JUNEAU COMMISSION ON AGING

City & Borough of Juneau

DRAFT Minutes of Regular Meeting

February 12, 2015

CALL TO ORDER

The Commission met at the JEDC conference room, in order to access its teleconference phone system. Chairperson MaryAnn VandeCastle called the meeting to order at 9:30 a.m. Members present were: Mary Lou Spartz, Dixie Hood, and Charles Wilson. Pat Watt and Cliff Cole were absent. MaryAnn announced that vice-chair Liz Terry has resigned from the Commission. Also attending were Assembly member Jerry Nankervis, and Sioux Douglas, Don Gotschall, and Brian Holst from the Assisted Living for Seniors task force (ALFS).

AGENDA; DECLARATION OF A QUORUM

The agenda was adopted. It was declared that a quorum of members was present.

APPROVAL OF MINUTES

The minutes for the regular meeting on January 8 were approved.

SPEAKER: JIM MCCALL OF AHFC SENIOR HOUSING PROGRAM

TOPIC: NEXT STEPS TOWARD ASSISTED LIVING IN JUNEAU

Speaking to us over teleconference phone from his office in Anchorage, Jim McCall reminded us that he's been involved with efforts to bring assisted living to Juneau for at least 10 to 15 years. Now that we have a completed market demand study, this is the furthest the project has ever gotten. It's good to have this expert document as back-up, showing the level of need. Also in our favor is the Assisted Living for Seniors task force, bringing in a developer (RHF) in the summer of 2013 to tour Juneau, and a large cadre of volunteers willing to help move the project forward. Organizations that ultimately succeed are able to visualize their goal before the development is complete.

His concern is that the community cannot afford to lose momentum. The demand study is now about four or five months old, and getting older by the day. As it ages, it loses value. We should ask, what can be done today, in the next six months, in the next year?

What we heard in August of 2013, when RHF visited Juneau, is that costs of development here are high, and resources more limited. RHF indicated they would need land provided to them if they were to consider a project here. Many other people we've heard from have echoed that concern.

Leaders of the community need to show they are taking this need seriously. There is only one assisted living bed in Juneau for every 72 seniors age 65 and over. This is becoming an increasing discrepancy. The community should be aware that seniors are an economic resource. Statewide, seniors bring in $2.4 billion per year in retirement income and an additional $600 million in wages from those who continue to work. They also provide many volunteer hours to local organizations. We all need to be singing from the same hymn book: "We need to keep these folks." This is where we want to be!

Jim asked whether there was any possibility of a land donation. Don replied that the ALFS task force has compiled a list of a number of parcels of land that may potentially be available – but most are quite expensive. Among these is some Mental Health Trust land on the site of the old sub-port building, on the downtown waterfront. This currently has a price of $1.7 million per acre for a three-acre parcel. Jim agreed that potentially using up $5 million before the first shovel of dirt is turned is indeed a big challenge.

Don asked Jim if AHFC has any funds available for a loan if we need one in the next few years. Jim said that yes, there is loan money available for projects, but not for land. They can finance a long-term mortgage but not a construction loan. His concern here is, what is the final cost going to be, and will it be affordable to the consumer who will be residing in the assisted living facility. Will people stay here if they must pay $8,000 per month, or will they go somewhere where the cost is $6,000? His concern is that the project be successful.

Don asked if AHFC funds construction loans and, if so, at what interest rates. Jim said no, they do finance long-term mortgages, but not construction loans. Special needs multi-family rates are in the 6% range. It changes every week. By the end of the year, it's possible there could be an uptick in interest rates. There are a lot of variables on the table, and any change in any of them would impact overall project cost. He estimated construction would take at least a year.

Jim noted that combining independent living and assisted living in a single project is OK, but "the devil is in the details." This makes the project more complex, so be very careful. There could be too many variables; be cautious about getting too complex. Independent living is a fluid situation – for example, Home Run I (St. Vincent's) will open in two years – this will be 40 units of affordable independent living. Do you want to have multiple balls in the air – or simply focus on assisted living, which is a *crisis* situation? Down the road, you can consider independent living, a senior center, etc. It's easy to get bogged down when the project gets too complicated.

Jim advised that we always keep an eye on funding. Right now we have some new independent living coming in. And there has recently been a change in the state's fiscal climate.

Sioux stated that we are making slow progress on the assisted living project. She asked Jim to clarify that AHFC can help with long-term financing from special needs housing funds. Jim stated that the construction lender will give a loan to the developer. This may be contingent on an investor stepping up who is committed to operating the facility. Special needs loans are a different pot of money from special needs grants – typically projects have "a toe in both pools of water." Usually the grants side awards money, then sends it over to the loans side for financing.

Sioux asked if Jim's recent report to the Alaska Commission on Aging is available. Jim said he would send it to both the JCOA and the ALFS task force.

MaryAnn asked Jim what he thinks the problem is that has prevented development of assisted living in Juneau for so many years. Jim responded: Cost. Access by boat or plane only. Scarce land. There has been an issue with sustained marketing – in the past interest in the project has flared up and then fizzled. Jim advised that we ensure that the local population understands that seniors have needs but also great resources. Work together as a team to "tell a powerful story" – he advised us to "go beyond the data" to include pictures and stories of individual people. Personalize the story to appeal to those who may be turned off by bland data. Show them stories about their neighbors, and people like themselves (especially in the case of the boomers). This can be an effective approach in a small community like Juneau. Include in the story details about senior spending in the community, and senior resources.

Dixie observed that the Juneau Empire "Neighbors" section could be a forum for these types of stories. Dixie also asked whether the Juneau Community Foundation could be a resource for obtaining the land for an assisted project.

Both Sioux and Mary Lou responded that that is not possible. There is no fund that can be accessed to benefit seniors. The Juneau Community Foundation recently received a $50 million gift, and the money was earmarked for a lot of other things – but not for senior issues. Jim found this very interesting, noting that it is very telling – an eye-opener as to the community's perception of its own priorities. There's a disconnect, and there is going to be a learning curve in order to change that. There's a great need, but nobody directing money to that need.

Brian disagreed. He sees a high turnout at community meetings regarding senior issues, and the new Juneau Economic Plan supports development benefiting seniors. He's not sure what we'd get from greater awareness on the part of local people. What we need to be doing is marketing to potential investors outside Juneau.

Jim said the issue is forward momentum. The ALFS group has done a great job, but now they need to promote the project locally while also outreaching to outside investors.

Charles noted that Haines has both an assisted living facility and a veterans housing center. Haines is smaller than Juneau! How can we replicate what they have done, he asked. Jim responded that one of these (the veterans center) was built with a capital appropriation from the Legislature. Juneau is doing what Haines did, we're just a little further behind, Jim said. We need to attract a developer. He suggested that we now need a project manager.

Jim suggested the local group contact Linda Hendrickson of the Chugiak Senior Center – they created a senior campus, including assisted living, using HUD 202 funds (for low-income senior apartments), and other funding for assisted living and independent living. They now want to build more. They began with architectural drawings of what the facility may look like. This approach appeals to visual people.

Since RHF has already been to Juneau for a visit, Jim suggested asking them, "If you came to Juneau, what would you want to build?" Then have something drawn up to illustrate that type of facility. Sioux agreed that even if we ended up with something similar but not exactly reflective of the drawings, at least we'd have something to start with to get the momentum going. We would not need land before proceeding with this. Jim emphasized that "You have to have a vision and share it with other people…Your document [demand study] is gathering dust…"

Charles again referenced the Haines facility, which received various grants and donations. He is working on putting together funding for the Prema Home project, which would combine senior housing and housing for homeless youth. He asked Jim what doors he should knock on for possible funding. Jim stated that a lot of funding issues depend on the Legislative session and what grants are available at the end of it. He advised keeping this project separate from the assisted living project, and suggested that Charles "keep it simple."

Jim noted that he has seen faith-based organizations step up with funding. These groups already recognize this need. The churches are waking up – a man he spoke to described a member of his congregation with dementia who was couch-surfing among different parishioners. One faith-based group had a member leave a large sum of money for assisted living. Reach out to these groups, he advised. Aging is everybody's business!

Another tactic Jim suggested was to be sure we offer public comment on the state plan for senior services currently in development by the Alaska Commission on Aging. There is a housing section of the plan, and we can help ensure that the ACOA seeks to capture a share of housing-related revenue statewide.

Sioux commented that practically all that we discussed today is underway. The project is now in the feasibility and pre-development stage. There is a current effort to seek funding to hire a project manager. This will be key to keeping up the momentum. On March 2nd, Sioux will be addressing the Juneau Assembly's Committee of the Whole. We need to tell the story better – we need them to see that supporting an assisted living facility is not only the *right* thing to do (for seniors) but also the *economically smart* thing to do (for the community). We need to point out the economic benefits of keeping seniors here – as seniors are Alaska's second largest industry!

Sioux added that we are still going to try to find a benefactor, by publishing a My Turn article in the Juneau Empire, etc. Jim asked about local corporations who might choose to get involved. Sioux said the group has talked about approaching Sealaska. Brian said he has talked to local developers. There are no firms in Juneau that specialize in this type of development. He believes the community *is* in tune with the changing demographics – but local builders don't have the expertise in running these facilities.

Mary Lou observed that seniors are really feeling the impact of Alaska's fiscal shifts. There is talk of cutting the Senior Benefits program statewide, and limiting the senior sales tax exemption locally. "We're feeling it. We're having some shaky moments." She asked whether the assisted living facility is envisioned as a regional center for Southeast Alaska. ALFS members answered, "Yes, definitely."

Jim reminded us to keep an eye on the nursing and/or CNA program at UAS. AvTech is cutting their nursing program due to reduced funding. Having a training program for nurses and aides is a big element to have in place for staffing an assisted living facility in a small town. If the town is unable to train its own people, we'll have to bring in people with no ties to Juneau to staff the facility.

Jim also noted that it's odd that Juneau does not have a number of smaller assisted living homes (serving two to five clients). AHFC can kickstart them with zero down and a low rate of interest, based on the number of occupants. This is a great program that we might also want to publicize. A lot of people around the state have used this program. It's designed to provide loans for purchase of private residences, so long as they meet criteria for licensing as assisted living homes.

Wrap-up: Dixie advised JCOA members to contact their legislators on the road issue, as individuals. She also agreed to provide information to us next month on the empowered pool board debate; she believes an empowered board would mean privatizing the pool and raising costs. MaryAnn will provide information on the proposed cuts to the Senior Benefits program and will draft a letter of support for the program to forward through the Juneau Assembly to local legislators.

The next meeting of the JCOA will be on March 12th at the Juneau Senior Center.

The meeting was adjourned at 11:00 a.m. (as another group was waiting to meet in the conference room).