

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILE 8672

1166 SCOMM 34: HOUSE SPEC. COMMITTEE ON STATE LOANS 1983-84 333

Alaska State Legislature

POUCH V
JUNEAU, ALASKA 99811
(907) 465-4821



REPRESENTATIVE RICK UEHLING
CHAIRMAN
REPRESENTATIVE WALT FURNACE
REPRESENTATIVE NILO KOPONEN
REPRESENTATIVE JERRY WARD
REPRESENTATIVE RON WENOTE

House Special Committee on State Loans

CS for Senate Bill 461 (Resources)

"An Act relating to the management and use of water in mining; and providing for an effective date."

This bill establishes a Mining Water Use Review Committee with responsibility for reviewing and making recommendations on applications for grants and loans for three basic reasons for the placer mining industry, either economic benefits to the industry, environmental benefits to the public, or other specific benefits.

The members of the Committee are the Commissioner of Natural Resources, the Commissioner of Environmental Conservation, the Dean of the School of Mineral Industry at the U of A., two individuals with placer mining experience, and one public member.

The Commissioner of Natural Resources is responsible for administering the innovative gold recovery demonstration grant program and the placer mining water reduction loan program established under AS 46.16 and the Commissioner of Environmental Conservation shall administer the innovative pollution control demonstration grant and the placer mining water recycling loan program established under the same Statute.

The innovative gold recovery program is a direct grant program designed to give a person engaged in placer mining the opportunity to study and test new methods of gold recover and water use reduction. It has certain eligibility requirements and a cap of \$100,000. The placer mining water reduction program has a cap of \$50,000 for a loan and 50% may be considered as a grant if there is evidence of a 50% reduction in the amount of water used in the placer mining operation. If there is evidence of an 80% reduction than the entire loan may be considered a grant. The interest rate under this program would not exceed 10%.

The innovative pollution control demonstration program is a direct grant program for persons engaged in placer mining to study and test innovative and economically viable mining techniques for waste disposal and pollution control. It has a cap of \$100,000 per loan.

The placer mining water recycling program is a loan and grant program for purchase and testing of equipment that "reasonably offers the possibility of recycling the water used in placer mining." It has the same grant provisions as that of the water reduction program.

SB 462 would provide for a Special Appropriation of \$4,000,000 for the Mining Water Use Board and the various programs reviewed by it.

SCS for HB 650 (Resources) contains an appropriation of \$2,000,000 for the innovative gold recovery grant program and the placer mining water reduction loan program.

SB461 is in Senate Rules, the Senate Finance Committee has recommended the Resources Committee substitute.

SB462 is in Senate Finance, and is ready for Committee action, but not scheduled as yet.

SCS for HB650 is in Senate Finance, and has not been "assigned" as yet.

/as 5/10/84

DRAFT

<u>Funding Information</u>	
General Fund	91,275,000
Other Funds	1,375,000
	<u>92,650,000</u>

IN THE SENATE

BY THE RESOURCES COMMITTEE

SCS FOR CS FOR HOUSE BILL NO. 650 (Resources)
IN THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE - SECOND SESSION
A BILL

For an Act entitled: "An Act making special appropriations for certain state loan and grant programs; and providing for an effective date.

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

* Section 1. The sum of \$65,000,000 is appropriated from the general fund to the housing assistance loan fund in the Department of Community and Regional Affairs for non-conforming, rural and non-owner occupied housing loans (AS 44.47.360 - 44.47.560) and loans that are subsidized from the home ownership assistance fund (AS 44.47.382).

* Sec. 2. The sum of \$10,000,000 is appropriated from the general fund to the Department of Natural Resources for loans from the agricultural revolving loan fund (AS 03.10.040).

* Sec. 3. The sum of \$2,000,000 is appropriated from the general fund to the Department of Natural Resources for the innovative gold recovery demonstration grant program and the placer mining water reduction loan program.

grant depends on success

* Sec. 4. The sum of \$2,000,000 is appropriated from the general fund to the Department of Environmental Conservation for the innovative pollution control demonstration grant program and the placer mining water recycling loan program.

* Sec. 5. The sum of \$1,200,000 is appropriated from the general fund to the Division of Housing Assistance in the Department of Community and Regional Affairs for a grant from the Senior Citizens' Housing Development Fund for the Tlingit-Haida Housing Authority Senior Citizen Facility at Angoon.

* Sec. 6. The sum of \$1,000,000 is appropriated from the general fund to the Division of Housing Assistance in the Department of Community and Regional Affairs for a grant from the Senior Citizens' Housing Development Fund for the Tlingit-Haida Housing Authority Senior Citizen Facility at Klawock.

* Sec. 7. The sum of \$275,000 is appropriated from the power project fund (AS 44.83.170) to the Alaska Power Authority for a loan to the City of Thorne Bay for the purchase and upgrade of the existing electric system in Thorne Bay.

* Sec. 8. The sum of \$1,100,000 is appropriated from the power project fund (AS 44.83.170) to the Alaska Power Authority for a loan to a qualified borrower to construct the Craig-Klawock electrical intertie.

* Sec. 9. The sum of \$10,000,000 is appropriated from the general fund to the division of investments, Department of Commerce and Economic Development, for the fisheries enhancement loan program (AS 16.10.500 - 16.10.620).

* Sec. 10. The appropriations made by this Act are for the capitalization of loan and grant funds and do not lapse in accordance with AS 37.25.010.

* Sec. 11. This Act takes effect immediately in accordance with AS 01.10.070(c).

Alaska State Legislature

BETTYE FAHRENKAMP, Chairman
ROBERT H. ZIEGLER, SR., Vice Chairman
DICK ELIASON
PAUL FISCHER
VIC FISCHER
BOB MULCAHY
ARLISS STURGULEWSKI



POUCH V
STATE CAPITAL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3835

Senate

Committee on Resources

SCS CS HB 650 (Resources)

Section 1 appropriates \$65 million (an increase over \$45 million contained in HB 511) for the Housing Assistance Loan Fund, which provides money to originate and purchase loans for rural housing and nonconforming urban housing. Based on past fiscal years' activities and loans in progress, the Department of Community and Regional Affairs projects financing approximately 726 new loans in FY 85, with \$65 million in new appropriation and \$1.95 in repaid principal and payoffs.

Sec. 2 appropriates \$10 million (an increase over \$5 million contained in HB 511) to the Agricultural Revolving Loan Fund. State agricultural land sale contracts include development requirements, for which loans from commercial sources are generally not available. The Department of Natural Resources anticipates loan demand of \$35 million in FY 85. As of April 25, 1984, \$12.7 million was available for loans from the fund.

Sec. 3 and 4 appropriate \$2 million to DNR for the innovative gold recovery grant program and the placer mining water reduction loan program, and \$2 million to DEC for the innovative pollution control grant program and the placer mining water recycling program. These programs will urge the development of new methods and procedures for gold recovery as a long range solution to the placer mining/water quality issue, and provide a source of needed information for making management decisions.

Sec. 5 and 6 provide funds for construction grants for senior citizen facilities in Klawock and Angoon. Both projects have received planning grants from the Senior Citizens' Housing Development Fund. Both projects have applied for HUD grants, which would provide a portion of the construction funds.

Sec. 7 appropriates \$275,000 as a loan for the purchase and upgrade of the existing electrical system in Thorne Bay. This community is dependent on diesel generation. the current generator has a six-month useful life remaining; no back-up system is available. This project has received a favorable recommendation from the Alaska Power Authority.

Sec. 8 appropriates \$1.1 million as a loan for construction of the Craig - Klawock electrical intertie. The tieline would allow the City of Craig to utilize the available excess capacity from Klawock's powerplant. This project has received a favorable recommendation from APA.

Sec. 9 appropriates \$10 million (an increase over \$5 million contained in HB 511) to the Fisheries Enhancement Loan Program, which provides loans for private non-profit hatcheries. The Department of Commerce and Economic Development anticipates loan demand of \$11.6 million in FY 85. The fund's current balance is \$11 million. A \$10 million loan currently in process will reduce the fund's balance to \$1 million.

STATE OF ALASKA

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

POUCH D
JUNEAU, ALASKA 99811
PHONE: 465-2500

May 1, 1984

MAY 1 1984

Honorable Rick Uehling
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Representative Uehling:

Enclosed is a copy of a Letter of Agreement between the Department of Commerce and Economic Development and the Department of Community and Regional Affairs concerning the recently-implemented Outreach Program for State Loans. The outreach program is designed to improve the availability of information and service of the State loan programs throughout Alaska.

The Department of Commerce and Economic Development and the Department of Community and Regional Affairs have begun a coordinated effort to prepare a State loan pamphlet that will be on display in both departments' offices statewide. The pamphlet will contain a brief, one-page description of each State loan program and a contact person and agency name for information on each specific program. Loan application forms and brochures for all programs will also be available in the departments' eleven offices statewide.

All departments currently administering State loan programs have been asked to help us prepare the information for inclusion in the State loan pamphlet. The pamphlet is tentatively scheduled to be on display by the end of May. Additionally, a copy of the State loan pamphlet will be mailed to all incorporated and unincorporated communities for their information.

The Department of Commerce and Economic Development and the Department of Community and Regional Affairs will be coordinating travel schedules and will provide bilingual and translator services. Cross-training of both departments' personnel on all State loan programs will be conducted in late June.

May 1, 1984

The State is pleased to implement this outreach program and believes it will increase public awareness of the loan programs available to all Alaskans. If you have any questions concerning the Outreach Program for State Loans, please contact the Department of Commerce and Economic Development or the Department of Community and Regional Affairs.

Sincerely,

A handwritten signature in black ink, appearing to be 'R. Lyon', written over the word 'Sincerely,'.

Richard A. Lyon
Commissioner

RAL/mst2/5
042684b

Enclosure

STATE OF ALASKA
LETTER OF AGREEMENT
OUTREACH PROGRAM FOR STATE LOANS

The Department of Commerce and Economic Development and the Department of Community and Regional Affairs have developed a cooperative agreement for a coordinated Outreach Program for State loans. This program is designed to improve the availability of information concerning all State loan programs and to improve the service of the loan programs throughout Alaska.

The success of the Outreach Program for State loans is dependent upon the cooperative efforts of both departments. Therefore, we agree to the following objectives:

- 1) To prepare a State Loan Pamphlet that includes a brief, one-page description for all State loan programs;
- 2) To display the State Loan Pamphlet in the Department of Commerce and Economic Development's and the Department of Community and Regional Affairs' statewide offices;
- 3) To mail the State Loan Pamphlet to all incorporated and unincorporated communities in the State;
- 4) To display loan application forms or brochures for all State loan programs in the Department of Commerce and Economic Development and the Department of Community and Regional Affairs' statewide offices;
- 5) To establish a procedure for maintaining current information in the State Loan Pamphlet and for obtaining current loan application forms or brochures;
- 6) To develop training materials and a schedule for cross-training Department of Commerce and Economic Development and Department of Community and Regional Affairs' personnel on all State loan programs;
- 7) To provide bilingual and translator services, upon request and as staff schedules will allow, in the rural communities;
- 8) To coordinate travel in the regional centers between departments by exchange of monthly travel plans, including weekly amendments to such travel plans;

- 9) To develop a timetable for implementation of the Outreach Program for State loans; and
- 10) To provide the necessary funds to cover the costs incurred by each department for implementing and maintaining the outreach program, such as costs of display cases, printing, mailing, travel, and training.

Specific details necessary to implement the above elements of the Outreach Program for State loans will be determined by joint agreement of the Division of Investments, Department of Commerce and Economic Development, and the Division of Housing Assistance, Department of Community and Regional Affairs. Any unresolved policy questions concerning implementation or administration of the outreach program will be forwarded to the Commissioners of both departments for resolution.

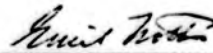
This Letter of Agreement outlines the scope of each department's role in implementing the Outreach Program for State loans, the responsibilities of each department in administering the program, and the working relationship between the departments in coordination of this effort. The Outreach Program for State loans will be effective immediately.



Richard A. Lyon
Commissioner
Department of Commerce and
Economic Development

4.16.84

Date



Emil Notti
Commissioner
Department of Community and
Regional Affairs

4/16/84

Date

LOANS BUDGET SUMMARY
(Stated in Thousands \$)

DEPARTMENT/Program	FY 84 Adjusted	FY 85 Governor	FY 85 Governor Amended	FY 85: HB 650	FY 85: CSHB 650 (Loans)
COMMERCE AND ECONOMIC DEVELOPMENT					
Fisheries Enhancement	6,500.0	0.0	5,335.0	0.0	5,000.0
Commercial Fishing	9,091.0	3,500.0	3,500.0	3,500.0	3,500.0
Alt. Tech & Energy	2,400.0	5,100.0	5,100.0	2,400.0	1,000.0
Rural Electrification	1,000.0	1,000.0	1,000.0	1,000.0	0.0
Power Project Fund					
Seward	0.0	0.0	0.0	0.0	0.0
Homer	0.0	0.0	0.0	0.0	0.0
Thorne Bay	0.0	0.0	275.0	0.0	0.0
Craig/Klawock	0.0	0.0	1,110.0	0.0	0.0
DEPARTMENT TOTAL	<u>18,991.0</u>	<u>9,600.0</u>	<u>16,320.0</u>	<u>6,900.0</u>	<u>9,500.0</u>
EDUCATION					
Student Loan Program	60,000.0	65,450.0	65,450.0	60,000.0	60,000.0
Student Loan					
Federal Receipts	<u>850.0</u>	<u>500.0</u>	<u>500.0</u>	<u>500.0</u>	<u>500.0</u>
DEPARTMENT TOTAL	<u>60,850.0</u>	<u>65,950.0</u>	<u>65,950.0</u>	<u>60,500.0</u>	<u>60,500.0</u>
NATURAL RESOURCES					
Agricultural RLF	10,000.0	13,000.0	11,622.2	5,000.0	5,000.0
Grain Reserve Fund	<u>1,582.4</u>	<u>1,000.0</u>	<u>500.0</u>	<u>500.0</u>	<u>500.0</u>
DEPARTMENT TOTAL	<u>11,582.4</u>	<u>14,000.0</u>	<u>12,122.2</u>	<u>5,500.0</u>	<u>5,500.0</u>

HB-663 →
HB-665 - 700-

LOANS BUDGET SUMMARY
(Stated in Thousands \$)
(continued)

DEPARTMENT/Program	FY 84 Adjusted	FY 85 Governor	FY 85 Governor Amended	FY 85: HB 650	FY 85: CSHB 650 (Loans)
REVENUE					
Alaska Housing Finance Corporation					
Special Mortgage	6,801.0	71,000.0	0.0	40,000.0	0.0
Mobile Home Loans	0.0	34,000.0	0.0	0.0	0.0
Revolving Fund	0.0	0.0	16,000.0	0.0	16,000.0
Home Ownership	42,250.0*	0.0	0.0	22,000.0	0.0
DEPARTMENT TOTAL	49,051.0	105,000.0	16,000.0	62,000.0	16,000.0
COMMUNITY AND REGIONAL AFFAIRS					
Housing Assistance Loan Fund	45,000.0	65,000.0	65,000.0	45,000.0	45,000.0
Chugach View Srs.	10,000.0	0.0	0.0	2,000.0	2,000.0
Norton Sound Srs.	0.0	0.0	0.0	0.0	2,000.0
Statewide Senior Citizen Housing	0.0	0.0	0.0	7,000.0	7,000.0
Low cost/Low income Multiple family	0.0	0.0	0.0	2,000.0	5,000.0
DEPARTMENT TOTAL	55,000.0	65,000.0	65,000.0	56,000.0	61,000.0
TOTALS	\$195,474.4	\$259,550.0	\$175,392.2	\$190,900.0	\$152,500.0

*This figure includes:

22,750.0 GF

16,500.0 from Small Business Loan Program

2,700.0 from Tourism Revolving Loan Program



Alaska State Legislature
HOUSE CALENDAR
OFFICIAL BUSINESS OF THE HOUSE

EIGHTY-SIXTH DAY

Tuesday

Reverend Duane Minkler
First Church of God

April 3, 1984
Convenes: 10:00 a.m.

SECOND READING OF HOUSE BILLS

SSHB 470 "An Act making a special appropriation to the Department of Education, Alaska History Commission to produce a documentary film relating to the participation of Alaska in World War II; and providing for an effective date."

✓ -HESS report, p. 2855

✓ (Letter of Intent, p. 2855

✓ (Finance report w/CS(Fin), new title, p. 3098:

Making a special appropriation to the Department of Education, Alaska Historical Commission to produce a documentary film relating to the participation of Alaska in World War II;

✓ (effective date

HB 548 "An Act relating to state assistance for community health aide programs; and providing for an effective date."

-HESS report w/CS(HESS), same title, p. 3033

Fiscal Note, House Supplement No. 113

-Finance report w/CS(Fin), same title, p. 3099

HB 650 "An Act making special appropriations for certain state loan and grant programs; and providing for an effective date."

-Loans report w/CS(Loans), same title, p. 3014

-Finance report w/CS(Loans), p. 3100

Letter of Intent, p. 3101

→ 27 - 12

SECOND READING OF SENATE BILLS (Held from 3/29)

CSSB 67 "An Act relating to the relocation of utility facilities incident to the construction of highway projects by a municipality; and providing for an effective date."

-C&RA report w/HCS(C&RA), new title, p. 1277:

Relocation of utility facilities incident to the construction of road or highway projects by a municipality; effective date

Chairman's Report, p. 1278

-L&C report w/HCS(L&C), same title, p. 2662

Zero Fiscal Note

-Rules report w/HCS(Rls), same title, p. 3083

Continued next page

voted
6:45
pm

39-0

38-1
R. S. Samski

40-0

CITATIONS

- *Honoring - Diana Murphy by Representative M.M. Miller
- *Honoring - Michael Clearly by Senator Eliason
- *In Memoriam John Etalook by Senators Sackett, Ferguson;
Representative Adams

ANNOUNCEMENTS

Democratic Luncheon
Senator Vic Fischer,
Speaker

Baranof

Noon, 4/3

HOUSE

DAILY COMMITTEE ANNOUNCEMENTS

TUESDAY 04/03/84

<u>FINANCE</u>	<u>CAPITOL 519</u>	<u>1:30 PM</u>
DEPT. OF COMMERCE & ECONOMIC DEVELOPMENT BUDGET CLOSE-OUT		
LEGISLATURE BUDGET CLOSE-OUT		
HB 494 LEASE/FACILITIES USED FOR STATE CAPITOL		
HB 510 ACCIDENTS INVOLVING STATE AIRCRAFT		
HB 605 BONDS/CONSTRUCT FACILITY/LEGISLATURE/ANCHORAGE		
DEPARTMENT OF CORRECTIONS CLOSE-OUT		
DEPARTMENT OF EDUCATION CLOSE-OUT		
<u>JUDICIARY</u>	<u>CAPITOL 124</u>	<u>1:30 PM</u>
HB 509 AVIATION FUEL REFINERS		
CSSB 101(RES) ISSUANCE OF CITATIONS, FISH/GAME VIOLATIONS		
<u>LABOR AND COMMERCE</u>	<u>BEHREND'S 209</u>	<u>8:15 AM</u>
*HB 705 REAL ESTATE SURETY FUND		
*HB 706 AUTHORITY OF THE OIL AND GAS CONSERVATION COMMISSION		
<u>STATE AFFAIRS</u>	<u>CAPITOL 102</u>	<u>1:15 PM</u>
WORK SESSION SUBJECT TO CANCELLATION		
<u>TRANSPORTATION</u>	<u>CAPITOL 112</u>	<u>8:30 AM</u>
CSSB 315(FIN)AM ROAD MAINTENANCE SERVICE AREAS		
<u>FISHERIES, SPECIAL COMMITTEE</u>	<u>BEHREND'S CONF</u>	<u>4:00 PM</u>
*HJR 73 LICENSING OF COMMERCIAL HALIBUT VESSELS.		
<u>LOANS, SPECIAL COMMITTEE</u>	<u>CAPITOL 118</u>	<u>5:00 PM</u>
HB 574 STATE LOAN PROGRAMS		
HB 689 RURAL ELECTRIFICATION LOANS		
SB 362 APPLICABILITY/SCHOLARSHIP LOAN PROGRAMS		

* FIRST PUBLIC HEARING

MAR 29 1984

BILL SHEFFIELD, GOVERNOR

STATE OF ALASKA
DEPT. OF COMMUNITY & REGIONAL AFFAIRS

HOUSING ASSISTANCE DIVISION

March 29, 1984

The Honorable Jim Duncan
Representative
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Duncan:

As you have requested, this letter contains an analysis of HB 650 funds for the Housing Assistance Loan Fund. The Governor's request of \$65,000,000 has been reduced in the House to \$45,000,000. Program receipts of principal retained and payoffs will be earned in the amount of \$1,950,000 giving us a total appropriation of \$46,950,000.

\$46,950,000 is projected to be 60% of the \$77,200,000 demand we predict for FY 85. Initial allocation formulas would be as follows:

Rural Owner-Occupied Loans: \$33,000,000

No carry over is projected in this category.
A total of 377 loans could be made statewide @ an average loan amount of \$87,500.

Rural Nonowner-Occupied Loans: \$4,560,000

A \$5,000,000 carry over is projected in this category. A total of 18 new loans would be made from FY 85 funds, with an additional 20 new loans made from FY 84 funds. The average loan amount is \$250,000.

Nonconforming Loans: \$9,390,000

No carry over is projected in this category. A total of 129 loans at an average loan amount of \$72,500 can be made.

- REPLY TO:
- ☐ 949 E. 36TH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508
PHONE: (907) 561-0900
 - ☐ POUCH B
JUNEAU, ALASKA 99811
PHONE: (907) 465-2267
 - ☐ P.O. BOX 10041
DILLINGHAM, ALASKA 99576
PHONE: (907) 842-2245
 - ☐ P.O. BOX 280
KOTZEBUE, ALASKA 99752
PHONE: (907) 442-3675
 - ☐ P.O. BOX 348
BETHEL, ALASKA 99559
PHONE: (907) 543-3864
 - ☐ 1514 CUSHMAN STREET, ROOM 210
FAIRBANKS, ALASKA 99701
PHONE: (907) 452-4468
 - ☐ P.O. BOX 41
NOME, ALASKA 99762
PHONE: (907) 443-2655
- STATEWIDE TOLL FREE
PHONE: ZENITH 4585

Representative Jim Duncan
Re: HB 650
March 29, 1984
Page 2

Duration of loan funds vary greatly with market conditions, health of the economy and construction season demands. Rural nonowner-occupied funds will be sufficient to sustain the year. Nonconforming funds would last approximately 10 weeks after appropriation. There is a backlog of loans now being held due to lack of funds. This backlog will contribute to the short duration of this program at this level. Rural owner-occupied funds would extend into calendar year 1985, but are predicted to be consumed several months prior to fiscal year end. This category is the least predictable due to increases in demand from the Home Ownership Assistance Fund subsidies that are not yet able to be analyzed.

The Department supports the Governor's request level of \$65,000,000 and would like to point out that these funds are frequently the only source of financing available in many communities. Thank you for your interest in these programs.

Sincerely,



Barbara Morse-Quinn
Director

cc: Commissioner Notti
Deputy Commissioner Smith
Representative Al Adams
Representative Rick Uehling

①

AGRICULTURAL REVOLVING LOAN FUND

<u>FY '84</u>		<u>FY '85 request</u>	<u>Governor</u>	<u>Loans Committee</u>
10,000,000.	Capital funds	12,000,000.	13,000,000.	5,000,000.
469,000.	Operating funds	492,200.		
11,000,000.	Estimated carry forward			
1,680,049.	Capital expenditures to December 31, 1983			
169,698.	Operating expenditures to December 31, 1983			

NOTE: Capitalization of the fund was \$63.5 million on December 31st, and the current year demand may be \$33. million, as estimated by the agency.

GRAIN RESERVE PROGRAM

<u>FY '84</u>	<u>FY '85 request</u>	<u>Governor</u>	<u>Loans Committee</u>
1,582,400. Loans appropriation	3,000,000.	1,000,000	500,000.
67,600. Operation funding			

NOTE: This is a new program created by HB 309 in the 1983 Legislative Session.
There was no loan activity as of December 31, 1983, however the agency projects increased demand based on increased acreage and enthusiasm among farmers.

ALASKA POWER AUTHORITY
Rural Electrification Revolving Loan Fund

<u>FY '84</u>	<u>FY '85 request</u>	<u>Governor</u>	<u>Loans Committee</u>
1,000,000. Capital Funds	1,000,000.	1,000,000.	1,000,000.
1,997,900. Estimated carry forward			
2,304,688. Capital expenditures as of January 17, 1984			

NOTE: This Loan fund was created by the 1981 Legislature and funded by a \$6.5 million appropriation in FY '81.

ALASKA POWER AUTHORITY

Power Projects Fund

<u>FY '84</u>		<u>FY '85 request</u>	<u>Governor</u>	<u>Loans Committee</u>
-0-	Seward	15,000,000.	-0-	-0-
-0-	Homer	11,000,000.	-0-	-0-
-0-	Craig - Klawock	1,110,000.	1,110,000.	

NOTE: This request for the Criag - Klawock project would supplement insufficient funds of \$750,000 appropriated by the 1981 Legislature. It is anticipated that it will be sufficient to complete the project.

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

Commercial Fishing Loan Act

<u>FY '84</u>	<u>FY '85 request</u>	<u>Governor</u>	<u>Loans Committee</u>
9,091,000. Loans appropriation	3,500,000.	3,500,000	3,500,000.
4,372,100. Estimated carry forward			
3,182,000. Interest retained			
2,200,000. Principal repaid			

NOTE: This is a revolving loan fund, the purpose of which is to encourage and promote Alaska's commercial fishing industry and to develop a predominantly resident fishery by making low-interest, long term fishing loans.

Please refer to the Audit from OMB dated December 1983 especially pages 2 and 3, and also page 11 for a few conclusions.

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

Commercial Fishing Loan Act

<u>FY '84</u>	<u>FY '85 request</u>	<u>Governor</u>	<u>Loans Committee</u>
9,091,000. Loans appropriation	3,500,000.	3,500,000	3,500,000.
4,372,100. Estimated carry forward			
3,182,000. Interest retained			
2,200,000. Principal repaid			

NOTE: This is a revolving loan fund, the purpose of which is to encourage and promote Alaska's commercial fishing industry and to develop a predominantly resident fishery by making low-interest, long term fishing loans.

Please refer to the Audit from OMB dated December 1983 especially pages 2 and 3, and also page 11 for a few conclusions.

MEMORANDUM

State of Alaska

TO: Jay Hogan, Director
Division of Budget Review
Office of Management & Budget
Office of the Governor

DATE: February 28, 1984

FILE NO:

TELEPHONE NO:

FROM: Lois Cook, Director *LC*
Division of Administrative Services
Department of Commerce & Economic
Development

SUBJECT: FY '85 Budget Amendment for
the Fisheries Enhancement
Loan Program

1 Loans

→ The Fisheries Mini-Cabinet has recommended an FY '85 appropriation of \$5,335,000 to the Fisheries Enhancement Loan Program. This appropriation, combined with funds that will be carried forward into FY '85, will fund the following:

Operation Loans (existing)	\$ 2,968,000
Capital Improvements (existing)	3,339,000
Operation/Construction (new)	10,600,000
	<u>\$16,907,000</u>

Your approval is requested.

LJC/cw#10R1
22884a
Attachment

OFFICE OF
MANAGEMENT & BUDGET

FEB 29 1984

BUDGET REVIEW

Operation Loan Requests - During the start up period of each hatchery, until broodstock and surplus returns can be built to capacity, assistance in meeting the annual operating costs will be given in the form of operating loans. Without these loans most facilities would be forced to close their doors.

<u>Facility Name</u>	<u>FY '85 Request</u>
Alaska Aquaculture Foundation (Burnett Inlet)	\$ 80,000
Armstrong-Keta, Inc. (Port Armstrong)	251,000
Cook Inlet Aquaculture (Eklutna Lake)	130,000
Douglas Island Pink & Chum (Sheep Creek)	5,000
Kake Nonprofit Fishery (Gunnuk Creek)	170,000
Meyers Chuck Aquaculture Association	98,000
Nerka, Inc (Perry Island)	44,000
Northern Southeast Regional Aquaculture Association (Salmon Creek)	300,000
Northern Southeast Regional Aquaculture Association (Medvejie)	210,000
Southern Southeast Regional Aquaculture Association (Whitman Lake)	500,000
Southern Southeast Regional Aquaculture Association (Neets Bay)	200,000
Tlingit Haida Fisheries (Sandy Bay)	230,000
Valdez Fisheries Development (Solomon Gulch)	450,000
Additional Requests and Increases	<u>300,000</u>
Total Operation Loans (FY '85)	\$ 2,968,000

Capital Improvement Loans - These loans are to be made to existing facilities who are building in phases or purchasing capital items to bring a facility to its maximum permitted potential.

<u>Facility Name</u>	<u>FY '85 Request</u>
Alaska Aquaculture Foundation (Burnett Inlet)	\$ 300,000
Armstrong-Keta, Inc. (Port Armstrong)	85,000
Cook Inlet Aquaculture (Eklutna Lake)	200,000
Kake Nonprofit Fishery (Gunnuk Creek)	85,000
Meyers Chuck Aquaculture Association	44,000
Northern Southeast Regional Aquaculture Association (Salmon Creek)	500,000
Southern Southeast Regional Aquaculture Association (Whitman Lake)	50,000
Southern Southeast Regional Aquaculture Association (Neets Bay)	150,000
Valdez Fisheries Development (Solomon Gulch)	300,000
Total Capital Improvement Loans	\$ 1,714,000
Northern Southeast Regional Aquaculture Association (Medvejie)	1,625,000
	<u>\$ 3,339,000</u>

Operation/Construction Loans

Prince William Sound Aquaculture Association (Esther Lake)	\$10,000,000
Meyers Chuck Aquaculture Association	600,000
	<u>\$10,600,000</u>

From Guy Bell.

ALASKA POWER AUTHORITY

MEMORANDUM

TO: Jay Hogan
Associate Director
Office of Management and Budget
Division of Budget Review

DATE: February 27, 1984

THROUGH: Richard Lyon, Chairman
Alaska Power Authority
Board of Directors

FROM: Larry D. Crawford *LDC*
Executive Director

SUBJECT: FY 85 Thorne Bay
Loan Request
2 Loans

AS Comp. 2/28/84

The Alaska Power Authority Board of Directors approved at their meeting on February 22 a request for an addition to FY 85 Power Authority budget of \$275,000 to the Power Project Loan Fund for a loan to the City of Thorne Bay. This memo requests the addition of the \$275,000 to the Governor's budget. In support of the request, the Power Authority supplies the attached information.

Attachments.

LDC/sc

Thorne Bay Loan Request

Subsequent to preparation and submission of the Alaska Power Authority FY 85 budget, the City of Thorne Bay contacted the Department of Commerce and the Power Authority requesting \$275,000 be budgeted for a loan to purchase a new generator and to refinance* an existing debt obligation to Louisiana Pacific Corporation resulting from the City's purchase of the existing electric system. The City has provided documents in support of this budget request, included here as attachments. Power Authority staff has talked to the City's utility manager and has confirmed the need for this loan. This request to add the loan request to the FY 85 budget does not constitute approval of the loan, but rather secures the appropriation which would fund the loan. The loan application would be subject to Power Authority loan review and award procedures.

The Power Project Loan Fund (AS 44.83.170) is the appropriate program for this loan. This loan program requires legislative action to dedicate funds for specific loans. There is presently no appropriation for a loan to the City of Thorne Bay in this program.

KEY INFORMATION:

1. The City owes \$110,000 on the existing system. This amount due is drawing an interest payment of about \$1,050 per month.
2. The City was incorporated in 1982, at which time it was obliged to purchase the electric system. Due to the short period since incorporation, the City resources are limited, and refinancing of the present debt would allow a more reasonable rate of loan repayment.
3. The City is presently operating their 500 KW generator, which has less than six months useful life remaining, without back-up. The unit previously used for back-up is inoperative and cannot be overhauled.
4. New loads which have come on-line and which are about to come on-line require additional capacity as soon as possible. The City is planning to attempt to lease a 450 kw diesel unit as soon as possible to be able to provide power to the Forest Service and the Southeast Island School District. Availability of the State loan would allow purchase if the loan application is approved.
5. \$275,000 would be required to fund this loan.

* Use of the term "refinance" is not accurate in this case, as the City of Thorne Bay is currently making payments for the use of the electrical system only pending the securing of long-term financing for the acquisition of the system.

STATE OF ALASKA
Office of the Governor
Budget & Management Div.

REVISED PROGRAM SUMMARY
by
BUDGET COMPONENT

CATEGORY	Development
PROGRAM	Energy Development
AGENCY	Commerce + Economic Development
DIVISION	Alaska Power Authority
BUDGET REQUEST UNIT	Alaska Power Authority
BUDGET COMPONENT	Power Projects Loan Fund

	INITIAL AUTHORIZATION	RP #	ADJUSTED AUTH.	RP #	ADJUSTED AUTH.	RP #	ADJUSTED AUTH.	RP #	ADJUSTED AUTH.
01	PERSONAL SERVICES								
02	TRAVEL								
03	CONTRACTUAL								
04	COMMODITIES								
05	EQUIPMENT								
06	LANDS/BUILDINGS	1,110.0	275.0	1385.0					
07	GRANTS, CLAIMS								
08	MISCELLANEOUS								
	TOTAL	1,110.0	275.0	1385.0					
1002	FEDERAL RECEIPTS								
1003	G/F MATCH								
1004	GENERAL FUND	1,110.0	275.0	1385.0					
1005	I/A RECEIPTS								
1028	PROGRAM RECEIPTS								
15	PERM. FULL TIME								
16	PERM. PART TIME/SEAS								
17	TOTAL STAFF MONTHS								
18	FULL TIME EQUIVALENT								

CITY OF THORNE BAY
P.O. BOX 110
THORNE BAY, ALASKA 99950
(907) 828-3380

RECEIVED

DEC 19 1983

OFFICE OF THE
COMMISSIONER

December 19, 1983

The Honorable Richard A. Lyon
Commissioner
Department of Commerce and
Economic Development
Pouch D
Juneau, Alaska 99811

Re: Supplemental appropriation to finance Thorne Bay Electric
Utility

Dear Commissioner Lyon:

The City of Thorne Bay, having incorporated as a second class city in 1982, was obliged to purchase the public utilities from the former owner of the logging camp of Thorne Bay, the Louisiana-Pacific Corporation. The City has managed to pay all but \$110,000. on the electric utility. This amount due is drawing an interest payment of about \$1,050. per month. The resources of the City are limited due to the short period of existence and this burden on the residents of the City can be reduced with a financing program through Alaska Statute 44.83.170.

Based upon this available program through the Alaska Power Authority, the City of Thorne Bay requests that the Directors of the Authority, in their meeting on December 21st, consider requesting the Alaska Legislature for a Supplemental Appropriation to fund the financial needs of the Thorne Bay electric utility.

This request and information is being presented to you in advance of the December 21st meeting so that any additional information may be supplied before the Directors meeting convenes. If additional information is needed, please contact the Thorne Bay City Administrator, Bill Williams, at 789-9141 in Juneau.

Your consideration of this request is appreciated.

Sincerely yours,

Denis M. Kuntz
Denis M. Kuntz
Mayor

PREP. CODE	21
FILE CODE	02.01

RESOLUTION 83-12-15-01

A Resolution of the City Council
of the City of Thorne Bay, Alaska Requesting
Funding from the State of Alaska

- WHEREAS, The City of Thorne Bay, Alaska did become an incorporated city of the second class under Alaska State Laws on August 2, 1982; and
- WHEREAS, the City of Thorne Bay did purchase the Electric Utility from the former owner of the logging camp of Thorne Bay, the Louisiana-Pacific Corporation; and,
- WHEREAS, the City has been successful in paying all of the costs of the Electric Utility except \$110,000.00 as of December 1, 1983, and this balance due is carrying an interest charge of about \$1,046.00 per month; and,
- WHEREAS, the existing generation equipment of the Electric Utility is not sufficient to produce enough power to fill the expected demands in the near future and the Electric Utility does not have generating equipment for back-up in case of an equipment failure, and,
- WHEREAS, the main generator that is now in use has only about six (6) months of useful life remaining; and,
- WHEREAS, the City will be required to supply power to the Forest Service quarters, that are to be constructed during the summer of 1984 and the probability that the City will provide power to the State of Alaska Land Disposal Area on the South Side of Thorne Bay in the near future, the present equipment is not capable of responding to these demands; and
- WHEREAS, the cost of operation of the Electric Utility is not paid from tax monies but from user fees and charges; and,
- WHEREAS, to finance the remaining principle of this debt and to purchase the needed equipment and systems improvements at a lower rate of interest than is now being paid and over a longer period of time will relieve the residence of the City of this avoidable burden especially during these times of a depressed economy in the City; and
- WHEREAS, The State of Alaska, through the Alaska Power Authority, has a program for financing Electric Utility Systems and Equipment purchases and this program is authorized in Alaska Statute 44.83.170.

83-12-15-01
Utility Financing

Page 2 of 2

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Thorne Bay, Thorne Bay, Alaska that a request be made to the Alaska Power Authority to submit a request to the Alaska State Legislature for a Supplemental Appropriation in the sum of \$275,000.00 which will be used to pay off the balance due on the purchase of the Electric Utility from the Louisiana-Pacific Corporation and to purchase a 450KW Generator and to make upgrades to the electrical system and Powerhouse.

PASSED AND APPROVED BY A DULY CONSTITUTED QUORUM OF THE CITY COUNCIL OF THE CITY OF THORNE BAY, ALASKA, ON THIS 15th DAY OF DECEMBER, 1983.

Denis M. Kuntz, Mayor

Lynda M. Blum
Chip M. Bailey
James K. Kuntz

David W. Kuntz
Mike Kuntz
John Kuntz

ATTEST:

Susan L. Chapin
Susan L. Chapin, City Clerk

I. PROJECT DESCRIPTION

THORNE BAY PUBLIC UTILITY GENERATOR LOAN

The City of Thorne Bay requests the State of Alaska appropriate \$275,000.00 to the Alaska Power Authority for the purpose of loaning the money to the City of Thorne Bay in order to purchase a new generator and to refinance a debt obligation to Louisiana Pacific Corporation for the purchase of remaining equity in the Thorne Bay Electrical System.

Monies borrowed from the Power Project Revolving Loan Fund would be used to purchase and install a 450KW diesel generator and associated control and switchgear; upgrade the Thorne Bay Power House to allow the existing system to accept the new generator and refinance \$110,000.00 currently owed to Louisiana Pacific for the remaining equity in the electrical system.

The City of Thorne Bay has determined this project to be economically feasible and will provide detailed financial and technical data to the Alaska Power Authority with the Power Project Revolving Loan Application.

II. JUSTIFICATION FOR PROJECT

The City of Thorne Bay will have an additional load requirement when the Southeast Island School District and the U.S. Forest Service housing project come on line beginning in the spring of 1984. These two additional large customers will necessitate the use of the City's 500KW generator, which is the largest in the Power House; however, no back-up generator is available to handle the load in the event of a mechanical failure. The 500KW generator that will be used has approximately six (6) months of useful life left and the potential for breakdowns increase as the generator gets older. The Control Boards in the Power House need upgrading in order to improve the efficiency of the generating system and to allow for the addition of the new generator. A certain amount of upgrading is needed to accept the installation of the new generator.

Refinancing the loan would reduce the debt service payments, thereby providing additional funding needed to maintain and improve the distribution system.

The immediate benefits to the community would include an increase in efficiency of the generators, the ability to handle higher peak loads and lower debt service payments.

III. SOCIO-ECONOMIC IMPACTS

Jobs created during the construction of this project will include two generator mechanics, one electrician, one cement mason, one carpenter and two laborers. Jobs created as a result of this

THORNE BAY PUBLIC UTILITY GENERATOR
LOAN
Page 2

project will depend on the type of business served by the City. The social benefits for the community will include a higher quality and quantity of dependable power, increased City revenues from the sale of power and more jobs created as a result of new businesses.

IV. SITE-CONTROL DOCUMENT

The land on which the Power House is located is currently owned by the State of Alaska and has been selected for ownership by the City of Thorne Bay under the Municipal Land Selection Act.

No permits are needed for this project.

V. OPERATION AND MAINTENANCE

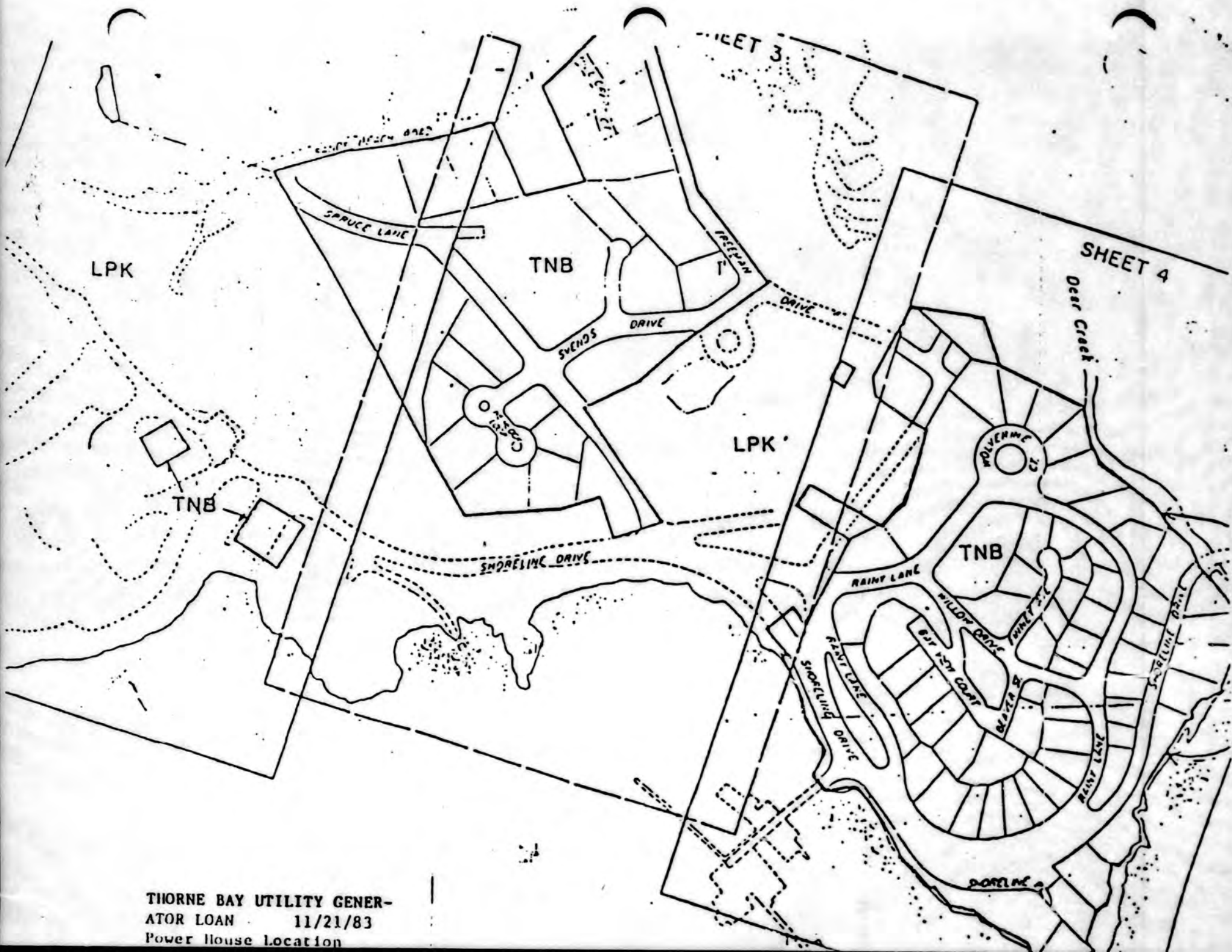
The actual operating and fuel costs will decrease on a per kilowatt basis due to the improved efficiency of the system. Maintenance costs will also decrease for the short term due to the same reasons. The cost of paying back the loan to the State of Alaska will be paid with revenues received from the sale of power to the new customers.

VI. PROJECT FUNDING

Purchase new 450KW generator	\$85,000.00
Purchase control board	25,000.00
Materials for renovation of power house	20,000.00
Upgrade existing control boards	10,000.00
Labor (1250 man hours)	25,000.00
Loan Payment to Louisiana Pacific	<u>110,000.00</u>
TOTAL	\$275,000.00

VII. PROJECT MANAGEMENT

The City of Thorne Bay will be the prime contractor and will perform all necessary purchasing, installation and administrative functions with existing personnel. The duration of the project will not exceed 180 days.



THORNE BAY UTILITY GENER-
ATOR LOAN 11/21/83
Power House Location

MEMORANDUM

State of Alaska

TO: Jay Hogan, Director
Division of Budget Review
Office of Management & Budget
Office of the Governor

DATE: February 28, 1984

FILE NO:

TELEPHONE NO:

FROM: Lois Cook, Director *LC*
Division of Administrative Services
Department of Commerce & Economic
Development

SUBJECT: FY '85 Budget Amendment for
the Fisheries Enhancement
Loan Program

1 Loans

The Fisheries Mini-Cabinet has recommended an FY '85 appropriation of \$5,335,000 to the Fisheries Enhancement Loan Program. This appropriation, combined with funds that will be carried forward into FY '85, will fund the following:

Operation Loans (existing)	\$ 2,968,000
Capital Improvements (existing)	3,339,000
Operation/Construction (new)	10,600,000
	<u>\$16,907,000</u>

Your approval is requested.

LJC/cw#10R1
22884a
Attachment

OFFICE OF
MANAGEMENT & BUDGET

FEB 29 1984

BUDGET REVIEW

Operation Loan Requests - During the start up period of each hatchery, until broodstock and surplus returns can be built to capacity, assistance in meeting the annual operating costs will be given in the form of operating loans. Without these loans most facilities would be forced to close their doors.

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Total Operation Loans (FY '85)	\$ 2,968,000

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Southern Southeast Regional Aquaculture Association (Neets Bay)	150,000
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Total Capital Improvement Loans	\$ 1,714,000
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	<u>\$ 3,339,000</u>

Operation/Construction Loans

Prince William Sound Aquaculture Association (Esther Lake)	\$10,000,000
Meyers Chuck Aquaculture Association	600,000
	<u>\$10,600,000</u>

MEMORANDUM

Natural Resources
Management

State of Alaska

TO: Mary Halloran
Director

DATE 1/26/84

FILE NO.

TELEPHONE NO.

FROM: *Hilton Wolfe*
Hilton Wolfe

SUBJECT: Agricultural Revolving Loan
Fund 606 (AS 03.10.040)

In response to your questions regarding the ARLF, I have confirmed the following information with the Division of Finance this morning:

(1) The statutory limit of the fund is \$75,000,000.00.

(2) Appropriations to the fund total to \$62,500,000.00.

(3) The fund balance, as of 12/31/83, is calculated to be \$63,377,771.15. Given the imprecision with which the fund is statutorily defined, the Division of Finance conceptualizes the fund balance as being the total assets less the total liabilities, that is, the unobligated surplus or owner equity, and, as of 12/31/83 (general ledger statement of account for the 606 fund), makes the following calculation:

Total Assets	Debit	66,934,957.98
	(Credit)	(2,089,185.60)
		64,845,772.38
Total Liabilities	Debit	.01
	(Credit)	(1,468,001.24)
		63,377,771.15

(4) Maximum additions before reaching statutory limit of \$75 million would be \$11,622,228.85.

Attachments: Alaska Agricultural Loan Act (AS 03.10.020-050).
12/31/83 General Ledger Statement of Account for
Fund 606 (ARLF)

cc: Virginia Stonkus, Deputy Director, Management
Bill Heim, Director, Agriculture

Ag. Revolving loan Fund: \$11,622.2
Grain Reserve : 500.0

TITLE Grain Reserve Program		LOCATION Statewide		AGENCY PRIORITY	NAME AND PHONE OF AGENCY CONTACT Dean Brown, Deputy Director 376-3276	
PROGRAM FUNDING	FY 83	FY 84	FY 85	GOVERNOR	OTHER FINANCIAL INFORMATION (INCLUDING FY 84)	TOTAL
TOTAL ANNUAL LOAN DEMAND		1,600.0	500.0		TOTAL APPROPRIATIONS	1,600.0
TOTAL APPROPRIATIONS AND REQUESTS		1,600.0	500.0		TOTAL INTEREST RETAINED	
1002 FEDERAL RECEIPTS					TOTAL BONDS ISSUED	
1004 GENERAL FUNDS		1,600.0	500.0		BONDS AUTHORIZED BUT NOT ISSUED	
1028 PROGRAM RECEIPTS					TOTAL PROGRAM FUNDING	
GENERAL OBLIGATION BONDS					WHAT ARE THE TOTAL ADMINISTRATIVE COSTS FOR OPERATING THE LOAN PROGRAM FOR FY 85? \$68.0	
OTHER						
TOTAL OTHER PROGRAM FUNDING					WHAT AMOUNT OF TOTAL ADMINISTRATIVE COSTS ARE OBTAINED FROM LOAN INTEREST, PRINCIPAL OR FEES?	
ESTIMATED CARRY FORWARD BALANCE			0		None	
INTEREST RETAINED						
PRINCIPAL REPAYED						

DESCRIBE THE PROGRAM AND EXPLAIN IMPACTS ON THE PROGRAM OF RECEIVING IN FY 85 75% OF FY 84 AUTHORIZED GENERAL FUNDS AND 50% OF FY 84 AUTHORIZED GENERAL FUNDS:

HB 309, sec 71, DNR, Grain Reserve Operating and Sec. 70, DNR Grain Reserve Fund was appropriated for FY 84. Since this is a new program, demand on the funding can only be assumed based on the fact that an increase of 6,000 acres was planted during the summer of 1983 bringing total barley production acreage to 13,500 acres in Delta alone (some barley is grown in the Mat Valley and more is being planted on Pt. MacKenzie). The support of this grain reserve loan program has generated enthusiasm among farmers to increase their planting of grains in the summer of 1984 (affecting loans for FY 85). The existence of this reserve creates the stability of at least having a minimum market target price and storage available.

FY 85/75% funding of the FY 84 authorized level would quite probably decrease the number of acres which might otherwise be planted, since confidence in market availability is otherwise low after state reversals of the Seward Grain Terminal Construction. Effect of a 75% funding is difficult to predict until at least December, 1983 when the utilization of the loan program can be judged based on harvest.

FY 85/50% funding of the FY 84 authorized level would quite probably be insufficient based on the anticipated participation this fall--funding would not be available to meet basic program requirements even without any increase in number of acres planted for FY 85 which we do anticipate to be as high as 30,000 acres.

**L-1 LOAN
PROGRAM
DESCRIPTION**

AGENCY Department of Natural Resources
 CATEGORY Agricultural Management
 PROGRAM Agricultural Management
 TITLE Grain Reserve Loan Program

Page 1 of 2
 Revised Date 2/24/84

FY85

OTHER FINANCIAL AND PROGRAM INFORMATION

INFORMATION FOR SUBSIDY CALCULATION

	FY 83 ACTUAL	FY 84 AUTHORIZED	FY 85 REQUEST	STATUTORY LOAN RATE	
ESTIMATED TOTAL SUBSIDY				STATUTORY MAXIMUM LOAN MATURITY	3 years
ESTIMATED RATE OF SUBSIDY				APPROPRIATE U.S. TREASURY INTEREST RATE	12%
AVERAGE LOAN SIZE				ESTIMATED COST OF FUNDS FOR BOND ISSUE	
NUMBER OF LOANS MADE				ARE PRINCIPAL DEFERMENTS ALLOWED?	YEARS YES NO
VALUE OF LOANS MADE ANNUALLY				IF YES, NUMBER OF YEARS:	— ☐ ☒
VALUE OF OUTSTANDING LOANS AT FY END				ARE INTEREST DEFERMENTS ALLOWED?	— ☐ ☒
AVERAGE DELINQUENCY RATE				IF YES, NUMBER OF YEARS:	— ☐ ☒
OTHER PROGRAM INDICATORS				IS LOAN FORGIVENESS ALLOWED?	☐ ☒

PROGRAM JUSTIFICATION:

This is a new loan program created by HB 309 in the 1983 legislature. The first participation in this program will occur beginning in September, 1983 and can continue throughout the winter. The amount appropriated is \$1,582.4 for the loan program and \$67.6 for operation funding which we anticipate will be sufficient for the harvest participation from this summer (impacting FY 84). Based on the number of acres planted in barley, which was about 13,500, additional funding for FY 85 is needed to meet continued demand.

Since the loan program requirements can allow up to three years for storage before repayment, operation funding to continue moisture testing, and fulfilling U.S.D.A. grain grading requirements must be funded for three successive years, as must be administration of the loans themselves which will occur through the Agricultural Revolving Loan Fund staff and the governor appointed Ag Revolving Loan Fund Board.

**L-2 LOAN
PROGRAM
JUSTIFICATION**
AGENCY Department of Natural ResourcesCATEGORY Agricultural ManagementPROGRAM Agricultural ManagementTITLE Grain Reserve Program
FY85

Page 2 of 2

Revised Date 2/24/84

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

☐ POUCH B
JUNEAU, ALASKA 99811
PHONE: (907) 465-4700

☐ 225 CORDOVA STREET - BLDG B
ANCHORAGE, ALASKA 99501
PHONE: (907) 264-2294

March 27, 1984

Ms. Alaire Stanton
Administrative Assistant
Representative Rick Uehling
Alaska House of Representatives
Pouch V
Juneau, AK 99811

SUBJECT: Low-cost, Low-income Multifamily Housing
Development Loan Fund

Dear Ms. Stanton:

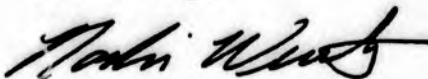
We currently have two eligible grant recipients applying for planning grants to develop applications to construct projects. One of the applicants is in Fairbanks, the other in St. Paul.

We anticipate that the three grant applicants that did not receive awards this year will resubmit in FY 85. These applications total \$7.7 million. If others apply, which we expect, the requests could exceed 10 million dollars in FY 85.

We expect this program can produce approximately 80 units of housing for each 3 million dollars of funding. This assumption considers other funding also being contributed to the projects. The grants awarded in FY 84 have a total of approximately \$3.5 million in other funding being provided from the sale of tax exempt housing bonds and Federal Community Block Grants.

If we can answer any more questions for you on this program, please let us know.

Sincerely,



Nadine Winters
Legislative Liaison

MAR 5 1984

February 29, 1984

Representative Rick Uehling

Pouch V

Juneau, Alaska 99811

Dear Representative *Rick* Uehling,

I recently learned that funding for the Multiple-Family Low Income Housing Grant Program in the Department of Community & Regional Affairs in the amount of two million dollars is contained in HB650 which is before the House Special Committee on Loans. I am writing to urge you to increase the funding to the fifteen million amount supported by HOME (Housing Opportunities Made Equal) and originally proposed by CRA.

As the recent correspondence from HOME indicated, Section 8 certificate money is being returned to the Federal Government because no private-sector rental rates are low enough to qualify for Section 8 recipients. There are also long waiting lists presently at the Alaska State Housing Authority Units in Anchorage. When I checked with ASHA today I was told that depending on the unit size, the wait is up to a year with approximately two hundred eligible households currently on those waiting lists, mostly women and children.

The Low Income Multiple-Family Housing Grant Program will contribute substantially to reducing these housing needs if funded adequately in FY'85. Please do all you can to increase funding for this program in HB650.

Your interest in housing issues is greatly appreciated.

Sincerely,

Dudgy
Cecilia "Pudge" Kleinkauf
For The Alaska Chapter, National
Association of Social Workers
4201 McInnes Rd.
Anchorage, Ak 99508
w-786-1714 h-563-6073

for finance committee

3/28/84

Mr. Chairman, and members of the Finance Committee.

I appreciate this opportunity to speak on behalf of House Bill 650, which makes special appropriations for certain state loan and grant programs.

Committee substitute for HB 650 (Loans) provides appropriations for State programs as follows:

Section 1, \$16 million to the Alaska Housing Finance revolving fund. This amount is a substantial decrease from the estimates given by AHFC at the beginning of the year. It is intended to provide the necessary general fund subsidy which would be used in concert with monies provided through bond proceeds, and program repayments and earnings.

Section 2, \$45 million to the housing assistance loan fund in the Department of Community and Regional Affairs for non-conforming, rural and non-owner occupied housing loans. This amount is the same as that provided from general funds in FY '84.

Sections 3 and 4, provides designated grants for Senior Citizen housing through the housing development fund in the Department of Community & Regional Affairs. \$2 million is designated for Chugach View Senior facility and \$2 million for the Norton Sound Health Corporaton.

Section 5, provides \$7 million from the general fund to the division of housing assistance in Community & Regional Affairs for grants for statewide projects for senior citizens housing. Projects which total more than \$18 million have already received planning grants and most are in the process of applying for construction funding.

Section 6, appropriates \$9.5 million from the general fund to the Division of investments within the Department of Commerce & Economic Development. \$1 million is designated for the alternative technology and energy loan program which had current year funding of \$2.4 million. The Commercial fishing loan program would receive \$3.5 million, which is the amount requested by the agency; and the Fisheries enhancement loan program would receive \$5 million for loans to hatcheries for operations and for capital improvement loans.

MORE

Section 7, provides \$5 million from the general fund to the Department of Natural Resources for loans from the agricultural revolving loan fund.

Section 8, appropriates \$500,000 to the Alaska grain reserve loan fund which is not active as yet.

Section 9, provides funding for the scholarship revolving loan fund from the general fund. It is expected that there will be some carry forward money (approximately \$4 million) at the end of the current fiscal year and receipts of more than \$9 million from program receipts during FY'85. These combined amounts would provide funding for a demand slightly greater than the current year but may not be adequate to meet the demands projected by the Postsecondary Commission for FY'85.

Section 10, provides for the appropriation of \$500,000 in federal program receipts for the Scholarship revolving loan fund.

Section 11, appropriates \$5 million to the Department of Community and Regional Affairs for grants from the low cost and low income multiple family housing development fund.

Program information and backup material has been made available to the Finance Committee and representatives from several of the agencies which have funding in this bill are present at this meeting today. I would be pleased to answer any questions which you may have.

LOANS BUDGET SUMMARY
(Stated in Thousands \$)

DEPARTMENT/Program	FY 84 Adjusted		FY 85 Governor		Governor Amended		Original HB 650		Proposed CS HB 650	
	GF	Total	GF	Total	G F	Total	GF	Total	GF	Total
COMMERCE AND ECONOMIC DEVELOPMENT										
Fisheries Enhancement	6,500.0	6,500.0	0.0	0.0	5,335.0	5,335.0	0.0	0.0	5,000.0	5,000.0
Commercial Fishing	9,091.0	9,091.0	3,500.0	3,500.0	3,500.0	3,500.0	3,500.0	3,500.0	3,500.0	3,500.0
Alt. Tech & Energy	2,400.0	2,400.0	5,100.0	5,100.0	5,100.0	5,100.0	2,400.0	2,400.0	2,400.0	2,400.0
Rural Electrification	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0
Power Project Fund										
Seward	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Homer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Thorne Bay	0.0	0.0	0.0	0.0	275.0	275.0	0.0	0.0	275.0	275.0
Craig/Klawock	0.0	0.0	0.0	0.0	1,110.0	1,110.0	0.0	0.0	1,110.0	1,110.0
DEPARTMENT TOTAL	18,991.0	18,991.0	10,710.0	10,710.0	16,320.0	16,320.0	6,900.0	6,900.0	13,285.0	13,285.0
EDUCATION										
Student Loan Program	60,000.0	60,850.0	65,450.0	65,950.0	65,450.0	65,950.0	60,000.0	60,500.0	65,000.0	65,500.0
DEPARTMENT TOTAL	60,000.0	60,000.0	65,450.0	65,950.0	65,450.0	65,950.0	60,000.0	60,500.0	65,000.0	65,500.0
NATURAL RESOURCES										
Agricultural RLF	10,000.0	10,000.0	13,000.0	13,000.0	11,622.2	11,622.2	5,000.0	5,000.0	8,000.0	8,000.0
Grain Reserve Fund	1,582.4	1,582.4	1,000.0	1,000.0	500.0	500.0	500.0	500.0	500.0	500.0
DEPARTMENT TOTAL	11,582.4	11,582.4	14,000.0	14,000.0	12,122.2	12,122.2	5,500.0	5,500.0	8,500.0	8,500.0

LOANS BUDGET SUMMARY
(Stated in Thousands \$)
(continued)

DEPARTMENT/Program	FY 84 GF	Adjusted Total	FY 85 GF	Governor Total	Governor G F	Amended Total	Original GF	HB 650 Total	CS GF	HB 650 Total
REVENUE										
Alaska Housing Finance Corporation										
Special Mortgage	6,801.0	986,801.0	71,000.0	1,446,000.0	0.0	0.0	40,000.0	1,406,000.0	0.0	0.0
Mobile Home Loans	0.0	0.0	34,000.0	34,000.0	0.0	0.0	0.0	0.0	0.0	0.0
Revolving Fund	0.0	0.0	0.0	0.0	16,000.0	1,316,000.0	0.0	0.0	16,000.0	1,316,000.0
Home Ownership	22,750.0	42,250.0	0.0	0.0	0.0	0.0	22,000.0	22,000.0	0.0	0.0
DEPARTMENT TOTAL	29,551.0	1,029,051.0	105,000.0	1,480,000.0	16,000.0	1,316,000.0	62,000.0	1,428,000.0	16,000.0	1,316,000.0
COMMUNITY AND REGIONAL AFFAIRS										
Housing Assistance										
Loan Fund	45,000.0	45,000.0	65,000.0	65,000.0	65,000.0	65,000.0	45,000.0	45,000.0	45,000.0	45,000.0
Chugach View Srs.	0.0	0.0	0.0	0.0	0.0	0.0	2,000.0	2,000.0	2,000.0	2,000.0
Norton Sound Srs.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2,000.0	2,000.0
Statewide Senior Citizen Housing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7,000.0	7,000.0
Low cost/Low income										
Multiple family	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5,000.0	5,000.0
DEPARTMENT TOTAL	45,000.0	45,000.0	65,000.0	65,000.0	65,000.0	65,000.0	47,000.0	47,000.0	61,000.0	61,000.0
TOTALS	165,124.4	1,165,474.0	260,160.0	1,635,660.0	174,892.2	1,475,392.2	181,400.0	1,547,900.0	163,785.0	1,464,285.0

MEMORANDUM

TO: Rep. Rick Uehling, Chair
House Special Committee on State Loans
FROM: Alaire Stanton, Committee Staff
DATE: March 26, 1984
RE: House Bill 650, making special appropriations for certain state loan and grant programs; and providing for an effective date.

Committee substitute for HB 650 (Loans) provides appropriations for State programs as follows:

Section 1, \$16 million to the Alaska Housing Finance revolving fund. This amount is a substantial decrease from the estimates given by AHFC at the beginning of the year. It is intended to provide the necessary general fund subsidy which would be used in concert with monies provided through bond proceeds, and program repayments and earnings.

Section 2, \$45 million to the housing assistance loan fund in the Department of Community and Regional Affairs for non-conforming, rural and non-owner occupied housing loans. This amount is the same as that provided from general funds in FY '84.

Sections 3 and 4, provides designated grants for Senior Citizen housing through the housing development fund in the Department of Community & Regional Affairs. \$2 million is designated for Chugach View Senior facility and \$2 million for the Norton Sound Health Corporaton.

Section 5, provides \$7 million from the general fund to the division of housing assistance in Community & Regional Affairs for grants for statewide projects for senior citizens housing. Projects which total more than \$18 million have already received planning grants and most are in the process of applying for construction funding.

Section 6, appropriates \$9.5 million from the general fund to the Division of investments within the Department of Commerce & Economic Development. \$1 million is designated for the alternative technology and energy loan program which had current year funding of \$2.4 million. The Commercial fishing loan program would receive \$3.5 million, which is the amount requested by the agency; and the Fisheries enhancement loan program would receive \$5 million for loans to hatcheries for operations and for capital improvement loans.

MORE

Section 7, provides \$5 million from the general fund to the Department of Natural Resources for loans from the agricultural revolving loan fund.

Section 8, appropriates \$500,000 to the Alaska grain reserve loan fund which is not active as yet.

Section 9, provides funding for the scholarship revolving loan fund from the general fund. It is expected that there will be some carry forward money (approximately \$4 million) at the end of the current fiscal year and receipts of more than \$9 million from program receipts during FY'85. These combined amounts would provide funding for a demand slightly greater than the current year but may not be adequate to meet the demands projected by the Postsecondary Commission for FY'85.

Section 10, provides for the appropriation of \$500,000 in federal program receipts for the Scholarship revolving loan fund.

Section 11, appropriates \$5 million to the Department of Community and Regional Affairs for grants from the low cost and low income multiple family housing development fund.

Program information and backup material has been made available to the Finance Committee and representatives from several of the agencies which have funding in this bill will also be present at the Finance Committee meeting.

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

HOUSING ASSISTANCE DIVISION

BILL SHEFFIELD, GOVERNOR

- REPLY TO: ☐ 949 E. 36TH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508
PHONE: (907) 561-0900
- ☐ POUCH B
JUNEAU, ALASKA 99811
PHONE: (907) 465-2267
- ☐ P.O. BOX 10041
DILLINGHAM, ALASKA 99576
PHONE: (907) 842-2245
- ☐ P.O. BOX 280
KOTZEBUE, ALASKA 99752
PHONE: (907) 442-3675
- ☐ P.O. BOX 348
BETHEL, ALASKA 99559
PHONE: (907) 543-3864
- ☐ 1514 CUSHMAN STREET, ROOM 210
FAIRBANKS, ALASKA 99701
PHONE: (907) 452-4468
- ☐ P.O. BOX 41
NOME, ALASKA 99762
PHONE: (907) 443-2655
- STATEWIDE TOLL FREE
PHONE: ZENITH 4585

March 28, 1984

The Honorable Rick Uehling
Representative
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Uehling:

At the request of your aide, Mr. David Cobb, I am telecopying you the following information on State Assisted Rental Housing Development Grant funds. Also known as low-cost, low-income multifamily housing grants, this program became effective January 1, 1984. A total of \$5,000,000 was appropriated last year to begin the program. On March 1, 1984, two grants were awarded totalling \$3.3 million. These were for \$700,000 to the Municipality of Anchorage for purchase of the S & S Apartment site from HUD and \$2,600,000 to Alaska Housing Ministries for the development of low cost, low income housing in Anchorage. Funds were insufficient to finance any other complete projects this year. The sum of \$200,000 was set aside for planning grants for the remainder of FY 84. From the planning grant funds, two eligible applicants are now under review. One is in the City of Fairbanks through Alaska Housing Ministries, the second is in the City of St. Paul through the City itself.

A total of \$1,500,000 remains in the fund. It is anticipated that the Alaska Housing Ministries will reapply for the City of Fairbanks project in the amount of \$2,800,000 during the next round of applications in August of this year. To fund the Fairbanks project, the \$1,500,000 FY 84 balance would be utilized as well as a \$1,300,000 commitment from FY 85 funds.

In HB 691, the Legislature appropriated \$1,580,000 for this program. If the \$5,000,000 request in HB 650 is funded for FY 85, requests for proposals would be solicited on the remaining \$3,700,000, plus the \$1.580 million. We presume a proposal would be received from the City of St. Paul. We also anticipate a second proposal from Anchorage for a location

The Honorable Rick Uehling
RE: Low Cost, Low Income Housing
March 28, 1984
page two

in the Northeast part of town. It is unknown at this time what other communities or groups might apply, but as the funds are awarded on competitive bid, any completed application will be considered.

I hope this letter provides you with sufficient information to solidify FY 85 funds for this program. Although it is a new effort on the part of the State, it can be used to leverage ASHA bonds and new HUD funds that should be available after October 1, 1984 nationwide. It is an effective program and one worthy of your support.

Please contact me directly if you wish any further information on the program.

Thank you.

Sincerely,


Barbara Morse-Quinn
Director

cc: Representative Al Adams
Jeff Smith
Nadine Winters
Dick Pryor

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

☐ POUCH B
JUNEAU, ALASKA 99811
PHONE: (907) 465-4700

☐ 225 CORDOVA STREET - BLDG B
ANCHORAGE, ALASKA 99501
PHONE: (907) 264-2294

March 27, 1984

Ms. Alaire Stanton
Administrative Assistant
Representative Rick Uehling
Alaska House of Representatives
Pouch V
Juneau, AK 99811

SUBJECT: Low-cost, Low-income Multifamily Housing
Development Loan Fund

Dear Ms. Stanton:

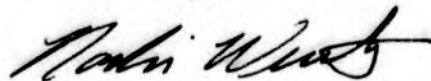
We currently have two eligible grant recipients applying for planning grants to develop applications to construct projects. One of the applicants is in Fairbanks, the other in St. Paul.

We anticipate that the three grant applicants that did not receive awards this year will resubmit in FY 85. These applications total \$7.7 million. If others apply, which we expect, the requests could exceed 10 million dollars in FY 85.

We expect this program can produce approximately 80 units of housing for each 3 million dollars of funding. This assumption considers other funding also being contributed to the projects. The grants awarded in FY 84 have a total of approximately \$3.5 million in other funding being provided from the sale of tax exempt housing bonds and Federal Community Block Grants.

If we can answer any more questions for you on this program, please let us know.

Sincerely,



Nadine Winters
Legislative Liaison

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

REPLY TO: ☐ POUCH B
JUNEAU, ALASKA 99811
PHONE: (907) 465-4700
☐ 949 E. 36TH AVENUE, SUITE 402
ANCHORAGE, ALASKA 99508
PHONE: (907) 563-1073

March 14, 1984

Alaire Stanton
Administrative Assistant
Office of the Honorable Rick Uehling
Pouch V
Juneau, Alaska 99801

RE: Senior Citizen's Housing Development Fund

Dear Ms. Stanton:

The following projects have received planning grants from the Senior Citizen Housing Development Fund. These projects are in the process of being developed and the grant recipients are preparing to submit a grant application for construction funding.

<u>LOCATION</u>	<u>SPONSOR</u>	<u>UNITS</u>	<u>CONSTRUCTION COST</u>
Anchorage	Cook Inlet Housing Auth	60	6,000,000
Anchorage	Meridian Living, Inc.	35	3,500,000
Angoon	Tlingit-Haida Housing Auth	12	1,200,000
Dillingham	Bristol Bay Housing Auth	15	1,500,000
Fairbanks	City of Fairbanks	25	2,500,000
Klawock	Tlingit-Haida Housing Auth	10	1,000,000
Metlakatla	City of Metlakatla	15	1,500,000
Wasilla - Phase II	ASHA	15	1,500,000
TOTAL		187	* \$18,700,000

*THIS IS THE TOTAL ESTIMATED COST OF DESIGN AND CONSTRUCTION.

Cook Inlet Housing Authority will not be requesting funding for the 60 unit intermediate care frail elderly project in FY '85. There is currently a \$746,000 appropriation in HB 691 for planning and design for the project.

It is possible that one or two of the projects will not be ready for construction funding in FY '85. We also expect approximately 2.5 million dollars in HUD construction funds to be available.

In addition to the above projects, the following planning grant requests have recently been received and are being reviewed:

HOMER PHASE II	KACHEMAK BAY SENIOR HOUSING, INC.
KAKE	TLINGIT-HAIDA HOUSING AUTHORITY
YAKUTAT	TLINGIT-HAIDA HOUSING AUTHORITY

The Housing Assistance Division has also been working with the communities of Haines and Kake, and we anticipate they will apply for planning grants in the near future.

I hope this answers your questions; if I can be of further help, please let me know.

Sincerely,



Nadine Winters
Special Assistant

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

REPLY TO: ☐ POUCH B
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ANCHORAGE, ALASKA 99508
PHONE: (907) 563-1073

MAR 12 1984

March 8, 1984

The Honorable Rick Uehling
Alaska State House
Pouch V
Juneau, AK 99811

Dear Representative Uehling:

Thank you for the opportunity to address the House Special Committee on State Loans during the March 6 hearing on HB 650.

As a follow up to my testimony on that day, I would like to clarify one statement made by me in reference to a possible funding source for a Community and Regional Affairs grant program. It has been brought to my attention that I may have left the Committee with the impression that I supported using AIDA CD's to fund the Low-Cost, Low-Income Multi-family Housing Development Program. If the Committee did in fact draw that conclusion from my testimony, I would like to take this opportunity to clearly state the Department's position on this matter. While the Legislature can appropriate the funding for this program any way it desires, we do not support the appropriation of another agency's funds to accomplish that purpose.

Sincerely,


Jeff Smith
Deputy Commissioner

cc: House Special Committee on State Loans
Bert Wagnon - AIDA
Terry Elder - DCED

STATE OF ALASKA

JAN 27 1984
BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT DIVISION OF INVESTMENTS

POUCH D
JUNEAU, ALASKA 99811
PHONE: (907) 465-2510

January 25, 1984

Honorable Rick Uehling
Alaska House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Uehling:

The following information is in response to your letter of January 10, 1984 regarding several of the loan programs administered by this division. I have responded to your questions in the order they were asked.

#1	Amounts Budgeted		<u>FY '83</u>	<u>FY '84</u>
		AE	\$4,000.0	\$2,400.0
		REC	\$4,500.0	\$3,123.4
		CC	\$ 400.0	\$ 869.5
		CF	\$9,400.0	\$9,091.0
#2	Amounts Requested		<u>FY '85</u>	
		AE	\$5,100.0	
		REC	-0-	
		CC	-0-	
		CF	\$3,500.0	
#3	Amounts Loaned		<u>FY '82</u>	<u>FY '83</u>
		AE	\$5,392.3	\$ 4,591.8
		REC	\$2,446.7	\$ 3,418.4
		CC	\$ 297.7	\$ 211.9
		CF	\$9,054.3	\$14,059.2
#4	Number Loans		<u>FY '82</u>	<u>FY '83</u>
		AE	1,172	503
		REC	653	880
		CC	7	6
		CF	197	281
#5	Average Loan Amount		<u>FY '82</u>	<u>FY '83</u>
		AE	\$ 4.6	\$ 9.2
		REC	\$ 3.7	\$ 3.9
		CC	\$42.5	\$35.3
		CF	\$46.0	\$50.0

Honorable Rick Uehling

-2-

January 25, 1984

#6 Amounts Loans as
of 12/31/83

	FY '84
AE	\$1,920.9
REC	\$1,003.0
CC	\$ 309.5
CF	\$3,975.2

If you need additional information, I will be pleased to provide this to you.

Sincerely,



Paul B. Arnoldt
Director

PBA/mc2/15
12584b

STATISTICS ON COMMERCE LOAN PROGRAMS
(Thousands of Dollars)

December 1983

Commitments	Veterans	Small Business	Commercial Fish	Tourism	Bulk Fuel	Child Care	Historical District	Mining	Alternative Energy	Residential Energy	Fish Enhancement	Water Resource	Total
Total No. Loans Committed FY '72-84	7,718	1,338	2,379	59	96	32	8	55	2,038	1,944	78	5	16,050
Total Dollar Amount Committed FY '72-84	371,795.2	202,529.3	138,308.8	29,874.7	3,467.8	962.1	567.7	24,931.8	14,158.2	7,470.0	28,541.7	2,500.0	825,107.3
Total No. Loans Committed FY '83	-0-	-0-	281	-0-	45	6	1	19	503	880	12	-0-	1,747
Total Dollar Amount Committed FY '83	-0-	-0-	14,059.2	-0-	1,685.2	211.9	75.0	6,300.0	4,591.8	3,418.4	6,978.1	-0-	37,319.6
Total No. Loans Committed FY '84	-0-	-0-	72	-0-	27	7	-0-	6	222	252	8	-0-	594
Total Dollar Amount Committed FY '84	-0-	-0-	3,975.2	-0-	927.8	309.5	-0-	1,763.0	1,920.9	1,003.0	2,013.5	-0-	11,912.9
Appropriations													
Appropriation FY '84	-0-	-0-	9,091.0	-0-	-0-	869.5	500.0	-0-	2,400.0	3,123.4	6,500.0	-0-	22,483.9
Disbursements - FY '84													
No. of Loans Through 12/31/83	-0-	-0-	67	-0-	25	7	-0-	6	218	282	8	-0-	613
Dollars Through 12/31/83	-0-	-0-	3,889.6	-0-	2,450.1	309.5	-0-	1,838.7	1,781.7	927.1	2,013.5	-0-	13,210.2
Loans Outstanding													
Total No. Loans Outstanding	2,458	583	1,718	20	48	14	5	43	1,918	1,647	69	1	8,524
Total Principal Amount Outstanding	103,593.9	63,199.5	77,943.2	6,501.4	1,193.1	348.3	381.8	19,291.6	10,424.3	5,714.2	24,238.5	909.8	313,739.6
Average Loan Amount Outstanding	42.1	108.4	45.4	325.1	24.9	24.9	76.4	448.6	5.4	3.5	351.3	909.8	36.8
Applications													
No. of Applications for New Loans Received FY '84	-0-	-0-	173	-0-	21	10	1	11	238	211	4	-0-	669
No. of Assumption Applications FY '84	56	7	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	63

Prepared by: Division of Accounting and Collections, 465-2555

STATISTICS ON COMMERCE LOAN PROGRAMS
(Thousands of Dollars)

December 1983

Commitments	Veterans	Small Business	Commercial Fish	Tourism	Bulk Fuel	Child Care	Historical District	Mining	Alternative Energy	Residential Energy	Fish Enhancement	Water Resources	Total
Total No. Loans Committed FY '72-84	7,718	1,338	2,379	59	96	32	8	55	2,338	1,944	78	5	16,050
Total Dollar Amount Committed FY '72-84	371,795.2	202,529.3	138,308.8	29,874.7	3,467.8	962.1	567.7	24,931.8	14,158.2	7,470.0	28,541.7	2,500.0	825,107.3
Total No. Loans Committed FY '83	-0-	-0-	281	-0-	45	6	1	19	503	880	12	-0-	1,747
Total Dollar Amount Committed FY '83	-0-	-0-	14,059.2	-0-	1,685.2	211.9	75.0	6,300.0	4,591.8	3,418.4	6,978.1	-0-	37,319.6
Total No. Loans Committed FY '84	-0-	-0-	72	-0-	27	7	-0-	6	222	252	8	-0-	594
Total Dollar Amount Committed FY '84	-0-	-0-	3,975.2	-0-	927.8	309.5	-0-	1,763.0	1,920.9	1,003.0	2,013.5	-0-	11,912.9
Appropriations													
Appropriation FY '84	-0-	-0-	9,091.0	-0-	-0-	869.5	500.0	-0-	2,400.0	3,123.4	6,500.0	-0-	22,483.9
Disbursements - FY '84													
No. of Loans Through 12/31/83	-0-	-0-	67	-0-	25	7	-0-	6	218	282	8	-0-	613
Dollars Through 12/31/83	-0-	-0-	3,889.6	-0-	2,450.1	309.5	-0-	1,838.7	1,781.7	927.1	2,013.5	-0-	13,210.2
Loans Outstanding													
Total No. Loans Outstanding	2,458	583	1,718	20	48	14	5	40	1,918	1,647	69	1	8,524
Total Principal Amount Outstanding	103,593.9	63,199.5	77,943.2	6,501.4	1,193.1	348.3	381.8	19,291.6	10,424.3	5,714.2	24,238.5	909.8	313,739.6
Average Loan Amount Outstanding	42.1	108.4	45.4	325.1	24.9	24.9	76.4	448.6	5.4	3.5	351.3	909.8	36.8
Applications													
No. of Applications for New Loans Received FY '84	-0-	-0-	173	-0-	21	10	1	11	238	211	4	-0-	669
No. of Assumption Applications FY '84	56	7	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	63

Prepared by: Division of Accounting and Collections, 465-2555

STATISTICS ON COMMERCE LOAN PROGRAMS
(Thousands of Dollars)

December 1983

Commitments	Veterans	Small Business	Commercial Fish	Tourism	Bulk Fuel	Child Care	Historical District	Mining	Alternative Energy	Residential Energy	Fish Enhancement	Water Resource	Total
Total No. Loans Committed FY '72-84	7,718	1,338	2,379	59	96	32	8	55	2,338	1,944	78	5	16,050
Total Dollar Amount Committed FY '72-84	371,795.2	202,529.3	138,308.8	29,874.7	3,467.8	962.1	567.7	24,921.8	14,158.2	7,470.0	28,541.7	2,500.0	825,107.3
Total No. Loans Committed FY '83	-0-	-0-	281	-0-	45	6	1	19	503	880	12	-0-	1,747
Total Dollar Amount Committed FY '83	-0-	-0-	14,059.2	-0-	1,685.2	211.9	75.0	6,300.0	4,591.8	3,418.4	6,978.1	-0-	37,319.6
Total No. Loans Committed FY '84	-0-	-0-	72	-0-	27	7	-0-	6	222	252	8	-0-	594
Total Dollar Amount Committed FY '84	-0-	-0-	3,975.2	-0-	927.8	309.5	-0-	1,763.0	1,920.9	1,003.0	2,013.5	-0-	11,912.9
Appropriations													
Appropriation FY '84	-0-	-0-	9,091.0	-0-	-0-	869.5	500.0	-0-	2,400.0	3,123.4	6,500.0	-0-	22,483.9
Disbursements - FY '84													
No. of Loans Through 12/31/83	-0-	-0-	67	-0-	25	7	-0-	6	218	282	8	-0-	613
Dollars Through 12/31/83	-0-	-0-	3,889.6	-0-	2,450.1	309.5	-0-	1,838.7	1,781.7	927.1	2,013.5	-0-	13,210.2
Loans Outstanding													
Total No. Loans Outstanding	2,458	583	1,718	20	48	14	5	43	1,918	1,647	69	1	8,524
Total Principal Amount Outstanding	103,593.9	63,199.5	77,943.2	6,501.4	1,193.1	348.3	381.8	19,291.6	10,424.3	5,714.2	24,238.5	909.8	313,739.6
Average Loan Amount Outstanding	42.1	108.4	45.4	325.1	24.9	24.9	76.4	448.6	5.4	3.5	351.3	909.8	36.8
Applications													
No. of Applications for New Loans Received FY '84	-0-	-0-	173	-0-	21	10	1	11	238	211	4	-0-	669
No. of Assumption Applications FY '84	56	7	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	63

Prepared by: Division of Accounting and Collections, 465-2555

This packet contains material pertaining to changes in HB 650, as follows:

- Sec. 1 Letter and exhibits from AHFC.
- Sec. 2 No change in amount from original bill.
(See green booklet for program budget)
- Sec. 3 No change from original bill.
- Sec. 4 Suggested amendment from Rep. Jack Fuller with attached information.
- Sec. 5 Letter from Community & Regional Affairs with listing of projects.
- Sec. 6 Portion of a letter to Rep. Adams and a memo from OMB for the Fisheries Enhancement portion.
- Sec. 7 No change from original bill.
- Sec. 8 No change from original bill.
- Sec. 9 Handwritten status report from Kerry Romesburg giving current information on receipts and estimated carry forward amounts.
- Sec.10 No change from original bill
- Sec.11 Increased amount, data will be coming from C & RA

The section pertaining to the Rural Electrification Loans has been deleted and the Power Project Fund has not been included though we heard testimony supporting two projects.

/as

Alaska HOUSING FINANCE CORPORATION



March 2, 1984

The Honorable Rick Uehling
Chairman, House Special
Committee on Loans
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

CS HB 650

Sec. 1

Dear Chairman Uehling:

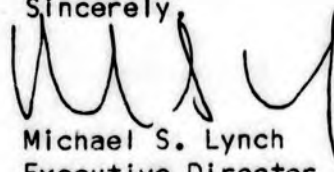
The Corporation has completed a review of the anticipated mortgage loan financing activity for FY '85 and related subsidy requirements. The initial capital budget request was based generally upon information available as of June 30, 1983, and indicated \$105 million would be necessary to continue to operate the Special Mortgage Loan Purchase Program and Mobile Home Loan Program through FY '85.

Utilizing updated information through December 31, 1983, and assumptions reflecting current financing plans the total capital budget request is revised to \$16 million. This appropriation should be made to the Alaska Housing Finance Revolving Fund. As the Corporation plans to finance the FY '85 mobile home loan activity through the sale of bonds during FY '84, an appropriation for the Mobile Home Loan Program is not being requested.

The revised budget reflects the deletion of the Home Mortgage Bond issues pursuant to current federal restrictions as well as a lower overall level of activity with total mortgage and loan commitments projected at \$1.316 billion. Detailed schedules reflecting the current budget assumptions as well as the changes from the original submission are attached as Exhibit A for your review.

If you should have any questions regarding the above or require additional information do not hesitate to contact me.

Sincerely,



Michael S. Lynch
Executive Director

MSL:de

Enclosures

Revised 2-22-84

ALASKA HOUSING FINANCE CORPORATION
SPECIAL MORTGAGE LOAN PURCHASE PROGRAM
SUMMARY OF MORTGAGE DEMAND AND PROPOSED BOND FINANCINGS
Fiscal Year 1985

(In Millions)

	<u>Estimated Carry-Over From FY '84</u>	<u>Program Repayments And Earnings</u>	<u>Bond Proceeds</u>	<u>Sales Costs</u>	<u>Subsidy Subsidy</u>	<u>Subsidy Allocation</u>	<u>Estimated Carry-Over To FY '86</u>	<u>Estimated FY '85 Mortgage Demand</u>
Taxable First Mortgage Program								
State Assisted Mortgage Bonds -								
Single-Family and Duplex		\$ 44	\$ 575	\$(11)	\$ 149	\$ 15	\$ 100	\$ 672
Triplex and Four-plex	\$ 5	25					5	25
First Mortgage Veterans' Program -								
State Guaranteed Veterans' Bonds	(27)		575	(12)	86		75	547
Mobile Home Loan Bond Program	84						14	70
Taxable Second Mortgage Program -	12						10	2
Second Mortgage Bonds								
Reserve to Complete Open Series	—	—	—	—	15	(15)	—	—
TOTAL	\$ <u>74</u>	\$ <u>69</u>	\$ <u>1,150</u>	\$ <u>(23)</u>	\$ <u>250</u>	\$ <u>-</u>	\$ <u>204</u>	\$ <u>1,316</u>

Revised 2/22/84

ALASKA HOUSING FINANCE CORPORATION
Summary of Mortgage Demand and Proposed Financings
Fiscal Year 1985

(In Millions)

	<u>Mortgages</u>	<u>Investments</u>	<u>Total</u>
Beginning Balances July 1, 1984	\$ 68.000	\$ 131.000	\$ 199.000
SAM Series G Subsidy Reversion (6/1/85)		25.000	25.000
Estimated Earnings of SAM Fund		10.000	10.000
Mortgage Prepayment Transfers	<68.000>	68.000	---
Available for Subsidy	\$ <u>-0-</u>	\$ <u>234.000</u>	\$ <u>234.000</u>

Estimated Required Subsidy	\$ 250.000
Estimated Subsidy Available (per above)	\$ <u>234.000</u>
FY 86 Required Subsidy Appropriation	\$ <u>16.000</u>

fd8b

2/21/84

ALASKA HOUSING FINANCE CORPORATION

Summary of Changes

FY 85 Capital Budget
Special Mortgage Loan Purchase Program

	As Originally Submitted	As Revised 2/21/84
Carryforward from FY 84	\$ 140	\$ 199
SAM Series G Reversion	25	25
Earnings on SAM Fund	5	10
Adjustment for Mortgages used as Subsidy	<14> 156	- 234
Total Required Subsidy	<u>227</u>	<u>250</u>
Appropriation	\$ <u>71</u>	\$ <u>16</u>

Bonding and Subsidy Assumptions

	<u>Bonds</u>	<u>Subsidy</u>	<u>Bond</u>	<u>Subsidy</u>
Taxable First Mortgage Bonds	\$ 550	\$ 149	\$ 575	\$ 149
Veterans Bonds	700	49	575	86
Home Mortgage Bonds	125	14		
Reserve to Complete Open Series	—	<u>15</u>	—	<u>15</u>
	<u>\$1,375</u>	<u>\$ 227</u>	<u>\$1,150</u>	<u>\$ 250</u>
Total Mortgage Loan Demand	<u>\$1,480</u>		<u>\$1,316</u>	

fd3f.1a

2/21/84

ALASKA HOUSING FIANCE CORPORATION

Summary of Changes
FY 85 Capital Budgets
Special Mortgage Loan Purchase Program

Subsidy As Originally Submitted \$ 71

Reconciliation to FY 85 Revision 2/21/84

Decreases due to:

Increase in estimated carryforward from FY 84	<59>
Increased estimated fund earnings for FY 85	< 5>
Lack of mortgage discounting	<14>

Increase in estimated subsidy pledge requirements (\$250-\$227)
for FY 8523

FY 85 Appropriation

\$ 16

2/21/84

ALASKA HOUSING FINANCE CORPORATION

Summary of Changes - Total Subsidy Requirements
FY 85 Capital Budgets

Total Subsidy as Originally Submitted		\$ 227
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Reconciliation to FY 85 Revision of 2/21/84

Decreased subsidy ratio - Taxable Bonds ($\$550 \times .01$)	\$	<6>	
Decreased bonding - Taxable		<27>	
Decreased bonding - Veterans ($\$125 \times .150$)		<19>	
Deletion of Home Mortgage Bonds ($\$125 \times .158$)		19	
Increased subsidy ratio - Veterans ($\$700 \times .0796$)		<u>56</u>	<u>23</u>
Total Subsidy			\$ <u><u>250</u></u>

AMENDMENT**OFFERED IN THE HOUSE:****By:** Rep. Fuller**To:** HOUSE BILL No. 650**SENATE BILL No.** **PAGE:** **LINE:** **New Section:****Please add the following:**

Sec. The sum of \$1,900,000 is appropriated from the general fund to the division of housing assistance in the Department of Community and Regional Affairs for a grant from the senior citizens' housing development fund for the Norton Sound Health Corporation Senior Citizen Retirement Facility to be constructed at Nome.

NORTON SOUND HEALTH CORPORATION
Norton Sound Regional Hospital

Retirement Home Project

Goal

To construct and operate a facility which will provide long term nursing home care for the elderly, and temporary living quarters for locum tenan physicians.

Background

Norton Sound Health Corporation and Regional Hospital has assumed a leadership role in health services delivery to the Bering Straits Region, consisting of approximately 50,000 square miles of subarctic topography including fifteen isolated Native villages and the hub city of Nome.

The hospital services began as an effort by the United Methodist Church in late 1940's to provide acute care to these remote regions. Norton Sound Health Corporation was formed in 1970 under a federally demonstrated project to show the viability of consumer-directed health care delivery and to develop indigenous health care providers. By 1972 it extended medical outreach by training Community Health Aides and assisted with construction of clinics in each of the fifteen villages. In 1977 NSHC purchased the existing private hospital and expanded the facility in 1978.

Over the last thirteen years NSHC has developed a full array of primary patient care and prevention services. Ever-striving to meet the needs of the region, the corporation now comes to this next giant step forward in addressing the health needs of the citizens of the Bering Straits Regions of Northwest Alaska.

Statement of the Problem

Housing, or lack thereof, directly affects the delivery of health care services in Nome. The three major groups to whom this applies are (1) the elderly, (2) villagers, and (3) temporary physicians to supplement resident medical staff.

A Home-Like Environment is simply not expected in sterile hospital rooms designed for streamlined medical efficiency, yet this is the setting for many elders of Norton Sound. And those which the hospital cannot accommodate bedwise, are forced to transfer from the region—away from home, away from the familiar. Yet for fear of being unable to remain in the region, many families attempt to keep parents in the home, far beyond a medically sound period of time.

\$800 for a One-bedroom Apartment is common in Nome—that is, when a vacancy can be located. Recruitment is a difficult challenge. Due to the remoteness of "bush" hospitals, resident medical staff must be supplemented with "locum tenans", physicians willing to come for one to three month blocks of service. Inconvenient, costly housing and unavailability only compounds problems of recruitment and retention.

Solution

The housing of elders, villagers, and medical staff may seem to be separate and unrelated problems. While that may be true, the solution presented by NSHC identifies commonality. A structure has been designed with a program concept which demonstrates the inter-relatedness.

Through the Physical Structure, close proximity with the hospital will mean shared services between the buildings, thus minimizing costs. There will be accessibility for "sick call" checks and treatment delivered to the elders, convenience to boarders for medical appointments, and quick response by medical staff for night calls.

Programatically, the boarders will act as a support group for one another through the course of their illness's or diagnostic testing. This will be a contact for the elders with news, Native tongue, and indigenous foods from the villages, and an additional opportunity for cultural awareness by the temporary medical staff. Thus, the facility is designed to both provide shelter and meet human needs.

Cost

The construction estimates and design have been developed by Fryer/Pressley Engineering of Anchorage. It seemed only natural to seek their guidance to develop a structure which will encompass the program(s) that NSHC, herein, is proposing, because of their experience in Alaska as well as with health care delivery systems.

The total cost of \$1,900,000 includes construction, land acquisition, furnishings, and equipment. Within the 11,344 square foot structure are included eight home-like units for the elderly, lodging for five boarders and from the villages for diagnosis and treatment, housing for three locum tenan physicians, along with all of the support areas that the program requires. Believing in this concept, NSHC is committing the budget for operation and maintenance of the program.

Pre-Construction. This includes the program and project planning, architectural and engineering design, preparing and mapping the site, pre-construction project administration, staff and consultant travel, and other reimbursable expenses, and legal expenses.

Construction Contract. This item includes not only the initial construction contract, but allows for contingency changes during construction (at 5%) and a contingency for design and inflation (at 5%).

Furnishings and Equipment. The facility will be fitted with complete furnishings, appliances, and necessary equipment for all areas of the building.

Construction and Administration. This item includes project administration during construction, architectural and engineering administration and inspections, materials testing, reimbursable expenses for staff and consultant travel, and administrative contingency (at 10%) during the construction phase.

Land Acquisition. The land to be purchased is approximately four to five acres presently owned by the Alaska Gold Company.

Program/Personnel. The locum tenan physician apartments will be subsidized rental income to NSHC. The retirement home rooms will be partially reimbursed by Medicare, Medicaid, third party insurance, and private party payments. The retirement home fees will be especially cost efficient due to shared services with the hospital, such as laundry, plant operations, dietary, material management, personnel, finance, and other administrative overhead. The total budget for program and personnel expenses is financed by Norton Sound Health Corporation.

Proposed Budget—FY '85

PRE CONSTRUCTION

Program and Project Plan	\$ 8,246
A/E Design	80,030
Soil and Mapping	13,581
Pre-Construction Project Administration	10,670
Reimbursable Expenses	26,677
Legal Expenses	8,246

TOTAL Pre-Construction \$147,450

CONSTRUCTION CONTRACT

Initial Contract	\$1,227,130
Contingency for Changes During Construction (@ 5%)	61,356
Contingency for Design/Inflation During Construction (@ 5%)	61,356

TOTAL Construction Contract \$1,349,842

FURNISHINGS AND EQUIPMENT \$72,755

CONSTRUCTION ADMINISTRATION

Project Administration	\$12,126
A/E Construction Administration and Inspections	21,826
Materials Testing	5,335
Reimbursable Expenses	10,670
Administrative Contingency During Construction (@ 10%)	4,996

TOTAL Construction Administration \$54,953

LAND ACQUISITION

4 to 5 acres @ \$1.25 per square foot	\$275,000
---------------------------------------	-----------

PROGRAM/PERSONNEL

local contribution

TOTAL PROJECT BUDGET REQUEST \$1,900,000

STATE OF ALASKA
DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

REPLY TO: ☐ POUCH B
JUNEAU, ALASKA 99811
PHONE: (907) 465-4700
☐ 949 E. 36TH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508
PHONE: (907) 563-1073

March 14, 1984

Alaire Stanton
Administrative Assistant
Office of the Honorable Rick Uehling
Pouch V
Juneau, Alaska 99801

CS HB 650

Sec. 5

RE: Senior Citizen's Housing Development Fund

Dear Ms. Stanton:

The following projects have received planning grants from the Senior Citizen Housing Development Fund. These projects are in the process of being developed and the grant recipients are preparing to submit a grant application for construction funding.

<u>LOCATION</u>	<u>SPONSOR</u>	<u>UNITS</u>	<u>CONSTRUCTION COST</u>
Anchorage	Cook Inlet Housing Auth	60	6,000,000
Anchorage	Meridian Living, Inc.	35	3,500,000
Angoon	Tlingit-Haida Housing Auth	12	1,200,000
Dillingham	Bristol Bay Housing Auth	15	1,500,000
Fairbanks	City of Fairbanks	25	2,500,000
Klawock	Tlingit-Haida Housing Auth	10	1,000,000
Metlakatla	City of Metlakatla	15	1,500,000
Wasilla - Phase II	ASHA	15	<u>1,500,000</u>
TOTAL		187	* \$18,700,000

*THIS IS THE TOTAL ESTIMATED COST OF DESIGN AND CONSTRUCTION.

Cook Inlet Housing Authority will not be requesting funding for the 60 unit intermediate care frail elderly project in FY '85. There is currently a \$746,000 appropriation in HB 691 for planning and design for the project.

It is possible that one or two of the projects will not be ready for construction funding in FY '85. We also expect approximately 2.5 million dollars in HUD construction funds to be available.

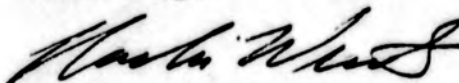
In addition to the above projects, the following planning grant requests have recently been received and are being reviewed:

HOMER PHASE II	KACHEMAK BAY SENIOR HOUSING, INC.
KAKE	TLINGIT-HAIDA HOUSING AUTHORITY
YAKUTAT	TLINGIT-HAIDA HOUSING AUTHORITY

The Housing Assistance Division has also been working with the communities of Haines and Kake, and we anticipate they will apply for planning grants in the near future.

I hope this answers your questions; if I can be of further help, please let me know.

Sincerely,



Nadine Winters
Special Assistant

CS HB 650 Sec 6

Loans Budget

1. Fisheries Enhancement Loan Program addition of \$5,335,000 in general funds.

The Governor's original FY 85 budget request included no additional funding for the Fisheries Enhancement Loan Program with the intent that the Fisheries Mini-Cabinet should make a recommendation for program funding to be submitted as an FY 85 budget amendment. After an extensive review of anticipated program need in FY 85 for operating loans, capital improvements and new construction, it has been determined by the Mini-Cabinet that an additional \$5,335,000 in general funds will be required in FY 85. The Department of Commerce and Economic Development has prepared a detailed list of aquaculture associations identified for loans in FY 85 (copy enclosed).

2. Alaska Power Authority (APA) Power Project Loan for Thorne Bay in the amount of \$275,000 in general funds.

At its February 22, 1984 meeting, the APA Board of Directors was presented and approved a request in the amount of \$275,000 for a loan to the City of Thorne Bay from the Power Project Loan Fund. The purpose of the loan will be to purchase the City's existing electrical system from the Louisiana Pacific Corporation and to acquire a back-up diesel generator.

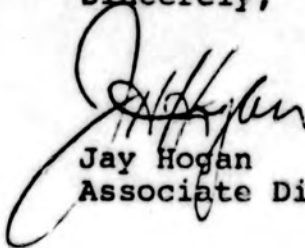
The City currently owes \$110,000 on its existing system which is drawing monthly payments of approximately \$1,050 pending the arrangement of long term financing. The City was incorporated in 1982, and was required at that time to purchase the electrical system, then owned by Louisiana Pacific Corporation. Because of its short period of existence and limited resources the City has requested this loan to reduce the financial burden of electrical generation on the residents of Thorne Bay.

Thorne Bay's existing electrical system consists of a 500 kilowatt generator, which has less than six months useful life remaining, without back-up. The unit previously used as a back-up is inoperative and cannot be overhauled. Furthermore, new loads which are coming on line will require additional capacity as soon as possible. The City is

March 8, 1984

planning to attempt to lease a 450 kilowatt diesel unit to provide power to the Forest Service and the Southeast Island School District. Availability of a State loan will enable the City of Thorne Bay to purchase the second diesel unit. Copies of the requests from the Alaska Power Authority and the City of Thorne Bay are enclosed.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jay Hogan", is written over the typed name.

Jay Hogan
Associate Director

ems/1669

Enclosures

cc: Senator Jalmar Kertulla
President of the Senate

MEMORANDUM

State of Alaska

TO: Jay Hogan, Director
Division of Budget Review
Office of Management & Budget
Office of the Governor

DATE: February 28, 1984

FILE NO:

TELEPHONE NO:

FROM: Lois Cook, Director *LC*
Division of Administrative Services
Department of Commerce & Economic
Development

SUBJECT: FY '85 Budget Amendment for
the Fisheries Enhancement
Loan Program

1 Loans

The Fisheries Mini-Cabinet has recommended an FY '85 appropriation of \$5,335,000 to the Fisheries Enhancement Loan Program. This appropriation, combined with funds that will be carried forward into FY '85, will fund the following:

Operation Loans (existing)	\$ 2,968,000
Capital Improvements (existing)	3,339,000
Operation/Construction (new)	10,600,000
	<u>\$16,907,000</u>

Your approval is requested.

LJC/cw#10R1
22884a
Attachment

OFFICE OF
MANAGEMENT & BUDGET

FEB 29 1984

BUDGET REVIEW