

HB

340

Ketchikan Indian Corporation

David Landis
Programs Manager

429 Deermount
Ketchikan, Alaska 99901
email: kictube@ktn.net

Office (907) 225-5158
Fax (907) 247-0429

Ketchikan Indian Corporation

Charles W. (Charlie) White
General Manager

429 Deermount
Ketchikan, Alaska 99901
email: kictube@ktn.net

Office (907) 225-5158
Fax (907) 225-0212

We Have
Bob Weinstein
on Line
in KETCHIKAN
(Mayor of KTN)

Is there any other regional housing authority currently serving the Ketchikan area?



Alaska State Legislature

HOUSE COMMITTEE ON COMMUNITY AND REGIONAL AFFAIRS

Representative John Harris, Representative Carl Morgan, Co-Chairmen
State Capitol, Room 110, Juneau, Alaska 99801-1182
(907) 465-3882

AGENDA

February 10, 2000

1. Call meeting to order

2. Roll call Rep. Dyson
 Rep. Kookesh
 Rep. Halcro
 Rep. Murkowski
 Rep. Joule
 Rep. Morgan
 Rep. Harris

3. Consideration of bills on agenda

 HB 340 – Designating Ketchikan Indian Corporation as a regional
 housing authority.

4. Announcements or other business

 Next meeting: Tuesday, February 15 – HB 334 CDQ assessments

5. Motion to adjourn

Alaska State Legislature



During Session:
State Capitol
Juneau, AK 99801-1182
(907) 465-3424
Fax (907) 465-3793

In Ketchikan:
50 Front Street, Suite 203
Ketchikan, AK 99901
(907) 247-4672
Fax (907) 225-7157

Member:
House Finance
Subcommittee Chair:
Transportation
Environmental Conservation
Subcommittee Member:
Fish and Game

Representative William K. Williams

SPONSOR STATEMENT

House Bill 340, 'Ketchikan Indian Corporation as a Regional Housing Authority'

House Bill 340 was introduced at the request of the Ketchikan Indian Corporation. KIC, the governing body for the Natives of the Ketchikan area, was formed in 1940 and currently has over 4,000 enrolled members.

KIC has contracted with the Department of Housing and Urban Development under the Native American Housing Assistance and Self-Determination Act (NAHASDA) to provide housing for low-income Indians/Alaska Natives in the Ketchikan area.

NAHASDA requires that the low-income housing provided by tribes be tax exempt. Adding KIC to the list of regional housing authorities will allow KIC to enter into HUD required agreements with the appropriate local government.

Mr. Chairman thank you for hearing this legislation on such short notice. Passage of HB 340 will allow the expenditure of federal NAHASDA money in the Ketchikan area and provide sorely needed low-income housing to area residents.

I urge your favorable consideration and will be available for questions.

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. HB 340

Revision Date/Time (Note if correction)	Dept. Affected	Revenue
Title <u>Ketchikan Indian Corporation</u>	BRU	<u>Alaska Housing Finance Corp.</u>
<u>as a Regional Housing Authority</u>	Component	<u>Operations</u>
Sponsor <u>Rep. Williams</u>	Component No.	<u>110</u>
Requester <u>House Community and Regional Affairs</u>		

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
-----------------------------	-----	-----	-----	-----	-----	-----

CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
-------------------------------	-----	-----	-----	-----	-----	-----

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2000) cost:

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)

HB340 would add the Ketchikan Indian Corporation as a regional housing authority under AS18.55.996. Regional housing authorities are separate entities under state law that administer federal Indian housing, low-income housing and other such programs. Their operating funds are self-generated largely through the administration of federal housing programs, along with varied support from regional Native corporations and private sources. No operating dollars are provided through the state budget. A regional housing authority listed under AS18.55.996 is eligible to apply to AHFC for Supplemental Housing Development grants. Under this program, the Ketchikan Indian Corporation could apply for up to 20% of the total development cost of a housing project funded by the U.S. Department of Housing & Urban Development. (Housing authorities are prohibited from using the Supplemental Development funds for administrative expenses.) Funding availability under the Supplemental Housing Development Program is subject to the annual appropriation process of the Executive Budget Act (AS37.07).

Prepared by: <u>John Bitney, Legislative Liaison</u>	Phone: <u>330-8445</u>
Division: <u>Alaska Housing Finance Corporation</u>	Date/Time: <u>2/7/00 2:52 PM</u>
Approved by Commissioner: <u>Wilson Condon</u>	Date: _____
Agency: <u>Department of Revenue</u>	

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information, call the Governor's Legislative Office

The logo features the word "Alaska" in a large, stylized, cursive script font.

Tony Knowles, Governor

**Department of Community
and Economic Development****Municipal & Regional Assistance Division**

333 W. 4th Avenue, Suite 220, Anchorage, AK 99501-2341

Telephone: (907) 269-4500 • Fax: (907) 269-4539 • Text Telephone: (907) 485-5437

Email: questions@dced.state.ak.us • Website: www.comregaf.state.ak.us/mrad-dced/home.htm

December 12, 1999

Mr. Dennis Finegan, Assessor
Ketchikan Gateway Borough
344 Front Street
Ketchikan, AK 99901


Dear Mr. Finegan,

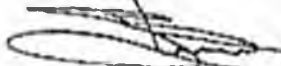
You have asked for my opinion as to whether or not the City of Ketchikan and the Ketchikan Gateway Borough may, under existing law, exempt certain property which will be used as low income housing and will be owned by the Ketchikan Indian Corporation (KIC).

As you state in your letter, if the property were to be owned by a regional housing authority, there would be no question as to the exemption. However, since KIC does not meet the necessary criteria, that does not appear to be an option. In *Valentine v. City of Juneau*, 36 F.2d 904 (9th Cir. 1929) the court held that the city could not exempt property from taxation unless expressly conferred by law, so unless the property in question meets the criteria for either the mandated exemptions in AS 29.45.030 or one of the optional exemptions contained in AS 29.45.050, there can be no exemption.

While I am not familiar with the property in question, nor am I privy to the workings of KIC and in particular with the property at issue, I might suggest that you and the City look at the optional exemption contained in AS 29.45.050(m). This statute allows a municipality to exempt certain "economic development property", if it meets certain criteria. First, it would have to be newly constructed property that had not been taxed before, consequently it could not be existing buildings that had been purchased. Second, it would have to either create employment, generate sales of goods or services outside KGB or reduce importation of goods or services. And last, the property could not have been used for the same business in another municipality within the last six months. Other than this, I know of no other way the City and Borough might exempt the property.

For your information, federally subsidized housing exists in other jurisdictions and are subject to taxes within those jurisdictions. I don't believe I have told you anything you didn't already know about this exemption issue. I will be on vacation from December 20-December 31, 1999. Any other questions you may have will have to wait until after I return to the office.

Happy Holidays



Steve Van Sant
State Assessor

RECEIVED

DEC 29 1999

BOROUGH MANAGER'S OFFICE

C. L. LATAI (1075)

K
I
C

Ketchikan Indian Corporation

General Manager
429 DEERMOJINT
KETCHIKAN, ALASKA 99901
(907) 225-5154
FAX (907) 247-0429

February 4, 2000

The Honorable Bill Williams
Representative, Alaska Legislature

By Facsimile 907-465-3793

Dear Bill,

The intent of this letter is to request your sponsorship and support for a proposed bill to designate Ketchikan Indian Corporation (KIC) as a regional housing authority pursuant to AS 18.55.996.

The reason for this request is quite simple: KIC, under the federal Native American Housing Assistance And Self Determination Act (NAHASDA) law has assumed the role of providing housing for low-income Indians/Alaska Natives in the Ketchikan area. This responsibility was previously undertaken only by the regional housing authorities identified in AS 18.55.996(a). Adding KIC to this enumeration of housing authorities simply updates this list and accurately reflects current recipients of the same HUD dollars which assist the same segment of the population.

This amended statute will enable KIC to be recognized by local government(s) as an entity eligible to enter into HUD-required cooperation agreements for tax exemption and payments in lieu of taxes. To date, KIC has had difficulty engaging in these required agreements since we have no "housing authority" designation.

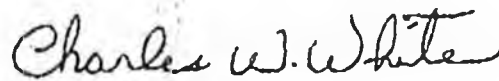
Our local governments are also in favor of this clarification, enabling them to put KIC in an organizational category that they understand in the context of their laws. In

The Honorable Bill Williams
February 04, 2000
Page 2

fact, the City Council of Ketchikan has already enacted ordinance 99-1423 that allows for KIC's inclusion in the "housing authority" category (see attached).

Thank you for your consideration of this request. I will be available to answer any questions or supply you with additional information.

Respectfully,



Charles W. White

General Manager, Ketchikan Indian Corporation

CITY OF KETCHIKAN, ALASKA

ORDINANCE NO. 99-1423

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KETCHIKAN, ALASKA; ESTABLISHING A PROPERTY TAX EXEMPTION FOR CERTAIN LOW INCOME HOUSING OWNED OR MANAGED BY A TRIBAL CORPORATION UNDER THE NATIVE AMERICAN HOUSING ASSISTANCE AND SELF-DETERMINATION ACT OF 1996; AUTHORIZING THE CITY TO ENTER INTO A COOPERATION AGREEMENT WITH KETCHIKAN INDIAN CORPORATION TO EXEMPT UP TO TEN RESIDENTIAL UNITS FROM PROPERTY TAX; AND PROVIDING FOR THE FILING OF PETITIONS FOR REFERENDUM

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF KETCHIKAN, ALASKA, AS FOLLOWS:

Section 1: Amendment. Section 3.21.020 of the Ketchikan Municipal Code, entitled "Interest in Low-Income Housing," is hereby amended to read as follows:

"3.21.020. Interest in Low-Income Housing. An interest, other than record ownership, in real property of an individual residing in the property is exempt from real property taxes if the property has been developed, improved, or acquired with federal funds for low-income housing and is owned or managed as low-income housing by the Alaska [~~State-Building Authority~~] Housing Finance Corporation under Alaska Statutes 18.55.100-18.55.960; a tribal corporation under the Native American Housing Assistance and Self-Determination Act of 1996 pursuant to a cooperation agreement with the city; or a regional housing authority formed under AS 18.55.996. This section does not prohibit the city from receiving payments in lieu of taxes authorized under federal law."

Section 2: Authorization to enter into Cooperation Agreement. The City of Ketchikan is hereby authorized to enter into an agreement with the Ketchikan Indian Corporation to exempt up to ten (10) residential units from real property taxes and to provide for certain payments to be made by Ketchikan Indian Corporation to the City of Ketchikan in lieu of some or all of the taxes which would otherwise be imposed. The city manager or his designee is hereby authorized to negotiate with Ketchikan Indian

Corporation for an agreement consistent with this section and containing such other terms and conditions as he deems necessary or convenient. Any such agreement must be approved by motion of the city council.

Section 3. Petition for Referendum and Effective Date. If one or more referendum petitions with signatures are properly filed within one month after the passage and publication of this ordinance, this ordinance shall not go into effect until the petition or petitions are finally found to be illegal and/or insufficient, or, if any such petition is found legal and sufficient, until the ordinance is approved at an election by a majority of the qualified voters voting on the question. If no referendum petition with signatures is filed, this ordinance shall go into effect one month after its passage and publication.

PASSED ON FIRST READING _____

FINAL PASSAGE _____

Bob Weinstein, Mayor

ATTEST:

Katherine M. Suiter, City Clerk

EFFECTIVE DATE			
ROLL CALL	YEA	NAY	ABSENT
BUTLER			
COYNE			
HARPOLD			
NORTON			
WEST			
L. WILLIAMS			
S. WILLIAMS			
MAYOR			