

744

HCRA

SB

334

-

SCR

12

0072

Passed the House of Representatives the 2nd day of May, 1979.

David L. Brown Jr.
Speaker of the House of Representatives

Passed the Senate the 7th day of May, 1979.

W. M. Stuckey
President of the Senate

OFFICE OF THE GOVERNOR

Received by the Governor this 8th
day of May, 1979,
at 3:00, o'clock P M.

By: Dana P. Winstow

Approved by the Governor of the State of Oklahoma the 9th day of
May, 1979, at 5:06, o'clock P M.

Gene Riche
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Secretary of State this 10
day of May, 1979,
at 4:40, o'clock P M.

By: Jeanette B. Brown

A M E N D M E N T

No. 1

IN THE SENATE

adopted

BY RAY

TO: SB 334

Page 1, line 15

Delete "land in the state" and insert "state land"

Page 1, line 19

After "acquisition of" insert "state"

Page 1, line 23

Delete "Land" and insert "State land"

Page 1, lines 28 - 29

Delete "of the acquisition" and insert "to the withdrawal"

Page 1, line 29

After "United States" delete "of land"

Page 2, line 1

After "July 1, 1980," insert "of land in Alaska"

Page 2, line 2

After "rivers" insert "which would otherwise be available for selection by the state under the Alaska Statehood Act (48 U.S.C. Prec. sec. 21, as amended)"

*SB 334 passes the Senate
Jan. 31, 1980*

Rep Parker

Re: SB 334

STATE OF ALASKA
THE LEGISLATURE

From Senator Ziegler

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-445-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

November 26, 1979

SUBJECT: Acquisition of Land by the United States
(Work Order Number 7480)

TO: Senator Robert H. Ziegler, Sr.

FROM: Kenneth E. Vassar
Legislative Counsel *KV*

Enclosed is the bill you requested, based upon Oklahoma's HB 1178, which would prohibit the federal government from acquiring land in the state without the consent of the state legislature. No doubt you are aware that this bill will raise some constitutional inquiries.

The bill is explicitly based upon Art. I, Sec. 8 of the United States Constitution. Art. I, Sec. 8, ¶17, provides that:

Congress shall have power . . .
To exercise exclusive legislation in all cases whatsoever over [the District of Columbia] and to exercise like authority over all places purchased by the consent of the legislature of the state in which the same shall be, for the erection of forts, magazines, arsenals, dock-yards, and other needful buildings . . .

It is interesting to note that the bill would seem to expand this power of Congress to the extent that it consents to the acquisition by the United States of land by means beyond simple purchase. On the other hand, the bill attempts to limit Congress' power by providing that the United States may not, without the legislature's consent, acquire land for any purpose other than those listed. The constitutional provision relates to the exercise of exclusive legislation and does not speak to the acquisition of land.

The results of a consent by a state to the exercise of exclusive jurisdiction by Congress may be briefly noted. Congress alone has the power to punish for crimes committed within the area. Battle v. United States, 209 U.S. 36 (1908).

Senator Robert H. Ziegler

Page 2

November 26, 1979

Private property within the area is not subject to taxation by the state. Surplus Trading Co. v. Cook, 281 U.S. 647 (1930). State statutes enacted after the cession have no effect. Western Union Telegram Co. v. Chiles, 214 U.S. 274 (1909). And, the law of the state in effect at the cession continues until changed by Congress. James Stewart and Co. v. Sadrakula, 309 U.S. 94 (1940).

Whether the United States has the power to acquire land, other than with the consent of a state's legislature, other than for those purposes enumerated in Art. I, Sec. 8, ¶17, and other than with the concomitant power of exclusive jurisdiction over those lands, is a matter of some debate recently. Arguably, such power derives from Art. I, Sec. 8, ¶18, which provides that:

The Congress shall have power . . .
To make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the government of the United States . . .

Art. IV, Sec. 3, ¶2 further provides:

The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States; and nothing in this Constitution shall be so construed as to prejudice any claims of the United States, or of any particular state.

It appears to be implicitly recognized by the foregoing that the United States will own property. This is particularly so since the government of the United States owned property even prior to the adoption of the Constitution. In 1783, six years prior to the ratification of the Constitution, Virginia ceded its claims to the area beyond the Ohio River to the Confederation. Other states of the Confederation made similar grants. These grants were the basis of what is now called the public lands of the United States.

Finally, the provisions of Art. VI, ¶2, provide that the laws of the United States are the supreme law of the land. If the acquisition of land by the United States is a legitimate and constitutional function of the federal government, this bill would be in conflict with any laws passed by Congress in furtherance of that function. Hence, under Art. VI, ¶2, the state law would be invalid. In my opinion,

Senator Robert H. Ziegler

Page 3

November 26, 1979

that is the most likely outcome if the bill should pass and be challenged in court, although I have no cases to cite specifically addressing the issue.

A corollary matter rises with relation to the Alaska Statehood Act (72 Stat. 339). Sec. 4 of that act provides in part:

As a compact with the United States said State and its people do agree and declare that they forever disclaim all right and title to any lands or other property not granted or confirmed to the State or its political subdivisions by or under the authority of this Act. . .

The Statehood Act, as the supreme law of the land, would take precedence over any subsequently enacted state law which would conflict with its provisions.

Finally, I would like to bring to your attention a particular section in the bill which was not included in the Oklahoma bill. That is sec. 38.05.510, which expressly denies any potential inference of consent to President Carter's Antiquities Act withdrawals in Alaska. This is a matter which I thought you might want to address since part of sec. 38.05.500 of the bill includes a consent to the acquisition of land by the United States for the purpose of consolidation within existing boundaries of National Forests within Alaska.

KEV:ljb

Enclosure

SB

562

(7)

COMMITTEE REPORT

HOUSE

5/5/80

FURTHER:

Date: 9 May 80

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had CSSB 562

"An Act relating to the formation of coastal resource service areas; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for CS 562 same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Bin Paul

[Signature]

[Signature]

[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]

[Signature]

Bin Paul
CHAIRMAN



Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: CSSB562 Relating to Coastal Management

ORIGINAL SPONSOR: Mulcahy

Service Areas
OTHER SPONSORS: _____

RECEIVED FROM: Senate Floor

FURTHER REFERRALS: --

HEARING DATE: 5/9/80

MEMBERS PRESENT:	Bill Parker	X	Pat Carney	X
	Margaret Branson	X	Charlie Parr	X
	Pat O'Connell	X	Fred Zharofr	X
			Ray Metcalfe	X

Rep. Parker discusses the outcome of a meeting on the subject of CSSB562 which occurred on 5/8/80 and which was attended by Jessie Dodson, Murray Walsh, Larry Kimball, John Halliwell (Haines), Tom Lawson, John Halterman, and Marjorie Gorsuch and Margo Waring (staff to House and Senate C&RA). At the meeting the group discussed the concerns raised by Roger Allington in his testimony on the bill. It was the concensus of the group that the CSSB562 as written, would meet the needs of the areas affected and that Mr. Allington's objections were not well founded.

Murray Walsh, Office of Coastal Zone Management
Reiterated the comments made by Rep. Parker and added that Don Gillman, Vice Chairman of the Council had been contacted and that he support CSSB562 as written.

Rep. Metcalfe suggests amending the bill with the Allington amendments. There was no support for this motion.

The committee signed out CSSB562.

COMMITTEE ACTION: Bill passed out.

TAPE # 11 SIDE 1 Footage 178-479



Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: CSSB 562 Relating to Coastal Management

Service Areas

ORIGINAL SPONSOR: Mulcahy
RECEIVED FROM: _____

OTHER SPONSORS: _____
FURTHER REFERRALS: _____

HEARING DATE: 5/7/80

MEMBERS PRESENT:	Bill Parker	X	Pat Carney	X
	Margaret Branson	X	Charlie Parr	X
	Pat O'Connell	X	Fred Zharoff	X
			Ray Metcalfe	X

Roger Allington, Former member of Coastal Policy Council
 Opposed to the bill and sees it as a threat to the local
 autonomy which was the keystone of the Coastal Management
 Act. Reads p. 2 l. 17 which requires mutual agreement to
 be made as a violation of the concept of local autonomy.
 Suggests that there may be a conflict with Title 29 in
 having the planning body do planning for surrounding areas
 as is suggested in the bill. Says that it is not necessary
 to make the changes suggested in the bill to accomplish
 what is needed in the Aleutians. Suggests that a number
 of sections be eliminated from the CS including Section 3,
 d (2). and p. 1 lines 25-27.

Says that it is not necessary to mandate an agreement
 as the Council would not approve plans unless they are
 consistent with the plans of adjacent areas.

COMMITTEE ACTION: No action.

TAPE # 10 SIDE 2 Footage 00-353

AS 46.40.080 is hereby amended to read as follows:

Effective date of Alaska Coastal Management Program. The Alaska Coastal Management Program adopted by the council, and any additions, revisions, or amendments of the program, take effect upon [adoption of a concurrent resolution] enactment by the legislature of a statutory amendment pursuant to this section approving the program or any addition, revision or amendment of the program. [by a majority of the members of each house of the legislature or by vote of the majority of the members of each house at the time the houses are convened in joint session to confirm executive appointments submitted by the governor.]

which should reverse the original resolution

Original sponsor: State Affairs Committee

Offered: 4/30/80
Referred: Rules

1 IN THE SENATE

BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 562

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the formation of coastal resource
7 service areas; and providing for an effective date."

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

9 * Section 1. AS 46.40.120(a) is amended to read:

10 (a) Except as otherwise provided in [(b) OF] this section, each
11 regional educational attendance area established under AS 14.08.031
12 containing a part of the coastal area may be organized as a coastal
13 resource service area.

14 * Sec. 2. AS 46.40.120 is amended by adding a new subsection to read:

15 (d) For purposes of coastal zone management only, the commissioner
16 of the Department of Community and Regional Affairs may, after public
17 hearings held in the regional educational attendance area affected,
18 divide an existing regional educational attendance area into no more
19 than three coastal resource service areas according to geographic,
20 cultural, economic, environmental, or other features relevant to coastal
21 management planning; however

22 (1) each coastal resource service area formed by dividing an
23 existing regional educational attendance area must contain at least one
24 first class city or home rule city;

25 (2) a city within a coastal resource service area formed by
26 dividing an existing regional educational attendance area may not elect
27 to exclude itself from the coastal resource service area; and

28 (3) a coastal resource service area formed before the effec-
29 tive date of this Act may not be divided for coastal management planning

15th cl. cities - M. powers. - per around them.
Craig Hawdock 3/11/81 "CRSda" - 10 pl. powers
POW.S.
Coona

OR - I'll talk re probs of org. as per
Melting

5/15/71
#34
CRA
We can't's rec

intro
limited applic.

Why would Com. of CRA
decide that way?
G.A.

Some have already done their plans

How Murray to initiate
defense

- ① Dec. by CRA
- ② limit auto.
- ③

The bill can be
seen as extending
local control over
st central

I'm glad I got my
WH Conference Res.
through
I need something
to cling to

Thomas Bay may be
second class
I didn't say that
misquote

1 purposes.

2 * Sec. 3. AS 46.40.190 is amended to read:

3 Sec. 46.40.190. COOPERATIVE ADMINISTRATION. (a) A city within
4 the coastal area which is not part of a [AN ADJACENT] coastal resource
5 service area shall be included [MAY INCLUDE ITSELF] for purposes of this
6 chapter within an adjacent coastal resource service area unless [IF] its
7 governing body, by resolution adopted by a majority of its membership,
8 chooses to exclude [CONSENTS TO THE INCLUSION OF] the city from an ad-
9 acent coastal resource service area and a copy of the resolution is
10 filed with the commissioner of the Department of Community and Regional
11 Affairs.

12 (b) Nothing in this chapter restricts or prohibits cooperative or
13 joint administration of functions between a municipality and a coastal
14 resource service area organized under the provisions of this chapter
15 upon initiation of a mutual agreement for the purpose. A city which
16 elects to be excluded from an adjacent coastal resource service area
17 under (a) of this section shall enter into a mutual agreement for co-
18 operative or joint administration of functions with the coastal resource
19 service area board from the adjacent coastal resource service area.

20 * Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-
21 070(c).

22
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26
27
28
29
*I can't believe that
they have forgotten that
the local autonomy was
originally a political
compromise -
this is much
preferable for C2M
purposes!*
-2- /RUE
up to C2M
C2M advised

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

POUCH B - JUNEAU 99811

April 21, 1980

The Honorable Bill Parker
Chairman
Community and Regional Affairs
Committee
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Mr. Chairman:

At your request, the Department of Community and Regional Affairs has prepared background information on HB 992 and explored alternatives to the bill.

BACKGROUND

The Alaska Coastal Management Act of 1977, as amended, allows residents of the unorganized borough to organize coastal resource districts encompassing one or more regional educational attendance areas (REAs). The Commissioner of Community and Regional Affairs has authority to combine two or more REAs into a single coastal resource service area prior to organizational elections. Municipalities which exercise planning powers are also districts; they may join an adjacent coastal resource service area but are not required to do so. Each district prepares a coastal management program to be submitted to the Coastal Policy Council and State Legislature. This system seems to work well in certain areas, but has been received with reservation in others. Attachment 1 lists each coastal REA and coastal resource districts within each REA and indicates whether the district's coastal management program is under way or completed. REAs which have not yet conducted coastal management elections but could do so under the present law are described as "potential" districts.

Coastal resource districts have been organized in three regions of the unorganized borough; another region is seriously considering following suit. Districts have formed in the Northwest Alaska region (REA 1), the Bering Straits region (REA 2), and the Yukon/Kuskokwim region (REAs 3 and 4); district formation is under consideration in the Bristol Bay region (REAs 6 and 7). These four regions have the following traits in common:

The Honorable Bill Parker
April 21, 1980
Page 2

1. Each region has one dominant regional center: Kotzebue in the Northwest Alaska region; Nome in the Bering Straits region; Bethel in the Yukon/Kuskokwim region and Dillingham in the Bristol Bay region.
2. All of the communities in the Northwest Alaska region and all but one in each of the other regions are second class cities or unincorporated and therefore obtain educational services from an REAA. (First class and home rule cities operate their own school districts.)
3. In two of the three regions which have organized coastal resource districts the regional center has chosen not to join the adjacent service area. Consequently, in the Bering Straits region there are two coastal resource districts, the City of Nome and the Bering Straits Coastal Resource Service Area; in the Yukon/Kuskokwim region, there are also two coastal resource districts, the City of Bethel and the Yukon/Kuskokwim Coastal Resource Service Area.

In addition to the regions discussed in the foregoing paragraphs, there are six coastal REAAs which have not yet organized coastal resource districts. They have the following characteristics:

1. Four of them--the Aleutian Islands (REAA 8), Northern Panhandle (REAA 18), Southern Panhandle (REAA 19) and Prince William Sound (REAA 21)--have several first class or home rule cities each and no dominant regional center. Therefore, each region has several school districts, several coastal resource districts, and no established central gathering place or service center (except Anchorage, Juneau, or Seattle).
2. Federal landholdings consume much of the land within each region. Federally owned land is not part of the State's coastal zone. Settled areas and non-federal land often occur as isolated pockets separated by thousands of acres of federally owned land.

HB 992 resulted from concern that options offered by the Alaska Coastal Management Act may not be well suited to the second set of REAAs discussed above (REAAs 8, 9, 10, 18, 19, 21). Attachment 2 describes advantages and disadvantages of the status quo [AS 46.40120(b)], HB 992, two legislative alternatives and one administrative alternative.

Sincerely,

Marie Matsuda-Pignatelli

for Lee McAnerney
Commissioner

Attachments

The Honorable Bill Parker
April 21, 1980
Page 3

cc: The Honorable Arliss Sturgulewski
Alaska State Senate

The Honorable Bob Mulcahy
Alaska State Senate

The Honorable Al Osterback
Alaska State House of Representatives

Keith Specking
Office of the Governor

	<u>Region</u>	<u>Coastal Resource Districts</u> (Including cities and boroughs within regions generally defined by REAAs)
REAA 1	Northwest Alaska	* NANA Coastal Resource Service Area
REAA 2	Bering Straits	* Nome * Bering Straits Coastal Resource Service Area
REAA 3&4	Lower Yukon/ Lower Kuskokwim	Bethel * Yukon/Kuskokwim Coastal Resource Service Area
REAA 6&7	Nushagak-Bristol Bay Lake/Peninsula-Bristol Bay	Dillingham * Bristol Bay Borough * Bristol Bay Coastal Resource Service Area (potential)
REAA 8	Aleutian Islands	Unalaska King Cove Sand Point Aleutian Chain Coastal Resource Service Area (potential)
REAA 9	Pribilof Islands	Pribilof Islands Coastal Resource Service Area (potential)
REAA 10	Adak	Adak Coastal Resource Service Area (potential)
REAA 18	Northern Panhandle	* Yakutat * Haines (City) * Skagway * Juneau Pelican Hoonah * Sitka * Kake Northern Panhandle Coastal Resource Service Area (potential)
REAA 19	Southern Panhandle	* Petersburg * Wrangell * Klawock * Craig * Hydaburg * Ketchikan Gateway Borough Southern Panhandle Coastal Resource Service Area (potential)
REAA 20	Metlakatla/Annette	* Annette Islands Indian Reserve
REAA 21	Chugach	* Cordova * Valdez Prince William Sound Coastal Resource Service Area (potential)

* Program under way or completed

Status quo

AS 46.40.120(b) allows the Commissioner of Community and Regional Affairs to consolidate two or more REAAs into one coastal resource service area after considering standards applicable to incorporation of borough governments, the likelihood that a borough would be incorporated within the area, or the extent of federally owned land and water within the area.

Advantages

By using the REAA as the basic unit for planning in the unorganized borough, the present law does not create any new boundaries for delivery of government services.

Disadvantages

The present law allows first-class and home rule cities (and second-class cities under certain circumstances) to develop coastal management programs separate from the region. Many cities do not see it in their best interest to join forces with an entire REAA. Consequently, coastal resource service areas are not being organized in several REAAs, yet many cities have legitimate interest in influencing development outside their corporate limits.

HB 992

Under HB 992, AS 46.40.120(b) would be amended to allow the Commissioner of Community and Regional Affairs to not only consolidate two or more REAAs into one coastal resource service area, but also subdivide REAAs into separate coastal resource service areas according to geographic, cultural, or other features relevant to coastal management planning. Borough incorporation standards would also be considered, as would federal ownership of coastal land and water.

HB 992 also uses REAAs as the basic unit of reference for coastal resource service areas.

First-class or home-rule cities of the unorganized borough might be more inclined to join coastal resource service areas smaller than the entire REAA in which they are located.

HB 992 would allow residents to plan for those areas which affect them most directly and with which they are most intimately familiar.

Indiscriminate subdivision of an REAA could produce fragmented coastal management programs.

Legislative alternative #1

Retain the language of HB 992, but restrict application of the subdivision provision to the Aleutian Chain (REAA 8), Northern Panhandle (REAA 18), Southern Panhandle (REAA 19), and Prince William Sound (REAA 21). Allow the Commissioner of Community and Regional Affairs to combine REAAs with subdivisions of other REAAs if such combinations satisfy standards mentioned in HB 992.

This provision would restrict application of the subdivision section to areas most likely to express interest in them.

The restriction may be unnecessary since coastal resource service areas have organized districts in most of the other coastal REAAs.

There may be constitutional questions about treating regions differently by specifying the geographic area rather than by specifying standards which must be met

Legislative alternative #2

Retain the language of HB 992, but add the following provision:

If an REAA is divided and an organization election is called in one subdivision, an election will automatically be called in all other subdivisions of the REAA. If any one of the subdivisions elects to organize a district, all other subdivisions are automatically organized. The coastal management program from all subdivisions of an REAA must be coordinated from the outset and submitted simultaneously to enable the Coastal Policy Council and State Legislature to reach a reasonable conclusion about the compatibility of the plans. Although each subdivision would have its own board, there would be a seven-member regional oversight board with representation from the entire REAA (or combination of REAAs) on a one-man, one-vote basis.

Administrative alternative

A coastal resource service area encompassing one or more REAAs could voluntarily organize itself in such a way that board members from one area would meet routinely with local people in that area and use full board meetings as a means to combine sectional ideas and make compromises if necessary.

Advantages

All of the advantages of HB 992.

Greater coordination among plans than would be afforded under HB 922.

Local involvement in regional coastal management planning with as few new formal structures as possible.

No legislative change would be needed.

Disadvantages

Certain areas may be prematurely coerced into preparing a coastal management program by virtue of actions taken by neighboring areas.

Any section could delay approval of the programs of other sections.

Creation of another layer of government would make the process more cumbersome and costly.

The representation and consequent voting strength of any given area on the seven-member service area board would be less in an entire REAA than in a subdivision of it.

Application of ACMP to the
Aleutian/Pribilof Island Region

Problem:

Options provided under the Alaska Coastal Management Act for formation of "coastal resource districts" are not applicable to the Aleutian/Pribilof Island Region.

Background:

The Aleutian/Pribilof Island Region presents a unique situation relative to the establishment of coastal resource service areas. Within the Region are three first-class cities (Sand Point, King Cove and Unalaska) as well as regional educational attendance areas 8, 9 and 10 (Aleutian Chain, Pribilof and Adak).

Under present law the first-class cities have the option of becoming single coastal resource service areas, thus establishing their own coastal management planning programs within their respective political boundaries, or of joining forces with the REAA's to develop a regional planning effort.

In addition, the three REAA's may become separate coastal resource service areas or, under authority granted in AS 46.40.120(b) the Commissioner of the Department of Community and Regional Affairs, may consolidate REAA's 8, 9 and 10 into one or two service areas for coastal management purposes.

Given these conditions there exists the possibility of one or six, or any combination within these numbers, coastal resource service areas being created within the Aleutian/Pribilof Island Region.

The population of the Region is approximately 3600 with 2274 (63%) residing in the three first-class cities (Sand Point 773, King Cove 733 and Unalaska 768). The second-class communities of Akutan and St. Paul contain 652 residents, 85 and 567 respectively. Total Regional population residing in incorporated municipalities totals 2926 or 81%. Clearly, if the first-class communities elect to establish their own programs within their jurisdictions, the remaining area (REAA's 8, 9, & 10) will be substantially diluted of human resources with which to develop and implement a coastal management program.

Land interests in the region are geographically complex. Village corporations were unable to select ANCSA entitlements within the core townships of Native villages due to the configuration of islands and Federal reserves. As such, village corporations selected deficiency lands under the Act this resulted in the ownership of land many miles from their respective villages. An example is the Tanadqusix Corporation at St. Paul (Pribilof Islands). Tanadqusix Corporation has substantial land holdings approximately 200 miles away on Unalaska Island. This is the case for a majority of the Aleutian's village corporations thus creating an extremely fragmented pattern of land ownership and land interests throughout the chain.

Several Aleutian villages are vacant of population, yet represent vast land holdings and thus development interests for shareholders residing elsewhere. Unga and Sanak are two cases in point. Village Corporation members from Unga and Sanak reside in Sand Point yet hold major land interests outside of Sand Point City boundaries. They fear that should Sand Point elect to become a coastal resource service area they, as residents of Sand Point, will be precluded from having a voice in a coastal management program which encompasses their corporate land holdings.

The communities, on the other hand, would prefer to work with the respective corporations in a coastal management program but do not care to be involved or necessarily influenced by actions a thousand miles away.

The Aleutian/Pribilof Island Region situation strongly indicates the need to provide a third option for creating coastal resource service areas. This option would address the need to create service districts which emphasize common interests and geographic proximity in areas where land mass, economic interests and population are not contiguous.

Proposed Legislative Amendment

Section 3 AS 46.40.120(b) is amended to read:

(b) The Commissioner of the Department of Community and Regional Affairs may, after public hearings held in the area affected, consolidate two or more regional educational attendance areas as a single coastal resource service area or may subdivide an existing regional education attendance area according to geographic, cultural or other features relevant to coastal management planning.

CITY OF UNALASKA

P.O. BOX 89
UNALASKA, ALASKA 99685
581-1251

"Capital of the Aleutians"



March 24, 1980

Mr. Lawrence H. Kimball, Jr.
Director
Division of Community Planning
Department of Regional and Community Affairs
225 Cordova, Building B.
Anchorage, AK 99501

Dear Mr. Kimball *Barry*

In response to your letter of March 21, 1980 concerning the language of a possible amendment to AS 46.40.120(b), I can state the amendment accomplishes precisely the purpose which the City Council hopes for. I have discussed the language of the amendment with City Manager Burton; it has the support of the City administration. At the next regular City Council meeting (April 10, 1980), we shall report on the swift response which we have had from the Division to our request for assistance and inform the Council of the proposed amendment.

Thank you, again, for the attention which you have given this matter.

Sincerely,

CITY OF UNALASKA PLANNING DEPARTMENT

Rid
Richard Careaga, AICP
Director of Planning

RECEIVED
DEPT. OF COMM & REG. AFFAIRS
COMM. PLANNING
Date 3/26

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF COMMUNITY PLANNING

Veronica
JAY S. HAMMOND, GOVERNOR

225 CORDOVA, BUILDING B
ANCHORAGE, ALASKA 99501

March 21, 1980

Mr. Richard Careaga
Director of Planning
P.O. Box 89
Unalaska, Alaska 99685

Dear Mr. *Richard* Careaga:

In response to your letter of March 17 requesting our assistance in drafting an amendment to AS 46.40.120(b), I would like to relay the following information.

The City Councils of Sand Point and King Cove have made identical requests. In order to accommodate these requests in a timely manner I drafted a proposed amendment and presented same to the Alaska Coastal Policy Council on Wednesday, March 19.

Following my presentation and brief discussion the Council voted 11-0 in favor of a resolution supporting the proposed amendment. This support will accompany the proposed amendment to Juneau where we will request it be introduced via committee. We will meet with Sand Point officials and legislators for the affected area next week in Juneau to discuss the matter.

I have enclosed a copy of the proposed amendment for your City Council's review. Should the Council support it as written, I would appreciate a letter to that affect. Should there be a need to amend the language please contact me immediately as time is of the essence.

Thank you for your assistance in this matter and please assure the City Council and Mayor Holmes that we will keep them informed as things progress.

Thank you also for the courtesies extended during our recent visit. I enjoyed our stay.

Best regards,

Larry
Lawrence H. Kimball, Jr.
Director

Attachment

CITY OF UNALASKA

P.O. BOX 89
UNALASKA, ALASKA 99685
581-1251

"Capital of the Aleutians"



March 17, 1980

Mr. Lawrence H. Kimball, Jr.
Director, Division of Community Planning
Alaska Department of Community and Regional Affairs
225 Cordova, Building B, Suite 104
Anchorage, Alaska 99501

copy
Dear Mr. Kimball:

The City Council, by motion, has instructed me to contact your office to determine the feasibility of amending AS 46.40.120 to permit the Commissioner discretionary authority to establish coastal resource service areas which encompass areas smaller than REAA's. It is the view of the City Council that participation in a properly drawn service area could be a more effective mechanism for Unalaska's taking part in coastal management under the Act than either as its own district or as part of a district taking in most of the Chain.

Any assistance which your office could render in drafting a candidate amendment would aid us greatly in approaching our legislators on the question and would be greatly appreciated.

Sincerely yours,

CITY OF UNALASKA PLANNING DEPARTMENT

Rich
Richard Careaga, AICP
Director of Planning

RECEIVED
DEPT. OF COMM & REG. AFFAIRS
COMM. PLANNING
Date 3/19

SB

641

COMMITTEE REPORT

3/24/76

HOUSE

Mr. Speaker:

Date

April 23, 1976

The Committee on JUDICIARY has had SB 641

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR _____ AND THAT

CS FOR _____ DO PASS

"and" recommends it BE REFERRED TO THE _____

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

<u>Tony Gardini</u>	<u>- Do Pass</u>	<u>Scoter</u>	<u>Do Pass</u>
_____	_____	_____	_____
<u>L. J. Scully</u>	<u>" "</u>	_____	_____
_____	<u>" "</u>	_____	_____
_____	<u>" "</u>	_____	_____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

Tony Gardini Chairman

Now.

SENATE BILL NO. 641

For an Act entitled: "An Act Relating to Wage Rates".

The Wage and Hour Division of the Alaska Department of Labor respectfully endorses the proposed amendments to Secs. 36.05.010 and 36.05.070(a) of Title 36, PUBLIC CONTRACTS.

We believe the proposed amendments will clarify the interpretation of the meaning and intent of these sections which are ambiguous and which have been referred to as "somewhat muddled" in a memorandum dated May 15, 1974 signed by former Deputy Attorney General Michael R. Peterson.

We submit the new language provided in the proposed amendments constitutes a reasonable interpretation of the meaning of "prevailing wage rates". To hold otherwise would be to lock workers into the rates prevailing at the beginning of a contract. Should the performance of a contract require a considerable length of time and should economic factors cause a change in these prevailing rates it seems only logical and equitable that workers should be paid at the new adjusted rates being paid to other workers of similar classifications on projects commenced at a later date.

We further submit in support of this position that "in the case ambiguity of language, that construction should be adopted which would be most favorable to the parties seeking to obtain the wage rate which the statute calls for" re: McKibbin vs City of New York, N.YS 2nd 50,52 (1945) affirmed 53 N.YS 2nd 474, affirmed 64 N.E. 2nd 288.

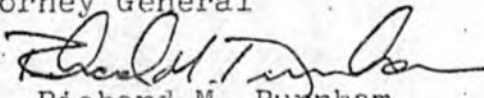
In conclusion we submit, Prevailing Wage Rates should be effective from the date they are established by the Department of Labor and applicable to all contracts involving public funds.

TO: E. T. Leland, Supervisor
Wage and Hour Division
Department of Labor

DATE : February 23, 1976

FROM: Avrum M. Gross
Attorney General

SUBJECT: "Prevailing wage rates"

By: 
Richard M. Burnham
Assistant Attorney General

You have asked this department for our views on the following three questions.

1. Does "prevailing wage rate" mean the advertised rate, AS 36.05.070(a) and (b)(2), or does it mean the rate periodically determined by the Department of Labor under AS 36.05.030 and 8 AAC 30.050?

2. If the prevailing wage rate is the same as the contract wage rate at the outset of a contract, must the contract wage rate change during the life of the contract in accordance with changes in the prevailing wage rate?

3. Where a contractor on a public works project is signatory to a collective bargaining agreement obligating him to make payments to a union benefit trust account, does the contractor satisfy the requirement of Title 36 by paying the benefit amounts directly to the employee as wages rather than making payments to the union trust account on behalf of the employee?

Our short answers to your questions are: (1) the "prevailing wage rate" means the rate periodically determined by the Department of Labor; (2) the contract wage rate must equal or exceed the prevailing wage rate and therefore the contract rate must change accordingly during the life of the contract; and (3) payments directly to the employee satisfy the requirements of Title 36.

The purpose of AS 36.05 is to assure that the state and its political subdivisions do not pay substandard wages on public construction projects. Of primary import in AS 36.05 is sec. 05.010 which mandates that whatever wage a contractor or subcontractor pays on a public construction project, it shall not be "less than the prevailing rate of wages for work of a similar nature in the region in which the work is done."

February 23, 1976

As a result of this mandate, the advertised rate, referred to in AS 36.05.070, must at least equal the prevailing wage rate in existence at the time the advertised rate is published. Most often, the advertised rate will be but a statement of what the prevailing wage rate is at that moment in time. As the prevailing wage rate changes, so must subsequent advertised rates.

This same analysis applies to public construction contract rates as they too must not be less than the prevailing wage rate. If during the life of the contract the prevailing wage rate increases to the point where it exceeds the contract rate, the latter rate must be increased accordingly to comply with AS 36.05.010.

Pursuant to AS 36.05.030 and 8 AAC 30.050 promulgated thereunder, the determiner of the prevailing wage rate is the Department of Labor, and that rate is to be "periodically revised". 8 AAC 30.050(a)

The above discussion establishes what the "prevailing wage rate" means. Whether a public contractor chooses to pay that rate directly to an employee or to pay a portion of it into a union trust account is not a concern of Title 36 for this title only addresses the amount of the wage and not the manner by which it is to be paid. We suggest that disagreements over whether an employer has complied with the provisions of a collective bargaining agreement be left to the parties to the agreement to resolve.

RMB:jf

Terry's desk for
Friday morning.

file
SB691

SCR

7

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 12, 1979

SUBJECT: Relating to the regulations of the Alaska Housing
Finance Corporation defining the term "rural."
(Work Order No's: 6419 and 6420)

TO: Senator Bill Ray

FROM: John B. Chenoweth, Legislative Counsel

A word, if I may, concerning the legislation provided:

The confusion begins because the Alaska Housing Finance Corporation has, by regulation, defined the term "rural." In fact, their responsibility was to apply the standards which are part of the definition of the term "remote, underdeveloped or blighted area" to the map of Alaska.

It is apparent that AHFC has taken the easy way out, excluding the entirety of the three unified municipalities (Anchorage, Juneau, Sitka) and the urban areas of some other boroughs merely on the basis of population. Ms. Walton has a good point in that AHFC has not met the legal requirement imposed by AS 18.56.210(12) with its several standards as to what constitute "remote, underdeveloped or blighted" areas. The Senate Concurrent Resolution is submitted to annul the regulation.

However, that is not to say that AHFC will not essentially try to do substantially the same thing the next time around. The bill is offered to emphasize the point that AHFC shall make its geographical determination on the basis of a reading of all the standards, not just population, and that within urbanizing boroughs and unified local governments the board should go beyond examination of the corporate limits to see whether parts of the borough or unified municipality would meet the "remote, underdeveloped or blighted" standards.

Senator Bill Ray
Page 2
February 12, 1979

That is not to say that even if the bill and resolution are adopted just as offered here, AHFC will conclude that Linda Walton's house at 23 mile Glacier Highway is in a "remote, underdeveloped or blighted" area. If you want AHFC to have the authority to promote residential housing in "rural, underdeveloped or blighted" areas, please let me know. I will go through AS 18.56 and change "remote" to "rural" every place it appears, and conjure up a definition of "rural" that is tied to, say, the absence of water and sewer systems, as Ms. Walton suggests.

You may offer the resolution, the bill, both, or neither, depending on how you want to get at the points presented in Ms. Walton's letter. But I do not guarantee that, even if both pieces of legislation are enacted, AHFC will find that 23 mile Glacier Highway is "remote, underdeveloped or blighted." "Rural," perhaps, but hardly "remote."

JBC:nem

Alaska

HOUSING



FINANCE CORPORATION

February 21, 1979

Hon. W. E. "Brad" Bradley
Pouch V
Juneau, Alaska 98111

Dear Senator Bradley:

I am enclosing a status report on the rural housing program which was authorized by the legislature in 1978 under AS 18.56.090(25). As you can see, we have put a great deal of time, effort and money into establishing this program to fulfill what we feel is the legislative intent for this program. You must also keep in mind that this has to be a viable and ongoing program in order to meet the needs of the bush communities. We, therefore, designed our loan criteria around what we feel is prudent business practice. We can foresee, if our criteria is followed, that in not too many years, this program would be in a position to command the sale of bonds in the public market, and be self-sustaining without the need for money being provided from the State's general fund to purchase all the mortgages created under the program. It appears the State is short of funds, and by creating a viable program, we feel it would be good for the taxpayer and still serve the needs of our remote communities.

AHFC was created in 1971 for the primary purpose of increasing the supply of housing in the State for persons of lower and moderate income and for persons residing in remote, underdeveloped or blighted areas of the State. We have a total of 7,023 loans in our portfolio totaling \$377,433,000. There is a total of \$420,460,000 bonds outstanding from a total issued of \$428,725,000 and with the sale this week of an additional \$72 million issue, AHFC will have provided over \$500 million for housing throughout the State of Alaska with the use of the tax-exempt bond market and not the taxpayers dollars.

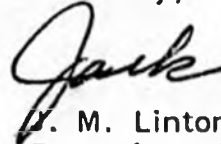
In order to continue providing the much needed housing for our State, it is necessary for the legislature to appropriate money for the Mortgage Insurance Fund. This amount is equal to 2% of the bonds issued on the public market. We leverage this 2% figure on a 50 to 1 basis in selling the bonds; i.e., \$1 million of appropriated funds allows us to sell \$50 million in bonds. AHFC has requested by resolution of the Board of Directors, an appropriation for fiscal year 1980 of \$6 million. It is anticipated we will need \$4 million in our regular loan program with an additional \$1 million for anticipated impact in loan applications from Alaska Veterans since their program has been sus-

February 21, 1979
Page Two

pending. House Bill 165 has been introduced requesting an appropriation of \$5 million. The continuation of our regular program will lend credence to our ability to go to the bond market in the future for the rural program that we want to institute as soon as possible.

Your support for our appropriation is necessary so AHFC can continue to provide funds at reasonable rates to the people of our State.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jack", written in dark ink.

J. M. Linton
Executive Director

JML:jr

Enclosure

P.O. Box 1020, Anchorage, Alaska 99510

TO: J. M. Linton, Executive Director

DATE: February 20, 1979

FROM: James P. Kennedy, Rural Program Coordinator *JPK*

Re: Rural Housing Program
Summary of Events

The Rural Program Coordinator was hired July 10, 1978 to assist in the implementation of the Rural Housing Program. With the Executive Director of AHFC, we began to develop the Rural Program guidelines and criteria. In addition, a good deal of time was spent reviewing existing and past Federal and State housing programs and the causes of failure of many of these programs. From the beginning the "Rural Housing Program" was designed to be efficient, simple, and secure. Early on we developed simplified Loan Application forms, Property Appraisal forms, Verification forms and a simplified Seller/ Servicer Guide.

On July 28, 1978, the Program Coordinator first met with Mr. Pat Pletnikoff, President of the Association of Alaska Housing Authorities and Executive Director of the Aleutian Housing Authority. We reviewed the program guidelines and the proposed loan criteria. We also discussed the participation of the individual Housing Authorities in the program. Mr. Pletnikoff was supportive. He and his staff have helped coordinate the efforts of AHFC and the Regional Housing Authorities since that time. He also provided the necessary exchange of information required to finalize the criteria to be used.

On August 2, 1978, we visited Nome to discuss the program with Charles Nelson of the Bering Straits Regional Housing Authority and other interested persons in the Nome area. They expressed interest, support, and a willingness to participate in the program.

On August 3, 1978, we requested any final recommendations and comments from all of the Regional Housing Authorities and further requested that individuals be identified to receive training as loan originators. That request was followed up on August 15.

On August 18, we went to Barrow with the same intent of soliciting support and participation in the program. The North Slope Burrough Housing Authority expressed continued support.

February 20, 1979
Page 2

Throughout this period of time we worked with title insurance and mortgage insurance companies to develop mechanisms for adequate security of the Rural program loans. We also wrote "plain language" Note and Deed of Trust documents in order to help make the mortgage loan more understandable to the ultimate rural borrower.

On September 19, a progress report (attached) was sent to the AHFC Board chairman and all Board members. The prime difficulty was the lack of Housing Authority Personnel available to attend the training session.

A three-day tour of rural communities with representatives of TICOR Mortgage Insurance Co. was conducted on September 26, 27, and 28. The tour was to familiarize them with the condition of the home to be insured as well as with the economic condition in rural areas. (Barrow, Bethel, Marshall, and Kotzebue)

The Program Coordinator attended the meeting of the Association of Alaska Housing Authorities held in Kodiak October 3, 1978. Some of the Housing Authorities had become hesitant to get involved, and others had workload and budget problems that prevented them from sending any of their staff to the proposed training session. This difficulty was expressed in the October 17 progress report to the AHFC Board Chairman and all board members. With the assistance of the Aleutian and AVCP Regional Housing Authorities, others were again encouraged to participate. The October 27 meeting of the Association resulted in firm commitments from the AVCP, Aleutian, Bering Straits, and KANA Regional Housing Authorities. We also received commitments for future participation from the Bristol Bay and Tlingit-Haida Housing Authorities.

With these commitments we scheduled and conducted the planned training in Anchorage. From November 27 through December 15, Housing Authority personnel were trained in loan origination, loan processing, loan closing, and loan servicing. Classroom instructions were conducted in the offices of AHFC, and "on the job training" was conducted at the First National Bank of Anchorage, Alaska National Bank of the North and United Bank Alaska. At this point, we felt the Housing Authority personnel were sufficiently trained and equipped to implement the program. On January 15, 1979, the staff of AHFC recommended to the Board of Directors final approval and implementation of the new "Rural Housing Program" along with some other policy changes designed to encourage the availability of AHFC loans in rural areas. Those recommendations were not approved at the February 7th meeting of the Board held in Juneau.

The staff of AHFC desires, and is ready to implement and administer, a sound and effective "Rural Housing Program" as soon as possible.

RURAL HOUSING PROGRAM

The purpose of the proposed rural housing program is to expand the activities of AHFC to permit the financing of homes in rural areas of the State for those borrowers who can afford the cost of homeownership, but for whom financing has been unavailable.

The current AHFC programs can and do meet a portion of the market in rural areas. The proposed rural housing program will increase the scope and availability of home financing. The following represents some of the factors that were considered, as problem areas in the development of a viable, ongoing program.

- 1). Lack of an existing lender competent and willing to originate and service loans in rural areas.
- 2). Difficulty in obtaining mortgage insurance, title insurance, and fire insurance, in some cases.
- 3). Lack of suppliers of new housing.
- 4). Borrowers income source that is not suitable to the usual monthly payments.

The elements that provide for these factors are:

- 1). The Regional Housing Authorities will supplement the usual lenders in rural areas. They have provided personnel for specialized training in loan origination, loan processing, loan closing and loan servicing. They possess specialized knowledge of housing in remote areas. They have first hand knowledge of, and regular contact with those who will be borrowers under the program. They are active residents of the areas to be served.

A loan committee representing the Housing Authorities and AHFC will review loan submissions. The committee has provided input for establishing loan criteria and policy and will supervise the seller/servicers.

- 2). A good deal of consideration was given to the problem of mortgage security. Private mortgage insurance is available in most every case, at a cost comparable to other areas of the State. Title insurance is available in most every case. The major problem is the high cost of the necessary survey. We believe that a marketable title does increase the value of real property substantially so we will allow the cost of the survey to be added to the value. Our loan would then finance a large portion of that cost.


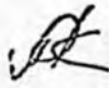
We further believe that adequate fire insurance is critical, particularly in rural areas, not only for the protection of AHFC and its bond holders, but ultimately for the homeowner himself. Until alternate sources of fire insurance are available we see no way to avoid this cost. It should also be noted that the generally higher monthly cost of fire insurance is offset somewhat by the lack of property taxes in most rural areas. Providing for alternative methods of hazard insurance is a political discussion of State and Federal Governments.

- 3). We believe there is a great potential for cooperation between the Native Regional Corporations and the Regional Housing Authorities in developing reliable suppliers of new housing. There is also the potential for cooperation between the Housing Authorities and existing lenders for interim financing. The readily available long-term financing commitments will, in turn, make construction financing more attractive.
- 4). The proposed rural housing program allows for payment schedules other than monthly when the income source of the borrower dictates.

We believe that the loan criteria (summary attached) developed in cooperation with the Housing Authorities and others meets a need for unsubsidized residential financing. At the same time the criteria provides for prudent lending practices to adequately protect the Housing Authorities, AHFC, its bond holders, and the potential borrowers.

TO: All Board Members

DATE: January 15, 1979

FROM: J. M. Linton, Executive Director 
and James P. Kennedy, Rural Program Coordinator 

Subject: Staff Recommendation for "Remote Rural Housing Program"

Only the participating Regional Housing Authorities will originate and service loans under the "Remote Rural Housing Program." They will originate loans in the major "hub" communities as well as the more remote areas, and will benefit from the portfolio mix thus achieved. They will not be able to originate loans for purchase under any of AHFC's existing programs. The Housing Authorities will contribute to a "loan committee" that will review all submissions, develop reliable suppliers of new housing, and will periodically review and make recommendations concerning loan criteria. In addition, the "loan committee" will supervise the Seller/ Servicers and will assist in dealing with and correcting default situations.

Existing AHFC Seller/Servicers will continue to originate and service loans under present AHFC programs. They will further benefit as construction lenders with "take-out" commitments processed through the Housing Authorities. It is further recommended that where appropriate, the existing AHFC rural programs be modified to encourage lender's more active participation in remote areas. For example: AHFC will pay $\frac{1}{2}$ of 1% servicing fee to lenders on those loans originated in remote areas.

This recommendation is made for the following reasons:

From the beginning the "Remote Rural Housing Program" was conceived as a special purpose program. A separate and distinct insurance account and funding is required. It is felt that the legislative intent of amendments to Section 11, AS 18.55.997 and Section 7, AS 18.56.090, authorizing the Regional Housing Authorities to make and sell loans to AHFC, and authorizing AHFC to purchase Housing Authority loans, was to establish the Seller/Servicer arrangement under this program.

The Regional Housing Authorities have provided personnel for specialized training. These personnel are residents of the rural areas they will serve. They are knowledgeable of the housing needs and have a first-hand knowledge of, and regular contact with, those who will be borrowers under the program.

Initially, there will be approximately \$9 million available to the Housing Authorities. If those funds were allocated among our existing Seller/Serviceicers as well as the participating Housing Authorities, they would be spread very thinly. It is necessary for the continued success of the program for the Housing Authorities to develop a portfolio of sufficient size to cover their administrative costs. Their only income will be derived from origination and servicing fees of Rural Program loans as they have no deposit base from which to work.

Finally, this recommendation provides a basis for a mutually beneficial cooperative relationship between the Housing Authorities and our existing Seller/Serviceicers. It will provide our existing Seller/Serviceicers additional incentive to become more actively involved in the remote, underdeveloped, and blighted areas of the State. It will demonstrate to legislative bodies AHFC's dedication to more vigorous involvement in all rural areas. It will not limit the funds available to the Housing Authorities, and it will increase AHFC's overall portfolio ratio of "rural" to "urban" and "suburban" loans.

SUMMARY OF LOAN CRITERIA

REMOTE RURAL HOUSING PROGRAM

1). Loans eligible for purchase:

- a). Loans to finance the purchase of a dwelling designed for the residential use and intended as the principle residence of the borrower(s).
- b). Loans to owner/builders which constitute the first permanent financing on a newly constructed residential dwelling, the construction of which was financed by the owner or a lender, provided that the loan to be purchased does not exceed 80% of the appraised value.

2). Basic Criteria for single family dwellings:

<u>Max.</u> <u>Loan Amount</u>	<u>Min.</u> <u>Down Payment</u>	<u>Term</u>	<u>PMI Req.</u>
\$90,000	10%	30 yrs.	yes
\$75,000	5%	20 yrs.	yes

3). Basic Criteria for duplex loans:

<u>Max.</u> <u>Loan Amount</u>	<u>Min.</u> <u>Down Payment</u>	<u>Term</u>	<u>PMI Req.</u>
\$130,000	20%*	30 yrs.	No*

* 10% secondary financing allowable. PMI is required on duplex loans with less than 20% equity contributed by the borrower.

4). Lien requirement: Each mortgage purchased under the Remote "Rural Housing Program" must meet the following criteria:

- a). Constitute a first lien, subject only to permitted encumbrances, on real estate in fee simple, or on a leasehold having a term necessary to secure the Corporation's interest (not less than 10 years past the term of the mortgage).
- b). Be a mortgage loan for completed, owner-occupied residential housing located in a "rural" area as defined in AS 18.55.997 as from time to time amended.
- c). Be insured by a policy of title insurance acceptable to the Corporation.

5). Fees:

- a). AHFC Loan Commitment Fee is $\frac{1}{2}$ of 1% of the loan amount.

REMOTE RURAL HOUSING PROGRAM

- b). Seller/Serviceers may charge an origination fee of 1% of the loan amount.
 - c). AHFC will pay a servicing fee of $\frac{1}{2}$ of 1%.
- 6). Income Limits: None
- 7). Interest Rate: No rate will be guaranteed.

TO: Perry R. Eaton
Chairman of the Board

DATE: September 19, 1978

FROM: Jay Kennedy
Rural Program Coordinator

Re: Rural Housing Program, Progress Report

1. The following work has been completed:

- a. I was hired as program coordinator effective July 3, 1978.
- b. In coordination with the Association of Alaska Housing Authorities there has been a slight modification of the proposed program. The Association will act as the "Seller/Service" per se, with the various regional housing authorities acting as loan originators in their respective areas. This was done with an eye toward more efficiency, stability, and economy in loan servicing, and to avoid unnecessary duplication of effort and staff.
- c. The Program Coordinator has prepared the training program including the necessary study aids, training schedule and publications that will be required. Included in these publications are the following:
 - 1). A revised Seller/Service Guide specifically for the rural program.
 - 2). Revised "plain language" Note and Deed of Trust forms for use in the rural program.
 - 3). Appraisal forms, application forms and the numerous verification documents have been modified to better meet the requirements of the rural program.
- d. The various local banks who have volunteered their services for providing "on the job training" for the trainees have confirmed this interest and support.
- e. The AHFC Bond Counsel and Bond underwriters are prepared to issue and sell bonds to the Department of Revenue.

September 19, 1978

2. The following work is in progress:

- a. The Regional Housing Authorities and the Association of Alaska Housing Authorities are identifying the individuals who will receive training as Loan Originators, Seller/Serviceers and individuals who will form the Loan Committee. This needs to be done before a firm date to begin training is set. Training is tentatively scheduled to begin October 16, 1978, and end November 10, 1978.
- b. Representatives of Ticor Mortgage Insurance Company will be touring some rural areas of the state with the Program Coordinator the week of the 25th of September. Mr. Robert Sullivan, an interested member of the banking community, will also accompany that tour.

I will provide you with follow-up information on the results of that tour. I will also provide you with the finalized training schedule and the results of decisions made by agencies other than AHFC. The Rural Housing Program should be fully functional by December 1, 1978.

JPK/djd

RURAL PROGRAM TRAINING OUTLINE

- I. INTRODUCTION AND OVERVIEW.
The AHFC Rural Program
- II. THE SELLER/SERVICERS GUIDE.
Review and Discussion
- III. MAKING THE LOAN
 - A. Origination
 1. Letting the People Know
 2. The Initial Interview to Gain Knowledge of the Borrower
 - a. Reviewing the Sales Agreement
 - b. Taking the Application
 - c. Forms Completion
 - d. Good Faith Cost Estimate. (RESPA)
 - e. Analysis
 - B. Processing
 1. Verification (Borrower(s) Desire and Ability to Pay)
 - a. Verification of Employment (Income)
 - b. Verification of Funds
 - c. Verification of Credit
 2. Verification (Suitability of Property)
 - a. Appraisal
 - b. Survey
 - c. Inspection
 - d. Title Report
 3. Additional Requirements
 - a. Preliminary Commitment for Title Insurance
 - b. Fire Insurance
 - c. Mortgage Insurance
 - d. Payoff Information
 4. The Completed Loan Package
 5. The Loan Committee
 6. AHFC Approval and Commitment to Prurchase.
 - C. Closing
 1. Cost Disclosure HUD-1
 2. Clearing Title Exceptions
 3. Preparation of the Note
 4. Preparation of the Deed
 5. Preparation of the Assignment
 6. Closing
 7. Recording
 8. Disbursement
 - D. Shipping
 1. Documents Required by AHFC
 2. Documents Held by Seller/Servicer

IV. SERVICING THE LOAN

- A. Collection of Payments**
- B. Administration of Reserves**
- C. Records Keeping and Accounting Practices**
- D. Default**

SCR

12

COMMITTEE REPORT

HOUSE

FURTHER:

March 15, 1979

Date: 2 April 79

Mr. Speaker:

The Committee on C&RA has had SCR 12

Approving regulations adopted by the Alaska Coastal Policy Council.

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

**MEMBERS SIGNING
DO PASS**

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

Bin Paul

Raymond [unclear]

Charles [unclear]

[unclear] (No Rec)

[unclear] (No Rec)

Bin Paul

CHAIRMAN



Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

COMMITTEE MINUTES

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

DATE: 3/30/79

BILL NUMBER AND TITLE: SCR 12 Coastal Zone Management Regulations

ORIGINAL SPONSOR : Senate C&RA Committee OTHER SPONSORS:

RECEIVED FROM: FURTHER REFERRALS:

MEMBERS PRESENT: Parker MEMBERS ABSENT:

Carney Branson
Parr O'Connell
Metcalf Zharoff

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Judith Andregg, Office of CZM

Advises that when the planning money runs out, there will only be management money.

Palmer McCarter

Discusses Section 308 CEIP funding

Roger Allington

Cautions that the regulations should be passed on their merit rather than just as a way to get Federal money.

Proposed letter of intent is discussed. It is decided to reword the "ordering" language which is directed to the Dept. of C&RA and to also include the change embodied in the Senate Letter of Intent.

COMMITTEE ACTION: The bill is passed out of Committee with the attached Letter of Intent

TAPE # 6 SIDE 4

Sections 600-619, 950-1192

SECOND READING OF SENATE RESOLUTIONS

SENATE CONCURRENT RESOLUTION NO. 12 (approving regulations adopted by the Alaska Coastal Policy Council) was read the second time.

SCR
12

Senator Sturgulewski moved and asked unanimous consent that the letter of intent of the Community and Regional Affairs Committee on pages 372-373 of the journal be adopted as the Senate Letter of Intent. Without objection, the letter was adopted and appears as follows:

SENATE LETTER OF INTENT

Testimony received by the Community and Regional Affairs Committee indicated the need for a change in the Alaska Coastal Policy Council's regulations. Specifically:

1) 6 AAC 80.100 (a)(3) timber harvest and timber management activities must be planned so as to protect streambanks and shorelines, prevent adverse impacts on fish resources and habitats, and minimize adverse impacts on wildlife resources and habitats. The testimony indicated the need:

following the words "streambanks and shorelines," to delete the word "prevent," and replace with the word "minimize."

A representative from the Alaska Coastal Policy Council and a representative from the Office of the Coastal Management concurred with the need for this change.

It is the intent of this Committee that the words "minimize adverse impacts" should apply to both fish resources and habitats, and wildlife resources and habitats.

The Committee urges the Alaska Coastal Policy Council to consider and adopt this change at its earliest convenience.

Senator Colletta moved that the Senate adopt SENATE CONCURRENT RESOLUTION NO. 12. Senator Kerttula objected.

SCR The question being: "Shall SENATE CONCURRENT RESOLUTION
12 NO. 12 (approving regulations adopted by the Alaska Coastal Policy Council) pass the Senate?" The roll was taken with the following result:

Yeas:	10	Colletta, Fahrenkamp, Meland, Mulcahy, Rodey, Stimson, Sturgulewski, Summer, Tillion, Ziegler
Nays:	8	Bennett, Bradley, Dankworth, Ferguson, Hackney, Kelly, Kerttula, Ray
Absent:	2	Hohman, Sackett

and so, SENATE CONCURRENT RESOLUTION NO. 12 failed to pass the Senate.

Senator Kerttula gave notice of reconsideration on SENATE CONCURRENT RESOLUTION NO. 12.

UNFINISHED BUSINESS

SCR Senator Kerttula requested that the reconsideration of
7 SENATE CONCURRENT RESOLUTION NO. 7 be taken up at this time.

RECONSIDERATION OF SENATE RESOLUTIONS

SENATE CONCURRENT RESOLUTION NO. 7 was before the Senate at this time on reconsideration.

The question to be reconsidered is: "Shall SENATE CONCURRENT RESOLUTION NO. 7 (annulling a regulation of the Alaska Housing Finance Corporation defining the term "rural" for the purposes of administration of its housing loan program) pass the Senate?" The roll was taken with the following result:



Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

LETTER OF INTENT

SCR 12

Pouch V

State Capitol

Juneau, Alaska 99811

The concept of local control in coastal zone management has been basic to the development of the state's coastal zone management program. A predominant concern of the committee is the functioning of this local control in the unorganized borough.

This letter is intended to condition legislative approval of these regulations on a requirement that the Department of Community and Regional Affairs submit an adequate development plan for the organization of effective, locally-controlled coastal resource districts. Appropriations for the coastal management program will be allocated accordingly. The committee suggests that the Department of Community and Regional Affairs work with the Legislative Council to satisfy this requirement.

While rural communities may not initially want to involve themselves in coastal zone management, it is doubtful they will want to entrust it to others when fully understood. Considering the implications district coastal zone management has for subsistence habitat protection and rehabilitation, one can probably expect strong local participation in district coastal zone management policy making.

The Legislative Council will establish an interim program to monitor the state's coastal resource districts' community organization. Important to this organization is fair local-level understanding of the phrase "land and water uses of state concern". The energy siting regulations are designed to guide local coastal resource districts to properly regulate such land and water uses of state concern.

In addition, the committee is aware that the proposed standard 6 AAC 80.160 (a) introduces a new element in the coastal management program. Existing public participation regulations (6 AAC 80.020 and 6 AAC 85.130) apply specifically to adoption of district programs and amendments to district programs. In districts which develop district programs containing areas which merit special attention, the public involvement provisions of 6 AAC 85.130 apply. It is the intent of this committee that regulations for public involvement be developed for areas not in districts which are designated as meriting special attention by the Council. Council designation should include evidence of effective and significant opportunity for public participation in the specified "concurrence" and such public involvement process should be specified in the Alaska Coastal Management Plan Guidelines.

Further, it is the intent of the committee that the letter of intent of the Senate Community and Regional Affairs Committee which appears on page 463 of the Senate Journal be approved.



Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

COMMITTEE MINUTES

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

DATE: 3/21/79-

BILL NUMBER AND TITLE: SCR 12 Related to Coastal Zone Management Regulations

ORIGINAL SPONSOR : Ak. Coastal Policy
Council

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS:

MEMBERS PRESENT: Parker Parr
Carney Metcalfe
BPanson O'Connell
Zharoff

MEMBERS ABSENT:

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Don Clocksin, Alaska Legal Service

Committee shouldn't feel as if it has a firm obligation to approve the regulations. It should not be rushed into. Committee should review Federal requirements for approval. Clocksin doesn't feel the Alaska Plan complies in two areas: Sec. 305 (a) (6) Call for "A description of the organizational structure proposed to implement such management program, including the responsibilities and inter-relationships of local, areawide, state, regional, and interstate agencies in the management process".

In this regard, the Alaska CZM Plan does not have sufficient detail in the organizational structure of the implementation in the unorganized borough. There is no mechanism for implementation of the program in the unorganized borough. Just the direction that the program be handled by the State. There are few guidelines in the unorganized borough re AMSA creations.

There is no way to resolve conflicts between state agencies and districts within the unorganized borough.

Sec. 205 (a) (8) Additional provision in the Federal Act calls for "a planning process for energy facilities likely to be located in, or which may significantly affect, the coastal zone, including, but not limited to, a process for anticipating and managing the impacts from such facilities."

Clocksin claims that the Five-year plan developed by the State did not have adequate public input. There are no adequate procedures for analyzing the impact on the coasts.

Specific problems with the proposed regulations:

6 AAC 80.070 "Major" and "minor" facilities not delineated. (a)
6 AAC 80.070 (b) This wording might be taken to mean that the districts and state agencies "must" locate suitable siting locations for major energy facilities. Clocksin says it was not the intent of the Federal Act to require this.

COMMITTEE ACTION:

TAPE # 5 SIDE 1

Sections 520-525

6 AAC 80.900 (20) "feasible and prudent" definition leaves an "open door" (Ex. A safety feature for an energy facility might be seen as being too costly and this definition could be construed to not require that it be used. Public interest would not necessarily be well served in this case)

6 AAC 80.070 (c) Broad range of items are involved in oil and gas leases. Areas which are specifically of local concern should not be included as uses of state concern. (Ex. Where drilling waste gets dumped, where gravel is taken from, etc.) The local district should have a say in the disposition of these matters which are of a definite local concern.

AS 46.40.210 (6) Questions definition of "uses of state concern" as outlined in this section. This should be subjected to critical public review. A Resolution was drafted by the Council but not adopted regarding this definition.

Clocksinn suggests that the Committee pass SCR 12 with a Letter of Intent which would include the following points:

1. A directive that more attention be given the program implementation in the unorganized borough
2. That a mechanism be developed which would resolve conflicts between the local districts and the state. *Court*
3. That there be assurance that the placing of energy facilities not be a requirement for every district which develops a plan
4. That there be a limitation on the definition of the "feasible and prudent" which would recognize "public interest" and safeguard that public interest.
5. That "uses of state concern" definition not be tied to all leasing activities. The local districts should have the control over related leasing activity which is strictly of local concern.
6. Broader questions should be looked at:
 - Is there a real planning process for energy facilities?
 - Should there be one?
 - There should be legislative review of the 5 yr. proposed leasing program and the extent to which it coincides with CZM and generally, how it relates to the whole CZM program.

Fran Ulmer, Co-Chairman of the Ak. Coastal Policy Council

In response to the points made by Clocksinn (listed above)

1. This is up to the Legislature. If they want to create a mandatory borough, it is up to them.
2. The Act is silent in conflict situations which go beyond the authority of the Council.
3. Act says that there are a number of uses the districts must find place for. The Federal Gov't has not indicated that this requirement goes too far.
4. "Feasible and prudent" definition is a balancing act. Product of the best thinking the Council could come up.
5. "Use of State Concern" definition is from the CZMA Act adopted by the legislature in 1977.

Allington, Co-Chair of Ak. Coastal Policy Council

If must be made clear that if the regs. don't pass, there will be no more Federal funds made available.

1. Re lack of specifics in the unorganized borough handling.
Planning is done by the Locals and implemented by the State.
Intent of the legislature was to not add another bureaucratic layer.
3. This wording was the result of the decision that the local district rather than the state identify sites for energy siting.
4. The point of the "feasible and prudent" definition was to get balance.

The resolution drafted by the Council was intended a a guideline in relation to "uses of state concern".

Walsh

Federal government has indicated that it will approve the plan.

Parr--Questioning of some of the funding proposed under the CEIP. Police Adacemy Design-Community Bldg. Initial funding should not be appropriated for extraneous activities.

Committee Action -- There will be further discussion of SCR 12



Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

COMMITTEE MINUTES

DATE: 3/21/79-

BILL NUMBER AND TITLE: SCR 12 Related to Coastal Zone Management Regulations

ORIGINAL SPONSOR : Ak. Coastal Policy Council

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS:

MEMBERS PRESENT: Parker Parr
Carney Metcalfe
BPanson O'Connell
Zharoff

MEMBERS ABSENT:

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Don Clocksin, Alaska Legal Service

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In this regard, the Alaska CZM Plan does not have sufficient detail in the organizational structure of the implementation in the unorganized borough. There is no mechanism for implementation of the program in the unorganized borough. Just the direction that the program be handled by the State. There are few guidelines in the unorganized borough re AMSA creations.

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COMMITTEE ACTION:

TAPE # 5 SIDE 1

Sections 520-525

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 - Should there be one?
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Fran Ulmer, Co-Chairman of the Ak. Coastal Policy Council

In response to the points made by Clocksin (listed above)

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Allington, Co-Chair of Ak. Coastal Policy Council

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Federal government has indicated that it will approve the plan.

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Committee Action -- There will be further discussion of SCR 12



Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

COMMITTEE MINUTES

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

DATE: 3/19/79

BILL NUMBER AND TITLE: SCR 12 Related to adoption of CZM regulations

ORIGINAL SPONSOR :

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS:

MEMBERS PRESENT:

MEMBERS ABSENT:

Parker Metcalfe
Carney O'Connell
Parr Branson Zharoff

None

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Roger Allington, Co-Chairman of the Alaska Coastal Policy Council
Related background of CZM Plan adoption. Refers to the two "carrots"
dangled by the Federal government--money and federal consistency provisions.

Fran Ulmer, Co-Chairman of the Ak. Coastal Policy Council
Reviewed membership of the Council. Mentioned importance of CZM
in relation to massive oil leasing schedule proposed by Dept. of
Interior. \$5 Million in Planning monies have been expended by the
State. (rather are expected to be received)

Murray Walsh, Office of CZM
Four grants have been received by the State at \$1.4 Million each.
\$250,000 have been appropriated by the State general fund.

Larry Kimball, C&RA
Section 308 CEIP monies also will be received by the state.
These funds include construction and design monies as well as
planning money. There are grants as well as loans in this program.
Council has overriding power if a local plan restricts a use of
state concern. If it is "feasible and prudent" the local gov't
has control.

Mark Stephens, Cept. of C&RA
Discusses the various Coastal Resource Districts. Refers to differences
in the various plans which have been prepared around the state. N.W.
Ak. REAA has planned an election April 3; Yukon Kuskakwim on May 15.
Seven member boards will be elected in these areas.
CZM is meant to be a "balanced management program". It is a "process"
rather than a plan which is being approved.

COMMITTEE ACTION:

Continue action 3/21/79

TAPE #5 SIDE 1 Sections 1-480

COASTAL ZONE MANAGEMENT WORKSHOP

2/26/79

Guest Speaker: Clifton Curtis, Center for Law and Social Policy,
Washington, D.C.

Original CZM legislation passed in 1972 on the Federal level. Attributed consciousness raising during '60's as being partially responsible. CZM as grant-in-aid program in '72..Amended in '76..General policies speak to development as well as protection so there is a basic conflict in policy statement. '74 Alaska begins receiving money. Sec. 307 Consistency provisions. Neutral planning process--too little guidance from Feds. according to Curtis.

1979 - 13 states have plans

'79-- 8 more states will be approving plans

Mentioned Cal. law suit..Curtis says concern for national interest not happening. This concern has been focused primarily on energy siting impacts and recreation uses, access to beaches, and protection of fragile areas have not been given as much consideration as areas for national concern. Cal. case got to merits of issue.Stated that there was adequate consideration given to energy interest. That there is no mandate which requires firm siting decisions.

Look at needs and balance approach.

Don't be too specific in regs.

Curtis sees the following problems in CZM plan:

1. Lack of specificity--ambiguity in legislation. Should define areas of national concern
- 2.Process oriented so if good programs don't result you have just increased bureaucracy.
3. Annual review requirement. Little guidance for giving \$.Good programs should be rewarded. Incentives should be included in Federal legislation.

Energy siting--highest and best use. Look for possible relocation inland. O.C.S. activity--83% of nation's total in Ak.

Maximum safeguards; should require use of best technology;more information on likely effect on environment.

*Oversight function of legislature is important one.

Imbalance in terms of pressure re decisions

**Affirmative approval requirement may be appropriate now in theoretical stage---this requirement later may delay putting plans into effect. In some areas local zoning ordinances may work but you run a great risk if you don't have adequate ordinances. Veto approach over plans might be a way to go.

Management plan better for organized boroughs while not so in unorganized borough. More of an effort money and staff-wise needed to assist and advise people so they can be in a better position to act.

"Uses of state concern" development of these at heart of matter. If there is no "feasible alternative" then it may be located on the coast. Curtis says this is an indefinite phrase.



Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

COMMITTEE MINUTES

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

DATE: 2/1/79

BILL NUMBER AND TITLE: Coastal Zone Management Regulations and Statutory Changes
Joint Briefing with Senate C&RA Committee

ORIGINAL SPONSOR : Ak. Coastal Policy Council

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS:

MEMBERS PRESENT:

Parker Zharoff
Branson
O'Connell

MEMBERS ABSENT:

Parr
Metcalfe
Carney

INDIVIDUALS CONTACTED:

Fran Ulmer, Co-Chairman of Ak. Coastal Policy Council

WITNESSES TESTIFYING:

Ulmer -- Overview of State Program given. "Program" isn't defined now. Legislature reviews local plans as well as regulations. District Plans must now come before the legislature for approval. Delay in implementation may result so statutory change requested.

Resource service areas formed with REAA for CZM planning purposes. Boundary of CZM area can't be smaller than that of REAA at present time.

Local election held in Resource Service Area.

Allington, Co-Chairman Ak. Coastal Policy Council

Carrots: Federal Consistency (Feds. will respect State Plan
Federal Funds

Regulations and changes to statutes need to be approved this Session.

COMMITTEE ACTION:

TAPE #

SIDE

Sections

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 21, 1979

SUBJECT: Authority to implement and enforce coastal management programs by service areas in the unorganized borough: (Work Order No. 6365)

TO: Representative Bill Parker

FROM: John B. Chenoweth, Legislative Counsel

I have tried to draft the enclosed bill to meet your directive that authority to implement (as well as to plan) coastal management programs in the unorganized borough be granted to the coastal resource service areas which may be formed in the unorganized borough.

You should know, I think, that the premise underlying the statement in Mr. Cohen's letter, the apparent source of this request, is partially in error. When the coastal management legislation took shape in 1977, some thought went into the relationship between existing cities of the unorganized borough and the service areas which might be formed there. The consensus, now part of the legislation, was to provide a range of options, allowing individual cities that were willing and able to initiate and complete the planning process to do so, or to authorize service areas to undertake the planning process, or to rely on existing state agencies where there was no interest expressed at the community or regional level. As to implementation, it was clear that, in the unorganized borough, because cities (first or second class) had authority to exercise planning, zoning, and other powers, rather than extend planning and zoning authority to service areas (where there was really no push to extend the authority), existing law would be left unchanged: either a city would implement or state agencies would act. If people were really worked up enough on a regional basis to want to become involved in implementation, the first or second class borough option remained available to them.

Representative Bill Parker
Page 2
February 21, 1979

Mr. Cohen states: "In the unorganized borough, this power [i.e., responsibility for implementation of coastal management programs] is taken away from the local people and placed with state agencies." He is not correct. As a matter of law, the exercise of zoning and other controls in the unorganized borough outside of cities has never rested with anyone other than the state agencies. (AS 40.15.070 - 40.15.075; AS 44.47.050 (8) and (9)).

The 1975 Legislature mandated unorganized borough control of education; the 1977 legislation authorized a role for the unorganized borough in coastal resource planning. The 1979 Legislature is asked to extend authority of service areas to exercise zoning and other controls in the coastal zone. Frustration prompts me to ask how, if all these are granted, withholding only the authority and responsibility to levy and collect taxes, this structure is any different than the first or second class borough system now provided in general law?

JBC:nem

Enclosure

Introduced: 2/13/79
Referred: Community &
Regional Affairs

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

1 IN THE SENATE

2 SENATE CONCURRENT RESOLUTION NO. 12

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 Approving regulations adopted by the
6 Alaska Coastal Policy Council.

7 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 WHEREAS Chapter 84, Session Laws of Alaska 1977, established the Alaska
9 Coastal Policy Council and charged the council with the responsibility of
10 adopting regulations establishing guidelines and standards for the develop-
11 ment of a coastal management program; and

12 WHEREAS the Alaska Coastal Policy Council has adopted guidelines and
13 standards in 6 AAC 80 and 6 AAC 85 for use by state agencies in making land
14 and water use decisions and for use by municipalities and coastal resource
15 service areas in the preparation and development of district and coastal
16 resource service areas coastal management programs; and

17 WHEREAS the guidelines and standards adopted by the council on March 31,
18 1978 have been approved by the legislature during the Second Session of the
19 Tenth Legislature with selective deletions and letters of intent calling for
20 further attention to certain matters in the guidelines and standards; and

21 WHEREAS the council adopted amendments to the guidelines and standards
22 on December 15, 1978, in response to the request of the legislature and other
23 parties; and

24 WHEREAS the amendments to the guidelines and standards approved and
25 adopted by the Alaska Coastal Policy Council are generally consistent with
26 the objectives for the state coastal management program identified in AS 46.-
27 40.020; and

28 WHEREAS AS 46.40.080 requires approval of amendments to the state
29 coastal management program either by adoption of a concurrent resolution by a

1 majority of the members of each house of the legislature or by majority vote
2 of the members of each house at the time the houses are convened at a joint
3 legislative session to confirm executive appointments submitted by the gover-
4 nor; and

5 WHEREAS, in accordance with the statute, the Alaska Coastal Policy
6 Council has submitted its amendments to the guidelines and standards for
7 legislative approval;

8 BE IT RESOLVED, that in accordance with AS 46.40.08), the Alaska State
9 Legislature approves the amendments to 6 AAC 80 and 6 AAC 85 adopted by the
10 Alaska Coastal Policy Council on December 15, 1978.

11 *Gelman SCR 12 - Hawaii*
12 *# public hearings held - not extent beyond Rep.*
13 *Allington - pp. 51-54 of Annual Report*
14 *Emergency faculty siting*
15 *Options - letter accept or not accept (Leg.)*
16 *p. 45 Annual Report -*
17 *Her Schwabner - Ohio - No problem - guidelines*
18 *J. Clark / Mr. Foggers Ass'n - Support*
19 *Sec. 6 - p. 45 of Report Item #3 Letter Intent Senate*
20 *"prevent adverse effect of*
21 *increases (being used in absolute sense)*
22 *wants to change this subd to "minimize" - This change*
23 *acceptable to M. Hales. Rec. A on April when Council meets.*
24 *Clark wants Letter Intent re this Senate C & R A.*
25 *Pass out - pre-determined rec.*

SECOND READING OF SENATE RESOLUTIONS

SENATE CONCURRENT RESOLUTION NO. 12 (approving regulations adopted by the Alaska Coastal Policy Council) was read the second time.

SCR
12

Senator Sturgulewski moved and asked unanimous consent that the letter of intent of the Community and Regional Affairs Committee on pages 372-373 of the journal be adopted as the Senate Letter of Intent. Without objection, the letter was adopted and appears as follows:

SENATE LETTER OF INTENT

Testimony received by the Community and Regional Affairs Committee indicated the need for a change in the Alaska Coastal Policy Council's regulations. Specifically:

1) 6 AAC 80.100 (a) (3) timber harvest and timber management activities must be planned so as to protect streambanks and shorelines, prevent adverse impacts on fish resources and habitats, and minimize adverse impacts on wildlife resources and habitats. The testimony indicated the need:

following the words "streambanks and shorelines," to delete the word "prevent," and replace with the word "minimize."

A representative from the Alaska Coastal Policy Council and a representative from the Office of the Coastal Management concurred with the need for this change.

It is the intent of this Committee that the words "minimize adverse impacts" should apply to both fish resources and habitats, and wildlife resources and habitats.

The Committee urges the Alaska Coastal Policy Council to consider and adopt this change at its earliest convenience.

Senator Colletta moved that the Senate adopt SENATE CONCURRENT RESOLUTION NO. 12. Senator Kerttula objected.

~~AMENDED TITLE:~~

~~APPROVING REGULATIONS ADOPTED BY THE ALASKA COASTAL POLICY COUNCIL~~

~~PRIME SPONSORS: SENATE C&RA COMMITTEE,~~

~~CO-SPONSORS:~~

~~CURRENT STATUS: 4/29/79 PASSED (H)~~

DATE	SEQ	PAGE	LEGISLATIVE ACTION
02/13/79	01	0230	FIRST READING -- COMMITTEE REPORTS
03/06/79	02	0372	CRA -- DF02, DNF04
03/06/79	03	0372	C&RA CMTTE-LTR OF INTENT
03/12/79	04	0437	RLS -- OTHER05
03/13/79	05	0463	SECOND READING
03/13/79	06	0464	FAILED BY DIV 10-08-02
03/13/79	07	0464	NOTICE OF RECONSIDERATION GIVEN
03/13/79	08	0372	SENATE LTR OF INTENT
03/14/79	09	0480	PASSED ON RECONSIDERATION BY DIV 13-07-00
****	**	**	*** *** ***

DATE	SEQ	PAGE	LEGISLATIVE ACTION
03/15/79	10	0580	FIRST READING -- COMMITTEE REPORTS
04/03/79	11	0826	CRA -- DF04, NR01
04/03/79	12	0826	C&RA LETTER OF INTENT
04/28/79	13	1162	SECOND READING
04/28/79	14	1162	PASSED BY DIV 22-15-03
04/28/79	15	1162	HSE ADOPT C&RA LTR/INTENT
04/28/79	16	1162	NOTICE OF RECONSIDERATION GIVEN
04/29/79	17	1200	RECONSIDERATION NOT TAKEN UP
****	**	**	*** *** ***

STATE OF ALASKA
Inter-Department Route Slip

TO:
MAIL STATION NUMBER 2100
DEPARTMENT Alaska Legislature
ATTENTION Rep. Bill Barber

- | | |
|--|--|
| <input type="checkbox"/> Approval | <input type="checkbox"/> Note & Return |
| <input type="checkbox"/> Signature | <input type="checkbox"/> Initial & Return |
| <input type="checkbox"/> Comment | <input type="checkbox"/> Return As Requested |
| <input type="checkbox"/> Contact Me | <input type="checkbox"/> Return For Approval |
| <input type="checkbox"/> Prepare Reply | <input type="checkbox"/> Necessary Action |
| <input type="checkbox"/> For Your File | <input type="checkbox"/> Your Information |

Remarks:

FROM:
MAIL STATION NUMBER 2100
DEPARTMENT Committee on Public Affairs
BY mm DATE 4/13/79

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

POUCH B
JUNEAU, ALASKA 99811

April 13, 1979

The Honorable Bill Parker, Chairman
Committee on Community & Regional Affairs
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Mr. ^{Bill} Chairman:

I want to call your attention to the Coastal Energy Impact Program (CEIP) awards just announced.

This less publicized aspect of the total Coastal Zone Management Program has provided \$2.5 million in State and local planning grants to date. The announcement of \$1.5 million in additional local grants in the enclosed press release brings the benefits of this program to \$4.0 million.

In addition, the program offers another \$65 million in low interest loans to provide facilities which could be required by coastal communities because of petroleum development projects.

If I or members of my staff administering this program can provide further information, please let us know.

Sincerely,



Lee McAnerney
Commissioner

Enclosure
cc: Community & Regional Affairs
Committee Members

OFFICE OF THE GOVERNOR
JUNEAU

JAY S. HAMMOND
GOVERNOR



FOR INFORMATION CONTACT:
Scott Foster, Press Secretary
Office of the Governor
Pouch A, Juneau, Alaska 99811
OR PHONE: 907-485-3500

ALASKAN COMMUNITIES RECEIVE FEDERAL FUNDS
April 11, 1979
#67

Municipal planning and design projects totaling \$1.5 million have been recommended for funding under the U.S. Department of Commerce Coastal Energy Impact Program, Governor Jay Hammond announced today. The State has recommended funding for projects in nine communities.

Although the proposed grants are subject to review by the Department of Commerce, federal officials have accepted State recommendations in the past, Governor Hammond added.

The Coastal Energy Impact Program, administered by the State Department of Community and Regional Affairs, requires the federal government to assume some of the responsibility for consequences to local communities for energy development projects undertaken to meet national needs. Grants and loans are made available to help plan for the consequences of coastal energy development; to provide front-end financing for municipal facilities needed when energy projects affect coastal cities; and to plan for facilities to guard against losses to coastal environmental and recreational resources.

"With eight outer continental shelf lease sales off Alaskan coasts proposed by the Department of the Interior over the next five years, many communities could be affected," Governor Hammond said.

The largest project in the group to be funded is \$1 million for preliminary engineering of water source development in Eagle River Valley in Anchorage. Anchorage officials have said early development of additional water supplies must be addressed there as a result of oil exploration administrative and support personnel being based in Anchorage.

Several projects in Kenai Peninsula communities are to receive funds. They are funding for the development of preliminary plans for new municipal office buildings in Homer, \$50,000; in Kenai, \$50,000; and in Soldotna, \$50,000. In addition, Soldotna, as the seat of borough government and as a major residential area for oil industry workers, is to receive \$115,000 for planning water system expansion.

Two communities will also receive funds for large-scale topographic mapping for further planning of municipal utilities and drainage networks. Kenai will receive \$65,000 and Seldovia will receive \$32,000.

Seward, anticipating major harbor activity in support of offshore oil exploration, is to receive \$91,000 to fund

preliminary planning for hydroelectric power development.

The Kenai Peninsula Borough is to receive \$68,000 to prepare a long-range solid waste disposal plan.

Cordova and Skagway, although not affected by OCS development, are to receive planning grants under another section of the federal energy impact law which provides partial funding for coping with energy-related impacts affecting the coastal zone.

The Cordova grant of \$24,000, matched by \$6,000 in local monies, will fund preliminary engineering for additional water supply which will be needed when Coast Guard personnel and their families arrive to man a new helicopter base in that city.

A matching grant to the city of Skagway is to prepare a development strategy to guide the city in managing substantial population growth, due to workers handling ocean freight destined for the proposed gas pipeline construction project in Canada.

BILL NO. 50912 re C2MReceived from _____
Referred to _____Original Sponsor _____
Fiscal Note _____

LAA Legal Research Contact _____

3/30 CONTACTS:

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Community & Regional Affairs

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Pouch V
State Capitol
Juneau, Alaska 99811

The concept of local control in coastal zone management has been basic to the development of the state's coastal zone management program. A predominant concern of the committee is the functioning of this local control in the unorganized borough.

This letter is intended to condition legislative approval of these regulations on a requirement that the Department of Community and Regional Affairs submit an adequate development plan for the organization of effective, locally-controlled coastal resource districts. Appropriations for the coastal management program will be allocated accordingly. The committee suggests that the Department of Community and Regional Affairs work with the Legislative Council to satisfy this requirement.

While rural communities may not initially want to involve themselves in coastal zone management, it is doubtful they will want to entrust it to others when fully understood. Considering the implications district coastal zone management has for subsistence habitat protection and rehabilitation, one can probably expect strong local participation in district coastal zone management policy making.

The Legislative Council will establish an interim program to monitor the state's coastal resource districts' community organization. Important to this organization is fair local-level understanding of the phrase "land and water uses of state concern". The energy siting regulations are designed to guide local coastal resource districts to properly regulate such land and water uses of state concern.

In addition, the committee is aware that the proposed standard 6 AAC 80.160 (a) introduces a new element in the coastal management program. Existing public participation regulations (6 AAC 80.020 and 6 AAC 85.130) apply specifically to adoption of district programs and amendments to district programs. In districts which develop district programs containing areas which merit special attention, the public involvement provisions of 6 AAC 85.130 apply. It is the intent of this committee that regulations for public involvement be developed for areas not in districts which are designated as meriting special attention by the Council. Council designation should include evidence of effective and significant opportunity for public participation in the specified "concurrence" and such public involvement process should be specified in the Alaska Coastal Management Plan Guidelines.

Further, it is the intent of the committee that the letter of intent of the Senate Community and Regional Affairs Committee which appears on page 463 of the Senate Journal be approved.

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER / POUCH B-JUNEAU 99801

March 27, 1979

The Honorable Bill Parker, Chairman
Committee on Community & Regional Affairs
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Mr. ^{Bill} Chairman:

In response to a request by Representative Parr, I have asked our staff member administering the Coastal Energy Impact Program (CEIP) to project possible funding of CEIP in Alaska over the next five to six years.

First, a word of explanation about the program: The bulk of funding for planning (or possibly for construction) comes from the formula grants section of the program (color red on the attached Figure 1). Formula grants are allocated among states based on activity during the prior fiscal year in the areas of: 1) Outer Continental Shelf (OCS) acreage leased (50%), 2) oil produced in the OCS off that state (25%) and 3) oil first landed on that state's shores (25%).

Barring an immediate major find in the Lower Cook Inlet with accompanying rapid development, we do not believe that the oil produced or oil first landed factors will come into play in determining the Alaska CEIP allocation in the next five years. For purposes of "guestimating," however, we have assumed low end-of-the-range allocations during the first four years and the high end-of-the-range allocation during the final year. Put another way, the Alaska entitlement will be based only on acreage leased through FY '83, but will rise somewhat in FY '84 as oil production begins.

Other assumptions are:

1. Federal appropriations over the five year period will remain constant*, at the level of the FY '80 budget request:

Formula Grants	\$27,750,000 (same as FY '79--red on Figure 1)
Planning Grants	3,500,000 (green on Figure 1)
Environmental/Recreational	-0- (yellow on Figure 1)

*Although the Office of Coastal Zone Management-CEIP, is considering requesting a doubling of formula grants in FY '81, an official there feels that such a request is not likely. This official has written an article for Practicing Planner (December 1978), in which he points out that "the anticipated energy boom town will be the exception," and that "few areas will be impacted by tremendous...growth and...increased demand for public facilities..."

The Honorable Bill Parker
March 27, 1979
Page 2

2. Congress will not pass an amendment to the Outer Continental Shelf Lands Act Amendments of 1978 to provide Alaska with a minimum of two percent of the total national CEIP formula grant appropriations each year. (The Department is working with the Congressional Delegation in an effort to insure that Alaska would receive at least the 2% minimum in years following years in which there is no OCS acreage leased.)

3. During the entitlement years, Alaska OCS acreage leased will account for between 20 and 40 percent of the total acreage leased nationally in any one year (Lower Cook Inlet sale in October 1977 covered 42% of acreage leased nationally in FY '78).

4. Lease sales shown on the Department of Interior March 1979 Planning Schedule will be held; thus, there will be a sale off Alaska in FY '80 (Beaufort Sea, Dec., '79), three sales in FY '81, none in FY '82, two in FY '83 and one in FY '84.

Under the above assumptions, formula grant funds, useable for planning or for construction, would be available as follows:

FY '79	\$4,234,000
FY '80	0
FY '81	\$2.8 million (20% x 50% x \$27.8 million) (FY '81 allocation dependent on questionable lease sale in FY '80.)
FY '82	2.8 million
FY '83	0
FY '84	<u>5.5 million</u> (40% x 50% x 27.8 million)

FY '80-FY '84 = \$11 million [Probable Range: \$10 million to \$25 million]

Although formula grants (red on Figure 1) may be used for construction, the amounts are so small that we have agreed with municipal officials that Alaska allocations should be limited to planning and design. A single grant for construction in even one of the smaller municipalities could require all or most of our available allocation of formula grant funds.

In addition to formula grants, it probably is reasonable to assume award of between \$300,000 and \$350,000 for each of the five years for planning grants (80% federal--green on Figure 1).

Please let me know if I can provide additional information.

Sincerely,

lee

Lee McAnerney
Commissioner

Attachments