

Original sponsor(s): REP. SWACKHAMMER, Navarre, Brown, Zawacki

1 IN THE HOUSE BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 368 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to residential housing assistance  
7 provided by the Alaska Housing Finance Corporation."

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

9 \* Section 1. AS 18.56.088(c) is amended to read:

10 (c) The board may adopt regulations to carry out the purposes of  
11 this chapter, and shall adopt regulations necessary for the following  
12 purposes:

13 (1) determination of borrower eligibility including, but  
14 not limited to, income limitations and the determination of remote,  
15 underdeveloped or blighted areas of the state;

16 (2) loan guidelines and terms including but not limited to  
17 maximum loan amounts and required loan-to-value ratios, but excluding  
18 mortgage loan interest rates;

19 (3) characteristics of housing eligible for loans or pur-  
20 chase of loans, including compliance with the requirements of AS 18.-  
21 56.300; [AND]

22 (4) the qualifications of loan originators and servicers  
23 and the method of allocating amounts available for the purchase of  
24 loans; and [.]

25 (5) establishment of a procedure, including a fee schedule,  
26 for the commitment for one year or less of money for the purchase of  
27 an individual mortgage loan at a specific interest rate.

28 \* Sec. 2. AS 18.56 is amended by adding a new section to read:

29 Sec. 18.56.300. CONSTRUCTION STANDARDS FOR HOUSING ELIGIBLE FOR

1 PURCHASE OF LOANS. (a) The corporation may not make or purchase a  
2 housing loan for residential housing the construction of which begins  
3 after June 30, 1991, unless the seller of the mortgage loan complies  
4 with the provisions of this section and unless

5 (1) the unit is in compliance with the construction codes  
6 of the municipality, if the unit is located within a municipality that  
7 has adopted and enforces construction codes and each of those codes  
8 meets or exceeds the comparable standards for similar housing estab-  
9 lished by the state building code; or

10 (2) the unit is in compliance with the comparable standards  
11 for similar housing established by the state building code

12 (A) if the unit is located

13 (i) within a municipality whose construction  
14 codes do not meet the standards for similar housing estab-  
15 lished by the state building code;

16 (ii) within a municipality that does not enforce  
17 construction codes; or

18 (iii) outside a municipality; or

19 (B) as to each specific code within the construction  
20 codes of the municipality that has adopted and enforces con-  
21 struction codes if the specific code does not meet or exceed the  
22 comparable standard for similar housing established by the state  
23 building code.

24 (b) As a condition of a commitment to purchase or approve a loan  
25 under this section for residential housing the construction of which  
26 begins after June 30, 1991, the corporation shall require inspection  
27 of the unit of residential housing that is the subject of the loan.  
28 The inspection must be performed by a municipal building inspector or  
29 by a person who is approved or certified to perform residential

1 inspections by the International Conference of Building Officials or  
2 the International Association of Electrical Inspectors. The person  
3 who makes the inspection shall determine whether the construction  
4 conforms to relevant provisions of the construction codes of the  
5 municipality or of the state building code, as applicable, at each of  
6 the following stages of construction:

- 7 (1) plan approval;
- 8 (2) completion of footings and foundations;
- 9 (3) completion of electrical installation, plumbing, and  
10 framing;
- 11 (4) completion of installation of insulation;
- 12 (5) final approval.

13 (c) An action for damages may not be maintained against

14 (1) a person performing an inspection under (b) of this  
15 section if the claim is based on the person's inspection or failure to  
16 inspect for a violation of the construction codes of the municipality  
17 or the state building code, as applicable, as a condition of approval  
18 of a housing loan under this chapter; or

19 (2) the corporation for

20 (A) the negligent inspection or failure to inspect by  
21 a person performing an inspection under (b) of this section; or

22 (B) committing to or approving a housing loan under  
23 this chapter without first securing a report based on the inspec-  
24 tion made under (b) of this section.

25 (d) In this section,

26 (1) "construction codes" means, with reference to a munic-  
27 ipality, the building, mechanical, plumbing, and electrical codes, or  
28 any of them that have been adopted and are enforced by the municipal-  
29 ity;

1           (2) "state building code" means

2           (A) for building standards, the standards set out in  
3 the version of the Uniform Building Code adopted by the Depart-  
4 ment of Public Safety under AS 18.70.080, including the pro-  
5 visions of that code applicable to buildings used for residential  
6 purposes containing fewer than four dwelling units, notwith-  
7 standing the exclusion of those buildings from the Department of  
8 Public Safety's jurisdiction made by AS 18.70.080(a)(2);

9           (B) for mechanical standards, the standards set out in  
10 the version of the Uniform Mechanical Code adopted by the Depart-  
11 ment of Public Safety under AS 18.70.080, including the pro-  
12 visions of that code applicable to buildings used for residential  
13 purposes containing fewer than four dwelling units, notwithstand-  
14 ing the exclusion of those buildings from the Department of  
15 Public Safety's jurisdiction made by AS 18.70.080(a)(2);

16           (C) for plumbing standards, the minimum plumbing code  
17 adopted by the Department of Labor under AS 18.60.705; and

18           (D) for electrical standards, the minimum electrical  
19 standards prescribed by AS 18.60.580.

20       \* Sec. 3. AS 18.56.300(d)(2)(A) and (B), enacted by sec. 2 of this Act,  
21 are intended to assure that, for purposes of determining whether housing  
22 the construction of which begins after June 30, 1991, meets the building  
23 and mechanical standards under AS 18.56.300(a) and (b), enacted by sec. 2  
24 of this Act, the standards set out in each of the following fully apply to  
25 residences containing fewer than four dwelling units, even though those  
26 residences are excepted from regulation by AS 18.70.080(a)(2):

27           (1) the Uniform Building Code, adopted for the state by 13 AAC  
28 50.020(a);

29           (2) the Uniform Mechanical Code, adopted for the state by 13 AAC

1 50.020(b).