

SB64

() USE COMMITTEE REPORT

(11)

Date Referred: May 8, 1991

FURTHER REFERRALS:

Date of Committee Action: 5/14/91

The FINANCE Committee considered:

CSSB 64(FIN)am

CS FOR SENATE BILL NO. 64 (FINANCE) am

ALASKA HOUSING FINANCE CORPORATION

"An Act defining 'sponsors' for purposes of laws relating to the Alaska Housing Finance Corporation; extending the date applicable to inspections and code compliance of certain housing; and providing for an effective date."

RECOMMENDATIONS: the same title
 be replaced with _____ a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dep:)

APPROVES PREVIOUS: (Dep/Date)

fiscal impact _____

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) Dep Revenue 3/14/91

| SIGNING <u>DO PASS</u> | DP | OTHER RECOMMENDATIONS | DNP | NR | AM |
|---------------------------------|----|-----------------------|-----|----|----|
| <i>Mike Navarre</i> NAVARRE | ✓ | | | | |
| <i>Mark Boyer</i> BOYER | X | | | | |
| <i>Jan Brown</i> BROWN | ✓ | | | | |
| <i>Thomas Koponen</i> KOPONEN | ✓ | | | | |
| <i>George Jacobo</i> JACOBO | X | | | | |
| <i>Robert Phillips</i> PHILLIPS | ✓ | | | | |
| <i>William Ulmer</i> ULMER | X | | | | |
| <i>Annexa Barnes</i> BARNES | X | | | | |
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| | | | | | |
| | | | | | |

Mike Navarre NAVARRE

 CO - CHAIRMAN'S SIGNATURE

FISCAL NOTE

No. 1

STATE OF ALASKA
1991 LEGISLATIVE SESSION

Bill Version: SB 64

(S) Publish Date: 3-14-91
Revenue

Revision Date: _____
Title: defining "sponsors" as related to laws concerning AHFC

Department Affected: _____
BRU: Alaska Housing Finance Corporation
Component: Alaska Housing Finance Corporation

Sponsor: Fahrenkamp
Requestor: Fahrenkamp

| | | | | |
|----------------------|--|---|---|---|
| COMPONENT SERIAL NO. | | 1 | 1 | 0 |
|----------------------|--|---|---|---|

Expenditures/Revenues: (Thousands of Dollars)

| OPERATING | FY 92 | FY 93 | FY 94 | FY 95 | FY 96 | FY 97 |
|-------------------|-------|-------|-------|-------|-------|-------|
| 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- |

Estimate of current year impact: -0-

ANALYSIS: (Attach a separate page if necessary.)

The bill elaborates on the term "sponsor", which is already in current statute. AHFC supports this bill in its present form.

Changes in CSSB 64 (FIN) have no fiscal impact. This fiscal note is appropriate.

Prepared By: Mitzi C. Barker
Division: AHFC/Planning & Research

4/9/91 /date cal Comte Aide (initial)

Approved by Commissioner: Mitzi C. Barker for
Agency: Revenue Date: 1-29-91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

CS FOR SENATE BILL NO. 64 (FINANCE) am
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Amended: 4/24/91
Offered: 4/10/91
Referred: Rules

Sponsor(s): SENATOR FAHRENKAMP

A BILL

FOR AN ACT ENTITLED

1 "An Act defining 'sponsors' for purposes of laws relating to the Alaska Housing Finance
2 Corporation; extending the date applicable to inspections and code compliance of certain
3 housing; and providing for an effective date."

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

5 * Section 1. AS 18.56.300(a) is amended to read:

6 (a) The corporation may not make or purchase a housing loan for residential housing the
7 construction of which begins after June 30, 1992 [1991], unless the seller of the mortgage loan
8 complies with the provisions of this section and unless

9 (1) the unit is in compliance with the construction codes of the municipality, if
10 the unit is located within a municipality that has adopted and enforces construction codes and
11 each of those codes meets or exceeds the comparable standards for similar housing established
12 by the state building code; or

13 (2) the unit is in compliance with the comparable standards for similar housing
14 established by the state building code

1 (A) if the unit is located

2 (i) within a municipality whose construction codes do not meet the
3 standards for similar housing established by the state building code;

4 (ii) within a municipality that does not enforce construction codes;

5 or

6 (iii) outside a municipality; or

7 (B) as to each specific code within the construction codes of the
8 municipality that has adopted and enforces construction codes if the specific code does
9 not meet or exceed the comparable standard for similar housing established by the state
10 building code.

11 * Sec. 2. AS 18.56.300(b) is amended to read:

12 (b) As a condition of a commitment to purchase or approve a loan under this section for
13 residential housing the construction of which begins after June 30, 1992 [1991], the corporation
14 shall require inspection of the unit of residential housing that is the subject of the loan. The
15 inspection must be performed by a municipal building inspector or by a person who is approved
16 or certified to perform residential inspections by the International Conference of Building
17 Officials or the International Association of Electrical Inspectors. The person who makes the
18 inspection shall determine whether the construction conforms to relevant provisions of the
19 construction codes of the municipality or of the state building code, as applicable, at each of the
20 following stages of construction:

21 (1) plan approval;

22 (2) completion of footings and foundations;

23 (3) completion of electrical installation, plumbing, and framing;

24 (4) completion of installation of insulation;

25 (5) final approval.

26 * Sec. 3. AS 18.56.900 is amended by adding a new paragraph to read:

27 (14) "sponsors" means individuals, public and private corporations, associations,
28 partnerships or other entities, whether or not operated for profit; and consumer housing
29 cooperatives, associations, partnerships, or other entities organized under law for the primary
30 purpose of providing housing to individuals and families of lower and moderate income. It
31 includes organizations engaged in the production, origination, and development of residential

1 housing units intended to qualify for financial assistance under 42 U.S.C. 1437f (sec. 8, Housing
2 Act of 1937), as amended.

3 * Sec. 4. Section 3, ch. 85, SLA 1990, is amended to read:

4 Sec. 3. AS 18.56.300(e)(2)(A) and (B), enacted by sec. 2 of this Act are intended to
5 assure that, for purposes of determining whether housing the construction of which begins after
6 June 30, 1992 [1991], meets the building and mechanical standards under AS 18.56.300(a) and
7 (b), enacted by sec. 2 of this Act, the standards set out in each of the following fully apply to
8 residences containing fewer than four dwelling units, even though those residences are excepted
9 from regulation by AS 18.70.080(a)(2):

- 10 (1) the Uniform Building Code, adopted for the state by 13 AAC 50.020(a);
11 (2) the Uniform Mechanical Code, adopted for the state by 13 AAC 50.020(b).

12 * Sec. 5. This Act takes effect immediately under AS 01.10.070(c).

Alaska State Legislature

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Senate

MEMORANDUM

TO: Representative Mike Navarre
Representative Eileen MacLean
Co-Chairs, House Finance Committee

FROM: Senator Bettye Fahrenkamp

DATE: May 11, 1991

SUBJECT: CS SB 64 (Fin) AM
"An Act defining 'sponsors' for purposes of laws relating to the Alaska Housing Finance Corporation; extending the date applicable to inspections and code compliance of certain housing; and providing for an effective date."

This bill got much bigger when it was amended on the Senate floor, but it really consists of two fairly straightforward pieces: a definition and extension of an effective date.

Section 3 is the substance of the bill before the floor amendments. It defines the term 'sponsors.' Throughout AHFC statutes, there are repeated references to sponsors (e.g., AS 18.56.090, which lists the general powers of the corporation, states that AHFC "may, for the purpose of providing housing for persons of lower and moderate income or persons located in remote, underdeveloped, or blighted areas of the state and for its other corporate purposes, make or participate in the making of mortgage loans to *sponsors*, developers, builders, and purchasers of residential housing....").

Section 3 clarifies what a sponsor is. The definition in the bill would allow a non-profit housing agency, a consumer housing cooperative, a cooperative church council or other non-governmental entities to qualify for AHFC loans to provide low income housing, should AHFC choose to begin making loans for that purpose.

Sections 1, 2, 4 and 5 are the result of an amendment offered by Senator Rodey on the Senate floor. Last year, a bill passed (HB 368 by Rep. Swackhammer) which established building standards for homes to be financed with public funds and constructed after June 30, 1991. One of the requirements is inspection by a qualified building inspector. However, at this time, there are only 5 such inspectors in the state, and all work for municipalities. Certifying inspectors has proven to be more time consuming than originally anticipated.

In order to avoid delaying new construction, AHFC has asked that we provide an additional year to implement the provisions of the new law. Former Rep. Swackhammer recommended the extension, Sen. Rodey agreed to offer it and the Senate supported the amendment and passage of SB 64 unanimously.