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160

SENATE COMMITTEE REPORT

FURTHER

4/11/89
Mr. President:

DATE TURNED INTO OFFICE 4/30/89

FIN Committee considered CSRB 160 (FIN)

establishing the Alaska neighborhood revitalization initiative

and recommended

- replace with CS CSRB 160 (FIN)) same title
- or adopt _____) new title
- attached amendment(s) and technical title change (HB only)
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

- FISCAL NOTE(S)** ^{DCEED} zero fiscal impact appropriation no FN
- new updated previous
- same as previous fiscal note(s) published _____

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

Rich Kelly (DO PASS)

Chairman signature and recommendation

Committee Backup attached John Riley Co-Chair
Do PASS

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: SCS CSHB 160 (Fin)
PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Neighborhood Revitalization Initiative
Sponsor: House Labor and Commerce
Requester: Senate Finance

Agency Affected: Commerce & Economic Dev.
BRU: Business Development
Components: _____

EXPENDITURES / REVENUES : (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of dollars)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)

This fiscal note assumes passage of an appropriation to the Neighborhood Revitalization and Development Fund and a separate appropriation from the Neighborhood Revitalization and Development Fund to the department of up to \$90.0 for administration of the program. Details of the department's anticipated costs are attached.

Prepared by: Tom Lawson, Acting Director
Division: Business Development

Phone: 465-2017
Date: 4-20-89

Approved by Commissioner: Larry Merculieff
Agency: Department of Commerce & Economic Development

Phone: 465-2500
Date: 4/20/89

Distribution (by preparer):

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

Adopted

FISCAL NOTE ANALYSIS

SCS CSHB 160 (FIN) ALASKA NEIGHBORHOOD REVITALIZATION INITIATIVE

Assumptions/Program Summary

SCS CSHB 160 (Fin) establishes a program which promotes neighborhood revitalization and development through local initiatives of the state's communities with the assistance of financial institutions and the state. The legislation creates a neighborhood revitalization and development fund to be administered by the Department of Commerce and Economic Development. Neighborhood housing services, community revitalization, and economic development projects are eligible. The program requires that any nonprofit organization applying for the grant funds from DCED must meet the criteria of the Neighborhood Reinvestment Corporation.

(The Neighborhood Reinvestment Corporation was established in 1978 by Congress as a public nonprofit corporation to assist communities in revitalizing declining neighborhoods for the benefit of current residents. That goal is achieved primarily through the development and support of Neighborhood Housing Services (NHS) programs, such as Anchorage Neighborhood Housing Services. In 1986, there were 239 NHS's in 137 cities.)

The Senate Finance CS allows administrative costs of up to \$90.0 to be taken out of the Neighborhood Revitalization and Development Fund. Implementation of the program is subject to annual legislative appropriation from the Neighborhood Revitalization and Development Fund.

It is estimated that about 13 communities may be able to participate in the Neighborhood Revitalization and Development Program.

Personal Services. Staff for the Neighborhood Revitalization and Development Program includes the following two permanent full-time positions:

Program Coordinator-Development Specialist I (Range 18)	\$51.0
Accounting Clerk II (Range 09), 1/2 time	\$15.8

The statewide coordinator will initiate and administer the programs. Under the supervision of the program coordinator, the accounting clerk will provide administrative support.

Travel. Costs include travel to communities participating in the program.

Contractual Services. Funds (\$7.0) are needed for office related services, including advertising, phone, postage, copying, printing, etc.

Supplies. Funds will be used to purchase office supplies and training materials. Costs will decrease in future years.

Equipment. Costs will only be for the first year and will include purchase of a computer/word processor terminal and miscellaneous equipment.

SCS CSHB 160 (Fin)

Program Summary:

EXPENDITURES / REVENUES : (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES		66.8	66.8	66.8	66.8	66.8
TRAVEL		5.0	7.0	7.0	7.0	7.0
CONTRACTUAL		7.0	7.0	5.0	5.0	5.0
SUPPLIES		3.0	3.0	2.7	2.7	2.7
EQUIPMENT		6.0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		87.8	83.8	81.5	81.5	81.5

CAPITAL

REVENUE

FUNDING: (Thousands of dollars)

GENERAL FUND					
FEDERAL FUNDS					
OTHER Neighborhood Revitalization					
TOTAL and Development Fund		87.8	83.8	81.5	81.5

POSITIONS:

FULLTIME		1	1	1	1	1
PARTTIME		1	1	1	1	1
TEMPORARY						

Original sponsor: Labor and Commerce
Committee

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 160 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act establishing the Alaska neighborhood re-
7 vitalization initiative."

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

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

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

14 ARTICLE 6B. NEIGHBORHOOD REVITALIZATION AND DEVELOPMENT PROGRAM.

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

19 (1) grants and contributions to the fund; and

20 (2) appropriations to the fund.

21 Sec. 44.33.437. POWERS AND DUTIES. (a) The commissioner may
22 use money in the fund

23 (1) to pay the costs of administration of the neighborhood
24 revitalization and development program, not to exceed \$90,000 during a
25 fiscal year, if approved by the legislature by appropriation; and

26 (2) to make grants to nonprofit development corporations
27 that qualify for assistance from the Neighborhood Reinvestment Corpo-
28 ration organized under 42 U.S.C. 8101-8107 (Neighborhood Reinvestment
29 Corporation Act) for neighborhood housing services, neighborhood

1 revitalization, and economic development projects in a community.

2 (b) In its administration of the grant program, the department
3 shall, consistent with the purpose of AS 44.33.436 - 44.33.438 and the
4 amounts available to make grants to qualifying nonprofit development
5 corporations under (a)(2) of this section, equitably distribute the
6 grants, giving priority to the award of grants

7 (1) in communities that have demonstrated significant
8 community support for the proposed projects;

9 (2) that will generate maximum local employment; and

10 (3) that will have the best potential to attract matching
11 revenues from other public and private sources.

12 (c) A qualifying nonprofit development corporation that receives
13 a grant under (b) of this section may use the grant only for loans to
14 qualified borrowers and for development costs authorized under 42
15 U.S.C. 8101 - 8107 that are associated with project development.

16 (d) The commissioner shall adopt regulations necessary to carry
17 out the department's functions under AS 44.33.436 - 44.33.438.

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

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

21 (1) "commissioner" means the commissioner of commerce and
22 economic development;

23 (2) "community" means

24 (A) a municipality; and

25 (B) a place that is not incorporated as a city and in
26 which 100 or more persons reside as a social unit;

27 (3) "department" means the Department of Commerce and
28 Economic Development;

29 (4) "fund" means the neighborhood revitalization and

1 development fund established in AS 44.33.436.

2 * Sec. 3. AS 44.33.520 is amended by adding a new paragraph to read:

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

4/20/89

ADOPTED

DATE: April 15, 1989
TO: Members of the Senate Finance Committee
FROM: *Senator Rodey's Office*
SUBJECT: Amendments to HB160, An Act Establishing the
Neighborhood Revitalization Initiative

House Bill 160 is similar legislation that the Senate Finance Committee passed in a committee substitute version. The purpose of these amendments will be to make HB160 the same as CSSB135, with one exception that is explained further in this document.

Page 1, Line 24:

The reduction to \$90,000 is for the purpose of reflecting the same amount mentioned in the Senate Bill.

Page 1, Line 27:

There is no longer a need for the letter "A", it becomes all one subsection.

Page 2, lines 2 - 5

Deletion of this wording clears up language so it is the same as SB135. This was already stated in the above subsection of who qualifies for this program.

Page 2, lines 6 - 15:

As per the Senate Bill, this deletes out the Main Street Program.

Page 2, Line 16:

This is just a re-lettering due to the above deletion.

Page 2, line 18:

This clears up language now that there is only an (a) (2), it reflects the same purpose.

Page 2, following line 25:

This new subsection clarifies that a nonprofit that receives a grant from the state will use the money for loans and for the associated development costs.

7

A M E N D M E N T

OFFERED IN THE SENATE

TO: CSHB 160 (Finance)

Paul Fischer
Am

p 2, lines 19-20

DELETE:

"to projects"

Page 1, line 24:

Delete "\$100,000"

Insert "\$90,000"

Page 1, line 27:

Delete "(A)"

Page 2, lines 2 - 5:

Delete "; and

(B) persons and organizations that qualify for assistance under (b) of this section"

Page 2, lines 6 - 15:

Delete all material.

Page 2, line 16:

Delete "(c)"

Insert "(b)"

Page 2, line 18:

Delete "under AS 44.33.437(a)(2)"

Insert "to qualifying nonprofit development corporations under (a)(2) of this section"

Page 2, following line 25:

Insert a new subsection to read:

"(c) A qualifying nonprofit development corporation that receives a grant under (b) of this section may use the grant for loans to qualifying borrowers and for development costs authorized under 42 U.S.C. 8101 - 8107 that are associated with project development."

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: CSHB 160 (FIN)
PUBLISH DATE: HOUSE 4/5/89

FISCAL NOTE

REQUEST:

Revision Date: 4-4-89
Title: Neighborhood Revitalization Initiative
Sponsor: House Labor and Commerce
Requester: House Finance

Agency Affected: Commerce & Economic Dev.
BRU: Business Development
Components: _____

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LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		87.8	83.8	81.5	81.5	81.5

CAPITAL

REVENUE

FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER Neighborhood Revitalization and Development Fund		87.8	83.8	81.5	81.5	81.5
TOTAL		87.8	83.8	81.5	81.5	81.5

POSITIONS:

FULL-TIME		1	1	1	1	1
PART-TIME		1	1	1	1	1
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

See attached

Prepared by: Tom Lawson, Acting Director
Division: Business Development

Phone: 465-2017
Date: 4-4-89

Approved by Commissioner: Larry Mercurieff
Agency: Department of Commerce & Economic Development

Phone: 465-2500
Date: 4/4/89

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

FISCAL NOTE ANALYSIS

CSHB 160 (FIN) - ALASKA NEIGHBORHOOD REVITALIZATION INITIATIVE

Assumptions/Program Summary

CSHB 160 (Fin) establishes a program which promotes neighborhood revitalization and development through local initiatives of the state's communities with the assistance of financial institutions and the state. The legislation creates a neighborhood revitalization and development fund to be administered by the Department of Commerce and Economic Development. Neighborhood housing services, community revitalization, and economic development projects are eligible. The program requires that any nonprofit organization applying for the grant funds from DCED must meet the criteria of the Neighborhood Reinvestment Corporation.

(The Neighborhood Reinvestment Corporation was established in 1978 by Congress as a public nonprofit corporation to assist communities in revitalizing declining neighborhoods for the benefit of current residents. That goal is achieved primarily through the development and support of Neighborhood Housing Services (NHS) programs, such as Anchorage Neighborhood Housing Services. In 1986, there were 239 NHS's in 137 cities.)

The bill also provides that the department shall administer technical assistance and training grants for a community-based Alaska Main Street Program for economic revitalization and development projects in older central business districts and neighborhoods using techniques developed by the National Trust for Historic Preservation.

The Finance CS establishes the Neighborhood Revitalization and Development Fund and allows administrative costs of up to \$100.0 to be taken out of the newly created fund. Implementation of the program is subject to annual appropriation from the Neighborhood Revitalization and Development Fund.

It is estimated that about 13 communities may be able to participate in the Neighborhood Revitalization and Development Program. Under the Main Street Program, it is assumed that approximately 12 to 14 communities will participate in program grants.

Personal Services. Staff for the Main Street and the Neighborhood Revitalization and Development Programs includes the following two permanent full-time positions:

Program Coordinator-Development Specialist I (Range 18)	\$51.0
Accounting Clerk II (Range 09), 1/2 time	\$15.8

The statewide coordinator will initiate and coordinate both programs. Under the supervision of the program coordinator, the accounting clerk will provide administrative support for the grant programs. Staff will administer grants for both programs. Grants for the community-based Main Street programs will include provisions for technical assistance and training to accomplish community and economic revitalization.

Travel. Costs include travel to communities participating in the programs.

Contractual Services. Funds (\$7.0) are needed for office related services, including advertising, phone, postage, copying, printing, etc.

Supplies. Funds will be used to purchase office supplies and training materials. Costs will decrease in future years.

Equipment. Costs will only be for the first year and will include purchase of a computer/word processor terminal and miscellaneous equipment.