

**CS FOR HOUSE BILL NO. 50(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 3/15/13

Referred: Rules

Sponsor(s): REPRESENTATIVES COSTELLO, Gara, Peggy Wilson, Millett, Holmes, Kreiss-Tomkins

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act authorizing the Alaska Housing Finance Corporation to allow certain**  
2 **commercial uses in a multi-unit residential housing development owned or financed by**  
3 **the corporation and limiting the Alcoholic Beverage Control Board's issuance of certain**  
4 **licenses to premises in the residential housing development."**

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

6 \* **Section 1.** AS 04.11 is amended by adding a new section to read:

7 **Sec. 04.11.365. Denial of certain licenses in multi-unit residential housing**  
8 **developments owned or financed by the Alaska Housing Finance Corporation.**

9 For premises located in a multi-unit residential housing development owned or  
10 financed by the Alaska Housing Finance Corporation, the board may issue a new  
11 license under AS 04.11.320, renew a license under AS 04.11.330, or approve a request  
12 for relocation under AS 04.11.340 if the Alaska Housing Finance Corporation  
13 authorizes the use under AS 18.56.340 and

14 (1) the license is for a restaurant or eating place under AS 04.11.100;

1 or

2 (2) the premises are designated by the board as a restaurant under  
3 AS 04.16.049.

4 \* **Sec. 2.** AS 18.56.090(a) is amended to read:

5 (a) In addition to other powers granted in this chapter, the corporation may,  
6 for the purpose of providing housing for persons of lower and moderate income or  
7 persons located in remote, underdeveloped, or blighted areas of the state and for its  
8 other corporate purposes,

9 (1) make or participate in the making of mortgage loans to sponsors,  
10 developers, builders, and purchasers of residential housing, if the corporation  
11 determines that

12 (A) mortgage loans are not otherwise available, wholly or in  
13 part, from private lenders upon reasonably equivalent terms and conditions;  
14 and

15 (B) the residential housing for which the mortgage loans are  
16 made complies with applicable provisions of AS 18.56.096(c) and the  
17 applicable thermal and lighting energy standards of AS 46.11.040;

18 (2) purchase or participate in the purchase of mortgage loans made to  
19 sponsors, developers, builders, owners, and purchasers of residential housing, if the  
20 corporation

21 (A) has given approval before the initial making of the loan and  
22 has determined that mortgage loans were, at the time the approval was given,  
23 not otherwise available, wholly or in part, from private lenders upon  
24 reasonably equivalent terms and conditions; or

25 (B) has determined that

26 (i) the purchase or participation will result in additional  
27 residential housing, taking into account without limitation such factors  
28 as reinvestment of the proceeds of the sale in additional mortgage  
29 loans, increased availability of mortgage loans insured by the federal  
30 government, its agencies or departments, the reduction, if any, of  
31 interest payments to be made with respect to mortgage loans, or such

1 other factors as will tend to increase or improve the supply of  
2 residential housing within the state; and

3 (ii) the residential housing covered by the mortgage  
4 loan complies with applicable provisions of AS 18.56.096(c) and the  
5 applicable thermal and lighting energy standards of AS 46.11.040;

6 (3) make partial rental payments and mortgage interest payments under  
7 a contract with any housing owner if the payments will be applied to decrease rental or  
8 mortgage interest charges of persons of lower and moderate income or owners or  
9 purchasers of residential housing in remote, underdeveloped, or blighted areas of the  
10 state;

11 (4) make loans from the housing development fund;

12 (5) collect and pay reasonable fees and charges in connection with  
13 making, purchasing, and servicing its mortgages, loans, notes, bonds, certificates,  
14 commitments, and other evidences of indebtedness;

15 (6) acquire real property, or any interest in real property, in its own  
16 name, by purchase, transfer, or foreclosure, when the acquisition is necessary or  
17 appropriate to protect any loan in which the corporation has an interest; sell, transfer,  
18 and convey the property to a buyer; and, if the sale, transfer, or conveyance cannot be  
19 effected with reasonable promptness or at a reasonable price, rent or lease the property  
20 to a tenant pending the sale, transfer, or conveyance;

21 (7) sell, at public or private sale, to any purchaser, including the  
22 Federal National Mortgage Association, all or any part of a mortgage or other  
23 instrument or document securing a construction, land development, mortgage, or  
24 temporary loan of any type permitted by this chapter;

25 (8) purchase, in order to meet the requirements of the sale of its  
26 mortgages to the Federal National Mortgage Association, stock of the Federal  
27 National Mortgage Association;

28 (9) procure insurance against any loss in connection with its operation;

29 (10) consent to the modification of the rate of interest, time of payment  
30 of any installment of principal or interest, or any other terms, of the mortgage loan,  
31 mortgage loan commitment, construction loan, temporary loan, contract, or agreement

1 of any kind to which the corporation is a party;

2 (11) borrow money as provided in this chapter to carry out and  
3 effectuate its corporate purposes, and issue its obligations as evidence of borrowing;

4 (12) include in any borrowing the amounts necessary to pay financing  
5 charges, interest on the obligations for a period not exceeding one year after the date  
6 on which the corporation estimates funds will otherwise be available to pay the  
7 interest, consultant, advisory, and legal fees, and other expenses that are necessary or  
8 incident to this borrowing;

9 (13) under AS 18.56.088, adopt and publish regulations respecting its  
10 lending programs and other regulations that are necessary to effectuate its purposes;

11 (14) provide technical and advisory services to sponsors, builders, and  
12 developers of residential housing and to residents of it;

13 (15) promote research and development in scientific methods of  
14 constructing low-cost and energy-efficient residential housing of high durability;

15 (16) make and execute agreements, contracts, and other instruments  
16 necessary or convenient in the exercise of the powers and functions of the corporation  
17 under this chapter, including contracts with any person, firm, corporation,  
18 governmental agency, or other entity;

19 (17) receive, administer, and comply with the conditions and  
20 requirements respecting any appropriation or gift, grant, or donation of property or  
21 money;

22 (18) sue and be sued in its own name;

23 (19) adopt an official seal;

24 (20) adopt bylaws for the regulation of its affairs and the conduct of its  
25 business and adopt regulations and policies in connection with the performance of its  
26 functions and duties;

27 (21) employ fiscal consultants, engineers, attorneys, real estate  
28 counselors, appraisers, and other consultants and employees that may be required in  
29 the judgment of the corporation, and fix and pay their compensation from funds  
30 available to the corporation;

31 (22) do all acts and things necessary, convenient, or desirable to carry

1 out the powers expressly granted or necessarily implied in this chapter;

2 (23) invest or reinvest, subject to its contracts with noteholders and  
3 bondholders, any money or funds held by the corporation in any obligations or other  
4 securities or investments in which banks or trust companies in the state may legally  
5 invest funds held in reserves or sinking funds or any funds not required for immediate  
6 disbursement, and in certificates of deposit or time deposits secured by obligations of,  
7 or guaranteed by, the state or the United States;

8 (24) purchase a mortgage loan made to refinance an existing mortgage  
9 loan, without regard to whether the corporation holds the existing mortgage loan, as  
10 long as the interest rate and fees charged to the borrower are sufficient to fully  
11 reimburse the corporation for all costs incurred by the corporation in purchasing the  
12 mortgage loan and as long as the borrower will be in compliance with  
13 AS 18.56.096(a)(6) after purchase of the mortgage loan by the corporation;

14 (25) participate in the making of mortgage loans to borrowers for  
15 congregate housing under AS 18.56.100(b)(1) as the purchaser of those loans; loans  
16 made for congregate housing under this paragraph must reflect application of prudent  
17 underwriting standards and lending practices that include, but are not limited to,  
18 appropriate loan-to-value ratios and the ability of a borrower to repay the loan;

19 (26) participate in the development of buildings or units that, by their  
20 use, address homelessness but that, by their operation, appear nonresidential in nature;

21 (27) provide financial assistance to prevent homelessness, including  
22 prevention of foreclosures and evictions;

23 (28) provide financial assistance to support housing retention services  
24 or facilitate transition from dependency on low-cost housing;

25 (29) participate with appropriate sponsoring agencies or groups in  
26 demonstration housing projects that address homelessness;

27 **(30) authorize under AS 18.56.340 certain commercial uses in a**  
28 **multi-unit residential housing development owned or financed by the**  
29 **corporation.**

30 \* **Sec. 3.** AS 18.56 is amended by adding a new section to read:

31 **Sec. 18.56.340. Commercial use in a multi-unit residential housing**

1        **development owned or financed by the corporation; limitations.** (a) The  
 2        corporation may authorize commercial use in a multi-unit residential housing  
 3        development it owns or finances if

4                    (1) the use is not prohibited under (b) of this section; and

5                    (2) the total of all commercial uses does not occupy more than a  
 6        percentage of the space in the multi-unit residential housing development that the  
 7        corporation has determined is consistent with the corporation's goal of increasing  
 8        available affordable housing.

9                    (b) The corporation may not authorize the commercial use of space in a multi-  
 10        unit residential housing development owned or financed by the corporation for

11                    (1) a business that offers adult entertainment;

12                    (2) the sale of alcoholic beverages, unless the sale is in a restaurant or  
 13        eating place licensed under AS 04.11.100 or is in premises designated by the  
 14        Alcoholic Beverage Control Board as a restaurant under AS 04.16.049;

15                    (3) substance abuse treatment; or

16                    (4) a business that primarily sells, transfers, or stores cigarettes or  
 17        tobacco-related products.

18                    (c) This section does not require the corporation to authorize commercial use  
 19        in a multi-unit residential housing development owned or financed by the corporation.

20                    (d) In this section,

21                    (1) "business that offers adult entertainment" has the meaning given in  
 22        AS 23.10.350(f);

23                    (2) "cigarette" has the meaning given in AS 18.74.290;

24                    (3) "commercial use" includes a business or nonprofit activity  
 25        conducted by a sole proprietorship, cooperative, corporation, firm, partnership, or  
 26        other association of persons organized in any manner.