

**CS FOR HOUSE BILL NO. 152 (HES)**

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

**SEVENTEENTH LEGISLATURE - FIRST SESSION**

**BY THE HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE**

**Offered: 4/17/91**

**Referred: 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 (d) The executive committee for Alaska State Housing Authority operations is created  
29 within the commission. The executive committee for Alaska State Housing Authority operations  
30 consists of the following members of the commission:

31 (1) the members of the commission identified in (b)(1), (2), (3), and (4) of this

1 section;

2 (2) one member of the commission identified in (b)(5) of this section selected by  
3 the commission to serve on the executive committee;

4 (3) one member of the commission identified in (b)(6) of this section selected by  
5 the commission to serve on the executive committee;

6 (4) one member of the commission identified in (b)(8) of this section selected by  
7 the commission to serve on the executive committee.

8 (e) The executive committee for Alaska State Housing Authority operations shall have  
9 the duties and powers of the commission and may act for the commission as the governing body  
10 of the Alaska State Housing Authority in all matters pertaining to the operations of the Alaska  
11 State Housing Authority. The actions of the executive committee regarding the operations of the  
12 Alaska State Housing Authority shall be considered the actions of the commission. Five  
13 members of the executive committee for Alaska State Housing Authority operations shall  
14 represent a quorum for transaction of business.

15 (f) The executive committee for Alaska Housing Finance Corporation operations is  
16 created within the commission. The executive committee for Alaska Housing Finance  
17 Corporation operations consists of the following members of the commission:

18 (1) the members of the commission identified in (b)(1), (2), (3), and (7) of this  
19 section;

20 (2) one member of the commission identified in (b)(5) of this section selected by  
21 the commission to serve on the executive committee;

22 (3) one member of the commission identified in (b)(6) of this section selected by  
23 the commission to serve on the executive committee.

24 (4) one member of the commission identified in (b)(8) of this section selected by  
25 the commission to serve on the executive committee.

26 (g) The executive committee for Alaska Housing Finance Corporation operations shall  
27 have the duties and powers of the commission and may act for the commission as the governing  
28 body of the Alaska Housing Finance Corporation in all matters pertaining to the operations of  
29 the Alaska Housing Finance Corporation. The actions of the executive committee regarding the  
30 operations of the Alaska Housing Finance Corporation shall be considered the actions of the  
31 commission. Five members of the executive committee for Alaska Housing Finance Corporation

1 operations shall constitute a quorum for transaction of business.

2 (h) All members of the commission shall be notified of meetings of an executive  
3 committee under (d) and (f) of this section. A member of the commission may participate in a  
4 meeting of an executive committee and may vote on any matter before an executive committee  
5 at a meeting attended personally or by teleconference by the commission member. The  
6 attendance of a commission member who is not a member of the executive committee at a  
7 meeting of an executive committee under (d) or (f) of this section does not affect the  
8 determination of a quorum.

9 (i) The authorization of an executive committee under (d) and (f) of this section to act  
10 for the commission does not affect the authority or ability of the commission to act in any matter  
11 or to perform the duties and powers granted the commission.

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

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

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

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

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

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

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

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

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

31 (1) serve as the governing board of the Alaska State Housing Authority and

1 perform the duties and execute the powers and obligations described in AS 18.55.010 - 18.55.960  
2 and as otherwise provided;

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

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

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

18 (5) prepare and periodically update a housing needs assessment of housing and  
19 financing availability;

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

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

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

30 (9) administer the Alaska housing trust fund.

31 Sec. 44.47.341. DEFINITION. In AS 44.47.321 - 44.47.341, "commission" means the

1 Alaska State Housing Commission.

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

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

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

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

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

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

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

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

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

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

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

31 Sec. 18.56.030. CORPORATION GOVERNING BOARD. The members of the Alaska

1 State Housing Commission established under AS 44.47.321 constitute the governing board of the  
2 corporation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18 (A) the payments of principal and interest on the loans are deposited in  
19 a separate fund of the corporation to be used for the purposes, and subject to the  
20 standards and criteria, of AS 44.47.360 - 44.47.560 as those statutes provided on June 10,  
21 1988; and

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

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

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

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

30 (b) The Alaska housing trust fund consists of

31 (1) unrestricted funds of the corporation not necessary for financial integrity as

1 determined under (c) of this section and appropriated to the trust fund by the legislature;  
2 (2) interest earned by the trust fund and appropriated to the trust fund by the  
3 legislature;  
4 (3) other appropriations made to the trust fund by the legislature;  
5 (4) unrestricted repayments of principal on loans made by the corporation;  
6 (5) capital gains of the trust fund; and  
7 (6) money or other assets transferred to the trust fund by the corporation.  
8 (c) Annually, not later than December 15, the board shall determine if any portion of the  
9 funds administered by the board under AS 18.56.082 and 18.56.100 is unrestricted, is not  
10 necessary for the financial integrity of the corporation, and could be utilized as a part of the trust  
11 fund. The board shall report the amount to the legislature. The amount reported shall be  
12 deposited into the trust fund, subject to appropriation by the legislature or, once the trust fund  
13 is fully capitalized at \$100,000,000, the amount identified annually shall be deposited into the  
14 general fund, subject to appropriation by the legislature.  
15 (d) The board shall, with the cooperation of the commissioner of revenue, invest and  
16 reinvest the assets of the trust fund to provide increasing net income over long-term periods and  
17 on the basis of probable total rate of return to promote the long-term generation of income.  
18 (e) The board shall maintain accounting records of the trust fund in accordance with  
19 investment accounting principles and with distinction between the principal and income of the  
20 trust fund. The board shall engage an independent firm of certified public accountants to  
21 annually audit the financial condition of the trust fund's investments and investment transactions.  
22 (f) If in any year the trust fund consists of less than \$100,000,000, the income on the  
23 investments of the trust fund shall be deposited into the trust fund, subject to appropriation by  
24 the legislature.  
25 (g) If the trust fund consists of \$100,000,000 or more, income from the trust fund shall  
26 be utilized, subject to appropriation by the legislature, by the board to protect the trust fund from  
27 the effects of inflation and to provide housing assistance funding under (h) of this section.  
28 (h) The board shall provide housing assistance funding for public agencies and private  
29 nonprofit organizations to finance the design, construction, development, rehabilitation, or  
30 improvement of low and moderate income housing, including special needs housing. The funding  
31 may take the form of deferred loans, interest rate subsidies, building subsidies, participation

1 financing through housing partnerships, or other forms of assistance under regulations of the  
2 board adopted under (i) of this section. In this subsection,

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

5 (2) "special needs housing" means housing, including emergency shelters,  
6 designed to meet the needs of those with specific and special housing needs, including supportive  
7 services, including the elderly, individuals with a disability, the mentally ill, and the homeless.

8 (i) The board shall adopt regulations to

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

10 (2) establish the types of funding assistance;

11 (3) evaluate competing proposals;

12 (4) approve the award of assistance; and

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

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

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

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

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

18 (9) the principal executive officer of the following boards, councils, or  
19 commissions:

20 (A) Alaska Public Broadcasting Commission;

21 (B) Professional Teaching Practices Commission;

22 (C) Parole Board;

23 (D) Board of Nursing;

24 (E) Real Estate Commission;

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

26 (G) Alaska Historical Commission;

27 (H) Alaska State Council on the Arts;

28 (I) Alaska Police Standards Council;

29 (J) Older Alaskans Commission;

30 (K) Alaska Mental Health Board;

31 (L) State Medical Board;

1 **(M) Alaska State Housing Commission;**

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

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

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

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

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

8 (2) administrative director of the judicial branch for an agency in the judicial  
9 branch;

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

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

12 (5) **governing** board [OF DIRECTORS] of the Alaska State Housing Authority  
13 for the authority; and

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

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

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

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