-family homes operated by a sole proprietor with few or no additional staff. There are also some apartment style assisted living homes, often operated by community agencies or governmental units such as a borough or city. The state operated Pioneer and Veterans' Homes are licensed assisted living homes as well. Anyone who cares for more than two unrelated people in their home, or who accepts Medicaid or general relief for payment regardless of their size, must be licensed by the State of Alaska as an assisted living home.

Independence, privacy, and dignity are important considerations in the design of assisted living homes. Assisted living units with private bedrooms and bathrooms, shared only by the choice of residents (for example, by spouses, partners, or friends), are preferred. Each resident should have private personal space. People should not give up the right to privacy simply because they need services.

Assisted living homes are an important part of the continuum of long-term care. Home and community based services, such as personal care attendants, senior centers, adult day centers, senior transportation, and home health services may meet the initial needs of aging and disabled individuals. Assisted living homes provide a greater level of services for frail Elders and people with disabilities, often allowing them to remain in their home communities when their need for care escalates beyond what their family or home-based services can provide. Assisted living homes often provide care for people with very extensive needs. Nursing homes provide the most skilled and intensive level of care. Nursing homes may also provide short-term services. If available, a person may transfer from the nursing home to an assisted living home when their condition improves or stabilizes.

In some communities, combining more than one function inside of a building makes economic sense, and assisted living may thus be part of a multi-use facility. Some communities have proposed combining assisted living with adult day services, senior meal service, hospice, housing for health care workers, office space, clinic, frontier extended stay clinics, and other compatible uses. So long as the safety and comfort of residents is ensured, multi-use buildings may be considered for assisted living homes.

An assisted living home is a business, bringing much-needed employment and revenue to a community. The logistics of operating a licensed home, however, requires a high level of commitment and expertise. Assisted living is a 24 hour a day, seven day a week operation, requiring skilled staff and management, an accessible home or building, and consistent community collaboration and support. Planning and fund-raising for development of the home may take years of effort. Once built, continual operational subsidies may be needed to keep the home functioning.

Required Services in a Licensed Assisted Living Home

This list was compiled from recommendations in Operational Practices in Assisted Living, Ruth Gulyas, Editor. American Association of Homes and Services for the Aging; 1999. It is a "best-practices" comprehensive list of the services expected in an assisted living home.

The following services should be available, accessible, and in sufficient quantity to meet resident needs:

- Three balanced, nutritious meals and at least one snack offered daily at consistent times. Efforts must be made to accommodate special dietary preferences and needs.
- Basic housekeeping services provided weekly within individual units. These services should include vacuuming, dusting, emptying trash, cleaning the bathroom and performing annual heavy cleaning.
- Comfortable furnishings and storage space for clothing and personal possessions. Towels and bed linens furnished weekly, or more often if necessary. Residents are encouraged to bring their own furnishings and linens, but the home must provide them if needed.
- Assistance with activities of daily living (ADLs): walking, eating, dressing, bathing, toileting and transfer between bed and chair.
- Assistance with instrumental activities of daily living (IADLs): doing laundry, cleaning of living areas, food preparation, managing money and conducting business affairs, using public transportation, writing letters, obtaining appointments, using the telephone, and engaging in recreational or leisure activities.
- Medication assistance and management.
- Emergency response systems that residents can activate.
- Health promotion and monitoring, such as blood pressure, pulse rate and weight checks.
- A variety of social, educational and recreational activities that include opportunities for socialization and wellness – including exercise – offered both within and outside the assisted living residence.
- Coordination, arrangement and ongoing evaluation of service provision.
- Transportation services that are either provided, arranged or coordinated by the assisted living program.
- Supervision and oversight for persons with cognitive disabilities.

Overview of the Development Process

The following sequence is a rough overview of the development process. Many of these steps will be included in the Business Plan. Funding agencies may require additional development steps.

- *Establish a steering committee.*
- *Determine community readiness – conduct a community self-assessment.*
- *Develop community interest and gain community support.*
- *Obtain predevelopment funding.*
- *Contract with a developer (optional).*
- *Conduct a needs assessment and market analysis.*
- *Determine financial feasibility for development and operation.*
- *Complete predevelopment activities:*
  - » Select a site and obtain site control
  - » Prepare preliminary architectural drawings
  - » Obtain an engineering assessment
  - » Conduct an environmental review
  - » Obtain a third-party confirmation of development cost estimates
  - » Determine the roles of various agencies
  - » Develop a management plan
  - » Obtain letters of support from community and regional organizations
  - » Write a business plan
- *Obtain funding.*
  - » Determine likely funding sources (see Part IV, Grant and Loan Funding Sources)
  - » Write grant and/or loan applications
  - » Use multiple funding sources
- *Hold ongoing community meetings to build and maintain community support.*
- *Construct the facility.*
  - » Finalize plans, drawings and specifications
  - » Seek fire marshal and DEC approval for plans
  - » Identify the contractor; use local labor whenever possible
  - » Obtain construction materials
  - » Begin construction
- *Develop and implement an operations start-up plan that includes:*
  - » development of operational policies and procedures in accordance with licensing requirements;
  - » staffing plans for the ramp-up period and at full occupancy;
  - » staff training plans;
  - » marketing plan.

Operating Expenses and Revenue

Assisted living home operating expenses and revenues are generally categorized in three areas: rent, food, and services.

Rent: Assisted living home rents typically range from about $300/month to the Fair Market Rent for a studio or one-bedroom apartment in your area. Residents typically pay the rent from a portion of their own income. Rental subsidy programs, such as Section 8, the RD 515 program, or NAHASDA, are sometimes available and may be necessary for some individuals.

Food: The cost for food may vary depending on how much subsistence food is donated and used, raw food costs in your area, bulk food purchasing policies, and other unique factors. Some assisted living homes have worked out cost-saving arrangements for food to be delivered from other large commercial kitchens, such as a hospital or senior center. The cost savings from this may have to be balanced with the drawbacks of outsourcing the food service. Food preparation in the home can stimulate appetites, provide activities for residents, and create a more home-like environment. These benefits are important considerations. Residents usually pay for food from their own income.

Services: The cost for services in Alaskan assisted living homes range widely, from $2,000 to $5,000 per month. Residents or their families may pay for the cost of services (private pay), or a third party may pay, such as a governmental agency or insurance company. The Medicaid waiver is the most common payer. If a person qualifies for the Medicaid waiver, the home bills Medicaid for services, and residents are only responsible for paying for room and board.

Financing for Construction

Assisted living home construction may be funded by a combination of grants, loans, bonds, tax credit proceeds, or private funds. In high-cost rural areas, it may not be possible for the operations to carry debt. If this is so, all development costs will need to be paid by grant funding sources. The primary funder of assisted living in Alaska to date has been the Alaska Housing Finance Corporation (AHFC). The AHFC GOAL Program (Greater Opportunities for Affordable Living) is the application source for Low Income Housing Tax Credits, the Federal HOME Program, and the Senior Citizen Housing Development Fund (state general funds).

Other significant sources for grant funding may include the USDA Rural Development Program, HUD, NAHASDA, Federal Home Loan Bank, Indian Community Development Block Grant, Community Development Block Grant, Denali Commission, and Rasmuson Foundation.

A more detailed list of potential funders is located in Part IV. It is important to research funding sources thoroughly, since new sources may emerge, and old sources may change their focus. Local organizations should not be overlooked.

Community Readiness: A Self-Assessment Tool

The Community Readiness Self-Assessment Tool will help determine whether your community is ready for assisted living, and whether your community has the resources considered necessary for a successful and sustainable home. It could be conducted with a group of community leaders and interested community members, perhaps during an initial Steering Committee meeting or community forum. You may want to have a facilitator who is familiar with assisted living development help you conduct the self-assessment.

The questions included in the self-assessment are meant to be open-ended, and should lead the community to a sense of whether the project is reasonable and necessary. There are no "scores" associated with the answers. Rather, the assessment should provide an overall picture of the relative strengths and weaknesses of the community. It may help you identify areas that can be easily fixed, or it may point to more serious gaps in support. Assign a person to record the discussion and conclusions, and distribute this summary to the community to stimulate further discussion.

Each community in Alaska is unique, and should carefully evaluate whether they can build and operate a successful home. Although assisted living homes are not feasible in all communities, there are many rural communities that could support new or additional assisted living homes.

Need

- *Have all other home and community-based options been explored?*

(Sometimes communities can meet the needs of their Elders by providing less intensive home and community based services. Alternative home and community-based services may include independent senior apartments with some services, personal care attendants, companionship, home delivered meals, senior center meals and activities, chore services, transportation, errand services, home health, or home modification such as ramps, handrails, and accessible bathrooms.)

- *How many people really need assisted living, and would they be willing to move into an assisted living home?*

(Your formal market analysis will assess the actual demand; this is a more informal question about people's willingness to use assisted living if it were available. If you are depending on people moving from other towns or villages, are you sure they will really be willing to do so?)

- *Are there at least 1,000 people in the market area?*

(Areas smaller than 1,000 in population may not have enough eligible people to occupy a sustainable home. Isolated and road-system towns and villages with small populations and limited services are encouraged to develop or provide alternative home and community-based services for Elders and people with disabilities. Small communities may consider strengthening their connections to larger communities by collaborating with subregional or regional centers to develop assisted living homes.)

- *Do other needed community services exist that could be combined with an assisted living home?*

(If residents' safety can be guaranteed, there may be compatible services that could share building expenses. Examples include office space, senior center, independent senior apartments, adult day center, child day care, clinic, etc.)

- *What competition exists within the market area? Will this project negatively affect any other program?*

(Where do people currently go when they need assisted living services? Will developing a home in your community negatively affect any other homes or programs in the community or region?)

- *What unique and necessary characteristics of an assisted living home have been identified for this community?*

(Examples include such things as a view of the river, steam rooms, proximity to the center of town, special accommodations for families, subsistence foods, etc.)

Community and Regional Support

- *Has the community engaged in any general planning or community development efforts that clearly show that services for Elders and people with disabilities are a priority?*

(Is an assisted living home part of the City comprehensive plan? Have regional and community organizations passed resolutions of support?)

- *Does the community understand what assisted living is, and are they demonstrating a commitment to planning and developing it?*

(If assisted living is not currently a service offered in the community, people may not understand what it really is. Spending time educating the community about assisted living will pay off with more community support. Describe community education efforts and any planning groups or meetings specific to the assisted living project.)

- *Has the community had an opportunity to formally express their opinions and preferences about the development?*

(Have any community forums been held? If so, what kind of participation and comments did they get?)

- *What agencies have been involved in this effort, and what level of coordination exists?*

(Relationship building is a key component of a successful project. A broad-based coalition of support will assure funders that this is a community priority. Identify agencies and individuals that could lend support, and work to bring them into the project.)

- *Are community leaders committed and ready to take action?*

(Identify key community leaders whose support you still need. Document the commitment you already have.)

- *Can you demonstrate that this project has support at the regional level?*

(For example, resolutions of support from the boards of regional health corporations, regional housing authorities, borough assembly, regional non-profit organizations, etc.)

Available Community and Regional Resources

• *Is there a hospital nearby, with regular and reliable transportation available to it?*
(Since many people in assisted living have complex medical needs, a nearby hospital may be important. If you are far away from a hospital, will that influence your decisions about who will be cared for in the home? Is telemedicine available and utilized?)

• *What other long-term care and health services are currently available in the community?*
(Is there a nursing home, home and community-based services, and/or a clinic? Who operates them? Are they available to everyone? What is missing that might be important for keeping Elders close to home? See Appendix F on Page 47 for a list of potential home and community based services.)

• *What other senior services are currently available, and how strong are the organizations that provide them?*
(Is there a senior center, senior transportation, senior meal site, adult day services? Who provides these services? Are these providers supportive of the proposed project?)

Community Readiness

• *Is there a good site available within the community, and can it be secured?*
(Identify potential sites. Identify possible obstacles to using the site. Take into consideration the needs and preferences of the people who will be using the home. Good sites are usually close to other services, close to utilities, and central to the community.)

• *Can the current infrastructure (e.g., utilities) support the project?*
(Check with the Utilities Manager in your area to be sure that a new project could be added.)

• *Are trained care providers already present within the community? What workforce problems can be anticipated?*
(Examine the licensing requirements for staff. Is there anyone experienced enough to administer the home? You will need people on staff 24/7; will this be a problem? How can workers receive training?)

• *Has a lead agency been identified, and do they have the necessary expertise and experience to lead the project?*
(The lead agency should have enough development and housing management experience to convince funders that the project will be well managed. Consider hiring a developer to manage the development process, or property managers to operate the building if there is not enough internal expertise.)

Next Steps

Gaining Community and Regional Support

The most important component to get your project off the ground is to develop and sustain interest and gain support for the project within your community and region.

The importance of this step cannot be overemphasized. You do not want to put your effort into something that will ultimately fail because of a lack of community support, which is the fate of many well-intentioned projects. Community and regional support doesn't just happen even if you have a good idea. You have to systematically educate and inform people, and if they think the project is a good idea, you have to nurture and sustain their support for the project. When you get to the point of seeking funding, your proposals will not be rated highly unless you can clearly demonstrate that an assisted living home is a high priority for your community and the region.

For help with this, you may want to contact the State of Alaska, Senior and Disabilities Services, Rural Long Term Care Development. They may be able to provide support and assistance to you, provide a guest speaker at one of your events, or facilitate a meeting for you. Their phone number is 1-800-478-9996.

Following are some suggestions for gathering and documenting community and regional support:

- Formulate a Steering Committee, and ask all regional and local organizations to participate. Although every organization may not choose to participate, they should be given the opportunity. Hold regular meetings at least once a month. Take minutes, distribute them to people by e-mail, and keep the records. If key people are not participating, call them on the phone, or visit them in person to ask for their participation. Ask them to appoint someone to represent their organization.

- Hold regular, open community planning meetings and forums. Publicize them as much as you can with posters, radio announcements, newspaper ads, CB radio announcements, or however the word gets out in your community. Give the public an opportunity to share their hopes, concerns, and questions. Many people have had painful experiences with sending their Elders to the city for the care they needed. They may be big supporters if they think this can spare other people from similar experiences. Be sure to record what is said and by whom, and send it out to everyone on your Steering Committee and to the local media. Be sure to inform the community regularly, as plans will develop and change, and caution people that the realities of developing a financially feasible home may mean some good ideas don't get implemented, but all ideas will receive serious consideration.

- Take every opportunity you can get to be on the radio, television, or in the newspaper to publicize your efforts and educate the community about assisted living. Often, people do not really understand what assisted living is, and your efforts to educate the general public are essential to gathering support.

- Make a special effort to reach out to Elders in the community. If they gather for lunch at the senior center, sit down and eat with them regularly. Include Elders in all phases of the planning process. Be sure this is something they want, and that they understand what assisted living is and what it can do for them. Ask for their help when you are designing the home to make sure it meets their needs.

- If there are Elders who are particularly esteemed by the community, make a special effort to obtain their support for your project. Ask them to be your spokesperson at events. Invite them to your Steering Committee meetings. Make sure they understand what the assisted living home will offer and how it will help people.

- Get on the agenda of your Tribal and/or City Councils every few months to update them on your progress. Ask for official Resolutions of Support (example is in the Appendix). Update these resolutions regularly (at least once a year).

- Visit Tribal Councils in the region, especially if you are depending on their support. Make sure you invite them to your Steering Committee meetings, and include them in any correspondence sent out regarding the project.

- Get on the agenda of any regional meetings of the Board of Directors of relevant organizations (for example: regional health corporation, regional housing authority, or other regional organizations). Ask for Resolutions of Support, and update the resolutions regularly.

- If there are any regional or local comprehensive plans being developed, make sure your project is listed as a high priority.

- Be sure your local legislators are aware of your efforts. Ask for their support.

Project Concept Outline

At this point you need to determine whether you want to proceed with the project. Is this a project you want to pursue or is it more than what you had anticipated? Can other services meet the identified need with less expense and trouble, or do you perceive an assisted living home as a necessity for your community?

If you choose to move forward with the project, write a brief summary of the project. The summary should include approximately how many people will be served, a description of the services you want to offer, where the home will be located, and who the community partners and development team will be. Summarize the findings from your Community Readiness Self-Assessment. You are now ready to proceed to Part II.

Part II: Initial Assessment

Following these guidelines and completing these activities will give you the information you need to decide, before you have too much invested, whether you want to continue with the project or not. The Initial Assessment will give you enough information to arrive at a "go/no-go" decision. A professional and objective consultant or developer may be employed at this point, or the sponsor agency may have the expertise to accomplish these predevelopment activities.

Review Findings from Part I

The Community Readiness Self-Assessment should be carefully reviewed. What weak areas were identified? How significant are they? One of the most significant findings that communities may identify is a lack of other home and community based (HCB) services. If there is not a strong continuum of services that includes personal care attendants, chore services, transportation, home modifications, adult day services, and meals (either at a senior site or home-delivered), then the need for assisted living may not be clear. Provision of any of the above services is easier and more cost-effective than building a building and providing 24-hour staff in an assisted living home. Sometimes the addition of HCB services can alleviate the perceived need. In other words, people may think they need assisted living, when a less intensive level of service may actually be more appropriate. Conversely, if other HCB services are lacking, an assisted living home may become a service hub for better economies of scale. Development of an assisted living home may allow the concurrent development of adult day services, senior center, meal service for seniors, and other services. Each community must evaluate these considerations in light of their own circumstances.

Examine the Project Concept Outline to see whether it 1) fits the identified needs, 2) is a reasonable and cost-effective project, and 3) has any immediately apparent significant obstacles to development. Make changes as needed.

Market Analysis

A market analysis is one of the most critical determinants of project viability. It should be conducted early in the planning process, and will likely be repeated when application for funding is made. In fact, projects which apply for Alaska Housing Finance Corporation GOAL funds must have a market study completed by a third party, who has been contracted directly by AHFC for the FY 2008 cycle and future cycles. Following is some general guidance on Alaskan assisted living market studies, but be sure to check with potential funding sources for their exact requirements.

Market studies should evaluate each of the program elements. For example, if independent housing or adult day services are included in the proposed plan, the market study should address each component. A market study will generally have the following components:

Market Area Analysis:

- *identify the primary market area (PMA);*
- *analyze population, household, income, employment trends in the PMA;*
- *identify proximity and availability of services.*

Supply Analysis:

- *investigate new rental units under development;*
- *conduct a competitive supply analysis;*
- *identify property characteristics;*
- *discuss market characteristics.*

Demand Analysis:

- *perform income eligibility calculations;*
- *calculate capture rates;*
- *estimate demand;*

Operating Expense Analysis:

- *determine reasonable and typical project operating expenses in the PMA.*

Market studies conducted in Alaska for assisted living homes should address some unique considerations if they are to provide an accurate assessment of the market. One of the things that distinguishes Alaskan assisted living homes from homes in the other states is a much greater dependence on Medicaid funding. As a result, assisted living residents in Alaska often have a higher level of disability than is seen in other states because of the stringent eligibility criteria associated with Alaska's Medicaid waiver. Therefore, use of standard factors to evaluate the level of frailty for assisted living may result in an overestimation of the market. For market studies in other states, if Elders have one or two activity of daily living (ADL) deficiencies they may be considered eligible for assisted living homes. However, people with one or two ADL deficiencies will seldom qualify for the Alaska Medicaid waiver. Thus, if a high percentage of Medicaid residents is anticipated for a proposed assisted living home, the market study should be based on a disability factor of at least three or more ADL needs.

Applying standard statistical interpretations to small population areas is also problematic. If home and community based care options are limited, the actual market penetration may be higher than

standard formulas would indicate. In addition, people who have left an area to obtain assisted living or other HCB services elsewhere may be drawn back when new services become available. These returning residents may be undercounted if standard methodologies are employed. Other individual preferences may emerge to skew the statistical analysis of small population areas. Thus, in small population areas, interviews with prospective residents and their families are essential to an accurate market analysis. See Appendix A, page 37 for a sample interview form.

Typically, market surveys evaluate the ability of potential residents to pay for assisted living. They may determine that people must be over and/or under a certain income level in order to qualify for Medicaid or to pay privately, leaving middle-income people out of the eligibility equations. However, the availability of Medicaid Miller Trusts in Alaska makes assisted living affordable to a broader range of people. Therefore, it may be reasonable to include all income levels in market studies conducted for assisted living homes in Alaska.

For all of these reasons, it is important that the market analysis is conducted by people who are knowledgeable about the unique conditions and considerations for assisted living in Alaska, especially in rural areas, and who are familiar with Medicaid eligibility and payment for assisted living. Sustainability is critically dependent on an accurate market analysis.

Needs Assessment

In small markets (fewer than 10,000 people) or for homes serving a large geographic area it is especially important to conduct a needs assessment as a part of the market study. Statistical and other data obtained from the market analysis provide important information, but variables that can only be evaluated by a needs assessment become more important in small markets.

A needs assessment will include qualitative data collected from interviews, community meetings, focus groups, and other means. It may include results from the Community Readiness Self-Assessment Tool in Part I, and a discussion of the availability of other home and community based services, as well as other residential long-term care resources and the impact the proposed project will have on them. A needs assessment will evaluate the amount of community support for a project, and will evaluate overall community readiness as well.

The main purpose of the needs assessment will be to determine the number of individuals who would likely be appropriate for the proposed home, and who indicate a willingness to move to a home if one were available. Talking with community leaders, family members, current service providers, and the Elders and people with disabilities can accomplish this.

Needs assessments are also used to identify the capacity gaps in the existing infrastructure. A needs assessment should provide a means for improved communication and coordination among all interested organizations and individuals. The process will get community members and a variety of stakeholders involved in the decision-making process, help them understand the difficult choices that need to be made, and build community support and commitment for the project.

At the outset, needs assessments should carefully define the questions that will be answered by the data collected. For an example of a needs assessment survey, see the Appendix.

Site Evaluation

The proposed site, determined during the community development process, should first be evaluated based on its appeal to potential residents, or marketability. Will people want to live in that location? Is it convenient for family visits? Does it have a desirable view? Is it close to community services and events?

Other things to consider in an initial site evaluation are any potential "extraordinary development costs" or site control issues. Site checklists developed by AHFC, Denali Commission, or Alaska Native Tribal Health Consortium may be helpful.

Preliminary Financial Feasibility Analysis

The Excel Spreadsheets that are included in this Business Plan Template to determine financial feasibility can be used for a preliminary analysis by utilizing the "plugged numbers" provided on the spreadsheets when necessary, and inserting actual costs when known. This preliminary analysis can be done fairly quickly. Refer to the instructions provided with the spreadsheets for specific guidance.

Summary Report and "Go/No-Go" Decision

A succinct and explicit report summarizing all of the information collected to date should be written and disseminated to all interested people and organizations. The information collected so far should be sufficient to determine whether this is a project worth developing. A "go/no-go" decision should be made with community input, based on the information gathered to date. The following factors would be significant "red flags" which should result in a "no-go" decision:

- *project does not look financially feasible*
- *market is weak or uncertain*
- *significant site problems*
- *lack of community and/or regional support*
- *absence of critical infrastructure (utilities, health care, transportation, workforce)*

A "no-go" decision at this point may mean that the project should be abandoned, or it may mean that additional work needs to be done before proceeding. The decision should be based on economic and social realities.

If the project appears feasible, and a "go" decision is made, completion of a Business Plan is the next step. Part III provides a template for an Assisted Living Business Plan. Completion of the Business Plan will provide a concise package for developers and funders to consider.

Part III: Business Plan

Information for this section was adapted from several sources, including the Alaska Housing Finance Corporation GOAL Program 2008 Application Kit; the Denali Commission Health Facility Project Business Plan Template (amended for elder assisted living in 2005), the Department of Community and Economic Development, Rural Utility Business Advisor Program, Business Plan Guidebook (January 2004); and Business Planning for Non-Profits, a notebook developed for the AHFC Alaska Training Institute February 23-25, 2004, by ICF Consulting.

Executive Summary

The executive summary is the most important section of the business plan. Explain the fundamentals of the project: what it is, who your customers are, who the owners are, how it will be funded, community support, phases of development, and other key highlights from your business plan. Make it positive, professional, complete and concise. "Sell" the idea that the proposed project is realistic, needed and sustainable.

This is the section that will bring all the other sections together to present the "big picture" on how your organization will manage the assisted living home. The executive summary should be about two pages long. It should be prepared after all of the other sections have been completed, and then placed at the beginning of the Business Plan.

Applicant Information

Provide a page that lists the following information:

- *Applicant name and mailing address;*
- *Applicant type (non-profit, for-profit, regional housing authority, CHDO, individual, etc.);*
- *Contact person information (name, title, phone, fax, email);*

- *Applicant Tax ID number;*
- *List of Board of Directors with contact information;*
- *Project name;*
- *Location of project;*
- *Authorizing statement; for example:* To the best of my knowledge and belief, all of the information contained in this application and attachments is true and correct, and the activities proposed in this application have been duly authorized by the governing body of the applicant.
- *Signature of authorized representative.*

Project Description

The Project Description is a narrative that describes the project, and should include the following elements:

- *Population to be served: how many, age, special characteristics, income brackets, % Medicaid Waiver;*
- *Services to be provided and who will provide them;*
- *Number of units, their square footage, and total building square footage;*
- *Design of the building, including other building uses;*
- *Design of the individual units and the common space;*
- *Description of amenities in the units and in the common space, including parking;*
- *Condition and adequacy of infrastructure (sewer, water, electricity);*
- *Special features or services;*
- *Proposed funding partners;*
- *Marketing plan;*
- *Challenges which have been overcome.*

Project Site Information

Include the project street address, and the borough or census area in which the project will be located. Include the complete legal description. Attach evidence of site control. Indicate the size of the site in acres or square feet. Indicate any zoning issues. Describe utility availability. If utilities are not currently available, what is the cost to bring utilities to the site? Is there road access? If not, estimate cost to bring necessary road to the site. Are there any improvements on the site?

Describe the neighborhood where the site is located and note other types of development in the immediate area. Discuss the suitability of the site for the proposed/existing development. Note any potential environmental issues (e.g. floodplain status, wetlands, permafrost, critical habitat, endangered or threatened species, noise, toxic or radioactive materials) and your plan to address any identified issues.

Community and Regional Support

Is there broad-based community support for this project? Refer to the Gaining Community and Regional Support section in Part I of the Business Plan Guidebook for items to include in this section. Attach documentation of any Resolutions of Support or Memorandums of Understanding or Agreement, and evidence of community and regional involvement in the planning process. If there is a Community Plan, is this project listed as a priority?

Market Analysis and Needs Assessment

Summarize the highlights of the market analysis and needs assessment. Include a description of the market area, supply analysis, demand analysis, and conclusions of the market analysis. See the guidelines for assisted living market studies in Part II of the Guidebook, Page 15.

Include the market analysis and needs assessment in the appendix of the business plan.

Development Schedule

Development Activity	Scheduled Completion Date	Completed? (Y/N)	Comments/ Details
Market Study Completed			
Site Control Secured			
Phase I Environmental Review Complete			
Zoning Approval Obtained if Necessary			
Site Purchased			
Architect Selected			
Engineer Selected			
Schematic Designs/Working Drawings Complete			
Local Building Code Review Complete			
Final Plans and Specifications Complete			
Permanent Financing Application Submitted			
Construction/Rehab Loan Application Submitted			
Construction/Rehab Loan Commitment Received			
Contractor Selected			
Construction/Rehab to Begin			
Construction Complete			
Permanent Loan Closing			
Rent-Up Period (months to reach sustaining occupancy)			

Architectural Plans

Attach copies of the preliminary architectural plans. Describe any innovative design features that you believe the project will exhibit. What makes this a good design for an assisted living home in your area?

Capacity of the Lead Agency and Development Team

Provide a brief narrative statement regarding previous experience the development team has in developing similar housing. Include both the organizational experience and experience of specific individuals who will be involved in this project. List the key members of the Development Team, including the developer, general contractor, architect, structural engineer, mechanical engineer, electrical engineer, civil engineer, tax attorney (if applicable), consultant, accountant, and management company.

Management and Staffing Plan

This section addresses the management, staffing, and staff training for the project. It is important to demonstrate that you have adequately trained staff to manage the construction phase as well as ongoing services; address these separately. The following components should be included:

- **Legal Structure and Ownership.** Describe whether the project will be part of a larger organization, or independently structured. Identify the owner of the project. Clearly state who owns it and who will manage it. If there is a joint ownership or management agreement in place, what are the provisions? Attach a copy or proposed copy of any contracts dealing with management or joint ventures.
- **Management Plan.** State whether a professional management firm will be involved in the project. Will there be an on-site resident manager? Describe management's previous experience in owning and managing similar housing. Describe your resident selection procedures.
- **Maintenance and Repair Plan.** Include a maintenance schedule.
- **Organizational Chart.** This describes in graphic format the supervisory and reporting relationships in the project. It creates a better understanding of the supervisory responsibilities, relationships, and flow of information in your organization. Explain how the assisted living home fits into the overall organizational structure.
- **Number and Type of Workers.** Explain how this will vary during the rent-up period. Detail the responsibilities of the main job categories (see the Personnel Overview beginning on Page 93 for descriptions of typical employees in assisted living homes.)
- **Training.** Discuss any training programs that will be required. Discuss possible cost, scheduling, staff involved, personnel qualifications.
- **Salary and Benefit Plans.**

Match and Leverage Contributions

List the source, amount, and date to be contributed for each of the following categories of contributions:

1. *Cash*
2. *Below Market Loans*
3. *Grants*
4. *Taxes and Fees Waived or Deferred*
5. *Finance Fees Waived*
6. *Donated Land*
7. *Donated Materials*
8. *Bond Financing*
9. *Other Sources of Match or Leverage Funds*

Development Cost Estimates

Include an independent cost estimate for the development costs in the Appendix.

Financial Feasibility Analysis

Complete the Excel workbooks included in this Guidebook. This will include the development of detailed budgets for construction and operations.

Risk Analysis

Risk analysis includes an identification of the risks, an evaluation of the seriousness of the risks, and your ability to overcome them. Address any the following types of risk that may be applicable to your project:

- *Financial*
- *Political*
- *Regulatory Environment*
- *Groundbreaking (if this is a new kind of project in your region or town)*
- *Faulty Assumptions*
- *Crucial Factors*
- *Cycles and Trends*
- *Cash Flow*
- *Organizational Ability*

Appendices

Include the following attachments to the business plan:

- *Market Analysis/Needs Assessment*
- *Documentation of Community and Regional Support*
- *Independent Cost Estimates*
- *Architectural Plans*
- *Documentation of Site Control*
- *Financial Feasibility Analysis (Excel Workbook)*
- *Supporting Legal, Contractual, and Other Documents*

Part IV: Resources

Helpful Resources for Training and Information

State or Local Resources

www.state.ak.us
State of Alaska home page. Includes information on all state government departments and divisions, communities, news, jobs, public notices, an employee directory, and legislative information.

hss.state.ak.us/dsds
State of Alaska, Department of Health and Social Services, Senior and Disabilities Services. Includes information on the following programs: Nutrition, Transportation and Support Services; Home and Community Based Services; Alaska Commission on Aging; Adult Protective Services; Alaska Medicare Information; Assisted Living Licensing; Medicaid Waivers; Information and Referral; Personal Care Attendant Program; Quality Assurance; and Rural Long Term Care Development. (800-478-9996 or 907-269-3666)

www.ahfc.state.ak.us
Alaska Housing Finance Corporation. Click on Senior Housing for information about senior housing loan programs and the Senior Housing Office. Click on Download for information about the GOAL program. (907-330-8436 or 800-478-AHFC)

www.alzalaska.org
The Alzheimer's Disease Resource Agency of Alaska. A statewide organization dedicated to providing a broad range of programs and services for individuals with Alzheimer's disease and related disorders, and their caregivers. (907-561-3313)

www.aksbdc.org
Alaska Small Business Development Center. "One-on-one counseling, informational seminars, resource referral . . . we exist to help Alaskan businesses begin, prosper and grow." (907-274-7232 or 800-478-7232)

www.opagak.org
Older Persons Action Group, Inc. Provides advocacy, information, referral and employment for older Alaskans; publishes Directory for Older Alaskans and Senior Voice. (276-1059 or 800-478-1059)

www.alaa-alaska.org
Assisted Living Association of Alaska. Statewide nonprofit with a mission to "create a unified voice for those served in assisted living homes, to increase the quality of assisted living by developing standards of care, to provide opportunities for continuing education, to advocate on behalf of residents and providers as is necessary, and to create a proactive and positive relationship with our legislators and with the State of Alaska that will be to the benefit of the populations that we serve". (alaa_alaska@yahoo.com)

www.hss.state.ak.us/dph/CL/ALL/default.htm
State of Alaska, Department of Health and Social Services, Public Health – Assisted Living Licensing. Includes resources, forms and contact information regarding assisted living licensing processes in Alaska. (269-3640 or 1-888-387-9387)

alaska.networkofcare.org/aging/home/
Alaska Network of Care. Provides regional and local information or resources on long-term care services in Alaska. (Internet only)

www.ywcaak.org/finances.htm
YWCA Women$Finances. A full-service small business and microenterprise development organization assisting women (and men) as they start and grow businesses in Alaska. The Alaska Microenterprise Incubation (AMI) Center is a project of the YWCA Anchorage Women$Finances program, a full-service small business and microenterprise development organization assisting women and men as they start and grow businesses in Alaska. The AMI Center provides:

- Below-market rate, shared office space
- Entrepreneurship training
- One-on-one business counseling
- Micro loans & access to capital consulting
- Personal financial awareness seminars
- Low cost graphic design & website support
- Networking and access-to-market opportunities

www.alaska211.org
Alaska 211, a project of United Way of Anchorage. Provides information regarding resources statewide. (Dial 2-1-1 or 1-800-478-2221)

www.commerce.state.ak.us/oed/smallbus/home.cfm
Small business assistance center – information about marketing, financing; online tools available for developing new business (269-5734)

www.commerce.state.ak.us/dca/edrg/EDRG_Search.htm
Alaska Economic Development Resource Guide. The Alaska Economic Development Resource Guide is designed to bring together in one place an inventory of programs and services which can provide economic development assistance to Alaska communities and businesses.

National or Federal Resources

www.aahsa.org
American Association of Homes and Services for the Aging. A national organization of nursing homes, continuing care retirement centers (CCRCs), assisted living and senior housing facilities. Includes advocacy for organizations that serve the elderly, conferences, training, resources, insurance and other services. (202-783-2242)

www.ncbcapitalimpact.org
NCB Capital Impact. "Promotes the development of affordable assisted living facilities for seniors in underserved communities by providing predevelopment loan funds and development expertise." (510-496-2225)

www.edenalt.com
The Eden Alternative. "Creates habitats for people who live and work in long-term care facilities." (607-674-5232)

www.alfa.org
Assisted Living Federation of America. "Serving the assisted living and senior housing industry." Services include an annual conference, online training, books and member bulletin boards. (703-691-8100)

www.alz.org
The Alzheimer's Association. "The largest national voluntary health organization committed to finding cure for Alzheimers and helping those affected by the disease . . . also provides education and support for people diagnosed with the condition, their families and caregivers." (800-272-3900)

www.rurdev.usda.gov/rhs
USDA Rural Development Rural Housing Services. Information on housing loans, community development, and developer opportunities. (907-761-7705)

www.hudclips.org
Hudclips. Offers free access to HUD's official repository of policies, procedures, announcements, and other materials. (907-271-4683)

www.ncal.org
National Center for Assisted Living. "Represents the assisted living profession's perspective to the many groups throughout society and government that shape laws, regulations, policies and opinions that will affect the future of assisted living." (202-842-4444)

www.BenefitsCheckUp.org
Benefits Check Up. A service of the National Council on the Aging, "a free, easy-to-use service that identifies federal and state assistance programs for older Americans." (Internet only)

www.ncbcapitalimpact.org/default.aspx?id=148
The Green House Concept®. This model "creates a small intentional community for a group of elders and staff. Its primary purpose is to serve as a place where elders can receive assistance and support with activities of daily living and clinical care, without the assistance and care becoming the focus of their existence." Center for Long-Term Care Supports Innovation, NCB Capital Impact contact Candace Baldwin: cbaldwin@ncbcapitalimpact.org. (703-647-2313)

ruralhealth.und.edu/
Center for Rural Health, University of North Dakota. The University of North Dakota is regarded as a national leader in rural and family health issues, the Center for Rural Health connects resources and knowledge to serve people in rural communities including assisted living. Provides information on funding opportunities, publications and resources on rural health services.

Glossary of Common Terms and Acronyms

AAL – Affordable Assisted Living – assisted living for low to moderate income adults.

ADL – Activities of Daily Living – walking, eating, dressing, bathing, toileting and transfer between bed and chair.

ADC – Adult Day Care – programs providing elderly adults with various social and some health-oriented services in a supervised outpatient group setting.

ALH – Assisted Living Home – Helps frail and cognitively impaired elders and adults with disabilities maintain independence and dignity by providing a congregate residential setting with personal and healthcare services, including 24-hour supervision and assistance. It provides activities and services designed to: 1) minimize the need to move; 2) accommodate individual residents' changing needs and preferences; 3) maximize residents' autonomy, privacy, independence and safety; and 4) encourage family and community involvement.

Care Coordination Services – assists clients in gaining access to Medicaid waiver and other needed services. Care coordinators are responsible for initiating and overseeing the assessment and planning process, as well as the ongoing monitoring and annual review of a recipient's eligibility and plan of care.

Certification – the process of becoming approved to provide services that are reimbursable by Medicaid. Certification is obtained by applying to SDS.

DHCS – Division of Health Care Services, in the State of Alaska Department of Health and Social Services. DHCS is responsible for administering the State Medicaid program.

DPA – Division of Public Assistance, in the State of Alaska Department of Health and Social Services. The Division of Public Assistance determines financial eligibility for Medicaid and other programs according to federal and state rules.

Enrollment – After certification is obtained from SDS, the Alaska Medicaid Provider Enrollment Form is submitted to FHSC. Enrolled providers receive a Medicaid provider ID number, which allows them to submit bills for services provided to Medicaid clients.

FHSC – First Health Services Corporation – the fiscal agent for the State of Alaska, Division of Health Care Services. Service providers submit Medicaid bills to First Health for processing and payment.

General Relief – a state-funded public assistance program for vulnerable adults. General Relief can pay for assisted living home services.

HCBS – Home and Community Based Services – a Medicaid waiver program offering alternatives to people who otherwise would have to be in a nursing home. Services may include respite care,

environmental modification, adult day care, transportation, specialized medical equipment, chore services, private duty nursing, care in an assisted living home, home-delivered meals, and regular Medicaid services such as office visits with physicians, prescriptions and personal-care attendants.

IADL – Instrumental Activities of Daily Living: doing laundry, cleaning of living areas, food preparation, managing money and conducting business affairs, using public transportation, writing letters, obtaining appointments, using the telephone, and engaging in recreational or leisure activities.

Licensing – the process of meeting safety and service standards to become eligible to operate an assisted living home. Licensing is administered by Division of Public Health Certification and Licensing.

LTC – Long-Term Care – a spectrum of health and social service programs designed to provide personal care assistance over an extended period of time. These include services in the home, assisted living and skilled nursing facilities.

Medicaid – a federal- and state-financed health benefits program that is available to children, families, disabled adults, the elderly and pregnant women whose incomes and resources do not exceed specific guidelines.

Medicare – a federally funded health insurance program available to U.S. citizens 65 and older, and certain disabled people, regardless of income or individual circumstances.

Respite Care – short-term relief for primary care providers, including family members, foster parents, and guardians in the form of alternative caregivers, whether or not it is provided in the recipient's home or at another location.

RSLA – Residential Supported Living Arrangements – refers to the variety of residential settings (including assisted living) in which assistance with activities of daily living and other services are provided to those who cannot live alone but do not need the 24–hour skilled medical care of a nursing home.

SDS –Senior and Disabilities Services, in the State of Alaska Department of Health and Social Services.

Senior Benefits Program – a needs-based benefit program available to all Alaskan seniors age 65 or older who meet certain eligibility requirements. Offers cash assistance.

Waiver – see HCBS.

Possible Predevelopment Funding Sources

Source of Funds	Loan or Grant?	Applicant Eligibility	Maximum Amount	Purpose of Funding	Timeline for Funding	Contact
Alaska Housing Finance Corp. *Senior Citizen Housing Development Fund or Special Needs Housing Grant Predevelopment Program*	Grant	501(c)(3) or (4) Non-profit corporations, municipalities, or regional housing authorities.	Usually $20,000	Authorized predevelopment activities related to the development of decent, safe and sanitary housing for senior citizens or AMHTA beneficiaries.	GOAL NOFA announced in August, usually every other year. Deadline is mid-October.	Mark Romick 907-330-8274 1-800-478-2432 mromick@ahfc.state.ak.us www.ahfc.state.ak.us
NCB Capital Impact *Revolving Loan Fund*	Loan	Non-profit organization meeting requirements set forth for the Coming Home program.	$100,000	Predevelopment funds for affordable assisted living homes.	Apply anytime.	Anne Geggie 703-647-2326 ageggie@ncbcapitalimpact.org Candace Baldwin 703-647-2352 cbaldwin@ncbcapitalimpact.org
Federal Home Loan Bank of Seattle *Challenge Fund*	Loan	Lenders apply on behalf of non-profit or for-profit housing developers or governments.	$10,000	Predevelopment costs. Must be repaid if project is constructed, waived if proven unfeasible.	Application deadlines are March 15, June 15, September 15, December 15.	Financial Institution Community Reinvestment Act Officer Judith Crotty Wells Fargo AK 907-265-2901 www.fhlbsea.com

Possible Predevelopment Funding Sources

Source of Funds	Loan or Grant?	Applicant Eligibility	Maximum Amount	Purpose of Funding	Timeline for Funding	Contact
Enterprise Housing Financial Services *Predevelopment*	Loan	Not-for-profit governments, partnerships, private developers, tribes, tribal entities.	No maximum	Predevelopment for community and economic development projects and housing that will serve low-income people.	Apply anytime.	www.enterprise foundation.org
Alaska Mental Health Trust Authority *Small Projects Funding*	Grant	Private non-profit organizationsm local government entities or tribal concerns.	$10,000	To create innovative new program ideas, substantially improve and supplement existing activities, or significantly increase the quality of ongoing projects.	Applications due February 1, June 1, and October 1 each year.	Luke Lind 907-269-7999 www.mhtrust.org

Grant Funding Sources for Assisted Living Development

Source of Funds	Applicant Eligibility	Maximum Amount	Purpose of Funding	Timeline for Funding	Contact
Alaska Housing Finance Corp. *GOAL Program (includes Senior Citizen Housing Development Fund, Low Income Housing Tax Credits, and HOME funds)*	Non-profit corporations, community housing development organizations, municipalities, regional housing authorities, private developers.	Varies based on program and applicant and AHFC appropriation.	To expand the supply of decent, safe, sanitary, and affordable housing for occupancy by lower-income senior citizens.	Once a year. NOFA usually released in August, deadline late October.	Mark Romick 907-330-8274 1-800-478-2432 mromick@ahfc.state.ak.us www.ahfc.state.ak.us
Alaska Division of Community and Regional Affairs *Community Development Block Grant*	Any Alaskan municipal government except Anchorage and Fairbanks.	$850,000 per community.	To provide financial resources for communities for public facilities and planning activities that encourage community self-sufficiency, reduce or eliminate conditions that are detrimental to the health and safety of residents, and reduce costs of essential community services. Funds used to primarily benefit people of low to moderate income	Applications distributed every September. Applications due in early December. Awards made every February or March.	Jill Davis Grant Administrator 907-452-2717 jill_davis@alaska.gov www.commerce.state.ak.us
Alaska Mental Health Trust Authority *Facility Capital Grant Program*	Non-profit corporations, municipal governments, or other political subdivisions of the state.	Varies depending on program and year. Minimum $10,000; most grants $50,000 to $75,000.	Facility renovation, deferred maintenance, accessibility improvements. Emphasis must be on improving quality of services for Mental Health Trust beneficiaries.	RFP usually available in November, due in winter, awarded in spring.	www.hss.state.ak.us/das/grants
Federal Home Loan Bank *Affordable Housing Program*	Lenders apply on behalf of non-profit or for-profit housing developers or governments.	Usually ranges between $50,000 and $800,000 per applicant.	To purchase, construct, or rehabilitate housing for families or individuals earning up to 80% of median income. Lower income limits preferred.	Twice annually; usually April and October.	www.fhlbsea.com

Grant Funding Sources for Assisted Living Development

Source of Funds	Applicant Eligibility	Maximum Amount	Purpose of Funding	Timeline for Funding	Contact
HUD *Indian Community Development Block Grant*	Federally recognized tribes or tribal organizations.	$600,000 per tribe maximum.	For use in developing viable Alaska Native communities, primarily for low and moderate income persons.	NOFA usually announced via Federal Register in February. Deadline for applications May. Awards announced September.	HUD Office of Native American Programs Donna Hartley 907-677-9880 Donna_Hartley@hud.gov www.codetalk.fed.us
HUD *Indian Housing Block Grant (NAHASDA)*	Federally recognized tribes or tribally designated housing entities.	Formula grant — varies from $0 to $14 million.	To develop, maintain, and operate affordable housing in safe and healthy environments.	Submit annually based on tribal fiscal year. Money available starting in January each year.	HUD Office of Native American Programs Donna Hartley 907-677-9880 Donna_Hartley@hud.gov www.codetalk.fed.us
HUD *Rural Housing and Economic Development Program*	Federally recognized tribes, state HFA's, economic development agencies, local rural non-profits and CDC's.	$400,000	To support innovative housing and economic development activities in rural areas.	SuperNOFA usually announced in February, deadline in May, awards announced in September.	www.codetalk.fed.us
HUD *Section 202 Capital Advance Program for Elderly*	Private non-profit organizations and consumer cooperatives.	Established annually. 2002 non-metropolitan 5 units: $895,464 + rental assistance program.	To develop new or substantially rehabilitated, or acquire existing housing and related facilities to serve the elderly. Repayment not required as long as housing remains for very-low-income elderly for at least 40 years.	NOFA announced via Federal Register once annually; usually during winter. Award announced late September.	www.hud.gov/local/anc

Grant Funding Sources for Assisted Living Development

Source of Funds	Applicant Eligibility	Maximum Amount	Purpose of Funding	Timeline for Funding	Contact
USDA Rural Development *Rural Business Enterprise Grants*	Public entities, federally recognized tribes, and private non-profit corporations. Operating entity must be small, emerging, private, for-profit enterprise at arm's length from the grantee.	No maximum. Usually less than $10,000.	Land acquisition and development, construction, conversion, enlargement and repairs of buildings, machinery, equipment, technical assistance, professional fees.	Three funding cycles each year, typically in December, February, and July.	www.rurdev.usda.gov
USDA Rural Development *Community Facilities Grant*	Non-profit organizations, public entities, and federally recognized tribes.	Varies. Non-federal matching funds required.	To construct, enlarge, extend or improve community facilities providing essential services in rural areas.	Apply anytime. Applying early in federal fiscal year is recommended.	www.rurdev.usda.gov
Rasmuson Foundation	501(c)(3) or other entities with broad community support.	No maximum. Will not be first or only funder.	Capital projects and expansion or start-up of innovative programs.	Apply anytime.	Joel Neimeyer Program Officer 907-297-2829 jneimeyer@rasmuson.org www.rasmuson.org
U.S. DHHS Administration for Native Americans *Social Economic Development Strategies (SEDS)*	Federally recognized tribes and majority-controlled Native non-profit organizations.	National SEDS competition award ceiling is $500,000 per year. Alaska SEDS competition award ceiling is $125,000 per year for a single applicant.	Projects that improve the overall delivery of human services; community-based economic, social and governance development programs and activities to build healthy, self-sufficient Native communities.	RFP available in January/February. National andAlaska competition deadline: late March.	PJ W-Bell ANA Project Director Region III T/TA Center Project Director 907-694-5711 866-694-5711 director@anaalaska.org www.anaalaska.org
First Nations Development Institute *Eagle Staff Fund*	Reservation-based tribal communities and ANCSA Native Villages.	$1,500 to $300,000. Funding varies yearly.	Community-based, culturally appropriate economic development efforts.	Apply by February 15, July 15, or October 15.	www.firstnations.org

Loan Funding Sources for Assisted Living Development

Source of Funds	Applicant Eligibility	Maximum Amount	Purpose of Funding	Timeline for Funding	Contact
Alaska Housing Finance Corp. *Assistance Provider Interest Rate Reduction Program*	Individuals, partnerships, joint ventures, non-profits, trusts, and regional housing authorities.	Varies. Reduced interest loan (either 3.5% or 2.5% less than current rates, depending on size of home).	To purchase, rehabilitate, or provide the long-term financing for construction of assisted-living housing occupied by live-in care providers and 2 to 5 residents.	Apply anytime.	Melanie Smith 907-330-8469 msmith@ahfc.state.ak.us www.ahfc.state.ak.us
HUD *Section 232 Elderly Health Care Facilities Loan Guarantee*	Investors, builders, developers, and private non-profit organizations.	No limit.	For developing, purchasing, or refinancing an elderly health care facility. Low-interest 40-year loan guarantee and mortgage insurance.	Apply anytime.	www.hud.gov/local/anc
USDA Rural Development *Community Facilities Loan*	Non-profit organizations, public entities, and federally recognized tribes.	Varies. $2 million to $3 million maximum. Small grants may also be available to round out loan.	To construct, enlarge, extend or improve community facilities providing essential services in rural areas.	Apply anytime. Applying early in federal fiscal year is recommended.	www.rurdev.usda.gov
USDA Rural Development *Business and Industry Guaranteed Loan Program*	Individual, profit or non-profit corporation, cooperative, or Alaska Native entity. Project must be in rural area or city of less than 50,000 population.	Loan guarantees of up to 90% of the loan amount; loans may be up to $25 million.	For financing business construction, conversion and modernization, equipment, facilities, machinery, supplies, working capital.	Apply anytime.	www.rurdev.usda.gov
Alaska Division of Investments *Small Business Economic Development (SBED) Revolving Loan Fund*	Companies that are small businesses as defined by the U.S. Small Business Administration, and are located within rural areas.	$300,000 maximum. $10,000 minimum. Must obtain additional private financing.	To create significant long-term employment and diversify the economy by providing start-up and expansion capital for small businesses.	Apply anytime.	www.dced.state.ak.us/investments

Loan Funding Sources for Assisted Living Development

Source of Funds	Applicant Eligibility	Maximum Amount	Purpose of Funding	Timeline for Funding	Contact
National Cooperative Bank	Cooperatives and ANCSA corporations, tribes, not-for-profit corporations, IRA councils.	$5 million	To provide financing for community development activities.	Apply anytime.	www.ncb.com
Evergreen Community Development Association *SBA 504 Program*	For-profit corporations or sole proprietors.	$1.3 million. Usually 50% bank, 40% Evergreen, and 10% borrower.	To stimulate economic development and create jobs.	Apply anytime.	www.ecda.com
Alaska Growth Capital	For-profit entities only.	$10 million	To provide a financing alternative to businesses that may have trouble gaining access to traditional bank financing.	Apply anytime.	John Delano Senior Loan Officer 907-339-6760 www.alaskagrowth.com

Part V: Appendices

A. Sample Needs Assessment Survey Instrument

1. Name: _____

2. Gender: ___ Male ____ Female

3. Native _____ Non-Native _____

4. Age: _____

5. Who do you live with? _____

6. About how many times a month do you go to the Clinic? _____

7. During the past year, have you been a patient overnight in a hospital?

_____ yes _____ no Where was it? _____

Why? _____

8. Have you ever been stayed in a nursing home, a long-term care unit, Pioneer Home or another assisted living home? _____ yes _____ no Where was it? _____

Why? _____

	Yes	No	Who Helps?
9. Do you have trouble doing light housework?	___	___	_____
10. Do you have trouble doing heavy housework?	___	___	_____
11. Do you have trouble walking by yourself?	___	___	_____

	Yes	No	Who Helps?
12. Do you have trouble preparing your own meals?	___	___	_____
13. Do you have trouble shopping?	___	___	_____
14. Do you have trouble using the telephone?	___	___	_____

15. Do you use any of the following services?			How often?
Meals at the senior center	___yes	___no	_____
Meals on Wheels	___yes	___no	_____
Senior Van	___yes	___no	_____
Home visits by a nurse or community health aide	___yes	___no	_____

	Yes	No	Who Helps?
16. Do you have trouble dressing?	___	___	_____
17. Do you have trouble getting in and out of bed?	___	___	_____
18. Do you have trouble bathing or showering?	___	___	_____
19. Do you have trouble keeping track of or taking your medications?	___	___	_____
20. How many medications do you take?	_____		
21. Do you have any trouble with incontinence?	___	___	_____

22. Have you ever visited the Pioneer Home or any other assisted living home? ___yes ___no

If yes, where? _____

What was it like?

23. A lot of people are interested in starting an assisted living home here. This would be a place where people could live if they need help with things like medications, meals, dressing, or bathing; where there is always someone awake in case help is needed. It would allow people to get the care the need without having to leave the community. Is this something that you think you might be interested in?

24. If you were to move, what are some things that would be important for a home to have?

23. Do you know about what your monthly income is? _____

25. Do you have any friends or family that depend on your income? _____Yes ____No

Who? _____

26. Do you have any family or friends that help you financially?

_____yes _____no Who? _____

27. Are you on Medicaid? _____yes _____no

28. The rates for assisted living homes in Alaska range from $3,000 to $6,000 a month. If Medicaid didn't pay for it, do you think that you or your family would be able to pay?

Thanks very much for talking to me.

B. Sample Resolution of Support

Title: Supporting the Development of an Assisted Living Home in (blank)

Whereas, the (agency) (description) (mission); and

Whereas, the (agency) desires to promote the health and well being of the Elders and people with disabilities of the (region or town); and

Whereas, it has been proven that Elders and people with disabilities live happier and longer lives when they can receive the comfort and support of their family and friends; and

Whereas, the availability of an assisted living home in (region or town) would allow family and friends to provide consistent care and support for Elders and people with disabilities; and

Whereas, the residents of (region or town) would benefit from an assisted living home because Elders would remain in the community to help pass on traditions and wisdom; and

Whereas, an assisted living home would create jobs and other economic benefits in (region or town); and

Whereas, an assisted living home in (region or town) would give Elders and people with disabilities a choice of care and lifestyle; and

Whereas, an assisted living home in (region or town) would allow Elders and people with disabilities to maintain their independence and dignity while receiving a high level of care and support;

Now, therefore, be it resolved that the (agency) Board of Directors supports the development of an assisted living home in (region or town), and agrees to work collaboratively with other local agencies to plan and develop an assisted living home.

Adopted by (agency) Board of Directors on (date).

Certified By:

_____ _____

C. Steps to Opening an Assisted Living Home

Step	How long might it take?	Cost?	Contact?	What has to be done?
1. Obtain assisted living home license. *(Mandatory if serving 3 or more residents or if accepting state General Relief or Medicaid funds)*	3 months from time complete application is received.	$25 per resident, plus costs associated with meeting licensing requirements.	Public Health Certification and Licensing 907-269-3640 (Anchorage) 1-888-387-9387 (Toll-Free)	**1.** Attend an orientation, or request one by phone if outside southcentral area. **2.** Submit questionnaire and resume. **3.** Request licensing application packet. **4.** Contact Department of Environmental Conservation if being licensed for 13 or more, and Fire Marshal if planning to serve more than 5 residents. **5.** Submit license application, fingerprints, background checks, and other requirements.
2. Obtain business license. *(Mandatory)*	Instantaneous (internet application). 3 weeks by mail.	$100	Division of Corporations, Business and Professional Licensing www.dced.state.ak.us/occ/ 907-269-8160 (Anchorage) 907-465-2550 (Juneau)	*Do this step before finishing Step 1; a business license is required to conduct a business in Alaska.* **1.** Fill out application online; or **2.** Download application and mail or fax; or **3.** Call or go to office in Juneau, Anchorage, or Fairbanks to get application.
3. Obtain Medicaid certification. *(Optional)*	2 weeks from time complete application is received.	No Cost	Senior and Disabilities Services Provider Certification Gail Clinch gail.clinch@alaska.gov 907-269-3657 (Anchorage) 1-800-478-9996 (Toll-Free)	*This step is necessary only if you want to accept residents who pay for services using the Medicaid Waiver program.* **1.** Submit application for assisted living home license first. **2.** Request "Home and Community-Based Services Provider Certification Packet." **3.** Fill out and submit application. Also fill out applications for respite and transportation services, if these are services you want to provide.
4. Enroll with First Health to receive Medicaid provider ID number. *(Optional)*	Up to 4-6 weeks after Medicaid Certification is obtained; however, bills can be submitted from time of certification.	No Cost	First Health Services Corp. Provider Enrollment Unit P.O. Box 240808 Anchorage, Alaska 99524 907-561-5650 (Anchorage) 1-800-770-5650 (Toll-Free)	First Health processes and pays Medicaid claims. Submit enrollment application to First Health.

Steps to Opening an Assisted Living Home

Step	How long might it take?	Cost?	Contact?	What has to be done?
5. Obtain General Relief Grant Agreement. *(Optional)*	1 week from time all necessary information is received.	No Cost	Senior and Disabilities Services Adult Protective Services Teresa Clark 907-269-3441 1-800-478-9996 (Toll-Free) teresa.clark@alaska.gov	This step is necessary only if you wish to accept residents who are on this state assistance program. Contact Teresa Clark with the following information: name of business, your name, mailing address, phone number, fax number, and tax ID # or Social Security number. You will need to fax a copy of your current assisted living home license.
6. Establish good assisted living business practices. *(Recommended)*	Ongoing	Variable	Alaska Small Business Development Center 907-274-7232 1-800-478-7232 www.aksbdc.org AMI Center www.theamicenter.com	You may begin this step at any time. Contact the Alaska Small Business Development Center, YWCA, an accountant, and/or an attorney to learn about business plans, legal structure, management issues, accounting, marketing, taxes, payroll, Workers' Compensation, business loans, and other information.
7. Network with other assisted living home providers. *(Optional)*	Ongoing	$150/year	Assisted Living Association of Alaska www.alaa-alaska.org	ALAA's mission is to help with self-monitoring, provide education, and advocate for seniors and the assisted living home industry. There are chapters in Anchorage, Fairbanks and Kenai, and it is open to providers statewide.
8. Inform local care coordinators about your home. *(Optional)*		No Cost	Senior and Disabilities Services 907-269-3666 1-800-478-9996 (Toll-Free) www.hss.state.ak.us/dsds/docs/carecoordinationagencies.xls	Ask for a list of care coordinators in your area, or check online. Care coordinators help place residents in assisted living homes, so it's important for them to know about your home.

D. Licensing Requirements

The following summary of licensing requirements is intended as a guide for new assisted living homes. It is based on the current State of Alaska statutes and regulations for assisted living homes licensed for five or fewer residents. Additional requirements apply to homes licensed for six or more residents. Please consult the statutes and regulations for more detailed information or clarification.

1. Requirements for the Administrator

- At least age 21.
- Current CPR and first aid certificates (or ensure that care provider has certificates).
- Evidence of freedom from active pulmonary tuberculosis.
- Pass criminal background check, including sworn statement, name check and fingerprints.
- Meet one of the four levels of experience requirements set out in the regulations (additional administrator requirements apply to homes licensed for eleven or more residents):
    - Complete an approved management or administrator training course and have at least one year of documented experience as a care provider; or
    - Complete a certified nurse aide training program, and have at least one year of documented experience as a care provider; or
    - Have at least two years of documented experience as a care provider, with documented skills or training; or
    - Subject to licensing agency approval on a case-by-case basis, have sufficient documented experience in an out-of-home care facility, and sufficient training, education, or other similar experience to fulfill the duties of an administrator.
- Two employer references.
- Three character references.
- Résumé.
- Appoint an administrator designee to act on the administrator's behalf for any period during which the administrator is absent for 24 hours or more.
- Language skills sufficient to meet residents' needs and access emergency services.
- Eighteen clock hours of continuing education annually.

2. Requirements for Staff

- At least 21 years old if supervising other care providers.
- At least 18 years old if working without direct supervision.
- At least 16 years old if individual has access to assistance from administrator or care provider who is at least 21 years old.
- A current clearance through the Background Check Unit.
- Evidence of freedom from active pulmonary tuberculosis.
- Current CPR and first aid certificates (at least one person on duty must have).
- Two employer references.
- Three character references.
- Language skills sufficient to meet residents' needs and access emergency services.
- Initial orientation and twelve clock hours of continuing education annually.

3. Requirements for the Physical Structure of the Home

- Water temperature between 100 and 120 degrees Fahrenheit.
- Facilities necessary for proper care, storage, and preparation of food.
- Detailed Disaster Preparedness and Emergency Evacuation Plan, with twice-yearly emergency evacuation drills, and the means and materials available to enable the home to implement the plan.
- Heating appliances must be safe and serviced regularly.
- First aid kit.
- Fire extinguishers: 2A-10BC or larger on each level of the home, mounted in readily accessible area.
- Flammable liquids must be stored safely.
- Garbage and combustible waste must be properly stored and disposed of properly and promptly.
- Smoke detectors must be installed on each level and in each bedroom.
- Windows in bedrooms must meet height, width and opening requirements, and at least one window in each bedroom must be fully opening to allow emergency escape.
- At least two other means of emergency escape.
- Structure must be sound, with no significant hazards.
- Guns must be locked and ammunition must be stored separately and inaccessible to residents.
- Furniture must be supplied by home for common areas and bedroom if requested.
- If home has private water supply, it must be approved and must be tested at least yearly.
- Sewage and liquid wastes must be discharged into public sewer system or another approved system.
- Homes licensed for six or more residents must meet additional state and local building code, fire code, and environmental protection and sanitation requirements.

4. Business Practices

- Understanding of taxes, insurance, accounting, Workers' Compensation and payroll.
- Organized, confidential records for each resident and staff.
- Budget for entire household.
- Written staffing plan.
- List of services offered.
- Financial reserves to sustain the business for at least three months without considering resident income.
- Understand that delays in reimbursement from Medicaid are common.
- Business plan is strongly recommended.

E. Residents of Alaskan Assisted Living Homes

(Note: these are hypothetical examples)

Average Assisted Living Home Resident

Female, age 78, widow, one adult son who lives out of state. She has lived in Alaska most of her adult life and chooses to remain instead of relocating nearer to her son. She has diabetes, heart and respiratory illnesses (chronic heart failure and chronic obstructive pulmonary disease). She suffers from mild depression and short-term memory loss. She was hospitalized recently for uncontrolled diabetes and is no longer able to live alone. Poor circulation from the diabetes has caused some gait problems and she currently uses a walker to ambulate. She has occasional incontinence due to the inability to walk quickly.

She needs supervision and some physical assistance with all ADLs. She needs help bathing and washing her hair, and minimal assistance getting dressed. She is at risk of falling and needs help stabilizing herself when arising from a bed or chair. The assisted living home will provide assistance with daily medication and a special diet to help control her diabetes.

Maximum Level of Care Assisted Living Home Resident

Male, 67, with a history of substance abuse and severe respiratory illnesses with recurrent bouts of pneumonia that require hospitalization. No family or other informal supports. Bed and wheelchair bound, maximum assistance required with all ADLs, including Hoyer lift for transferring from bed to wheelchair and bath. Resident is high risk for bed sores, frequent turning and skin monitoring necessary. This resident has a gastronomy tube for feeding and all medications are administered through tube. He is incontinent of bowel and bladder.

A similar example would be a male, 44, with advanced Multiple Sclerosis. He has a wife and three children in the community, but they are no longer able to care for him at home due to his high care needs and their other responsibilities. Requires maximum assistance with all ADLs and has some paralysis and seizure disorder. Resident is on antidepressant medication and has frequent mood swings that make it difficult to care for him.

Maximum Assisted Living Home Resident with Dementia

Female, 92, in the advanced stages of Alzheimer's disease. This client has family in the community, but is no longer able to recognize them. She is able to ambulate and has few other physical health problems. She has a poor appetite, is unable to chew and has difficulty swallowing. All food must be pureed and she needs physical assistance to swallow. She is incontinent of bowel and bladder and is afraid of bathing. She is often agitated and can be verbally abusive. She has difficulty sleeping and often gets up in the night and wanders around, trying to get out of the house.

Minimum Assisted Living Home Resident

Male, 76, with high blood pressure and coronary artery disease, past history of mild strokes. He has never been married, and has only a few friends that visit infrequently. He has some right side paralysis that inhibits his ability to perform his ADLs without supervision. He is able to eat on his own, but cannot prepare meals. He is still able to handle his own financial affairs and makes his own medical appointments. His primary needs from the assisted living home are supervision and cueing.

F. Description of Home and Community Based Services

Care Coordination – A service that helps clients to gain access to needed medical and social services. A care coordinator will assess clients' medical and social needs and work with other agencies to provide for those needs.

Information and Referral – Provide seniors with information about where they can obtain needed services (medical, social, legal, etc.) to continue to live independently.

Congregate and Home Delivered Meals – Meals for seniors provided in a senior center, village school or other community setting where seniors can eat together and visit. Meals can also be delivered to a senior's home if they are unable to attend. Funded through the Older Americans Act.

Transportation – Van service offered to transport seniors to congregate meals, medical appointments, shopping, etc. Funded in part by the Older Americans Act.

Respite Care – Short-term relief for primary care providers in the form of alternate caregivers. Respite can be provided in the client's home or another location.

Adult Day Centers – Supervised care in a social setting that can include a variety of health and social support services. Centers offer structured activities throughout the day, and attend to clients' personal care needs.

Homemaker and Chore Services – Housekeeping and other activities to maintain a client's home in a clean, safe, sanitary condition.

Home Modifications – Physical adaptations to a home that enable seniors to function with greater independence and ensure a safe home environment. Home modifications include grab bars, shower seats, enlarging doorways, installing ramps, etc.

Personal Care Services – Assistance with the activities of daily living in a client's home provided by a Personal Care Attendant to enable seniors to remain in the community.

Assisted Living Homes – A licensed congregate residential setting that provides for personal and health care needs of residents 24 hours a day.

Home Health – Health related services provided by a Nurse or Certified Nursing Assistant in a client's home.

Hospice/End of Life Programs – Palliative care for individuals with a terminal illness. Programs include nursing care and support, training for family and friends, and pain management.

G. Model Rural Assisted Living Homes and Other Community Solutions

Marrulut Eniit – Dillingham's Assisted Living Home

Marrulut Eniit (Yup'ik for Grandmother's House) is a 10-unit assisted living home that opened in Dillingham, Alaska, in February 2000. Dillingham is located in rural Southwest Alaska, on the shores of Bristol Bay, 400 air miles from Anchorage. The regional population is 7,700, dispersed throughout 32 villages. Dillingham is the regional hub for transportation and healthcare.

The development process began in the fall of 1996 when the Bristol Bay Native Association (BBNA) received predevelopment funding from the State of Alaska, Division of Senior Services, to conduct a needs assessment for assisted living in the Bristol Bay region. BBNA then organized a steering committee comprised of individuals from the agencies providing services in the region.

The needs assessment project included holding community forums in five regional villages to provide information about different types of housing and services, and to elicit opinions from residents about what type of services they would like to see in the region. Using the recommendations resulting from these forums, the steering committee decided to pursue developing a 10-unit assisted living home in Dillingham.

A separate 501(c)(3) nonprofit organization – Marrulut Eniit Assisted Living – was established that would own and operate the home and oversee the construction aspects. The Board of Directors included representation from all the regional provider agencies that contributed funds or services to the facility, each board member bringing the expertise of their agency. The board is comprised of representatives from the Housing Authority, Native Association, Area Health Corporation, City Government, Tribal Council and an Elder selected by the community. Each of the agencies signed a Memorandum of Agreement (MOA). The MOA's not only specified their commitment to the project by providing their services to the facility, but also specified financial support if the facility needed it in the future.

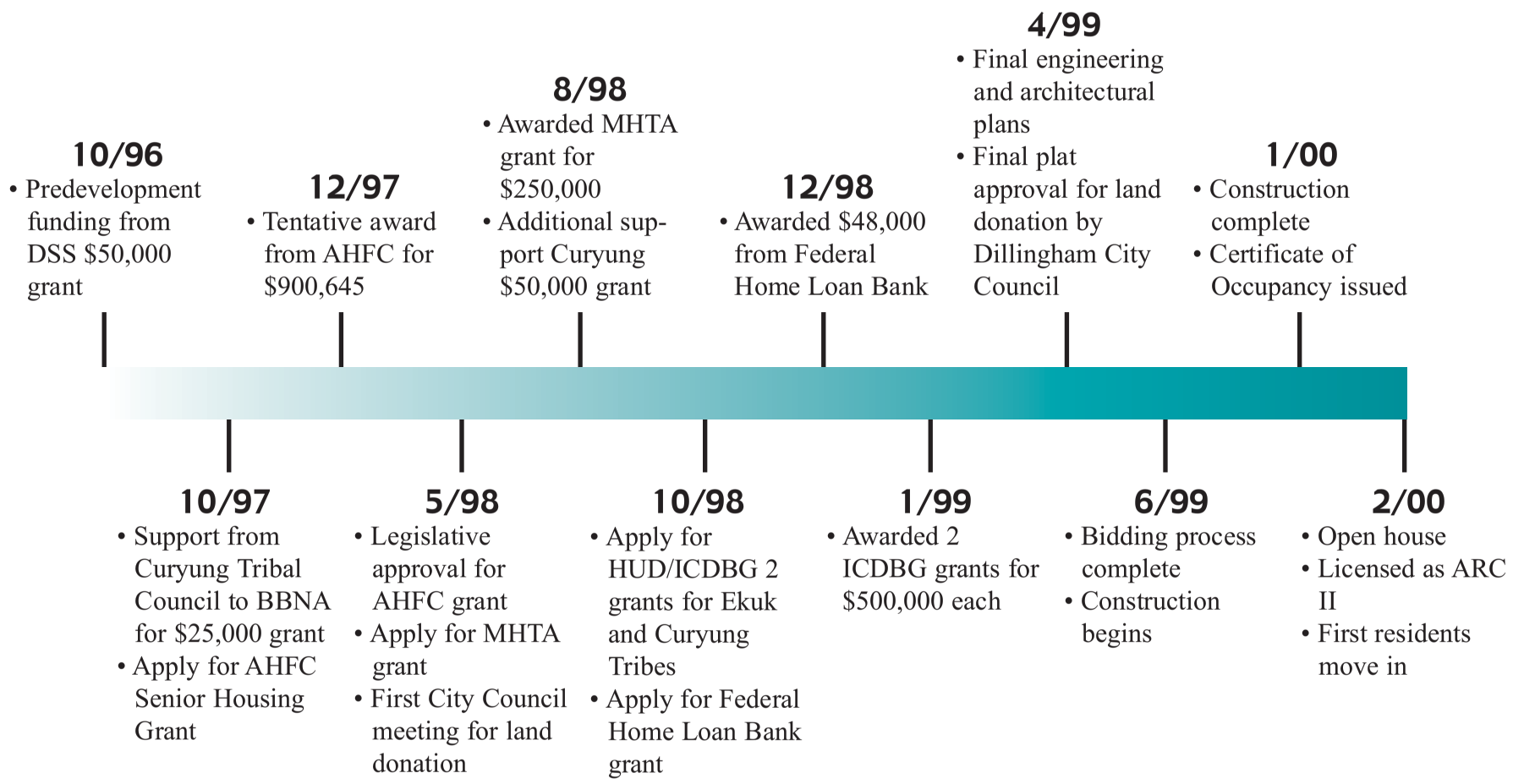
Curyung Tribal Council in Dillingham became the first agency to offer funding to begin the development phase of the project. They awarded BBNA $25,000 of their BIA compact funding. The City

of Dillingham donated a prime piece of property in the immediate vicinity of downtown and across the street from the local senior center and independent apartments.

Utilizing the services of a development contractor, Bristol Bay Housing Authority then applied for funding from Alaska Housing Finance Corporation, and received a Senior Citizens Housing Development Grant for $900,645. Once this funding was in place, the developer sought other grants from the Alaska Mental Health Trust Authority and the Federal Home Loan Bank. The final funding award came to Curyung Tribal Council and Ekuk Native, Ltd. in the form of two $500,000 HUD Indian Community Development Block Grants. The total funding for predevelopment, construction and furnishings was $2,323,645.

Construction began in the summer of 1999, and was completed in February 2000. After the formation of the nonprofit corporation and the completion of the construction of the facility, the housing grant recipients passed ownership of the facility to the new board of directors. The State of Alaska issued a license for operation as an Adult Residential Care II home. Marrulut Eniit became home to its first resident on February 14, 2000.

Timeline for Marrulut Eniit Assisted Living Development Process



The Green House®

THE GREEN HOUSE® model creates a small intentional community for a group of elders and staff. It is a place that focuses on life, and its heart is found in the relationships that flourish there. A radical departure from traditional skilled nursing homes and assisted living facilities, The Green House model alters facility size, interior design, staffing patterns, and methods of delivering skilled professional services. Its primary purpose is to serve as a place where elders can receive assistance and support with activities of daily living and clinical care, without the assistance and care becoming the focus of their existence. Developed by Dr. William Thomas and rooted in the tradition of the Eden Alternative, a model for cultural change within nursing facilities, The Green House is intended to de-institutionalize long-term care by eliminating large nursing facilities and creating habilitative, social settings.

Architecture - Warm, Smart, and Green

The Green House residence is designed to be a home for six to ten elders. It blends architecturally with neighboring homes, includes vibrant outdoor space, and utilizes aesthetically appealing interior features. The first Green House homes were designed by Richard McCarty, The McCarty Company, in Tupelo Mississippi. Richard and Dr. Thomas collaborated to create an environment that would be a home to the elders. The results were houses where each elder has a private room or unit with a private bathroom. Elders' rooms receive high levels of sunlight and are situated around the hearth, an open kitchen and dining area. While adhering to all codes required by regulations, Green House homes look and feel like a home, and contain few medical signposts.

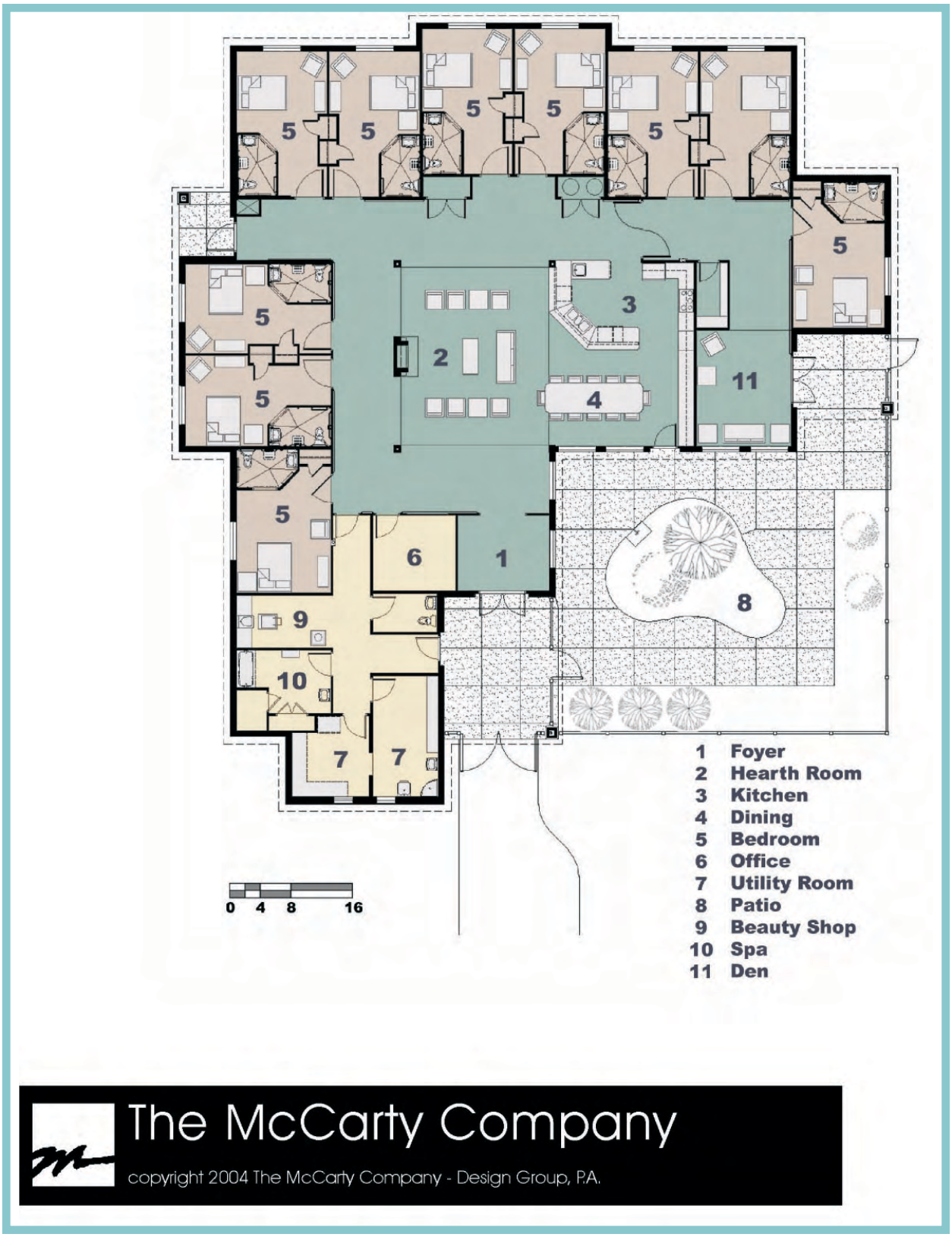
- *Warm:* Warmth is created by the floor plan, decor, furnishings, and the people.
- *Smart:* Use of cost effective, smart technology-computers, wireless pagers, electronic ceiling lifts, and adaptive devices.
- *Green:* Sunlight, plants, and access to outdoor spaces.

Green House® Life - It's a Home

Each elder enjoys a private room or unit with a private bath which they decorate with their own belongings. There is easy access to all areas of the house including the kitchen and laundry, outdoor garden and patio. Safety features are built into the house to minimize injury. The small size of The Green House home promotes less use of wheelchairs. The elder is free from the limitations of an institutional schedule and lives a comfortable daily life - sleeping, eating, and engaging in activities as they choose. Meals are prepared in the open kitchen and served at a large dining table where staff, elders and visitors enjoy pleasant dining (called convivium). This is characterized by good fresh food, a well set table often with music and flowers, and good conversation with people who care about one another.

(Information on the Green House is provided by the Center For Long-Term Care Supports Innovation at NCB Capital Impact. Contact Candace Baldwin for more information: cbaldwin@ncb-capitalimpact.org.)

The Green House® floor plan



H. Guidelines for Optimal Design

This section includes some considerations for the design of a small assisted living home. A well-designed assisted living home will support operational efficiency and work well from a practical standpoint. However, most importantly, it must be a home where quality of life for the residents is the most important consideration. It should have a warm, residential feeling to residents, family, and the staff who work in it.

It is important to include Elders and other community members in the design-planning phase. This will ensure that the home will incorporate important and unique community values.

These design guidelines are not meant to be comprehensive or all-inclusive. Some of these recommendations may not be allowed under certain zoning, building, and life-safety codes. When codes conflict with the "best practices" recommended here, you may want to discuss the possibility of a variance with the code authority to allow you to implement the best practice.

Overall Character

The overall character of an assisted living home should reflect a place where the resident's lifestyle and well being are the focus. The physical space can make all the difference in whether Elders feel like they are in their own home, or in an institution. The home should reflect a social model of care, not a medical model. Small assisted living homes have a wonderful opportunity to create a real home through residentially scaled spaces and home-like materials. A successful project is one that reflects the community, invites the community in, and feels comfortable to the residents.

Most Alaskans have a deep connection to the outdoors. Thus, the design should promote interior and exterior spaces where residents can enjoy nature and the change of seasons.

Following are some examples of ways to create a successful home:

- Design the home to be fully handicapped accessible, including access from the street and parking, outside spaces, common areas, all bathrooms and all units.
- Provide large window areas in all common areas and units. Avoid windows onto narrow courtyards or passageways.
- Minimize hallways. Create a central kitchen, dining, and activity area, with individual rooms arrayed around the central space.
- Each resident should have his or her own private unit, with a bathroom and kitchenette. It's important for residents to feel that they still have their own space, for privacy and convenience. Even if they seldom use the kitchenette, having it available will give residents a sense of independence and dignity.
- A home's entryway should be tasteful and homelike in scale and arrangement, without grand atriums, a reception desk, or a "nurse's station."
- Put carpet on all floors in common areas and living spaces, not vinyl or tile. Use non-skid tile or vinyl in bathrooms. Vinyl may be used in the kitchenette areas.
- Install wooden, instead of metal, window casings.

- Place wooden handrails or ledges in hallways (not molded plastic).
- Avoid suspended ceilings and acoustic tiles on ceilings. Use residential materials.
- Use lamps and wall sconces for lighting, not large overhead fluorescent lights. Use either incandescent bulbs or incandescent-colored fluorescent (warm yellow, not cool white).
- Avoid institutional operational details such as observation windows between rooms. Instead, where possible, arrange doorways and other residential opening to provide monitoring as needed.
- Use intercom or voice systems only for emergencies or resident initiated contact. Do not use tones or an audible call system that sounds throughout the home.
- Integrate the kitchen and food preparation areas into the common areas (i.e., open to living room). Food smells and activity may increase appetites, provide activities for residents, and allow staff to stay in the center of the home when preparing food.
- Do not locate service doors for kitchen deliveries next to or in sight of the main entry door. If the service door can not be located out-of-sight, build screen walls to block the view. Use wood, stone, or brick for the screen wall. Do not use commercial fencing (e.g., chain link with slates).

As the project developer, it is up to you to tell your architect what kind of home you want. The architect you select should be experienced in designing assisted living homes or other residential spaces for elderly people and willing to go through an interactive process with you to get to the best design. Be sure to look at examples of what your architect has already designed. If the architect you select is not familiar with the special requirements of designing for the frail elderly and people with disabilities, he or she should be willing to research appropriate designs, colors, textures, furnishings, and lighting.

Rules of Thumb

Unit Square Footage

Typical studio units are 385-420 square feet and include a bathroom, closet and kitchenette. One-bedroom units are typically 450-520 square feet. Market rate buildings often have larger units.

Project Square Footage

Approximately 650 "gross" square feet per unit is typical for the entire building square footage ("gross" means the total building square footage divided by the total number of residential units). At least 35% of the total square footage is usually dedicated to common space (dining, living, etc.), circulation (hallways), and service spaces (kitchen, office).

Parking

Design the parking area so it includes 1/2 space per unit. Since most residents will not have vehicles, this will be enough for staff, visitors, and occasionally residents. You may need a planning variance to reduce parking to 1/2 space per unit.

Living and Dining Room

The living room common area should accommodate 25% or more of the residents at any one time. Dining rooms should be designed to provide a minimum of 25 square feet per diner.

Design for Quality and Safety

Life Safety

An ideal assisted living home will meet the life/safety standards for people who cannot self-evacuate in case of an emergency. In Alaska, this is commonly known as building to I-2 construction codes. Many residents in Alaskan assisted living homes are very frail, or will age-in-place and become very frail. The building should be designed accordingly. Many residents will need substantial assistance, including with ambulation. You do not want your residents to have to move to a nursing home when they require assistance with ambulation and evacuation as this will force them from the community and increase your vacancy rate.

I-2 construction includes sprinklers throughout the building and attic, including closets, overhangs, and other areas where fires might occur (NFPA 13 standard), hard-wired fire detection in individual units and common areas, and firewalls. Although legally you may be allowed to build to a lower standard, you may not be allowed to house non-ambulatory people if the building does not meet the more stringent I-2 standards. Talking with your local state fire marshal early in the design process is essential.

Floors

Irregular or uneven walking surfaces catch feet, cause falls, and prevent wheeled mobility equipment from moving smoothly around the floor. Floors must be poured or framed very carefully to be completely level, as even a slight bump can be a tripping hazard for residents. There should be no thresholds at doorways, and minimal, handicapped-compliant transition strips between flooring types. Recess floor registers for heating or air vents as much as possible so the edges are flush with the flooring.

Eliminate floor mats and area or throw rugs and keep the types of flooring material the same as much as possible. Flooring must be slip resistant, since there are typically lots of chances for water or other spills. Maintain floors regularly. Repair squeaks, unevenness or sagging and patch carpet tears and holes.

Corridors

Corridors should be six to eight feet wide wherever possible, since this amount of space will allow people in walkers and wheelchairs to easily pass each other. You may also want to include recessed alcoves in the hallways with seating and lighting and windows for natural light. Corridors should be as short as possible, especially from residential units to the dining room and activity areas, to make

it as easy as possible for residents to ambulate within the home without assistance. Locate the common areas in the middle of the residential units, to halve the walking distance.

Wanderer Security

In order to safeguard residents who may wander (50% of assisted living residents in the US have or develop some level of cognitive impairment), provide an exit delay and staff pager alert system at all exterior doors. Delayed egress locks on exit doors will help safeguard people with dementia while still meeting most applicable life-safety codes (check with your local authorities regarding local and state standards). A delayed egress system typically works as follows: in order to exit, the "panic bar" on the door must be pushed for three full seconds which triggers a twelve second delay sequence before the door opens. When the door opening sequence is triggered, staff are alerted through their pagers, so they have time to respond. The doors can have a code override, often reset monthly to the current month and year (e.g. 1108) to avoid a resident with dementia from learning the code. Staff can give these codes to family members, but residents with dementia will typically have time to divine the code through observation before it changes. Facilities with adjacent yards can also include secure wandering paths that allow residents to leave the building. These paths lead around the grounds and back into the building within a fenced area.

Design for Operational Efficiency

Design the home to encourage self-sufficiency, which benefits residents by maintaining independence and reduces staff requirements.

Handrails

Handrails on both sides of interior and exterior stairways and along hallways, and pathways provide support and resting spots. They encourage independent resident activity and decrease the need for staff help. Handrails colors that contrast with the wall are more visible and more likely to be used. A handrail diameter of 1-1/4 to 1-1/2 inches without flat surfaces, sharp angles or edges are comfortable for most people to grasp. Handrails need to be approximately 36 inches above the floor and 1.5 inches from the wall so fingers can fit around them properly without allowing hands or arms to slip through.

The ends of handrails should return gently into the wall or floor instead of stopping abruptly to avoid snagging clothing and limbs. They need to support at least 250 pounds and should be on mounting brackets anchored to the wall studs wherever possible. If it is necessary to install handrail brackets in hollow walls between the studs, reinforce the area with sheathing or blocking or use fasteners specifically designed for this purpose.

Multiple Stories

The home should only have one story if possible. Multiple story buildings take more staff to provide oversight and services. If a multiple story project is required, a centrally located stairway will

help staff move between floors quickly. Do not locate service stairs at the ends of the building, as this will increase staff travel and time.

Straight stairs with walls on one or both sides are recommended where residents might use mobility equipment, assistants or lifts. Stairways 48 inches wide, sloping 30 degrees with 6-inch risers and 12-inch treads require the least energy to climb and they are wide enough to accommodate two people passing or walking side-by-side and chair lifts. Nosings should be even with the tread edge or they will prevent the foot from sliding directly up the riser onto the tread and they can catch feet and cause tripping.

Flooring materials like carpeting or tile attached to treads need to be recessed and securely glued to provide a firm, even walking surface. Handrails on both sides of the stairway are essential for residents who use arm strength to pull themselves up the stairs when legs are weak. Contrasting colors on treads, risers, edges, landings and handrails identify level changes and highlight each stairway feature. Bright, even lighting along stairways and at landings helps make them visible and it keeps residents' eyes from having to adjust to fluctuating light levels at different parts of the stairway.

Elevator

If the building has two or more stories, it must have an elevator. If the building has a staircase, staff must monitor it so residents won't be injured. An elevator should have seating around it, so residents don't have to stand for long periods of time while waiting. The elevators are set to move slowly (for handicapped accessibility) and some residents will need to sit while waiting. The elevator is not a good option for staff to use in the course of their duties because it moves so slowly.

Elevators can be added to existing buildings but it is best to include them in the initial design. They are usually located on a load-bearing wall near the main entry or near stairways. They require 4 to 5 feet of unobstructed floor space around the elevator door on each level. Most require a pit on the ground floor and a machine room nearby for the electrical supply and mechanical equipment.

A cab size of at least 4'6" X 5'8" accommodates residents with mobility equipment and / or a staff assistant. Single-door cabs are the least expensive but they present problems for residents who have difficulty entering, turning around and exiting facing forward. A cab configuration with two doors on opposite sides of the cab allows residents to enter and exit without turning around. The expertise to maintain and repair elevators can be limited in small rural communities and this may require paying technicians to travel to remote areas. Coordinating an elevator purchase and routine servicing with other elevator owners in your community helps keep the cost down.

Electric Outlets

Include a sufficient number of outlets to avoid electrical overload and the need for power strips, adapters and extension cords. Stagger outlet heights between 20 and 44 inches above the floor to prevent them from being covered by furniture. Install some outlets horizontally so they are easier

for residents with limited hand strength or hand-eye coordination to use. Decorative or color contrasting receptacles and faceplates are more visible to residents with limited vision and illuminated or reflective outlet faceplates help identify walls in dark areas. Ground fault circuit interrupter outlets with contrasting color reset (red) and test (black) buttons are easiest to see when the lights are dim. Provide outlets tied to the emergency generator circuit in areas where critical equipment will be located.

Door Handles and Closers

Door closers should be of good enough quality to close a door, but not so tightly sprung that a frail person needs assistance to open it. All doors should be equipped with lever handles.

Drink or Snack Station

In (or near) the dining room, consider having a drink and snack station if the kitchen is not designed to be accessible to residents at all times (open access to the kitchen can be accomplished n smaller homes or 12 or less residents with appropriate safety measures – see www.ncbcapitalimpact.org\thegreenhouse), so residents can get snacks themselves when they want them. Asking a staff person for permission takes up time and feels more institutional.

Pagers and Wireless Phones

Use staff pagers and wireless telephones for communications. Tying the nurse call, front door alert, fire alarms, and door alarms to staff pagers or a wireless phone that staff carry with them (each with a digital read-out to indicate the type and location of the alert), allows staff to go about their work any where in the building, but still be available for emergencies or when needed by a resident. Communication systems are critical to maximizing staff efficiency.

Keying

All door locks should be opened by a single master key. Only the administrator or assistant administrator should have that key. The medication room should have a separate key for designated staff and only the administrator's master key should open the medication room. The food pantry or locked kitchen cabinets should have a separate key for designated staff and only the administrator's master key should open the pantry or cabinets to avoid food loss. A sub-master key for all other service, mechanical, and resident rooms should be made for all staff. All storage and mechanical rooms must be locked and keyed.

Common and Service Areas

All common areas and service spaces should be clustered together, with as much visual connection as possible, to allow staff to work and monitor residents more efficiently, as well as not to have to run from one end of the building to the other.

Finish Materials

Use finish materials (e.g., carpet, wood finishes, corner guards, paint) that are residential in appearance but will take high wear. All interior materials must be easily cleaned and easily repaired. Avoid textured finishes or wallpaper finishes, as they cannot be easily patched and repainted if they are damaged or dirty. Use corner guards to protect walls in high traffic areas, and kick plates on doors. Scrapes from wheelchairs, walkers and other assistive devices are common and should be easily repairable.

In common areas, use carpet or carpet tiles weighing 35 to 40 ounces per square yard that are easily cleaned and can stand up to mobility equipment use and frequent commercial cleaning processes. In residential units, you may consider using less expensive carpet and replacing it after residents move out. Carpeting should be dense, firm and low pile, under 1/2-inch, or level loop. Avoid continuous loop pile that unravels if a single strand is snagged and avoid heavily-textured, shag, sculpted or contoured piles, which create uneven surfaces that increase tripping potential.

Consider waterproofing and anti-microbial treatments for bedroom, bathroom and kitchen carpeting. Anti-static treatments are important in dry climates where chairs, walking aids or feet will be sliding across the carpet and where electronic equipment is used. Carpet colors help orient residents to specific rooms and areas. Contrasting borders help define rooms, indicate pathways, distinguish floor edges from walls and emphasize changes in surfaces levels. Warm neutral colors have a soothing effect, whereas vibrant colors can be visually and cognitively confusing. Busy patterns appear to vary the floor height, which increases dizziness, confusion and loss of balance especially for residents wearing bifocals.

Glue the carpet directly to the sub-floor to provide stable footing and an easy rolling surface for wheelchairs and walkers. Do not use pads as they make ambulating more difficult for residents who use walkers, wheelchairs, and/or have unsteady feet. Provide flush and double-glued seams without transition strips at door thresholds or between rooms to avoid catching residents' mobility aids, snagging socks and scratching bare feet. Exposed carpet edges need to be trimmed and securely attached to the sub-floor.

The finishes on counters and surfaces around plumbing fixtures should be able to withstand heavy cleaning without the finish wearing off. Continuous countertops allow residents with limited upper-body strength to slide or push heavy items along the counter. Rounded edges and radiused or clipped corners eliminate sharp edges and angles that can cause serious skin tears. A slightly elevated lip along the edge contains spills and provides a tactile indication of the counter edge.

Countertop colors that contrast with the surrounding floors and walls are easiest for residents to see. A border in a contrasting color along countertop edges provides a visual cue for residents with limited vision and in low light conditions. Dark countertops absorb light and increase maintenance. Light colors reflect light to create a brighter working environment, which reduces the number of light fixtures needed. Subtle patterns in the countertop material conceal spots and scratches better than a solid color. Bold patterns limit contrast with items on the countertop.

Matte surfaces reduce glare and are easier to maintain than highly reflective glossy or polished surfaces. Countertop materials should be easy to maintain without the need for penetrating sealers or special cleaning supplies. Stain removal and surface repairs need to be easy and uncomplicated.

Design for Exterior Spaces

Exterior space is extremely important for maintaining a connection with the land. The building's interior and exterior spaces should be situated so residents will be able to view things that are important to them, such as the river, tundra, ocean, woods, or mountains. Some residents may prefer to view the parking area or street. The exterior area should be an easily accessible, yet secured area so people with cognitive impairments are unable to wander off. Be sure exterior space can be monitored by staff from within the house.

Consider raised beds or planting containers raised three feet high for seated gardening. Include a well-drained 3 to 5 foot wide flat or gently sloped path designed for walking year around. Locate benches along the walkway that can be used as resting areas or temporary work surfaces. Garden areas should not include any poisonous plants, rosebushes, or other prickly plants. A smoke house for smoking fish might be a nice amenity to consider.

Decks offer residents convenient outdoor access and, if they are designed without steps, they can be used as entrances or emergency exits. The linear pattern of decking material can snag wheeled mobility equipment and it is indistinguishable from level changes for residents who wear bifocals so avoid running decking parallel to the house door and keep elevation changes between indoors and outdoors to less than l/2 inch.

Roof eaves or other coverings above the doors between the deck and the home will shelter the entrance from winter weather and provide shade in summer. Built-in planters and benches around the perimeter of a deck encourage residents and staff to socialize, garden and use the deck for outdoor recreation. Guardrail height can vary from 34 to 42 inches according to local building codes, but try to choose a height that will not block the sightlines of people sitting on the deck. Provide yard access from the deck without stairs or steps by grading the soil so it meets the deck edge at entry points or by gently sloping the deck to the ground.

Trash Areas

Don't place dumpsters or trashcans in front of resident rooms or the dining room, or close enough to smell. If possible, dumpsters should be enclosed in an 8' high fence.

Parking and Street Access

Resident parking and drop-off areas should have handicapped accessible access. To prevent kitchen theft by staff, don't have staff parking directly accessible from the kitchen; instead, design staff parking so they have to walk through or past the front doors of the home.

Tinted concrete will reduce glare and make it easier for people to find their way around.

Design for Interior Common Spaces

Entry

Locating the main entrance so it is protected from the prevailing winds in your area and where it gets maximum exposure to winter sun helps cut down on ice and snow removal.
Provide at least one entrance without stairs and with the least possible slope, preferably less than a 5% and no more than a 12% grade. Sites with steep grades can orient the driveway so vehicles do the climbing to the entrance. Use earth berms instead of ramps to compensate for changes in levels. Connect the berms with footbridges to adjust the slope further.

A 5 by 5 foot covered entrance, arctic entry or vestibule should be provided, and should be large enough to accommodate a wheel chair and assistant. Provide 18 to 24 inches of landing surface beyond the handle side of the doorjamb for maneuvering room. Include either built-in or removable outdoor seating like a bench or chair to serve as a waiting or resting spot for residents and to place items on when opening the door.

One light fixture above the door illuminating the entry and another one focused on the lock, doorbell and handle area increases visibility and improves security. Keyless entry systems with illuminated large button keypads mounted 42 to 44 inches high are easier to see, reach and open than keyed locks. Doorbells installed 42 to 44 inches above the landing will be highly visible if they are a color that contrasts with the house, illuminated or surrounded with glow-in-the-dark paint. Large, contrasting color address numbers that are either illuminated or placed with light focusing on them help identify the home for guests, delivery services and emergency vehicles.

The entry door should be 36 to 48 inches wide with a viewing window in the door or glass panel sidelights alongside the door so residents and staff can see who is at the door before opening it, to allow monitoring by staff, to prevent accidents (e.g., hitting a resident with the door), and to allow light into the entry. Lever door handles with at least 5-inch blades and the ends turned inward are more convenient for residents with limited dexterity to use than cylinder knobs. Doors with level thresholds eliminate a known tripping hazard and barrier for wheeled mobility equipment. There are several ways to seal the inside and bottom edge of a door without the traditional raised threshold especially if the door is underneath a large overhang. If no other options are possible, a low (less than 1/2 inch), beveled edge threshold will weatherproof the door and minimize the obstacle.

Common Areas

Consider a fireplace and hearth area as a central gathering place and residential anchor. The home should use residential looking doors throughout, rather than doors that are commercial (storefront or office) in appearance. Avoid sharp corners on counters, furniture, etc. to avoid hazards for skin tears.

Public Restrooms

Public restrooms should be centrally located near dining and activity rooms. If bathrooms are too far away, people may not participate in activities because of the chance of an accident, causing a

loss of staff time and embarrassment for the resident. A common design mistake is to place activity rooms too far from bathrooms, so residents cannot easily access them. Bathrooms in common areas should be equipped with grab bars and emergency pull cords. Doors should open out into the corridor, or the door hardware should have an emergency release so it can open out if necessary. If the door opens into a corridor, it should be recessed so an opening door won't knock someone down.

Office

It is less institutional and may be more efficient to have small, unobtrusive, lockable workspaces for staff within the common areas, instead of an office. If the building does have an office, it should have a door or residentially appearing window onto the common space so staff can always see what is going on.

Laundry

Encourage residents to do their own laundry by making the laundry area safe and accessible. The areas for laundry, snacks, and drinks could all be located together.
Adjustable recessed light fixtures throughout the laundry room plus additional task lighting on work surfaces will provide illumination that improves vision and increases accurate color coordination. Non-slip flooring helps prevent falls when water drips on the floor.

A shallow utility sink 30 to 36 inches above the floor is useful for stain removal, soaking and hand-washing laundry. Legroom space 30 to 34 inches wide underneath the sink allows residents to pull up a stool or chair and sit while working. Protect residents' legs from burns and scratches by insulating the pipes under the sink. A lever-handle, pullout-spray faucet mounted at the side of the sink allows targeting water directly to the laundry task.

Ironing is more comfortable with a built-in, height-adjustable, drop-down or slide-out ironing board. Wall-hung ironing boards have no legs so it is easier for residents to sit while ironing. Some wall-mounted ironing boards systems include outlets, task lighting and a storage compartment for the iron. Avoid moving detergent and other laundry supplies with each load by storing laundry supplies on open shelving 12 inches above the washers and dryers.

The laundry room should be sufficiently large – e.g., two washers, three dryers for twenty residents. Front-load washers and dryers with side-swinging doors are easier for residents to access than top loading appliances or those with drop-down doors. Simple, high contrast, large print controls located on front rather than on back of the appliances are easiest to read, reach and use. Lint traps located on front of appliances also make routine maintenance easy.

Allow 5 feet of clear space in front of the appliances and arrange them so transferring damp, heavy laundry from the washer to the dryer is quick and easy. Appliances raised on manufacturer's pedestals or built-in platforms place the controls within reach or approximately 47 inches above the floor, which reduces bending and stooping.

Be sure to provide a chair and folding table or countertop with a knee space opening at least 30 to 34 inches wide underneath so residents can sit while sorting and folding.

This space also doubles as a place to store rolling hampers. Multi-level work surfaces ranging from 30 to 36 inches above the floor offer maximum flexibility for residents of different heights both sitting and standing. Rounded work surface edges with contrasting colors or patterns and no sharp edges or corners increase their visibility and help prevent accidents.

The laundry room could be set up for resident use during the day. Staff can do laundry at night. An adjacent area for soiled laundry should be well vented. The laundry room should have a window so staff can observe at all times, and it should be located close to staff work areas such as the kitchen or office.

Dining

Dining room chairs should not be on wheels. A long table, like a family dining table, that can accommodate up to ten people will encourage socialization and movement. Meals served family style can encourage interaction and a residential feeling. The tables should have pedestals in the center so the table legs won't get in the way. Be sure the tables are very sturdy because people will use them to stabilize themselves. There should be enough room in the dining room so people can leave walkers next to chairs without blocking the flow of traffic. The dining area should have as much natural light and as many windows as possible. If one room serves as both a dining and activity room, have a storage unit for activity supplies.

Kitchen

For homes of 12 residents or smaller, consider an open plan between the kitchen, living room, and dining area. This increases socialization. Do not locate the kitchen across the hallway from the dining room, since that increases the risk of staff knocking into residents. Doors from the kitchen should not be able to hit a resident (provide an alcove or pocket for the doors), and they should have a glass panel so staff can see if anyone is on other side. The dining room should be carpeted to prevent slips and falls. Upholstered furniture and carpet will decrease noise.

The kitchen should have a circuit breaker or shut off valve so kitchen appliances can be easily turned off; locate those inside locked cabinets. All drawers and appliances should be lockable, particularly if residents have easy access.

Commercial dishwashers are often required, although high end residential equipment may be allowed with a separate hot water heater set to the required sanitization temperature. If residential equipment is used, two dishwashers may be required due to a slower wash and dry cycle time. The kitchen floor must be slip resistant; e.g., vinyl with embedded grit. If there is a door to the outside from the kitchen, it should have a lock on it, with an alarm like other exterior doors.

A kitchen which is open and accessible from the common space will need to be designed with locking cabinets and drawers for storage where knives, chemicals, or other dangerous materials are

kept. This allows the kitchen to be open for therapeutic and snack use but provides safety for residents with cognitive impairments. Kitchen design may be limited by health and building code requirements.

Do not locate the sewage lift station near the kitchen.

Cultural Activities

Provide space and supplies for cultural activities such as sewing, beading, carving, preparation for subsistence activities, and other things important to the Elders in your region.

Television & Phone

If possible, locate the television somewhere other than the main common area. Often televisions have to be at such high volume for all residents to hear that it can make other socialization difficult. You may decide not to have a television in the common areas if most residents have them in their own units. Provide a telephone so people who can't afford their own phone service can make free local calls and can use a calling card for long distance calls.

Hair Salon

Consider having a room where a local stylist can work occasionally, equipped with a hair washing sink and barber chair. In small homes, just having one specialized sink for hair washing may be helpful. Sometimes people with dementia are afraid of bathing; this can be an alternative way to get hair washed. Sinks should be adjustable to an appropriate height for people in wheelchairs. Countertops should have rounded or angled corners. As in other rooms, equip the hair salon with emergency pull cords.

Medication Room

Medication and supply cabinets located in each resident's room are recommended. If you decide to have a separate room for the storage of medications, it should be double locked (both a locked door and a locked storage unit). Typically the medication room has a sink, counter space, documentation work area, and a refrigerator (for medications that must be kept cold). Check the licensing regulations for specific requirements.

Miscellaneous Rooms

The following rooms may be nice to have if a home is large enough to provide them.

- A private conference room for resident assessments, staff conferences, private dining, and family gatherings.
- A small housekeeping room to store bulk cleaning supplies, a vacuum, rug cleaner, mops, and other cleaning equipment.
- A storage room for records, seasonal and other decorations, extra furniture, and outside furniture.
- Outside storage, for grounds equipment and supplies like lawn mowers, rakes, and fertilizer. If

the storage area is attached to the building, consider having access from both the inside and outside of the building. Be sure to alarm the outside door if you include an interior door.

- A bathing/whirlpool/spa room with a tub that is accessible. Although this amenity can require a big staff time commitment, it is well liked by some residents and is therapeutic for skin care and circulation.
- Depending on the preferences of potential residents in your community, saunas may be an important feature to provide.
- If you decide to have a smoking room, it should be easily visible by staff, with a staff window for observation. Include a very strong vent fan tied to the light switch and exhausted to the exterior so smoke is pulled out of the room to the outside and cannot enter the other common areas. If the smoking room has an exterior window, it should be fixed shut. If an operable window is used, it will create positive pressure in the room, causing smoke to enter the common area even when the vent fan is used. The door should have an automatic closer. The smoking room floor should be non-flammable. The floor should be linoleum and furniture should be flame retardant. Use blinds on the windows instead of curtains. Equip the room with an emergency pull cord.

Mail

Residents should have mailboxes, or mail can be delivered to individual rooms. Check with the local post office for regulations and policies.

Design for Residential Units

Privacy

Residents should each have their own private space, and should not share a unit unless it's by their own choice (e.g. with a spouse, sibling, or close friend). Each unit should be configured to provide a kitchenette area, living area, and, at a minimum, a bedroom alcove. All units should include a private bath. It is important to note that private units are a benefit to residents and may also be required by the funding source supporting affordable assisted living.

Entry

At the entry to each unit, create a 2-foot deep by 6-foot wide alcove or niche so people can personalize their space. Include a 10- to 12-inch wide shelf for personal objects or for placing items while entering or exiting the unit. All doors must be 36" wide, with flat thresholds. Each unit should have a locking entry door. Door locks should be such that the resident has to push the door locking button in each time in order to lock it, avoiding accidental locking that takes up staff time to unlock.

Closets & Storage

Good lighting is essential for locating items and coordinating clothing colors. Typical 60-watt overhead fixtures with a pull chain are no longer permitted by many building codes. Fluorescent tube light fixtures installed overhead between the door and the closet contents, around the ceiling or

vertically along the walls provide quality, energy efficient light and prevents shadows. Wall-mounted light switches or motion sensor controls are most convenient for residents.

Closet openings without recessed corners provide full access to the entire length of the closet and they reduce reaching. Closet doorway openings need to be at least 32 to 36 inches wide. Closets in the units should have six feet of closet pole. Closet poles should have adjustable mounts so they can be raised or lowered between 66 and 36 inches above the floor for handicapped accessibility or for taller or shorter residents. Providing a second, lower closet rod extending partially across the closet increases available space by creating two levels for hanging shorter and longer items.

Do not use bi-fold closer doors, as they tend to break and fall off the tracks easily. Bypass or sliding doors are more durable and easier to fix, but they reduce the closet opening by half. Their tracks can catch feet, interfere with mobility devices and restrict maneuvering room unless they are mounted in the overhead doorway rather than in the floor. Hinged double leaf doors with two narrow doors that open in the center are a good choice where door sweep space is limited and they provide extra storage space on back of the doors. Lever door handles on hinged doors and large D-loop pulls on sliding closet doors are easiest for residents with limited hand agility to operate.

Shallow, height-adjustable shelves 44 to 54 inches above the floor are best for residents who have difficulty reaching overhead. Higher shelving is useful for taller residents or seldom-used items if it is supplemented by several levels of vertical shelving on one side of the closet. Full-extension shelf glides bring objects stored on back of the shelves within easy reach. Coated wire closet organizing systems include adjustable and movable rods, shelves, drawers, hooks and racks and they are transparent so items are easy to see. Heavy duty or commercial grade organizers last longer and are easier to maintain than the least expensive ones.

Usually homes don't provide additional resident storage outside of the unit because it is difficult to manage over time. If resident storage is provided outside of the unit, it should be divided into distinct storage lockers.

Bathroom

Natural light equal to 10% of a bathroom's square footage and recessed overhead light fixtures increase ambient light and make bathrooms safer. Task lighting in bathroom areas where bathing, toileting, grooming and medication dispensing take place helps maintain residents' dignity and independence and it makes staff assistance easier.

Illuminated rocker light switches or glow-in-the-dark switch plate covers installed away from water sources at 20 to 44 inches above the floor makes them visible, safe and accessible to residents of all capabilities. Separating light and fan controls will reduce fan noise and saves electricity when one or the other is not needed.

Bathrooms in the residential unit should be completely accessible by people in wheelchairs, including 3 X 5 roll-in showers. Curbless showers or wet rooms with smooth transitions from the floor into the bathing area with no raised threshold, shower door track, curb or other obstruction are

essential. Showers can be prefabricated fiberglass units recessed into the floor (be sure that your architect specifies recesses in the slab if you are using prefabricated showers so they may be installed with their lip flush to the finished floor), tiled alcoves or a corner of the bathroom with waterproofing, drainage and a curtain. Shower sizes can range from 3 X 3 to 5 X 5 feet.

Height-adjustable showerheads with pause buttons mounted on open sleeve, rather than pin mounted, holders require less hand-eye coordination or steady grip to use. These showerheads attached to slide bars allow residents to adjust the shower height to their preference and they make staff-assisted bathing easier. Anti-scald, temperature and pressure balanced shower controls reduce the potential for burns and abrasions. Single lever controls offset toward the entrance of the shower area, rather than centered on the wall, provide convenient access for residents or attendants to set the water flow and temperature without reaching or getting wet.

Include grab bars at the entrance and on the back wall and a shower light for safe bathing.

Flooring in the bathroom should be non-slip, and the sink should be mounted so that a person in a wheelchair can roll up to it and easily operate the controls. Bathroom sinks require 30 X 48 inches of clear floor space around and underneath them and 15 inches between the center of the sink and adjacent walls as maneuvering room for an attendant or mobility equipment. Wall-hung counters with sinks without vanities or base cabinets take up no floor space and offer the most flexibility for residents to use the sink while both standing and seated. Roll-out base cabinets under the sink and wall- or floor-mounted cabinetry on one or both sides are options for additional storage.

Sinks installed in vanities should be located as close to the front edge as possible or with a 3- inch cantilever to improve access. The base cabinet in the bathroom sink should have a removable door and floor to accommodate accessibility for a person in a wheelchair. The legroom underneath the sink needs to be 27- to 29-inches high, 17- to 21-inches deep and 30- to 36-inches wide with a finished floor. Insulate the supply lines, P-trap and underside of the sink to protect resident's legs from heat and protrusions.

Shallow sinks about 4 inches deep reduce reaching and create more legroom. Integral and under-mounted sinks are easiest to use and keep clean. Self-rimming sinks that drop into the countertop and rest on a raised rim interfere with a seated resident's reach and the rim collects dirt easily. Sink faucets and controls are most convenient if they are within 14 inches of the front of the sink or countertop or if they are mounted on the side of the sink rather than the back. Countertops and sharp corners on equipment should be rounded or at a 45-degree angle to help prevent skin tears and other injuries.

Grab bars should be installed on both the outside and inside of the shower. Do not mount towel bars in any place where a resident might use them for steadying themselves because they may get torn out of the wall, creating both safety and maintenance issues. Consider using attractive grab bars (properly anchored) as towel racks where needed.

Bathrooms should include additional storage space for incontinence and medical supplies, grooming and personal hygiene items, mobility devices and durable medical equipment such as bathing chairs and toilet seat adapters.

A heater and a fan should be mounted in the ceiling adjacent to the shower, because elderly people tend to get cold easily and take longer to perform bathroom tasks.

Do not locate the medicine cabinet over the toilet due to the risk of dropping medicine and supplies into the toilet. Medicine cabinets installed on a side wall next to the sink in combination with a mirror above the sink eliminate reaching over the sink. Medicine cabinet shelving that adjusts between 60 to 44 inches above the floor keeps items within reach of residents of all heights. Residents with vision, height or mobility limitations appreciate flexible mirrors mounted on swivels or other hardware that tilts forward and backward so they can adjust the mirror to their own preferences. Fixed, wall-mounted mirrors with the top at 74 inches above the floor and the bottom at the top of the sink or vanity backsplash accommodate most residents whether they stand or sit at the sink.

If possible, resident units should be designed so as to be able to see into the bathroom to the toilet from the bedroom. This will help some cognitively impaired residents remember to use the toilet, limiting the need for staff assistance.

Locate toilets opposite from the bathing controls for clear access to both. Residents with mobility equipment and / or an assistant need at least 3O by 48 inches of open maneuvering floor space in front of the toilet. Fixtures near a wall must have the center of the toilet bowl 16 to 18 inches away from the wall to provide a secure surface for anchoring a grab bar.

Compartmentalizing a toilet with walls, vanities and other fixtures on three sides lessens the possibility of independent use. Elongated toilet bowls are more versatile for a wide variety of residents' abilities. Floor-mounted toilets are most common, but wall-hung fixtures are easier to clean and they can be installed at any height. Wall-hung toilets allow residents to get closer to the toilet and provide comfortable maneuvering room around them. Concealed tank toilets add floor space normally taken up by the tank width, flush quieter than floor-mounted models and offer flexibility in locating the flush mechanism.

Toilet seats that are too high or too low make sitting and rising difficult. The best seat height varies between 14 and 20 inches depending upon a resident's personal preferences, their height, abilities and their use of mobility equipment or assistance. Extenders that raise the seat 1 to 6 inches can be unstable and difficult to fit properly, use, store and clean. Open front toilet seats provide advantages for some residents and attendants. Seat hinges need to keep the lid and seat up when opened and stainless steel hinges and bolts will withstand transferring pressures better than plastic.

A contrasting color flush mechanism is easier to see. Flush mechanisms centrally located in the tank top or in the wall above the toilet provide equal access for residents who are left or right handed or for an assistant. Select a flush mechanism on the approach side of the toilet if a central location is not possible.

Avoid toilet paper holders with sharp corners or pointed ends and select dispensers that allow the roll to be changed with one hand. Locate toilet paper holders with their center 2 to 10 inches above and 7 to 9 inches in front of the toilet seat edge to keep the paper within easy reach. Make sure that the holder does not interfere with towel bars or existing or potential grab bars.

Paint the wall behind the toilet a contrasting color from the toilet, for additional cueing. Some designers believe that a dark colored toilet seat may also help.

Select light-colored bathroom finish materials for walls and cabinetry so they reflect, rather than absorb, light. Contrasting color fixtures, counter edges, light switches, outlet covers, doors, door-frames, hardware, flooring and baseboards increase their visibility and improve use. Choose matte vanities, countertops and finished surfaces to reduce glare.

Consider a pocket door into the bathroom. If the unit is small, a pocket door will save space. It will also be safer because a pocket door can be opened even if a resident falls against it. If pocket doors are not used, make sure the bathroom door opens out to the bedroom, so that if someone falls against the door, it they won't block the bathroom door from opening.

Mount the pocket door with a large handle or pull installed 36 to 44-inches from the floor on each side of the door so it is usable by people with arthritis. The handle should also keep the door from totally recessing, which reduces the door opening and needs to be included in the actual clear door width calculations. For example, if the optimum door opening is a clear width of 36 inches, the distance from the door edge to the jamb required for the handle should be added to the overall door width. Provide a stop inside the pocket door track to stop the door 1" before the handle would contact the jamb to avoid pinched fingers.

Bedrooms

If the unit has a separate bedroom, locate bedrooms where they do not require walking through open spaces of the unit to get to the bathroom and on exterior walls for natural light and ventilation.

Bedroom doors 36-inches wide allow room for residents using mobility equipment or with an attendant to pass through. Locating doors near bedroom corners allows more privacy because the bed is not in full view of an open door and it offers more continuous wall space for greater flexibility in positioning furnishings. Include built-in storage for medications, medical supplies and mobility equipment.

Bedrooms that are at least 12 by 12 square feet can accommodate a queen-size bed with 3 feet of maneuvering room on both sides. This size bedroom provides adequate open floor space for overlapping uses such as 5 x 5 feet for dressing, turning and maneuvering plus 30 x 48 inches of clearance around areas that require reaching such as light switches, environmental controls, windows, closets, doors, drawers and shelves.

Include multi-way illuminated or glow-in-the- dark rocker light switches beside the bed and at each door to prevent residents entering or moving around in a dark bedroom. Provide diffused, dimmable or 3-way light fixtures without exposed bulbs to minimize overhead glare that is visible from the bed. Supplement natural and overhead lighting with high-intensity reading lights or task light fixtures near the bed. Automatic motion-sensor nightlights at floor level are best for lighting the route between the bathroom and bedroom in the dark.

Eliminate the need for extension cords with several outlets around the room and on both sides of the bed installed 20 to 44 inches above the floor. Bedroom wiring should include at least one telephone jack installed near the bed for health care providers who evaluate residents using camera images sent over telephone lines. Intercoms and emergency call buttons need to be wired so they are within reach of the bed.

Wall-to-wall bedroom carpeting that is low, level, dense, slip-resistant, colorfast, waterproof and antimicrobial will stand up to spilled medications or food and the use of mobility devices and medical equipment.

Kitchenette

Many assisted living homes include a kitchenette in each residential unit. In the kitchenette, the base cabinet under the sink should have removable doors and floors to accommodate wheelchairs. Sinks need at least 18 inches of counter space on each side and at least 30 by 48 inches of clear floor space in front for chairs, stools or mobility devices. Tall residents will not have to bend while standing at sinks that are 36- to 42-inches high and short or seated residents will prefer sinks that are 30 to 34 inches above the floor. Sinks for seated use should be no more than 6 inches deep, with a rear or side drain and legroom underneath that is at least 27- to 29-inches high from the underside of the sink to the floor and 17- to 21-inches deep by 30- to 36-inches wide.

Protect residents' feet and legs from sharp edges and burns or scrapes by insulating the bottom of the sink, drainpipe, supply lines and P-trap or by installing a removable panel made of material that matches the cabinetry from the front counter edge to the wall. The knee space can also be covered with retractable or removable base cabinet doors without a center stile or with rolling base cabinets.

Extend the flooring under the sink and finish the cabinet knee space interior so it is attractive. Keep the plumbing as far to the back and sides of the sink as possible to maximize legroom. Retractable faucet heads with single-lever controls installed within 21 inches of the front edge of the counter or on the side of the sink are most convenient, versatile and easiest operate. Install temperature- and pressure-balanced faucets to help protect resident's hands from extreme fluctuations in water temperature and flow.

Upper cabinets should be hung so the bottoms are 12 to 15 inches above the countertops, to make them easily accessible to all residents. A 6 to 12-inch wide shelf attached to the underside of upper cabinets at that same height creates a low, open shelf to store frequently used items. Cabinets above cooktop vents and refrigerators will be within reach of most residents if the bottoms are within 60 inches from the floor.

Light-colored cabinet interiors make the contents more visible and 12-inch deep, height-adjustable shelving keeps items stored within comfortable reach. Deeper shelves require full-extension hardware that allows the shelf to be pulled out to reach items stored in the back. D-shaped pulls in colors that contrast with the cabinet can be mounted either vertically or horizontally near the bottom edge of the cabinet doors. Knife hinges that open cabinet doors 180º so they rest flush against adjacent cabinets help prevent head injuries.

The kitchenette should include a microwave, small sink, and refrigerator. The refrigerator may be compact but should have a separate self-defrosting freezer compartment, since ice cream is a popular treat and only separate freezers will keep it frozen. Compact refrigerators should be raised at least 12 inches above the finished floor to allow easy access.

Locate refrigerators away from corners or other obstructions that prevent the doors from opening completely. Allow at least 30 by 48 inches of clear floor space in front of the refrigerator for maneuvering room. Side-by-side or bottom freezer models place both chilled and frozen foods within reaching distance of short or seated residents better than top-freezer models. Interior lighting in refrigerator and freezer compartments, sliding height-adjustable shelves, height-adjustable drawers, controls located toward the front and large loop handles are features that make refrigerators more accessible.

All appliances should be easy to remove or unplug in case safety issues arise with specific residents. Stoves and microwaves should be wired to a circuit breaker that may be shut-off and locked. These circuit breakers are often located in a locked upper cabinet or wall panel.

Microwave ovens should be mounted no higher than 48 inches above the floor or on the countertop to prevent residents reaching overhead to retrieve hot foods. Microwaves that do not sit on countertops need to have a pull-out shelf under the oven door to protect residents from spills and for resting hot foods after they finish cooking.

Each unit must have a locking medication drawer in the kitchenette or bathroom.

HVAC

Each room in the unit should have its own thermostat, if possible, for maximum comfort levels.

Windows

The units should have maximum exterior walls with the largest possible windows for views, natural lighting and cross ventilation. Windows on two sides of the room, including corner windows, greatly increase the sense of space and connection to the outdoors. Casement windows with latches and handles located at 20 to 44 inches from the floor are easiest for standing or seated residents at all ability levels to use. Windows that open at least 30 inches wide and 36 inches high provide an emergency escape route if there is 30 X 48 inches of clear floor space in front of them.

A deep sill or shelf at the window will allow people to keep plants. The sill or shelf should have a plastic laminate finish to facilitate easy cleaning.

Windowsills located no higher than 20 inches from the floor bring light and views into a room so residents seated on chairs and couches or lying in bed can see out. Windowsills made from water resistant material and at least 6 inches deep accommodate plants.

Consider widening windowsills even more to create window seats or built-in storage areas underneath the sill.

Lighting

Age-related changes to residents' eyes require quality ambient, task and accent lighting. Maximizing light from natural sources improves overall vision, acuity and color perception and it helps regulate residents' circadian rhythms and moods. Overhead lighting, such as recessed or surface mounted cans or track lights, should be balanced with enough dimmable fixtures to eliminate pools of light and darkness. Fixtures with the most flexibility will benefit the widest variety of residents. For example, omni directional "eyeball" ceiling fixtures rotate in all directions and adjustable apertures allow the light to be narrowly focused or diffused.

Glare often temporarily blinds older individuals and can be eliminated by light fixtures with slightly recessed lenses, diffusers or baffles that shield the bulb from view, a matte rather than reflective finish inside the baffle and non-reflective trim rings. Avoid clear glass or acrylic fixtures with visible bulbs that can be high maintenance and produce harsh, glaring light. Direct the light away from shiny surfaces or reflective objects like mirrors, countertop appliances and computer monitors.

Task lighting should be bright enough to illuminate details and prevent eyestrain without creating glare or shadows. Position task lighting to the side and slightly in front of the task area where residents or staff members sit or stand to work so they do not block the beam or cast shadows.

Conventional task lighting like under-cabinet lights, appliance lights and reading lamps need to be supplemented in units occupied by elderly residents with task lighting at each bathroom fixture and in bedrooms and closets. Two diffused sidelights alongside bathroom mirrors cast better, balanced light than a single fixture above. Accent lights illuminating architectural features like ceilings, coves, walls and hallways supplement ambient lighting and they are useful for residents' way finding.

Most light tubes or bulbs are either fluorescent, incandescent or halogen. Newer T-12 fluorescent tubes installed in low voltage electronic ballast fixtures and compact fluorescent bulbs provide higher quality, energy-efficient illumination that conventional T-8 tubes or incandescent light bulbs. Halogen bulbs provide quality light, but their intense heat makes them a poor choice where slower reaction times and cognitive impairments are possible. Light emitting diode (LED) fixtures and bulbs are evolving as excellent choices for illumination environments for the elderly.

Light bulbs or tubes with a Correlated Color Temperature (CCT) of at least 4000 K (Kelvin) and Color Rendering Index (CRI) of at least 80 help older eyes with vision and color definition. Illuminated, dimmable or 3-way, rocker switches are preferable to conventional toggle switches because of their visibility in the dark, flexibility and convenient touch pad.

Emergency Call

Install an emergency pull cord in the bathroom, and an intercom in the bedroom or by the bed. If the system is wireless, the pull cord can be conveniently moved if the room furniture is rearranged.

I. Instruction Guide for the Financial Feasibility Analysis Model

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Introduction to the Operating Proforma and Financial Feasibility Analysis Model

This generic operating proforma and financial feasibility analysis model has been developed as a tool to be used in determining the financial viability of assisted living homes in Alaska. This guide provides step-by-step instructions on how to use the model.

The feasibility model may be used either to make a "first cut" regarding the preliminary feasibility of a project or to conduct a full financial feasibility analysis. Generic operating assumptions for assisted living homes have been built into the model and will generate preliminary financial projections with minimal data input required. Using the model to conduct a full financial feasibility analysis, on the other hand, will require the determination of appropriate estimates for the project's operating expenses, development costs, and funding sources. A comprehensive understanding of the market for the proposed project is also necessary to generate accurate project assumptions and hence a reliable feasibility analysis.

The assumptions built into the model are designed to estimate costs for a nursing home alternative model of assisted living (i.e., most residents have a level of frailty that could make them eligible for placement in a skilled nursing facility). The services provided in such a model include three meals per day, housekeeping, laundry, activities and socialization, and assistance with self-administered medications, personal care and orientation. Some assistance with routine nursing tasks may also be provided (e.g., blood sugar monitoring, catheter care, ostomy care, dressing changes).

The default assumptions also assume that a number of residents will have difficulty with memory loss and orientation, some of which may have a primary or secondary diagnosis of dementia or Alzheimer's disease. It is assumed that these residents are integrated with the other residents; that is, there is no special unit for residents who have dementia. It is not appropriate to use this model to conduct a preliminary feasibility analysis for projects that are dementia-specific or have sections of the building dedicated to dementia care without modifying the default assumptions that are built into the model.

It should be noted that the assumptions used in the model are based on "averages" from a variety of assisted living homes and thus may not be appropriate for some specific projects. Therefore, the assumptions provided in the model should be reviewed and modified as appropriate to obtain the most accurate results possible.

The model was developed to accommodate multi-use projects, as these projects are often the most economically viable in smaller communities. Thus, in addition to assisted living units, the model can also generate projections for independent rental units, leased commercial space, and other service programs such as adult day care or senior meal sites.

All of the input cells in the model are colored. Some of these cells include built-in default assumptions, and thus do not require project-specific inputs for a "rough-cut", preliminary analysis. However, when conducting a full feasibility analysis, all of the assumptions that have been built

into the model should be verified and modified as appropriate for your specific project. A summary of the assumptions included on the Expenses and Personnel sheets of the model is provided in the model on the Default Assumptions sheet.

Following is a summary of the input sheets included in the model:

- Input 1 – Summary
- Input 2 – Expenses
- Input 3 – Personnel
- Input 4 – Assisted Living and Service Revenue
- Input 5 – Medicaid
- Input 6 – Independent and Leased Revenue
- Input 7 – Development Costs
- Input 8 – Sources of Funds

Once the required input information has been entered, the model will automatically generate the following output sheets:

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- Summary Profit and Loss Projections
- Detailed Profit and Loss Projections
- Default Assumptions for AL Expenses and Personnel Costs

Instructions for Using the Model

I. Project Assumptions ("#1 — Summary" Sheet)

Project Assumptions. The section at the top of the "#1 – Summary" sheet requires the input of key assumptions regarding the project. These inputs can be modified at any time as you work with the model.

The vacancy rates and lease-up time projected for your project should be based on expectations for your project and on funder-specific preferences. Funders typically require a vacancy rate of at least five percent, although some lenders may require rates of seven or even ten percent. If a project will be located in a highly competitive market where comparable facilities are less than 95 percent occupied, it may be prudent to use a vacancy rate of seven to ten percent even if a higher rate is not required by the funder.

The "Summary of Project" section of this sheet contains output information that is based on the data entered on the input sheets of the model. It is shown here to provide an overall summary of the project – both the key assumptions and outputs – in one place. This data will obviously not reflect an accurate feasibility analysis until all of the input sheets have been completed.

II. Expense Assumptions ("#2 — Expenses" Sheet)

Expenses for all aspects of a project's operations must be estimated to determine the financial viability of the project. Rough approximations of "typical" costs for assisted living homes (i.e. default assumptions) have been built into the model. However, operational expenses can vary greatly between homes. For example, the size of the community in which the building is located, the cost of living, and the local job market can all affect operational expenses. A project's building design, whether the home is colocated with other programs, and competitive factors may also impact a project's operational costs.

When conducting a preliminary feasibility analysis, it may be appropriate to utilize the assisted living expense assumptions that have been built into the model with only a cursory review of the cost factors. However, for full feasibility analyses, each expense category should be thoroughly reviewed, with the corresponding cost modified as appropriate in order to provide realistic projections for your project. The assumptions that have been built into the model in the "Assisted Living Cost Per Month" column may be modified. To refer back to the original default assumptions, go to the "Default Assumptions" sheet in the model.

A brief explanation of each line item on the "Expenses" sheet (as applied to assisted living homes) has been provided in the Appendix, along with an explanation of the primary factors that may impact the project-specific cost of the expense category. Guidelines have also been provided as to how to collect data, conduct research, and estimate project expenses.

If independent rental units, leased commercial space, and/or other service programs will be included in your project, enter estimated expenses for the appropriate line items for each product type (default assumptions have not been built into these cells).

Most of the expense estimates included on the "Expenses" sheet are "fixed" costs in that the total cost per month for that line item will remain constant regardless of the project's census. Some expenses, on the other hand, will vary depending on the project's level of occupancy. Whether an expense category is considered fixed or variable is indicated in the "Type of Expense" column. For each variable cost, a "Minimum Cost per Month in Lease-Up" is provided as a default assumption. Modify this assumption as appropriate for your project.

An inflation factor must be used to estimate the percentage that expenses are projected to increase each year. A factor of three percent has been included in the model (in the "% Non-Personnel Expenses to Increase Each Year" cell). However, in some cases it may be appropriate to increase expenses by a different factor (e.g., if recommended or required by a lender). Note that a separate factor will be used to estimate the rate at which personnel costs will increase each year.

III. Personnel Assumptions ("#3 — Personnel" Sheet)

It is important to estimate personnel costs as accurately as possible, as this expense comprises the largest percentage of the operational budget for an assisted living home. For homes with 20 or fewer units, the model will automatically calculate an estimated number of full-time employees (FTEs) for each position. These assumptions, which are based on the assisted living unit and occupant inputs, may suffice for a preliminary feasibility analysis. However, the types of positions needed, the number of hours allocated to each position, and appropriate wages can vary greatly between projects. Thus, all of these factors should be carefully evaluated for each project and modified as appropriate when a full feasibility analysis is conducted.

The default assumptions for assisted living are shown in the "# FTEs - Assisted Living" column on the "#3 – Personnel" sheet. A default assumption may be modified by overriding the assumption (i.e. entering a different value into the cell containing the assumption). A summary of the default assumptions that have been included in the model is provided on the "#9 – Assumptions" sheet in the model.

If independent rental units, leased commercial space, and/or other service programs will be included in your project, the number of FTEs for each revenue center must be estimated and entered in the appropriate column(s). Default assumptions have not been included for these product types.

Based on the information entered for each product type, the model will automatically calculate the total number of FTE's and cost per month for each position. A default assumption has been built into the model for the "Minimum Cost per Month During Lease-Up" for the universal worker position, as this position may not need to be fully staffed during a project's rent-up phase.

Most projects will utilize only a few of the positions included in the "#3 – Personnel" sheet, particularly if universal workers are used. However, the model includes all of the positions that might be

utilized in an assisted living facility to facilitate use of the model by as many projects as possible. A description of each position and an overview of those factors that might have an impact on either the number of FTEs or the wage allocated for the position is included in the Appendix.

Pay Scale. It is important to ensure that the pay scale entered for each position is reasonable, since even a slight wage increase can significantly increase the operating costs for a home. To assist in determining appropriate wages for your project, local wage information should be obtained for each position. One method of obtaining this information is by conducting wage surveys. Guidelines have been provided in the Appendix as to the types of organizations that might be surveyed for the various positions. When conducting wage surveys, it is helpful to obtain information not only about wages, but also about any available benefits, such as health insurance, paid vacation and sick time, and retirement plans.

In addition to local wage surveys, information regarding wages may often be obtained from third parties. That is, industry organizations (e.g., health care and/or assisted living associations) frequently conduct wage surveys. Other organizations such as economic development agencies, chambers of commerce, and employment divisions may also be able to provide information regarding local wages. In addition, wage information for specific positions may be obtained from help-wanted ads in the local paper(s).

When obtaining wage information, the source of the information should always be considered. For example, hospitals usually have higher wages than are paid in other types of facilities. Similarly, in some areas caregivers are paid more in nursing homes than in assisted living facilities because the acuity level is much greater.

Benefits, Taxes, etc. Expense estimates for personnel-related costs such as payroll taxes, workers compensation insurance, health insurance, paid vacations or sick time, and overtime/holiday pay must be determined. Enter into the model an estimated percentage of payroll costs that will be allocated to taxes, worker's compensation insurance, and overtime, holiday and vacation pay. The estimated number of employees that will likely participate in a health insurance benefits program should also be estimated and entered in the appropriate cell, along with the amount the facility will pay per employee per month for health insurance. Enter information about other employee programs or benefits that may be offered in the "Other" row of the "Benefits, Taxes, Etc." section.

IV. Assisted Living and Other Service Revenue Assumptions ("#4 — AL & Service Revenue" Sheet)

The "#4 – AL and Service Revenue" sheet includes the assumptions about revenue on which the assisted living and other service program projections for your project will be based.

Estimating a Medicaid Rate. Indicate in the section "To Estimate a Medicaid Rate for Your Project" how you would like the Medicaid revenue for your project calculated. Following is an overview of the four available options:

- When conducting a preliminary feasibility analysis, you can use a "plugged" rate of $135.00 per day to approximate a cost-based Medicaid reimbursement rate. It is important to note

that this rate may not be reflective of what your actual cost-based rate will be, but should provide at least an approximation of this rate.

- Another option is to use the published Medicaid rate for your geographic area. These rates are typically lower than cost-based rates, but do not require submission of a cost breakdown to Senior and Disabilities Services (SDS).

- To estimate a cost-based rate for your project, complete the "#5 – Medicaid" sheet in the model. Completion of this sheet requires a breakdown of all costs by Allowable Administrative and General (A&G) costs, Non-Allowable A&G costs, Allowable Direct Service Costs, and Non-Allowable Direct Service Costs (to complete the "Medicaid" sheet you must have already completed the "#2 – Expenses" sheet and the "#3 – Personnel" sheet). Refer to section 07 AAC43.1060 in the State regulations for an explanation of these categories and/or contact the Certification or Medicaid Cost-Based Reimbursement specialist for assisted living homes at DSDS at (800) 478-9996 or (907) 269-3666 for additional information. It is important to note that the rate determined by this method will be an estimate only; actual rates must be determined by DSDS.

- Finally, you may use an actual cost-based reimbursement rate, as determined by DSDS. This option will also require completion of the "#5 – Medicaid" Sheet. Once completed, this sheet should be submitted to DSDS for determination of your cost-based rate. For more information on the cost-based rate process, contact the Certification or Medicaid Cost-Based Reimbursement specialist at the numbers noted above.

You may change the option by which the model calculates your Medicaid rates at any time as you work with the model. When another option is selected, the revenue projections will automatically be recalculated to reflect this change. It is important to note that the State's published rates and cost-based rate-setting methodology change periodically, so be sure to verify the current system with the Certification or Medicaid Cost-Based Reimbursement Specialist.

Subsidized Units. Enter the number of units that you expect will be occupied by Medicaid waiver and General Relief Fund residents in the column titled "# of Units". If you anticipate that any of these units will be shared by more than one resident (e.g. a spouse or roommate), enter the projected number of second occupants in the "2nd Occupants" column.

A daily service rate for Medicaid reimbursement will have been automatically entered in the row for "Medicaid Waiver Units", based on your selection of an option in the "To Estimate a Medicaid Rate for Your Project" section. As noted above, this option can be changed at any time, with the model automatically recalculating all revenue projections.

If you plan to have any residents who receive financial assistance through the General Relief Fund, contact the General Relief Office at 1-800-478-9996 or (907) 269-3666 to obtain the current General Relief Fund rate for your geographic area. Enter this rate in the row for "General Relief Fund" units.

Private-Pay Rates. If any private-pay units are planned for your project, the number of residents paying privately and the monthly rates projected for these units should be entered in the "Private-

Pay Units" section of the "#4 – AL and Service Revenue" sheet). If your project will have only one private-pay level of care, simply enter the total number of private-pay units and any anticipated second occupants in the appropriate cells for Level 1, leaving Levels 2 and 3 blank. If your home will have only two levels of care, enter figures in the appropriate cells for Levels 1 and 2, leaving Level 3 blank. If you will have three levels of care, enter data for Levels 1, 2, and 3.

The private-pay rates entered in the model should include charges for room, board and services. To determine appropriate private-pay rates for your project, you may want to obtain rate information for comparable facilities located in your market area (or in the surrounding areas if there are no comparable facilities in the primary market area). Guidelines for determining private-pay rates are included in the Appendix.

The model is designed for private-pay rates to be based on monthly fees. If you plan to base your private-pay rates on daily fees, multiply each daily rate by 30.4 to convert the daily rate into an estimated monthly fee.

Rental Subsidies. In some cases, rental subsidies may be available to supplement the room and board payments made by residents. If such a subsidy will be available, enter the estimated amount of the subsidy and the projected number of residents who would be eligible for the subsidy in the appropriate cells in this section.

Revenue Inflation Factor. For each of the assisted living payor types that you plan to include in your home, estimate the percentage increase in rates that may be anticipated.

Other Service Programs. If other service programs such as adult day care or a senior nutrition site will be included in your project, the type of program should be specified in the "Other Service Programs" section. The number of clients that are likely to be served through each program should then be entered, along with the projected monthly revenue per client, the anticipated vacancy rate, and the percent annual rate increase expected for each program. Also enter for each program the census projected for the first month of operation and the number of months the program will likely take to reach full census.

V. Medicaid Rate Worksheet ("#5 — Medicaid" Sheet)

The "#5 – Medicaid" sheet is a worksheet that may be used to calculate a preliminary cost-based Medicaid reimbursement rate. An actual rate must be obtained from Senior and Disabilities Services (SDS).

Completion of this sheet requires a breakdown of all costs by Allowable Administrative and General (A&G) costs, Non-Allowable A&G costs, Allowable Direct Service Costs, and Non-Allowable Direct Service Costs. To complete this sheet you must have already completed the "#2 – Expenses" and "#3 – Personnel" sheets. Refer to section 07 AAC43.1060 in the State regulations (Alaska Administrative Code) for an explanation of these categories and/or contact the Certification or Medicaid Cost-Based Reimbursement specialist for assisted living homes at DSDS at (800) 478-

9996 or (907) 269-3666 for additional information. For your convenience, a direct link to these regulations is provided on the "Medicaid" sheet of the model.

Once a cost breakdown into the four categories has been completed, the model will automatically calculate an estimated cost-based Medicaid rate. It is important to note that this rate will be an estimate only; actual rates must be determined by DSDS.

To obtain an actual cost-based rate for your project, submit the completed "#5 – Medicaid" sheet to DSDS. Once obtained, this rate should be entered on the "#4 – AL and Service Revenue" sheet. For more information on the cost-based rate process, contact the Certification or Medicaid Cost-Based Reimbursement specialist at the numbers noted above.

It is important to note that the cost-based rate-setting methodology changes periodically, so be sure to verify the current system with the Cost-Based Rate Unit at DSDS.

VI. Independent and Leased Revenue Worksheet ("#6 — Ind. & Leased Revenue" Sheet)

Independent Rental Units. If your project will include independent rental units, enter the number of each unit type in the "# of Units" column on this sheet. Units should be entered as "Subsidized for 50% of the Median Income" or "Subsidized for 60% of the Median Income" only if required by a funder for the project. That is, specific equity or debt programs may require that a certain percentage of the units be set aside for residents with incomes below a specified level. If this will be the case for your project, check with the funder for the specific requirements and enter the numbers of units for each income level accordingly. If your project will not be bound by income or rent restrictions, enter all of the units as market rate units.

For each unit type that will be included in your project, enter the projected rental rates that will be charged. The maximum rent that may be charged for subsidized units (i.e. units set aside for residents with incomes at 50% or 60% of the area median income) will be determined by the program(s) providing the subsidy. Verify these rent limits with the specific subsidy program(s) that you will be using.

Leased Commercial Space. If your project will include any leased commercial space, indicate the type of space in the "Leased Commercial Space" section of this sheet. Also enter the anticipated monthly revenue that will be generated from each use, along with a projected vacancy factor and rate at which you anticipate the revenue will increase each year.

VII. Development Cost Assumptions ("#7 — Dev Costs" Sheet)

The "#7 – Dev Costs" sheet is designed to calculate the total costs involved in the development of a project. The first part of this sheet, "Preliminary Estimate of Development Costs," will provide a cursory estimate of a project's potential development costs and thus should be used only for preliminary feasibility analyses. Completion of the "Detailed Development Budget" section, on the other

hand, will result in a thorough estimate of a project's anticipated development costs. A detailed development budget must be completed when a full feasibility analysis is conducted.

Preliminary Estimate of Development Costs. To estimate a project's development costs for a preliminary feasibility analysis, you will need to obtain several estimates of construction costs from contractors experienced with local building costs for similar projects. These estimates should include all costs related to construction, including building costs, site costs, off-site costs, and a ten percent construction contingency fee. Enter this figure in the "Estimated Construction Costs per Square Foot" cell. Based on this input, an estimate for the "Total Estimated Construction Costs" will be generated. This calculation assumes a total square footage for the project based on an average of 650 square feet for per unit (including the per-unit share of common areas). This square footage factor is based on the experience drawn from many assisted living projects, but will obviously provide only a rough estimate of what the actual square footage and corresponding construction costs may be for your specific project.

After an amount has been entered into the "Estimated Land Costs" cell, the amount of funds that will be allocated to soft costs will be calculated. A factor of 30 percent has been included in the model as a default assumption, again based on the development experience of many assisted living projects. This estimate allows for typical nonconstruction costs associated with development, such as governmental fees, consultant fees, financing charges, reserve funds, legal fees, and insurance.

Sometimes specific information is available that indicates that the percent allocated to soft costs will likely be greater than 30 percent. For example, if higher-than-normal nonconstruction costs (e.g., high operating reserves) are anticipated, it may be appropriate to allocate 35 or 40 percent of the total development costs to soft costs. If the percent budgeted for soft costs is expected to differ from 30 percent, enter the new percentage in the "Percent Soft Costs of Total Development Costs" cell.

These inputs will result in the calculation of the preliminary "Total Estimated Development Costs."

Detailed Development Budget. As stated previously, a detailed development budget must be completed for a full feasibility analysis (and to meet the application requirements of most funders). To complete this budget, enter the appropriate amount for each line item. The model will then generate subtotals for each category and a grand total for the entire development budget. Per-unit construction and development costs are then calculated and displayed at the bottom of the "#7 – Development Costs" Sheet.

VIII. Sources of Funds ("#8 — Sources" Sheet)

The "#8 – Sources" sheet calculates how much debt a project can support, and compares the project's total sources of funds to the estimated development costs to determine whether sufficient funds are available for the project.

Debt Service. The "Debt Service" section of this sheet must be completed if the project will carry debt. If debt will not be used to fund the project, proceed to the "Summary – Sources of Funds" section of this sheet.

If debt will be carried by the project, enter the debt coverage ratio that will be required by the loan in the first position. The model will then calculate, based on the project's projected net-operating income, the amount per year available for debt service and the corresponding amount of debt the project will support. If you would like the project to carry a smaller amount of debt than that shown, enter the amount of debt you prefer in the appropriate cell. Next, enter the term and interest rate anticipated for the first loan. The model will then automatically calculate the estimated amount of the first loan and the project's corresponding cash flow after the debt service payment for this loan.

If additional sources of debt will be utilized, answer the questions in the "Loan in the Second Position" and "Loan in the Third Position" sections. Based on the information you enter, the model will calculate the amount of debt the project will support and the projected cash flow remaining after debt.

Summary – Sources of Funds. If you indicated in the section of this sheet for "Debt Service Calculation" that your project will carry debt, the amount of debt from each loan will automatically be shown in the "Summary – Sources of Funds" table. The other possible sources of funds for the project must be entered manually. Be sure to mark an "X" in the appropriate column to indicate whether a commitment has been received from any funding source listed. Also indicate the specific source of any grant or "other" funds that will be utilized. The total sources of funds will then be calculated.

Project Gap or Excess. The model will automatically calculate whether the project has more or less money than is needed to cover all anticipated development costs, and will specify the amount of the gap or excess funds.

Output Sheets

Based on all of the information entered into the input sheets of the model, detailed and summary profit and loss projections will be automatically generated. Monthly projections are shown for the first two years of operation, with annual projections generated for the first ten years. These outputs will be recalculated when any of the inputs are modified, which allows you to perform a variety of scenario analyses to determine the impact that different assumptions have on the viability of your project.

Revenue and expenses are increased on an annual basis, beginning with month 13, based on the inputs on each of the applicable sheets. The vacancy factor is based on a summary of each of the vacancy rates for the various revenue sources entered on the input sheets.

A review of the profit and loss projections will indicate the preliminary viability of a project under the assumptions you have entered. Remember that you may vary any of the inputs to see how various assumptions will affect the financial feasibility of the project.

Determining Private Pay Rates

A determination of the most appropriate private-pay rates for an assisted living home can best be made by evaluating rates for comparable facilities in the proposed project's primary market area (or in the surrounding areas if there are no comparable facilities in the primary market area). This determination would typically be made when a market feasibility study for a proposed project is conducted. However, in some cases (e.g. for a preliminary feasibility analysis), a market study may not yet be available. This Appendix will provide some general guidelines on how to best determine your project's primary market area and private-pay rate structure.

Determining a Project's Primary Market Area. The primary market area for an assisted living home is that geographical area from which the majority of residents relocate. It is typically comprised of a fairly homogenous geographic region from which potential residents are willing to travel to receive services. It is important to note that the boundaries of a primary market area may change over time, as forces both within and outside of the market area act to redefine the boundary lines.

To properly identify a primary market area, a variety of factors must be analyzed. Geographic boundaries such as rivers, mountains, and creeks may serve as natural barriers, limiting the accessibility of an area. Transportation corridors such as freeways, railroad tracks and other major arteries may also make it difficult to travel from one area to another.

In addition, psychological barriers may exist. That is, there may be defined lines in a community that prospective residents would not cross to obtain senior living services. Often one part of a city or town is perceived as substantially different from another for reasons not always evident to individuals unfamiliar with the community. County lines, state lines and city limits may also form psychological barriers.

The distance that people in a local area are willing to travel to access needed services is also an important factor to consider when determining a primary market area. For instance, in rural communities people often travel relatively long distances to obtain services (e.g., 10 to 15 miles) and in more remote locations they may travel up to 20 or 30 miles to access services. On the other hand, in urban markets individuals may not be willing to travel more than a few miles to obtain needed services.

Identifying Comparable Facilities. After determining an appropriate market area for the proposed project, those facilities located within this area that could be considered comparable to the proposed project must be identified. Competitive facilities may be defined as those facilities offering a physical plant and services that are comparable to the proposed project. Typically, for facilities to be considered as direct competition to a proposed assisted living home, a full spectrum of personal care services must be available. If there are no assisted living homes currently located within your project's primary market area, expand the geographic area to include those assisted living homes that are located the closest to your proposed project.

Determining Current Rates for Comparable Facilities. To determine the private-pay rates for comparable facilities, these facilities should be contacted and appropriate information obtained. It is important to determine the rates for all levels of care offered and for all available unit sizes. Information should also be obtained regarding the services included in the various care levels.

Estimating Appropriate Private-Pay Rates. Once the rates for comparable facilities have been obtained, appropriate rates for the proposed project may be determined. A decision must be made about how to best position the proposed project within the marketplace. Some affordable project sponsors want facilities to serve the lower end of the private-pay market by providing the most affordable rates possible. Other affordable facilities position the majority of their units in the middle or perhaps even upper end of the private-pay market (if their market area will support the rates). They do this to create an internal subsidy to help offset losses associated with Medicaid units when the Medicaid rate is insufficient to cover costs.

Operating Expense Overview

A brief explanation of each line item on the "#2 – Expenses" sheet has been provided in this section, along with an explanation of the primary factors that may impact the projectspecific cost of the expense category. Guidelines have also been provided as to how to collect data, conduct research, and estimate project expenses.

A. Administrative Expenses

Office Supplies. This line item represents all office and administrative supplies needed to operate an assisted living home.

Postage. This category includes postage and any overnight mail charges. If your project will utilize a third-party management company located out of the immediate area, the amount budgeted for this line item should cover the cost of any regular correspondence to and from the management company's office.

Telephone. Telephone costs can vary greatly depending upon the local phone company's billing policies, the number of phone lines in the building, and whether long-distance calls are required on an ongoing basis (e.g., the management company for the building is located out of the area). Thus, the default assumption provided for this line item should be modified as appropriate.

Pagers/Cellular Telephones. The administrator and/or nurse typically are required to be available on an on-call basis via the use of pagers or cell phones. Pagers are less expensive to use but typically are less efficient than cell phones. On the other hand, some areas do not receive adequate (or any) cell phone coverage. Therefore, the amount that has been allocated for this line item may need to be modified depending on whether pagers or cell phones are used and/or if more costly calling plans are utilized.

Internet Access. This line item reflects the widespread use of the internet by most businesses, with the amount dependent on the monthly provider fees.

Automobile (Mileage). Costs in this category would be attributed to mileage incurred by building personnel in conducting facility business.

Administrative Advertising. This line item includes those costs associated with personnel recruitment, and can vary greatly depending on the location of the building and the stability of staff. Thus, this number should be modified if the building is located in a metropolitan area with higher advertising costs and/or may have a high turnover of staff necessitating ongoing recruitment efforts.

Dues/Memberships. This category accounts for the costs incurred by membership in industry associations, chambers of commerce, and/or subscriptions to industry publications. This number may need to be increased if the building belongs to more than one industry association.

Education/Training. The costs associated with the training of staff (e.g. first aid, CPR) or conferences and seminars are included in this category. The figure provided may need to be modified depending on the number and type of conferences/seminars attended and/or the extent to which outside resources are used to conduct staff training.

Audit Expense. Some lenders require that audits be performed on a yearly basis. Hence, an estimated cost per month is provided to cover this cost. This amount would obviously not be needed if an audit is not required.

Accounting Expense. The cost of performing accounting-related tasks is included in this category (e.g., payroll processing, billing, etc.). This amount would be in addition to any amount allocated for a management fee.

Legal Fees. This line item would be used to estimate any legal fees that may be anticipated in conjunction with the operation of the project.

Licensing Fees. An estimated cost to cover licensing fees is provided based on the number of units, as per the State's assisted living regulations.

Pre-Employment Screening. This category includes those costs associated with any pre-employment screening conducted, such as criminal record clearances, Hepatitis B vaccinations, and State-required health examinations. State regulations require a criminal background check (which costs approximately $110 per employee) and a TB test (typically about $10 per employee). Some homes require prospective employees to pay these costs, although in many cases providers absorb the cost to assist in attracting qualified employees.

Administrative Equipment. This category would cover the cost associated with purchasing, replacing, and/or servicing office equipment (e.g. computers, printers, copy machines, etc.).

Miscellaneous Expense. The miscellaneous expense category includes any administrative-related costs not included in any of the line items outlined above.

B. Resident Care

Care Supplies. This category includes those items utilized in the provision of personal care and medication assistance for residents (e.g. adult briefs, latex gloves, diabetic supplies, etc.). It should be noted that Medicaid may provide reimbursement for care supplies required for Medicaid-eligible residents.

Pharmacy. This expense typically covers the cost for a pharmacy to generate medication records on a monthly basis for residents. An additional fee may also be charged if consulting services are provided.

Activity Supplies and Entertainment. This line item includes all costs associated with an assisted living home's activity program.

Housekeeping Supplies. This category represents the expense of providing housekeeping and laundry services. The figure provided assumes that residents provide their own linens, towels, and toilet paper. State regulations require facilities to provide these items for residents if residents choose not to provide them.

C. Vehicle Expenses

The line items included in this category would apply if a home has a vehicle that is used to transport residents, and include Gas/Oil, Vehicle Lease/ Purchase Payment, and Vehicle Maintenance. It is assumed that the cost of insurance for the vehicle is included in the expense category for Property and Liability Insurance.

D. Marketing

Advertising. The amount of money spent on advertising will vary depending upon the competitiveness of the marketplace, the advertising options available in the market area, and the effectiveness of other marketing strategies employed. Another major factor affecting this line item is the location of the facility. That is, advertising costs in small, rural communities are typically minimal, whereas these costs in metropolitan areas can be significant and often are cost-prohibitive. It should be noted that network marketing (establishing and maintaining relationships with key community contacts) is typically the most effective marketing strategy and requires no direct expenditure of funds.

Referral Agency Fees. In some communities, referral agencies play a significant role in the community's local referral network. In such a case, an amount should be budgeted for referral agency fees. If a building is located in an area that does not utilize such agencies or if the building does not require the use of agencies to maintain occupancy, funds would not need to be allocated for these fees. No funds have been allocated for this line item in the financial model.

Printing. An amount should be budgeted for the costs associated with printing marketing materials such as brochures, business cards and stationary. The cost estimate provided in the model may be low if more elaborate materials are envisioned (e.g., four-color printing, etc.).

Miscellaneous Marketing Expense. This line item covers any marketing expenses not associated with those categories outlined above.

E. Dietary/Kitchen Expenses

Raw Food. The cost of raw food is typically budgeted on a per-resident (per meal or per day) basis. The default assumption provided in the financial model is $10.00 per resident/per day. This factor assumes that one main entrée is served for each meal with alternatives provided as desired by residents. If a "select" menu is used, which provides more than one entrée for each meal, it may be appropriate to increase the cost factor for this line item by 15 to 20 percent.

Kitchen Supplies. This category includes supplies used in the kitchen for food preparation or service (e.g., foil wrap, paper cups, place mats, etc.).

Smallwares and Minor Equipment. Included in this line item is the cost to purchase or replace smallwares (e.g., silverware, dishes, etc.) or small equipment items.

Dietary Consultant. A monthly fee may be paid to a dietary consultant for the preparation of menus and recipes. Consultants may also perform kitchen inspections on a regular basis (e.g. quarterly) to ensure compliance with all sanitation standards and regulations.

F. Maintenance

Repair Expense. This line item is comprised of those costs related to maintaining a home in good condition providing repairs to the building and/or equipment as needed.

Elevator Expense. This category would be utilized for multi-story buildings, and will be automatically calculated if "Yes" is entered in response to "Will the building include an elevator?" on the "#1 – Summary" sheet. This cost covers the monthly fee for a maintenance contract for the elevator(s) and may vary depending on the building's location and number of elevators.

HVAC Expense. This line item applies to maintenance provided to a building's heating, ventilating and air-conditioning (HVAC) system, and is based on the project's number of units. This line item would not apply if a building does not have air conditioning, and may be less than the amount provided if only the building's common areas are air-conditioned.

Grounds Contract/Snow Removal. This category covers the cost to have the grounds of the facility maintained on a regular basis. The actual amount charged may differ from the estimate provided, depending on the amount and complexity of any landscaping on the grounds and on the size of the property. It should be noted that for large properties, only a portion of the grounds may need to be maintained. The remainder of the site can often be left in its natural state.

Pest Control. This category includes the cost for regular pest control services to be provided. This cost is automatically calculated in the model based on the size of the building, as the cost for this service typically increases slightly with larger buildings.

Alarm Monitoring. This line item covers the cost associated with monitoring of the facility's fire alarm system.

Miscellaneous Maintenance. This category is available for those maintenance-related charges not associated with any of the above categories.

G. Utilities

The costs for utilities (i.e., electricity, gas/fuel oil, water/sewer, cable TV, and trash removal) may vary significantly depending on the location of the facility. Default assumptions have been provided based on typical costs incurred by other assisted living homes. However, these costs should be researched on a facility-specific basis. Suggestions are provided in this section on how to obtain estimates for these costs.

Electricity and Gas. The utility companies providing electricity and gas to the building will typically provide estimates of cost based on the number of units in the building and comparable facilities in the area.

Water and Sewer. The monthly expense for water and sewer is typically based on the number of units in the building. The companies providing these services will usually provide an estimated monthly cost for a proposed project.

Cable TV. The cable TV vendor servicing the area in which the building is located should be able to provide estimates of cost based on the number of units in the building. Typically, the facility will include the cost of basic cable in residents' monthly fees, with extended cable paid for by each resident directly if it is preferred. When using a cost-based Medicaid rate, the cost of cable in the common areas is an allowed expense, but the cost to provide cable in resident units is a non-allowable expense.

Trash Removal. The cost for trash removal will vary depending upon the location of the facility and the number of residents. Estimated costs for this expense may typically be obtained from the service provider if information is provided regarding the number of units planned for the project.

H. Property Costs

Property and Professional Liability Insurance. The cost for professional liability insurance has fluctuated significantly in recent years. The estimate included in the model is based on an average cost for homes in Alaska. However, this cost may vary based on a number of factors. Thus, actual estimates should be obtained from local insurance brokers providing this type of insurance.

Property Taxes. The property tax treatment and costs for your project (for-profit or nonprofit) need to be researched carefully since property taxes can be a major expense. Not-for-profit facilities typically are not required to pay property taxes, although in certain cases property taxes may be required. A determination as to whether a non-profit organization should budget for property taxes may best be made by a tax attorney or other professional with specific expertise in this area. When applicable, property taxes should be estimated. The appropriate factor to apply to the building's value may be obtained from the county assessor's office

Repair and Replacement Reserve. Funds should typically be placed in a repair and replacement reserve on a monthly basis. An amount of $350.00 per year per unit is included in the model (as recommended by the Alaska Housing Finance Corporation). However, other funders may prefer that another factor be used to calculate this reserve amount.

Monthly Rental Charge Abatement. This line item should reflect any rent discount provided to the project's administrator if he/she is living on-site at the project.

Lease Payment. If you will be leasing the building in which your project will be located from another entity, the monthly lease amount should be entered in this line item.

Management Fee. A management fee is typically paid to a management company to oversee the ongoing operations of a facility. This fee is usually based on five percent of the facility's gross revenue, although in some cases another percentage may be used. A five percent fee is provided as a default assumption for this expense category. A minimum monthly fee is usually included in a management contract to provide sufficient compensation to the management agent during the facility's lease-up period. The amount of this fee will usually vary depending on the size of the building.

Indirect Rate. A line item has been included for an indirect rate, which is calculated as a percentage of all other expenses. It should be noted that this category should not include any costs that have already been entered in any other line item.

Personnel Overview

Most projects will utilize only a few of the positions included in the "#3 – Personnel" sheet, particularly if universal workers are used. However, the model includes all of the positions that might be utilized to facilitate efficient use of the model by as many projects as possible. A description of each position and an overview of those factors that might have an impact on either the number of hours or the wage allocated for the position is provided in this section.

Administrator. A full-time, salaried administrator is included in the default assumptions built into the model. This individual typically oversees all of the day-to-day operations of the facility, including staffing, resident care, marketing, and business management. The salary for this position will vary greatly depending upon the location of the facility, the number of units, and whether housing is provided for the position, but typically ranges from $35,000 to $50,000 per year. Estimates for appropriate administrator salaries for your area may best be obtained by networking with other assisted living providers in the State.

Assistant Administrator. The position of assistant administrator may be used in larger homes, with smaller homes typically not having a need for this position. In larger projects, some of the duties that would usually be performed by the administrator are delegated to the assistant administrator (e.g., marketing, business functions, and/or staff scheduling). An appropriate wage for this position may best be estimated via those avenues outlined for the administrator position.

Universal Worker. Universal workers are typically responsible for assisting residents with a variety of needed services, including personal care, medication assistance, redirection and orientation, and meal service. They also are responsible for maintaining appropriate documentation in resident records and may perform housekeeping functions in the common areas of the building and/or in resident units. Depending on the size of the home, universal workers may also perform cooking and kitchen clean-up tasks.

The appropriate number of universal workers will depend on the acuity of resident needs. That is, homes with a higher level of care should have a higher staffing ratio than homes with a lower level of care. The financial model assumes a high level of care, typical of a nursing home alternative model of assisted living.

Typically a building will have more staff on the day and evening shifts than on the night shift, as resident care needs are usually not as great at night. Shifts for universal workers typically range from approximately 7:00 a.m. to 3:30 p.m. for the day shift, from 3:00 p.m. to 11:30 p.m. for the evening shift, and from 11:00 p.m. to 7:30 a.m. for the night shift. However, there are many variations in staffing patterns and shifts, all of which can work equally well depending on the needs of a particular home. Regardless of the specific shifts allocated, the hours budgeted and the resulting staffing expense will be the same.

It should be noted that staffing needs may vary for buildings with the same number of units, depending on the design of the building. That is, a multi-story building should ideally have at least

one resident assistant available per floor per shift, even if this would result in more staff than would otherwise be budgeted. The same would be true if a building has distinct wings or sections. The model assumes a one-story building without distinct wings or sections. If a building will have multiple floors and/or distinct sections, it would be advisable to work closely with an operations consultant during the design phase of the project to minimize any impact the design could have on staffing levels.

The ramp-up minimum for this position is based on projections of one universal worker for each shift, seven days a week, at the wage entered under "Pay Scale" on the "#3 – Personnel" sheet.

The wages for universal workers can vary significantly between geographic areas, depending upon the local cost of living and job market. Wage surveys for this position should typically (as available) include other assisted living homes, nursing homes, hospitals and home health agencies. Help-wanted ads and web-based job postings may provide additional information. When conducting wage surveys for this position, it is helpful to determine if any differential is paid for certified aides versus those who are not certified and/or for aides who work the swing or night shifts.

As noted earlier, hospitals typically have higher wage structures than do other types of facilities. In addition, home health aides are often paid more than resident assistants in assisted living homes, as these aides usually are not guaranteed regular hours and have to provide their own transportation between clients.

Receptionist. A receptionist/administrative assistant is typically not needed for smaller homes. When this position is utilized (generally in larger facilities), duties may include answering the phone, greeting visitors, and performing clerical duties. To estimate the hourly wage for this position, comparable wages for receptionist/clerical positions in several different industries should be obtained. Often this can be accomplished by looking at local help-wanted ads and/or job posting sites on the internet.

Activity Director. The activity director is responsible for planning and implementing social and recreational activities for residents. In small homes, these functions are typically conducted by the universal workers, whereas larger facilities usually have dedicated activity director positions. Comparable wages may be obtained from wage surveys of currently operating assisted living projects or nursing homes and from help-wanted ads or job postings.

Vehicle Driver. If a van or other vehicle will be utilized by a home for transporting residents to doctor appointments, shopping and/or on outings, the cost to employ a driver should be budgeted. Small homes will typically utilize other positions (e.g. universal workers or the maintenance person) to carry out this function. If a dedicated vehicle driver is employed, this position is typically budgeted at approximately the same wage that is paid to the home's universal workers.

Registered Nurse or LVN/LPN. The role of a nurse in assisted living facilities is typically to oversee resident care, train and supervise resident assistants, and interface with other health-care providers (e.g., resident physicians, home health agencies, etc.). Although not required by State regulation, it is very helpful to have a nurse on staff, particularly if a high level of care is planned.

Alaska has a nurse delegation act that permits RNs to delegate to unlicensed staff at assisted living homes, nursing tasks that would otherwise need to be performed by a licensed nurse. Thus, use of an RN can significantly increase the ability of a home to provide a higher level of care more efficiently and at a decreased cost.

The number of nursing hours needed depends on the size of the facility and the level of acuity in the building. The financial model utilizes a factor of .75 hours of nursing time per resident per week, and assumes that the average acuity level in the project will be high – the level typical for a nursing home alternative model. A nursing home alternative model is used because this is the model that is required by the state Medicaid waiver program. If you expect to use a different source of service reimbursement with lower acuity thresholds, the estimated hours of nursing time built into the model can be modified to reflect a lower level of anticipated care needs.

Comparable wages for the nurse position may be found by surveying other assisted living facilities, nursing homes, hospitals, and home health agencies. Other sources of wage information may be industry surveys, help-wanted ads and web-based job postings.

Nurse On-Call. Nurses in assisted living homes are typically expected to be available on an on-call basis for questions by staff regarding resident care. An additional fee may be paid to the nurse as compensation for on-call time. This fee may range from $100 to $250 per month, depending on the size of the facility.

Lead Cook/Food Services Director. In larger facilities, a lead cook/food services director is typically employed to oversee the day-to-day operations of the kitchen, including ordering food, ensuring the cleanliness of the kitchen, and maintaining food costs within budgetary guidelines. Depending on the size of the building, this individual may also be responsible for overseeing all kitchen personnel (e.g., hiring, scheduling, supervising, etc.). The person in the lead cook/food service director position typically also performs cooking duties and is usually budgeted at 40 hours per week. This position may not be utilized at all in small homes if the home's universal workers are involved in meal preparation and service tasks.

The wage for the lead cook/food service director will vary depending upon the size of the building and the location of the facility. Wage surveys may include other assisted living facilities, nursing homes, hospitals, schools and/or restaurants. Help-wanted ads and job postings may also provide useful information.

Cooks. Depending on the size of the facility, one or more cooks may be required in addition to the lead cook/food service director, although in small homes universal workers typically perform all cooking tasks. When dedicated cooking personnel are used, homes with less than 50 residents can typically be staffed with 10 cook hours per day, supplemented as appropriate with assistance from dietary aides.

The lead cook/food service director typically performs cooking tasks in addition to the administrative duties within the 40 hours a week budgeted for this position. In larger buildings, the food service director may need more hours for administrative duties, and thus may not be able to allocate

the full 40 hours to cooking-related tasks. This has been factored into the cooking hours budgeted for the model.

As with the lead cook/food service director, wage surveys should include other assisted living facilities, nursing homes and hospitals, utilizing schools and restaurants if appropriate. Help-wanted ads and job postings may also provide useful information.

Dietary Aide/Kitchen Assistant. In larger homes, dietary aides/kitchen assistants may be utilized to provide assistance to the cooks. Duties may include food prep tasks, dish washing, cleaning of food preparation areas, and dining room set-up/clean-up. The hours needed for this position will vary depending on the size of the building and the number of cook hours budgeted. An appropriate wage for this position may be obtained by surveying nursing homes, hospitals and restaurants.

Server. Most smaller assisted living homes and facilities designed to provide affordable assisted living will utilize universal workers to serve meals to residents. However, dedicated servers may be desirable in larger facilities with a high percentage of private pay units, especially those with a higher-end rate structure. In some markets, the use of dedicated servers has become a standard and is used to enhance the dining experience for residents. In such a case, it may be helpful to utilize dedicated servers to compete effectively in the marketplace.

Housekeeper. In small homes, universal workers are usually responsible for the routine cleaning of resident units and common areas. Larger facilities, however, typically utilize dedicated housekeepers for the regular cleaning of resident apartments. Housekeepers may also be used by smaller homes to provide deep cleaning tasks. If a dedicated housekeeper is used, the number of hours required for this position will depend on the number of units in the project. A factor of 0.8 hours per week for each unit is often used to budget the number of housekeeping hours needed.

The wage for a housekeeper is typically similar to that paid to universal workers. Wage surveys for this position may include competing assisted living facilities, nursing homes, and motels.

Maintenance Person. Maintenance personnel are needed to keep the building in good condition and perform preventative maintenance tasks as appropriate, even for new buildings. For larger facilities, 0.5 hours per week per unit is generally an appropriate estimate of the time needed for this position. Smaller homes will typically require a greater per-unit, per-week factor, as these homes are not able to benefit from the economies of scale present in larger facilities. Older buildings and/or buildings that have not been well maintained may require additional maintenance time.

The wage for a maintenance person will vary depending upon the location and size of the facility. Wage surveys for this position can be conducted with other assisted living facilities, nursing homes, and hospitals. Help-wanted ads and job postings may also provide helpful information.

Other Project-Specific Personnel. Some facilities have special needs that require additional staffing not included in this model. For example, a project located in a high crime or urban setting may need to employ security personnel, while a special-needs project that serves only hearing-impaired individuals might require the services of a translator to facilitate communication with residents.