

1 IN THE SENATE

BY CHRISTIANSEN

2 SENATE BILL NO. 233

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a state rural housing program;
7 and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 18.55 is amended by adding new sections to read:

10 ARTICLE 5. RURAL HOUSING PROGRAM.

11 Sec. 18.55.992. PURPOSE. It is the purpose of secs. 992 - 997
12 of this chapter to establish a program wherein residents of rural areas
13 can obtain assistance for the construction of housing. The program
14 shall be administered by the Alaska State Housing Authority.

15 Sec. 18.55.993. STANDARDS. The Alaska State Housing Authority
16 shall adhere to the following standards in carrying out the program.

17 (1) Approval of applications shall be conditioned on the
18 economic viability of the local area, and the ability of the individual
19 applicants to make repayment as an indication of a viable economy.

20 (2) In the general administration of the program, the
21 authority shall consult comprehensive development plans and other
22 regional and local economic studies.

23 (3) Housing shall not be constructed where the physical
24 environment is not conducive to continued habitation or is subject to
25 excessive flooding or other natural disasters.

26 (4) Application approval shall be based on individual needs
27 in relation to existing housing, employment income, and family
28 structure.

29 (5) Extent of assistance shall be based on construction

1 cost and ability to repay the loan portion of the assistance.

2 (6) When available, in construction of housing under this
3 program, local materials shall be used and all labor shall be locally
4 hired.

5 (7) The authority shall provide technical advice to re-
6 cipients of assistance under this program.

7 (8) The authority shall encourage and initiate community
8 logging and sawmill operations in order to provide local materials.

9 (9) No application may be accepted from an individual whose
10 annual income is over \$6,000.

11 Sec. 18.55.994. REGULATIONS. The authority shall promulgate
12 regulations to implement secs. 992 - 997 of this chapter, including
13 provisions on loan defaults and loan foreclosures.

14 Sec. 18.55.995. FUNDING. (a) There is created within the Alaska
15 State Housing Authority a rural housing revolving fund to carry out the
16 purposes of secs. 992 - 997 of this chapter. This fund may be used for
17 no other purpose.

18 (b) The authority is authorized to accept grants and loans from
19 federal, state, and private sources.

20 Sec. 18.55.996. RURAL HOUSING ASSISTANCE. (a) The authority may,
21 under regulations and policies adopted by it, provide to a successful
22 applicant a combination grant and loan not exceeding \$7,500 for the
23 purpose of constructing a home. The authority shall grant 75 per cent
24 and loan 25 per cent to a successful applicant for housing assistance
25 under secs. 992 - 997 of this chapter. The loan shall be secured by
26 acceptable collateral when available but if not available the authority
27 may grant loans on the basis of good character. The rate of interest
28 is five per cent a year on the unpaid balance.

29 (b) Money loaned shall be disbursed by direct payment to con-

1 tractors, suppliers and all others performing services in the form of
2 a warrant drawn on the treasury, vouchered in the manner prescribed for
3 state disbursing officers, and charged against the revolving fund. Each
4 voucher shall be approved by the authority or a bonded deputy authorized
5 to act as a certifying officer. Upon repayment of loans by installments,
6 or otherwise, in accordance with the prescribed terms, or upon liquida-
7 tion by foreclosure or other process, or upon receipt of interest or
8 other revenue, the money received shall be turned over to the commis-
9 sioner of revenue for deposit in the rural housing revolving fund.

10 (c) Before payment is made to contractors, suppliers and others
11 performing services to assistance recipients under secs. 992 - 997 of
12 this chapter, they shall supply the authority with an acceptable docu-
13 mentation for the work furnished and materials supplied.

14 (d) Loans provided for in (a) of this section shall be repaid
15 within a 20-year period. However, in the event of a change in economic
16 conditions adversely affecting the ability of a recipient to repay the
17 loan within a 20-year period, the authority may grant a moratorium of
18 up to five years.

19 Sec. 18.55.997. COOPERATION OF LOCAL GOVERNING BODIES. Local
20 governing bodies shall cooperate with the authority in appraising ap-
21 plications for loans, collecting loan payments and do other acts con-
22 sidered necessary by the authority to carry out the purposes of secs.
23 992 - 997 of this chapter.

24 * Sec. 2. This Act takes effect on the day after its passage and
25 approval or on the day it becomes law without approval.
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