

SCR 3

# SENATE FINANCE COMMITTEE REPORT

DATE: 1/30/91

FURTHER:

DATE TURNED INTO OFFICE: 2/13/91

The Finance Committee considered SENATE CONCURRENT RESOLUTION NO. 3

Urging the Alaska Housing Finance Corporation to use its current power to make loans for low-income housing.

and recommended:

- replace with \_\_\_\_\_ CS SCR 3 (FIN)  same title
- or adopt \_\_\_\_\_ CS \_\_\_\_\_  new title
- attached amendment(s)  technical title change (HB only)
- \_\_\_\_\_ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

*Original  
CS SCR 3 (Fin)  
coming*

ATTACHES NEW FISCAL NOTE(S):

Dept/Date:

fiscal note(s) \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

appropriation-no fiscal note

APPROVES PREVIOUS:

Dept/Date:

fiscal note(s) \_\_\_\_\_

zero fiscal note(s) *(updated)*

SIGNING DO PASS:

*[Handwritten signatures]*

OTHER RECOMMENDATIONS:

*All ledgers - No Rec*

1.

Co-Chairs. Signatures and Recommendations

*No Rec*

FISCAL NOTE

No. 1

RO SRC 2/13/91

Bill Version: SCR 3

(S) Publish Date: 1-30-91

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

Revision Date: 1/30/91

Department Affected: Revenue

Title: Res. urging AHFC to use its statu-  
tory powers for low-income hsg loans

BRU: Alaska Housing Finance Corporation

Component: AHFC

Sponsor: Fahrenkamp

Requestor: Fahrenkamp

COMPONENT SERIAL NO. 

	1	1	0
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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-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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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.)

See Attached

Changes in CS SCR 3 (Fm)  
have no fiscal impact.  
This fiscal note is  
appropriate. 2/13/91

Prepared By: Mitzi C. Barker

Phone: 564-9323

Division: AHFC/Planning & Research

Date: January 30, 1991

Post-It™ brand fax transmittal memo 7671 # of pages 2

To: <u>Frank Himm</u>	From: <u>Mitzi Barker</u>
Co: <u>HESS - Sen.</u>	Co: <u>AHFC</u>
Dept.	Phone #
Fax # <u>465-3810</u>	Fax #

Date: \_\_\_\_\_  
e Sponsor, Requestor, OMB, & Impacted Agency(ies).

ATTACHMENT TO FISCAL NOTE FOR SCR 003

Revised: 1/30/91

Assumptions: Discussion with sponsor's staff indicates that legislative intent is for AHFC to expand its activities with respect to assisting potential sponsors of low-income housing to develop financially feasible housing alternatives for low-income persons. Currently, the Corporation's activity in this area extends to limited technical assistance provided by its Planning and Research office. Such technical assistance is a small fraction of that office's current workload.

Research into the programs of other housing finance agencies indicate that, to accomplish the development of low income housing alternatives through the non-profit sector will require a significant level of effort, including on-site technical assistance in the project conception, development, construction and (potentially) management stages.

It is further assumed that existing resources will be reallocated from other functions within the Corporation which are expected to be downsized in FY '92. *Therefore, there is no net gain of positions, and no necessity of requesting a new position or PCN.*

Program Summary:

Positions: A Level 16 Research Associate is proposed. This position, working in the Planning and Research Office would assist the Senior Planner in identifying the needs of potential non-profit sponsors for education, training and technical assistance and develop programs tailored to meet those needs. The Research Associate would be responsible for record-keeping, initial analysis of project feasibility, and maintaining contact with non-profit organizations, as well as developing and disseminating publicity about the program. In addition, the Research Associate would assume certain routine duties of the Senior Planner, freeing that individual up to provide personal services to non-profits.

*Because this position will be re-allocated from within the Corporation, no Request for New Position is necessary; there will be no net increase in positions authorized the Corporation.*

Funding: Funds for this program will come from AHFC earnings. Resources will be reallocated from functions which are expected to downsize during FY '92, due to changing market conditions.

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**CS FOR SENATE CONCURRENT RESOLUTION NO. 3 (FINANCE)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**SEVENTEENTH LEGISLATURE - FIRST SESSION**

**BY THE SENATE FINANCE COMMITTEE**

**Offered:  
Referred:**

**Sponsor(s): SENATORS FAHRENKAMP, Pearce**

**A RESOLUTION**

**1 Urging the Alaska Housing Finance Corporation to investigate the economic feasibility of  
2 using its current power to make loans for low-income housing.**

**3 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

**4 WHEREAS there exists in the state a widespread need for low-income housing to provide shelter  
5 for homeless persons or to provide more affordable housing for persons who are not currently homeless  
6 but are faced with mortgage payments or rental payments that use a high proportion of their disposable  
7 income; and**

**8 WHEREAS there are individuals, nonprofit corporations, and other entities that would develop  
9 and build low-income housing if loan money were more readily available for it in the state; and**

**10 WHEREAS, under AS 18.56.090(2), the Alaska Housing Finance Corporation has the power to  
11 make loans to sponsors, developers, and builders of low-income housing when funds are not available  
12 from private lenders on equivalent terms and conditions; and**

**13 WHEREAS public-private partnerships can play a uniquely effective role in developing the  
14 economy of the state and improving the living standards of its citizens by increasing the supply of  
15 housing available for low-income persons;**

**16 BE IT RESOLVED that the Alaska State Legislature urges the Alaska Housing Finance**

1 Corporation to investigate the economic feasibility of helping to expand the supply of low-income  
2 housing in the state by using its authority to make loans under AS 18.56.090(2), particularly to nonprofit  
3 corporations whose purposes include the amelioration or prevention of homelessness; and be it  
4       **FURTHER RESOLVED** that AHFC is encouraged to work closely with potential sponsors of  
5 low-income housing to develop financially feasible housing alternatives for low-income persons.

# GREEN DOORS

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Juneau Alliance for the Mentally Ill

P.O. Box 22090 • Juneau, Alaska 99802

(907) 463-4910

Senate Finance Committee

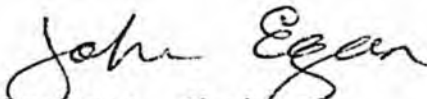
Dear Mr. Chair and fellow committee members:

I would like to publicly support SCR #3 urging AHFC to use its authority to make loans *directly* for low-income housing. Across the state there is a desparate shortage of affordable housing for all sectors of the economy, but most ntably for low-income persons who are continually the hardest hit by high housing costs.

Despite a turnaround in Alaska's economy, there still does not exist a climate such that banks and other lenders are willing to make long-term mortgage loans for multi-family units. The incentive for private investors to develop rental housing has been completely eliminated by the federal government and we are left with the result of no new housing construction. AHFC, through it's statute authority, can alleviate this pressure and make loans directly to non-profits and other entities who are involved in the support and management of low-income housing.

I ask for your support for this resolution and your support to make affordable housing available to all Alaskans.

Thank you,



John Egan, Chairman  
Alaska Coalition for the Homeless

February 11, 1991

TO: Joan Hope  
Senator Fahrenkamp's Office

FROM: Eileen Cummings  
Fairbanks Regional Coalition for the Homeless  
Vice Chair Alaska Coalition for the Homeless



I would like to thank you for the time and effort you have dedicated toward establishing legislation that will improve services for the homeless statewide.

I have reviewed Senate Bill 59 and am very pleased that our new Governor has acknowledged our homeless problems in our state. Establishing this task force will provide the state government with an accurate picture of the problems of our low income/homeless residents. At the end of the year problems will have been identified and solutions developed to resolve many of these issues. I would like to encourage the passage of this bill for the benefit of our state residents.

Affordable housing is a common problem for many Alaska residents statewide. Senate Concurrent Resolution No. 3 and No. 4 will enable affordable and adequate housing become available for many residents living on the edge of homelessness. By instituting these resolutions many people will be able to maintain a home of their own, they will be able to make the transition from temporary or emergency shelter to a permanent living situation. Once a person's living situation is secure, other things can fall into place, like a steady job, continuing education, attending counseling, whatever it takes to get a person back in the mainstream of life.

I would like to encourage you to pass these resolutions and the SB 59. I believe these housing/homeless problems have been ignored for too long. These resolutions and bill WILL make a difference for every community in Alaska.

If I can be of any more assistance, please contact me any time. Thanks again for your efforts.

# Alaska State Legislature

SENATOR BETTYE FAHRENKAMP  
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Senate

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## MEMORANDUM

TO: Senator Pat Pourchot  
Senator Jalmar Kerttula  
Co-Chairs, Senate Finance Committee

FROM: Senator Bettye Fahrenkamp

DATE: February 7, 1991

SUBJECT: Senate Concurrent Resolution 3  
"Urging the Alaska Housing Finance Corporation to use its current power to make loans for low-income housing."

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As the legislature stated in the "Findings and Purpose" section of AHFC's statutes,

*There exists within the state a serious shortage of decent, safe and sanitary residential housing available at low or moderate prices or rentals to persons of lower and moderate income....Private enterprise has not be able to provide, without assistance, an adequate supply of safe and sanitary homes at prices or rents that persons of lower or moderate income can afford...and that existing state and federal programs are inadequate to meet housing needs of persons of lower and moderate income. It is imperative that the supply of housing for persons of lower and moderate income...be increased and that coordination and cooperation among private enterprise, state and local government be encouraged to sponsor, build and rehabilitate residential housing for these persons.*

Alaska Housing Finance Corporation has the statutory authority under AS 18.56.090(2) to make direct loans to sponsors, developers and builders of low-income housing when funds are not available from private lenders on equivalent terms and conditions. AHFC has not done this to date.

Because around Alaska more and more low-income housing has been demolished or converted, and because Alaska's economy has not yet fully recovered from the collapse of the real estate market, thus making it more difficult for potential providers of low-income housing to get conventional construction loans, this approach offers a straightforward source of funding that will meet the public purpose of ensuring an adequate supply of low income housing.

This measure has the support of the Alaska Coalition for the Homeless. I encourage your support for the resolution, and would be happy to answer any questions or provide more information.