

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

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

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 Corporation; and providing for an  
9 effective 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 CORPORATION

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  
18 rural 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 Corporation 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 Corporation is empowered  
7 to 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 CORPORATION. The Alaska  
10 Housing Finance Corporation is a public corporation and government  
11 instrumentality within the Department of Commerce, but having a legal  
12 existence independent of and separate from the state. The corporation  
13 may not be terminated as long as it has bonds, notes or other obligations  
14 outstanding. Upon termination of the corporation, its rights and  
15 property pass to the state.  
16

17 Sec. 18.56.030. CORPORATION GOVERNING BODY. The corporation shall  
18 be governed by a board of directors, consisting of the commissioner of  
19 commerce and four members appointed by the governor. Members shall serve  
20 without compensation except that each member may be reimbursed by the  
21 corporation for actual and necessary expenses at the same rate as set out  
22 in AS 39.20.180.

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

29 Sec. 18.56.045. MINUTES OF MEETINGS. The board shall keep  
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 corporation and prescribe, amend and  
3 repeal bylaws, rules and regulations governing the manner in which the  
4 business of the corporation is conducted and the manner in which its  
5 powers are exercised. The board may delegate to one or more of its  
6 directors, officers, agents or employees those powers and duties it  
7 considers proper. The board may delegate supervision of the administra-  
8 tion of the corporation to an executive officer.

9           Sec. 18.56.055. LEGAL ADVISOR. The attorney general is the legal  
10 counsel for the corporation. 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 corporation  
16 personnel.

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

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

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

29           (1) make or participate in the making of construction loans

1 to sponsors, developers and builders of land development or residential  
2 housing, if the corporation determines that constructions loans are not  
3 otherwise available, wholly or in part, from private lenders upon  
4 reasonably equivalent terms and conditions;

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

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

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

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

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

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

1 with reasonable promptness or at a reasonable price, rent or lease such  
2 property to a tenant pending such sale, transfer or conveyance;

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

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

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

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

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

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

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

1 (15) provide technical and advisory services to sponsors,  
2 builders and developers of residential housing and to residents thereof;

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

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

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

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

13 (20) adopt an official seal;

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

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

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

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

28 (b) Consistent with sec. 90 of this chapter, the corporation may  
29 make temporary and permanent loans from the housing development fund, at

1 such interest rate or rates as determined by the corporation, and with  
2 such security for repayment as is necessary and practicable, to

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

5 (2) provide to persons of lower income who are applying  
6 for mortgages, the amounts required to make down payments and pay  
7 closing costs and to housing owners the amounts applied for partial  
8 rental payments and mortgage interest payments under sec. 090(4) of  
9 the chapter; or

10 (3) purchase, make, or participate in the making of  
11 mortgage and construction loans which are not federally insured  
12 or guaranteed to sponsors, builders, purchasers and developers of land  
13 development or residential housing, if the corporation determines that  
14 such loans are not otherwise available, wholly or in part, from private  
15 lenders upon reasonably equivalent terms and conditions.

16 (c) To the credit of the housing development fund shall be  
17 deposited

18 (1) grants and contributions to the fund and the proceeds  
19 of sale of fund notes; and

20 (2) all receipts of the corporation on account of repayment  
21 of or sale or other disposition of the security for any loans made  
22 pursuant to (b) of this section.

23 (d) The corporation may receive and accept from any source  
24 whatever any grants or contributions for the housing development fund.

25 (e) The corporation may provide for the issuance, at one time or  
26 from time to time, of housing development fund notes for the purpose of  
27 providing funds for the fund. The commissioner of revenue is authorized  
28 to purchase fund notes with surplus funds in the state treasury. Prior  
29 to the submission of the executive budget to the legislature, the

1 commissioner of revenue shall annually recommend to the governor the  
2 anticipated amounts of surplus funds available for purchase of fund  
3 notes in the fiscal year encompassed by the budget. In making his  
4 recommendation to the governor, the commissioner of revenue shall  
5 consider the expenditure and revenue projections contained in the most  
6 recent revenue source document prepared for and submitted to the legis-  
7 lature by the administration. If the governor agrees with the recommend-  
8 ation of the commissioner of revenue he shall forward the recommendation  
9 to the corporation.

10 (f) The principal and interest on fund notes is payable solely  
11 from the housing development fund. The corporation shall determine the  
12 date of the fund notes of each issue, the maturity of such notes, the  
13 redemption provisions, if any, including redemption prices, terms and  
14 conditions, the form and manner of execution of such notes, including  
15 any interest coupons to be attached thereto, the denomination and the  
16 place of payment of principal and interest, which may be any bank,  
17 trust company, or any agent, including the purchaser of any fund notes.  
18 The fund notes may be issued in coupon or in registered form, or both.  
19 The corporation may provide for the registration of any coupon fund notes  
20 as to principal or interest, or both, and for the reconversion into  
21 coupon fund notes of any fund notes registered as to both principal and  
22 interest, and for the exchange of registered and coupon fund notes.  
23 The corporation may provide for the replacement of fund notes which are  
24 mutilated, destroyed, lost or stolen.

25 (g) Fund notes shall bear interest at such rate, and shall be  
26 sold in such manner and for such price as the corporation determines.

27 (h) If any officer whose signature or a facsimile of whose  
28 signature appears on any fund notes or coupons attached thereto ceases  
29 to be an officer before the delivery of the fund notes or coupons, his

1 signature or facsimile shall be valid for all purposes as if he had  
2 remained in office until delivery.

3 (i) The proceeds of sale of fund notes shall be used solely for  
4 the purposes for which issued and shall be disbursed in such manner  
5 and under such restrictions as the corporation provides in the resolu-  
6 tion authorizing the issuance of the fund notes.

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

11 (k) No loan may be made by the corporation from the housing  
12 development fund except in accordance with a written agreement which  
13 shall include, but need not be limited to, the following terms and  
14 conditions.

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

17 (2) the loan shall be repaid in full as provided in the  
18 agreement;

19 (3) all repayments in connection with a loan to defray  
20 development costs shall be made concurrent with receipt by the borrower  
21 of the proceeds of a construction loan or mortgage loan, or at such  
22 other times as the corporation deems reasonably necessary or practicable;  
23 and

24 (4) security for repayment shall be specified and shall be  
25 upon terms and conditions as the corporation deems necessary or  
26 practicable to insure all repayments.

27 Sec. 18.56.110. BONDS AND NOTES. (a) The corporation, by resolu-  
28 tion, may issue bonds and bond anticipation notes in order to provide  
29 funds to carry out and effectuate its purposes.

1 (b) The principal and interest on such bonds or notes shall be  
2 payable from corporation funds, excluding funds in the housing develop-  
3 ment fund. Bond anticipation notes may be payable from the proceeds of  
4 the sale of bonds or from the proceeds of sale of other bond anticipa-  
5 tion notes or, in the event bond or bond anticipation note proceeds are  
6 not available, such notes may be paid from other funds or assets of the  
7 corporation. Bonds or notes may be additionally secured by a pledge of  
8 any grant or contribution from the federal government, or any corpora-  
9 tion, association, institution or person, or a pledge of any money,  
10 income, or revenues of the corporation from any source.

11 (c) Bonds or bond anticipation notes may be issued in one or more  
12 series and shall be dated, bear interest at the rate or rates per annum  
13 or within such maximum rate, be in the denomination, be in the  
14 form, either coupon or registered, carry the conversion or registration  
15 provisions, have the rank or priority, be executed in the manner and  
16 form, be payable from the sources in the medium of payment and place or  
17 places within or outside the state, be subject to authentication by a  
18 trustee or fiscal agent, and be subject to the terms of redemption with  
19 or without premium, as the resolution of the corporation may provide.  
20 Bond anticipation notes shall mature at such time or times as may be  
21 determined by the corporation. Bonds shall mature at such time, not  
22 exceeding 50 years from their date, as may be determined by the corpora-  
23 tion. Prior to the preparation of definitive bonds or bond anticipa-  
24 tion notes, the corporation may issue interim receipts or temporary  
25 bonds or bond anticipation notes, with or without coupons, exchangeable  
26 for bonds or bond anticipation notes when such definitive bonds or bond  
27 anticipation notes have been executed and are available for delivery.

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

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

6 (f) In any resolution of the corporation authorizing or relating  
7 to the issuance of any bonds or bond anticipation notes, the corporation  
8 shall have power by provisions in such resolution which will constitute  
9 covenants of the corporation and contracts with the holders of such  
10 bonds or bond anticipation notes

11 (1) to pledge to any payment or purpose all or any part of  
12 its revenues to which its right then exists or may thereafter come into  
13 existence, and the money derived from the revenues, and the proceeds of  
14 any bonds or notes;

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

18 (3) to covenant as to the use and disposition of any and all  
19 payments of principal or interest received by the corporation on  
20 mortgage loans, construction loans or other investments held by the  
21 corporation;

22 (4) to covenant as to establishment of reserves or sinking  
23 funds and the making of provision for and the regulation and disposition  
24 of the reserves or sinking funds;

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

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

1 (7) to covenant as to the issuance of additional bonds or  
2 notes, or as to limitations on the issuance of additional bonds or notes  
3 and the incurring of other debts;

4 (8) to covenant as to the payment of the principal of or in-  
5 terest on the bonds or notes, as to the sources and methods of the pay-  
6 ment, as to the rank or priority of the bonds or notes with respect to a  
7 lien or security, or as to the acceleration of the maturity of the bonds  
8 or notes;

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

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

13 (11) to covenant as to the redemption of bonds or notes and  
14 privileges of their exchange for other bonds or notes of the corporation;

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

19 (13) to establish the procedure, if any, by which the terms  
20 of any contract or covenant with or for the benefit of the holders of  
21 bonds or notes may be amended or abrogated; the amount of bonds or notes  
22 the holders of which must consent to amendment or abrogation, and the  
23 manner in which the consent may be given;

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

27 (15) to covenant as to the time or manner of enforcement or  
28 restraint from enforcement of any rights of the corporation arising by  
29 reason of or with respect to nonpayment of any principal or interest of

1 any mortgage loans or construction loans;

2 (16) to provide for the rights and liabilities, powers and  
3 duties arising upon the breach of any covenant, condition or obligation,  
4 and to prescribe the events of default and the terms and conditions upon  
5 which any or all the bonds, notes or other obligations of the corporation  
6 shall become or may be declared due and payable before maturity and the  
7 terms and conditions upon which any such declaration and its con-  
8 sequences may be waived;

9 (17) to vest in a trustee or trustees within or outside the  
10 state such property, rights, powers and duties in trust as the corpora-  
11 tion may determine, which may include any or all of the rights, powers and  
12 duties of any trustee appointed by the holders of any bonds or notes,  
13 and to limit or abrogate the right of the holders of any bonds or notes  
14 of the corporation to appoint a trustee under this chapter or limit the  
15 rights, powers and duties of the trustee;

16 (18) to pay the costs or expenses incident to the enforce-  
17 ment of the bonds or notes or of the provisions of the resolution or  
18 of any covenant or agreement of the corporation with the holders of  
19 its bonds or notes;

20 (19) to agree with any corporate trustee which may be any  
21 trust company or bank having the powers of a trust company within or  
22 without the state as to the pledging or assigning of revenues or funds  
23 to which or in which the corporation has any rights or interest; the  
24 agreement may further provide for such other rights and remedies  
25 exercisable by the trustee as may be proper for the protection of the  
26 holders of any bonds or notes of the corporation and not otherwise in  
27 violation of law and may provide for the restriction of the rights of  
28 an individual holder of bonds or notes of the corporation;

29 (20) to appoint and provide for the duties and obligations

1 of any paying agent or paying agents, or such other fiduciaries as the  
2 resolution may provide within or outside the state;

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

5 (22) to make covenants other than and in addition to the  
6 covenants expressly authorized in this section, of like or different  
7 character, and to make such covenants to do or refrain from doing such  
8 acts and things as may be necessary, or convenient and desirable, in  
9 order to better secure bonds or notes or which, in the absolute dis-  
10 cretion of the corporation, will tend to make bonds or notes more  
11 marketable, notwithstanding that the covenants, acts or things may not  
12 be enumerated in this section

13 Sec. 18.56.120. VALIDITY OF ANY PLEDGE. The pledge of assets or  
14 revenues of the corporation to the payment of the principal or interest  
15 on any obligations of the agency shall be valid and binding from the  
16 time when the pledge is made and any such assets or revenues shall  
17 immediately be subject to the lien of the pledge without physical  
18 delivery or further act. The lien of any pledge shall be valid and  
19 binding against all parties having claims of any kind in tort, contract or  
20 otherwise against the corporation, irrespective of whether such parties  
21 have notice thereof. Nothing herein shall prohibit the corporation  
22 from selling assets subject to any pledge, except that any sale may be  
23 restricted by the trust agreement or resolution providing for the  
24 issuance of the obligations.

25 Sec. 18.56.130. REMEDIES. Any holder of obligations or coupons  
26 attached thereto issued under the provisions of this chapter, and a  
27 trustee under any trust agreement or resolution authorizing the issuance  
28 of such obligations, except as restricted by a trust agreement or  
29 resolution, either at law or in equity, may enforce all rights granted

1 hereunder or under such trust agreement or resolution, or under any  
2 other contract executed by the corporation pursuant to this chapter,  
3 and may enforce and compel the performance of all duties required by  
4 this chapter or by such trust agreement or resolution to be performed  
5 by the corporation or by any officer thereof.

6 Sec. 18.56.140. NEGOTIABLE INSTRUMENTS. All obligations and  
7 interest coupons attached thereto are negotiable instruments under the  
8 laws of this state, subject only to any applicable provisions for  
9 registration.

10 Sec. 18.56.150. OBLIGATIONS ELIGIBLE FOR INVESTMENT. Obligations  
11 issued under the provisions of this chapter are securities in which all  
12 public officers and public bodies of the state and its political sub-  
13 divisions, all insurance companies, trust companies, banking  
14 associations, investment companies, executors, administrators, trustees  
15 and other fiduciaries may properly and legally invest funds, including  
16 capital in their control or belonging to them. These obligations may  
17 be deposited with any state or municipal officer of any agency or  
18 political subdivision of the state for any purpose for which the deposit  
19 of bonds, notes or obligations of the state is authorized by law.

20 Sec. 18.56.160. REFUNDING OBLIGATIONS. (a) The corporation may  
21 provide for the issuance of refunding obligations for the purpose of  
22 refunding any obligations then outstanding which have been issued under  
23 the provisions of this chapter, including the payment of any redemption  
24 premium thereon and any interest accrued or to accrue to the date of  
25 redemption of such obligations. The issuance of such obligations, the  
26 maturities and other details thereof, the rights of the holders thereof,  
27 and the rights, duties and obligations of the corporation in respect of  
28 the same shall be governed by the provisions of this chapter which  
29 relate to the issuance of obligations, insofar as such provisions may be

1 appropriate therefor.

2 (b) Refunding obligations may be sold or exchanged for outstanding  
3 obligations issued under this chapter and, if sold, the proceeds thereof  
4 may be applied, in addition to any other authorized purposes, to the  
5 purchase, redemption or payment of such outstanding obligations. Pend-  
6 ing the application of the proceeds of any such refunding obligations,  
7 with any other available funds, to the payment of the principal,  
8 accrued interest and any redemption premium on the obligations being  
9 refunded, and, if so provided or permitted in the resolution authorizing  
10 the issuance of such refunding obligations or in the trust agreement  
11 securing the same, to the payment of any interest on such refunding  
12 obligations and any expenses in connection with such refunding, such  
13 proceeds may be invested in direct obligations of, or obligations the  
14 principal of and the interest on which are unconditionally guaranteed  
15 by, the United States of America which shall mature or which shall be  
16 subject to redemption, at the option of the holders thereof, not later  
17 than the respective dates when the proceeds, together with the interest  
18 accruing thereon, will be required for the purposes intended.

19 Sec. 18.56.170. CREDIT OF STATE NOT PLEDGED. (a) Obligations  
20 issued under the provisions of this chapter shall not constitute a  
21 debt, liability or obligation of the state or of any political sub-  
22 division thereof or a pledge of the faith and credit of the state or of  
23 any such political subdivision but shall be payable solely from the  
24 revenues or assets of the corporation. Each obligation issued under  
25 this chapter shall contain on the face thereof a statement that the  
26 corporation shall not be obligated to pay the same nor the interest  
27 thereon except from the revenues or assets pledged therefor and that  
28 neither the faith and credit nor the taxing power of the state or of any  
29 political subdivision thereof is pledged to the payment of the principal

1 of or the interest on such obligation.

2 (b) Expenses incurred by the corporation in carrying out the  
3 provisions of this chapter shall be payable from funds provided  
4 pursuant to this chapter and no liability shall be incurred by the  
5 corporation in excess of these funds.

6 Sec. 18.56.180. OFFICERS NOT LIABLE. No member or other officer  
7 of the corporation shall be subject to any personal liability or account-  
8 ability by reason of his execution of any obligations or the issuance  
9 thereof.

10 Sec. 18.56.190. TAX EXEMPTION. (a) The exercise of the powers  
11 granted by this chapter will be in all respects for the benefit of the  
12 people of the state, for their well-being and prosperity and for the  
13 improvement of their social and economic conditions, and the corporation  
14 shall not be required to pay any tax or assessment on any property owned by  
15 the corporation under the provisions of this chapter or upon the income  
16 therefrom, except taxes on real property of which the corporation is  
17 fee owner.

18 (b) All obligations issued under this chapter are hereby declared  
19 to be issued by a body corporate and public of the state and for an  
20 essential public and governmental purpose, and the obligations, and the  
21 interest and income on and from the obligations, and all fees, charges,  
22 funds, revenues, income and other money pledged or available to pay or  
23 secure the payment of the obligations, or interest on the obligations,  
24 shall be exempt from taxation except for transfer, inheritance and  
25 estate taxes.

26 Sec. 18.56.200. ANNUAL REPORT. The corporation shall prepare and  
27 transmit annually a report accounting to the governor and the legisla-  
28 ture for the efficient discharge of all responsibility assigned by law  
29 or by directive to the corporation.

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

4           (1) "corporation" means the Alaska Housing Finance Corporation  
5 created by this chapter;

6           (2) "board" means the board of directors of the corporation;

7           (3) "development costs" means the costs approved by the  
8 corporation as appropriate expenditures which may be incurred by  
9 sponsors, builders and developers of residential housing, prior to  
10 commitment and initial advance of the proceeds of a construction loan or  
11 of a mortgage, including but not limited to

12           (A) payments for options to purchase properties on the  
13 proposed residential housing site, deposits on contracts of  
14 purchase, or, with prior approval of the corporation, payments for  
15 the purchase of such properties;

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

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

21           (C) expenses for tenant surveys and market analyses; and

22           (E) necessary application and other fees;

23           (4) "governmental agency" means any department, division,  
24 public agency, political subdivision or other public instrumentality  
25 of the state or the federal government;

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

28           (6) "construction loan" means a construction loan for land  
29 development or residential housing which is secured by a federally

1 insured or guaranteed mortgage or which is insured or guaranteed by the  
2 United States or an instrumentality thereof, or for which there is a  
3 commitment by the United States or an instrumentality thereof to insure  
4 or guarantee such a loan, or a construction loan for land development or  
5 residential housing which land development or residential housing will  
6 be secured by a mortgage loan;

7 (7) "mortgage" or "mortgage loan" means a mortgage loan for  
8 residential housing insured or guaranteed by the United States or an  
9 instrumentality thereof or for which there is a commitment by the  
10 United States or an instrumentality thereof to insure or guarantee such  
11 a mortgage, or if not so insured or guaranteed or if there is no such  
12 commitment, which the corporation determines meets the conditions described  
13 in sec. 100(k) of this chapter, for a loan from the housing development  
14 fund.

15 (8) "land development" means the process of acquiring land  
16 primarily for residential housing construction for persons of lower  
17 income and making, installing or constructing nonresidential housing  
18 improvements, including water, sewer and other utilities, roads, streets,  
19 curbs, gutters, sidewalks, storm drainage facilities and other installa-  
20 tions or works, whether on or off the site, which the corporation deems  
21 necessary or desirable to prepare such land primarily for residential  
22 housing construction;

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

26 (10) "persons of lower income" means persons deemed by the  
27 corporation to require assistance available under this chapter on  
28 account of insufficient personal or family income, taking into con-  
29 sideration, without limitation, such factors as

1 (A) the amount of the total income of such persons  
2 available for housing needs;

3 (B) the size of the family;

4 (C) the cost and condition of housing facilities  
5 available;

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

8 (E) the ability of such persons to compete successfully  
9 in the normal housing market and to pay the amounts at which  
10 private enterprise is providing decent, safe and sanitary housing;  
11 and

12 (11) "residential housing" means a specific work or  
13 improvement undertaken primarily to provide dwelling accommodations  
14 without limitation as to form of lawful occupancy, whether rental, under  
15 contract, fee ownership, cooperative housing, condominium or other  
16 lawful forms of ownership, for persons of lower income, including the  
17 acquisition, construction or rehabilitation of land, buildings and  
18 improvements thereto, and such other nonhousing facilities as may be  
19 incidental or appurtenant thereto.

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