

Introduced: 4/21/81  
Referred: Finance

1 IN THE HOUSE

BY DUNCAN

2 HOUSE BILL NO. 520

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 grants and loans for low and  
7 moderate income housing; and providing for an effective  
8 date."

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

10 \* Section 1. AS 18 is amended by adding a new chapter to read:

11 CHAPTER 53. LOW AND MODERATE INCOME HOUSING FUND.

12 Sec. 18.53.010. LOW AND MODERATE INCOME HOUSING FUND. There is  
13 established in the Department of Community and Regional Affairs a low  
14 and moderate income housing fund. Subject to direct appropriation for  
15 the purpose, the department shall make grants or loans to municipalities  
16 or to corporations eligible for loans under AS 18.53.030 for the purpose  
17 of financing low and moderate income housing.

18 Sec. 18.53.020. APPLICATION. Application for a grant or loan  
19 under this chapter shall be in the form prescribed by the department.  
20 The application shall demonstrate the need for low and moderate income  
21 housing in the area to be served, the feasibility of the proposed  
22 project, and an adequate management plan which shall demonstrate the  
23 ability of the eligible recipient to sustain the proposed project.

24 Sec. 18.53.030. ELIGIBILITY FOR LOANS AND GRANTS. Only housing  
25 authorities established by law, housing cooperatives incorporated under  
26 AS 10.15, and public or nonprofit private corporations are eligible for  
27 loans under this chapter. In order to be eligible for a loan, a non-  
28 profit corporation must be designated as tax exempt under sec. 501  
29 (c)(3), and (4) of the Internal Revenue Code of 1954.

1           Sec. 18.53.040. LOAN TERMS. (a) A loan granted under this  
2 chapter

3           (1) may not exceed a term of 30 years;

4           (2) may not bear interest exceeding three percent;

5           (3) may not be for direct construction.

6           (b) A loan made under this chapter shall be secured by a first  
7 priority lien or mortgage on improved real property.

8           Sec. 18.53.050. POWERS AND DUTIES OF THE DEPARTMENT. The depart-  
9 ment may

10           (1) establish income guidelines for persons eligible for  
11 housing financed in part or whole by loans or grants made under this  
12 chapter;

13           (2) establish schedules of rents which may be charged to  
14 tenants of housing financed in part or whole by loans or grants made  
15 under this chapter;

16           (3) prescribe area differentials for income and rents based  
17 on economic differences between areas of the state;

18           (4) make grants in connection with housing loans made under  
19 this chapter in the amount the department determines is needed to allow  
20 feasible repayment of loans made under this chapter from rents charged  
21 to tenants under rent schedules established by the department;

22           (5) execute agreements for services the department determines  
23 useful in carrying out its duties under this chapter;

24           (6) establish construction standards including standards for  
25 energy-efficient construction.

26           Sec. 18.53.060. REGULATION. The department shall adopt regula-  
27 tions to carry out the purposes of this chapter. The provisions of the  
28 Administrative Procedure Act (AS 44.62) apply to regulations adopted  
29 under this section.

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Sec. 18.53.070. In this chapter

(1) "department" means the Department of Community and Regional Affairs;

(2) "low and moderate income housing" means housing for which the rental rate is below the level at which comparable housing is currently being offered for rent by private persons in the locality involved and for which the rental rate does not exceed the rental rate established in the schedule of rates prescribed by the department by regulation.

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