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Referred: State Affairs, and Finance

6-1011E

BY REP. ULMER, Hudson

1 IN THE HOUSE

2 SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 218  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act extending the authority of the Alaska Housing  
7 Finance Corporation to assist in the development of  
8 congregate housing; and providing for an effective  
9 date."

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

11 \* Section 1. AS 18.56.100(b) is amended to read:

12 (b) Consistent with AS 18.56.090, the corporation may make  
13 temporary and permanent loans from the housing development fund, at an  
14 interest rate or rates determined by the corporation, and with the  
15 security for repayment that is necessary and practicable, to purchase,  
16 make, or participate in the making of mortgage loans

17 (1) to borrowers who are individuals, nonprofit corpora-  
18 tions, or agencies of the state or a municipal government, for loans  
19 to develop, build, repair, remodel, or rehabilitate residential hous-  
20 ing that is to be used and occupied as congregate housing; or

21 (2) that are not federally insured or guaranteed for res-  
22 idential housing, if the corporation determines that the loans are not  
23 otherwise available, wholly or in part, from private lenders upon  
24 reasonably equivalent terms and conditions.

25 \* Sec. 2. AS 18.56.100 is amended by adding new subsections to read:

26 (1) The corporation shall use money in the housing development  
27 fund to reduce the interest payable by borrowers who develop housing  
28 under (b)(1) of this section. The corporation may reduce the interest  
29 rate on a loan entered into under (b)(1) of this section and this

1 subsection to one percent less than the interest rate payable on the  
2 corporation's bonds issued under AS 18.56.110 - 18.56.170 for develop-  
3 ment of the project. If a project developed by a borrower with a  
4 reduced interest subsidy made under this subsection ceases to be used  
5 for congregate housing, the corporation shall adjust the interest rate  
6 payable on the unpaid balance of the loan to the prevailing rate of  
7 interest charged by the corporation on loans made for other residen-  
8 tial purposes, but may not reduce the interest rate payable below the  
9 subsidized rate.

10 (m) The corporation shall adopt regulations to implement (b)(1)  
11 and (1) of this section that

12 (1) determine borrower eligibility;

13 (2) define procedures for the application, review, and  
14 approval of authorized loans;

15 (3) establish loan guidelines, loan terms, and acceptable  
16 security for loans; and

17 (4) identify characteristics of housing projects eligible  
18 for loans.

19 (n) In (b)(1), (1), and (m) of this section "congregate housing"  
20 means a multi-family group-living building that contains individual  
21 residence areas and common facilities for congregate living.

22 \* Sec. 3. This Act takes effect July 1, 1990.