

HB

67

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

May, 1988

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

Mary Van Nimwegen

House C+RA 2-6-87 3:00 p.m.

LIST OF CONTENTS: HB 67

1. Memo to C&RA Chairman - background
2. Sectional analysis
3. C&RA Position paper
4. C&RA fiscal note
5. Attorney General letter
6. Dept of Law fiscal note
7. Dept of Law fiscal analysis
8. Current statue

STATE OF ALASKA

LYMAN F. HOFFMAN
REPRESENTATIVE




P. O. BOX
JUNEAU, ALASKA 99
(907) 465-4530, 465-

HOUSE OF REPRESENTATIVES

DISTRICT 25
AKIAHAI
ALJA
ATMAUTLUA
BETHEL
CHEKORNAI
EED
GODDINGS BAY
KASIGLU
KUNU
KONGKANAI
KWETHLUK
KWIGLINGO
MEKORUK
NAPAKAI
NAPASIAI
NERTU
NIGHTMUTE
NUNAKTILUK
OKAUVILLI
PLATINUM
QUINHAGAI
TUSKORUK
TUSTUTLIAI
TUNUNAI

MEMORANDUM

TO: REPRESENTATIVE HEINRICH SPRINGER, CHAIRMAN
House Community and Regional Affairs Committee

FROM: Representative Lyman Hoffman 

DATE: February 5, 1987

SUBJ: House Bill 67, "An Act relating to the rural housing program of the Department of Community and Regional Affairs; and providing for an effective date."

BACKGROUND: The Housing Assistance Division was created by the 1980 Legislature to administer the Nonconforming Housing Loan Program. Loan funds were to be distributed on a statewide basis, with emphasis on rural Alaska. Administration of these loans was primarily through seller-service agreements with financial institutions. The 1980 Legislature appropriated \$10 million for the program.

The 1981 Legislature funded the Nonconforming Housing Loan Program at a rate of \$40 million. The Nonconforming Loan Fund was renamed the Housing Assistance Loan Fund during the 1982 Legislature. This fund combined the Nonconforming Loan Program with the AHFC Rural Mortgage Purchase Program for both owner-occupied and nonowner-occupied loans. An FY82 appropriation to the Housing Assistance Loan Fund (HALF) in the amount of \$45 million, brought the total appropriations to \$95 million. The 1983 Legislature appropriated an additional \$45 million to HALF. The Legislature also established a new program called the Homeownership Assistance Fund. The object of the program is to subsidize a portion of the interest payment on the loan for low and moderate-income households. Both the 1984 and 1985 Legislatures redefined rural, with the most recent determination based on community population and rail or road access to Anchorage or Fairbanks. Also, the 1985 Legislature transferred the authority for making nonconforming loans in urban areas from the Housing Assistance Division to the Alaska Housing Finance Corporation. The 1985 Legislature also appropriated \$4 million from the General Fund to the revolving loan fund and allowed the Division to revolve FY85 and FY86 principal and interest repayments to the fund as additional sources of loan funds for FY86. In 1986, the Alaska Legislature appropriated \$70 million from the Housing Assistance Loan Fund to the General Fund.

HOUSE COMMITTEE REPORT (9) HB 67 2/9

(5)

Date referred: 1/22/87

FURTHER REFERRALS: Judiciary

DATE: 02/06/87

The Community and Regional Affairs Committee has considered HB 67

"An Act relating to the rural housing program of the Department of Community and Regional Affairs; and providing for an effective date."

RECOMMENDS:

- [X] replace with CSHB67 (C&RA) [X] the same title
[] attached amendment(s) [] a new title
[X] do pass
[] do not pass
[] no recommendation
[] individual recommendations
[] additional referral to the Committee

ADOPTS: [] letter of intent

ATTACHES NEW FISCAL NOTE(s):

- [] fiscal impact [] same as previous fiscal note published
[X] zero fiscal note [] same as previous zero fiscal note published
[] zero with analysis

SIGNING DO PASS:

Handwritten signatures: [Signature 1], [Signature 2], [Signature 3]

SIGNING OTHER RECOMMENDATIONS:

Blank lines for other recommendations.

Handwritten signature: Heinrich Spritzer
Chairman's signature

Original sponsor: Hoffman

IN THE HOUSE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

CS FOR HOUSE BILL NO. 67 (C&RA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

FIFTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the rural housing program of the Department of Community and Regional Affairs; 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 in the second, third, or fourth judicial district of the state with a population of 5,500 [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 5,500 [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. 2. This Act takes effect July 1, 1987.



Official Business

COMMITTEE:

HOUSE COMMUNITY & REGIONAL AFFAIRS

DATE: February 6, 1987

SIGN-IN

Your Title &
ADDRESS

NAME (PLEASE PRINT)

PHONE

REPRESENTING

**DO YOU WANT
TO TESTIFY?**

NAME (PLEASE PRINT)	Your Title & ADDRESS	PHONE	REPRESENTING	DO YOU WANT TO TESTIFY?
Sam Richards	c/lot Juneau Senior Field Appraiser	576-5221		No
Mary Jo Jones	Joan Evans CPA	2267	CPA	Yes
Doug Griffin	P.O. Box BH	4750	CPA	Yes
Lynne Hoffa	P.O. Box V	4350	Dist 27	Yes

Subject of meeting:

(B) HB 67

*HB 67 Rural Housing Program, DCRA

HB 37 (further consideration) Municipal Property
Tax Procedures

DHB 67
STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST: _____

Bill Version: CSHB 67(C&RA)
Publish Date: HOUSE 2/9/87

Revision Date: _____
Title: An Act relating to the
rural housing program of DCRA
Sponsor: Binkley/Hoffman
Requestor: _____

Agency Affected: DCRA
BRU: Housing Assistance
Components: Housing Loan

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS : (Attach a separate page if necessary)

This bill will have no fiscal impact on the Housing Loan Program (see position paper).

Prepared by: Clark D. Boston *CDB*
Division: Housing Assistance Division

Phone: 561-0900
Date: 1-25-87

Approved by Commissioner: David G. Hoffman
Agency: Community and Regional Affairs

Date: 1-28-87

Distribution (by preparer):

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

⑥ HB 67

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST: _____
Revision Date: Feb. 10, 1987
Title: "An Act relating to the rural housing program..."
Sponsor: Repr. Hoffman
Requestor: Repr. Hoffman

Bill Version: CSHB 67 (C&RA)
Publish Date: _____

Agency Affected: Department of Law
BRU: Legal Services

Components: Legal Services Operations

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		-0-	-0-	-0-	-0-	-0-

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME		-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

The committee substitute for HB 67 (C&RA) includes Southeastern Alaska with the other areas of the state when the population eligibility criteria would be changed from 4,500 to 5,500. There would be no fiscal impact for the Department of Law. *Richard I. Pegues*

Prepared by: Richard I. Pegues, Director Phone: 465-3672

Division: Administrative Services Division Date: Feb. 10, 1987

Approved by Commissioner: Richard I. Pegues / For
Grace Berg Scheible, Atty. Gen. Date: Feb. 10, 1987

Agency: Department of Law

Distribution (by preparer):

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

SECTIONAL ANALYSIS - HOUSE BILL 67

For an Act entitled: "An Act relating to the rural housing program of the Department of Community and Regional Affairs; and providing for an effective date."

*Section 1. AS 44.47.560 (5)(A) is amended to permit continued participation in the rural housing program, by individuals residing in the second, third, or fourth judicial district of the state, by redefining "rural" to include communities that have a population of 5,500 or less.

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 99502
PHONE (907) 563-1073

January 28, 1987

POSITION PAPER

RE: House Bill 67, "An Act relating to the rural housing program of the Department of Community and Regional Affairs; and providing for an effective date."

SPONSOR: Representative Hoffman

Program Effects of Bill:

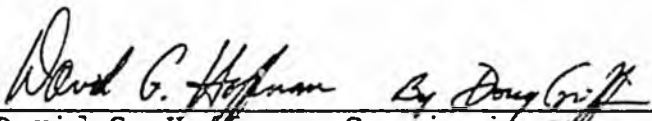
Passage of this bill will have little effect and no negative impact on the Housing Assistance Division loan programs because demand will remain essentially the same as it currently is.

This bill redefines "rural" by changing the population figure for community eligibility from 4,500 to 5,500. This minor change will not cause the program to suddenly begin expanding to additional communities, however, it will help borderline communities such as Bethel, remain eligible for rural housing loans.

Comments

Item 5 (B) should reflect the same population figure as item 5 (A) making it 5,500 instead of 4,500 to conform with the rest of the Statute.

The Division supports this bill with the minor change as listed above.



David G. Hoffman, Commissioner

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

Bill Version: SB-52/HB-67
Publish Date: _____

REQUEST: _____
Revision Date: _____
Title: An Act relating to the
rural housing program of DCRA
Sponsor: Binkley/Hoffman
Requestor: _____

Agency Affected: DCRA
BRU: Housing Assistance
Components: Housing Loan

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS : (Attach a separate page if necessary)

This bill will have no fiscal impact on the Housing Loan Program (see position paper).

Prepared by: Clark D. Boston *CDB*
Division: Housing Assistance Division

Phone: 561-0900
Date: 1-25-87

Approved by Commissioner: David G. Hoffman
Agency: Community and Regional Affairs

Date: 1-28-87

Distribution (by preparer):

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

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST: _____

Bill Version: HB 67

Publish Date: _____

Revision Date: _____

Agency Affected: Department of Law

Title: "An Act relating to the rural housing program..."

BRU: Legal Services

Sponsor: Repr. Hoffman

Components: Legal Services Operations

Requestor: Repr. Hoffman

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		-0-	-0-	-0-	-0-	-0-

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME		-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Please see attached analysis.

Richard I. Pegues

Prepared by: Richard I. Pegues, Director

Phone: 465-3672

Division: Administrative Services / R2

Date: Jan. 28, 1987

Ronald W. Lorensen,

Approved by Commissioner: Acting Attorney General

Date: Jan. 28, 1987

Agency: Department of Law

Distribution (by preparer):

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

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. HB 67

This bill amends AS 44.47.560 by changing the definition of rural to mean a community in the second, third, or fourth judicial district of the state with a population of 5,500 or less that is not connected by road or rail to Anchorage or Fairbanks. Existing statute places the population maximum at 4,500, in these areas. Administration of the state's rural housing program is a central responsibility of the Department of Community and Regional Affairs, and it does not usually involve the Department of Law. Consequently, there will not be a fiscal impact for the Department of Law.

Sec. 44.47.365. Eligible locations. [Repealed, § 5 ch 100 SLA 1985.]

Sec. 44.47.460. Loan origination and servicing. (a) Before purchasing or participating in the purchase of a loan, the director shall enter into a loan servicing agreement with the private financial institution from which the loan is to be purchased.

(b) The director may execute service agreements with private lending institutions or with regional native housing authorities established under AS 18.55.996 to service loans originated by the division or loans originated under AS 18.55.997.

(c) Under the servicing agreement, the private financial institution or the regional native housing authority shall administer the loan and may charge the division a negotiated origination or servicing fee on the division's share of the loan. When appropriate, the private financial institution or the regional native housing authority may also charge the borrower a reasonable originator fee not to exceed one percent.

(d) [Repealed, § 5 ch 100 SLA 1985.] (§ 73 ch 106 SLA 1980; am § 24 ch 115 SLA 1981; am §§ 45, 46 ch 113 SLA 1982; am § 5 ch 100 SLA 1985)

Effect of amendments. — The 1985 repealed subsection (d), concerning higher amendment, effective June 8, 1985, re- fees for certain loans.

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 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. (§ 73 ch 106 SLA 1980, am § 50 ch 113 SLA 1982, am § 7 ch 128 SLA 1984; am § 4 ch 100 SLA 1985)

Effect of amendments. — The 1985 amendment, effective June 8, 1985, rewrote paragraph (5).

Article 12. Borough Feasibility Studies.

Section	Section
700. Borough feasibility studies	720. Boundaries
710. Requests for studies	730. Contracts

Editor's notes. — Section 90, ch 74, SLA 1985 provides: "This Act takes effect January 1, 1986."

Sec. 44.47.700. Borough feasibility studies [Effective January 1, 1986]. (a) The commissioner may contract for studies of the feasibility of establishing boroughs in the unorganized borough. A study may be conducted under this section only if

- (1) appropriations are available for that purpose; and
- (2) the study is requested by a person residing in the area to be studied or by a city located in the area to be studied. (§ 75 ch 74 SLA 1985)

Sec. 44.47.710. Requests for studies [Effective January 1, 1986]. A request for a study of the feasibility of establishing a borough in the unorganized borough shall be submitted to the commissioner in writing and shall include

- (1) a description of the boundaries of the area of the proposed study; and
- (2) an indication of local interest in the proposed study consisting of either
 - (A) a petition requesting the study containing the signatures and addresses of five percent of the voters residing in the area of the proposed study based on the number of voters who voted in the area in the last statewide election; or
 - (B) resolutions requesting the study adopted by the governing bodies of at least five percent of the cities within the area of the proposed study. (§ 75 ch 74 SLA 1985)

CURRENT

④ HB 67

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST: _____
Revision Date: _____
Title: An Act relating to the
rural housing program of DCRA
Sponsor: Binkley/Hoffman
Requestor: _____

Bill Version: SB-52/HB-67
Publish Date: _____

Agency Affected: DCRA
BRU: Housing Assistance
Components: Housing Loan

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS : (Attach a separate page if necessary)

This bill will have no fiscal impact on the Housing Loan Program (see position paper).

Prepared by: Clark D. Boston *CPB*
Division: Housing Assistance Division

Phone: 561-0900
Date: 1-25-87

Approved by Commissioner: Nard G. Hoffman
Agency: Community and Regional Affairs

Date: 1-28-87

- Distribution (by preparer):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)
 - Senate Secretary

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

3 HB 67

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

January 28, 1987

POSITION PAPER

RE: House Bill 67, "An Act relating to the rural housing program of the Department of Community and Regional Affairs; and providing for an effective date."

SPONSOR: Representative Hoffman

Program Effects of Bill:

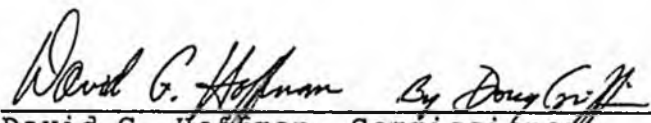
Passage of this bill will have little effect and no negative impact on the Housing Assistance Division loan programs because demand will remain essentially the same as it currently is.

This bill redefines "rural" by changing the population figure for community eligibility from 4,500 to 5,500. This minor change will not cause the program to suddenly begin expanding to additional communities, however, it will help borderline communities such as Bethel, remain eligible for rural housing loans.

Comments

Item 5 (B) should reflect the same population figure as item 5 (A) making it 5,500 instead of 4,500 to conform with the rest of the Statute.

The Division supports this bill with the minor change as listed above.


David G. Hoffman, Commissioner

SECTIONAL ANALYSIS - HOUSE BILL 67

For an Act entitled: "An Act relating to the rural housing program of the Department of Community and Regional Affairs; and providing for an effective date."

*Section 1. AS 44.47.560 (5)(A) is amended to permit continued participation in the rural housing program, by individuals residing in the second, third, or fourth judicial district of the state, by redefining "rural" to include communities that have a population of 5,500 or less.