

Introduced: 2/10/71
Referred: State Affairs and
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 167

3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act to provide financing and development of housing
7 for persons of lower income and to create an Alaska
8 Housing Finance Agency; and providing for an effective
9 date."

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

11 * Section 1. AS 18 is amended by adding a new chapter to read:

12 CHAPTER 56. ALASKA HOUSING FINANCE AGENCY.

13 Sec. 18.56.010. FINDINGS AND PURPOSE. (a) There exists within
14 the state a serious shortage of decent, safe and sanitary residential
15 housing available at low prices or rentals to persons of lower income.
16 This shortage is inimical to the safety, health, welfare and prosperity
17 of the residents of the state and to the sound growth of urban and rural
18 communities therein.

19 (b) The legislature hereby finds and declares that private enter-
20 prise has not been able to provide, without assistance, an adequate
21 supply of safe and sanitary homes at prices or rents which persons of
22 lower income can afford, or to achieve rehabilitation of much of the
23 present housing for persons of lower income, and that existing federal
24 programs are inadequate to meet housing needs of persons of lower
25 income. It is imperative that the supply of housing for persons of
26 lower income be increased and that coordination and cooperation among
27 private enterprise, state and local government be encouraged to sponsor,
28 build and rehabilitate residential housing for such persons.

29 (c) The legislature finds and declares further that, in

1 accomplishing this purpose, the creation of the Alaska Housing Finance
2 Agency is essential to assist in the acquisition and development of
3 land and the construction, rehabilitation, financing, management, main-
4 tenance, sale and rental of dwelling units for persons of lower income
5 and that such activities serve a public purpose in benefiting the
6 people of the state. The Alaska Housing Finance Agency is empowered to
7 act on behalf of the state and its people in serving this public
8 purpose for the benefit of the general public.

9 Sec. 18.56.020. ALASKA HOUSING FINANCE AGENCY. The Alaska Housing
10 Finance Agency is a public corporation and government instrumentality
11 within the Department of Commerce, but having a legal existence
12 independent of and separate from the state. The agency may not be
13 terminated as long as it has bonds, notes or other obligations out-
14 standing. Upon termination of the agency, its rights and property
15 pass to the state.

16 Sec. 18.56.030. AGENCY GOVERNING BODY. The agency shall be
17 governed by a board of directors, consisting of the four appointive
18 members of the Alaska State Housing Authority and the commissioner of
19 commerce. Members shall serve without compensation except that each
20 member may be reimbursed by the agency for actual and necessary
21 expenses at the same rate as set out in AS 39.20.180.

22 Sec. 18.56.040. MEETINGS OF BOARD. The board shall elect a
23 chairman from among its membership at its first meeting in each year.
24 A majority of the members constitute a quorum for organizing the board,
25 conducting its business and exercising the powers of the agency. The
26 board shall meet at the call of its chairman. The board shall meet
27 not less than once each three months.

28 Sec. 18.56.045. MINUTES OF MEETINGS. The board shall keep
29 minutes of each meeting and send a certified copy to the governor.

1 Sec. 18.56.050. ADMINISTRATION OF AFFAIRS. The board may manage
2 the assets and business of the agency and prescribe, amend and repeal
3 bylaws, rules and regulations governing the manner in which the
4 business of the agency is conducted and the manner in which its powers
5 are exercised. The board may delegate to one or more of its directors,
6 officers, agents or employees those powers and duties it considers
7 proper. The board may delegate supervision of the administration of
8 the agency to an executive officer.

9 Sec. 18.56.055. LEGAL ADVISOR. The attorney general is the legal
10 counsel for the agency. He shall advise the corporation in legal
11 matters and represent it in suits.

12 Sec. 18.56.060. BOARD MAY EMPLOY PERSONNEL. The board may appoint
13 other officers, hire employees and agents, and engage professional and
14 technical advisors as employees or as independent contractors. The
15 board shall prescribe the duties and compensation of agency personnel.

16 Sec. 18.56.070. PERSONNEL EXEMPT FROM STATE PERSONNEL ACT. The
17 personnel of the agency are exempt from AS 39.25 to the same extent as
18 the personnel of the Alaska State Housing Authority.

19 Sec. 18.56.080. INTERDEPARTMENTAL COOPERATION. All departments,
20 agencies and public corporations of the state may provide information,
21 services, facilities and loans to the agency upon its request. The
22 agency may reimburse departments, agencies and public corporations of
23 the state for loans advanced or for expenses incurred on the agency's
24 behalf.

25 Sec. 18.56.090. GENERAL POWERS. In addition to other powers
26 granted in this chapter, the agency may, for the purpose of providing
27 housing for persons of lower income

28 (1) make or participate in the making of construction loans
29 to sponsors, developers and builders of land development or residential

1 housing, if the agency determines that constructions loans are not
2 otherwise available, wholly or in part, from private lenders upon
3 reasonably equivalent terms and conditions;

4 (2) make or participate in the making of mortgage loans to
5 sponsors, developers, builders and purchasers of residential housing, if
6 the agency determines that mortgage loans are not otherwise available,
7 wholly or in part, from private lenders upon reasonably equivalent terms
8 and conditions;

9 (3) purchase or participate in the purchase of mortgage loans
10 made to sponsors, developers and builders of residential housing or to
11 persons of lower income for residential housing, if the agency has given
12 approval prior to the initial making of such loan and has determined
13 that mortgage loans were, at the time such approval was given, not
14 otherwise available, wholly or in part, from private lenders upon
15 reasonably equivalent terms and conditions;

16 (4) make partial rental payments and mortgage interest pay-
17 ments under a contract with any housing owner providing the payments
18 will be applied to decrease rental or mortgage interest charges of
19 persons of lower income;

20 (5) make loans from the Housing Development Fund;

21 (6) collect and pay reasonable fees and charges in connec-
22 tion with making, purchasing and servicing its loans, notes, bonds,
23 commitments and other evidences of indebtedness;

24 (7) acquire real property, or any interest therein, in its
25 own name, by purchase, transfer or foreclosure, where such acquisition
26 is necessary or appropriate to protect any loan in which the agency has
27 an interest; sell, transfer and convey any such property to a buyer;
28 and, in the event such sale, transfer or conveyance cannot be effected
29 with reasonable promptness or at a reasonable price, rent or lease such

1 property to a tenant pending such sale, transfer or conveyance;

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

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

10 (10) procure insurance against any loss in connection with
11 its operations;

12 (11) consent to the modification of the rate of interest,
13 time of payment of any installment of principal or interest, or any
14 other terms, of any mortgage loan, mortgage loan commitment, construc-
15 tion loan, temporary loan, contract or agreement of any kind to which
16 the agency is a party;

17 (12) borrow money as herein provided to carry out and
18 effectuate its corporate purposes; and issue its obligations as evidence
19 of any such borrowing;

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

26 (14) make and publish rules and regulations respecting its
27 lending programs and such other rules and regulations as are necessary
28 to effectuate its purposes;

29 (15) provide technical and advisory services to sponsors,

1 builders and developers of residential housing and to residents thereof;

2 (16) promote research and development in scientific methods
3 of constructing low-cost residential housing of high durability;

4 (17) make and execute agreements, contracts and other instru-
5 ments necessary or convenient in the exercise of the powers and
6 functions of the agency under this chapter, including contracts with
7 any person, firm, corporation, governmental agency or other entity;

8 (18) receive, administer and comply with the conditions and
9 requirements respecting any appropriation or any gift, grant or
10 donation of any property or money;

11 (19) sue and be sued in its own name;

12 (20) adopt an official seal;

13 (21) adopt bylaws for the regulation of its affairs and the
14 conduct of its business and prescribe rules, regulations and policies
15 in connection with the performance of its functions and duties;

16 (22) employ fiscal consultants, engineers, attorneys, real
17 estate counselors, appraisers and such other consultants and employees
18 as may be required in the judgment of the agency, and fix and pay their
19 compensation from funds available to the agency; and

20 (23) do all acts and things necessary, convenient or desir-
21 able to carry out the powers expressly granted or necessarily implied
22 in this chapter.

23 Sec. 18.56.100: HOUSING DEVELOPMENT FUND. (a) There is created
24 a special revolving loan fund to be known as the "housing development
25 fund" to be administered by the agency as a trust fund separate and
26 distinct from any other moneys or funds administered by the agency.

27 (b) Consistent with sec. 90 of this chapter, the agency may make
28 temporary and permanent loans from the housing development fund, at
29 such interest rate or rates as determined by the agency, and with such

1 security for repayment as is necessary and practicable, to

2 (1) defray development costs of sponsors, builders and
3 developers of residential housing; or

4 (2) provide to persons of lower income who are applying
5 for mortgages, the amounts required to make down payments and pay
6 closing costs; or

7 (3) purchase, make, or participate in the making of
8 mortgage and construction loans which are not federally insured
9 or guaranteed to sponsors, builders and developers of land develop-
10 ment or residential housing, if the agency determines that such
11 loans are not otherwise available, wholly or in part, from private
12 lenders upon reasonably equivalent terms and conditions.

13 (c) To the credit of the housing development fund shall be
14 deposited

15 (1) grants and contributions to the fund and the proceeds
16 of sale of fund notes; and

17 (2) all receipts of the agency on account of repayment
18 of or sale or other disposition of the security for any loans made
19 pursuant to (b) of this section.

20 (d) The agency may receive and accept from any source
21 whatever any grants or contributions for the housing development
22 fund.

23 (e) The agency may provide for the issuance, at one time
24 or from time to time, of housing development fund notes for the
25 purpose of providing funds for the fund. The commissioner of
26 revenue is authorized to purchase fund notes with surplus funds
27 in the state treasury.

28 (f) The principal and interest on fund notes is payable solely
29 from the housing development fund. The agency shall determine the date

1 of the fund notes of each issue, the maturity of such notes, the
2 redemption provisions, if any, including redemption prices, terms and
3 conditions, the form and manner of execution of such notes, including
4 any interest coupons to be attached thereto, the denomination and the
5 place of payment of principal and interest, which may be any bank,
6 trust company, or any agent, including the purchaser of any fund notes.
7 The fund notes may be issued in coupon or in registered form, or both.
8 The agency may provide for the registration of any coupon fund notes
9 as to principal or interest, or both, and for the reconversion into
10 coupon fund notes of any fund notes registered as to both principal and
11 interest, and for the exchange of registered and coupon fund notes.
12 The agency may provide for the replacement of fund notes which are
13 mutilated, destroyed, lost or stolen.

14 (g) Fund notes shall bear interest at such rate, and shall be
15 sold in such manner and for such price as the agency determines.

16 (h) If any officer whose signature or a facsimile of whose
17 signature appears on any fund notes or coupons attached thereto ceases
18 to be an officer before the delivery of the fund notes or coupons, his
19 signature or facsimile shall be valid for all purposes as if he had
20 remained in office until delivery.

21 (i) The proceeds of sale of fund notes shall be used solely for
22 the purposes for which issued and shall be disbursed in such manner
23 and under such restrictions as the agency provides in the resolution
24 authorizing the issuance of the fund notes.

25 (j) Fund notes may be issued without the consent of any govern-
26 ment agency and without any other proceedings or conditions other than
27 those which are specifically required by this chapter and the provisions
28 of the resolution authorizing the issuance of such fund notes.

29 (k) No loan may be made by the agency from the housing development

1 fund except in accordance with a written agreement which shall include,
2 but need not be limited to, the following terms and conditions

3 (1) the proceeds of loans shall be used only for the purposes
4 for which the loan is made, as provided in the agreement;

5 (2) the loan shall be repaid in full as provided in the
6 agreement;

7 (3) all repayments in connection with a loan to defray
8 development costs shall be made concurrent with receipt by the borrower
9 of the proceeds of a construction loan or mortgage loan, or at such
10 other times as the agency deems reasonably necessary or practicable;
11 and

12 (4) security for repayment shall be specified and shall be
13 upon terms and conditions as the agency deems necessary or practicable
14 to insure all repayments.

15 Sec. 18.56.110. BONDS AND NOTES. (a) The agency, by resolution,
16 may issue bonds and bond anticipation notes in order to provide funds
17 to carry out and effectuate its purposes.

18 (b) The principal and interest on such bonds or notes shall be
19 payable from agency funds, excluding funds in the housing development
20 fund. Bond anticipation notes may be payable from the proceeds of the
21 sale of bonds or from the proceeds of sale of other bond anticipation
22 notes or, in the event bond or bond anticipation note proceeds are not
23 available, such notes may be paid from other funds or assets of the
24 agency. Bonds or notes may be additionally secured by a pledge of any
25 grant or contribution from the federal government, or any corporation,
26 association, institution or person, or a pledge of any money, income,
27 or revenues of the agency from any source.

28 (c) Bonds or bond anticipation notes may be issued in one or more
29 series and shall be dated, bear interest at the rate or rates per

1 annum or within such maximum rate, be in the denomination, be in the
2 form, either coupon or registered, carry the conversion or registration
3 provisions, have the rank or priority, be executed in the manner and
4 form, be payable from the sources in the medium of payment and place or
5 places within or outside the state, be subject to authentication by a
6 trustee or fiscal agent, and be subject to the terms of redemption with
7 or without premium, as the resolution of the agency may provide. Bond
8 anticipation notes shall mature at such time or times as may be deter-
9 mined by the agency. Bonds shall mature at such time, not exceeding 50
10 years from their date, as may be determined by the agency. Prior to the
11 preparation of definitive bonds or bond anticipation notes, the agency
12 may issue interim receipts or temporary bonds or bond anticipation notes
13 with or without coupons, exchangeable for bonds or bond anticipation
14 notes when such definitive bonds or bond anticipation notes have been
15 executed and are available for delivery.

16 (d) Bonds or bond anticipation notes may be sold in such manner,
17 on such terms and at such price as the agency determines.

18 (e) If an officer whose signature or a facsimile of whose signa-
19 ture appears on any bonds or notes or coupons attached thereto ceases to
20 be an officer before the delivery of the bond, note or coupon, his sig-
21 nature or facsimile shall be valid the same as if he had remained in
22 office until delivery.

23 (f) In any resolution of the agency authorizing or relating to the
24 issuance of any bonds or bond anticipation notes, the agency shall have
25 power by provisions in such resolution which will constitute covenants
26 of the agency and contracts with the holders of such bonds or bond
27 anticipation notes

28 (1) to pledge to any payment or purpose all or any part of
29 its revenues to which its right then exists or may thereafter come into

1 existence, and the money derived from the revenues, and the proceeds of
2 any bonds or notes;

3 (2) to covenant against pledging all or any part of its reve-
4 nues, or against permitting or suffering a lien on the revenues or its
5 property;

6 (3) to covenant as to the use and disposition of any and all
7 payments of principal or interest received by the agency on mortgage
8 loans, construction loans or other investments held by the agency;

9 (4) to covenant as to establishment of reserves or sinking
10 funds and the making of provision for and the regulation and disposition
11 of the reserves or sinking funds;

12 (5) to covenant with respect to or against limitations on a
13 right to sell or otherwise dispose of property of any kind;

14 (6) to covenant as to bonds and notes to be issued, and
15 their limitations, terms and conditions, and as to the custody, appli-
16 cation and disposition of the proceeds of the bonds and notes;

17 (7) to covenant as to the issuance of additional bonds or
18 notes, or as to limitations on the issuance of additional bonds or notes
19 and the incurring of other debts;

20 (8) to covenant as to the payment of the principal of or in-
21 terest on the bonds or notes, as to the sources and methods of the pay-
22 ment, as to the rank or priority of the bonds or notes with respect to a
23 lien or security, or as to the acceleration of the maturity of the bonds
24 or notes;

25 (9) to provide for the replacement of lost, stolen,
26 destroyed or mutilated bonds or notes;

27 (10) to covenant against extending the time for the payment
28 of bonds or notes or interest on the bonds or notes;

29 (11) to covenant as to the redemption of bonds or notes and

1 privileges of their exchange for other bonds or notes of the agency;

2 (12) to covenant to create or authorize the creation of spe-
3 cial funds of money to be held in pledge or otherwise for operating ex-
4 penses, payment or redemption of bonds or notes, reserves or other pur-
5 poses, and as to the use and disposition of the money held in the funds;

6 (13) to establish the procedure, if any, by which the terms
7 of any contract or covenant with or for the benefit of the holders of
8 bonds or notes may be amended or abrogated; the amount of bonds or notes
9 the holders of which must consent to amendment or abrogation, and the
10 manner in which the consent may be given;

11 (14) to covenant as to the custody of any of its properties
12 or investments, their safekeeping and insurance, and the use and dis-
13 position of insurance money;

14 (15) to covenant as to the time or manner of enforcement or
15 restraint from enforcement of any rights of the agency arising by
16 reason of or with respect to nonpayment of any principal or interest of
17 any mortgage loans or construction loans;

18 (16) to provide for the rights and liabilities, powers and
19 duties arising upon the breach of any covenant, condition or obligation,
20 and to prescribe the events of default and the terms and conditions upon
21 which any or all the bonds, notes or other obligations of the agency
22 shall become or may be declared due and payable before maturity and the
23 terms and conditions upon which any such declaration and its con-
24 sequences may be waived;

25 (17) to vest in a trustee or trustees within or outside the
26 state such property, rights, powers and duties in trust as the agency
27 may determine, which may include any or all of the rights, powers and
28 duties of any trustee appointed by the holders of any bonds or notes,
29 and to limit or abrogate the right of the holders of any bonds or notes

1 of the agency to appoint a trustee under this chapter or limit the
2 rights, powers and duties of the trustee;

3 (18) to pay the costs or expenses incident to the enforce-
4 ment of the bonds or notes or of the provisions of the resolution or
5 of any covenant or agreement of the agency with the holders of its bonds
6 or notes;

7 (19) to agree with any corporate trustee which may be any
8 trust company or bank having the powers of a trust company within or
9 without the state as to the pledging or assigning of revenues or funds
10 to which or in which the agency has any rights or interest; the agree-
11 ment may further provide for such other rights and remedies exercisable
12 by the trustee as may be proper for the protection of the holders of
13 any bonds or notes of the agency and not otherwise in violation of law
14 and may provide for the restriction of the rights of an individual
15 holder of bonds or notes of the agency;

16 (20) to appoint and provide for the duties and obligations
17 of any paying agent or paying agents, or such other fiduciaries as the
18 resolution may provide within or outside the state;

19 (21) to limit the rights of the holders of any bonds or
20 notes to enforce any pledge or covenant securing bonds or notes;

21 (22) to make covenants other than and in addition to the
22 covenants expressly authorized in this section, of like or different
23 character, and to make such covenants to do or refrain from doing such
24 acts and things as may be necessary, or convenient and desirable, in
25 order to better secure bonds or notes or which, in the absolute dis-
26 cretion of the agency, will tend to make bonds or notes more marketable,
27 notwithstanding that the covenants, acts or things may not be enumerated
28 in this section.

29 Sec. 18.56.120. VALIDITY OF ANY PLEDGE. The pledge of assets or

1 revenues of the agency to the payment of the principal or interest on
2 any obligations of the agency shall be valid and binding from the time
3 when the pledge is made and any such assets or revenues shall imme-
4 diately be subject to the lien of the pledge without physical delivery
5 or further act. The lien of any pledge shall be valid and binding
6 against all parties having claims of any kind in tort, contract or
7 otherwise against the agency, irrespective of whether such parties have
8 notice thereof. Nothing herein shall prohibit the agency from selling
9 assets subject to any pledge, except that any sale may be restricted
10 by the trust agreement or resolution providing for the issuance of the
11 obligations.

12 Sec. 18.56.130. REMEDIES. Any holder of obligations or coupons
13 attached thereto issued under the provisions of this chapter, and a
14 trustee under any trust agreement or resolution authorizing the issuance
15 of such obligations, except as restricted by a trust agreement or
16 resolution, either at law or in equity, may enforce all rights granted
17 hereunder or under such trust agreement or resolution, or under any
18 other contract executed by the agency pursuant to this chapter, and
19 may enforce and compel the performance of all duties required by this
20 chapter or by such trust agreement or resolution to be performed by the
21 agency or by any officer thereof.

22 Sec. 18.56.140. NEGOTIABLE INSTRUMENTS. All obligations and
23 interest coupons attached thereto are negotiable instruments under the
24 laws of this state, subject only to any applicable provisions for
25 registration.

26 Sec. 18.56.150. OBLIGATIONS ELIGIBLE FOR INVESTMENT. Obligations
27 issued under the provisions of this chapter are securities in which all
28 public officers and public bodies of the state and its political sub-
29 divisions, all insurance companies, trust companies, banking

1 associations, investment companies, executors, administrators, trustees
2 and other fiduciaries may properly and legally invest funds, including
3 capital in their control or belonging to them. These obligations may
4 be deposited with any state or municipal officer of any agency or
5 political subdivision of the state for any purpose for which the deposit
6 of bonds, notes or obligations of the state is authorized by law.

7 Sec. 18.56.160. REFUNDING OBLIGATIONS. (a) The agency may
8 provide for the issuance of refunding obligations for the purpose of
9 refunding any obligations then outstanding which have been issued under
10 the provisions of this chapter, including the payment of any redemption
11 premium thereon and any interest accrued or to accrue to the date of
12 redemption of such obligations. The issuance of such obligations, the
13 maturities and other details thereof, the rights of the holders thereof,
14 and the rights, duties and obligations of the agency in respect of the
15 same shall be governed by the provisions of this chapter which relate
16 to the issuance of obligations, insofar as such provisions may be
17 appropriate therefor.

18 (b) Refunding obligations may be sold or exchanged for outstanding
19 obligations issued under this chapter and, if sold, the proceeds thereof
20 may be applied, in addition to any other authorized purposes, to the
21 purchase, redemption or payment of such outstanding obligations. Pend-
22 ing the application of the proceeds of any such refunding obligations,
23 with any other available funds, to the payment of the principal,
24 accrued interest and any redemption premium on the obligations being
25 refunded, and, if so provided or permitted in the resolution authorizing
26 the issuance of such refunding obligations or in the trust agreement
27 securing the same, to the payment of any interest on such refunding
28 obligations and any expenses in connection with such refunding, such
29 proceeds may be invested in direct obligations of, or obligations the

1 principal of and the interest on which are unconditionally guaranteed
2 by, the United States of America which shall mature or which shall be
3 subject to redemption, at the option of the holders thereof, not later
4 than the respective dates when the proceeds, together with the interest
5 accruing thereon, will be required for the purposes intended.

6 Sec. 18.56.170. CREDIT OF STATE NOT PLEDGED. (a) Obligations
7 issued under the provisions of this chapter shall not constitute a
8 debt, liability or obligation of the state or of any political sub-
9 division thereof or a pledge of the faith and credit of the state or of
10 any such political subdivision but shall be payable solely from the
11 revenues or assets of the agency. Each obligation issued under this
12 chapter shall contain on the face thereof a statement that the agency
13 shall not be obligated to pay the same nor the interest thereon except
14 from the revenues or assets pledged therefor and that neither the faith
15 and credit nor the taxing power of the state or of any political sub-
16 division thereof is pledged to the payment of the principal of or the
17 interest on such obligation.

18 (b) Expenses incurred by the agency in carrying out the provisions
19 of this chapter shall be payable from funds provided pursuant to this
20 chapter and no liability shall be incurred by the agency in excess of
21 these funds.

22 Sec. 18.56.180. OFFICERS NOT LIABLE. No member or other officer
23 of the agency shall be subject to any personal liability or account-
24 ability by reason of his execution of any obligations or the issuance
25 thereof.

26 Sec. 18.56.190. TAX EXEMPTION. (a) The exercise of the powers
27 granted by this chapter will be in all respects for the benefit of the
28 people of the state, for their well-being and prosperity and for the
29 improvement of their social and economic conditions, and the agency shall

1 not be required to pay any tax or assessment on any property owned by
2 the agency under the provisions of this chapter or upon the income
3 therefrom, except taxes on real property of which the agency is fee
4 owner.

5 (b) All obligations issued under this chapter are hereby declared
6 to be issued by a body corporate and public of the state and for an
7 essential public and governmental purpose, and the obligations, and the
8 interest and income on and from the obligations, and all fees, charges,
9 funds, revenues, income and other money pledged or available to pay or
10 secure the payment of the obligations, or interest on the obligations,
11 shall be exempt from taxation except for transfer, inheritance and
12 **estate taxes.**

13 Sec. 18.56.200. ANNUAL REPORT. The agency shall prepare and
14 transmit annually a report accounting to the governor and the legisla-
15 ture for the efficient discharge of all responsibility assigned by law
16 or by directive to the agency.

17 Sec. 18.56.210. DEFINITIONS. The following terms where used in
18 this chapter shall have the following meanings, except where the context
19 clearly indicates a different meaning

20 (1) "agency" means the Alaska Housing Finance Agency created
21 by this chapter;

22 (2) "board" means the board of directors of the agency;

23 (3) "development costs" means the costs approved by the
24 agency as appropriate expenditures which may be incurred by sponsors,
25 builders and developers of residential housing, prior to commitment and
26 initial advance of the proceeds of a construction loan or of a
27 mortgage, including but not limited to

28 (A) payments for options to purchase properties on the
29 proposed residential housing site, deposits on contracts of

1 purchase, or, with prior approval of the agency, payments for the
2 purchase of such properties;

3 (B) legal and organizational expenses, including pay-
4 ments of attorneys' fees, project manager, clerical and other staff
5 salaries, office rent and other incidental expenses;

6 (C) payment of fees for preliminary feasibility studies
7 and advances for planning, engineering and architectural work;

8 (D) expenses for tenant surveys and market analyses; and

9 (E) necessary application and other fees;

10 (4) "governmental agency" means any department, division,
11 public agency, political subdivision or other public instrumentality
12 of the state or the federal government;

13 (5) "Housing Development Fund" means the housing development
14 fund created by sec. 100 of this chapter;

15 (6) "construction loan" means a construction loan for land
16 development or residential housing which is secured by a federally
17 insured or guaranteed mortgage or which is insured or guaranteed by the
18 United States or an instrumentality thereof, or for which there is a
19 commitment by the United States or an instrumentality thereof to insure
20 or guarantee such a loan, or a construction loan for land development or
21 residential housing which land development or residential housing will
22 be secured by a mortgage loan;

23 (7) "mortgage" or "mortgage loan" means a mortgage loan for
24 residential housing insured or guaranteed by the United States or an
25 instrumentality thereof or for which there is a commitment by the
26 United States or an instrumentality thereof to insure or guarantee such
27 a mortgage, or if not so insured or guaranteed or if there is no such
28 commitment, which the agency determines meets the conditions described
29 in sec. 100(k) of this chapter, for a loan from the housing development

1 fund.

2 (8) "land development" means the process of acquiring land
3 primarily for residential housing construction for persons of lower
4 income and making, installing or constructing nonresidential housing
5 improvements, including water, sewer and other utilities, roads, streets,
6 curbs, gutters, sidewalks, storm drainage facilities and other installa-
7 tions or works, whether on or off the site, which the agency deems
8 necessary or desirable to prepare such land primarily for residential
9 housing construction;

10 (9) "obligations" means any bonds, bond anticipation notes
11 or fund notes authorized to be issued by the agency under the provisions
12 of this chapter;

13 (10) "persons of lower income" means persons deemed by the
14 agency to require assistance available under this chapter on account
15 of insufficient personal or family income, taking into consideration,
16 without limitation, such factors as

17 (A) the amount of the total income of such persons
18 available for housing needs;

19 (B) the size of the family;

20 (C) the cost and condition of housing facilities
21 available;

22 (D) standards established for various federal programs
23 determining eligibility based on income of such persons; and

24 (E) the ability of such persons to compete successfully
25 in the normal housing market and to pay the amounts at which
26 private enterprise is providing decent, safe and sanitary housing;
27 and

28 (11) "residential housing" means a specific work or
29 improvement undertaken primarily to provide dwelling accommodations

1 without limitation as to form of lawful occupancy, whether rental, under
2 contract, fee ownership, cooperative housing, condominium of other
3 lawful forms of ownership, for persons of lower income, including the
4 acquisition, construction or rehabilitation of land, buildings and
5 improvements thereto, and such other nonhousing facilities as may be
6 incidental or appurtenant thereto.

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