

Original sponsor: Finance Committee

Offered: 4/22/75
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 331 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the creation of a housing develop-
7 ment revolving loan fund for purposes of providing seed
8 money and feasibility studies; 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 100. HOUSING DEVELOPMENT REVOLVING LOAN FUND.

13 Sec. 18.100.010. DECLARATION OF PURPOSE. There exists within the
14 state a serious shortage of decent, safe and sanitary residential housing
15 available at low or moderate prices or rentals to persons of lower and
16 moderate income. There also exists in the state organizations whose
17 purposes are to provide the kinds of housing needed to alleviate this
18 shortage. Development work to provide such housing involves substantial
19 expense which is often beyond the resources of the organizations.

20 Sec. 18.100.020. FUND ESTABLISHED. There is created in the Depart-
21 ment of Community and Regional Affairs a housing development revolving
22 loan fund to be administered by the community planning division.

23 Sec. 18.100.030. POWERS AND DUTIES OF THE DEPARTMENT. The depart-
24 ment may:

25 (1) make loans to sponsors, builders and developers of resi-
26 dential housing for the costs approved by the division as appropriate
27 expenditures which may be incurred by sponsors, builders and developers
28 of residential housing, before commitment and initial advance of the
29 proceeds of a construction loan or of a mortgage loan, including but not

1 limited to

2 (A) payments for options to purchase properties on the
3 proposed residential housing site;

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

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

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

10 (E) necessary application and other fees;

11 (2) designate agents and delegate powers to them as is neces-
12 sary;

13 (3) adopt regulations necessary to carry out the purposes of
14 this chapter;

15 (4) determine the eligibility of applicants for loans under
16 this chapter.

17 Sec. 18.100.040. REPAYMENT OF LOAN. The repayment of a loan made
18 under this chapter shall be at such time as the department designates
19 but not later than final closing of a permanent loan on the project.
20 The department may not require payment if construction of the contem-
21 plated project does not commence.

22 Sec. 18.100.050. ELIGIBILITY FOR LOANS. Only public or nonprofit
23 private corporations are eligible for loans under this chapter. The
24 nonprofit corporations must be tax exempt under sec. 501(c)(3) and (4)
25 of the Internal Revenue Code of 1954.

26 Sec. 18.100.060. INTEREST. The interest rate on loans made under
27 this chapter shall be set by the department at a rate sufficient to pay
28 the administrative costs of the fund but the interest rate may not
29 exceed three per cent.

1 Sec. 18.100.070. REPORTS TO THE LEGISLATURE. The department shall
2 report annually to the legislature on the activities and the financial
3 position of the housing development revolving loan fund.

4 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
5 070(c).

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