

Original sponsor: Rules/House Members
of the Joint Committee
on Economic Recovery

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 555 (State Affairs)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act authorizing the Alaska Housing Finance Corpo-
7 ration to stabilize the market price of and the
8 demand for residential housing in the state; and
9 providing for an effective date."

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

11 * Section 1. AS 18.56 is amended by adding a new section to read:

12 Sec. 18.56.210. MARKET STABILIZATION POWERS. (a) If the board
13 of directors determines that it is in the best interest of the corpo-
14 ration, the corporation may take appropriate action under this sec-
15 tion to stabilize the market price of and demand for residential
16 housing in the state. To accomplish the purposes of this section, the
17 corporation may

18 (1) make and execute necessary agreements and conveyances
19 under which a borrower may exchange residential housing securing a
20 mortgage loan owned, held, or sold by the corporation for other res-
21 idential housing owned by the corporation;

22 (2) repurchase a mortgage loan sold or pledged by the
23 corporation for the purpose of exercising a power conferred by this
24 section;

25 (3) for the purpose of qualifying residential housing
26 situated in a condominium project for the best available financing for
27 mortgage loans, make and execute agreements and contracts necessary to
28 encourage all owners who occupy units in a condominium project that is
29 not eligible for financing under this chapter to exchange their

1 ownership interest for a condominium unit owned by the corporation in
2 another project;

3 (4) make and execute appropriate agreements with insurers,
4 investors, and guarantors concerning the temporary removal of residen-
5 tial housing owned by the corporation from the resale market;

6 (5) demolish residential housing owned by the corporation
7 if the corporation determines that

8 (A) the housing is substandard compared to housing
9 available on the open market;

10 (B) the housing cannot be converted to a public or
11 charitable use; and

12 (C) there is a substantial oversupply of similar
13 housing on the open market;

14 (6) convert residential housing owned by the corporation
15 that is designed and constructed for owner occupancy to another bene-
16 ficial use;

17 (7) make bulk sales of property owned by the corporation
18 under procedures and terms the corporation determines are in the best
19 interests of the corporation;

20 (8) provide financing under terms established by the board
21 to promote the sale of residential housing owned by the corporation if
22 the board of directors determines that the terms of financing do not
23 work an excessive hardship on competing individual sellers of residen-
24 tial housing;

25 (9) invest funds of the corporation in the removal and
26 disposal of substandard publicly-owned residential housing if the
27 board of directors determines that the investment is prudent, properly
28 secured, and in the long-term best interests of the corporation;

29 (10) create subsidiary entities to implement a power

1 conferred by this section and to provide insurance under AS 18.56.093
2 and 18.56.095; and

3 (11) take other actions necessary, convenient, or desirable
4 to carry out the powers granted in this subsection.

5 (b) The corporation shall implement the powers conferred by (a)
6 of this section by adopting regulations under AS 18.56.088.

7 * Sec. 2. AS 45.50.572 is amended by adding a new subsection to read:

8 (i) AS 45.50.562 - 45.50.596 do not prohibit activities of the
9 Alaska Housing Finance Corporation to stabilize the market price of
10 and demand for residential housing in the state under AS 18.56.210.

11 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).