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1 IN THE HOUSE

BY BRADNER, HUBER AND
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2 HOUSE BILL NO. 673

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to housing, housing finance, urban
7 renewal, redevelopment and rehabilitation; and pro-
8 viding for an effective date."

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

10 * Section 1. AS 18.55.010 is amended to read:

11 Sec. 18.55.010. PURPOSE OF SECS. 10 - 290 OF THIS CHAPTER. The
12 purpose of secs. 10 - 290 of this chapter is to remedy the acute
13 housing shortage that exists in certain localities of the state by
14 undertaking slum clearance, low-cost housing projects, housing for
15 persons and their families engaged in national defense activities in
16 the state, and housing projects and housing for veterans [OF WORLD
17 WAR II] and other citizens of the state [AND TO REMEDY THE SHORT SUPPLY
18 OF NECESSARY PUBLIC BUILDINGS BY PROVIDING FOR THE FINANCING, CON-
19 STRUCTION AND ACQUISITION OF PUBLIC BUILDINGS FOR LEASE TO THE STATE].

20 * Sec. 2. AS 18.55.020 is repealed and re-enacted to read:

21 Sec. 18.55.020. CITY OR BOROUGH HOUSING AUTHORITY. (a) There
22 is in each organized borough and in each city outside an organized
23 borough a housing authority consisting of five residents of the city
24 or borough appointed by the governing body of the city or borough.

25 (b) The term of office of an authority board member is three
26 years. The terms of office shall be staggered. The initial terms
27 of office shall be determined by lot, two members to serve a full
28 three-year term, two to serve two-year terms and one to serve a one-
29 year term.

1 * Sec. 3. AS 18.55.030 is amended to read:

2 Sec. 18.55.030. CORPORATE STATUS OF AUTHORITY. A city or borough
3 housing authority [THE ALASKA STATE HOUSING AUTHORITY] is a public
4 corporate authority of the state.

5 * Sec. 4. AS 18.55.080 is amended to read:

6 Sec. 18.55.080. MEMBERS OR EMPLOYEES PROHIBITED FROM ACQUIRING
7 INTEREST IN PROJECTS. No member or employee of the authority shall
8 acquire an interest, direct or indirect, in a housing [OR PUBLIC
9 BUILDING] project, or in property or a contract for materials or ser-
0 vices included or planned to be included in a project. If a member
1 or employee owns or controls an interest, he shall immediately disclose
2 the interest in writing to the authority. Failure to make disclosure
3 constitutes misconduct in office.

4 * Sec. 5. AS 18.55.100(7) is amended to read:

5 (7) to provide, subject to the applicable planning, zoning,
6 sanitary and building laws, ordinances, and regulations for the con-
7 struction, improvement, alteration, or repair of a housing [OR PUBLIC
8 BUILDING] project or any part of a housing [OR PUBLIC BUILDING] project,
9 and also, subject to the same restrictions, to provide for the con-
0 struction, improvement, alteration, repair, planning, financing, and
1 interim operation of a sewer or water system, or part of such system,
2 to foster, encourage, and permit the development of housing projects
3 by private and public developers and builders;

4 * Sec. 6. AS 18.55.100(15) is repealed.

5 * Sec. 7. AS 18.55.150 is amended to read:

6 Sec. 18.55.150. SECURITY FOR BONDS. The authority may issue bonds
7 including but not limited to bonds on which the principal and interest
8 are payable (1) exclusively from the income and revenue of the housing
9 project financed with the proceeds of the bonds, (2) exclusively from

1 the income and revenue of designated housing projects whether or not
2 they are financed in whole or in part with the proceeds of the bonds,
3 or (3) from its revenue generally [, OR (4) EXCLUSIVELY FROM RENTS
4 COLLECTED ON PUBLIC BUILDINGS]. Bonds may be additionally secured by
5 a pledge of a grant or contribution from the federal government or from
6 another source, or by a pledge of income or revenue of the authority,
7 or by a mortgage of a housing project or other property of the
8 authority.

9 * Sec. 8. AS 18.55.190 is repealed.

10 * Sec. 9. AS 18.55.200(4) is amended to read:

11 (4) covenant with respect to limitations on its right to
12 sell, lease or otherwise dispose of a housing [OR PUBLIC BUILDING]
13 project or a part of a housing [OR PUBLIC BUILDING] project;

14 * Sec. 10. AS 18.55.200(10) is amended to read:

15 (10) covenant subject to the limitations contained in secs.
16 10 - 290 of this chapter as to the rents and fees to be charged in the
17 operation of a housing [OR PUBLIC BUILDING] project, the amount to be
18 raised each year or other period of time by rents, fees and other
19 revenues, and as to the use and disposition of these revenues;

20 * Sec. 11. AS 18.55.200(15) is amended to read:

21 (15) vest in one or more trustees the right, in the event of
22 a default by the authority, to take possession of a housing [OR PUBLIC
23 BUILDING] project or a part of the project, and so long as the author-
24 ity continues in default to retain possession and to use, operate and
25 manage the project, and to collect the rents and revenues from the
26 project, and to dispose of the money according to the agreement between
27 the authority and the trustees;

28 * Sec. 12. AS 18.55.220(1) and (2) are amended to read:

29 (1) to have possession of a housing [OR PUBLIC BUILDING]

1 project or part of one surrendered to the obligee, with possession
2 retained by the obligee as long as the authority continues in default;

3 (2) to obtain the appointment of a receiver of a housing
4 [OR PUBLIC BUILDING] project or part of one and its rents and profits,
5 who may enter, take possession and for the duration of the default
6 operate and maintain it, collect and receive all fees, rents, revenues
7 or other charges thereafter arising, and keep the money in a separate
8 account or accounts to be applied in accordance with the obligations
9 of the authority as the court directs;

10 * Sec. 13. AS 18.55.250 is amended to read:

11 Sec. 18.55.250. EXEMPTION FROM TAXES AND ASSESSMENTS. The property
12 of the authority is public property used for essential public and
13 governmental purposes and this property and the authority are exempt
14 from all taxes and special assessments of a municipality, the state or
15 a political subdivision of the state. However, instead of taxes, the
16 authority may make payments to the municipality or political subdivision
17 for improvements, services and facilities furnished by it for the bene-
18 fit of a housing [OR PUBLIC BUILDING] project.

19 * Sec. 14. AS 18.55.270 is amended to read:

20 Sec. 18.55.270. REPORTS AND RECOMMENDATIONS FOR LEGISLATION.
21 A city or borough housing [THE] authority shall file with the governing
22 body of the city or borough and with the Local Affairs Agency [DEPART-
23 MENT OF COMMERCE] an annual report of its activities and shall make
24 recommendations for the legislation or other action it considers neces-
25 sary to carry out the purposes of secs. 10 - 290 of this chapter.

26 * Sec. 15. AS 18.55 is amended by adding a new section to read:

27 Sec. 18.55.275. ANNUAL AUDIT. A city or borough housing authority
28 is subject to an annual audit of its activities and operations under
29 this chapter by the Department of Administration or the legislative

1 audit division of the Legislative Budget and Audit Committee.

2 * Sec. 16. AS 18.55.288(1) is amended to read:

3 (1) "authority" means a city or borough housing authority
4 [THE ALASKA STATE HOUSING AUTHORITY];

5 * Sec. 17. AS 18.55.288(2) is repealed.

6 * Sec. 18. AS 18.55.290 is amended to read:

7 Sec. 18.55.290. SHORT TITLE. This article may be cited as the
8 Alaska City and Borough [STATE] Housing Authority Act.

9 * Sec. 19. AS 18.55.360 is amended to read:

10 Sec. 18.55.360. CITY OR BOROUGH [ALASKA STATE] HOUSING AUTHORITY
11 REVOLVING FUND. There is created a city or borough [THE ALASKA STATE]
12 housing authority revolving fund, hereinafter referred to as the fund,
13 to be composed of the money appropriated and other money made available
14 to the authority, including money allotted to the authority by the
15 federal government under the scope of secs. 300 - 470 of this chapter.
16 The fund shall be continuous and shall be used to carry out the opera-
17 tions and meet the expenses authorized by secs. 300 - 470 of this
18 chapter. Withdrawals from the fund for the account of the authority
19 are made on requisitions signed by the director or his authorized
20 representative, addressed to the Department of Administration quarterly,
21 or otherwise as the members of the authority may direct. It is the
22 intent and purpose that money requisitioned to meet periodic [PERIODI-
23 CAL] financial requirements is deposited under suitable banking
24 arrangements for appropriate disbursement, and subject to audit under
25 state law or regulation of the members of the authority.

26 * Sec. 20. AS 18.55.460 is amended to read:

27 Sec. 18.55.460. PREFERENCE FOR STATE PROFESSIONAL AND CONTRACTORS'
28 SERVICES. In planning, designing and constructing projects under
29 [SECS. 300 - 470 OF] this chapter, the authority shall use Alaskan

1 professional and contractor services as far as practicable and shall
2 encourage the use of local building materials.

3 * Sec. 21. AS 18.55.470(1) is amended to read:

4 (1) "authority" means a city or borough housing authority
5 [THE ALASKA STATE HOUSING AUTHORITY];

6 * Sec. 22. AS 18.55.520(9) is amended to read:

7 (9) to make expenditures which are necessary to carry out
8 the purposes of secs. 480 - 960 of this chapter and to make expen-
9 ditures from funds obtained from the federal government and the
10 state including a city or borough housing authority fund [THE ALASKA
11 STATE HOUSING AUTHORITY FUND], without regard to any other laws
12 pertaining to the making and approval of appropriations and expendi-
13 tures;

14 * Sec. 23. AS 18.55.640 is amended to read:

15 Sec. 18.55.640. REPORT BY THE AUTHORITY. The authority shall
16 submit to the governing body of the city or borough and to the Local
17 Affairs Agency [DEPARTMENT OF COMMERCE], an annual report, including
18 a financial statement, covering its activities under secs. 480 - 960
19 of this chapter.

20 * Sec. 24. AS 18.55.950(1) and (2) are amended to read:

21 (1) "area of operation" means an organized borough, or city
22 outside an organized borough, where a housing authority has been
23 created [THE STATE OF ALASKA];

24 (2) "authority" means a city or borough housing authority
25 [ALASKA STATE HOUSING AUTHORITY];

26 * Sec. 25. AS 18.55.970 is amended to read:

27 Sec. 18.55.970. PLANNING ASSISTANCE TO PLATTING AUTHORITIES. To
28 facilitate urban planning in cities and other political subdivisions,
29 a city or borough housing authority [THE ALASKA STATE HOUSING AUTHORITY]

1 may provide planning assistance, including but not limited to surveys,
2 land-use studies, urban renewal plans, technical services, and other
3 planning work to a city, borough, or other platting authority. In an
4 area under the jurisdiction for planning purposes of a city, borough,
5 or other platting authority, the housing authority may not perform
6 the planning work except at the request or with the consent of the
7 local authority.

8 * Sec. 26. AS 18.55.980 is amended to read:

9 Sec. 18.55.980. ASSISTANCE BY CITIES AND PLATTING AUTHORITIES.

10 A city or platting authority may make funds under its control available
11 to a city or borough housing authority [THE ALASKA STATE HOUSING
12 AUTHORITY] for the purposes of obtaining planning work or planning
13 assistance, or both, for its area. A city or borough housing authority
14 [THE ALASKA STATE HOUSING AUTHORITY] may contract for, accept, and
15 expend the funds for urban planning for the local jurisdiction.

16 * Sec. 27. AS 18.55.990 is amended to read:

17 Sec. 18.55.990. PLANNING POWERS OF AUTHORITY. A city or borough
18 housing authority [THE ALASKA STATE HOUSING AUTHORITY] may accept and
19 expend grants from the federal government and other public or private
20 sources, may contract with reference thereto, and may enter into con-
21 tracts and exercise all other powers necessary to carry out secs. 970 -
22 990 of this chapter.

23 * Sec. 28. AS 18.55.995 is amended to read:

24 Sec. 18.55.995. PURPOSE AND INTENT. The legislature finds that
25 an acute shortage of housing and related facilities exists in the
26 villages of Alaska and that adequate housing cannot be provided by the
27 private sector due to the economic depression which exists in most
28 villages of Alaska. It is the purpose and intent of the legislature
29 to provide a means for certain native associations to form public

1 housing and finance corporations with the powers and duties
2 comparable to city or borough housing authorities and housing
3 finance corporations [THE ALASKA STATE HOUSING AUTHORITY] for
4 the specific purpose of implementing the President's National
5 Indian Program for Indian Housing, under which the State of
6 Alaska's share initially will be 1,200 new homes in 1972, in
7 the remote housing program.

8 * Sec. 29. AS 18.55.996(b) is amended to read:

9 (b) There is created with respect to each of the associa-
10 tions named in (a) of this section a public body corporate and
11 politic to function in the operating area of the individual
12 association but only in the unorganized borough and in areas out-
13 side cities to be known as the regional housing authority and
14 finance corporation of the associations possessing all powers,
15 rights and functions now or subsequently specified for a city
16 or borough housing authority and housing finance corporation
17 under this chapter and AS 18.56 [THE ALASKA STATE HOUSING
18 AUTHORITY, UNDER THE ALASKA STATE HOUSING AUTHORITY ACT (SECS.
19 10 - 290 OF THIS CHAPTER)] except those specified with respect
20 to [THE CONSTRUCTION AND ACQUISITION OF PUBLIC BUILDINGS FOR
21 LEASE TO THE STATE OR] any subsequently specified authority
22 which is inconsistent with sec. 995 of this chapter. All obliga-
23 tions or liabilities of the regional housing authorities and
24 housing finance corporations shall remain their own and shall
25 not be obligations or liabilities of the state.

26 * Sec. 30. AS 18.55.996(c) is amended to read:

27 (c) A housing authority and housing finance corporation created
28 by this section may not transact business or exercise powers granted
29

1 to it until the governing body of the named association has, by proper
2 resolution, declared that there is a need for the authority and the
3 corporation to function, gives it the authority to function and [HAS
4 NAMED] its commissioners appointed as provided under (d) of this
5 section.

6 * Sec. 31. AS 18.55.996(d) is repealed and re-enacted to read:

7 (d) The board of commissioners of the regional native housing
8 authority and housing finance corporation consists of five members: the
9 director of the Local Affairs Agency, or his designee, ex officio;
10 two members appointed by the named association and two members appointed
11 by the governor subject to confirmation by the legislature. Except
12 for the director of the Local Affairs Agency, or his designee, the
13 term of office of each member is for three years; however, of the
14 commissioners first appointed, one commissioner appointed by the named
15 association and one commissioner appointed by the governor shall serve
16 one year and the remaining two shall serve for a term of two years.
17 Vacancies shall be filled by the appointing authority.

18 * Sec. 32. AS 18.55 is amended by adding a new section to read:

19 Sec. 18.55.997. ANNUAL REPORT, AUDIT. The regional native housing
20 authority and housing finance corporation shall submit to the governing
21 body of the association and to the Local Affairs Agency an annual
22 report, including a financial statement, covering its activities and
23 operations under this chapter and AS 18.56. The authority and corpora-
24 tion is subject to an annual audit of its activities and operations
25 under these chapters by the Department of Administration or the legis-
26 lative audit division of the Legislative Budget and Audit Committee.

27 * Sec. 33. AS 18.56.010(c) is amended to read:

28 (c) The legislature finds and declares further that, in accom-
29 plishing this purpose, the creation of a city or borough housing

1 finance corporation [THE ALASKA HOUSING FINANCE CORPORATION] is essen-
2 tial to assist in the acquisition and development of land and the con-
3 struction, rehabilitation, financing, management, maintenance, sale and
4 rental of dwelling units for persons of lower income and that these
5 activities serve a public purpose in benefiting the people of the
6 state, and its political subdivisions. A city or borough housing
7 finance corporation [THE ALASKA HOUSING FINANCE CORPORATION] is em-
8 powered to act on behalf of a city or borough [THE STATE] and its
9 people in serving this public purpose for the benefit of the general
10 public.

11 * Sec. 34. AS 18.56.020 is repealed and re-enacted to read:

12 Sec. 18.56.020. CITY OR BOROUGH HOUSING FINANCE CORPORATION.

13 There is a housing finance corporation, a public corporation and govern-
14 ment instrumentality, in each organized borough and in each city out-
15 side an organized borough, but having a legal existence independent of
16 and separate from the city or borough or the state. The corporation
17 may not be terminated as long as it has bonds, notes or other obliga-
18 tions outstanding. Upon termination of the corporation, its rights
19 and property pass to the state.

20 * Sec. 35. AS 18.56.030 is repealed and re-enacted to read:

21 Sec. 18.56.030. CORPORATION GOVERNING BODY. The corporation
22 shall be governed by a board of directors consisting of the members
23 of the city or borough housing authority established under AS 18.55.020.
24 Members serve without compensation except that each member may be reim-
25 bursed by the corporation for actual and necessary expenses at the
26 same rate determined by law or ordinance.

27 * Sec. 36. AS 18.56.045 is amended to read:

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

1 body of the city or borough in which the corporation is organized and
2 to the Local Affairs Agency [GOVERNOR].

3 * Sec. 37. AS 18.56.055 is amended to read:

4 Sec. 18.56.055. LEGAL ADVISOR. The city or borough attorney or
5 the attorney general, as determined by the board, is the legal
6 counsel for the corporation. He shall advise the corporation in
7 legal matters and represent it in suits.

8 * Sec. 38. AS 18.56.070 is amended to read:

9 Sec. 18.56.070. PERSONNEL EXEMPT FROM STATE PERSONNEL ACT, LOCAL
10 MERIT SYSTEM. The personnel of the corporation are exempt from
11 AS 39.25, and local merit systems, to the same extent as the personnel
12 of the city or borough housing authority [ALASKA STATE HOUSING
13 AUTHORITY].

14 * Sec. 39. AS 18.56.080 is amended to read:

15 Sec. 18.56.080. INTERDEPARTMENTAL COOPERATION. All departments,
16 agencies and public corporations of the state, or of any of its
17 political subdivisions, may provide information, services, facilities
18 and loans to the corporation upon its request. The corporation may
19 reimburse departments, agencies and public corporations of the state,
20 or of any of its political subdivisions, for loans advanced or for
21 expenses incurred on the corporation's behalf. The corporation may
22 contract with the Local Affairs Agency for those services the board
23 may require.

24 * Sec. 40. AS 18.56.090(22) is amended to read:

25 (22) employ fiscal and planning consultants, architects,
26 engineers, attorneys, real estate counselors, appraisers and [SUCH]
27 other consultants and employees, subject to the provisions of AS 36.10
28 that Alaska residents be given preference in hiring or contracting for
29 professional services, as may be required in the judgment of the

1 corporation, and fix and pay their compensation from funds available
2 to the corporation; and

3 * Sec. 41. AS 18.56.090 is amended by adding a new paragraph to read:

4 (24) notwithstanding any other provisions of this chapter,
5 to acquire dwellings and to rent, lease or otherwise operate them
6 for residential housing; and

7 * Sec. 42. AS 18.56.200 is amended to read:

8 Sec. 18.56.200. ANNUAL REPORT, AUDIT. The corporation shall
9 prepare and transmit annually a report accounting to the governing
10 body of the city or borough in which the corporation is established,
11 to the Local Affairs Agency [GOVERNOR] and the legislature for the
12 efficient discharge of all responsibility assigned by law, ordinance,
13 or by directive to the corporation. The corporation is subject to an
14 annual audit of its activities and operations under this chapter by
15 the Department of Administration or the legislative audit division
16 of the Legislative Budget and Audit Committee.

17 * Sec. 43. AS 18.56.210(1) is amended to read:

18 (1) "corporation" means a city or borough housing finance
19 corporation [THE ALASKA HOUSING FINANCE CORPORATION] created by this
20 chapter;

21 * Sec. 44. AS 43.18.010(a) is amended by adding a new paragraph to read:

22 (7) \$2 per capita, or \$50,000, whichever is less, to cities,
23 boroughs, and native regional associations that establish a city or
24 borough housing authority and housing finance corporation under AS 18.-
25 55 and 18.56; however, in only the first grant to those entities may
26 be \$2 per capita, or \$50,000, whichever is less; grants in subsequent
27 fiscal years shall be \$1 per capita, or \$50,000, whichever is less.

28 * Sec. 45. AS 43.18 is amended by adding a new section to read:

29 ARTICLE 4. URBAN RENEWAL, REDEVELOPMENT AND

1 REHABILITATION PROJECT GRANTS.

2 Sec. 43.18.400. FEDERAL URBAN RENEWAL, REDEVELOPMENT AND
3 REHABILITATION PROJECTS. (a) Within the limits of legislative appro-
4 priations for the purpose, the state shall pay the nonfederal costs
5 of urban renewal, redevelopment and rehabilitation projects undertaken
6 by a city, borough or regional native association housing authority
7 and housing finance corporation under AS 18.55.

8 (b) To qualify for a grant-in-aid under (a) of this section the
9 governing body of the authority and corporation shall submit an annual
10 budget to the Local Affairs Agency, subject to the regulations promul-
11 gated by the agency under the Administrative Procedure Act (AS 44.62).

12 * Sec. 46. The property and assets of the Alaska State Housing Authority
13 and the Alaska Housing Finance Corporation are transferred to the Local
14 Affairs Agency, except the public buildings constructed under AS 18.55.010 -
15 18.55.290 for lease to the state. These public buildings, together with
16 their related liabilities and obligations, are transferred to the State
17 Public Facilities Leasing Fund, created by a House Bill in the Seventh
18 Legislature, Second Session, entitled "An Act creating the State Public
19 Facilities Leasing Fund; and providing for an effective date." in the
20 Department of Public Works to be administered in a manner determined by
21 law. The Local Affairs Agency subsequently may transfer, redistribute, re-
22 allocate or reassign the residential dwelling assets and properties,
23 together with their related liabilities and obligations, of the Alaska State
24 Housing Authority and Alaska Housing Finance Corporation to a city, borough
25 or regional native association housing authority and housing finance corpora-
26 tion. The balance of the residential dwelling assets and liabilities of
27 the Alaska State Housing Authority and the Alaska Housing Finance Corporation
28 that are not transferred, redistributed, reallocated or reassigned in the
29 manner provided by this section shall be administered by the Local Affairs

1 Agency as if it were a city, borough or regional native housing authority
2 and housing finance corporation. All litigation, hearings, investigations
3 and other proceedings pending under a law amended or functions which may be
4 transferred by this Act, continue in effect and may be continued and com-
5 pleted notwithstanding a transfer or amendment provided for in this Act.
6 Certificates, orders, rules or regulations issued or filed under authority
7 of a law amended by this Act or functions which may be transferred by this
8 Act, remain in effect for the term issued, unless revoked, vacated, or
9 otherwise modified under the provisions of this Act. All contracts or other
10 obligations created by a law amended by this Act or by virtue of functions
11 which may be transferred by this Act, and in effect on the effective date of
12 this Act, remain in effect unless revoked or modified under the provisions
13 of this Act.

14 * Sec. 47. This Act takes effect July 1, 1972.
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