

COMMITTEE REPORT

SENATE

FURTHER:

2/29/85

Date 3/11/85

Mr. President

The Committee on FINANCE 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 SB 65 (Fin)
- ☒ new title
- ☐ same title and recommends do pass
- ☒ and attached a "LETTER OF INTENT" ☐ NEW FISCAL NOTE
- ☐ reports it back without recommendation
- ☐ recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

Rich Hallford
Paul Fink
McGowan
John Fickett

MEMBERS HAVING
OTHER RECOMMENDATIONS

Chairman

Chairman recommendation

CS SB 65 (Fin)

LETTER OF INTENT

SENATE FINANCE COMMITTEE

IT IS THE INTENT OF THE LEGISLATURE THAT WHEN THE URBAN NON-CONFORMING LOAN PROGRAM IS TRANSFERRED FROM THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS TO THE ALASKA HOUSING FINANCE CORPORATION THAT THE ALASKA HOUSING FINANCE CORPORATION ADOPT EMERGENCY REGULATIONS TO INCORPORATE THOSE DCRA LOAN CONDITIONS IN FORCE FOR RURAL PROGRAMS.

LOAN APPLICATIONS WHICH WERE IN PROCESS PRIOR TO THE 4:30 P.M., JANUARY 22, 1985, DEADLINE ARE QUALIFIED.

+ Letter of Intent

IN THE SENATE

FINANCE COMMITTEE

CS FOR SENATE BILL NO. 65 (Finance)

IN THE LEGISLATURE OF THE STATE OF ALASKA

FOURTEENTH LEGISLATURE - FIRST SESSION

A BILL

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

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

* Section 1. AS 18.56 is amended by adding new sections to read: AS 18.56.092. NONCONFORMING HOUSING LOAN PROGRAM.

(a) There is established in the corporation the nonconforming housing loan program to assist persons to purchase housing which does not conform to minimum building standards under any state or federal program that provides for housing purchases.

(b) The corporation shall adopt regulations under this section that establish conditions and terms for nonconforming housing loans including terms and conditions relating to owner and non-owner occupancy, the number of loans that may be made to a single borrower and borrower eligibility requirements.

* Sec. 2. AS 18.55.966(a) is amended to read: (a) The following associations are given the authority specified in (b) of this section:

(1) Arctic Slope Native Association (Barrow and Point Hope)

(2) Bering Straits Association (Seward Peninsula, Unalakleet, St. Lawrence Island)

(3) Northwest Alaska Native Association [INUPIAT HOUSING AUTHORITY] (Kotzebue)

(4) Association of Village Council Presidents (southwest coast of Alaska including all villages in the Bethel area and all villages on the Lower Yukon River and Lower Kuskokwim River)

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(5) Tanana Chiefs Conference (Koyukuk, the middle and upper Yukon River Villages and the upper Kuskokwim and Tanana River village)

(6) Cook Inlet Tribal Council (Kenai, Tyonek, Eklutna and Seldovia)

(7) Bristol Bay Native Association (Dillingham, Upper Alaska Peninsula)

(8) Aleut League (Aleutian Islands, Pribilof Islands and that part of the Alaska Peninsula which is in the Aleut League)

(9) North Pacific Rim Native Corporation (Cordova, Tatitlek, Port Graham, English Bay, Valdez, Seward, Eyak and Chenega)

(10) Tlingit-Haida Central Council or Alaska Native Brotherhood Southeastern Alaska including Metlakatla

(11) Kodiak Area Native Association (all villages on and around Kodiak Island)

(12) Copper River Native Association (Copper Center, Glennallen, Chitina and Mentasta)

(13) Alaska Federation of Natives, Inc.

(14) Sitka Community Association (Baranof and Japonski Island).

* Sec. 3. AS 44.47.380 is amended to read: There is created in the department, as a revolving loan fund, the housing assistance loan fund consisting of money appropriated to it by the legislature and repayments of principal and interest on loans made or purchased from the assets of the fund. The director shall administer the housing assistance loan fund in accordance with AS 44.47.360 - 44.47.560 and shall use the money in the housing assistance loan fund to originate, purchase or participate in the purchase of

(1) nonconforming and rural housing mortgage loans;

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(2) loans made for building materials for nonconforming and rural housing;

(3) loans made for renovations or improvements to nonconforming and rural housing;

(4) loans made for the construction of owner-occupied nonconforming and rural housing other than loans to builders or contractors or loans that compensate an owner for the owner's labor services in constructing the owner's housing.

* Sec. 4. AS 44.47.560 is repealed and reenacted to read: 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 provided loans for housing purchases;

(5) "rural" means

(a) a community in the second, third, or fourth judicial district of the state with a population of 4,500 or less that is not connected by road or rail to Anchorage or Fairbanks; or

(b) a community in the first judicial district of the state with a population of 4,500 or less.

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

* Sec. 5. AS 44.47.385, AS 44.47.460(d) is repealed.

* Sec. 6. This Act takes effect immediately in accordance with AS 01.10.070(c).

SECTIONAL ANALYSIS CS SB 65(FIN)

SECTION 1. TRANSFERS THE URBAN NONCONFORMING HOUSING LOAN PROGRAM FROM THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS TO THE ALASKA HOUSING FINANCE CORPORATION AND GIVES THE CORPORATION THE AUTHORITY TO DEVELOP REGULATIONS TO IMPLEMENT THE PROGRAM.

SECTION 2. CLEAN UP LANGUAGE TO CHANGE THE NAME OF THE NORTHWEST INUPIAT HOUSING AUTHORITY BACK TO ORIGINAL NAME OF "NORTHWEST ALASKA NATIVE ASSOCIATION."

SECTION 3. PROVIDES FOR THE DEPOSIT OF INTEREST PAYMENTS BACK INTO THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS HOUSING ASSISTANCE LOAN FUND.

SECTION 4. CHANGES THE DEFINITION OF THE WORD "RURAL" BACK TO THE 1982 DEFINITION THEREBY ALLOWING THE NEW NONCONFORMING HOUSING LOAN PROGRAM UNDER AHFC TO SERVE ALL OTHER AREAS OF THE STATE.

SECTION 5. REPEALS AS 44.47.385 THAT PROVIDES FOR 20% ALLOCATION OF THE CURRENT HOUSING LOAN PROGRAM IN DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS TO URBAN AREAS OF THE STATE. THIS IS REPEALED IN LIEU OF THE NEW PROGRAM BEING CREATED UNDER AHFC.

REPEALS AS 44.47.460(D) THAT PROVIDES FOR THE DEPARTMENT TO ENTER INTO AGREEMENTS TO PAY FINANCIAL INSTITUTIONS HIGHER THAN A ONE PERCENT LOAN SERVICE AND ORIGINATION FEES IN RURAL COMMUNITIES.

SECTION 6. PROVIDES FOR AN IMMEDIATE EFFECTIVE DATE.

ANALYSIS FOR SENATE BILL 65

An Act relating to rural housing loans

This bill amends the statutes relating to the Division of Housing Assistance. That division is responsible for rural housing loans. Senate Bill 65 adds the phrase which defines rural housing as "not connected by road or rail to Anchorage".

Passage of this bill would again make Cordova eligible for rural housing loans.

There is no fiscal impact.

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

BILL STEPHENSON, GOVERNOR

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

April 11, 1985

The Honorable John C. Sackett
Alaska State Senate
Pouch V
Juneau, AK 99811

Dear Senator Sackett:

As you requested we have developed three options for the use of the FY 86 housing loan fund. All of the options are based on having \$36,264.9 available for housing loans.

OPTION 1

Assumes that the Urban Non-conforming Loan Program will be transferred to AHFC without the transfer of staff or loan funds.

Present expenditure rate of the Rural Housing Loan Programs is \$3,720,000 a month. By reducing the expenditure rate down to \$3,022,075, we could operate a 12 month loan program. Based on the current expenditure rate the appropriation would equal a 9.7 month program. However we are confident that we can reduce the expenditure level, with little disruption to the borrower.

OPTION 2

Assumes we operate the Housing Loan Program in FY 86, as we have in FY 85.

\$36,264,900	Loan Appropriation
20%	Urban Non-conforming split
<u>\$ 7,752,980</u>	
\$29,011,920	Rural
7,252,980	Urban

Based on the reduced expenditure rate outlined above for the Rural Program, we could operate a 9.6 month program.

The Honorable John C. Sackett
April 11, 1985
Page 2

The current expenditure rate in the Urban Non-conforming Programs is \$1,350,000. Based on the above funding level, we could operate a 5.4 month program.

OPTION 3

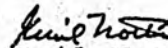
This option assumes that the Urban Nonconforming and the Rural Programs would be funded to meet current demand.

Current monthly demand for the Urban Nonconforming is \$1,350,000 x 12 months equals a funding level of \$16,200,000.

Current monthly demand for the Rural Loan Programs is \$3,720,000 x 12 months equals a funding level of \$44,640,000. However as stated above I believe we can reduce the current level of the rural program to \$3,022,075 with little disruption.

If you have any questions or require additional information, feel free to contact me.

Sincerely,


Emil Notti
Commissioner

cc: The Honorable Frank Ferguson
Alaska State Senate

The Honorable Al Adams
The Honorable John Sund
Alaska State House

John Shively, Chief of Staff
Office of the Governor

Jay Hogan, Associate Director
Office of Management and Budget

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

☒ POUCH B
JUNEAU, ALASKA 99811
PHONE: (907) 465-4700

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

April 8, 1985

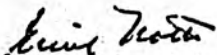
The Honorable Jan Faiks
Alaska State Senate
Pouch V
Juneau, AK 99811

The Department of Community and Regional Affairs supports passage of Senate Bill 65, an act changing the definition of "rural" for purposes of rural housing loans.

Senate Bill 65 would change the existing definition of rural to include the phrase "not connected by road or rail to Anchorage." This language would again qualify Cordova as a rural community eligible to participate in the rural loan programs of the Housing Assistance Division. This program has traditionally included the community of Cordova, until FY 85, when Cordova fell under a new definition which inadvertently excluded it from eligibility for rural housing loans.

Senate Bill 65 would reinstate Cordova into the rural housing loan program with no fiscal impact. Again, I extend our support for passage of this legislation.

Sincerely,


Emil Notti
Commissioner

cc: The Honorable Jalmar Kerttula
Alaska State Senate

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

1 IN THE SENATE

BY KERTTULA

2

SENATE BILL NO. 65

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-
ing for an effective date."

7

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-
ing assistance;

12

13

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

14

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

15

16

(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;

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(5) "rural" means

20

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

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

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24

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

25

or

26

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

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(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).

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
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MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

1 Frank J. Sweeney

1 Arthur Stankiewicz

1 John J. ...

1 ...

1 Edmund De Vries
Chairman

Do Pass
Chairman recommendation