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Referred: State Affairs  
and Finance

1 IN THE HOUSE

BY FISCHER

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HOUSE BILL NO. 547

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act to provide financing and development of housing  
7 for persons of medium incomes; and providing for an  
8 effective date."

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

10 \* Section 1. AS 18.56.010 is amended to read:

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

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

28 (c) The legislature finds and declares further that, in ac-  
29 complishing this purpose, the creation of the Alaska Housing Finance

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

8 \* Sec. 2. AS 18.56.090 is amended to read:

9 Sec. 18.56.090. GENERAL POWERS. In addition to other powers  
10 granted in this chapter, the corporation may, for the purpose of  
11 providing housing for persons of lower and medium income

12 (1) make or participate in the making of construction loans  
13 to sponsors, developers and builders of land development or residential  
14 housing, if the corporation determines that construction loans are  
15 not otherwise available, wholly or in part, from private lenders upon  
16 reasonably equivalent terms and conditions;

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

22 (3) purchase or participate in the purchase of mortgage  
23 loans made to sponsors, developers and builders of residential housing  
24 or to persons of lower income for residential housing, if the corpora-  
25 tion has given approval before the initial making of the loan and has  
26 determined that mortgage loans were, at the time the approval was  
27 given, not otherwise available, wholly or in part, from private lenders  
28 upon reasonably equivalent terms and conditions;

29 (4) make partial rental payments and mortgage interest

1 payments under a contract with any housing owner if the payments will  
2 be applied to decrease rental or mortgage interest charges of persons  
3 of lower and medium income;

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

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

8 (7) acquire real property, or any interest in real property,  
9 in its own name, by purchase, transfer or foreclosure, when acquisition  
10 is necessary or appropriate to protect any loan in which the corpora-  
11 tion has an interest; sell, transfer and convey any such property to a  
12 buyer; and, if the sale, transfer or conveyance cannot be effected  
13 with reasonable promptness or at a reasonable price, rent or lease the  
14 property to a tenant pending the sale, transfer or conveyance;

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

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

23 (10) procure insurance against any loss in connection with  
24 its operation;

25 (11) consent to the modification of the rate of interest,  
26 time of payment of any installment of principal or interest, or any  
27 other terms, of the mortgage loan, mortgage loan commitment, construc-  
28 tion loan, temporary loan, contract or agreement of any kind to which  
29 the corporation is a party;

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

4 (13) include in any borrowing the amounts necessary to pay  
5 financing charges, interest on the obligations for a period not  
6 exceeding one year after the date on which the corporation estimates  
7 funds will otherwise be available to pay the interest, consultant,  
8 advisory and legal fees and such other expenses as are necessary or  
9 incident to this borrowing;

10 (14) make and publish rules and regulations respecting its  
11 lending programs and such other rules and regulations as are necessary  
12 to effectuate its purposes;

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

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

17 (17) make and execute agreements, contracts and other  
18 instruments necessary or convenient in the exercise of the powers and  
19 functions of the corporation under this chapter, including contracts  
20 with any person, firm, corporation, governmental agency or other  
21 entity;

22 (18) receive, administer and comply with the conditions and  
23 requirements respecting any appropriation or gift, grant or donation  
24 of property or money;

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

26 (20) adopt an official seal;

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

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

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

8 \* Sec. 3. AS 18.56.100(b)(2) is amended to read:

9 (2) provide to persons of lower and medium income who are  
10 applying for mortgages, the amounts required to make down payments  
11 and pay closing costs and to housing owners the amounts applied for  
12 partial rental payments and mortgage interest payments under sec. 90(4)  
13 of the chapter; or

14 \* Sec. 4. AS 18.56.210(8) is amended to read:

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

23 \* Sec. 5. AS 18.56.210(10) is amended to read:

24 (10) "persons of lower and medium income" means persons  
25 considered by the corporation to require assistance available under  
26 this chapter on account of insufficient personal or family income,  
27 taking into consideration, without limitation, such factors as

28 (A) the amount of the total income of the persons  
29 available for housing needs;

- 1 (B) the size of the family;
- 2 (C) the cost and condition of housing facilities
- 3 available;
- 4 (D) standards established for various federal programs
- 5 determining eligibility based on income of the persons; and
- 6 (E) the ability of the persons to compete successfully
- 7 in the normal housing market and to pay the amounts at which
- 8 private enterprise is providing decent, safe and sanitary housing;
- 9 and

10 \* Sec. 6. AS 18.56.210(11) is amended to read:

11 (11) "residential housing" means a specific work or

12 improvement undertaken primarily to provide dwelling accommodations with-

13 out limitation as to form of lawful occupancy, whether rental, under

14 contract, fee ownership, cooperative housing, condominium or other

15 lawful forms of ownership, for persons of lower and medium income,

16 including the acquisition, construction or rehabilitation of land,

17 buildings and improvements thereto, and such other nonhousing facili-

18 ties as may be incidental or appurtenant thereto.

19 \* Sec. 7. This Act takes effect on the day after its passage and

20 approval or on the day it becomes law without approval.

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