

**HOUSE BILL NO. 152**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**SEVENTEENTH LEGISLATURE - FIRST SESSION**

**BY REPRESENTATIVES BROWN, Ulmer, Koponen, Ellis, B.Davis**

**Introduced: 2/20/91**

**Referred: Labor and Commerce, Health, Education and Social Services, Finance**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to housing; creating the Alaska State Housing Commission and setting  
2 out duties; providing that the Alaska State Housing Commission is the governing body of  
3 the Alaska State Housing Authority and the Alaska Housing Finance Corporation; repealing  
4 the boards of directors of the Alaska State Housing Authority and the Alaska Housing  
5 Finance Corporation; and establishing the Alaska housing trust fund within the Alaska  
6 Housing Finance Corporation."

7 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

8 \* **Section 1. FINDINGS.** The legislature finds that

9 (1) housing programs in the state are not consolidated and are spread among 13 different  
10 state agencies, offices, and divisions, and that a coordinated state housing policy to provide clear  
11 direction for addressing housing needs does not exist;

12 (2) there is only limited statistical data on housing needs and, as a result, housing  
13 programs are designed with little quantitative information regarding the real needs of Alaskans;

1 (3) low-income and rural housing needs in the state are critical and have not been met  
2 with existing housing resources even while it is estimated that nearly 33 percent of Alaskans are  
3 considered to be low-income residents; and

4 (4) in order to ensure that all Alaskans are afforded the opportunity to live in safe,  
5 sanitary, and energy efficient housing, a consolidation and coordination of the state's varied and disparate  
6 housing program initiatives are required.

7 \* Sec. 2. AS 44.47 is amended by adding new sections to read:

8 ARTICLE 5A. ALASKA STATE HOUSING COMMISSION.

9 Sec. 44.47.321. ALASKA STATE HOUSING COMMISSION. (a) The Alaska State  
10 Housing Commission is established in the Department of Community and Regional Affairs.

11 (b) The commission consists of 11 members, including

12 (1) the commissioner of community and regional affairs, who serves as chair of  
13 the commission;

14 (2) the commissioner of commerce and economic development;

15 (3) the commissioner of revenue;

16 (4) two persons who at the time of their appointment are employed in the  
17 mortgage banking industry;

18 (5) two persons who represent persons having special housing needs;

19 (6) four public members.

20 (c) Members of the commission described in (b)(4) - (6) of this section

21 (1) are appointed by the governor and serve staggered four-year terms;

22 (2) may be reappointed; and

23 (3) are entitled to receive \$100 compensation for each day spent on official  
24 business of the commission and may be reimbursed for actual and necessary expenses as  
25 provided in AS 39.20.180.

26 Sec. 44.47.326. MEETINGS OF COMMISSION. (a) The commission shall meet at the  
27 call of the chair. Six members are a quorum. The commission shall meet not less than once  
28 each three months.

29 (b) The commission may meet and transact business by electronic media if

30 (1) public notice of the time and locations where the meeting will be held by  
31 electronic media has been given in the same manner as if the meeting were held in a single

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location;

(2) participants and members of the public in attendance can hear and have the same right to participate in the meeting as if the meeting were conducted in person; and

(3) copies of pertinent reference materials, statutes, regulations, and audio-visual materials are reasonably available to participants and to the public.

(c) A meeting by electronic media as provided in this section has the same legal effect as a meeting in person.

(d) For the purposes of this chapter public notice of 24 hours or more is adequate notice of a meeting of the commission at which the issuance of corporation bonds is authorized.

Sec. 44.47.331. OFFICERS AND EMPLOYEES. The commission may employ an executive director, who serves at the pleasure of the commission, and other staff it considers necessary to perform its duties, subject to legislative appropriation for the purpose.

Sec. 44.47.336. DUTIES OF COMMISSION. The commission shall

(1) serve as the governing board of the Alaska State Housing Authority and perform the duties and execute the powers and obligations described in AS 18.55 and as otherwise provided;

(2) serve as the governing board of the Alaska Housing Finance Corporation and perform the duties and execute the powers and obligations described in AS 18.56 and as otherwise provided;

(3) coordinate all state housing programs and develop and implement a state housing policy; in implementing this paragraph, the commission shall oversee the development of housing-related funding requests made by all state agencies to the legislature and prepare a state housing budget with priorities identified for legislative consideration; a state agency that administers a housing program or performs a housing-related function shall assist the commission in the performance of these duties;

(4) prepare a Five-Year Housing Plan for the state; the plan shall be released annually and address expected housing problems and needs for the state for the proximate five-year period; the plan must identify housing initiatives, provide a coordinated response to the expected problems and needs, and guide the coordinated state housing budget required by (3) of this section; in the preparation of this plan, the commission shall annually hold hearings and solicit and receive public comments;

1 (5) prepare and periodically update a housing needs assessment of housing and  
2 financing availability;

3 (6) provide information and technical assistance to the public and other housing  
4 agencies concerning the creation of housing partnerships, the status and condition of foreclosed  
5 properties in the state, and other unique housing opportunities available or potentially available  
6 to address unmet housing needs;

7 (7) execute a coordinated public education and outreach program concerning state  
8 housing programs and opportunities;

9 (8) serve as the designated state agency responsible for the application for and  
10 solicitation of federal housing funding as well as for the receipt and distribution of federal grant  
11 awards on behalf of the state; to the extent that federal law or regulation requires the designation  
12 of a single state agency for the receipt of federal funds, the commission is that agency; and

13 (9) administer the Alaska housing trust fund.

14 Sec. 44.47.341. DEFINITION. In AS 44.47.321 - 44.47.341, "commission" means the  
15 Alaska State Housing Commission.

16 \* Sec. 3. AS 18.55.020 is repealed and reenacted to read:

17 Sec. 18.55.020. ALASKA STATE HOUSING AUTHORITY. The Alaska State Housing  
18 Authority is created in the Department of Community and Regional Affairs. The members of  
19 the Alaska State Housing Commission established under AS 44.47.321 constitute the governing  
20 board of the authority.

21 \* Sec. 4. AS 18.55.270 is amended to read:

22 Sec. 18.55.270. REPORTS AND RECOMMENDATIONS FOR LEGISLATION. The  
23 authority shall file with the Department of Community and Regional Affairs [COMMERCE  
24 recommendations for the legislation or other action it considers necessary to carry out the  
25 purposes of AS 18.55.010 - 18.55.290.

26 \* Sec. 5. AS 18.55.430 is amended to read:

27 Sec. 18.55.430. AUTHORITY TO SUBMIT ANNUAL REPORT. The authority shall  
28 submit an annual report, including a financial statement, covering its activities under  
29 AS 18.55.300 - 18.55.470 to the Department of Community and Regional Affairs  
30 [COMMERCE AND ECONOMIC DEVELOPMENT].

31 \* Sec. 6. AS 18.55.640 is amended to read:

1           Sec. 18.55.640. REPORT BY THE AUTHORITY. The authority shall submit to the  
2 Department of Community and Regional Affairs [COMMERCE AND ECONOMIC  
3 DEVELOPMENT,] an annual report, including a financial statement, covering its activities under  
4 AS 18.55.480 - 18.55.960.

5 \* Sec. 7. AS 18.56.020 is amended to read:

6           Sec. 18.56.020. ALASKA HOUSING FINANCE CORPORATION. The Alaska Housing  
7 Finance Corporation is a public corporation and government instrumentality within the  
8 Department of Community and Regional Affairs [REVENUE], but having a legal existence  
9 independent of and separate from the state. The corporation may not be terminated as long as  
10 it has bonds, notes, or other obligations outstanding. Upon termination of the corporation, its  
11 rights and property pass to the state.

12 \* Sec. 8. AS 18.56.030 is repealed and reenacted to read:

13           Sec. 18.56.030. CORPORATION GOVERNING BOARD. The members of the Alaska  
14 State Housing Commission established under AS 44.47.321 constitute the governing board of the  
15 corporation.

16 \* Sec. 9. AS 18.56.040(a) is amended to read:

17           (a) [THE BOARD SHALL ELECT A CHAIRMAN FROM AMONG ITS  
18 MEMBERSHIP AT ITS ANNUAL MEETING EACH YEAR.] A majority of the members  
19 constitutes [CONSTITUTE] a quorum for organizing the board, conducting its business, and  
20 exercising the powers of the corporation. The board shall meet at the call of its chairman. The  
21 board shall meet not less than once each three months.

22 \* Sec. 10. AS 18.56.052 is amended to read:

23           Sec. 18.56.052. EXECUTIVE DIRECTOR. The corporation shall employ an executive  
24 director, who may not be a member of the board. The executive director shall be appointed by  
25 [THE BOARD OF DIRECTORS] and serves at the pleasure of the board.

26 \* Sec. 11. AS 18.56.110 is amended by adding a new subsection to read:

27           (h) In a resolution of the corporation authorizing or relating to the issuance of bonds or  
28 bond anticipation notes, the corporation's covenants and contracts with the holders of the bonds  
29 or notes must incorporate reference to reappropriation of funds as provided in AS 18.56.400.

30 \* Sec. 12. AS 18.56.210(a) is amended to read:

31           (a) If the board [OF DIRECTORS] determines that it is in the best interest of the

1 corporation, the corporation may take appropriate action under this section to stabilize the market  
2 price of and demand for residential housing in the state. To accomplish the purposes of this  
3 section, the corporation may

4 (1) make and execute necessary agreements and conveyances under which a  
5 borrower may exchange residential housing securing a mortgage loan owned, held, or sold by the  
6 corporation for other residential housing owned by the corporation;

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

9 (3) for the purpose of qualifying residential housing situated in a condominium  
10 project for the best available financing for mortgage loans, make and execute agreements and  
11 contracts necessary to encourage all owners who occupy units in a condominium project that is  
12 not eligible for financing under this chapter to exchange their ownership interest for a  
13 condominium unit owned by the corporation in another project;

14 (4) make and execute appropriate agreements with insurers, investors, and  
15 guarantors concerning the temporary removal of residential housing owned by the corporation  
16 from the resale market,

17 (5) convert residential housing owned by the corporation that is designed and  
18 constructed for owner occupancy to another beneficial use;

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

21 (7) after giving due consideration to the interests of competing individual sellers  
22 of residential housing, provide financing under terms established by the board to promote the sale  
23 of residential housing owned by the corporation;

24 (8) invest funds of the corporation in the removal and disposal of substandard  
25 publicly owned residential housing if the board [OF DIRECTORS] determines that the investment  
26 is prudent, properly secured, and in the long-term best interests of the corporation;

27 (9) create subsidiary entities to implement a power conferred by this section and  
28 to provide insurance under AS 18.56.093 and 18.56.095;

29 (10) purchase loans from the housing assistance loan fund (AS 44.47.380) if and  
30 only if:

31 (A) the payments of principal and interest on the loans are deposited in

1 a separate fund of the corporation to be used for the purposes, and subject to the  
2 standards and criteria, of AS 44.47.360 - 44.47.560 as those statutes provided on June 10,  
3 1988; and

4 (B) the corporation has established a source of mortgage insurance for new  
5 loans subject to the provisions of AS 44.47.360 - 44.47.560; and

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

8 \* Sec. 13. AS 18.56 is amended by adding a new section to read:

9 Sec. 18.56.400. HOUSING TRUST FUND. (a) There is created an Alaska housing trust  
10 fund to be administered by the corporation as a trust fund separate and distinct from any other  
11 money or funds administered by the corporation.

12 (b) The Alaska housing trust fund consists of

13 (1) unrestricted funds of the corporation not necessary for financial integrity as  
14 determined under (c) of this section and appropriated to the trust fund by the legislature;

15 (2) interest earned by the trust fund and appropriated to the trust fund by the  
16 legislature;

17 (3) other appropriations made to the trust fund by the legislature;

18 (4) unrestricted repayments of principal on loans made by the corporation;

19 (5) capital gains of the trust fund; and

20 (6) money or other assets transferred to the trust fund by the corporation.

21 (c) Annually, not later than December 15, the board shall determine if any portion of the  
22 funds administered by the board under AS 18.56.082 and 18.56.100 is unrestricted, is not  
23 necessary for the financial integrity of the corporation, and could be utilized as a part of the trust  
24 fund. The board shall report the amount to the legislature. The amount reported shall be  
25 deposited into the trust fund, subject to appropriation by the legislature or, once the trust fund  
26 is fully capitalized at \$100,000,000, the amount identified annually shall be deposited into the  
27 general fund, subject to appropriation by the legislature.

28 (d) The board shall, with the cooperation of the commissioner of revenue, invest and  
29 reinvest the assets of the trust fund to provide increasing net income over long-term periods and  
30 on the basis of probable total rate of return to promote the long-term generation of income.

31 (e) The board shall maintain accounting records of the trust fund in accordance with

1 investment accounting principles and with distinction between the principal and income of the  
2 trust fund. The board shall engage an independent firm of certified public accountants to  
3 annually audit the financial condition of the trust fund's investments and investment transactions.

4 (f) If in any year the trust fund consists of less than \$100,000,000, the income on the  
5 investments of the trust fund shall be deposited into the trust fund, subject to appropriation by  
6 the legislature.

7 (g) If the trust fund consists of \$100,000,000 or more, income from the trust fund shall  
8 be utilized, subject to appropriation by the legislature, by the board to protect the trust fund from  
9 the effects of inflation and to provide housing assistance funding under (h) of this section.

10 (h) The board shall provide housing assistance funding for public agencies and private  
11 nonprofit organizations to finance the design, construction, development, rehabilitation, or  
12 improvement of low and moderate income housing, including special needs housing. The funding  
13 may take the form of grants, loans, interest rate subsidies, building subsidies, matching funds,  
14 or other forms of assistance under regulations of the board adopted under (i) of this section. In  
15 this subsection,

16 (1) "public agency" includes a state agency or authority, a municipality, and a  
17 regional housing authority;

18 (2) "special needs housing" means housing designed to meet the needs of those  
19 with specific and special housing needs, including supportive services, including the elderly,  
20 individuals with a disability, the mentally ill, and the homeless.

21 (i) The board shall adopt regulations to

22 (1) establish priorities and criteria for funding of housing assistance proposals;

23 (2) establish the types of funding assistance;

24 (3) evaluate competing proposals;

25 (4) approve the award of assistance; and

26 (5) monitor the use of the funds and the progress of the project.

27 (j) In this section, "trust fund" means the Alaska housing trust fund.

28 \* Sec. 14. AS 18.56.900(2) is amended to read:

29 (2) "board" means the governing board [OF DIRECTORS] of the corporation;

30 \* Sec. 15. AS 39.25.120(c)(9) is amended to read:

31 (9) the principal executive officer of the following boards, councils, or

1 commissions:

- 2 (A) Alaska Public Broadcasting Commission;  
3 (B) Professional Teaching Practices Commission;  
4 (C) Parole Board;  
5 (D) Board of Nursing;  
6 (E) Real Estate Commission;  
7 (F) Alaska Royalty Oil and Gas Development Advisory Board;  
8 (G) Alaska Historical Commission;  
9 (H) Alaska State Council on the Arts;  
10 (I) Alaska Police Standards Council;  
11 (J) Older Alaskans Commission;  
12 (K) Alaska Mental Health Board;  
13 (L) State Medical Board;  
14 (M) Alaska State Housing Commission;

15 \* Sec. 16. AS 39.50.200(b) is amended by adding a new paragraph to read:

16 (52) Alaska State Housing Commission (AS 44.47.321).

17 \* Sec. 17. AS 44.99.200(b) is amended to read:

18 (b) The determination under (a) of this section shall be made by the

19 (1) commissioner of administration for a state agency in the executive branch,  
20 except as provided in (4) - (6) of this subsection;

21 (2) administrative director of the judicial branch for an agency in the judicial  
22 branch;

23 (3) Alaska Legislative Council for an agency in the legislative branch;

24 (4) Board of Regents or president of the University of Alaska for the university;

25 and

26 (5) governing board [OF DIRECTORS] of the Alaska State Housing Authority  
27 for the authority; and

28 (6) board of directors of the Alaska Railroad Corporation for the corporation.

29 \* Sec. 18. AS 45.50.572 is amended by adding a new subsection to read:

30 (j) AS 45.50.562 - 45.50.596 do not forbid activities of the Alaska State Housing  
31 Commission established under AS 44.47.321 while serving as the governing boards of the Alaska

- 1 State Housing Authority under AS 18.55 and the Alaska Housing Finance Corporation under
- 2 AS 18.56.