

Original sponsor: Duncan

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1 IN THE HOUSE

BY THE RULES COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 502 (Rules)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to housing authorities and to supple-
7 mental housing development grants; and providing for
8 an effective date."

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

10 * Section 1. AS 18.55.020 is amended to read:

11 Sec. 18.55.020. ALASKA STATE HOUSING AUTHORITY. (a) There is
12 created in [WITHIN] the Department of Commerce and Economic Development
13 the Alaska State Housing Authority consisting of the commissioner of
14 commerce and economic development or his designee and four residents of
15 the state.

16 (b) The term of office of a board member, other than the commis-
17 sioner of commerce and economic development or his designee, is three
18 years. The terms of office are staggered, with two terms expiring
19 every third year beginning with 1968, and one term expiring each remain-
20 ing year.

21 * Sec. 2. AS 18.55.140 is amended to read:

22 Sec. 18.55.140. ISSUANCE OF BONDS, NOTES, AND REFUNDING BONDS.
23 The authority may issue bonds and notes from time to time in its dis-
24 cretion for any of its corporate purposes and may issue refunding bonds
25 for the purpose of paying or retiring bonds previously issued by it.

26 * Sec. 3. AS 18.55.180 is amended to read:

27 Sec. 18.55.180. ISSUANCE AND SALE OF BONDS AND NOTES. Bonds
28 and notes of the authority are authorized by adoption of a resolution
29 prescribing the date of issuance and maturity, interest rate, denomina-

tion, form, conversion privilege, rank or priority, execution, terms of redemption, medium and place of payment. Bonds and notes may be sold in the manner, on the terms, and at the price the authority determines.

[BONDS MAY BE SOLD AT PUBLIC OR PRIVATE SALE AT NOT LESS THAN PAR.]

Each bond and note is negotiable. The signature of a member or an officer upon a bond or note or coupon is not invalidated by his ceasing to hold office before the delivery of the bond or note. The recitation of a bond or note that it has been issued in the financing of a housing or public building project under AS 18.55.010 - 18.55.290 is conclusive as to the issuance of the bond or note and the character of the project in a challenge of the validity of the bond or note or the security for it.

* Sec. 4. AS 18.55.185 is repealed and reenacted to read:

Sec. 18.55.185. INDEPENDENT FINANCIAL ADVISOR. In negotiating the private sale of bonds or bond anticipation notes to an underwriter, the corporation shall retain a financial advisor who is independent from the underwriter. The financial advisor may not bid on the bonds or notes if offered at public sale or negotiate for their purchase if sold at private sale.

* Sec. 5. AS 18.55.570 is amended to read:

Sec. 18.55.570. ISSUANCE OF BONDS AND NOTES. (a) The authority may issue bonds and notes from time to time for any of its corporate purposes including the payment of principal and interest upon advances for surveys and plans for redevelopment projects. The authority may issue refunding bonds for the purpose of the payment or retirement or in exchange for bonds previously issued by it. The authority may issue the types of bonds and notes it determines, including bonds and notes on which the principal and interest are payable (1) exclusively from the income, proceeds, and revenues of the redevelopment project financed

1 with the proceeds of the bonds or notes, or (2) exclusively from the
2 income, proceeds, and revenues of any of its redevelopment projects
3 whether or not they are financed in whole or in part with the proceeds
4 of the bonds or notes, or (3) in whole or in part from taxes allocated
5 to, and paid into a special fund by a city, borough, or other taxing
6 agency under the provisions of AS 18.55.695 - 18.55.700. The bonds
7 or notes may be further secured by a pledge of all or any part of a
8 loan, grant or contribution from the federal government or from another
9 source, or by a mortgage of a redevelopment project of the authority.

10 (b) The members of the authority or a person executing the bonds
11 or notes shall not be liable personally on the bonds or notes by reason
12 of the issuance of them. The bonds, notes, and other obligations of the
13 authority are not a debt of the municipality, the state or the United
14 States, and neither the municipality, the state nor the United States
15 is liable on them, nor are the bonds, notes, or obligations payable out
16 of funds or properties other than those of the authority acquired for
17 the purposes of AS 18.55.480 - 18.55.960 and each bond and note shall
18 state this on its face. A bond or note does not constitute an indebted-
19 ness within the meaning of any constitutional or statutory debt limita-
20 tion or restriction. Bonds and notes of the authority issued under
21 AS 18.55.480 - 18.55.960 are declared to be issued for an essential
22 public and governmental purpose and, together with interest on them and
23 income from them shall be exempt from all taxes.

24 (c) Bonds and notes of the authority issued under AS 18.55.480 -
25 18.55.960 shall be authorized by its resolution and may be issued in
26 one or more series and shall bear the date or dates, be payable upon
27 demand or mature at the time or times, bear interest at the rate or
28 rates provided for bonds and notes of the authority under AS 18.55.190,
29 be in the denomination or denominations, be in the form either coupon

1 or registered, carry the conversion or registration privileges, have
2 the rank or priority, be executed in the manner, be payable in the
3 medium of payment, at the place or places, and be subject to the terms
4 of redemption, with or without premium, which the resolution, its trust
5 indenture or mortgage provides.

6 (d) Bonds and notes may be sold in the manner, on the terms, and
7 at the price the authority determines [THE BONDS MAY BE SOLD AT PUBLIC
8 OR PRIVATE SALE AT NOT LESS THAN PAR].

9 (e) If a member or officer of the authority whose signature
10 appears on a bond, note, or coupon ceases to be a member or officer
11 before the delivery of the bonds or notes, the signature is nevertheless
12 valid and sufficient for all purposes [THE SAME] as if he had remained
13 in office until delivery. Any provision of [ANY] law to the contrary
14 notwithstanding, bonds and notes issued under [PURSUANT TO] AS 18.55.-
15 480 - 18.55.960 are negotiable.

16 (f) In an action or proceeding involving the validity or enforce-
17 ability of a bond or note or security for a bond or note issued under
18 AS 18.55.480 - 18.55.960, where the bond or note recites in substance
19 that it has been issued by the authority to aid in financing a redevelop-
20 ment project, the bond or note is conclusive proof that it has been
21 issued for that purpose and the project is conclusively considered to
22 have been planned, located and carried out in accordance with the
23 purposes and provisions of AS 18.55.480 - 18.55.960.

24 * Sec. 6. AS 18.55.996 is amended by adding new subsections to read:

25 (h) Before a contract for the construction, alteration, or repair
26 of a housing unit constructed under a federal or state funded housing
27 program is awarded, the regional housing authority shall require the
28 contractors to comply with the bond provisions specified in AS 36.25.-
29 010(a) and (b).

1 (1) A housing authority created under this section shall have its
2 financial records audited annually by an independent certified public
3 accountant. The legislative auditor may prescribe the form and content
4 of the financial records of the housing authority and shall have access
5 to these records at any time.

6 * Sec. 7. AS 18.55 is amended by adding a new section to read:

7 Sec. 18.55.998. SUPPLEMENTAL HOUSING DEVELOPMENT GRANTS. (a)
8 There is created in the Department of Community and Regional Affairs a
9 supplemental housing development grant fund. Subject to the avail-
10 ability of appropriations for the purpose, the department shall make
11 grants to regional housing authorities established under AS 18.55.996
12 for the cost of on-site sewer and water facilities, road construction
13 to project sites, and extension of electrical distribution facilities
14 to individual residences.

15 (b) A grant may be made only for residential housing for which
16 federal loan or grant approval has been obtained from the United States
17 Department of Housing and Urban Development and which will be made
18 available to the public on a nondiscriminatory basis. A grant may not
19 be used to retire or repay obligations or debts of the grant recipient.
20 A grant may only be for the difference between the maximum amount
21 available under federal law or regulation for construction of the
22 residential housing for which the grant is made and the actual costs of
23 the construction. A grant may not exceed 20 percent of the United
24 States Department of Housing and Urban Development total development
25 cost per unit in effect at the time the grant is made.

26 (c) Grant money may be used only for the purposes specified in
27 (a) of this section. No part of the grant money may be used for
28 administrative or other costs of a regional housing authority whether
29 the costs are directly associated with the construction or are general

1 costs of the authority.

2 (d) The department shall adopt regulations to carry out the
3 purposes of this section. The provisions of the Administrative Pro-
4 cedure Act (AS 44.62) apply to regulations adopted under this section.

5 * Sec. 8. This Act takes effect immediately in accordance with AS 01.10.-
6 070(c).