

**HOUSE CS FOR CS FOR SENATE BILL NO. 231(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 4/11/08

Referred: Today's Calendar

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

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to powers of the Alaska Housing Finance Corporation involving**  
2 **homelessness, housing retention, and transition from dependency on low-cost housing;**  
3 **and providing for an effective date."**

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

5 \* **Section 1.** AS 18.56.090(a) is amended to read:

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

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

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

1 and

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

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

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

12 (B) has determined that

13 (i) the purchase or participation will result in additional  
14 residential housing, taking into account without limitation such factors  
15 as reinvestment of the proceeds of the sale in additional mortgage  
16 loans, increased availability of mortgage loans insured by the federal  
17 government, its agencies or departments, the reduction, if any, of  
18 interest payments to be made with respect to mortgage loans, or such  
19 other factors as will tend to increase or improve the supply of  
20 residential housing within the state; and

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

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

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

30 (5) collect and pay reasonable fees and charges in connection with  
31 making, purchasing, and servicing its mortgages, loans, notes, bonds, certificates,

1 commitments, and other evidences of indebtedness;

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

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

12 (8) purchase, in order to meet the requirements of the sale of its  
13 mortgages to the Federal National Mortgage Association, stock of the Federal  
14 National Mortgage Association;

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

16 (10) consent to the modification of the rate of interest, time of payment  
17 of any installment of principal or interest, or any other terms, of the mortgage loan,  
18 mortgage loan commitment, construction loan, temporary loan, contract, or agreement  
19 of any kind to which the corporation is a party;

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

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

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

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

31 (15) promote research and development in scientific methods of

1 constructing low-cost and energy-efficient residential housing of high durability;

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

6 (17) receive, administer, and comply with the conditions and  
7 requirements respecting any appropriation or gift, grant, or donation of property or  
8 money;

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

10 (19) adopt an official seal;

11 (20) adopt bylaws for the regulation of its affairs and the conduct of its  
12 business and adopt regulations and policies in connection with the performance of its  
13 functions and duties;

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

18 (22) do all acts and things necessary, convenient, or desirable to carry  
19 out the powers expressly granted or necessarily implied in this chapter;

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

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

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

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

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

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

13 **(29) participate with appropriate sponsoring agencies or groups in**  
 14 **demonstration housing projects that address homelessness.**

15 \* **Sec. 2.** AS 18.56.090 is amended by adding a new subsection to read:

16 (e) In (a) of this section "homelessness" means the state of an individual who  
 17 lacks a fixed, regular, and adequate nighttime residence, and includes an individual  
 18 who

19 (1) is sharing the housing of other individuals because of loss of  
 20 housing, economic hardship, domestic violence, or a similar reason;

21 (2) is living in a motel, hotel, trailer park, or camping ground because  
 22 of the lack of alternative adequate accommodations;

23 (3) is living in an emergency or transitional shelter;

24 (4) is abandoned in a hospital;

25 (5) is waiting for a foster care placement;

26 (6) has a primary nighttime residence that is a public or private place  
 27 not designed for or ordinarily used as a regular sleeping accommodation for human  
 28 beings;

29 (7) is living in a car, a park, a public space, an abandoned building,  
 30 substandard housing, a bus or train station, or a similar setting;

31 (8) is fleeing a domestic violence situation, does not have an

1 alternative residence, and lacks the resources and support needed to obtain housing;

2 (9) is being evicted within a week, does not have an alternative  
3 residence, and lacks the resources and support needed to obtain housing;

4 (10) is being discharged within a week from an institution, including a  
5 mental health treatment facility, substance abuse treatment facility, or prison, in which  
6 the individual has been a resident for more than 30 consecutive days, does not have an  
7 alternative residence, and lacks the resources and support needed to obtain housing.

8 \* **Sec. 3.** This Act takes effect July 1, 2008.