

SB

52

Amended Definition of "rural" for housing assistance

AS 44.47.560 (5) is repealed and reenacted to read:

(5) "rural" means

(A) a community in the first or second judicial district with a population of 5,500 or less; OR

(B) a community in the third judicial district with a population of 5,500 or less that is not connected by road or rail to Anchorage; or

(C) a community in the third judicial district with a population of ~~5,500~~^{1,500} or less that is connected by road or rail to Anchorage; OR

(D) a community in the fourth judicial district with a population of 5,500 or less that is not located within the Fairbanks North Star Borough;

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 1/29/87 5-DAY NOTICE
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: JUDICIARY
FINANCE

**FISCAL NOTE(S) ATTACHED yes **
IN ACCORDANCE WITH AS 24.087035
(see below)
1/19/87

DATE TURNED INTO OFFICE _____

Mr. President:

COMMUNITY & REGIONAL AFFAIRS Committee considered SB 52

relating to the rural housing program of the Department of Community and Regional Affairs; efd.

and recommended:

replace with CS for SB 52 (CRA) same title
 attached amendment(s) and new title

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted and attached

** Committee attached or adopted fiscal note(s)
 zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Tina Kelly
[Signature]

Mike Spindler

Arthur Stucgulowski Do Pass
Chairman signature and recommendation

Committee Backup Attached

FISCAL NOTE

Same Form CS

Bill Version: SB-52/HB-67
 Publish Date: 2/9/87

REQUEST: _____

Revision Date: _____

Title: An Act relating to the
rural housing program of DCRA

Sponsor: Binklev/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

Senator John Binkley

FEB 20 1987



Alaska State Senate
P.O. Box V • Juneau, Alaska 99811 • (907) 465-4985

Finance Committee
Co-Chairman

M E M O R A N D U M

February 17, 1987

TO: SENATOR JAY KERTTULA

FROM: SENATOR JOHN BINKLEY *John*

SUBJ: Scheduling of CSSB 52, "An Act relating to the rural housing program"

Senate Bill 52 makes a technical adjustment in the eligibility criteria for participating in the Housing Assistance Loan Program.

The bill raises the population cap for communities eligible to participate in the rural housing program from 4,500 to 5,500. This change takes into account the growing population of certain rural communities currently participating in the program, but nearing the maximum population for participation. The only community that would be affected by this change would be Bethel in as much as the latest census figures for Bethel is about 4,500.

This bill has been referred to the Judiciary Committee. I would request that the bill be scheduled for a hearing at the earliest convenient date. Thank you.

Senator Johne Binkley

Alaska State Senate
P.O. Box V • Juneau, Alaska 99811 • (907) 465-4985



Finance Committee
Co-Chairman

M E M O R A N D U M

February 17, 1987

TO: SENATOR JAY KERTTULA, CHAIRMAN
Senate Judiciary Committee

FROM: SENATOR JOHN BINKLEY *Johne*

SUBJ: CS for Senate Bill 52, "An Act relating to the rural housing program"

The Housing Assistance Division was created by the 1980 Legislature (Ch. 20, SLA 1980), 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 and directed the Division to divide the funds between rural and urban Alaska at a ratio of 80:20. The Legislature further directed the Division to offer funds directly to eligible borrowers who could not otherwise obtain loans in rural Alaska (Ch. 82, SLA 1981).

The Nonconforming Loan Fund was renamed the Housing Assistance Loan Fund during the 1982 Legislature (Ch. 113, SLA 1982). 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 this 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.

Senator Kerttula
February 17, 1987
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Additionally, 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.

Section 1 redefines the definition of "rural" for the purpose administering the Housing Assistance Loan Fund by changing the population figure for community eligibility from 4,500 to 5,500. This change will allow communities currently classified as rural but nearing the population cutoff, such as Bethel, to remain eligible for rural housing loans. No new communities would become eligible for the Housing Assistance Loan Program should this change be adopted.

Senator Johne Binkley

Alaska State Senate
P.O. Box V • Juneau, Alaska 99811 • (907) 465-4985



Finance Committee
Co-Chairman

M E M O R A N D U M

February 17, 1987

TO: SENATOR JAY KERTTULA

FROM: SENATOR JOHNE BINKLEY *Johne*

SUBJ: Scheduling of CSSB 52, "An Act relating to the rural housing program"

Senate Bill 52 makes a technical adjustment in the eligibility criteria for participating in the Housing Assistance Loan Program.

The bill raises the population cap for communities eligible to participate in the rural housing program from 4,500 to 5,500. This change takes into account the growing population of certain rural communities currently participating in the program, but nearing the maximum population for participation. The only community that would be affected by this change would be Bethel in as much as the latest census figures for Bethel is about 4,500.

This bill has been referred to the Judiciary Committee. I would request that the bill be scheduled for a hearing at the earliest convenient date. Thank you.

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

Bill Version : CS SB 52/HB 67

Publish Date : _____

REQUEST: _____

Revision Date: _____

Title: "An Act..rural housing..C&RA..
effective date."

Sponsor: _____

Requestor: Senate Judiciary

Agency Affected: Community & Regional Affairs

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						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

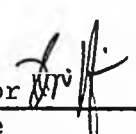
FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Doug Griffin, Deputy Director 
Division: Municipal & Regional Assistance

Phone: 465-4750

Date: 3/4/87

Approved by Commissioner: David G. Hoff
Agency: Department of Community & Regional Affairs

Date: 3-4-87

Distribution (by preparer):

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

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

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

January 28, 1987

POSITION PAPER

RE: Senate Bill 52, "An Act relating to the rural housing program of the Department of Community and Regional Affairs; and providing for an effective date."

SPONSOR: Senator Binkley

Program Effects of Bill:

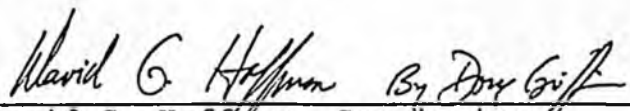
Passage of this bill will have little effect and no negative impact on the Housing Assistance Division loan programs because demand will remain essentially the same as it currently is.

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