

**ALASKA STATE LEGISLATURE**  
**HOUSE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE**

May 8, 2025

8:05 a.m.

**MEMBERS PRESENT**

Representative Rebecca Himschoot, Co-Chair  
Representative Donna Mears, Co-Chair  
Representative Carolyn Hall  
Representative Ky Holland  
Representative Mike Prax  
Representative Justin Ruffridge

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

HOUSE BILL NO. 126

"An Act relating to the reinstatement of Native corporations;  
and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 184

"An Act relating to the Alaska Industrial Development and Export  
Authority; and relating to workforce housing development  
projects."

- HEARD & HELD

HOUSE BILL NO. 207

"An Act relating to a matching grant program for fire station  
construction and renovation; and providing for an effective  
date."

- BILL HEARING CANCELED

**PREVIOUS COMMITTEE ACTION**

BILL: HB 126

SHORT TITLE: REINSTATEMENT OF NATIVE CORPS

SPONSOR(S): REPRESENTATIVE(S) FOSTER

03/05/25            (H)            READ THE FIRST TIME - REFERRALS

03/05/25 (H) TRB, CRA  
05/01/25 (H) TRB AT 8:00 AM DAVIS 106  
05/01/25 (H) Moved CSHB 126(TRB) Out of Committee  
05/01/25 (H) MINUTE(TRB)  
05/02/25 (H) TRB RPT CS(TRB) NEW TITLE 6DP 1NR  
05/02/25 (H) DP: MOORE, UNDERWOOD, SCHWANKE, BURKE,  
STORY, DIBERT  
05/02/25 (H) NR: CARRICK  
05/08/25 (H) CRA AT 8:00 AM BARNES 124

BILL: HB 184

SHORT TITLE: AIDEA FINANCE WORKFORCE HOUSING DEVELOP.

SPONSOR(s): REPRESENTATIVE(s) STORY

04/11/25 (H) READ THE FIRST TIME - REFERRALS  
04/11/25 (H) CRA, L&C  
04/24/25 (H) CRA AT 8:00 AM BARNES 124  
04/24/25 (H) Heard & Held  
04/24/25 (H) MINUTE(CRA)  
04/29/25 (H) CRA AT 8:00 AM BARNES 124  
04/29/25 (H) Heard & Held  
04/29/25 (H) MINUTE(CRA)  
05/01/25 (H) CRA AT 8:00 AM BARNES 124  
05/01/25 (H) -- MEETING CANCELED --  
05/08/25 (H) CRA AT 8:00 AM BARNES 124

**WITNESS REGISTER**

PAUL LABOLLE, Staff  
Representative Neal Foster  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented CSHB 126(TRB) on behalf of Representative Foster, prime sponsor.

SYLVAN ROBB, Operations Manager  
Division of Business, Corporations & Professional Licensing  
Department of Commerce, Community & Economic Development  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions during the hearing on CSHB 126(TRB).

RICHARD BENDER, President & CEO  
Alaska Native Claims Settlement Act Village Corporation  
Kotlik, Alaska

**POSITION STATEMENT:** Gave invited testimony during the hearing on CSHB 126(TRB).

REPRESENTATIVE ANDI STORY  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** As prime sponsor, gave a recap of HB 184 and answered committee questions.

SHAUN DEBENHAUM, Owner  
Debenham LLC  
Anchorage, Alaska

**POSITION STATEMENT:** Gave invited testimony during the hearing on HB 184.

BRANDON BREFCZYNSKI, Deputy Director  
Alaska Industrial Development & Export Authority  
Redmond, Washington

**POSITION STATEMENT:** Answered questions during the hearing on HB 184.

MARK DAVIS, Special Counsel  
Alaska Industrial Development & Export Authority  
Anchorage, Alaska

**POSITION STATEMENT:** Answered questions during the hearing on HB 184.

#### **ACTION NARRATIVE**

[8:05:47 AM](#)

CHAIR REBECCA HIMSCHOOT called the House Community and Regional Affairs Standing Committee meeting to order at 8:05 a.m. Representatives Prax, Hall, Holland, Himschoot, and Mears were present at the call to order. Representative Ruffridge arrived as the meeting was in progress.

#### **HB 126-REINSTATEMENT OF NATIVE CORPS**

[8:06:47 AM](#)

CO-CHAIR HIMSCHOOT announced that the first order of business would be HOUSE BILL NO. 126, "An Act relating to the reinstatement of Native corporations; and providing for an effective date." [Before the committee was CSHB 126(TRB).]

[8:07:03 AM](#)

PAUL LABOLLE, Staff, Representative Neal Foster, Alaska State Legislature, presented CSHB 126(TRB) on behalf of Representative Foster, prime sponsor. He paraphrased the sponsor statement [included in the committee packet], which read as follows [original punctuation provided]:

This legislation allows an involuntarily dissolved Native Corporation to reinstate as the same corporation; thereby retaining its assets.

This bill comes up periodically when a local Native corporation fails to submit its paperwork with the Division of Commerce. When any corporation does not fulfill its reporting requirements, the corporation is involuntarily dissolved. In normal instances, the remedy is a new corporation with the same name is formed. However, the new corporation is not the same as the old corporation and does not retain its assets. In normal instances, these assets are easily dispersed to the original shareholders.

For Native corporations, this not the case. The assets are comprised of lands granted under the Alaska Native Claims Settlement Act (ANCSA). Dividing that land amongst the shareholders would not be consistent with (ANCSA), which makes land ownership collectively owned by all the shareholders.

MR. LABOLLE referred to page 1, line 11, and highlighted the words "any time" as the substantive part of the bill.

[8:10:00 AM](#)

REPRESENTATIVE RUFFRIDGE referred to line 6 of CSHB 126(TRB) and asked what would happen after the two-year time limit [from the date of the certificate of involuntary dissolution].

MR. LABOLLE referred to the deleted language on page 1, lines 9-11, which was a drafting decision by Legislative Legal Services. He explained that notwithstanding the 2-year cutoff, the involuntarily dissolved Native corporation could be reinstated at any time.

[8:11:58 AM](#)

REPRESENTATIVE HALL questioned the circumstances in which a Native village corporation would have its status lapsed.

MR. LABOLLE said it happens for a myriad of different reasons; most commonly, someone moves, or someone passes away.

[8:12:52 AM](#)

REPRESENTATIVE PRAX asked what would happen with the corporation's assets after dissolution.

MR. LABOLLE explained that normally, the assets would be redistributed to the shareholders who can reincorporate as a new corporation if they so choose. However, with Native village corporations, land assets granted under Alaska Native Claims Settlement Act (ANCSA) are owned collectively, not by individual shareholders. Furthermore, the federal government hasn't always conveyed all of the land that the corporations own. So, it gets legally complex.

[8:16:00 AM](#)

REPRESENTATIVE HOLLAND characterized this as a paperwork problem and expressed concern about the workflow process that creates the noncompliance, which needs to be part of the solution. He asked how many entities are being dissolved and reincorporated in a two-year timeframe.

CO-CHAIR HIMSCHOOT asked whether Representative Holland is speaking to ANCSA village corporations or global corporations.

REPRESENTATIVE HOLLAND said he's trying to understand the scope of the problem and how many entities this affects.

[8:20:49 AM](#)

MR. LABOLLE anecdotally reported that there were 19 Native village corporations that had been involuntary dissolved between 2010 and 2018.

CO-CHAIR HIMSCHOOT asked for the total number of village corporations in Alaska.

MR. LABOLLE estimated 250.

REPRESENTATIVE HOLLAND asked of the 19, how many lapsed beyond the two-year period.

MR. LABOLLE did not know the answer.

[8:22:30 AM](#)

SYLVAN ROBB, Operations Manager, Division of Business, Corporations & Professional Licensing, Department of Commerce, Community & Economic Development (DCCED), answered that in FY 24, there were 6,441 corporations of all types that were administratively dissolved and 604 that were reinstated; however, they were still within the two-year window for reinstatement.

REPRESENTATIVE HOLLAND asked whether there is a means for tracking entities dissolved outside the two-year window.

MS. ROBB responded no, there is no specific information on village corporations.

REPRESENTATIVE HOLLAND asked for the number of all entities that lapsed and reincorporated outside the two-year window.

MS. ROBB did not know the answer because it would be hard to differentiate them from a newly formed corporation.

[8:25:40 AM](#)

CO-CHAIR HIMSCHOOT questioned the distinction between the needs of ANCSA corporations and other types of corporations. She shared her understanding that it's based on the type of asset that the corporation distributes upon dissolution.

MS. ROBB answered yes, there is a distinction, which is why the bill was brought forward.

CO-CHAIR HIMSCHOOT asked what happens with the dissolved corporations' assets under current law.

MR. LABOLLE did not know the answer and said he does not want to find out.

[8:27:39 AM](#)

REPRESENTATIVE PRAX asserted that the dissolution of 6,441 corporations in one year seems impossible.

MS. ROBB pointed out that there is in excess of 92,000 registered corporations in Alaska.

CO-CHAIR HIMSCHOOT asked whether the limited liability company (LLC) for her rental property would be considered one of the [92,000] LLCs in Alaska.

MS. ROBB said yes, the figure is inclusive of all corporate types.

[8:29:00 AM](#)

REPRESENTATIVE PRAX asked whether the problem exists for nonprofit organizations (NPOs) as well.

MS. ROBB said that it would be a policy call. She added that NPOs seem to do a reasonable job with paperwork, as fewer than 400 were involuntarily dissolved in FY 24.

[8:31:12 AM](#)

REPRESENTATIVE HOLLAND asked for insight on why this is happening and what the legislature might do to solve the problem.

MS. ROBB said part of the issue with corporate filings is the need to review the filing. She said it's hard to decipher how many were dissolved because they had no desire to see their business continue versus businesses that got behind on their paperwork or were confused about the process.

[8:35:34 AM](#)

RICHARD BENDER, President & CEO, Alaska Native Claims Settlement Act Village Corporation, gave invited testimony during the hearing on HB 126. He shared his experience and said in the beginning, some believed that ANCSA corporations were destined to fail as Native leaders were expected to run these corporations when some lacked the ability to read, for example. He said his peoples are still adapting and developing their institutions, education, and culture. He opined that these ANCSA corporations are important to the economic wellbeing of individuals and the community.

[8:39:18 AM](#)

REPRESENTATIVE HOLLAND asked whether the bill would be retroactive for currently involuntarily dissolved corporations.

MR. LABOLLE answered yes.

[8:39:49 AM](#)

CO-CHAIR HIMSCHOOT opened public testimony on CSHB 126(TRB). After ascertaining that no one wished to testify, she closed public testimony and announced that the bill would be held over.

**HB 184-AIDEA FINANCE WORKFORCE HOUSING DEVELOP.**

[8:40:28 AM](#)

CO-CHAIR HIMSCHOOT announced that the final order of business would be HOUSE BILL NO. 184, "An Act relating to the Alaska Industrial Development and Export Authority; and relating to workforce housing development projects."

[8:40:53 AM](#)

REPRESENTATIVE ANDI STORY, Alaska State Legislature, as prime sponsor, recapped the bill from the following prepared remarks [original punctuation provided]:

Thank you for hearing this bill again. I appreciate the committee's continued engagement on the urgent issue of housing in Alaska. Our state is facing a housing crisis that is affecting residents and employers alike. This housing shortage is contributing to out migration of individuals and families who wish to stay here but can not find housing. Lack of available housing hinders in-migration of skilled workers that have been offered employment, but end up not accepting due to lack of finding available housing. The need for construction of affordable, multi-unit housing is more pressing than ever.

This bill seeks to expand AIDEA's purpose in statute to do just that. It would add to the purpose of the authority to create additional employment by: providing various means of financing and means of facilitating the financing of construction of new workforce housing facilities containing five or more dwelling units.

After our first bill hearing, there were questions about the definition used in this bill for "workforce Housing" and were these rates really affordable? Thanks to Stacy Barnes, Alaska Housing Finance

corporation, for providing a chart on what these rates would approximately be according to the definition used in this bill. And after speaking to a few developers about this definition, who pointed out, the work that they would need to do to verify the tenants income and confirm that their income continues to fall in the workforce definition, which inhibits interest in an AIDEA loan. But most compelling of all for me, was the knowledge shared, that for the most part, all "for rent" multifamily housing is "work force" housing. When potential tenants make larger amounts of money they typically buy a house. There is not a need to put restrictions on "affordable" housing because when a typical market rate apartment building is constructed it is already providing "affordable" housing. Putting an affordable component to this bill adds unnecessary obstacles to housing. In effect it could removes market rate housing developers from the equation. Based on this I am recommending members consider a friendly amendment be made to remove the workforce definition from this bill, deleting section 5.

I have spoken to the Sponsor of the Senate bill and he is in agreement. Definition for "workforce housing " (as residential housing that costs the occupant less than 30 percent of the income of the household with 120 percent of the median family income, as determined by the United States Department of Housing and Urban Development, for the location where the housing is constructed).

As requested by the committee I have invited testimony from a real estate developer, Shaun Debenham, of anchorage. Shaun is the President of Debenham LLC. He has some testimony and is available for questions. In closing, AIDEA has indicated that they are already in conversations with municipalities about the need for workforce housing and that they are well-positioned to finance such projects through their loan participation program. Though they have the capacity, they have not engaged in financing workforce housing for some time. HB 184 would add clarity and direction under statute while helping to jumpstart much-needed development.

I believe House Bill 184 represents a thoughtful and targeted investment of AIDEA's resources, an approach I believe many Alaskans would strongly support.

[8:45:44 AM](#)

SHAUN DEBENHAUM, Owner, Debenham LLC, gave invited testimony during the hearing on HB 184. He stated his support for HB 184 because allowing the Alaska Industrial Development and Export Authority (AIDEA) to financing multi-family housing would be beneficial due to their lower interest rates, full amortization, and longer amortization periods. They also provide a product that are not typically available elsewhere in the market.

[8:47:25 AM](#)

REPRESENTATIVE RUFFRIDGE shared his understanding that AIDEA is capable of providing financing without the bill. He asked whether Mr. Debenhaum had pursued financing previously.

MR. DEBENHAUM said when he sought multi-family financing from AIDEA through a bank, he was told that they do not provide that kind of financing for residential development.

REPRESENTATIVE RUFFRIDGE shared his understanding that AIDEA had stated that they were capable of offering multi-family financing and asked why someone would be denied.

MR. DEBENHAUM deferred to AIDEA.

[8:50:11 AM](#)

BRANDON BREFCZYNSKI, Deputy Director, Alaska Industrial Development & Export Authority (AIDEA), shared his belief that AIDEA has the statutory authority to provide a loan for commercial, multi-unit rental development. He deferred to Mr. Davis for further elaboration.

[8:51:24 AM](#)

MARK DAVIS, Special Counsel, Alaska Industrial Development & Export Authority (AIDEA), said there has been confusion as to AIDEA's capabilities. He clarified that AIDEA does not provide the kind of apartments offered by Alaska Housing Finance Corporation (AHFC); however, it can invest in commercial real estate. In recent years, AIDEA has also ramped up its direct lending ability. He emphasized that AIDEA tries to avoid

competition with the bank, but offers a different rate than federally chartered banks, as well as a longer-term loan.

[8:53:19 AM](#)

CO-CHAIR HIMSCHOOT asked whether the bill would be harmful or helpful to AIDEA's operations.

MR. DAVIS said no, it's not harmful. It's helpful in the sense that it would provide clarification for situations like Mr. Debehnhaum's.

[8:54:07 AM](#)

REPRESENTATIVE PRAX asked whether AIDEA has access to capital that most commercial banks do not.

MR. BREFCZYNSKI said AIDEA has access to its own capital and the ability to bond.

MR. DAVIS added that AIDEA's funds are those that it has made over the years from return on investments.

REPRESENTATIVE PRAX asked whether AIDEA would do its own underwriting and servicing of the loan.

MR. DAVIS answered yes, when a loan is presented to AIDEA from the bank, it goes to the loan participation program and then the investment committee.

REPRESENTATIVE PRAX asked whether AIDEA would have to develop policies on the risk versus reward for this type of investment.

MR. DAVIS answered yes; there two types of collateral for multi-family housing: the building and the rent. If the loan were to default, the first remedy would be to take over the rent, followed by the building itself.

[8:58:39 AM](#)

REPRESENTATIVE PRAX asked whether AIDEA has enough surplus of capital for the bill to work out as intended.

MR. DAVIS said it would depend on the investment. He shared several scenarios involving work with a bank and the loan participation program, where both the bank and AIDEA would take portions of the loan. With a direct loan, AIDEA might still

consider a consortium of lenders. In terms of capital, he said AIDEA would avoid taking on an entire loan due to risk factors.

REPRESENTATIVE PRAX asked whether the bill is directed at rental properties or condominiums for sale.

MR. DAVIS answered no, [AIDEA would not participate in condominiums for sale] because with mortgages, the bank holds the title to the property, so nothing is left for AIDEA's collateral. In a rental situation, he reiterated that both the rent and building can be used as collateral if the borrower defaulted on the loan.

[9:03:11 AM](#)

CO-CHAIR MEARS asked whether AIDEA could give priority to funding projects with a community priority, like housing, that would be a greater benefit to the state.

MR. DAVIS answered yes, and referenced AIDEA's investments in Cook Inlet that arose from community concerns.

[9:05:41 AM](#)

REPRESENTATIVE HOLLAND asked whether funding is the solution to the workforce housing challenge, or whether other barriers contribute to this issue.

MR. DAVIS said financing is one mechanism that could make housing more affordable and financeable; however, the construction costs are greater than the value of a new build, which creates a gap that AIDEA financing can help close.

REPRESENTATIVE HOLLAND asked how multi-family owner-occupied complexes could be made more investable to close the gap between renting and owning single-family housing.

MR. DAVIS said the major problem for condominiums is the high price of construction and the inability to obtain a construction loan, as working capital is needed until all the units are sold. He added that AIDEA does not finance construction loans to avoid interference with the bank and because its forte is long-term loans.

MR. DEBENHAUM commented on the difficulty of obtaining a construction loan because they are not offered by Frannie May or

Freddie Mac. He said construction loans that convert to long-term financing would be a huge benefit to developers.

REPRESENTATIVE HOLLAND sought to clarify whether the bill would allow AIDEA to offer construction loans.

MR. BREFCZYNSKI said AIDEA provides construction loans through an indirect financing program for certain projects, but not for residential housing or owner-occupied housing.

CO-CHAIR HIMSCHOOT sought to verify whether the bill would allow AIDEA to finance construction loans for multi-family workforce housing.

[9:16:15 AM](#)

MR. DAVIS emphasized the issue for lending on residential housing developments is collateral. He reiterated that with residential housing, the mortgage is owned by third-party bank and if something goes wrong with development, all that's left is the vacant land. He said AIDEA is focused on commercial real estate, of which workforce [housing] is a form of. He said the bill provides clarification that AIDEA could do workforce development, which he characterized as "beneficial."

[9:17:49 AM](#)

REPRESENTATIVE PRAX asked whether the bill would transfer the issue from workforce housing onto [another class of housing].

REPRESENTATIVE STORY said she's recommending a friendly amendment that would remove the definition of workforce housing in Section 5 of the bill. She expressed her hope that the bill would jumpstart more development of workforce housing facilities containing five or more dwelling units, which is lacking right now.

REPRESENTATIVE PRAX expressed concern that the bill would take business away from banks and change AIDEA's business model, which was originally focused on the development of large commercial projects intended to increase employment opportunities, thereby disrupting the balance. He asked to hear from the banks.

[9:25:42 AM](#)

REPRESENTATIVE HALL expressed concern that jobs in manufacturing industries would not be filled without housing for those workers.

[9:26:15 AM](#)

REPRESENTATIVE RUFFRIDGE sought clarity on the removal of the definition of "workforce housing" and whether the intention would be to remove "workforce" from the entire bill.

REPRESENTATIVE STORY answered no, the language would still state "new workforce housing facilities containing 5 or more dwellings." She clarified that her intent is to remove the income limits from the definition and the term "workforce housing" would remain.

[9:28:04 AM](#)

REPRESENTATIVE RUFFRIDGE speculated that a building with 5 or more dwelling units is ostensibly workforce housing. He asked whether removing the term "workforce" would be considered a friendly amendment.

REPRESENTATIVE STORY indicated that "workforce" may be needed for AIDEA to finance.

REPRESENTATIVE RUFFRIDGE asked whether the term "workforce" is needed for the bill to apply to AIDEA.

[9:30:46 AM](#)

MR. BREFCZYNSKI offered to follow up with the requested information.

CO-CHAIR HIMSCHOOT announced that HB 184 would be held over.

[9:32:41 AM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House Community and Regional Affairs Standing Committee meeting was adjourned at 9:32 a.m.