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Alaska State Legislature

Official Business

Community & Regional Affairs Committee

Pouch V
State Capitol
Juneau, Alaska 99811

February 12, 1985

C&RA Meeting --- Hearing on SB 108 and SB 65
Teleconference to Anchorage/Fairbanks
where interest will be SB 108
Teleconference also to Cordova/Homer
where interest will be SB 65

Regular Committee meeting will be from 3:30 until 4:30p
this will cut short the time for hearing on the two bills...
might want to hear each bill for 30 minutes

At 4:30p will move to the Butrovich Room for joint meeting
with House C&RA and a presentation by John Walsh

Ed Merdes requests that you hear SB 108 first.....

Merdes will testify by teleconference from Fairbanks
He said he will also have a number of people from
Anchorage who will testify

Ken Bischoff, Director of Finance, Department of Administration
will testify....

Representative Marco Pignalberi will testify

Dept of C&RA will be present and may testify

Senators Bennett, Coghill, and Ferguson have a personal
interest in the bill -- the present U.S. Olympic Committee
for Alaska includes Ed Merdes, Chair; Don Dennis, Exec Director;
Chuck Sassara, Girdwood; Dr. Glen Olds, Anchorage; Charity
Kadow, Anchorage; and Lew Williams, Jr., Ketchikan.

In their position papers C&RA recommends that the Dept of Admin
be responsible for all provisions of the bill; and the Dept
of Admin recommends that C&RA be responsible for all provisions
of the bill. The bill, as presently written, makes Administration
responsible for holding the money in trust and making payments
to the Committee; and Community and Regional Affairs is responsible
for collecting monies from employees who wish to participate.

Administration fiscal note for FY'86 is \$1,065,000

Community and Regional Affairs fiscal note for FY-86 is \$82,600

SB 65 -- is sponsored by Kerttula

Joyce says Beth will be there to testify -- their office has
given me nothing as back-up material...

(see next page.....)



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Page 2----- notes for C&RA meeting 2/12/85

Teleconference hookup will be to Cordova and Homer on this bill

in Homer, the City has been notified; and the Chamber of Commerce has been notified--Phil Shealy, City Mgr said he would get the word out about the teleconference

in Cordova, the Mayor/City Clerk has been notified, the Cordova Times, and the Cordova Chamber of Commerce....I do not know who will testify

the file on this bill includes....

newspaper article "State 'rural' category can mean housing windfall"

a resolution by the Homer Chamber of Commerce

a resolution by the Homer City Council

a position paper from C&RA which says that since the Housing Assistance Division's rural loan program already included anticipated funds for Cordova, there is no significant fiscal impact on the program as a result of this bill

C&RA submitted a zero fiscal note for the bill

SB-65- Kerttula

Feb 8 - Called Joyce Kerttula asked what witnesses she wanted - K testify, etc - she said she would let me know Monday --

Paul Fischer - Hoffatt -- George Ripley

Navarre - Jack Sanderson..

Navarre Pat Malone

~~AK Mumie league 586 1325 Scott Burgess called
left message~~

Feb 11 Notified Cordova newspaper 424-7182
Cordova City Clerk - 424-3237
Linda Plant
Cordova CofC 424-7260

Called Joyce Kerttula again - will tell me tomorrow

Astrid Sandstrom - CofC - Cordova Tues/Thurs 1:00-4:00 424-7260
Marjorie Johnson - Pres CofC - Cordova - 424-3272

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907.465.3800

May, 1986

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS date base CM 14. In order to save space copies of minutes have not been left in the files.

Jeanie Henry

*Senate Community and Regional Affairs,
2/12/85, 3:35
3/19/85, 3:50*

STATE OF ALASKA
DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

- POUCH B
JUNEAU, ALASKA 99811
PHONE: (907) 465-4700
- 949 E. 36TH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508
PHONE: (907) 563-1073

February 12, 1985

POSITION PAPER

RE: SB 65


SPONSORS: Kerttula

SB 65 would change the existing definition of rural to include the phrase "not connected by road or rail to Anchorage." This language qualifies Cordova as a rural community and makes Cordova eligible to participate in the Housing Assistance Division's rural loan programs as it has in the past.

In analyzing data from FY 84--when Cordova was still considered rural--the activity for Cordova totalled 16 housing loans, amounting to \$1,537,850. This loan activity increased gradually since the inception of HAD's program.

During FY 85, Cordova fell under the new definition and was excluded from eligibility for rural housing loans. Under this definition, Cordova was considered urban, and qualified only under the nonconforming program. The loan activity for Cordova during this period number one loan, totalling \$90,000.

By reviewing the definition of rural contained in this legislation, Cordova would again be considered rural, and would therefore again qualify for the rural housing loans. Such a revised definition would cause no major increase to the rural housing loan program. Cordova has maintained its loan activity at relatively the same level since the inception of the Housing Assistance Division program. With the revised definition, loans from Cordova could again be processed and funded with FY 85 & 86 funds with no significant impact on the program.



Emilio Notti, Commissioner

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: SB 65
 Title: An Act relating to rural housing loans
 Sponsor: Kerttula
 Requestor: Senate C&RA Devries
 Date of Request: 2/7/85

FISCAL DETAIL

Agency Affected: Dept. CRA
 Program Category Affected: Division of Housing Assistance
 BRU, Program or Subprogram(s) Affected: Housing Assistance

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS	Ø	Ø	Ø	Ø	Ø	Ø
900 MISCELLANEOUS						
TOTAL OPERATING	Ø	Ø	Ø	Ø	Ø	Ø
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	Ø	Ø	Ø	Ø	Ø	Ø
FEDERAL FUNDS						
OTHER						
TOTAL	Ø	Ø	Ø	Ø	Ø	Ø

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Clark D. Boston Phone: 561-0900
 Division: Housing Assistance Date: 2/11/85

Approved by Commissioner: Emil Notti Date: 2/12/85
 Agency: Community & Regional Affairs

Distribution (by Agency preparing fiscal note):

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

12/1/83



Alaska State Legislature

Official Business

Community & Regional Affairs Committee

Pouch V
State Capitol
Juneau, Alaska 99811

February 11, 1985

Summary - SB 65 - An act relating to rural housing loans

This bill amends 44.47.560 -- Definitions

All of Section .560 remains the same as presently codified in the Statute, with the exception of (5) (B) which redefines "rural" in the Third Judicial District:

(5) "rural" means

(B) a community with a population of 4,500 or less in the third judicial district of the state that is

(i) not connected by road or rail to Anchorage,

or

(ii) more than 100 nautical miles from the conforming boundary of jurisdiction of the Municipality of Anchorage; or

The effect of the bill is to exclude Homer from the provisions of the Statute and add Cordova.

Effect of amendments. — The 1981 amendment added "originating or" preceding "purchasing each type" in the first sentence of subsection (b). The 1982 amendment substituted "housing assistance loan fund" for "nonconforming housing loan fund" in the first sentence of subsection (b).

Sec. 44.47.520. Loans for non-owner occupied housing. (a) In addition to the powers authorized by AS 44.47.370 the director may adopt regulations allowing the use of money in the housing assistance loan fund to make loans for the purchase or development of non-owner occupied housing in rural areas of the state.

(b) The rate of interest on a loan authorized by this section may not exceed 10-1/2 percent.

(c) The principal amount of loans made for non-owner occupied housing under this section may not exceed 20 percent of the total principal amount of loans made for nonconforming and rural housing under AS 44.47.360 — 44.47.560.

(d) In this section
 (1) "development" means the construction of a new residence or the repair, remodeling, rehabilitation, or expansion of an existing residence;

(2) "non-owner occupied housing" means a single-family residence or a multi-family residence having up to eight dwelling units, that is not nonconforming housing, and is not occupied by the owner; the director may modify this definition if the director determines that there is a special need for non-owner occupied housing and that a change in the definition is necessary to enable the division to meet that need. (§ 49 ch 113 SLA 1982)

Sec. 44.47.530. Annual report. To further ensure effective budgetary decision making by the legislature, the division shall present a complete accounting of the housing assistance revolving fund to the legislature by January 10 of each year. The accounting shall be audited by an independent outside auditor and shall include a full description of all mortgage loan interest and principal repayments and program receipts, including mortgage loan commitment fees, received by or accrued to the division during the preceding fiscal year, and all income earned on assets of the division during that period. (§ 17 ch 102 SLA 1983)

Sec. 44.47.560. Definitions. In AS 44.47.360 — 44.47.560,

- (1) "director" means the director of the division of housing assistance;
- (2) "division" means the division of housing assistance;
- (3) "housing" means owner-occupied, single-family housing and owner-occupied duplexes;
- (4) "nonconforming housing" means housing that does not conform to minimum building standards under any state or federal program that provides loans for housing purchases;

(5) "rural" means

(A) a community with a population of 4,500 or less in the first or second judicial district of the state;

(B) a community with a population of 4,500 or less in the third judicial district of the state that is more than 100 nautical miles from the conforming boundary of jurisdiction of the Municipality of Anchorage; or

(C) a community with a population of 4,500 or less in the fourth judicial district of the state that is more than 35 nautical mile from the conforming boundary of jurisdiction of the City of Fairbanks;

(6) "rural housing" means housing, whether or not it is nonconforming housing, that is located in a rural area of the state. (§ 73 ch 106 SLA 1980; am § 50 ch 113 SLA 1982; am § 7 ch 128 SLA 1984)

Effect of amendments. — The 1982 amendment added paragraphs (5) and (6). The 1984 amendment rewrote paragraph (5).

Article 9. Local Boundary Commission.

Section	Section
565. Local boundary commission	575. Quorum
567. Powers and duties	577. Boundary change
569. Meetings and hearings	579. Expenses
571. Minutes and records	581. Hearings on boundary changes
573. Notice of public hearings	583. When boundary change takes effect

Sec. 44.47.565. Local boundary commission. There is in the department a local boundary commission. The local boundary commission consists of five members appointed by the governor for overlapping five-year terms. One member shall be appointed from each of the four judicial districts described in AS 22.10.010 and one member shall be appointed from the state at large. The member appointed from the state at large is the chairman of the commission. (§ 7 ch 64 SLA 1959; am § 5 ch 200 SLA 1972; am § 100 ch 59 SLA 1982)

Revisor's notes. — Formerly AS 44.19.250. Renumbered in 1980.
Cross references. — For further provisions relating to the local boundary commission and to annexation by local action, see AS 29.68.010. As to appointment, qualifications, and terms of office of members of departmental boards, councils, or commissions, see AS 39.05.060.
Effect of amendments. — The 1982 amendment substituted "judicial districts described in AS 22.10.010" for "major senatorial election districts" and inserted "member shall be appointed" in the third sentence.



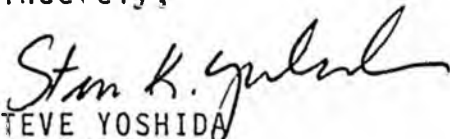
January 25, 1985

Dear Legislator:

Attached please find a copy of Resolution 85-2 entitled, "A Resculation of the Common Council of the City of Homer, Alaska Recommending that the Legislature Retain the D.C.R.A. Financing Program With the City of Homer" as unanimously passed by the Board of Directors at their regular meeting on this date.

This financing program has proven to be an invaluable benefit to the entire Homer area and we urge you carefully reconsider the legislation pertaining to this program so that it may continue in the Homer and other rural areas as well.

Sincerely,


STEVE YOSHIDA
President

SY/ps

January 25, 1985

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
HOMER CHAMBER OF COMMERCE, RECOMMENDING THAT
THE LEGISLATURE RETAIN THE D.C.R.A. FINANCING
PROGRAM WITHIN THE CITY OF HOMER

WHEREAS, the City of Homer is currently eligible for D.C.R.A. financing, and;

WHEREAS, Homer is in fact a rural community suffering seasonal variations in employment, and;

WHEREAS, the D.C.R.A. financing program has been a great benefit to the citizens and a tremendous stimulus to the economy of Homer, and;

WHEREAS, the D.C.R.A. has allowed individuals to purchase homes who would otherwise not be able to purchase homes;

WHEREAS, to date the funding made available to Homer has not impacted the full annual appropriation for the D.C.R.A. program throughout the State of Alaska;

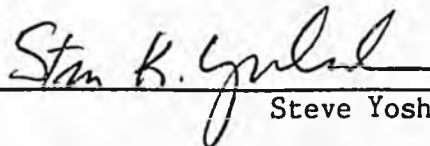
NOW THEREFORE, THE CITY OF HOMER REQUESTS THAT the State Legislature continue the D.C.R.A. financing program in Homer and allow other areas of the state which qualify as rural to also participate in the program.

BE IT FURTHER RESOLVED that copies of this resolution be distributed to the following who are urgently requested to support the resolution:

- 1) Governor Bill Sheffield;
- 2) Senator Paul Fischer;
- 3) Representative Andre Marrou;
- 4) Representative Mike Navarre;
- 5) Senator Edna Armstrong DeVries, Chairman, Senate Committee on Community and Regional Affairs;
- 6) Representative Peter Goll, Chairman, House Committee on Community and Regional Affairs; and
- 7) Emil Notti, Commissioner, Department of Community and Regional Affairs.

DATED AT HOMER, ALASKA this 14th day of January, 1985.

CITY OF HOMER



Steve Yoshida, President

3670 LAKE STREET
HOMER, ALASKA 99603-7647



REPLY TO:

- City Hall
Ph. (907) 235-8121
- Port of Homer
Ph. (907) 235-8597
- Harbor Master
Ph. (907) 235-8959
- Public Works Dept.
Ph. (907) 235-8120
- City Engineer
Ph. (907) 235-6368

January 21, 1985

The Honorable Edna DeVries
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator DeVries:

Enclosed please find a copy of Resolution 85-6 entitled "A Resolution of the Common Council of the City of Homer, Alaska Recommending that the Legislature retain the D.C.R.A. Financing Program within the City of Homer" as unanimously approved by the City Council on January 14, 1985.

This program has been extremely beneficial to the Homer area in that many persons not previously eligible under other housing programs have now been able to obtain home ownership. This is due to the less restrictive nature of the program. In addition, the program has been a tremendous stimulus to the area as a whole and the Port of Homer in particular.

There has apparently been some concern expressed that Homer should not be eligible for funding under D.C.R.A. The City Council strongly objects to this thinking in that Homer and the surrounding area is certainly rural and in desperate need of assistance. As evidence of this rural designation, please be advised that only one half of the buildings in the City are presently served by municipal water and sewer. The remainder still have individual private systems. In addition, the only maintained paved streets in the City at this time are State highways. All other roads are dusty, dirty or muddy depending on the season of the year.

Senator Edna DeVries

January 21, 1985

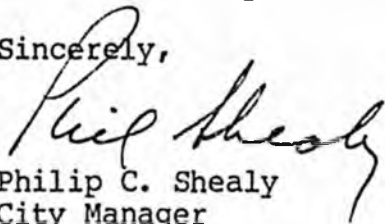
Page two

It is difficult for me to understand the rationale to eliminate Homer from the program on the pretense that other communities, such as Cordova, should be included under the program. The obvious solution is to include these other areas but not to eliminate communities that have been working with the program and found it highly successful.

We would therefore urge, in any consideration regarding eligibility for D.C.R.A. funding, that all existing rural communities presently eligible for funding be retained under the program, at least until the communities obtain some minimum threshold population such as the 4,500 criteria presently in effect. We would further strongly urge inclusion of other remote rural areas as eligible under the program.

If you have any further questions regarding this matter, please contact me at your convenience.

Sincerely,



Philip C. Shealy
City Manager

PCS/pb

enclosure

cc: Richard Leland, Manager
City of Cordova

CITY OF HOMER
HOMER, ALASKA

RESOLUTION 85-6

A RESOLUTION OF THE COMMON COUNCIL OF
THE CITY OF HOMER, ALASKA RECOMMENDING
THAT THE LEGISLATURE RETAIN THE D.C.R.A.
FINANCING PROGRAM WITHIN THE CITY OF HOMER.

WHEREAS, the City of Homer is currently eligible for D.C.R.A. financing, and;

WHEREAS, Homer is in fact a rural community suffering seasonal variations in employment, and;

WHEREAS, the D.C.R.A. financing program has been a great benefit to the citizens and a tremendous stimulus to the economy of Homer, and;

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WHEREAS, to date the funding made available to Homer has not impacted the full annual appropriation for the D.C.R.A. program throughout the State of Alaska;

NOW THEREFORE, THE CITY OF HOMER REQUESTS THAT the State Legislature continue the D.C.R.A. financing program in Homer and allow other areas of the state which qualify as rural to also participate in the program.

BE IT FURTHER RESOLVED that copies of this resolution be distributed to the following who are urgently requested to support the resolution:

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- 2) Senator Paul Fischer;
- 3) Representative Andre Marrou;
- 4) Representative Mike Navarre;
- 5) Senator Edna Armstrong DeVries, Chairman, Senate Committee on Community and Regional Affairs;
- 6) Representative Peter Goll, Chairman, House Committee on Community and Regional Affairs; and
- 7) Emil Notti, Commissioner, Department of Community and Regional Affairs.

State 'rural' category can mean housing windfall

omi Klouda
Writer

Legislature's definitions affect residents' loans

Through an unclear legislative change in rural and urban designations, Homer qualified for \$12 million in housing loans this year under the state's housing loan program, while Cordova was made ineligible.

Homer will be allowed to remain under rural status for now, even though the boundaries drawn up by the legislature defining obviously rural areas as urban — such as Anchor Point — are confusing.

The housing assistance division of the Department of Regional and Community Affairs, charged with administering rural housing loans, improperly classified as a rural area any community not connected to the state's road system. Homer — along with Tok and Valdez — was not eligible for the funds prior to this year.

"Any changes would have to be made by the legislature," Boston said. "Some suggestions have been made to legislators. There is a certain amount of interest in putting Cordova back in as rural and to exclude Homer, but the designations have changed several times in recent years. We carry out whatever law they pass."

But last year the legislature amended the divisions boundaries. Starting this summer, "rural" means any area 100 nautical miles from Anchorage. Cordova was changed to urban, while Homer was changed to rural status.

Homer, pleased with the winter building boom injected by the millions in loans, does not want the designation changed, said Bob Klein, Homer city planner. Housing starts have hit a record high for this season, construction employment is up and building supply sales is at an all-time high.

Some shares the same designation as Homer. Anchor Point and the last 10 miles of East End area are officially designated urban.

Klein agrees definitions by the legislature of urban and rural communities ought to be re-ex-

amined. But the legislature's definition of Homer is correct, he said.

Kenai Peninsula representatives pushed for the change, citing a need for housing loans in the area.

"We feel Homer is definitely a rural community, in the sense that it isn't a metropolitan area. It's a small town," Klein said. "Yet, Kodiak — a city of 12,000 people — is considered rural while Anchor Point is not. I think there's a problem there."

"I'm presently on the committee this year. I thought we had it straightened out last year," Uehling said. "But since there's a problem with Cordova, which should qualify as a rural district, we could work to make changes in the present statute by changing the nautical miles requirement. I'd be glad to work with Sen. Jay Kerttula (Palmer) to change this."

Jeff Smith, deputy commissioner of the Department of Regional and Community Affairs, agrees that it may look like Kodiak is not correctly defined as a rural community. Yet, he said, when the new boundaries were drawn up, Kodiak's isolation and need for housing loans were taken into consideration.

The Division of Rural Housing Assistance was created by the legislature in 1980 to provide housing loans — called non-conforming loans — in areas the Alaska Housing Finance Corporation not equipped to serve.

A House bill amending boundaries was passed toward end of the last legislative session by the House Special Committee on Loans. Committee chairman Rick Uehling R-Anchorage, said the

Three out of the last four sessions have tried come up with the right definition for rural communities, but the divisions become confused, Smith said.

"We are looking internally at the definition and looking for a better definition," Smith said.

Search mounted for airliner

A dozen rescue volunteers were scheduled to search for a single-engined commuter airliner that disappeared while flying between two Alaska villages. Air Patrol spokesman said late Friday that volunteers would meet this morning at Revohn, a U.S. Air Force station about 160 miles from Anchorage, to search for a single-engine Cessna 207 that was shared with one person while flying from Lime Point to Nondalton.

have difficulty spotting the craft if it had been forced to land or had crashed in the search area, thanks to its mostly white paint job.

The missing plane, owned by Vanderpool Air Service of Red Devil, was carrying passengers when it left its home field six miles north of Sleetmute Thursday on a flight to Lime Village, 85 miles northwest of Lake Clark.

Fry said the plane's pilot dropped off his passengers, filed a visual flight rule plan for the 50-mile flight to Nondalton, and took off. He never arrived at his

"The weather was bad, with a low ceiling, low visibility, freezing rain, fog and snow," Fry said, adding that although the craft was outfitted with an emergency locator transmitter, rescue officials have received no signals from the plane.

Volunteers aboard six CAP aircraft searched for the plane Friday, but were stymied by continued bad weather in the area.

Even with clear skies, Fry said, finding the plane would probably be difficult: the craft is painted white with red and blue pinstripes, and the search area is

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MAYTAG EQUIPPED home style LAUNDRY

SELF-SERVICE & DROP OFF



Official Business

Alaska State Legislature

V. Fischer

Community & Regional Affairs Committee

Pouch V
State Capitol
Juneau, Alaska 99811

C&RA Committee Meeting -- March 28, 1985

SB 65 -- Definition of "rural" for housing loans
Introduced 1/18 by Kerttula

Heard by Committee on Feb 12 ---

Teleconference with Homer and Cordova.....

Homer wants bill written so that they continue to
qualify under its provisions
DC&RA supports bill as introduced

Heard by Committee 3/18/85

Testimony from DC&RA that program is working well
as it is....Dept opposed to expanding the definition
beyond that in original version of SB 65

Senator Paul Fischer testified and proposed an amendment
to broaden definition of "Rural"; i.e.,

"...a community in which 65 percent or less of
the residential structures are connected to a
public water and sewer system..."

Amendment was not acted on

Attached is proposed Letter of Intent to accompany bill.



Official Business

Alaska State Legislature

Community & Regional Affairs Committee

Pouch V
State Capitol
Juneau, Alaska 99811

Proposed letter of intent to accompany SB 65

The Senate Community and Regional Affairs Committee has considered SB 65 and passed it out. However, we do not feel that the problem of housing loans for rural Alaska has been solved by this legislation. Financing of housing for rural Alaskans needs a thorough legislative review so that distribution of funds considers equality of need and circumstance rather than geographical location.

Edna DeVries, Chair
Community & Regional Affairs
Committee

SB 65

~~W~~

Introduced: 1/18/85
Referred: Community & Regional Affairs
and Finance

IN THE SENATE

BY KERTTULA

SENATE BILL NO. 65

IN THE LEGISLATURE OF THE STATE OF ALASKA

FOURTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to rural housing loans; and providing for an effective date."

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

* Section 1. AS 44.47.560 is amended to read:

Sec. 44.47.560. DEFINITIONS. In AS 44.47.360 - 44.47.560,

(1) "director" means the director of the division of housing assistance;

(2) "division" means the division of housing assistance;

(3) "housing" means owner-occupied, single-family housing and owner-occupied duplexes;

(4) "nonconforming housing" means housing that does not conform to minimum building standards under any state or federal program that provides loans for housing purchases;

(5) "rural" means

(A) a community with a population of 4,500 or less in the first or second judicial district of the state;

(B) a community with a population of 4,500 or less in the third judicial district of the state that is

(i) not connected by road or rail to Anchorage,

or

(ii) more than 100 nautical miles from the conforming boundary of jurisdiction of the Municipality of Anchorage; or

(C) a community with a population of 4,500 or less in

1 the fourth judicial district of the state that is more than 35
2 nautical miles from the conforming boundary of jurisdiction of
3 the City of Fairbanks;

4 (6) "rural housing" means housing, whether or not it is
5 nonconforming housing, that is located in a rural area of the state.

6 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
7 10.070(c).

STATE OF ALASKA
DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

February 12, 1985

POSITION PAPER

RE: SB 65

SPONSORS: Kerttula

SB 65 would change the existing definition of rural to include the phrase "not connected by road or rail to Anchorage." This language qualifies Cordova as a rural community and makes Cordova eligible to participate in the Housing Assistance Division's rural loan programs as it has in the past.

In analyzing data from FY 84--when Cordova was still considered rural--the activity for Cordova totalled 16 housing loans, amounting to \$1,537,850. This loan activity increased gradually since the inception of HAD's program.

During FY 85, Cordova fell under the new definition and was excluded from eligibility for rural housing loans. Under this definition, Cordova was considered urban, and qualified only under the nonconforming program. The loan activity for Cordova during this period number one loan, totalling \$90,000.

By reviewing the definition of rural contained in this legislation, Cordova would again be considered rural, and would therefore again qualify for the rural housing loans. Such a revised definition would cause no major increase to the rural housing loan program. Cordova has maintained its loan activity at relatively the same level since the inception of the Housing Assistance Division program. With the revised definition, loans from Cordova could again be processed and funded with FY 85 & 86 funds with no significant impact on the program.



Emilio Notti, Commissioner

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- 949 E. 36TH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508
PHONE: (907) 563-1073

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: SB 65
 Title: An Act relating to rural housing loans
 Sponsor: Kerttula
 Requestor: Senate C&RA Devries
 Date of Request: 2/7/85

FISCAL DETAIL

Agency Affected: Dept. CRA
 Program Category Affected: Division of Housing Assistance
 BRU, Program or Subprogram(s) Affected: Housing Assistance

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS	0	0	0	0	0	0
800 MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAP						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Clark D. Boston Phone: 561-0900
 Division: Housing Assistance Date: 2/11/85
 Approved by Commissioner: Emil Notti Date: 2/12/85
 Agency: Community & Regional Affairs

Distribution (by Agency preparing fiscal note):

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

12/1/83



March 19, 1985
Senate C&RA 3:30p

SB 65 -- Definition of "rural" for housing loans

Bill heard on February 12 -- testimony from Beth Kerttula on behalf of bill sponsor

Bill would change the existing definition of "rural" for the 3rd Judicial District, by including the phrase "not connected by road or rail to Anchorage".

Attachments:

ATCH #1 Amendment proposed by Senator Paul Fischer

ATCH #2 SB 65 analysis w/copy of affected statute

ATCH #3 Copies of letters from City of Homer, Homer Chamber of Commerce, and 2 private citizens requesting amending SB 65 so that Homer will remain eligible for this program

Levy
Amend #1

A M E N D M E N T

Offered in the SENATE

By P.Fischer

To: SB 65

Page 1, line 20 through page 2, line 3, delete all material and insert:

"a community in which 65 percent or less of the residential structures are connected to a public water and sewer system [(A) A COMMUNITY WITH A POPULATION OF 4,500 OR LESS IN THE FIRST OR SECOND JUDICIAL DISTRICT OF THE STATE;

(B) A COMMUNITY WITH A POPULATION OF 4,500 OR LESS IN THE THIRD JUDICIAL DISTRICT OF THE STATE THAT IS MORE THAN 100 NAUTICAL MILES FROM THE CONFORMING BOUNDARY OF JURISDICTION OF THE MUNICIPALITY OF ANCHORAGE; OR

(C) A COMMUNITY WITH A POPULATION OF 4,500 OR LESS IN THE FOURTH JUDICIAL DISTRICT OF THE STATE THAT IS MORE THAN 35 NAUTICAL MILES FROM THE CONFORMING BOUNDARY OF JURISDICTION OF THE CITY OF FAIRBANKS];"

Alaska State Legislature

Senator Paul A. Fischer
Senate District D
Box 784
Soldotna, Alaska 99669
(907) 262-9420 W
262-9269 H



While in Juneau

Pouch V
Juneau, Alaska 99811
(907) 465-3791

State Senate

MEMORANDUM

March 14, 1985

TO: Senator Edna Devries
Chairman, Community and Regional Affairs

FROM: Senator Paul Fischer *P.F.*

SUBJECT: DCRA Loans and SB 65

Due to the present statutory limitations, many rural communities are unfairly excluded from participation in DCRA loans. It has been suggested to me that we use a different definition of rural for the DCRA loans.

I suggest the following wording for determining eligibility for DCRA loans:

DCRA loans would only apply to single-family/duplex, owner occupied dwellings located in an area of the state that has 65% or less of its residential structures connected to a public water and sewer system.

An appropriate amendment to Senate Bill 65 might read on line 19: (5) "rural means an area of the state that has 65% or less of its residential structures connected to a public water and sewer system." The amendment would also delete all on lines 20 through 29 on page one and lines 1 through 3 on page two as unnecessary.

I have asked Legal Services to check the wording of the above and will of course provide you with any changes they might suggest.

This would, I believe, come very close to addressing the original intent of the program.



Alaska State Legislature

Amend #2

Official Business

Community & Regional Affairs Committee

Pouch V
State Capitol
Juneau, Alaska 99811

February 11, 1985

Summary - SB 65 - An act relating to rural housing loans

This bill amends 44.47.560 -- Definitions

All of Section .560 remains the same as presently codified in the Statute, with the exception of (5) (B) which redefines "rural" in the Third Judicial District:

(5) "rural" means

(B) a community with a population of 4,500 or less in the third judicial district of the state that is

(i) not connected by road or rail to Anchorage,

or

(ii) more than 100 nautical miles from the conforming boundary of jurisdiction of the Municipality of Anchorage; or

The effect of the bill is to exclude Homer from the provisions of the Statute and add Cordova.

Effect of amendments. — The 1981 amendment added "originating or preceding "purchasing each type" in the first sentence of subsection (b). The 1982 amendment substituted "housing assistance loan fund" for "nonconforming housing loan fund" in the first sentence of subsection (b).

Sec. 44.47.520. Loans for non-owner occupied housing. (a) In addition to the powers authorized by AS 44.47.370 the director may adopt regulations allowing the use of money in the housing assistance loan fund to make loans for the purchase or development of non-owner occupied housing in rural areas of the state.

(b) The rate of interest on a loan authorized by this section may not exceed 10-1/2 percent.

(c) The principal amount of loans made for non-owner occupied housing under this section may not exceed 20 percent of the total principal amount of loans made for nonconforming and rural housing under AS 44.47.360 — 44.47.560.

(d) In this section

(1) "development" means the construction of a new residence or the repair, remodeling, rehabilitation, or expansion of an existing residence;

(2) "non-owner occupied housing" means a single-family residence or a multi-family residence having up to eight dwelling units, that is not nonconforming housing, and is not occupied by the owner; the director may modify this definition if the director determines that there is a special need for non-owner occupied housing and that a change in the definition is necessary to enable the division to meet that need. (§ 49 ch 113 SLA 1982)

Sec. 44.47.530. Annual report. To further ensure effective budgetary decision making by the legislature, the division shall present a complete accounting of the housing assistance revolving fund to the legislature by January 10 of each year. The accounting shall be audited by an independent outside auditor and shall include a full description of all mortgage loan interest and principal repayments and program receipts, including mortgage loan commitment fees, received by or accrued to the division during the preceding fiscal year, and all income earned on assets of the division during that period. (§ 17 ch 102 SLA 1983)

Sec. 44.47.560. Definitions. In AS 44.47.360 — 44.47.560,

(1) "director" means the director of the division of housing assistance;

(2) "division" means the division of housing assistance;

(3) "housing" means owner-occupied, single-family housing and owner-occupied duplexes;

(4) "nonconforming housing" means housing that does not conform to minimum building standards under any state or federal program that provides loans for housing purchases;

(5) "rural" means

(A) a community with a population of 4,500 or less in the first or second judicial district of the state;

(B) a community with a population of 4,500 or less in the third judicial district of the state that is more than 100 nautical miles from the conforming boundary of jurisdiction of the Municipality of Anchorage; or

(C) a community with a population of 4,500 or less in the fourth judicial district of the state that is more than 35 nautical miles from the conforming boundary of jurisdiction of the City of Fairbanks;

(6) "rural housing" means housing, whether or not it is nonconforming housing, that is located in a rural area of the state. (§ 73 ch 106 SLA 1980; am § 50 ch 113 SLA 1982; am § 7 ch 128 SLA 1984)

Effect of amendments. — The 1982 amendment added paragraphs (5) and (6). The 1984 amendment rewrote paragraph (5).

Article 9. Local Boundary Commission.

Section	Section
565. Local boundary commission	575. Quorum
567. Powers and duties	577. Boundary change
569. Meetings and hearings	579. Expenses
571. Minutes and records	581. Hearings on boundary changes
573. Notice of public hearings	583. When boundary change takes effect

Sec. 44.47.565. Local boundary commission. There is in the department a local boundary commission. The local boundary commission consists of five members appointed by the governor for overlapping five-year terms. One member shall be appointed from each of the four judicial districts described in AS 22.10.010 and one member shall be appointed from the state at large. The member appointed from the state at large is the chairman of the commission. (§ 7 ch 64 SLA 1959; am § 5 ch 200 SLA 1972; am § 100 ch 59 SLA 1982)

Revisor's notes. — Formerly AS 44.19.010. Renumbered in 1980. **Effect of amendments.** — The 1982 amendment substituted "judicial districts described in AS 22.10.010" for "major senatorial election districts" and inserted "member shall be appointed" in the third sentence. **Cross references.** — For further provisions relating to the local boundary commission and to annexation by local action, see AS 29.68.010. As to appointment, qualifications, and terms of office of members of departmental boards, councils, or commissions, see AS 39.05.060.

Amend #3

REPLY TO:

- City Hall
Ph. (907) 235-8121
- Port of Homer
Ph. (907) 235-8597
- Harbor Master
Ph. (907) 235-8959
- Public Works Dept.
Ph. (907) 235-8120
- City Engineer
Ph. (907) 235-6368



3670 LAKE STREET
HOMER, ALASKA 99603-7647

March 5, 1985

The Honorable Edna DeVries
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator DeVries:

The Homer City Council unanimously passed a resolution in January recommending the Legislature retain the D.C.R.A. financing program within the City of Homer. The City of Homer is presently working with the Homer Chamber of Commerce and the area realtors and financial institutions to develop an equitable solution for the entire State concerning the D.C.R.A. owner-occupied rural housing loan program.

The City is aware of bills that have recently been filed concerning this issue; however, there is concern that no action has been taken addressing the problems of economic base, lack of services, etc. that apply to all areas of the State.

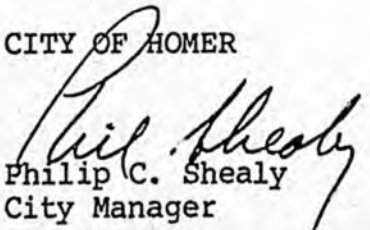
The restrictions in the previously filed bills which apply to mileage and population factors eliminate this rural home loan program from many of the truly rural areas throughout the State such as the communities of Hope, Cordova, Seward, and Ninilchik.

If the program were rewritten so that it applied to single-family/duplex, owner-occupied dwellings and was only applicable in areas of the State where 65% or less of the residential structures were connected to a public water and sewer system, we think it would come close to addressing the original intent of the program.

Thank you for your consideration of this matter.

Sincerely,

CITY OF HOMER


Philip C. Shealy
City Manager

cc: Emil Notti, Commissioner
Department of Community &
Regional Affairs

March 1, 1985

The Honorable Edna DeVries
State Senate
Alaska State Legislature
Pouch V (MS 3100)
Juneau, Alaska 99811



Dear Edna,

In a joint effort, the City, the Chamber of Commerce, the area realtors and financial institutions in the City of Homer have been working hard to develop an equitable program for the entire State on the DCRA owner-occupied rural housing loan program.

We know that several bills have been filed recently concerning this issue; however, we feel that no action taken to date addresses the problems, such as economic base, lack of services, etc., that apply to all the areas of our State.

The restrictions in the previously filed bills which apply to mileage factors and population factors eliminate this rural home-loan program from many of the truly rural areas of the State such as the communities of Hope, Cordova, Seward, Ninilchik and so on.

We feel that we have come up with a good, workable solution! If the program were rewritten so that this rural-home-loan program could only be used for single-family/duplex, owner-occupied dwellings and only applicable in any area of the State that has 65% or less of its residential structures connected to a public water and sewer system, we think it would come very close to addressing the original intent of the program.

Your consideration of this input will be much appreciated.

Sincerely,

Gail Phillips
Chairman
Homer Chamber of Commerce Legislative Committee

Edna - It was great seeing you in Juneau last week. Any assistance you can give on this project will really be appreciated.

cc: Commissioner Emil Notti
Dept. of Community and Regional Affairs

Glenn E. Brugman
PO Box 359
Homer, AK 99603
(907) 235-7753

March 8, 1985

The Honorable Edna DeVries
State Senate
Alaska State Legislature
Pouch V (MS 3100)
Juneau, Alaska 99811

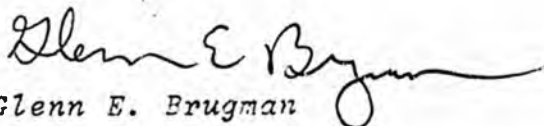
Dear MS DeVries,

I am sending this letter to let you know my concerns on the DCRA loan program.

I am in favor of this program. Without it alot of people could not afford to own their own home.

Thank you for your time.

Sincerely,


Glenn E. Brugman

cc: Commissioner Emil Notti
Dept. of Community and Regional Affairs

Terry L. Finlayson
PO Box 1754
Homer, AK 99603
(907) 235-6979

March 6, 1985

The Honorable Edna DeVries
State Senate
Alaska State Legislature
Pouch V (MS 3100)
Juneau, AK 99811

Dear MS DeVries,

I am sending this letter to let you know my concerns on the DCRA loan program.

I am in favor of DCRA as without it it seems that there is little or no chance that my family and I may never be able to own our own home.

If this program were set up for single family, owner occupied dwellings than I don't see any reason why all of us here in Homer wouldn't qualify for this.

Again, these are just my concerns. Thank you for your time and trouble.

Sincerely,

Terry L. Finlayson
Terry L. Finlayson

COMMITTEE REPORT
SENATE

FURTHER: FINANCE

1/18/85

Date MAR 28 '85

Mr. President

The Committee on C&RA considered SB 65
relating to rural housing loans; efd.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title _____
- same title and recommends _____
- and attached a "LETTER OF INTENT" [] NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Edna De Vries
Chairman

Do Pass
Chairman recommendation

March 28, 1965

SB-65 "Rural" housing

Ferg.

Don't think Leg meant to prohibit anybody
from these programs

~~letter~~ Unless: don't feel ltr of intent
is ^{way} ~~way~~ to go - 7 chairs
write ltr,



Official Business

Alaska State Legislature

Senate

Committee on Community and Regional Affairs

March 28, 1985

Senator Edna DeVries, Chairman

Members:

Senator Ferguson, Vice Chairman

Senator Coghill

Senator Sturgulewski

Senator V. Fischer

Pouch V

Juneau, Alaska 99811

Senator Don Bennett
President
Alaska State Senate
Mail Stop 3100

Dear Senator Bennett:

In our consideration of legislation pertaining to "traditional" funding for various state programs, the Community and Regional Affairs Committee has identified numerous programs that no longer equitably address statewide needs. This is particularly true in the area of housing loan programs. The Committee feels that State loan programs need major review and evaluation so that changes in population centers, economic diversity, and State revenue projections as they exist in 1985 may be considered as the Legislature interprets future funding needs and legislates to provide for them.

In this regard, I respectfully request that you appoint a special "Committee on Loans" to study the overall impact of current and projected loan programs. I will be happy to assist in this effort in any manner you feel appropriate.

Sincerely,

A handwritten signature in cursive script, appearing to read "Edna".

Edna DeVries, Senator
Chairman
Community and Regional Affairs

cc: Senator Coghill
Senator Ferguson
Senator Vic Fischer
Senator Sturgulewski

ya



Official Business

Alaska State Legislature

Senate

Committee on Community and Regional Affairs

March 28, 1985

Senator Edna DeVries, Chairman

Members:
Senator Ferguson, Vice Chairman
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Senator Sturgulewski
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Community and Regional Affairs

cc: Senator Coghill
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Senator Vic Fischer
Senator Sturgulewski

ya

Info from Jeff Smith 3/18/85

'79-'80 ASHA poor job in rural ak.

Amended 2 yrs ago -

urban non conforming -
lack of water/sewer, etc.

urban def is opposite of rural

4 def by Jud Dist

any corner outside 100 nautical mile

Money by Judicial Dist

Rural owner occu

Rural non owner

occ

set $\left\{ \begin{array}{l} 80\% \text{ rural} \\ \text{in} \end{array} \right.$

20% urban non conforming

law CRA opposed to $\$ \text{ E}$ definition beyond IC's bill

in 6 mos. Homer took 44% of money

30 yrs vs 16 yrs

19% cheaper than ASHA

Loan commitment fee - 5% down

2.67% delinquency rate on \$145 mil. portfolio
Gov asked for \$39 mil

HFC 4 bil
DCRA 145 mil

This year

\$45 mil - carry over \$13 mil

Marrow's bill - Fiscal note \$220 mil

Big mkt in small rural villages
want to move program —

Loan aunts by Elec Dist. - will get

DCRA can directly loan - if banks won't get in
loan money on village/regional leased land
40 yr lease

Notes - Mtg 2/12/85

Don Dennis - testified in support of bill
possibility of a biathlon
training facility in Alaska

looking at other sports -- speed-skating,
etc --

SB-65 - Beth Kerttula

-/31 to deal with 2 Legislation
passed last year

Cordova in bad economic condition -
storefronts closed --
fishery

Sturgulewski - may have been a glitch
but Homer is used to program -
does this bill exclude Homer

Smith - what happened to Cordova
very unfortunate - support the bill

Homer - 15 miles difference in
nautical vs. statute miles
processed almost \$15 million
of loans for Homer

if you extend program -
look at original purpose of program
and current appropriation

Coghill - agree with intent of ~~bill~~
but using "rural" ~~in~~ in other
areas

Smith -- want to look further at definition
of rural
set up joint meeting
w 2 CERFA committees
to discuss

John Steavig -
Jeanne Stee - Rural Heng
major of population can not
qualify
Our fishermen cannot qualify for Ak Heng
loans

Homer

against K's bill
program ✓ for Homer and Cordova
2 ✓ Cordova - fishing our main
economy

March 19, 1985
Senate C&RA 3:30p

SB 65 -- Definition of "rural" for housing loans

Bill heard on February 12 -- testimony from Beth Kerttula on behalf of bill sponsor

Bill would change the existing definition of "rural" for the 3rd Judicial District, by including the phrase "not connected by road or rail to Anchorage".

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By P.Fischer

To: SB 65

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Senator Paul A. Fischer
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State Senate

While in Juneau
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March 14, 1985

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Chairman, Community and Regional Affairs

FROM: Senator Paul Fischer *P.F.*

SUBJECT: DCRA Loans and SB 65

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Official Business

Alaska State Legislature

Amend #2

Community & Regional Affairs Committee

Pouch V
State Capitol
Juneau, Alaska 99811

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Summary - SB 65 - An act relating to rural housing loans

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Revisor's notes. — Formerly AS 44.19.250. Renumbered in 1980. commissions, see AS 39.05 060.

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Amend #3

REPLY TO:

- City Hall
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- Port of Homer
Ph. (907) 235-8597
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Ph. (907) 235-8959
- Public Works Dept.
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3670 LAKE STREET
HOMER, ALASKA 99603-7647

March 5, 1985

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Alaska State Legislature
Pouch V
Juneau, Alaska 99811

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Sincerely,

CITY OF HOMER

Philip C. Shealy
Philip C. Shealy
City Manager

cc: Emil Notti, Commissioner
Department of Community &
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March 1, 1985

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State Senate
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We know that several bills have been filed recently concerning this issue; however, we feel that no action taken to date addresses the problems, such as economic base, lack of services, etc., that apply to all the areas of our State.

The restrictions in the previously filed bills which apply to mileage factors and population factors eliminate this rural home-loan program from many of the truly rural areas of the State such as the communities of Hope, Cordova, Seward, Ninilchik and so on.

We feel that we have come up with a good, workable solution! If the program were rewritten so that this rural-home-loan program could only be used for single-family/duplex, owner-occupied dwellings and only applicable in any area of the State that has 65% or less of its residential structures connected to a public water and sewer system, we think it would come very close to addressing the original intent of the program.

Your consideration of this input will be much appreciated.

Sincerely,

Gail Phillips
Chairman
Homer Chamber of Commerce Legislative Committee

Edna - It was great seeing you in Juneau last week. Any assistance you can give on this project will really be appreciated.

cc: Commissioner Emil Notti
Dept. of Community and Regional Affairs

Glenn E. Brugman
PO Box 359
Kotzeb, AK 99603
(907) 235-7763

March 8, 1985

The Honorable Edna DeVries
State Senate
Alaska State Legislature
Pouch V (MS 3100)
Juneau, Alaska 99811

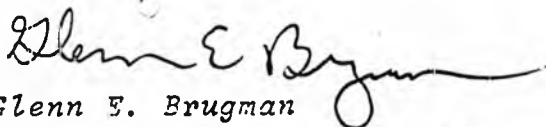
Dear MS DeVries,

I am sending this letter to let you know my concerns on the DCRA loan program.

I am in favor of this program. Without it a lot of people could not afford to own their own home.

Thank you for your time.

Sincerely,



Glenn E. Brugman

cc: Commissioner Emil Notti
Dept. of Community and Regional Affairs

Terry L. Finlayson
PO Box 1784
Homer, AK 99603
(907) 235-6979

March 6, 1985

The Honorable Edna DeVries
State Senate
Alaska State Legislature
Pouch V (MS 3100)
Juneau, AK 99811

Dear MS DeVries,

I am sending this letter to let you know my concerns on the DCRA loan program.

I am in favor of DCRA as without it it seems that there is little or no chance that my family and I may never be able to own our own home.

If this program were set up for single family, owner occupied dwellings than I don't see any reason why all of us here in Homer wouldn't qualify for this.

Again, these are just my concerns. Thank you for your time and trouble.

Sincerely,

Terry L. Finlayson
Terry L. Finlayson

Alaska State Legislature

Senator Paul A. Fischer
Senate District D
Box 784
Soldotna, Alaska 99669
(907) 262-9420 W
262-9269 H



State Senate

While in Juneau
Pouch V
Juneau, Alaska 99811
(907) 465-3791

MEMORANDUM

March 14, 1985

TO: Senator Edna Devries
Chairman, Community and Regional Affairs

FROM: Senator Paul Fischer *P.F.*

SUBJECT: DCRA Loans and SB 65

Due to the present statutory limitations, many rural communities are unfairly excluded from participation in DCRA loans. It has been suggested to me that we use a different definition of rural for the DCRA loans.

I suggest the following wording for determining eligibility for DCRA loans:

DCRA loans would only apply to single-family/duplex, owner occupied dwellings located in an area of the state that has 65% or less of its residential structures connected to a public water and sewer system.

An appropriate amendment to Senate Bill 65 might read on line 19: (5) "rural means an area of the state that has 65% or less of its residential structures connected to a public water and sewer system." The amendment would also delete all on lines 20 through 29 on page one and lines 1 through 3 on page two as unnecessary.

✓ I have asked Legal Services to check the wording of the above and will of course provide you with any changes they might suggest.

This would, I believe, come very close to addressing the original intent of the program.

A M E N D M E N T

Offered in the SENATE

By P.Fischer

To: SB 65

Page 1, line 20 through page 2, line 3, delete all material and insert:

"a community in which 65 percent or less of the residential structures are connected to a public water and sewer system [(A) A COMMUNITY WITH A POPULATION OF 4,500 OR LESS IN THE FIRST OR SECOND JUDICIAL DISTRICT OF THE STATE;

(B) A COMMUNITY WITH A POPULATION OF 4,500 OR LESS IN THE THIRD JUDICIAL DISTRICT OF THE STATE THAT IS MORE THAN 100 NAUTICAL MILES FROM THE CONFORMING BOUNDARY OF JURISDICTION OF THE MUNICIPALITY OF ANCHORAGE; OR

(C) A COMMUNITY WITH A POPULATION OF 4,500 OR LESS IN THE FOURTH JUDICIAL DISTRICT OF THE STATE THAT IS MORE THAN 35 NAUTICAL MILES FROM THE CONFORMING BOUNDARY OF JURISDICTION OF THE CITY OF FAIRBANKS];"



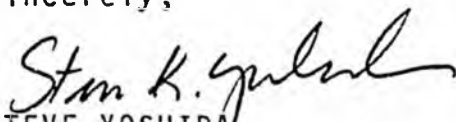
January 25, 1985

Dear Legislator:

Attached please find a copy of Resolution 85-2 entitled, "A Resolution of the Common Council of the City of Homer, Alaska Recommending that the Legislature Retain the D.C.R.A. Financing Program With the City of Homer" as unanimously passed by the Board of Directors at their regular meeting on this date.

This financing program has proven to be an invaluable benefit to the entire Homer area and we urge you carefully reconsider the legislation pertaining to this program so that it may continue in the Homer and other rural areas as well.

Sincerely,


STEVE YOSHIDA
President

SY/ps

January 25, 1985

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
HOMER CHAMBER OF COMMERCE, RECOMMENDING THAT
THE LEGISLATURE RETAIN THE D.C.R.A. FINANCING
PROGRAM WITHIN THE CITY OF HOMER

WHEREAS, the City of Homer is currently eligible for D.C.R.A. financing, and;

WHEREAS, Homer is in fact a rural community suffering seasonal variations in employment, and;

WHEREAS, the D.C.R.A. financing program has been a great benefit to the citizens and a tremendous stimulus to the economy of Homer, and;

WHEREAS, the D.C.R.A. has allowed individuals to purchase homes who would otherwise not be able to purchase homes;

WHEREAS, to date the funding made available to Homer has not impacted the full annual appropriation for the D.C.R.A. program throughout the State of Alaska;

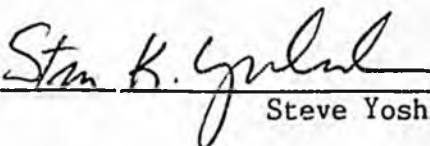
NOW THEREFORE, THE CITY OF HOMER REQUESTS THAT the State Legislature continue the D.C.R.A. financing program in Homer and allow other areas of the state which qualify as rural to also participate in the program.

BE IT FURTHER RESOLVED that copies of this resolution be distributed to the following who are urgently requested to support the resolution:

- 1) Governor Bill Sheffield;
- 2) Senator Paul Fischer;
- 3) Representative Andre Marrou;
- 4) Representative Mike Navarre;
- 5) Senator Edna Armstrong DeVries, Chairman, Senate Committee on Community and Regional Affairs;
- 6) Representative Peter Goll, Chairman, House Committee on Community and Regional Affairs; and
- 7) Emil Notti, Commissioner, Department of Community and Regional Affairs.

DATED AT HOMER, ALASKA this 14th day of January, 1985.

CITY OF HOMER


Steve Yoshida, President

3670 LAKE STREET
HOMER, ALASKA 99603-7647



REPLY TO:

- City Hall
Ph. (907) 235-8121
- Port of Homer
Ph. (907) 235-8597
- Harbor Master
Ph. (907) 235-8959
- Public Works Dept.
Ph. (907) 235-8120
- City Engineer
Ph. (907) 235-6368

January 21, 1985

The Honorable Edna DeVries
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator DeVries:

Enclosed please find a copy of Resolution 85-6 entitled "A Resolution of the Common Council of the City of Homer, Alaska Recommending that the Legislature retain the D.C.R.A. Financing Program within the City of Homer" as unanimously approved by the City Council on January 14, 1985.

This program has been extremely beneficial to the Homer area in that many persons not previously eligible under other housing programs have now been able to obtain home ownership. This is due to the less restrictive nature of the program. In addition, the program has been a tremendous stimulus to the area as a whole and the Port of Homer in particular.

There has apparently been some concern expressed that Homer should not be eligible for funding under D.C.R.A. The City Council strongly objects to this thinking in that Homer and the surrounding area is certainly rural and in desperate need of assistance. As evidence of this rural designation, please be advised that only one half of the buildings in the City are presently served by municipal water and sewer. The remainder still have individual private systems. In addition, the only maintained paved streets in the City at this time are State highways. All other roads are dusty, dirty or muddy depending on the season of the year.

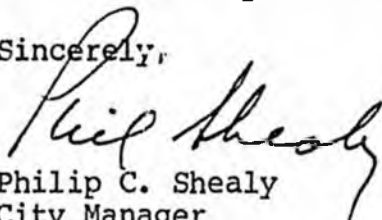
Senator Edna DeVries
January 21, 1985
Page two

It is difficult for me to understand the rationale to eliminate Homer from the program on the pretense that other communities, such as Cordova, should be included under the program. The obvious solution is to include these other areas but not to eliminate communities that have been working with the program and found it highly successful.

We would therefore urge, in any consideration regarding eligibility for D.C.R.A. funding, that all existing rural communities presently eligible for funding be retained under the program, at least until the communities obtain some minimum threshold population such as the 4,500 criteria presently in effect. We would further strongly urge inclusion of other remote rural areas as eligible under the program.

If you have any further questions regarding this matter, please contact me at your convenience.

Sincerely,



Philip C. Shealy
City Manager

PCS/pb

enclosure

cc: Richard Leland, Manager
City of Cordova

CITY OF HOMER
HOMER, ALASKA

RESOLUTION 85-6

A RESOLUTION OF THE COMMON COUNCIL OF
THE CITY OF HOMER, ALASKA RECOMMENDING
THAT THE LEGISLATURE RETAIN THE D.C.R.A.
FINANCING PROGRAM WITHIN THE CITY OF HOMER.

WHEREAS, the City of Homer is currently eligible for D.C.R.A. financing, and;

WHEREAS, Homer is in fact a rural community suffering seasonal variations in employment, and;

WHEREAS, the D.C.R.A. financing program has been a great benefit to the citizens and a tremendous stimulus to the economy of Homer, and;

WHEREAS, the D.C.R.A. financing program has allowed individuals to purchase homes who would otherwise not be able to purchase homes;

WHEREAS, to date the funding made available to Homer has not impacted the full annual appropriation for the D.C.R.A. program throughout the State of Alaska;

NOW THEREFORE, THE CITY OF HOMER REQUESTS THAT the State Legislature continue the D.C.R.A. financing program in Homer and allow other areas of the state which qualify as rural to also participate in the program.

BE IT FURTHER RESOLVED that copies of this resolution be distributed to the following who are urgently requested to support the resolution:

- 1) Governor Bill Sheffield;
- 2) Senator Paul Fischer;
- 3) Representative Andre Marrou;
- 4) Representative Mike Navarre;
- 5) Senator Edna Armstrong DeVries, Chairman, Senate Committee on Community and Regional Affairs;
- 6) Representative Peter Goll, Chairman, House Committee on Community and Regional Affairs; and
- 7) Emil Notti, Commissioner, Department of Community and Regional Affairs.

State 'rural' category can mean housing windfall

omi Klouda
Writer

Legislature's definitions affect residents' loans

Kenai Peninsula representatives pushed for the change, citing a need for housing loans in the area.

"I'm presently on the committee this year, thought we had it straightened out last year," Uehling said. "But since there's a problem with Cordova, which should qualify as a rural district, we could work to make changes in the present statute by changing the nautical miles requirement. I'd be glad to work with Sen. Jay Kerttula (Palmer) to change this."

The Division of Rural Housing Assistance was created by the legislature in 1980 to provide housing loans — called non-conforming loans — in areas the Alaska Housing Finance Corporation not equipped to serve.

Three out of the last four sessions have tried to come up with the right definition for rural communities, but the divisions become confused, Smith said.

"We are looking internally at the definition and looking for a better definition," Smith said.

Homer will be allowed to remain under rural status for now, even though the boundaries drawn up by the legislature defining obviously rural areas as urban — such as Anchor Point — are confusing.

"Any changes would have to be made by the legislature," Boston said. "Some suggestions have been made to legislators. There is a certain amount of interest in putting Cordova back in as rural and to exclude Homer, but the designations have changed several times in recent years. We carry out whatever law they pass."

Homer, pleased with the winter building boom injected by the millions in loans, does not want the designation changed, said Bob Klein, Homer city planner. Housing starts have hit a record high for this season, construction employment is up and building supply sales is at an all-time high.

Klein agrees definitions by the legislature of urban and rural communities ought to be re-ex-

amined. But the legislature's definition of Homer is correct, he said.

"We feel Homer is definitely a rural community, in the sense that it isn't a metropolitan area. It's a small town," Klein said. "Yet, Kodiak — a city of 12,000 people — is considered rural while Anchor Point is not. I think there's a problem there."

Jeff Smith, deputy commissioner of the Department of Regional and Community Affairs, agrees that it may look like Kodiak is not correctly defined as a rural community. Yet, he said, when the new boundaries were drawn up, Kodiak's isolation and need for housing loans were taken into consideration.

A House bill amending boundaries was passed toward end of the last legislative session by the House Special Committee on Loans. Committee chairman Rick Uehling R-Anchorage, said the

Through an unclear legislative change in rural and urban designations, Homer qualified for \$12 million in housing loans this year under the state's housing assistance program, while Cordova was made ineligible.

The housing assistance division of the Department of Regional and Community Affairs, charged with administering rural housing loans, improperly classified as a rural area any community not connected to the state's road system. Homer — along with Tok and Valdez — was not eligible for the funds prior to this year.

But last year the legislature amended the divisions' boundaries. Starting this summer, "rural" means any area 100 nautical miles from Anchorage. Cordova was changed to urban, while Homer was changed to rural status.

Some shares the same designation as Homer. Anchor Point and the last 10 miles of East End area are officially designated urban.

According to Clark Boston, division director,

Search mounted for airliner

A dozen rescue volunteers were scheduled to search for a single-engine commuter airliner that disappeared while flying between two Alaska villages.

Air Patrol spokesman said late Friday that volunteers would meet this morning at Revohn, a U.S. Air Force station about 160 miles from Anchorage. The single-engine Cessna 207 that carried with one person while flying from Line 1 to Nondalton

have difficulty spotting the craft if it had been forced to land or had crashed in the search area, thanks to its mostly white paint job.

The plane, owned by Vanderpool, was in service of Red Devil, was carrying passengers when it left its home field six miles north of Sleetmute Thursday on a flight to Lime Village, 85 miles northwest of Lake Clark.

Fry said the plane's pilot dropped off his passengers, filed a visual flight rule plan for the 50-mile flight to Nondalton, and took off. He never arrived at his

"The weather was bad, with a low ceiling, low visibility, freezing rain, fog and snow," Fry said, adding that although the craft was outfitted with an emergency locator transmitter, rescue officials have received no signals from the plane.

Volunteers aboard six CAP aircraft searched for the plane Friday, but were stymied by continued bad weather in the area.

Even with clear skies, Fry said, finding the plane would probably be difficult: the craft is painted white with red and blue pinstripes, and the search area is

Now Open! Another Wolf's




MAYTAG
EQUIPPED

home style
LAUNDRY

SELF-SERVICE & DROP OFF

Introduced: 2/8/85
Referred: House Special Committee on
State Loans, Community & Regional
Affairs and Finance

BY MARROU
BY REQUEST

1 IN THE HOUSE

2 HOUSE BILL NO. 175

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to rural housing loans; and provid-
7 ing for an effective date."

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

9 * Section 1. AS 44.47.560 is amended to read:

10 Sec. 44.47.560. DEFINITIONS. In AS 44.47.360 - 44.47.560,

11 (1) "director" means the director of the division of hous-
12 ing assistance;

13 (2) "division" means the division of housing assistance;

14 (3) "housing" means owner-occupied, single-family housing
15 and owner-occupied duplexes;

16 (4) "nonconforming housing" means housing that does not
17 conform to minimum building standards under any state or federal
18 program that provides loans for housing purchases;

19 (5) "rural" means

20 [(A)] a community with a population of 4,500 or less
21 [IN THE FIRST OR SECOND JUDICIAL DISTRICT OF THE STATE;

22 (B) A COMMUNITY WITH A POPULATION OF 4,500 OR LESS IN
23 THE THIRD JUDICIAL DISTRICT OF THE STATE THAT IS MORE THAN 100
24 NAUTICAL MILES FROM THE CONFORMING BOUNDARY OF JURISDICTION OF
25 THE MUNICIPALITY OF ANCHORAGE; OR

26 (C) A COMMUNITY WITH A POPULATION OF 4,500 OR LESS IN
27 THE FOURTH JUDICIAL DISTRICT OF THE STATE THAT IS MORE THAN 35
28 NAUTICAL MILES FROM THE CONFORMING BOUNDARY OF JURISDICTION OF
29 THE CITY OF FAIRBANKS];

1 (6) "rural housing" means housing, whether or not it is
2 nonconforming housing, that is located in a rural area of the state.
3 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
4 10.070(c).