

Introduced: 2/3/89  
Referred: Labor and Commerce  
and Finance

6-0600E

1 IN THE SENATE

BY RODEY AND PEARCE

2 SPONSOR SUBSTITUTE FOR SENATE BILL NO. 135

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act establishing the Alaska neighborhood re-  
7 vitalization initiative; and providing for an effective  
8 date."

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

10 \* Section 1. PURPOSE. The purpose of AS 44.33.436 - 44.33.438, added  
11 by sec. 2 of this Act, is to promote neighborhood revitalization and devel-  
12 opment through local initiatives of the state's communities with the assis-  
13 tance of financial institutions and the state.

14 \* Sec. 2. AS 44.33 is amended by adding new sections to read:

15 ARTICLE 6B. NEIGHBORHOOD REVITALIZATION AND DEVELOPMENT PROGRAM.

16 Sec. 44.33.436. NEIGHBORHOOD REVITALIZATION AND DEVELOPMENT  
17 FUND. There is created the neighborhood revitalization and develop-  
18 ment fund, to be administered by the commissioner. The commissioner  
19 shall deposit to the credit of the fund

20 (1) grants and contributions to the fund;  
21 (2) appropriations to the fund; and  
22 (3) proceeds of bond issues authorized for deposit into the  
23 fund.

24 Sec. 44.33.437. POWERS AND DUTIES. (a) The commissioner may  
25 use money in the fund to make grants to

26 (1) nonprofit development corporations that qualify for  
27 assistance from the Neighborhood Reinvestment Corporation organized  
28 under 42 U.S.C. 8101-8107 (Neighborhood Reinvestment Corporation Act),  
29 for costs for neighborhood housing, neighborhood revitalization, and

1 economic development projects in a community; and

2 (2) persons and organizations that qualify for assistance  
3 under the Alaska Main Street Program established under (c) of this  
4 section.

5 (b) The commissioner may use the proceeds of a bond issue to  
6 make grants under AS 44.33.436 - 44.33.438 only for construction of  
7 capital improvements that relate to neighborhood revitalization or  
8 that support economic development in the community. The grant shall  
9 be disbursed in accordance with the terms of an agreement between the  
10 commissioner, on behalf of the state, and the recipient. The agree-  
11 ment may include any provision agreed upon by the parties, but must  
12 include in substance the following provisions:

13 (1) the recipient agrees to proceed with and complete the  
14 proposed capital improvement expeditiously;

15 (2) the recipient will not substantially alter the proposed  
16 capital improvement or undertake construction in a manner that sub-  
17 stantially departs from the approved design for its construction or  
18 development without the commissioner's prior approval;

19 (3) the parties agree that if a proposed capital improve-  
20 ment constructed or developed with financial assistance provided under  
21 this subsection from general obligation bond proceeds is used for  
22 purposes other than for the principal use for which designed and  
23 constructed, the state may require the recipient to reimburse the  
24 state for that portion of the total cost of the capital improvement  
25 that the state's investment bears to the total investment in the  
26 capital improvement from all sources.

27 (c) The department shall establish a community-based Alaska Main  
28 Street Program to provide grants for economic revitalisation and de-  
29 velopment projects in older central business districts and

1 neighborhoods. The program must use techniques developed by the  
2 National Trust for Historic Preservation that are designed to stimu-  
3 late business reinvestment, restore building facades, retain existing  
4 small businesses, strengthen the local tax base, create employment  
5 opportunities, promote new commercial opportunities in the central  
6 business district, and help to stimulate a renewed sense of community  
7 pride.

8 (d) The commissioner may adopt regulations necessary to carry  
9 out the department's functions under AS 44.33.436 - 44.33.438.

10 (e) The commissioner shall provide for an annual audit of the  
11 grants to nonprofit development corporations made under this section.

12 Sec. 44.33.438. DEFINITIONS. In AS 44.33.436 - 44.33.438

13 (1) "commissioner" means the commissioner of commerce and  
14 economic development;

15 (2) "community" means

16 (A) a municipality; and

17 (B) a place that is not incorporated as a city and in  
18 which 100 or more persons reside as a social unit.

19 (3) "department" means the Department of Commerce and  
20 Economic Development;

21 (4) "fund" means the neighborhood revitalization and devel-  
22 opment fund established in AS 44.33.436.

23 \* Sec. 3. AS 44.33.020 is amended by adding a new paragraph to read:

24 (31) administer the neighborhood revitalization and develop-  
25 ment program under AS 44.33.436 - 44.33.438.

26 \* Sec. 4. This Act takes effect July 1, 1989.