

CS FOR HOUSE BILL NO. 192(CRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 3/17/95
Referred: Finance

Sponsor(s): REPRESENTATIVES FOSTER, Ivan, MacLean, Long

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to housing programs of the Alaska Housing Finance Corporation,
2 to the corporation's supplemental housing development grants to regional housing
3 authorities, and to housing programs of regional housing authorities, and
4 permitting regional housing authorities to make, originate, and service loans for
5 the purchase and development of residential housing."

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

7 * **Section 1.** AS 18.55.997(a) is amended to read:

8 (a) In addition to the powers authorized to a regional housing authority under
9 AS 18.55.996, a regional housing authority may, in accordance with procedures and
10 policies adopted and approved by the Alaska Housing Finance Corporation, make,
11 **originate, and service** loans for the purchase or development of residential housing
12 [IN RURAL AREAS OF THE STATE, OTHER THAN IN AN AREA WHERE THE
13 CORPORATION HAS A LOAN OFFICE]. A loan shall be secured by collateral in

1 an amount acceptable to the corporation. The rate of interest on a loan authorized by
2 this **subsection**

3 **(1) in a rural area of the state** [SECTION] may not exceed the
4 interest rate on a loan originated or purchased under AS 18.56.400 - 18.56.600; **and**

5 **(2) outside a rural area of the state may not exceed the rate**
6 **established by the corporation under the provisions of AS 18.56 that are**
7 **appropriate for the mortgage loan.**

8 * **Sec. 2.** AS 18.55.998(a) is amended to read:

9 (a) There is created in the Alaska Housing Finance Corporation a supplemental
10 housing development grant fund. Using corporate earnings or other available funds, the
11 corporation shall make grants to regional housing authorities established under
12 AS 18.55.996 for

13 **(1)** the cost of [ON-SITE] sewer and water facilities, **whether on-site**
14 **or off-site;**

15 **(2)** road construction to project sites;

16 **(3)** [,] energy efficient design features in homes; [,] and

17 **(4)** extension of electrical distribution facilities to individual residences.

18 * **Sec. 3.** AS 18.55.998(b) is amended to read:

19 (b) A grant **made under this section**

20 **(1)** may be made only for residential housing for which federal loan or
21 grant approval has been obtained from the United States Department of Housing and
22 Urban Development and **that** [WHICH] will be made available to the public on a
23 nondiscriminatory basis;

24 **(2)** [. A GRANT] may not be used to retire or repay obligations or
25 debts of the grant recipient;

26 **(3)** [. A GRANT] may only be for the difference between the maximum
27 amount available under federal law or regulation for construction of the residential
28 housing for which the grant is made and the actual costs of the construction; **and**

29 **(4)** [. A GRANT] may not exceed **30** [20] percent of the United States
30 Department of Housing and Urban Development total development cost per unit in
31 effect at the time the grant is made.

1 * **Sec. 4.** AS 18.55.998(c) is amended to read:

2 (c) **A grant made by the corporation to a regional housing authority under**
3 **this section**

4 (1) [GRANT MONEY] may be used **by the regional housing**
5 **authority** only for the **purpose and the permissible use for which the grant was**
6 **made;**

7 (2) **may not** [PURPOSES SPECIFIED IN (a) OF THIS SECTION.
8 NO PART OF THE GRANT MONEY MAY] be used for administrative or other costs
9 of a regional housing authority, whether the costs are directly associated with the
10 construction or general costs of the authority.

11 * **Sec. 5.** AS 18.55.998(d) is amended to read:

12 (d) The Alaska Housing Finance Corporation shall

13 (1) adopt regulations to carry out the purposes of this section; **the** [.
14 THE] provisions of AS 18.56.088(a) and (b) apply to regulations adopted under this
15 section; **and**

16 (2) **establish a priority system for the allocation of money for grants**
17 **to pay for off-site sewer and water facility improvements authorized by**
18 **AS 18.55.998(a)(1).**

19 * **Sec. 6.** AS 18.56.440 is amended to read:

20 Sec. 18.56.440. LIMITATIONS ON USE OF HOUSING ASSISTANCE
21 LOAN FUND. The corporation may not use the money in the housing assistance loan
22 fund to

23 (1) originate a direct loan or purchase or participate in the purchase of
24 a small community housing mortgage loan that exceeds the limitations on mortgage
25 loans purchased by the Federal National Mortgage Association as to principal amount
26 or loan-to-value ratio;

27 (2) originate a direct loan or purchase or participate in the purchase of
28 a loan made for building materials for small community housing

29 (A) that exceeds \$45,000 or exceeds

30 (i) 80 percent of the appraised value of the work
31 completed on the small community housing for which the loan is made

1 if the small community housing is pledged as collateral for the loan; or
2 (ii) 90 percent of the value of other property that is
3 pledged as security for the loan and that is satisfactory to the
4 corporation as collateral;

5 (B) unless the terms of the loan agreement require inspections
6 and certifications, as required by regulations of the corporation, at the expense
7 of the borrower; and

8 (C) unless the period of time allowed for repayment of the loan
9 is equal to or less than 15 years;

10 (3) originate direct loans or purchase or participate in the purchase of
11 a small community housing mortgage loan that is secured by real property the
12 marketable title to which is shown under AS 18.56.480(b)(2) if the total amount of
13 outstanding small community housing mortgage loans held by the corporation exceeds
14 10 times the amount of money in the restricted title loss reserve account established
15 by AS 18.56.490;

16 (4) originate a direct loan for small community housing or purchase or
17 participate in the purchase of a small community housing mortgage loan, other than
18 a loan for the repair, remodeling, rehabilitation, or expansion of an existing
19 owner-occupied residence, if the borrower has an outstanding housing loan made under
20 a state loan program, other than a loan for [NONOWNER-OCCUPIED] housing under
21 AS 18.56.580 or for nonowner occupied housing under former AS 44.47.520, that
22 bears interest at a rate that was less than the prevailing market interest rate for similar
23 housing loans at the time the loan was made;

24 (5) originate a direct mortgage loan or purchase or participate in the
25 purchase of a mortgage loan for rental housing unless the borrower agrees not to
26 discriminate against tenants or prospective tenants because of sex, marital status,
27 changes in marital status, pregnancy, parenthood, race, religion, color, national origin,
28 or status as a student;

29 (6) originate, purchase, or participate in a loan to a person who has a
30 past due child support obligation established by court order or by the child support
31 enforcement division under AS 25.27.160 - 25.27.220 at the time of application.

1 * **Sec. 7.** AS 18.56.580(a) is amended to read:

2 (a) In addition to the powers authorized by AS 18.56.400, the corporation may
3 adopt regulations under AS 18.56.088 allowing the use of money in the housing
4 assistance loan fund to make loans for the purchase or development of **rental**
5 [NONOWNER OCCUPIED] housing in small communities.

6 * **Sec. 8.** AS 18.56.580(c) is amended to read:

7 (c) The principal amount of loans made for **rental** [NONOWNER
8 OCCUPIED] housing under this section may not exceed 20 percent of the total
9 principal amount of loans made for small community housing under AS 18.56.400 -
10 18.56.600.

11 * **Sec. 9.** AS 18.56.580(d) is amended to read:

12 (d) In this section,

13 (1) "development" means the construction of a new residence or the
14 repair, remodeling, rehabilitation, or expansion of an existing residence;

15 (2) **"rental** [NONOWNER OCCUPIED] housing" means a
16 single-family residence **that is not occupied by the owner** or a multi-family residence
17 having up to **16** [EIGHT] dwelling units, **one of which may be** [AND THAT IS NOT]
18 occupied by the owner; the corporation may modify this definition if it determines that
19 there is a special need for **rental** [NONOWNER OCCUPIED] housing **in small**
20 **communities** and that a change in the definition is necessary to enable the corporation
21 to meet that need.

22 * **Sec. 10.** AS 18.56.600 is amended to read:

23 Sec. 18.56.600. DEFINITIONS. In AS 18.56.400 - 18.56.600,

24 (1) "housing"

25 (A) means owner-occupied **housing having four or fewer**
26 **dwelling units** [, SINGLE-FAMILY HOUSING AND OWNER-OCCUPIED
27 DUPLEXES] in which not more than 25 percent of the gross floor area is or
28 will be devoted to commercial use;

29 (B) **does not include a multi-family residence that constitutes**
30 **housing for which a loan is made under the rental housing loan program**
31 **of AS 18.56.580 when one of the dwelling units in the multi-family**

1 **residence is occupied by the residence owner;**

2 (2) "small community" means a community with a population of 5,500
3 or less that is not connected by road or rail to Anchorage or Fairbanks, or with a
4 population of 1,400 or less that is connected by road or rail to Anchorage or
5 Fairbanks; in this paragraph, "connected by road" does not include a connection by the
6 Alaska marine highway system.