

CS FOR HOUSE BILL NO. 152 (L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Offered: 3/8/91

Referred: Health, Education & Social Services, Finance

Sponsor(s): REPRESENTATIVES BROWN, Ulmer, Koponen, Ellis, B.Davis

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) one person who at the time of the person's appointment is employed in the
17 mortgage banking industry;

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

19 (6) two public members,

20 (7) one person who at the time of the person's appointment is a real estate broker;

21 (8) two persons who represent the interests of regional housing authorities.

22 (c) Members of the commission described in (b)(4) - (8) of this section

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

24 (2) may be reappointed; and

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

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

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

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

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

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

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

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

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

15 Sec. 44.47.336. DUTIES OF COMMISSION. The commission shall

16 (1) serve as the governing board of the Alaska State Housing Authority and
17 perform the duties and execute the powers and obligations described in AS 18.55.010 - 18.55.960
18 and as otherwise provided.

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

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

28 (4) prepare a Five-Year Housing Plan for the state; the plan shall be released
29 annually and address expected housing problems and needs for the state for the proximate five-
30 year period; the plan must identify housing initiatives, provide a coordinated response to the
31 expected problems and needs, and guide the coordinated state housing budget required by (3) of

1 this section; in the preparation of this plan, the commission shall annually hold hearings and
2 solicit and receive public comments;

3 (5) prepare and periodically update a housing needs assessment of housing and
4 financing availability;

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

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

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

15 (9) administer the Alaska housing trust fund.

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

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

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

23 * Sec. 4. AS 18.55.270 is amended to read:

24 Sec. 18.55.270. REPORTS AND RECOMMENDATIONS FOR LEGISLATION. The
25 authority shall file with the Department of Community and Regional Affairs [COMMERCE
26 AND ECONOMIC DEVELOPMENT] an annual report of its activities and shall make
27 recommendations for the legislation or other action it considers necessary to carry out the
28 purposes of AS 18.55.010 - 18.55.290.

29 * Sec. 5. AS 18.55.430 is amended to read:

30 Sec. 18.55.430. AUTHORITY TO SUBMIT ANNUAL REPORT. The authority shall
31 submit an annual report, including a financial statement, covering its activities under

1 AS 18.55.300 - 18.55.470 to the Department of Community and Regional Affairs
2 [COMMERCE AND ECONOMIC DEVELOPMENT].

3 * Sec. 6. AS 18.55.640 is amended to read:

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

8 * Sec. 7. AS 18.56.020 is amended to read:

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

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

16 Sec. 18.56.030. CORPORATION GOVERNING BOARD. The members of the Alaska
17 State Housing Commission established under AS 44 47.321 constitute the governing board of the
18 corporation.

19 * Sec. 9. AS 18.56.040(a) is amended to read

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

25 * Sec. 10. AS 18.56.052 is amended to read:

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

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

30 (h) In a resolution of the corporation authorizing or relating to the issuance of bonds or
31 bond anticipation notes, the corporation's covenants and contracts with the holders of the bonds

1 or notes must incorporate reference to reappropriation of funds as provided in AS 18.56.400.

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

3 (a) If the board [OF DIRECTORS] determines that it is in the best interest of the
4 corporation, the corporation may take appropriate action under this section to stabilize the market
5 price of and demand for residential housing in the state. To accomplish the purposes of this
6 section, the corporation may

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

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

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

17 (4) make and execute appropriate agreements with insurers, investors, and
18 guarantors concerning the temporary removal of residential housing owned by the corporation
19 from the resale market;

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

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

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

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

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

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

3 (A) the payments of principal and interest on the loans are deposited in
4 a separate fund of the corporation to be used for the purposes, and subject to the
5 standards and criteria, of AS 44.47.360 - 44.47.560 as those statutes provided on June 10,
6 1988; and

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

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

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

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

15 (b) The Alaska housing trust fund consists of

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

18 (2) interest earned by the trust fund and appropriated to the trust fund by the
19 legislature;

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

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

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

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

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

31 (d) The board shall, with the cooperation of the commissioner of revenue, invest and

1 reinvest the assets of the trust fund to provide increasing net income over long-term periods and
2 on the basis of probable total rate of return to promote the long-term generation of income.

3 (e) The board shall maintain accounting records of the trust fund in accordance with
4 investment accounting principles and with distinction between the principal and income of the
5 trust fund. The board shall engage an independent firm of certified public accountants to
6 annually audit the financial condition of the trust fund's investments and investment transactions.

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

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

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

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

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

24 (i) The board shall adopt regulations to

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

26 (2) establish the types of funding assistance;

27 (3) evaluate competing proposals;

28 (4) approve the award of assistance; and

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

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

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

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

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

3 (9) the principal executive officer of the following boards, councils, or
4 commissions:

5 (A) Alaska Public Broadcasting Commission;

6 (B) Professional Teaching Practices Commission;

7 (C) Parole Board;

8 (D) Board of Nursing;

9 (E) Real Estate Commission;

10 (F) Alaska Royalty Oil and Gas Development Advisory Board;

11 (G) Alaska Historical Commission;

12 (H) Alaska State Council on the Arts;

13 (I) Alaska Police Standards Council;

14 (J) Older Alaskans Commission;

15 (K) Alaska Mental Health Board;

16 (L) State Medical Board;

17 (M) Alaska State Housing Commission;

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

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

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

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

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

24 (2) administrative director of the judicial branch for an agency in the judicial
25 branch;

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

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

28 (5) governing board [OF DIRECTORS] of the Alaska State Housing Authority

29 for the authority; and

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

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

1 (j) AS 45.50.562 - 45.50.596 do not forbid activities of the Alaska State Housing
2 Commission established under AS 44.47.321 while serving as the governing boards of the Alaska
3 State Housing Authority under AS 18.55.010 - 18.55.960 and the Alaska Housing Finance
4 Corporation under AS 18.56.

5 * Sec. 19. Nothing in this Act is intended to interfere with or impair a contract, right, liability, bond,
6 note, or other obligation of the Alaska State Housing Authority or the Alaska Housing Finance
7 Corporation that exists on the effective date of this Act.