

CS FOR SENATE BILL NO. 231(HES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY THE SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered: 2/6/08

Referred: Finance

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the Alaska housing trust fund and to the Alaska Council on the**
2 **Homeless; and providing for an effective date."**

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

4 *** Section 1.** AS 18.56 is amended by adding new sections to read:

5 **Article 6A. Alaska Housing Trust Fund; Alaska Council on the Homeless.**

6 **Sec. 18.56.875. Alaska housing trust fund.** (a) There is created in the
7 corporation an Alaska housing trust fund. Subject to the receipt of appropriations,
8 gifts, bequests, grants, and contributions of money or other assets from an individual,
9 foundation, governmental entity, or other person, the corporation shall make money
10 available to reduce the incidence of homelessness in the state. The corporation shall
11 use the assets of the fund to assist in the creation and retention of an adequate supply
12 of affordable housing in the state for individuals at or below 80 percent of the median
13 income of the economic or geographic area in which they reside. The corporation shall
14 provide a preference for individuals and families at or below 30 percent of the median

1 income for the economic or geographic area in which they reside. The corporation
 2 shall use median income adjusted for household size as reported annually by the
 3 United States Department of Housing and Urban Development.

4 (b) In addition to other powers granted in AS 18.56.090 and 18.56.875 -
 5 18.56.890, the corporation may

6 (1) participate in the development of buildings or units that, by their
 7 use, address the purpose of the fund but that, by their operation, appear nonresidential
 8 in nature;

9 (2) provide financial assistance to prevent homelessness, including
 10 prevention of foreclosures and evictions;

11 (3) provide financial assistance to support housing retention services or
 12 facilitate transition from dependency on low-cost housing; and

13 (4) participate with appropriate sponsoring agencies or groups in
 14 demonstration housing projects that address the purpose of the fund.

15 (c) Costs of administration of the fund may be paid from the fund.

16 (d) Development projects financed, in whole or in part, by the fund must have
 17 affordability periods during which the rent and sale price of the buildings or units
 18 within buildings and the income of the occupants are restricted in a manner that
 19 maintains the affordability of the development project over time.

20 (e) To receive financial assistance from the corporation for the purpose set out
 21 in (b) of this section, a building or unit must be operated by a public or private
 22 nonprofit corporation designated as tax exempt under 26 U.S.C. 501(c)(3) or (4)
 23 (Internal Revenue Code) or by a municipal or governmental organization that is tax
 24 exempt under other provisions of 26 U.S.C. (Internal Revenue Code).

25 (f) The corporation may adopt regulations in accordance with AS 18.56.088 to
 26 implement AS 18.56.875 - 18.56.890.

27 **Sec. 18.56.880. Advisory council created.** (a) The Alaska Council on the
 28 Homeless is created in the corporation for the purpose of advising the corporation
 29 concerning the administration of the fund. The council is composed of 13 members as
 30 follows:

31 (1) the executive director of the corporation;

1 (2) the chief executive officer of the Alaska Mental Health Trust
2 Authority established by AS 47.30.011;

3 (3) the commissioner of corrections;

4 (4) the commissioner of health and social services;

5 (5) the commissioner of public safety;

6 (6) the commissioner of education and early development;

7 (7) the commissioner of military and veterans' affairs;

8 (8) six public members appointed by the governor, as follows:

9 (A) a representative of regional Native housing authorities
10 created under AS 18.55.996;

11 (B) a representative of municipal government;

12 (C) an individual who qualifies for affordable housing and
13 occupies or has occupied affordable housing;

14 (D) three members who collectively have experience or
15 expertise working with housing development, financing, and consumers of
16 affordable housing.

17 (b) If a member described in (a)(1) - (7) of this section is unable to attend a
18 meeting of the council, the member may, by an instrument filed with the council,
19 designate a deputy or assistant to act in the member's place at the meeting. For all
20 purposes of AS 18.56.875 - 18.56.890, the designee is a member of the council at the
21 meeting.

22 (c) The members of the council described in (a)(8) of this section serve three-
23 year terms.

24 (d) If a vacancy of a member of the council described in (a)(8) of this section
25 occurs, the governor shall make an appointment for the unexpired part of the term.
26 The appointment under this subsection takes effect immediately.

27 (e) The members described in (a)(8) of this section do not receive
28 compensation but are entitled to per diem and travel expenses authorized for boards
29 and commissions under AS 39.20.180.

30 (f) The governor shall appoint the members under (a)(8) of this section to give
31 the council a reasonable geographic balance among regions of the state.

1 (g) The council shall elect a chair from the membership of the council. A
2 majority of the council constitutes a quorum to transact business.

3 (h) The council shall make recommendations to the corporation regarding
4 (1) the budget for expenditures from the fund;
5 (2) housing needs and priorities, and an action plan for expenditures
6 from the fund to address those needs and priorities;
7 (3) policies and procedures for expenditures from the fund;
8 (4) methods to evaluate and monitor activities financed by the fund;
9 (5) methods for reporting to the public and elected or other officials
10 regarding the activities financed by the fund;
11 (6) methods to coordinate the expenditure of money from the fund
12 with other available sources of financing for housing; and
13 (7) the availability of additional sources of money to support housing
14 activities financed by the fund.

15 **Sec. 18.56.885. Reporting requirements.** (a) The corporation shall prepare
16 and file an annual report with the governor and the legislature. The report must include

17 (1) the activities of the fund;
18 (2) the effect of the fund on homelessness in the state; and
19 (3) recommendations on how state resources, in addition to the fund,
20 may be used to reduce homelessness and to improve employment and vocational
21 training opportunities for the homeless.

22 (b) The report shall be filed not later than the 10th day after the convening of
23 each regular session of the legislature.

24 **Sec. 18.56.890. Definitions.** In AS 18.56.875 - 18.56.890, unless the context
25 requires otherwise,

26 (1) "affordability period" means the period during which housing must
27 be sold or rented at not more than affordable prices or costs;
28 (2) "affordable" means the housing costs of an owner or renter do not
29 exceed 30 percent of the owner's or renter's household income;
30 (3) "council" means the Alaska Council on the Homeless created in
31 AS 18.56.880;

1 (4) "fund" means the Alaska housing trust fund established in
2 AS 18.56.875.
3 * **Sec. 2.** This Act takes effect July 1, 2008.