

HB

152

3/4/91

Sponsor Statement

prepared by
Representative Kay Brown

HB 152/153 — Alaska Housing Commission & Trust Fund

Summary

House Bill 152 would establish an Alaska Housing Commission and Alaska Housing Trust Fund. House Bill 153, a companion funding measure, would appropriate \$100 million to the Alaska Housing Trust Fund from the unrestricted revenues available to the Alaska Housing Finance Corporation.

Background

During 1989-1990, the Alaska Housing Market Council undertook an extensive and comprehensive review of the state's disparate housing programs. As a member of the Council's Housing Policy Development Committee, I had the opportunity to become familiar with the state's severely fragmented housing policy programs and initiatives. HB 152/153 is a direct outgrowth of the Council's work and recommendations. This legislation would:

- provide for the consolidation of state housing policy-making within a new Alaska Housing Commission; and
- establish a new Alaska Housing Trust Fund to address unmet low-income and special housing needs.

Alaska Housing Commission — Consolidation of Housing Programs

There is broad recognition of the need for consolidation of housing related policy-making to improve the delivery of housing services. In its final report to the Governor and the Legislature, the Alaska Housing Market Council noted that "central to [the Council's] policy recommendations is the need to provide coordinated housing functions within state government." More specifically, the Council's report recommended the creation of an Alaska Housing Commission "to overcome the fragmentation of existing programs and to ensure continuing public involvement in housing issues."

Housing programs in Alaska are spread among numerous different state agencies, offices and divisions. As noted in the Council report, housing programs are designed with little quantitative information regarding real needs. As a result, there is no cohesive state policy to provide clear direction

to meet critical housing needs. At the same time, the recently enacted federal Affordable Housing Act requires that future state and local participation in federal housing programs is contingent upon the development of a comprehensive state housing strategy.

Alaska Housing Trust Fund — Financing for Affordable Housing

Apart from the need to consolidate housing policy-making, there is also widespread recognition that the state's existing housing initiatives have not succeeded in meeting critical housing needs. Even while nearly a third of all Alaskans are considered to be low-income, these housing needs have not been adequately addressed through existing housing programs. The Alaska Housing Trust Fund would provide a financing mechanism to help meet the need for affordable housing.

The Alaska Housing Trust Fund would be capitalized with surplus, unrestricted revenues available to the Alaska Housing Finance Corporation (ie, corporation revenues beyond those needed to meet the corporation's debt obligations). Once the Alaska Housing Trust Fund was capitalized in the amount of \$100 million, AHFC's unrestricted funds would be diverted to the general fund.

The Alaska Housing Commission would use earnings of the Alaska Housing Trust Fund to finance housing assistance by public agencies (including municipalities and regional housing authorities) and private non-profit organizations, and provide a means to finance the design, construction, development, rehabilitation or improvement of low- and moderate-income housing, including special needs housing.

Under the terms of the proposed legislation, financial assistance would take the form of grants, loans interest rate subsidies, building subsidies, matching funds and other forms of assistance as identified under regulations adopted by the Commission.

7-LS1986G ✓
Chenoweth
4/8/92

SENATE BILL NO.

**IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION**

BY

**Introduced:
Referred:**

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to housing; expanding the board of directors of the Alaska Housing
2 Finance Corporation; relating to the management of the Alaska Housing Finance
3 Corporation; creating the Alaska State Housing Planning Commission and establishing its
4 duties; and providing for an effective date."

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

6 * **Section 1. FINDINGS.** The legislature finds that

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

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

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

1 (4) in order to ensure that all Alaskans are afforded the opportunity to live in safe,
2 sanitary, and energy efficient housing, coordination of the state's varied and disparate housing program
3 initiatives is required;

4 (5) coordination of the state housing programs can be best effectuated by a merger of the
5 housing programs of the Alaska State Housing Authority and the Department of Community and
6 Regional Affairs into the Alaska Housing Finance Corporation; and

7 (6) the replacement of three agencies, each dealing with a part of the state's housing
8 programs, with a single agency, the Alaska Housing Finance Corporation, with an expanded mission,
9 governed by an expanded board of directors to make policy and to provide for the financing, acquisition,
10 rehabilitation, construction, and operation of housing for low- and moderate-income Alaskans and
11 Alaskans in rural Alaska will serve a public purpose in benefitting the people of the state.

12 * Sec. 2. PURPOSE. (a) Merger is the process by which two or more corporations are united by
13 a transfer of the responsibilities, assets, and liabilities of all into one of them, with that one entity
14 continuing in existence as the successor corporation. Except for the provisions described in (b) and (c)
15 of this section, the purpose of this Act is to direct the merger of the Alaska State Housing Authority,
16 a public corporation of the state, into the Alaska Housing Finance Corporation, another public
17 corporation of the state, transferring the programs of the former to the latter and leaving the latter as the
18 public corporation responsible for the former's housing and public building project assistance, moderate
19 income and rental housing, and slum clearance and redevelopment programs and initiatives for the people
20 of the state.

21 (b) To provide further for the consolidation of housing programs under the Alaska Housing
22 Finance Corporation,

23 (1) the provisions of secs. 76 - 78, AS 18.56.400 - 18.56.650, added by sec. 95, and secs.
24 126 and 128 of this Act transfer certain programs of the Department of Community and Regional Affairs
25 related to housing to the expanded Alaska Housing Finance Corporation;

26 (2) the provisions of AS 18.56.700 - 18.56.810, added by sec. 95, and secs. 126 and 129
27 of this Act transfer the responsibility for the operation of the senior citizen housing office and for the
28 provision of senior citizens housing programs under AS 44.47.585 - 44.47.620 from the Department of
29 Community and Regional Affairs into the expanded Alaska Housing Finance Corporation;

30 (3) the provisions of AS 18.56.850, added by sec. 95, and secs. 126 and 130 of this Act
31 transfer the responsibility for development of home energy conservation and weatherization programs

1 from the Department of Community and Regional Affairs into the expanded Alaska Housing Finance
2 Corporation;

3 (4) the provisions of secs. 79, 80, 89, 102 - 106, and 131 of this Act transfer the
4 responsibility for the provision of mortgage loans under the veterans' loan program of AS 26.15 in favor
5 of the veterans' loan program of the Alaska Housing Finance Corporation;

6 (5) the provisions of secs. 108 and 109 of this Act assign to the Alaska Housing Finance
7 Corporation the exclusive responsibility for provision of replacement housing planning loans and a
8 coordinate responsibility in the provision of assistance to state agencies for replacement housing under
9 the state program that authorizes and directs relocation assistance due to acquisition of real property for
10 state agency activities.

11 (c) With anticipated state revenue expected to decrease substantially during state fiscal year
12 1993, the legislature looks to reduce general fund expenditures and to increase the state general fund
13 balance available during that fiscal year to meet the costs of state government operations, its loan
14 programs, and its capital improvements program. The purpose of sec. 135 of this Act is to authorize
15 the purchase by the Alaska Housing Finance Corporation, at a discount, of the mortgage notes now held
16 by the Department of Community and Regional Affairs for the loans it has made under the department's
17 various housing assistance programs set out in AS 44.47.370 - 44.47.560 and 44.47.585 - 44.47.635, and
18 to require the deposit of amounts paid to the department for its notes into the state general fund. The
19 purchase of the notes and transfer of money to the state general fund by June 30, 1992, as authorized
20 by sec. 135 this Act, when coupled with a transfer of revenue to the state expected to be approved by
21 the board of directors of the Alaska Housing Finance Corporation during 1992, will increase the balance
22 of the state general fund by approximately \$200,000,000, thereby materially reducing the expected state
23 deficit for state fiscal year 1993.

24 (d) It is the intent of the legislature that

25 (1) existing housing programs being merged into the Alaska Housing Finance Corporation
26 continue without interruption; and

27 (2) appropriate training be provided to the staff and board of the corporation as necessary
28 to effectuate the purpose of the merger.

29 (e) The Alaska Housing Finance Corporation is empowered to act in behalf of the state and its
30 people in exercising the state housing programs and functions as a public purpose for the benefit of the
31 people of the State of Alaska.

1 * Sec. 3. AS 18.55.010 is amended to read:

2 Sec. 18.55.010. PURPOSE OF AS 18.55.100 - 18.55.290 [AS 18.55.010 - 18.55.290].

3 The purpose of AS 18.55.100 - 18.55.290 [AS 18.55.010 - 18.55.290] is to remedy the acute
4 housing shortage that exists in certain localities of the state by undertaking slum clearance,
5 low-cost housing projects, housing for persons and their families engaged in national defense
6 activities in the state, and housing projects and housing for veterans [OF WORLD WAR II] and
7 other citizens of the state and to remedy the short supply of necessary public buildings by
8 providing for the financing, construction, and acquisition of public buildings for lease to the state.

9 * Sec. 4. AS 18.55.080 is amended to read:

10 Sec. 18.55.080. MEMBERS OR EMPLOYEES PROHIBITED FROM ACQUIRING
11 INTEREST IN PROJECTS. A member of the board of directors or employee of the
12 corporation [AUTHORITY] may not acquire an interest, direct or indirect, in a housing or public
13 building project authorized by AS 18.55.100 - 18.55.290, or in property or a contract for
14 materials or services included or planned to be included in a project authorized by
15 AS 18.55.100 - 18.55.290. If a member of the board of directors or employee owns or controls
16 an interest, the member or employee shall immediately disclose the interest in writing to the
17 corporation [AUTHORITY]. Failure to make disclosure constitutes misconduct in office.

18 * Sec. 5. AS 18.55.100(a) is amended to read:

19 (a) To the extent not already provided by AS 18.56, the corporation [THE
20 AUTHORITY] has all powers necessary to carry out the purposes of AS 18.55.010 - 18.55.290,
21 including the power to [BUT NOT LIMITED TO THE FOLLOWING:]

22 (1) sue and be sued;

23 (2) adopt a seal;

24 (3) have perpetual succession;

25 (4) adopt, amend, and repeal bylaws and regulations;

26 (5) make and execute contracts and other instruments;

27 (6) in its own name, own, exchange, transfer, lease, rent, convey, or acquire by
28 eminent domain under AS 09.55.240 - 09.55.460, or otherwise, real and personal property;
29 provided that no project site or part of a project site may be acquired by eminent domain until
30 the corporation [AUTHORITY] has secured, through negotiation, options for the purchase of
31 at least 50 per cent of the properties included in the site, except in disaster areas; in an eminent

1 domain proceeding the court may, upon motion and after a hearing, fix the time when and the
2 terms upon which the parties in possession are required to surrender possession to the plaintiff;
3 if the court finds that urgent public necessity requires, it may grant the plaintiff possession at any
4 time after the proceeding has been commenced;

5 (7) [TO] provide, subject to the applicable planning, zoning, sanitary, and building
6 laws, ordinances, and regulations for the construction, improvement, alteration, or repair of a
7 housing or public building project or any part of a housing or public building project, and also,
8 subject to the same restrictions, to provide for the construction, improvement, alteration, repair,
9 planning, financing, and interim operation of a sewer or water system, or part of a sewer or water
10 system, to foster, encourage, and permit the development of housing projects by private and
11 public developers and builders;

12 (8) operate those housing projects and to act as agent or lessee in developing or
13 administering housing projects undertaken by the federal government;

14 (9) arrange or contract for services, privileges, works, or facilities for or in
15 connection with a housing project or the occupants of a housing project and notwithstanding
16 anything to the contrary contained in AS 18.55.010 - 18.55.470 or in any other provision of law,
17 include in the contract stipulations that the contractor and subcontractors comply with
18 requirements as to minimum wages and maximum hours of labor, with any conditions that the
19 federal government may have attached to its financial aid of the project, and with any pertinent
20 state law;

21 (10) establish and revise rent schedules;

22 (11) insure any real or personal property or operations of the corporation
23 [AUTHORITY] against any risks or hazards;

24 (12) invest in property or securities in which banks or trust companies may legally
25 invest any money [FUNDS] held in reserves or sinking funds or any money [FUNDS] not
26 required for immediate disbursement;

27 (13) purchase its bonds at a price not more than the principal amount of the bonds
28 and accrued interest, all bonds so purchased to be canceled;

29 (14) investigate and study living and housing conditions and the clearing and
30 reconstructing of slum areas;

31 (15) arrange or contract for the financing, design, construction, and acquisition

- 1 of public buildings for lease to the state in accordance with AS 18.55.010 - 18.55.290;
- 2 (16) charge to and collect fees from owners or developers of low-income housing
- 3 for the application for and allocation of federal low-income housing tax credits;
- 4 (17) collect and pay reasonable fees and charges in connection with making,
- 5 purchasing, and servicing its mortgages, loans, notes, bonds, certificates, commitments, and other
- 6 evidences of indebtedness.

7 * Sec. 6. AS 18.55.100(b) is amended to read:

- 8 (b) Notwithstanding any other provisions in AS 18.55.010 - 18.55.470,
- 9 (1) when the local governing body certifies that an area is in need of a housing
- 10 project under any of the provisions or powers within AS 18.55.010 - 18.55.470 as a result of the
- 11 earthquakes of 1964 and all results and aftereffects respecting which the governor of the state has
- 12 certified the need for disaster assistance, the corporation [AUTHORITY] may plan, undertake,
- 13 and carry out the project in the disaster area;
- 14 (2) with the approval of the local governing body, and immediately after the
- 15 approval, the corporation [AUTHORITY] may acquire real property for the purposes of
- 16 AS 18.55.010 - 18.55.470, and demolish and remove any structure on the property, and it may
- 17 pay all costs related to the acquisition, demolition, or removal, including any administrative or
- 18 relocation expenses, unless payment of the costs are contrary to applicable federal law or
- 19 regulation;
- 20 (3) [REPEALED,
- 21 (4)] for the purposes of this subsection, AS 18.55.130 and 18.55.330 do not apply.

22 * Sec. 7. AS 18.55.110 is amended to read:

23 **Sec. 18.55.110. COOPERATION WITH AND AID OF FEDERAL GOVERNMENT.**

24 **For purposes of AS 18.55.100 - 18.55.290, the corporation [THE AUTHORITY] may do all**

25 **things necessary or desirable to cooperate with or act as agent for the federal government, or to**

26 **secure financial aid for housing projects for veterans of World War II and other citizens of the**

27 **state, provided that those projects may not be undertaken unless an acute shortage of housing**

28 **exists. With respect to those projects, the corporation [AUTHORITY] may not be subject to**

29 **limitations, restrictions, or requirements of other laws, except those relating to land acquisition,**

30 **prescribing or limiting the procedure or action to be taken in the development or administration**

31 **of any buildings, property, public works, undertakings, or projects of municipal or public**

1 corporations or agencies of the state.

2 * Sec. 8. AS 18.55.120 is amended to read:

3 Sec. 18.55.120. OPERATION AND MANAGEMENT OF PROJECTS. For purposes
4 of AS 18.55.100 - 18.55.290. the corporation [THE AUTHORITY] shall manage and operate
5 low-cost housing projects with rentals fixed at the lowest rates consistent with decent, safe, and
6 sanitary dwellings. A low-cost housing project may not be constructed or operated for profit or
7 as a source of revenue to a municipality or the state. Rentals in the housing projects may not
8 exceed the amount that the corporation [AUTHORITY] finds necessary to produce revenues
9 sufficient together with all other available money from whatever source derived, to

10 (1) pay, as they become due, the principal and interest on its bonds;

11 (2) meet the cost of maintaining and operating the projects, including insurance
12 and administrative expenses; and

13 (3) create, during not less than the six years immediately following issuance of
14 any bonds, a reserve sufficient to meet the largest principal and interest payments due in any one
15 - year thereafter and to maintain that reserve.

16 * Sec. 9. AS 18.55.130 is amended to read:

17 Sec. 18.55.130. QUALIFICATIONS OF TENANTS AND MAXIMUM NUMBER OF
18 ROOMS. (a) In the operation or management of low-cost housing projects, the corporation
19 [AUTHORITY] shall from time to time establish rents and requirements for admission of tenants
20 to its low-cost housing projects [OF THE AUTHORITY] in each municipality [CITY OR
21 BOROUGH OF ANY CLASS] in which low-cost housing projects of the corporation
22 [AUTHORITY] are located. The rents and requirements for admission are subject to the
23 approval of the United States Department of Housing and Urban Development.

24 (b) Except in the case of leased housing [,] as provided in 42 U.S.C. 1421b. [THE
25 UNITED STATES HOUSING ACT OF 1937, SEC. 23 (PL 89-117; 79 STAT. 455;
26 AUGUST 19, 1965)] as amended [(42 U.S.C. 1421b)], the corporation shall fix the income
27 limits for occupancy of its low-cost housing projects [OF THE AUTHORITY] and rents that are
28 [SHALL BE FIXED BY THE AUTHORITY AND] approved by the United States Department
29 of Housing and Urban Development after taking into consideration

30 (1) the family size, composition, age, physical handicaps, and other factors that
31 might affect the rent-paying ability of the family; [,] and

1 (2) the economic factors that affect the financial stability and solvency of the
2 project.

3 (c) Rents and requirements for admission to low-cost housing projects as provided in (a)
4 and (b) of this section [,] must be so established that a gap of at least 20 per cent, except in the
5 case of an elderly family or displaced family or in the case of leased housing under 42 U.S.C.
6 1421b, [THE UNITED STATES HOUSING ACT OF 1937, SEC. 23 (PL 89-117; 79 STAT. 455;
7 AUGUST 19, 1965)] as amended, [(42 U.S.C. 1421b)] will be left between the upper rental
8 limits for admission to low-cost housing projects of the corporation [AUTHORITY] and the
9 lowest rents at which private enterprise unaided by public subsidy is providing housing
10 substantially similar to the low-cost housing projects of the corporation [AUTHORITY].

11 (d) The corporation [AUTHORITY] may not rent more than the minimum number of
12 rooms that it considers necessary to provide safe and sanitary accommodations without
13 overcrowding.

14 (e) Nothing in this section or AS 18.55.120 limits the power of the corporation
15 [AUTHORITY] to vest in an obligee the right to take possession of a housing project or have
16 a receiver appointed free from the restrictions imposed by this section or AS 18.55.120 in case
17 of default by the corporation [AUTHORITY].

18 * Sec. 10. AS 18.55.140 is amended to read:

19 Sec. 18.55.140. ISSUANCE OF BONDS, NOTES, AND REFUNDING BONDS. The
20 corporation [AUTHORITY] may issue bonds and notes from time to time in its discretion for
21 a purpose authorized by this chapter [ANY OF ITS CORPORATE PURPOSES] and may issue
22 r. funding bonds for the purpose of paying or retiring bonds previously issued under this chapter
23 [BY IT].

24 * Sec. 11. AS 18.55.150 is amended to read:

25 Sec. 18.55.150. SECURITY FOR BONDS. (a) In conjunction with projects
26 authorized by this chapter, the corporation [THE AUTHORITY] may issue bonds, including
27 [BUT NOT LIMITED TO] bonds on which the principal and interest are payable

28 (1) exclusively from the income and revenue of the housing project financed with
29 the proceeds of the bonds; [,]

30 (2) exclusively from the income and revenue of designated housing projects
31 whether or not they are financed in whole or in part with the proceeds of the bonds; or [,]

1 (3) from its revenue generally; [,] or

2 (4) exclusively from rents collected on public buildings.

3 (b) Bonds authorized by (a) of this section may be additionally secured

4 (1) by a pledge of a grant or contribution from the federal government or from
5 another source;

6 (2) [, OR] by a pledge of income or revenue of the corporation; or

7 (3) [AUTHORITY, OR] by a mortgage of a housing project or other property of
8 the corporation [AUTHORITY].

9 * Sec. 12. AS 18.55.160 is amended to read:

10 Sec. 18.55.160. LIMITATION OF LIABILITY ON BONDS. (a) The members of the
11 board of directors of the corporation [AUTHORITY] and any person executing the bonds
12 issued under AS 18.55.100 - 18.55.290 are not liable personally on the bonds by reason of their
13 issuance.

14 (b) The bonds of the corporation issued under AS 18.55.100 - 18.55.290
15 [AUTHORITY] are not a debt of the state or a political or municipal corporation or other
16 subdivision of the state and each bond shall so state on its face. Neither the state nor a political
17 or municipal corporation or other subdivision of the state other than the corporation
18 [AUTHORITY] is liable on the bonds, nor are the bonds payable out of money or property
19 [FUNDS OR PROPERTIES] other than those of the corporation [AUTHORITY].

20 (c) The corporation [AUTHORITY] may not pledge the faith of the people of the state
21 for a loan or obligation that is entered into under AS 18.55.100 - 18.55.290.

22 (d) Bonds of the corporation issued under AS 18.55.100 - 18.55.290 [AUTHORITY]
23 are not a debt, indebtedness, or the borrowing of money within the meaning of any limitation or
24 restriction on the issuance of bonds contained in the constitution or laws of the state.

25 * Sec. 13. AS 18.55.170 is amended to read:

26 Sec. 18.55.170. EXEMPTION FROM TAXES. Bonds and other obligations of the
27 corporation issued under AS 18.55.100 - 18.55.290 [AUTHORITY] are declared to be issued
28 for an essential public and governmental purpose and are public instrumentalities and, together
29 with interest on them and income from them, are exempt from taxes.

30 * Sec. 14. AS 18.55.180 is amended to read:

31 Sec. 18.55.180. ISSUANCE AND SALE OF BONDS AND NOTES. Bonds and notes

1 of the corporation issued under AS 18.55.100 - 18.55.290 [AUTHORITY] are authorized by
2 adoption of a resolution prescribing the date of issuance and maturity, interest rate, denomination,
3 form, conversion privilege, rank or priority, execution, terms of redemption, medium and place
4 of payment. Bonds and notes may be sold in the manner, on the terms, and at the price the
5 corporation [AUTHORITY] determines. Each bond and note is negotiable. The signature of
6 a member of the board of directors of the corporation or an officer of the corporation upon
7 a bond or note or coupon is not invalidated by that person's ceasing to hold office before the
8 delivery of the bond or note. The recitation of a bond or note that it has been issued in the
9 financing of a housing or public building project under AS 18.55.010 - 18.55.290 is conclusive
10 as to the issuance of the bond or note and the character of the project in a challenge of the
11 validity of the bond or note or the security for it.

12 * Sec. 15. AS 18.55.187 is amended to read:

13 Sec. 18.55.187. INDEPENDENT FINANCIAL ADVISOR. In negotiating the private
14 sale of bonds or bond anticipation notes to an underwriter when that sale is authorized by
15 AS 18.55.100 - 18.55.290, the corporation shall retain a financial advisor who is independent
16 from the underwriter. The financial advisor may not bid on the bonds or notes if offered at
17 public sale or negotiate for their purchase if sold at private sale.

18 * Sec. 16. AS 18.55.200 is amended to read:

19 Sec. 18.55.200. ADDITIONAL POWERS TO SECURE BONDS OR OBLIGATIONS
20 UNDER LEASES. When authorized by AS 18.55.100 - 18.55.290, in [IN] connection with the
21 issuance of bonds or the incurring of obligations under leases and in order to secure the payment
22 of bonds or lease obligations, the corporation [AUTHORITY], in addition to its other powers,
23 may

24 (1) pledge all or a part of its gross or net rents, fees, or revenues to which its
25 right exists or may exist;

26 (2) mortgage all or a part of its real or personal property, owned or later acquired;

27 (3) covenant against pledging all or a part of its rents, fees, and revenues, or
28 against mortgaging all or a part of its real or personal property, to which its right or title exists
29 or may come into existence or against permitting or suffering any lien on the revenues or
30 property;

31 (4) covenant with respect to limitations on its right to sell, lease, or otherwise

- 1 dispose of a housing or public building project or a part of a housing or public building project;
2 (5) covenant as to what other, or additional debts or obligations may be incurred
3 by it;
4 (6) covenant as to the bonds to be issued and as to the issuance of the bonds in
5 escrow or otherwise, and as to the use and disposition of the proceeds of bonds;
6 (7) provide for the replacement of lost, destroyed, or mutilated bonds;
7 (8) covenant against extending the time for the payment of its bonds or interest
8 on the bonds;
9 (9) redeem the bonds, and covenant for their redemption and to provide the terms
10 and conditions of redemption;
11 (10) covenant subject to the limitations contained in AS 18.55.100 - 18.55.290
12 [AS 18.55.010 - 18.55.290] as to the rents and fees to be charged in the operation of a housing
13 or public building project, the amount to be raised each year or other period of time by rents,
14 fees, and other revenues, and as to the use and disposition of these revenues;
15 (11) create or authorize the creation of special funds for money held for
16 construction or operating costs, debt service, reserves, or other purposes, and covenant as to the
17 use and disposition of this money;
18 (12) prescribe the procedure by which the terms of a contract with bondholders
19 may be amended or abrogated, the amount of bonds the holders of which must consent thereto
20 and the manner in which the consent may be given;
21 (13) covenant as to the rights, liabilities, powers, and duties arising upon the
22 breach by it of a covenant, condition, or obligation, and covenant and prescribe as to events of
23 default and terms and conditions upon which any or all of its bonds or obligations shall become
24 or may be declared due before maturity, and covenant as to the terms and conditions upon which
25 this declaration and its consequences may be waived;
26 (14) vest in a trustee or trustees or the holders of bonds or a specified proportion
27 of them, the right to enforce the payment of the bonds or covenants securing or relating to the
28 bonds;
29 (15) vest in one or more trustees the right, in the event of a default by the
30 corporation [AUTHORITY], to take possession of a housing or public building project or a part
31 of the project, and so long as the corporation [AUTHORITY] continues in default to retain

1 possession and to use, operate, and manage the project, and to collect the rents and revenues from
2 the project, and to dispose of the money according to the agreement between the corporation
3 [AUTHORITY] and the trustees;

4 (16) provide for the powers and duties of the trustees, and limit the liability of
5 the trustees; and

6 (17) provide the terms and conditions upon which the trustee or trustees or the
7 holders of bonds, or portions of bonds, may enforce a covenant or right securing or relating to
8 the bonds.

9 * Sec. 17. AS 18.55.210 is amended to read:

10 Sec. 18.55.210. RIGHT OF OBLIGEE OF CORPORATION [AUTHORITY] TO
11 BRING INJUNCTION. An obligee of the corporation [AUTHORITY] may, in addition to all
12 other rights that may be conferred by AS 18.55.100 - 18.55.290 and subject only to contractual
13 restriction binding upon the obligee, seek an injunction or an action in nature of an action for
14 mandamus against the members of the board of directors, the corporation, or [AUTHORITY,]
15 its officers, agents, or employees for a matter arising out of AS 18.55.100 - 18.55.290.

16 * Sec. 18. AS 18.55.220 is amended to read:

17 Sec. 18.55.220. POWER OF CORPORATION [AUTHORITY] TO CONFER UPON
18 OBLIGEE RIGHT TO BRING ACTION OR PROCEEDING. In conjunction with the exercise
19 of a power authorized by AS 18.55.100 - 18.55.290, the corporation [THE AUTHORITY]
20 may, by resolution, trust indenture, mortgage, lease, or other contract, confer upon an obligee
21 holding or representing a specified amount in bonds, or holding a lease, the right upon a default
22 as defined in the resolution or instrument by suit, action, or proceeding

23 (1) to have possession of a housing or public building project or part of one
24 surrendered to the obligee, with possession retained by the obligee as long as the corporation
25 [AUTHORITY] continues in default;

26 (2) to obtain the appointment of a receiver of a housing or public building project
27 or part of one and its rents and profits, who may enter, take possession, and for the duration of
28 the default operate and maintain it, collect and receive all fees, rents, revenues, or other charges
29 thereafter arising, and keep the money in a separate account or accounts to be applied in
30 accordance with the obligations of the corporation [AUTHORITY] as the court directs;

31 (3) to require the corporation [AUTHORITY] and the [ITS] member. of its

1 board of directors to account as if they were the trustees of an express trust.

2 * Sec. 19. AS 18.55.230 is amended to read:

3 Sec. 18.55.230. EXEMPTION OF REAL PROPERTY OF CORPORATION
4 [AUTHORITY] FROM EXECUTION OR OTHER PROCESS. In conjunction with the
5 exercise of a power authorized by AS 18.55.100 - 18.55.290, the [ALL] real property of the
6 corporation [AUTHORITY] is exempt from levy and sale by execution. Execution [, AND NO
7 EXECUTION] or other judicial process may not issue against it and [NO] judgment against the
8 corporation [AUTHORITY] may not be a charge or lien upon its real property. However, this
9 section does not limit the right of an obligee to foreclose or otherwise enforce a mortgage of the
10 authority or to pursue any remedy for the enforcement of a pledge or lien given by the
11 corporation under AS 18.55.100 - 18.55.290 [AUTHORITY] on its rents, fees, or revenues.

12 * Sec. 20. AS 18.55.240 is amended to read:

13 Sec. 18.55.240. POWER OF CORPORATION [AUTHORITY] TO OBTAIN FEDERAL
14 AID AND COOPERATION. The corporation [AUTHORITY] may borrow, accept
15 contributions, grants, or other financial assistance from the federal government in aid of any
16 housing or public building project and for this purpose may comply with conditions and enter
17 into the mortgages, trust indentures, leases, or agreements that are necessary, convenient, or
18 desirable in order to obtain financial aid or cooperation from the federal government in the
19 undertaking, construction, maintenance, or operation of a housing or public building project
20 authorized by AS 18.55.100 - 18.55.290.

21 * Sec. 21. AS 18.55.250 is amended to read:

22 Sec. 18.55.250. EXEMPTION FROM TAXES AND ASSESSMENTS. The property
23 owned by the corporation under the authority granted in AS 18.55.100 - 18.55.290 [OF THE
24 AUTHORITY] is public property used for essential public and governmental purposes, and is
25 [THIS PROPERTY AND THE AUTHORITY ARE] exempt from all taxes and special
26 assessments of a municipality, the state, or a political subdivision of the state. However, instead
27 of the payment of taxes on this property, the corporation [AUTHORITY] may make payments
28 to the municipality or political subdivision for improvements, services, and facilities furnished
29 by it for the benefit of a housing or public building project.

30 * Sec. 22. AS 18.55.255(a) is amended to read:

31 (a) In conjunction with the exercise of a power authorized by AS 18.55.100 -

1 18.55.290. the corporation [THE AUTHORITY] may convey real or personal property that it
2 determines is in excess of its needs. Except as provided in (b) and (c) of this section, the sale
3 shall be by public auction or by sealed bids at a price not lower than the fair market value
4 determined by an appraisal made within 180 days before the sale by a qualified appraiser.
5 Public notice shall be given by publishing notice of the sale at least once a week for two
6 consecutive weeks in a newspaper of general circulation within the area in which the property
7 to be sold is located and by posting notice of sale in at least two public places in the area. In
8 no event may the auction be held less than 30 days after the last day of publication. If [NO]
9 acceptable bids are not received the corporation [AUTHORITY] may sell the property at
10 negotiated sale within six months after the date of the auction. A negotiated sale may not be
11 made on an appraisal made more than nine months before the date of sale. The price at a
12 negotiated sale may not be less than the appraised value.

13 * Sec. 23. AS 18.55.255(b) is amended to read:

14 (b) Real or personal property of the corporation [AUTHORITY] may be conveyed
15 under (a) of this section to a state or federal agency or political subdivision for less than the
16 appraised value without competitive bidding, upon a determination by the board that the terms
17 are fair and proper and in the best interests of the state. Before authorizing a conveyance
18 under this section. the [THE] board of directors of the corporation shall consider both the
19 nature of the agency's or political subdivision's public services or functions and the terms under
20 which the property was acquired by the corporation [AUTHORITY].

21 * Sec. 24. AS 18.55.260 is amended to read:

22 Sec. 18.55.260. LEGALITY OF CORPORATION'S [AUTHORITY] BONDS
23 AS INVESTMENTS. Bonds of the corporation that are issued under AS 18.55.100 -
24 18.55.290 [AUTHORITY] are legal and proper investments and security for public and private
25 banking, insurance, and trust funds.

26 * Sec. 25. AS 18.55.270 is amended to read:

27 Sec. 18.55.270. [REPORTS AND] RECOMMENDATIONS FOR LEGISLATION. The
28 corporation [AUTHORITY SHALL FILE WITH THE DEPARTMENT OF COMMERCE AND
29 ECONOMIC DEVELOPMENT AN ANNUAL REPORT OF ITS ACTIVITIES AND] shall make
30 recommendations for [THE] legislation or other action it considers necessary to carry out the
31 purposes of AS 18.55.100 - 18.55.290 [AS 18.55.010 - 18.55.290].

1 * Sec. 26. AS 18.55.280(a) is amended to read:

2 (a) In conjunction with the exercise by the corporation of a power authorized by
3 AS 18.55.100 - 18.55.290, a [ANY] public body, officer, or agency of the state may

4 (1) lend or donate money or property to the corporation [AUTHORITY];

5 (2) cooperate with it in the planning, construction, or operation of a public
6 housing or public building project;

7 (3) transfer to it an interest in property, grant an easement, and undertake
8 otherwise authorized construction of facilities adjacent to a project;

9 (4) furnish or improve otherwise authorized roads, streets, alleys, and sidewalks;

10 (5) make exceptions from building codes, exercise its planning and zoning powers,
11 and annex the site of a project;

12 (6) contract to exercise its powers relating to repair, elimination, or closing of
13 unsafe, insanitary, or unfit dwellings;

14 (7) purchase the bonds of the corporation for a housing or public building
15 project authorized by AS 18.55.100 - 18.55.290 [AUTHORITY];

16 (8) incur the entire expense of improvements made under AS 18.55.010
17 18.55.290;

18 (9) agree with the corporation [AUTHORITY] that a certain sum or that no sum
19 shall be paid by the corporation [AUTHORITY] to the public body, officer, or agency [IT]
20 instead of taxes;

21 (10) enter into agreements respecting exercise of a power [ANY POWERS]
22 granted in AS 18.55.100 - 18.55.290 if that agreement is [HEREIN WHICH SHALL BE]
23 approved and executed by the public body or municipality in or adjacent to the project before
24 the project is [MAY BE] constructed; and

25 (11) in general do all things necessary or convenient to cooperate in the planning,
26 construction, or operation of a project.

27 * Sec. 27. AS 18.55.288(1) is repealed and reenacted to read:

28 (1) "corporation" means the Alaska Housing Finance Corporation:

29 * Sec. 28. AS 18.55.288(3) is amended to read:

30 (3) "public building [BUILDINGS]" means a publicly owned structure leased to
31 the state for governmental, public, or educational use.

1 * Sec. 29. AS 18.55.290 is amended to read:

2 Sec. 18.55.290. SHORT TITLE. AS 18.55.010 - 18.55.290 may be cited as the Housing
3 Project and Public Building Assistance Act [ALASKA STATE HOUSING AUTHORITY
4 ACT].

5 * Sec. 30. AS 18.55.310 is amended to read:

6 Sec. 18.55.310. POWERS AND DUTIES OF CORPORATION [AUTHORITY]. The
7 corporation [AUTHORITY] shall construct, protect, operate, maintain, rent, and sell at the places
8 in the state that it [THE AUTHORITY] considers most appropriate moderate-cost or rental
9 housing facilities and projects for veterans and other residents of the state. For this purpose the
10 corporation [AUTHORITY] may accept money [FUNDS] from any source, including the federal
11 government, and may enter into appropriate contracts, including contracts with the federal
12 government.

13 * Sec. 31. AS 18.55.330 is amended to read:

14 Sec. 18.55.330. PREFERENCE TO VETERANS. The corporation [AUTHORITY] shall
15 initially offer 50 percent of the dwelling units in a housing project held by it under
16 AS 18.55.300 - 18.55.470 for rent or sale to veterans. The offer shall be by publication of
17 reasonable notice in a newspaper circulated in the area in which the housing project is located.
18 The corporation [AUTHORITY] shall set aside these units for rental or sale to veterans for at
19 least 30 days following first publication of the notice before making them available to other
20 residents. If, after an additional 30 days a unit remains unassigned, the corporation
21 [AUTHORITY] may rent or sell it to any person in the state, provided that residents have first
22 preference.

23 * Sec. 32. AS 18.55.340 is amended to read:

24 Sec. 18.55.340. CARE, OPERATION, MAINTENANCE, AND RENTAL OF HOUSING.
25 The corporation [AUTHORITY] has control over and is responsible for the care, operation,
26 maintenance, and rental or sale of the housing held by it under AS 18.55.300 - 18.55.470. It
27 may enter into appropriate arrangements for carrying out this responsibility and for safeguarding
28 the interest of the state.

29 * Sec. 33. AS 18.55.350 is amended to read:

30 Sec. 18.55.350. AVAILABILITY OF HOUSING UNITS. The corporation
31 [AUTHORITY] shall make the housing units held by it [CONSTRUCTED] under

1 AS 18.55.300 - 18.55.470 available for rental to eligible persons upon application in the form it
2 prescribes, and at the moderate rentals that it considers proper, or for sale at the prices and
3 subject to the terms and conditions that it considers fair and equitable. The corporation [THE
4 AUTHORITY] shall use the money it receives [FUNDS RECEIVED] from the sale of housing
5 or housing projects held by it under AS 18.55.300 - 18.55.470, and the revenue from rentals,
6 after payment of obligations and deductions for proper expenses of maintenance and operation,
7 for the construction of further housing, under the terms of AS 18.55.300 - 18.55.470.

8 * Sec. 34. AS 18.55.370 is amended to read:

9 Sec. 18.55.370. USE OF MONEY [FUNDS]. Money [THE FUNDS] appropriated or
10 made available under AS 18.55.300 - 18.55.470 may be used by the corporation [AUTHORITY]
11 to make

12 (1) character loans, not exceeding \$500 for each dwelling, to residents or
13 cooperatives for the improvement, conversion, or construction of dwellings in remote areas for
14 occupancy by the residents or members of the cooperatives;

15 (2) loans for moderate cost or rental housing facilities and projects to public
16 agencies, or private nonprofit or limited dividend corporations, or private corporations or
17 cooperatives organized under AS 10.15.005 - 10.15.600 that are regulated or restricted by the
18 corporation until [AUTHORITY (UNTIL) the termination of all loan obligations to it [IT)] as
19 to rents or sales, charges, capital structure, rate of return, and methods of operation to the extent
20 and in the manner that provides reasonable rentals to tenants and a reasonable return on the
21 investment; loans to cooperatives may be made for up to 95 per cent of the appraised value of
22 the housing facility.

23 * Sec. 35. AS 18.55.380 is amended to read:

24 Sec. 18.55.380. CORPORATION [AUTHORITY] MAY USE POWERS UNDER
25 OTHER LAWS. The corporation may invoke a power given to it [ANY POWERS OF THE
26 AUTHORITY] under any statute, including [BUT NOT LIMITED TO] the powers of eminent
27 domain and those relating to the issuance of bonds and obligations [, MAY BE INVOKED]
28 with respect to a project undertaken or loan made or to be made under the authorization provided
29 in AS 18.55.300 - 18.55.470.

30 * Sec. 36. AS 18.55.390 is amended to read:

31 Sec. 18.55.390. LIMITATION ON CORPORATION'S [AUTHORITY'S] POWER. The

1 power of the corporation [AUTHORITY] to act under AS 18.55.300 - 18.55.470 is limited to
2 projects in which [WHERE] adequate financing on reasonable terms is not otherwise available
3 or entrepreneurial sponsorship is lacking.

4 * Sec. 37. AS 18.55.400 is amended to read:

5 Sec. 18.55.400. EXPENDITURE OF MONEY [FUNDS]. The corporation
6 [AUTHORITY] may spend the portion of the money [FUNDS] appropriated under
7 AS 18.55.300 - 18.55.470 that it considers advisable, either directly or in cooperation with
8 educational institutions or government agencies, to develop, through study, research, and analysis,
9 information regarding low cost building supplies, materials, and methods of construction, and to
10 disseminate this information.

11 * Sec. 38. AS 18.55.420 is amended to read:

12 Sec. 18.55.420. POWER TO ADOPT AND ENFORCE [MAKE] REGULATIONS. The
13 corporation [AUTHORITY] may

14 (1) make and enforce reasonable rules and regulations to carry out the purposes
15 of AS 18.55.300 - 18.55.470; and

16 (2) [MAY] determine the allocation of dwelling units and projects constructed in
17 a municipality on the basis of the municipality's [ITS] population or the demand or potential
18 demand for dwelling units in it.

19 * Sec. 39. AS 18.55.440 is amended to read:

20 Sec. 18.55.440. ADDITIONAL POWERS. For the purpose of carrying out
21 AS 18.55.300 - 18.55.470, the corporation [AUTHORITY] may acquire by purchase, lease,
22 condemnation, or otherwise,

23 (1) land and appurtenances to land necessary or desirable for the establishment,
24 construction, and operation of moderate cost and moderate rental housing;

25 (2) [THE AUTHORITY MAY ACQUIRE BY PURCHASE, LEASE,
26 CONDEMNATION, OR OTHERWISE,] rights-of-way or easements for roads, streets, trails,
27 utilities, power lines, and other similar facilities necessary and desirable for the proper
28 establishment, operation, and maintenance of a housing project.

29 * Sec. 40. AS 18.55.450 is amended to read:

30 Sec. 18.55.450. ABILITY [AUTHORITY] TO ACCEPT LAND [LANDS] AND OTHER
31 PROPERTY. The corporation [AUTHORITY] may accept land , a building, property, or

1 equipment that is available from an executive department, independent establishment or agency
2 of the federal government or the state, or a municipality, for the purpose of carrying out
3 AS 18.55.300 - 18.55.470.

4 * Sec. 41. AS 18.55.460 is amended to read:

5 Sec. 18.55.460. PREFERENCE FOR STATE PROFESSIONAL AND CONTRACTORS'
6 SERVICES. In planning, designing, and constructing projects under AS 18.55.300 - 18.55.470,
7 the corporation [AUTHORITY] shall use [ALASKAN] professional and contractor services of
8 state residents as far as practicable and shall encourage the use of local building materials.

9 * Sec. 42. AS 18.55.470(1) is repealed and reenacted to read:

10 (1) "corporation" means the Alaska Housing Finance Corporation;

11 * Sec. 43. AS 18.55.490 is amended to read:

12 Sec. 18.55.490. LEGISLATIVE INTENT. It is the intent of the legislature in
13 AS 18.55.480 - 18.55.960 to take advantage of 42 U.S.C. 1441 - 1469c (Title I of the Housing
14 Act of 1949 (P.L. 81-171; 63 Stat. 413)) [TITLE I OF THE HOUSING ACT OF 1949 (P.L.
15 81-171, 63 STAT. 413)], as amended:

16 * Sec. 44. AS 18.55.500 is amended to read:

17 Sec. 18.55.500. INTEREST OF MEMBERS OF BOARD OF DIRECTORS OR
18 EMPLOYEES OF CORPORATION [AUTHORITY] IN PROJECT PROHIBITED. (a) A
19 member of the board of directors or employee of the corporation [AUTHORITY] may not
20 voluntarily acquire an interest, direct or indirect, in a redevelopment project or in property
21 included or planned by the authority to be included in a redevelopment project, or in a contract
22 or proposed contract in connection with a project. If the acquisition is not voluntary the member
23 or employee shall immediately disclose the interest in writing to the corporation [AUTHORITY]
24 and the disclosure shall be entered upon the minutes of the corporation [AUTHORITY].

25 (b) If a member of the board of directors or employee of the corporation
26 [AUTHORITY] owns or controls or owned or controlled within the preceding two years an
27 interest, direct or indirect, in property that the member or employee knows is included or planned
28 by the corporation [AUTHORITY] to be included in a redevelopment project, the member or
29 employee shall immediately disclose the interest in writing to the corporation [AUTHORITY]
30 and the disclosure shall be entered upon the minutes of the corporation [AUTHORITY], and the
31 member or employee may not participate in an action by the corporation [AUTHORITY]

1 affecting the property. A violation of this section constitutes misconduct in office or dereliction
2 of duties of employment or both.

3 * Sec. 45. AS 18.55.510(a) is amended to read:

4 (a) The corporation [AUTHORITY] may not transact business or exercise its powers
5 under AS 18.55.480 - 18.55.960 in a municipality until the governing body approves by
6 resolution the exercise in the municipality of the powers, functions, and duties of the corporation
7 [AUTHORITY] under AS 18.55.480 - 18.55.960.

8 * Sec. 46. AS 18.55.520 is amended to read:

9 Sec. 18.55.520. POWERS OF THE CORPORATION [AUTHORITY]. In addition to
10 all powers previously vested in or granted to the corporation [AUTHORITY] by any other law,
11 the corporation [AUTHORITY] has all the powers necessary or convenient to carry out and
12 effectuate the purposes and provisions of AS 18.55.480 - 18.55.960, including the following
13 powers:

14 (1) to prepare or have prepared and to recommend redevelopment plans to the
15 governing body of any municipality within its area of operation and to undertake and carry out
16 redevelopment projects within its area of operation;

17 (2) to arrange or contract for the furnishing or repair, by any person or agency,
18 public or private, of services, privileges, works, streets, roads, public utilities or other facilities
19 for or in connection with a redevelopment project; and notwithstanding anything to the contrary
20 contained in AS 18.55.480 - 18.55.960 or any other provision of law, to agree to the conditions
21 that it considers reasonable and appropriate that are attached to federal financial assistance and
22 imposed pursuant to federal law relating to the determination of prevailing salaries or wages or
23 compliance with labor standards, in the undertaking or carrying out of a redevelopment project,
24 and to include a contract let in connection with a redevelopment project, provisions to fulfill any
25 of these conditions it considers reasonable and appropriate;

26 (3) within its area of operation,

27 (A) to purchase, lease, obtain options upon, acquire by gift, grant, bequest,
28 devise, eminent domain, or otherwise, any real or personal property or any interest in it,
29 together with any improvements on it necessary or incidental to a redevelopment project;

30 (B) to hold, improve, clear, or prepare for redevelopment the [ANY
31 SUCH] property it obtains under (A) this paragraph:

1 (C) to sell, lease, exchange, transfer, assign, subdivide, retain for its own
2 use, mortgage, pledge, hypothecate, or otherwise encumber or dispose of any real or
3 personal property or any interest in it;

4 (D) to enter into contracts with redevelopers of property containing
5 covenants, restrictions, and conditions regarding the use of the property for residential,
6 commercial, industrial, recreational purposes or for public purposes in accordance with
7 the redevelopment plan and other covenants, restrictions, and conditions that the
8 corporation [AUTHORITY] considers necessary to prevent a recurrence of slum or
9 blighted areas or to effectuate the purposes of AS 18.55.480 - 18.55.960;

10 (E) to make any covenant, restriction, or condition of the foregoing
11 contracts a covenant running with the land, and to provide appropriate remedies for a
12 breach of the covenant, restriction, or condition, including the right in the corporation
13 [AUTHORITY] to terminate the contract and the interest in the property created under
14 the contract;

15 (F) to borrow money and issue bonds and provide security for loans or
16 bonds;

17 (G) to insure or provide for the insurance of real or personal property or
18 operations of the corporation [AUTHORITY] against risk or hazard, including the power
19 to pay premiums on this insurance;

20 (H) to enter into any contracts necessary to effectuate the purposes of
21 AS 18.55.480 - 18.55.960; however, statutory provisions with respect to the acquisition,
22 clearance, or disposition of property by another public body do not restrict the
23 corporation [AUTHORITY] or the other public body in these functions, unless the
24 legislature has specifically so provided [STATES];

25 (4) to invest money [FUNDS] held in reserves or sinking funds or any money
26 [FUNDS] not required for immediate disbursement, in property or securities in which savings
27 banks may legally invest money [FUNDS] subject to their control, and to redeem its bonds at
28 the redemption price established in the bonds or to purchase its bonds at less than redemption
29 price; and all bonds redeemed or purchased shall be cancelled;

30 (5) to borrow money and to apply for and accept advances, loans, grants,
31 contributions, and any other form of financial assistance from the federal government, the state,

1 municipality, or other public body or from any sources, public or private, for the purposes of
2 AS 18.55.480 - 18.55.960, to give the security required and to enter into and carry out contracts
3 in connection with the transaction: [THE AUTHORITY] notwithstanding the provisions of any
4 other law, the corporation may include in a contract for financial assistance with the federal
5 government for a redevelopment project those conditions imposed pursuant to federal law that
6 the corporation [AUTHORITY] considers reasonable and appropriate and which are not
7 inconsistent with the purposes of AS 18.55.480 - 18.55.960;

8 (6) to act through a member or another person designated by the corporation
9 [AUTHORITY] to conduct examinations and investigations and to hear testimony and take proof
10 under oath at public or private hearings on any matter material for its information; to administer
11 oaths, and to issue commissions for the examination of witnesses who are outside the state or
12 unable to attend before the corporation [AUTHORITY], or excused from attendance; to make
13 available to appropriate agencies or public officials, including those charged with the duty of
14 abating or requiring the correction of nuisances or like conditions or of demolishing unsafe or
15 unsanitary structures or eliminating slums or conditions of blight within its area of operation, its
16 findings and recommendations with regard to any building or property where conditions exist that
17 are dangerous to the public health, safety, morals, and welfare;

18 (7) within its area of operation, to make or have made all surveys, appraisals,
19 studies, and plans necessary to carry out the purposes of AS 18.55.480 - 18.55.960 and to
20 contract or cooperate with persons or agencies, public or private, in the making and carrying out
21 of the surveys, appraisals, studies, and plans;

22 (8) to prepare plans and provide reasonable assistance for the relocation of
23 families displaced from a redevelopment project area to the extent essential for acquiring
24 possession of and clearing the area or parts of the area to permit the carrying out of the
25 redevelopment project;

26 (9) to make expenditures that are necessary to carry out the purposes of
27 AS 18.55.480 - 18.55.960, and to make expenditures from money [FUNDS] obtained from the
28 federal government and the state [INCLUDING THE ALASKA STATE HOUSING
29 AUTHORITY FUND], without regard to any other laws pertaining to the making and approval
30 of appropriations and expenditures;

31 (10) to exercise all or any part or combination of powers granted by this section;

1 (11) with the approval of the local governing body,

2 (A) before approval of an urban renewal or redevelopment plan, or
3 approval of any modifications of the plan to acquire real property in an urban renewal or
4 redevelopment area, to demolish and remove any structures on the property, and pay all
5 costs related to the acquisition, demolition, or removal, including any administrative or
6 relocation expenses; and

7 (B) to assume the responsibility to bear any loss that may arise as the
8 result of the exercise of its powers [AUTHORITY] under this paragraph in the event that
9 the real property is not made part of the urban renewal or redevelopment project;

10 (12) to prepare or have prepared and to recommend neighborhood development
11 plans to the governing body of any municipality within its area of operation and to undertake and
12 carry out neighborhood development projects within its area of operation.

13 * Sec. 47. AS 18.55.525 is amended to read:

14 Sec. 18.55.525. NEIGHBORHOOD DEVELOPMENT PROJECTS. (a) A neighborhood
15 development project, as undertaken and administered by the corporation [AUTHORITY], shall
16 consist of urban renewal project undertakings and activities in one or more urban renewal areas
17 that are planned and carried out on the basis of annual increments in accordance with 42 U.S.C.
18 1469 - 1469c (secs. 131 - 134, Title I, Housing Act of 1949), as amended.

19 (b) The corporation shall adhere to the provisions of [PROVISIONS IN]
20 AS 18.55.480 - 18.55.960 [SHALL BE ADHERED TO] in the planning and carrying out of a
21 neighborhood development project by the authority.

22 * Sec. 48. AS 18.55.530(a) is amended to read:

23 (a) Except as provided in AS 18.55.520(11), the corporation [THE AUTHORITY] may
24 not acquire real property for a redevelopment project unless the governing body of the
25 municipality has approved the redevelopment plan, as prescribed in (i) of this section[, EXCEPT
26 AS PROVIDED IN AS 18.55.520(11)].

27 * Sec. 49. AS 18.55.530(d) is amended to read:

28 (d) The corporation [AUTHORITY] may prepare or have prepared a redevelopment plan
29 or any person or agency, public or private, may submit a redevelopment plan to the corporation
30 [AUTHORITY]. A redevelopment plan must be sufficiently complete to indicate its relationship
31 to definite local objectives as to appropriate land uses, improved traffic, public transportation,

1 public utilities, recreational and community facilities, and other public improvements and the
2 proposed land uses and building requirements in the redevelopment project area, and must include
3 [WITHOUT BEING LIMITED TO]

4 (1) the boundaries of the redevelopment project area, with a map showing the
5 existing uses and conditions of the real property within those boundaries [THEREIN];

6 (2) a land use plan showing proposed uses of the area;

7 (3) information showing the standards of population densities, land coverage, and
8 building intensities in the area after redevelopment;

9 (4) a statement of the proposed changes, if any, in zoning ordinances or maps,
10 street layouts, street levels or grades, building codes, and ordinances;

11 (5) a site plan of the area; and

12 (6) a statement as to the kind and number of additional public facilities or utilities
13 that will be required to support the new land uses in the area after redevelopment.

14 * Sec. 50. AS 18.55.530(e) is amended to read:

15 (e) Before recommending a redevelopment plan to the governing body for approval, the
16 corporation [AUTHORITY] shall submit the plan to the planning commission, if any, of the area
17 in which the redevelopment project area is located for review and recommendations as to its
18 conformity with the general plan for the physical development of the area. The planning
19 commission shall submit its written recommendations with respect to the proposed redevelopment
20 plan to the corporation [AUTHORITY] within 30 days after receipt of the plan for review.
21 Upon receipt of the recommendations of the planning commission or, if [NO] recommendations
22 are not received within 30 days, then without the recommendations, the corporation
23 [AUTHORITY] may recommend the redevelopment plan to the governing body of the
24 municipality for approval.

* Sec. 51. AS 18.55.530(g) is amended to read:

25 (g) The recommendation of a redevelopment plan by the corporation [AUTHORITY]
26 to the governing body shall be accompanied by

27 (1) the recommendations, if any, of the planning commission concerning the
28 redevelopment plan;

29 (2) [BY] a statement of the proposed method and estimated cost of the acquisition
30 and preparation for redevelopment of the redevelopment project area and the estimated proceeds
31

1 or revenues from its disposal to redevelopers;

2 (3) [BY] a statement of the proposed method of financing the redevelopment
3 project; and

4 (4) [BY] a statement of a feasible method proposed for the relocation of families
5 to be displaced from the redevelopment project area.

6 * Sec. 52. AS 18.55.530(i) is amended to read:

7 (i) Following the hearing required by (h) of this section, the governing body may by
8 ordinance initially approve a redevelopment plan if it finds that the plan is feasible and conforms
9 with the general plan for the physical development of the area. Approval of subsequent
10 modifications of the plan that do not involve substantive changes shall be by resolution. A
11 redevelopment plan that has not been approved by the governing body when recommended by
12 the corporation [AUTHORITY] may again be recommended to it with any modifications
13 considered advisable.

14 * Sec. 53. AS 18.55.530(j) is amended to read:

15 (j) The corporation may modify a [A] redevelopment plan [MAY BE MODIFIED] at
16 any time [BY THE AUTHORITY]. However, if it is modified after the lease or sale of real
17 property in the redevelopment project area, the redeveloper or the developer's successor in
18 interest affected by the proposed modification must consent to the modification. If [WHERE]
19 the proposed modification will substantially change the redevelopment plan as previously
20 approved by the governing body, the modification must similarly be approved by the governing
21 body.

22 * Sec. 54. AS 18.55.530(k) is amended to read:

23 (k) Notwithstanding any other provision of this chapter, if [WHERE] the local governing
24 body certifies that an area is in need of redevelopment or rehabilitation as a result of flood, fire,
25 hurricane, earthquake, storm, or other catastrophe respecting which the governor has certified the
26 need for disaster assistance under [PUBLIC LAW 875, 81ST CONGRESS, OR OTHER] federal
27 law, the local governing body may approve an urban renewal or redevelopment plan and an urban
28 renewal or redevelopment project with respect to the area without regard to the provisions
29 relating to relocation, conformance of the urban renewal or redevelopment plan with the general
30 plan, and the provisions of this chapter requiring a general plan for the municipality and a public
31 hearing on the urban renewal or redevelopment project or plan.

1 * Sec. 55. AS 18.55.540(a) is amended to read:

2 (a) The corporation [AUTHORITY] may sell, lease, exchange, or otherwise transfer real
3 property or any interest in real property in a redevelopment project area to a redeveloper for
4 residential, recreational, commercial, industrial, or other uses, or for public use in accordance
5 with the redevelopment plan, subject to those covenants, conditions, and restrictions it considers
6 in the public interest or to carry out the purposes of AS 18.55.480 - 18.55.960. However, the
7 sale, lease, exchange, or other transfer, or an agreement relating to it, may be made only after,
8 or subject to, the approval of the redevelopment plan by the governing body of the municipality.
9 The real property shall be sold, leased, or transferred at its fair value for uses in accordance with
10 the redevelopment plan although the fair value may be less than the cost of acquiring and
11 preparing the property for redevelopment. In determining the fair value of real property for uses
12 in accordance with the redevelopment plan, the corporation [AUTHORITY] shall consider the
13 uses and purposes required by the redevelopment plan, the restrictions upon, and the covenants,
14 conditions, and obligations assumed by the redeveloper of the property, the objectives of the
15 redevelopment plan for the prevention of the recurrence of slum or blighted areas, and the other
16 matters the corporation [AUTHORITY] specifies as appropriate. In fixing rentals and selling
17 prices, the corporation [AUTHORITY] shall consider appraisals of the property for these
18 [SUCH] uses that are made by land experts employed by the corporation [AUTHORITY].

19 * Sec. 56. AS 18.55.540(b) is amended to read:

20 (b) Before considering a redevelopment contract proposal, the corporation
21 [AUTHORITY], by public notice published at least once a week for two consecutive weeks in
22 a newspaper of general circulation in the municipality, or, if there is no [SUCH] newspaper of
23 general circulation, by posting the notice in three public places in the municipality, shall invite
24 proposals from, and make available all pertinent information to private developers or to persons
25 interested in undertaking the redevelopment of an area or any part of an area that the governing
26 body has declared to be in need of redevelopment. The notice must identify the area and must
27 state that the further information that is available may be obtained at the office of the authority.
28 The corporation [AUTHORITY] shall consider all redevelopment proposals and the financial
29 and legal ability of the prospective developers to carry out their proposals and may negotiate
30 with developers for proposals for the purchase or lease of real property in the redevelopment
31 project area. The corporation [AUTHORITY] may accept the redevelopment contract proposal

1 it considers in the public interest and in furtherance of the purposes of AS 18.55.480 - 18.55.960,
 2 provided that the corporation [AUTHORITY] has given to the governing body at least 30 days'
 3 written notice of its intent to accept the redevelopment contract proposal. Thereafter the
 4 corporation [AUTHORITY] may execute a redevelopment contract in accordance with the
 5 provisions of (a) of this section and deliver deeds, leases, and other instruments and take all steps
 6 necessary to effectuate the redevelopment contract. The corporation [AUTHORITY] may,
 7 without regard to the foregoing provisions of this subsection, dispose of real property in a
 8 redevelopment project area to private redevelopers for redevelopment under the reasonable
 9 competitive bidding procedures it prescribes, subject to the provisions of (a) of this section.

10 * Sec. 57. AS 18.55.550(a) is amended to read:

11 (a) The corporation [AUTHORITY] may

12 (1) acquire by eminent domain real property that it considers necessary within the
 13 boundaries of the redevelopment project or for its purposes under AS 18.55.480 - 18.55.960 after
 14 the adoption by it of a resolution declaring that the acquisition of the real property described in
 15 the resolution is necessary for those purposes; and

16 (2) [THE AUTHORITY MAY] exercise the power of eminent domain in the
 17 manner provided in AS 09.55.240 - 09.55.460 or in the manner provided by other statutory
 18 provisions for the exercise of the power of eminent domain.

19 * Sec. 58. AS 18.55.560 is amended to read:

20 Sec. 18.55.560. ACQUISITION AND DEVELOPMENT OF UNDEVELOPED VACANT
 21 LAND. Upon a determination, by resolution, of the governing body of the municipality that the
 22 acquisition and development of undeveloped vacant land not within a slum or blighted area is
 23 essential to the proper clearance or redevelopment of a slum or blighted area or a necessary part
 24 of the general slum clearance program of the municipality, the acquisition, planning, preparation
 25 for development or disposal of the [SUCH] land shall constitute a redevelopment project that
 26 [WHICH] may be undertaken by the corporation [AUTHORITY] in the manner provided in
 27 AS 18.55.480 - 18.55.960. The determination by the governing body is a substitute for the
 28 declaration required by AS 18.55.530(b) but the determination may not be made until the
 29 governing body finds that

30 (1) there is a shortage of decent, safe, and sanitary housing in the municipality;

31 (2) [THAT] the undeveloped vacant land will be developed for predominantly

1 residential uses; and

2 (3) [THAT] the provisions of dwelling accommodations on the undeveloped
3 vacant land is necessary to accomplish the relocation in decent, safe, and sanitary housing in the
4 municipality, of families to be displaced from slum or blighted areas that are to be redeveloped.

5 * Sec. 59. AS 18.55.570(a) is amended to read:

6 (a) The corporation [AUTHORITY] may

7 (1) issue bonds and notes from time to time for any of the purposes of
8 AS 18.55.480 - 18.55.960, [ITS CORPORATE PURPOSES] including the payment of principal
9 and interest upon advances for surveys and plans for redevelopment projects;

10 (2) [. THE AUTHORITY MAY] issue refunding bonds for the purpose of the
11 payment or retirement or in exchange for bonds previously issued by it;

12 (3) [. THE AUTHORITY MAY] issue the types of bonds and notes it
13 determines, including bonds and notes on which the principal and interest are payable

14 (A) [(1)] exclusively from the income, proceeds, and revenues of the
15 redevelopment project financed with the proceeds of the bonds or notes; [,] or

16 (B) [(2)] exclusively from the income, proceeds, and revenue of any of
17 its redevelopment projects whether or not they are financed in whole or in part with the
18 proceeds of the bonds or notes; and

19 (4) further secure the [. THE] bonds or notes authorized by (1) - (3) of this
20 subsection [MAY BE FURTHER SECURED] by a pledge of all or any part of a loan, grant, or
21 contribution from the federal government or from another source, or by a mortgage of a
22 redevelopment project of the corporation [AUTHORITY].

23 * Sec. 60. AS 18.55.570(b) is amended to read:

24 (b) The members of the board of directors of the corporation [AUTHORITY] or a
25 person executing the bonds or notes authorized by (a) of this section are not liable personally
26 on the bonds or notes by reason of the issuance of them. The bonds, notes, and other obligations
27 of the corporation [AUTHORITY] are not a debt of the municipality, the state, or the United
28 States, and neither the municipality, the state, nor the United States is liable on them, nor are the
29 bonds, notes, or obligations payable out of money or property [FUNDS OR PROPERTIES]
30 other than those of the corporation [AUTHORITY] acquired for the purposes of AS 18.55.480 -
31 18.55.960 and each bond and note shall state this on its face. A bond or note does not constitute

1 an indebtedness within the meaning of any constitutional or statutory debt limitation or
2 restriction. Bonds and notes of the corporation [AUTHORITY] issued under AS 18.55.480 -
3 18.55.960 are declared to be issued for an essential public and governmental purpose and,
4 together with interest on them and income from them, are exempt from all taxes.

5 * Sec. 61. AS 18.55.570(e) is amended to read:

6 (e) If a member of the board of directors or officer of the corporation [AUTHORITY]
7 whose signature appears on a bond, note, or coupon ceases to be a member or officer before the
8 delivery of the bonds or notes, the signature is nevertheless valid and sufficient for all purposes
9 as if the member or officer had remained in office until delivery. Any provision of law to the
10 contrary notwithstanding, bonds and notes issued under AS 18.55.480 - 18.55.960 are negotiable.

11 * Sec. 62. AS 18.55.580 is amended to read:

12 Sec. 18.55.580. POWER OF CORPORATION [AUTHORITY] TO PROVIDE
13 ADDITIONAL SECURITY FOR BONDS. (a) In connection with the issuance of bonds or the
14 incurring of obligations under leases, in order to secure the payment of the bonds or obligations,
15 the corporation [AUTHORITY], in addition to its other powers, may

16 (1) pledge all or a part of its gross or net rents, fees, or revenue from
17 redevelopment projects to which its right exists or may come into existence;

18 (2) mortgage all or a part of its real or personal property in a redevelopment
19 project owned or later acquired;

20 (3) covenant against pledging all or a part of its rents, fees, and revenue from
21 redevelopment projects or against mortgaging all or a part of its real or personal property in a
22 redevelopment project to which its right or title exists or may come into existence or against
23 permitting or suffering a lien on the revenue or property, and covenant with respect to limitations
24 on its right to sell, lease, or otherwise dispose of a redevelopment project or a part of a project,
25 and covenant as to other, or additional debts or obligations that may be incurred by it;

26 (4) covenant as to the bonds to be issued and as to the issuance of the bonds in
27 escrow or otherwise, and as to the use and disposition of the proceeds, and provide for the
28 replacement of lost, destroyed, or mutilated bonds, covenant against extending the time for the
29 payment of its bonds or interest, and covenant for the redemption of the bonds and to provide
30 the terms and conditions of redemption;

31 (5) covenant, subject to the limitations contained in AS 18.55.480 - 18.55.960,

1 as to the amount of revenue to be raised each year or other period of time by rents, fees, and
2 other revenue, and as to their use and disposition, and create or authorize the creation of special
3 funds for money held for operating costs, debt service, reserves, or other purposes, and covenant
4 as to the use and disposition of the money held in these funds;

5 (6) prescribe the procedure by which the terms of a contract with bondholders
6 may be amended or abrogated, the amount of bonds the holders of which must consent thereto,
7 and the manner in which consent may be given;

8 (7) covenant as to the use, maintenance, and replacement of any or all of its real
9 or personal property in a redevelopment project, the insurance to be carried and the use and
10 disposition of insurance money, and warrant its title to that property;

11 (8) covenant as to the rights, liabilities, powers, and duties arising upon the breach
12 by it of a covenant, condition, or obligation, and covenant and prescribe as to events of default
13 and terms and conditions upon which any or all of its bonds or obligations shall become or may
14 be declared due before maturity, and as to the terms and conditions upon which the declaration
15 and its consequences may be waived;

16 (9) vest in any obligees of the corporation [AUTHORITY] the right to enforce
17 the payment of the bonds or any covenants securing or relating to the bonds;

18 (10) vest in any obligee or obligees holding a specified amount in bonds the right,
19 in the event of a default by the corporation [AUTHORITY], to take possession of and use,
20 operate, and manage a redevelopment project or a part of a project, title to which is in the
21 corporation [AUTHORITY], or money [FUNDS] connected with a project, and to collect the
22 rent and revenue arising from the project or part of the project and to dispose of the money in
23 accordance with the agreement of the corporation [AUTHORITY] with the obligees;

24 (11) provide for the powers and duties of the obligees and limit their liability;

25 (12) provide the terms and conditions upon which the obligees may enforce any
26 covenant or rights securing or relating to the bonds;

27 (13) exercise all or any part or combination of the powers granted in
28 AS 18.55.480 - 18.55.960;

29 (14) make the covenants and do any and all acts and things necessary or
30 convenient or desirable in order to secure its bonds, or, in the absolute discretion of the
31 corporation [AUTHORITY], as will tend to make the bonds more marketable even if the

1 covenants, acts, or things are not enumerated in this section.

2 (b) The corporation [AUTHORITY] may, by resolution, trust, indenture, mortgage,
3 lease, or other contract confer upon an obligee holding or representing a specified amount in
4 bonds, the right, in addition to all rights that may be conferred, upon the happening of an event
5 of default as defined in the resolution or instrument, by an action or proceeding in a competent
6 court

7 (1) to have possession of a redevelopment project or part of one, title to which
8 is in the corporation [AUTHORITY], surrendered to the obligee;

9 (2) to obtain the appointment of a receiver of a redevelopment project or part of
10 a project, title to which is in the corporation [AUTHORITY], and of the rents and profits from
11 the project or part, and if a receiver is appointed, the receiver may enter and take possession of,
12 carry out, operate, and maintain the project or a part of the project and may collect and receive
13 all fees, rents, revenue, or other charges thereafter arising from the project or part, and shall keep
14 this money in a separate account and apply it in accordance with the obligations of the authority
15 as the court directs; and ..

16 (3) to require the corporation [AUTHORITY], the members of its board of
17 directors [MEMBERS], officers, agents, and employees to account as if it and they were the
18 trustees of an express trust.

19 * Sec. 63. AS 18.55.590 is amended to read:

20 Sec. 18.55.590. REMEDIES OF OBLIGEE. An obligee of the corporation
21 [AUTHORITY] may, in addition to all other rights that may be conferred on the obligee, subject
22 only to contractual restrictions binding upon the obligee,

23 (1) by mandamus, suit, action, or proceeding at law or in equity compel the
24 corporation, the members of its board of directors, [AUTHORITY] and its [MEMBERS,]
25 officers, agents, or employees to perform each and every term, provision, and covenant contained
26 in a contract of the corporation [AUTHORITY] with or for the benefit of the obligee, and
27 require the carrying out of any or all those covenants and agreements of the corporation
28 [AUTHORITY] and the fulfillment of all duties imposed upon it by AS 18.55.480 - 18.55.960:
29 and

30 (2) by suit, action, or proceeding in equity enjoin any acts or things that may be
31 unlawful, or in violation of any of the rights of the obligee of the corporation [AUTHORITY].

1 * Sec. 64. AS 18.55.600(b) is amended to read:

2 (b) The following investments are proper investments under (a) of this section: Any
3 bonds or other obligations issued by the corporation [AUTHORITY] under AS 18.55.480 -
4 18.55.960 or by any public housing or redevelopment authority or commission, or agency or any
5 other public body in the United States for redevelopment purposes, when the bonds and other
6 obligations are secured by an agreement between the issuing agency and the federal government
7 in which the issuing agency agrees to borrow from the federal government and the federal
8 government agrees to lend to the issuing agency, before the maturity of the bonds or other
9 obligations, money in an amount that, together [WHICH (TOGETHER)] with any other money
10 irrevocably committed to the payment of interest on the bonds or other obligations,
11 [OBLIGATIONS]) is sufficient to pay the principal of the bonds or other obligations with interest
12 to maturity, if, [WHICH MONEY] under the terms of the agreement, the money is required to
13 be used for the purpose of paying the principal and interest on the bonds or other obligations at
14 their maturity. The bonds and other obligations shall be authorized security for all public
15 deposits.

16 * Sec. 65. AS 18.55.620 is amended to read:

17 Sec. 18.55.620. PROPERTY EXEMPT FROM TAXES AND EXECUTION. (a) All
18 property held by the corporation for a purpose set out in AS 18.55.300 - 18.55.470 and in
19 AS 18.55.480 - 18.55.960 [OF THE AUTHORITY] is exempt from levy and sale by virtue of
20 an execution, and an [NO] execution or other judicial process may not issue against it nor may
21 judgment against it be a charge or lien upon its property. However, this subsection [;
22 HOWEVER, THIS SECTION] does not apply to or limit the right of an obligee to foreclose or
23 otherwise enforce any mortgage of the corporation [AUTHORITY] or to pursue remedies for
24 the enforcement of a pledge or lien given by the authority on its rents, fees, grants, or revenue.

25 (b) The property held by the corporation for a purpose set out in AS 18.55.300 -
26 18.55.470 and in AS 18.55.480 - 18.55.960 [OF THE AUTHORITY] is declared to be public
27 property used for essential public and governmental purposes and the property is [AND THE
28 AUTHORITY ARE] exempt from all taxes of the state or a political subdivision of the state.
29 However, subject to (c) of this section, the corporation [AUTHORITY] shall, from the time it
30 acquires title to property in a redevelopment project until it sells, leases, or otherwise disposes
31 of that property, make payment equal in amount and in lieu of taxes that [WHICH] would be

1 assessed and paid to a political subdivision in which the property is situated if the property had
2 not been acquired by the corporation [AUTHORITY]. From the time the corporation
3 [AUTHORITY] sells, leases, or otherwise transfers the property, the obligation of the
4 corporation [AUTHORITY] to make payment in lieu of taxes shall cease and the property shall
5 thereafter be taxable in the same manner as other property within the political subdivision, unless
6 the property is exempt from taxation by law. The property sold, leased, or otherwise transferred
7 by the corporation [AUTHORITY] may be assessed for taxation on that part of the tax year
8 during which it was not owned by the corporation [AUTHORITY], unless the property is
9 exempt from taxation by law. Except for the payments required by this subsection, the power
10 vested in the corporation [AUTHORITY] to make payments in lieu of taxes under AS 18.55.250
11 or other law is not affected by this subsection.

12 (c) Property for which payments are required under (b) of this section is limited to land
13 and valuable improvements on the land, including buildings located on the property on the
14 assessment date.

15 (d) Payments for property under (b) of this section [FURTHERMORE, PAYMENTS]
16 may not be required from the corporation [AUTHORITY] unless the payments are eligible
17 project costs under federal policy.

18 * Sec. 66. AS 18.55.630(a) is amended to read:

19 (a) For the purpose of aiding and cooperating in the planning, undertaking, or carrying
20 out of a redevelopment project located within the area in which it is authorized to act, a public
21 body may, upon terms, with or without consideration, as it determines,

22 (1) dedicate, sell, convey, or lease any of its interest in a property, or grant
23 easements, licenses, or other rights or privileges in the property to the corporation
24 [AUTHORITY];

25 (2) cause parks, playgrounds, or recreational, community, educational, water,
26 sewer, or drainage facilities, or other works that it is otherwise empowered to undertake to be
27 furnished in connection with a redevelopment project;

28 (3) furnish, dedicate, close, vacate, pave, install, grade, regrade, plan, or replan
29 streets, roads, sidewalks, ways, or other places, that it is otherwise empowered to undertake;

30 (4) plan or replan, or zone or rezone any part of the public body or make
31 exceptions from building regulations and ordinances if the functions are of the character that the

1 public body is otherwise empowered to perform:

2 (5) cause administrative and other services to be furnished to the corporation
3 [AUTHORITY] of the character that the public body is otherwise empowered to undertake or
4 furnish for the same or other purposes;

5 (6) incur the entire expense of public improvements made by the public body in
6 exercising the powers granted in this section;

7 (7) do any and all things necessary or convenient to aid and cooperate in the
8 planning or carrying out of a redevelopment plan;

9 (8) lend, grant, or contribute money [FUNDS] to the corporation
10 [AUTHORITY];

11 (9) employ any money [FUNDS] belonging to or within the control of the public
12 body, including money [FUNDS] derived from the sale or furnishing of property, service, or
13 facilities to the authority, in the purchase of the bonds or other obligations of the authority and,
14 as the holder of the bonds or other obligations, exercise the rights connected with them; and

15 (10) enter into agreements, which may extend over any period, notwithstanding
16 a provision or rule of law to the contrary, with the corporation [AUTHORITY] respecting action
17 to be taken by the public body under any of the powers granted by AS 18.55.480 - 18.55.960.

18 * Sec. 67. AS 18.55.660 is amended to read:

19 Sec. 18.55.660. ADDITIONAL POWERS OF GOVERNING BODY. Whenever the
20 corporation [AUTHORITY] exercises its rights, powers, and duties under AS 18.55.480 -
21 18.55.960 in the area adjacent to a municipality, the governing body of the municipality may
22 prepare or have prepared general plans for the physical development of the area if the preparation
23 of those plans is not otherwise authorized by law and approve redevelopment plans, and lend or
24 grant money [FUNDS] and other assistance for the undertaking of redevelopment projects in the
25 area and to take other action with respect to the area or redevelopment project area that is
26 authorized or required by AS 18.55.480 - 18.55.960 of the governing body of the municipality.

27 * Sec. 68. AS 18.55.680(a) is amended to read:

28 (a) In addition to the power given [ITS AUTHORITY] under AS 18.55.480 - 18.55.960,
29 the corporation [AUTHORITY] may plan and undertake an urban renewal project. In
30 AS 18.55.480 - 18.55.960 an urban renewal project includes undertaking and activity for the
31 elimination and prevention of the development or spread of slums or blighted, deteriorated, or

1 deteriorating areas. An urban renewal project may involve any work or undertaking for this
2 purpose that constitutes a redevelopment project or any rehabilitation or conservation work or any
3 combination of an undertaking or work.

4 * Sec. 69. AS 18.55.700 is repealed and reenacted to read:

5 Sec. 18.55.700. POWERS WITH RESPECT TO URBAN RENEWAL. (a) The
6 corporation has all the powers necessary or convenient to undertake and carry out urban renewal
7 plans and urban renewal projects, including the power to acquire and dispose of property, to issue
8 bonds and other obligations, to borrow and accept grants from the federal government or other
9 source, and to exercise the other powers granted to it by AS 18.55.480 - 18.55.960 with respect
10 to redevelopment projects.

11 (b) In connection with the planning and undertaking of an urban renewal plan or urban
12 renewal project, the corporation, the municipality, and all public and private offices, agencies,
13 and bodies have all the rights, powers, privileges, and immunities that they have with respect to
14 a redevelopment plan or redevelopment project, in the same manner as though all of the
15 provisions of AS 18.55.480 - 18.55.960 applicable to a redevelopment plan or redevelopment
16 project were applicable to an urban renewal plan or urban renewal project. However, for the
17 purpose of this subsection,

18 (1) the word "redevelopment" as used in AS 18.55.480 - 18.55.960, except in this
19 section and in the definition of "redevelopment project" in AS 18.55.950, means "urban renewal";

20 (2) the words "slum" and "blighted" as used in AS 18.55.480 - 18.55.960, except
21 in this section and in the definitions in AS 18.55.950, mean "blighted, deteriorated, or
22 deteriorating"; and

23 (3) the finding required by AS 18.55.510(b) with respect to a blighted area is not
24 required.

25 (c) In addition to the surveys and plans that the corporation may otherwise make, it may
26 make plans

27 (1) for carrying out a program of voluntary repair and rehabilitation of buildings
28 and improvements; and

29 (2) for the enforcement of laws, codes, and regulations relating to the use of land
30 and the use and occupancy of buildings and improvements, and the compulsory repair,
31 rehabilitation, demolition, or removal of buildings and improvements.

1 (d) The corporation may develop, test, and report methods and techniques, and carry out
 2 demonstrations and other activities for the prevention and the elimination of slums and urban
 3 blight.

4 * Sec. 70. AS 18.55.860 is amended to read:

5 Sec. 18.55.860. ORDINANCE TO GIVE CORPORATION [AUTHORITY] POWER
 6 TO DETERMINE FITNESS OF DWELLINGS FOR HABITATION. The ordinance adopted by
 7 a municipality under AS 18.55.480 - 18.55.960

8 (1) must [ALSO] provide that the corporation [AUTHORITY] may determine
 9 that a dwelling is unfit for human habitation if it finds that conditions exist that

10 (A) are dangerous or injurious to the health, safety, or morals of the
 11 occupant of the dwelling, the occupants of neighboring dwellings or other residents of the
 12 municipality; [,] or

13 (B) [THAT] have a blighting influence on properties in the area;

14 (2) [. THESE CONDITIONS MAY INCLUDE THE FOLLOWING, WITHOUT
 15 LIMITATION. DEFECTS INCREASING THE HAZARDS OF FIRE, ACCIDENT, OR OTHER
 16 CALAMITY; LACK OF ADEQUATE VENTILATION, LIGHT, OR SANITARY FACILITIES;
 17 DILAPIDATION; DISREPAIR; STRUCTURAL DEFECTS; UNCLEANLINESS;
 18 OVERCROWDING; INADEQUATE INGRESS AND EGRESS; INADEQUATE DRAINAGE;
 19 OR ANY VIOLATION OF HEALTH, FIRE, BUILDING, OR ZONING REGULATIONS, OR
 20 ANY OTHER LAWS OR REGULATIONS, RELATING TO THE USE OF LAND AND THE
 21 USE AND OCCUPANCY OF BUILDINGS AND IMPROVEMENTS. THE ORDINANCE] may
 22 provide additional standards to guide the corporation [AUTHORITY] in determining the fitness
 23 of a dwelling for human habitation.

24 * Sec. 71. AS 18.55.860 is amended by adding a new subsection to read:

25 (b) The conditions sufficient to support a finding under (a)(1) of this section include the
 26 following, without limitation:

- 27 (1) defects increasing the hazards of fire, accident, or other calamity;
 28 (2) lack of adequate ventilation, light, or sanitary facilities;
 29 (3) dilapidation;
 30 (4) disrepair;
 31 (5) structural defects;

- 1 (6) uncleanliness;
2 (7) overcrowding;
3 (8) inadequate ingress and egress;
4 (9) inadequate drainage; or
5 (10) a violation of health, fire, building, or zoning regulations, or any other laws
6 or regulations, relating to the use of land and the use and occupancy of buildings and
7 improvements.

8 * Sec. 72. AS 18.55.950 is amended by adding a new paragraph to read:

9 (18) "corporation" means the Alaska Housing Finance Corporation.

10 * Sec. 73. AS 18.55.995 is amended to read:

11 Sec. 18.55.995. PURPOSE AND INTENT. The legislature finds that an acute shortage
12 of housing and related facilities exists in the villages of the state [ALASKA] and that adequate
13 housing cannot be provided by the private sector due to the economic depression that exists in
14 most villages of the state [ALASKA]. It is the purpose and intent of the legislature to provide
15 a means for certain Native associations to form public corporations with the powers and duties
16 comparable to those provided in AS 18.55.100 - 18.55.960 [~~THE ALASKA STATE HOUSING~~
17 ~~AUTHORITY~~].

18 * Sec. 74. AS 18.55.996(b) is amended to read:

19 (b) There is created with respect to each of the associations named in (a) of this section
20 a public body corporate and politic to function in the operating area of the individual associations
21 to be known as the regional housing authority of the associations possessing all powers, rights,
22 and functions now or subsequently specified [FOR THE ALASKA STATE HOUSING
23 AUTHORITY,] under AS 18.55.100 - 18.55.290 [THE ALASKA STATE HOUSING
24 AUTHORITY ACT (AS 18.55.010 - 18.55.290)] except those specified with respect to the
25 construction and acquisition of public buildings for lease to the state or any [SUBSEQUENTLY
26 SPECIFIED] authority that is inconsistent with AS 18.55.995. The authority may enter into
27 agreements with local government, other political subdivisions of the state, the state or the federal
28 government for the exercise of a function or power relating to construction, operation, and
29 maintenance of public facilities or public utilities. Upon execution of an agreement and for the
30 period of the agreement the authority shall have the same powers and functions relating to the
31 subject matter of the agreement as those that may legally be exercised by the governmental unit

1 with whom the agreement is made including the authority to separately or together with the other
2 unit borrow money and issue notes, bonds, or other evidence of indebtedness to finance a project
3 within the scope of the agreement subject to the express limitations, if any, contained in the
4 agreement. All obligations or liabilities of the regional housing authority shall remain their own
5 and are not obligations or liabilities of the state.

6 * Sec. 75. AS 18.55.996(g) is amended to read:

7 (g) If an activity associated with the planning, financing, construction, or operation of
8 a project by a regional housing authority established in this section and authorized under
9 AS 18.55.100 - 18.55.290 conflicts with an activity of the Alaska Housing Finance Corporation
10 [ALASKA STATE HOUSING AUTHORITY], the governing body of the municipality in which
11 the project is located shall resolve the conflict.

12 * Sec. 76. AS 18.55.997(a) is amended to read:

13 (a) In addition to the powers authorized to a regional housing authority under
14 AS 18.55.996, a regional housing authority may, in accordance with procedures and policies
15 adopted and approved by the Alaska Housing Finance Corporation [DEPARTMENT OF
16 COMMUNITY AND REGIONAL AFFAIRS], make loans for the purchase or development of
17 residential housing in rural areas of the state, other than in an area where the corporation
18 [DEPARTMENT] has a loan office. A loan shall be secured by collateral in an amount
19 acceptable to the corporation [DEPARTMENT OF COMMUNITY AND REGIONAL
20 AFFAIRS]. The rate of interest on a loan authorized by this section may not exceed the interest
21 rate on a loan originated or purchased under AS 18.56.400 - 18.56.600 [AS 44.47.370 -
22 44.47.560].

23 * Sec. 77. AS 18.55.998(a) is amended to read:

24 (a) There is created in the Alaska Housing Finance Corporation [DEPARTMENT OF
25 COMMUNITY AND REGIONAL AFFAIRS] a supplemental housing development grant fund.
26 Subject to the availability of appropriations for the purpose, the corporation [DEPARTMENT]
27 shall make grants to regional housing authorities established under AS 18.55.996 for the cost of
28 on-site sewer and water facilities, road construction to project sites, energy efficient design
29 features in homes, and extension of electrical distribution facilities to individual residences.

30 * Sec. 78. AS 18.55.998(d) is amended to read:

31 (d) The Alaska Housing Finance Corporation [DEPARTMENT] shall adopt regulations

1 to carry out the purposes of this section. The provisions of AS 18.56.088(a) and (b) [THE
2 ADMINISTRATIVE PROCEDURE ACT (AS 44.62)] apply to regulations adopted under this
3 section.

4 * Sec. 79. AS 18.56.010(d) is amended to read:

5 (d) The program of making loans for residential housing to veterans [IN ACCORDANCE
6 WITH AS 26.15 HAS INCREASED AND IMPROVED THE SUPPLY OF ADEQUATE
7 HOUSING IN THE STATE, AND THE CONTINUATION OF THE PROGRAM] is essential
8 to the economic growth of the state and the expansion of the supply of adequate residential
9 housing in the state. Assumption [PARTICIPATION] by the Alaska Housing Finance
10 Corporation of [IN] the program of purchasing and insuring state veterans' loans as provided in
11 this chapter will be of material aid in insuring the continuance of the program of making loans
12 for residential housing to veterans [IN ACCORDANCE WITH AS 26.15].

13 * Sec. 80. AS 18.56.010(f) is amended to read:

14 (f) The legislature finds that enabling the Alaska Housing Finance Corporation to finance
15 [ASSIST IN FINANCING] the program of veterans' loans for residential housing [IN
16 ACCORDANCE WITH AS 26.15] and to expand its program of purchasing other mortgage loans
17 serves a public purpose in benefiting the people of the state. The Alaska Housing Finance
18 Corporation is empowered to act on behalf of the state and its people in serving this public
19 purpose for the benefit of the general public."

20 * Sec. 81. AS 18.56.030(a) is repealed and reenacted to read:

21 (a) The corporation shall be governed by a board of directors consisting of

22 (1) the commissioner of revenue;

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

24 (3) the commissioner of community and regional affairs; and

25 (4) eight public members appointed by the governor, as follows:

26 (A) one member who represents the financial community;

27 (B) one member who is a licensed real estate broker under
28 AS 08.88.171(a);

29 (C) one member that represents the interests of regional housing
30 authorities;

31 (D) one member who is a rural resident of the state;

- 1 (E) one member who represents persons with special housing needs;
2 (F) one member who is a representative of low income interests;
3 (G) one member who is a representative of the residential energy efficient
4 homebuilding industry in the state; and
5 (H) one public member.

6 * Sec. 82. AS 18.56.030(b) is amended to read:

7 (b) If a member described in (a)(1) - (3) [(a)(1) OR (2)] of this section is unable to
8 attend a meeting of the board or of a committee of the board, the member may by an
9 instrument in writing filed with the board, designate a deputy or assistant to act in the member's
10 place at the meeting. For all purposes of this chapter, the designee is a member of the board at
11 the meeting.

12 * Sec. 83. AS 18.56.030 is amended by adding a new subsection to read:

13 (f) The governor shall appoint the public members under (a)(4) of this section to give
14 the board of directors a reasonable geographic balance among regions of the state. The members
15 of the board appointed under ~~(a)(4)~~ of this section shall have recognized competence and wide
16 experience in housing, finance, or other business management related fields.

17 * Sec. 84. AS 18.56.050 is amended by adding new subsections to read:

18 (b) The board may establish an executive committee or other committee of its members
19 and delegate to the executive committee or other committee the powers and duties it considers
20 appropriate.

21 (c) The board may establish advisory committees for any aspect of its activities.

22 * Sec. 85. AS 18.56.084 is amended to read:

23 Sec. 18.56.084. INTERNATIONAL BORROWING. For the purpose of obtaining access
24 to international capital markets to borrow money for the special mortgage loan purchase program
25 (AS 18.56.098), as an addition to the powers of the corporation under AS 18.56.090, the
26 corporation may (1) establish or cause to be established, subsidiary corporations incorporated in
27 the state or in another state, or under the laws of a foreign jurisdiction; (2) invest in corporations
28 established under this section; (3) issue bonds and borrow money for investments in corporations
29 established under this section; (4) borrow from corporations established under this section; (5)
30 guarantee the obligations of corporations established under this section; or (6) enter into
31 agreements with corporations established under this section or with other persons. In exercising

1 a power under this section, the corporation may not subject its assets to risk of loss through
2 foreign currency exchange. A guarantee under this section constitutes a bond of the corporation
3 as defined in AS 18.56.390 [AS 18.56.900].

4 * Sec. 86. AS 18.56.088(c) is amended to read:

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

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

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

11 (3) characteristics of housing eligible for loans or purchase of loans, including
12 compliance with the requirements of AS 18.56.300;

13 (4) the qualifications of loan originators and servicers and the method of
14 allocating amounts available for the purchase of loans; [AND]

15 (5) establishment of a procedure, including a fee schedule, for the commitment
16 for one year or less of money for the purchase of an individual mortgage loan at a specific
17 interest rate; and

18 (6) establishment of the program of housing assistance authorized by
19 AS 18.56.090(b) including program regulations that, at minimum,

20 (A) establish priorities and criteria for providing money and other
21 forms of authorized assistance in response to housing assistance proposals;

22 (B) define the forms of housing assistance authorized under
23 AS 18.56.090(b);

24 (C) set out procedures to evaluate housing assistance proposals;

25 (D) set out procedures to approve the award of housing assistance;

26 and

27 (E) prescribe methods of monitoring the use of money paid out under
28 AS 18.56.090(b) and the progress of activity under the approved housing assistance
29 program.

30 * Sec. 87. AS 18.56.089(a) is amended to read:

31 (a) Except for the activities of the corporation under AS 18.55.010 - 18.55.960, the

1 [THE] operating budget of the corporation is subject to AS 37.07 (Executive Budget Act).

2 * Sec. 88. AS 18.56.090 is amended by adding a new subsection to read:

3 (b) The corporation may

4 (1) reserve money to itself, or provide money for, or provide deferred loans,
5 interest rate subsidies, building subsidies, participation financing through housing partnerships,
6 and other forms of housing assistance as set out in regulations of the corporation to, another
7 governmental agency, a municipality, a regional housing authority, or a private nonprofit
8 organization, to pay for the design, construction, development, rehabilitation, or improvement of
9 housing for persons of low and moderate income, for housing in remote, undeveloped, or blighted
10 areas of the state, and for congregate and special needs housing;

11 (2) provide money for, and provide deferred loans, interest rate subsidies, building
12 subsidies, participation financing through housing partnerships, and other forms of housing
13 assistance as set out in regulations of the corporation to, corporations and project sponsors for
14 congregate and special needs housing; and

15 (3) receive money for a purpose described in (1) or (2) of this subsection.

16 * Sec. 89. AS 18.56.090(c) is amended to read:

17 (c) The corporation may not make, participate in the making of, purchase, or participate
18 in the purchase of a loan for a residential building if construction of the building begins after
19 December 31, 1991, unless the building complies with the thermal and lighting energy standards
20 required by AS 46.11.040. The corporation

21 (1) may adopt regulations to implement this subsection; and

22 (2) shall, by regulation, establish

23 (A) procedures by which the person responsible for the construction of the
24 building may demonstrate that the building complies with the thermal and lighting energy
25 standards, including

26 (i) self-certification, if the contractor responsible for the building
27 construction provides satisfactory evidence that the contractor has completed a
28 training program of the Alaska Craftsman Home Program or equivalent training
29 program and the training program is satisfactory to the corporation
30 [COMMISSIONER OF COMMUNITY AND REGIONAL AFFAIRS];

31 (ii) submission of the certificate of a registered architect, registered

1 engineer, or a building inspector, and the architect, engineer, or building inspector
 2 has completed a training program of the Alaska Craftsman Home Program or
 3 equivalent training program and the training program is satisfactory to the
 4 corporation [COMMISSIONER OF COMMUNITY AND REGIONAL
 5 AFFAIRS];

6 (iii) submission of the certificate of occupancy issued by the
 7 municipality in which the building is located, if the certificate is issued by a
 8 municipality in which the municipal building code meets or exceeds the thermal
 9 and lighting energy standards, as determined by the corporation
 10 [COMMISSIONER OF COMMUNITY AND REGIONAL AFFAIRS];

11 (iv) another method approved by the corporation
 12 [COMMISSIONER OF COMMUNITY AND REGIONAL AFFAIRS] in
 13 regulations adopted by the [COMMISSIONER AFTER CONSULTATION WITH
 14 THE EXECUTIVE DIRECTOR OF THE] corporation; and

15 (B) criteria by which the energy conservation standards may be met; for
 16 purposes of this subparagraph, the residential building complies with the energy standards
 17 if the residence has received a rating under the rating system developed by Energy Rated
 18 Homes of Alaska if, in the judgment of the corporation [COMMISSIONER OF
 19 COMMUNITY AND REGIONAL AFFAIRS], the rating meets or exceeds the thermal
 20 energy standards required by AS 46.11.040.

21 * Sec. 90. AS 18.56.098(f)(4) is amended to read:

22 (4) "residence" means

23 (A) an owner-occupied, single-family residence, including a mobile home;

24 [OR]

25 (B) an owner-occupied duplex, triplex, or fourplex; or

26 (C) the multiple dwelling of a person who qualifies as a veteran under

27 AS 18.56.101.

28 * Sec. 91. AS 18.56.100(b) is amended to read:

29 (b) Consistent with AS 18.56.090, the corporation may make temporary and permanent
 30 loans from the housing development fund, at an interest rate or rates determined by the
 31 corporation, and with the security for repayment that is necessary and practicable, to purchase,

1 make, or participate in the making of mortgage loans

2 (1) to borrowers who are sponsors [INDIVIDUALS], nonprofit corporations, or
3 agencies of the state or a municipal government, for permanent loans to develop, build, repair,
4 remodel, or rehabilitate residential housing that is to be used and occupied as congregate housing;
5 or

6 (2) that are not federally insured or guaranteed for residential housing, if the
7 corporation determines that the loans are not otherwise available, wholly or in part, from private
8 lenders upon reasonably equivalent terms and conditions.

9 * Sec. 92. AS 18.56.200 is amended by adding a new subsection to read:

10 (e) The corporation shall include in its annual report under (b) of this section a report
11 of its activities under

12 (1) AS 18.55.010 - 18.55.290 (Housing Project Assistance Act);

13 (2) AS 18.55.300 - 18.55.470 (programs of moderate income and rental housing);

14 and

15 (3) AS 18.55.480 - 18.55.960 (Slum Clearance and Redevelopment Act).

16 * Sec. 93. AS 18.56.210(a) is amended to read:

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

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

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

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

31 (4) make and execute appropriate agreements with insurers, investors, and

1 guarantors concerning the temporary removal of residential housing owned by the corporation
2 from the resale market;

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

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

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

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

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

15 (10) purchase loans from the housing assistance loan fund (AS 18.56.420)
16 [(AS 44.47.360)] if and only if:

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

21 (B) the corporation has established a source of mortgage insurance for new
22 loans subject to the provisions of AS 18.56.400 - 18.56.600 [AS 44.47.360 - 44.47.560];
23 and

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

26 * Sec. 94. AS 18.56.300(d) is amended to read:

27 (d) This section does not apply to a housing loan made or purchased by the corporation
28 under AS 18.56.106.

29 * Sec. 95. AS 18.56 is amended by adding new sections to read:

30 Sec. 18.56.390. DEFINITIONS FOR AS 18.56.010 - 18.56.390. In AS 18.56.010 -
31 18.56.390, unless the context clearly indicates a different meaning,

1 (1) "adjustable rate mortgage loan" means a mortgage loan with respect to which
2 the interest rate varies or is expected to vary from time to time by reference to an index or
3 formula or other reference point;

4 (2) "bond" or "obligation" means a bond, bond anticipation note, or other note of
5 the corporation authorized to be issued by the corporation under this chapter, or a mortgage
6 participation certificate issued with respect to mortgages of the corporation;

7 (3) "construction loan" means a construction loan for land development or
8 residential housing that is secured by a federally insured or guaranteed mortgage or that is
9 insured or guaranteed by the United States or an instrumentality of the United States, or for
10 which there is a commitment by the United States or an instrumentality of the United States to
11 insure or guarantee such a loan, or a construction loan for land development or residential
12 housing which land development or residential housing will be secured by a mortgage loan;

13 (4) "development costs" means the costs approved by the corporation as
14 appropriate expenditures that may be incurred by sponsors, builders, and developers of residential
15 housing, before commitment and initial advance of the proceeds of a construction loan or of a
16 mortgage loan, including but not limited to

17 (A) payments for options to purchase properties on the proposed
18 residential housing site, deposits on contracts of purchase, or, with prior approval of the
19 corporation, payments for the purchase of the properties;

20 (B) legal and organizational expenses, including payments of attorney fees,
21 project manager, clerical, and other staff salaries, office rent, and other incidental
22 expenses;

23 (C) payment of fees for preliminary feasibility studies and advances for
24 planning, engineering, and architectural work;

25 (D) expenses for tenant surveys and market analyses; and

26 (E) necessary application and other fees;

27 (5) "governmental agency" means any department, division, public agency,
28 political subdivision, or other public instrumentality of the state or the federal government;

29 (6) "housing development fund" means the housing development fund created by
30 AS 18.56.100;

31 (7) "land development" means the process of acquiring land primarily for

1 residential housing construction for persons of lower and moderate income and making, installing,
2 or constructing nonresidential housing improvements, including water, sewer, and other utilities,
3 roads, streets, curbs, gutters, sidewalks, storm drainage facilities, and other installations or works,
4 whether on or off the site, that the corporation considers necessary or desirable to prepare the
5 land primarily for residential housing construction;

6 (8) "mortgage" or "mortgage loan" means a mortgage loan for residential housing
7 insured or guaranteed by the United States or an instrumentality of the United States or for which
8 there is a commitment by the United States or an instrumentality of the United States to insure
9 or guarantee such a mortgage, or if not so insured or guaranteed or if there is no such
10 commitment, that is secured upon such terms and conditions as the corporation considers
11 necessary or practicable to insure all repayments;

12 (9) "persons of lower and moderate income" means a person or persons
13 considered by the corporation to require assistance available under this chapter on account of
14 insufficient or inadequate personal or family income or otherwise limited personal financial
15 resources, taking into consideration, without limitation, such factors as

16 (A) the amount of the total income of the persons available for housing
17 needs;

18 (B) the size of the family;

19 (C) the cost and condition of housing facilities available;

20 (D) standards established for various federal programs determining
21 eligibility based on income of the persons; and

22 (E) the ability of the persons to compete successfully in the normal
23 housing market and to pay the amounts at which private enterprise is providing decent,
24 safe, and sanitary housing;

25 (10) "remote, underdeveloped, or blighted areas" means areas considered by the
26 corporation to require assistance available under this chapter on account of insufficient
27 availability of the residential housing necessary to promote, develop, or maintain the economic
28 growth or potential of the area, taking into consideration, without limitation, the following:

29 (A) the population, resources, and environment of the area;

30 (B) the present availability and condition of residential housing in and near
31 the area;

1 (C) the cost of construction and rehabilitation of residential housing in the
2 area;

3 (D) the availability of other federal or state sponsored programs to
4 facilitate the development of residential housing in the area; and

5 (E) the ability of residents of the area to finance the purchase of
6 residential housing or to rent or lease residential housing at rates comparable to those in
7 effect in other areas of the state;

8 (11) "residential housing" means a specific work or improvement undertaken
9 primarily to provide dwelling accommodations without limitation as to form of lawful occupancy,
10 whether rental, under contract, fee ownership, cooperative housing, condominium, mobile home,
11 or other lawful form of ownership, including the acquisition, construction, or rehabilitation of
12 land, buildings, and improvements to them, and other nonhousing facilities as may be incidental
13 or appurtenant to the land or buildings;

14 (12) "special needs housing"

15 (A) means residential housing designed to meet the needs of persons with
16 specific and special housing needs, including supportive services;

17 (B) includes

18 (i) housing for the elderly and individuals with a disability or
19 mental illness; and

20 (ii) emergency shelter for the homeless;

21 (13) "sponsors" means individuals, public and private corporations, associations,
22 partnerships or other entities, whether or not operated for profit; and consumer housing
23 cooperatives, associations, partnerships, or other entities organized under law for the primary
24 purpose of providing housing to individuals and families of lower and moderate income; it
25 includes organizations engaged in the production, origination, and development of residential
26 housing units intended to qualify for financial assistance under 42 U.S.C. 1437f (sec. 8, Housing
27 Act of 1937), as amended.

28 ARTICLE 2. HOUSING ASSISTANCE.

29 Sec. 18.56.400. POWERS OF CORPORATION RELATED TO HOUSING
30 ASSISTANCE. The board may

31 (1) adopt regulations in accordance with AS 18.56.088 to implement

1 AS 18.56.400 - 18.56.600;

2 (2) make and execute agreements, contracts, and other instruments necessary or
3 convenient in the exercise of the powers and functions granted under AS 18.56.400 - 18.56.600;

4 (3) purchase or participate in the purchase of nonconforming and rural housing
5 mortgage loans in accordance with AS 18.56.400 - 18.56.600;

6 (4) purchase or participate in the purchase of loans for building materials for
7 nonconforming and rural housing in accordance with AS 18.56.400 - 18.56.600;

8 (5) procure insurance against loss in connection with the corporation's functions
9 under AS 18.56.400 - 18.56.600;

10 (6) acquire real or personal property, or an interest in real or personal property,
11 by purchase, transfer, or foreclosure, when the acquisition is necessary or appropriate to protect
12 a loan in which the corporation has an interest; sell, transfer and convey that property to a buyer;
13 and, if the sale, transfer or conveyance cannot be effected with reasonable promptness or at a
14 reasonable price, rent or lease the property to a tenant pending the sale, transfer or conveyance;

15 (7) do all acts necessary, convenient or desirable to carry out the powers expressly
16 granted or necessarily implied in AS 18.56.400 - 18.56.600;

17 (8) originate and service direct loans made to qualified buyers in accordance with
18 AS 18.56.400 - 18.56.600.

19 Sec. 18.56.410. ALASKA ENERGY EFFICIENT HOME GRANT FUND. (a) There
20 is established in the corporation the Alaska energy efficient home grant fund consisting of money
21 appropriated to it by the legislature. The corporation shall administer the Alaska energy efficient
22 home grant fund under the provisions of this section.

23 (b) The corporation may grant funds from the Alaska energy efficient home grant fund
24 to agencies of the state or federal government, individuals, or businesses that retrofit existing
25 single family dwellings or build new single family dwellings that meet criteria adopted by the
26 corporation.

27 (c) The corporation shall adopt guidelines and procedures for the fund after consultation
28 with the board of directors of the Alaska Craftsman Home Program.

29 Sec. 18.56.420. HOUSING ASSISTANCE LOAN FUND. (a) There is created in the
30 corporation, as a revolving loan fund, the housing assistance loan fund consisting of money
31 appropriated to it by the legislature and repayments of principal and interest on loans made or

1 purchased from the assets of the fund. The corporation shall administer the housing assistance
2 loan fund in accordance with AS 18.56.400 - 18.56.600 and shall use the money in the housing
3 assistance loan fund to originate, purchase, or participate in the purchase of

4 (1) nonconforming and rural housing mortgage loans;
5 (2) loans made for building materials for nonconforming and rural housing;
6 (3) loans made for renovations or improvements to nonconforming and rural
7 housing;

8 (4) loans made for the construction of owner-occupied nonconforming and rural
9 housing other than loans to builders or contractors or loans that compensate an owner for the
10 owner's labor or services in constructing the owner's own housing.

11 (b) Money in the fund may be used by the legislature to make appropriations for costs
12 of administering the housing assistance program.

13 Sec. 18.56.430. HOME OWNERSHIP ASSISTANCE FUND. (a) There is created in
14 the corporation the home ownership assistance fund consisting of money appropriated to it by
15 the legislature. Money in the fund shall be used solely to assist persons of lower and moderate
16 income to purchase or construct single-family homes financed under AS 18.56.400 - 18.56.600
17 by providing a subsidy to those persons.

18 (b) The subsidy provided by this section may not exceed the amount that is necessary
19 to reduce the annual interest rate paid on the mortgage loan to six percent.

20 (c) A mortgage loan that is subsidized from the home ownership assistance fund may not
21 exceed \$120,000.

22 (d) The corporation shall adopt regulations that establish maximum income-to-loan
23 payment ratios for persons who apply for a subsidy under this section.

24 (e) In this section, "persons of lower and moderate income" means individuals considered
25 by the corporation to require assistance under this section because of inadequate income or other
26 limited personal financial resources, taking into consideration

27 (1) the amount of total income available for housing needs;
28 (2) the size of the family;
29 (3) the cost and condition of available housing;
30 (4) standards established in various federal programs for determining eligibility
31 based on income;

1 (5) the ability to enter the private housing market and to pay market amounts for
2 decent, safe, and sanitary housing; and

3 (6) other factors considered relevant by the corporation.

4 Sec. 18.56.440. LIMITATIONS ON USE OF HOUSING ASSISTANCE LOAN FUND.

5 The corporation may not use the money in the housing assistance loan fund to

6 (1) originate a direct loan or purchase or participate in the purchase of a
7 nonconforming or rural housing mortgage loan that exceeds the limitations on mortgage loans
8 purchased by the Federal National Mortgage Association as to principal amount or loan-to-value
9 ratio;

10 (2) originate a direct loan or purchase or participate in the purchase of a loan
11 made for building materials for nonconforming or rural housing

12 (A) that exceeds \$45,000 or exceeds

13 (i) 80 percent of the appraised value of the work completed on the
14 nonconforming or rural housing for which the loan is made if the nonconforming
15 or rural housing is pledged as collateral for the loan; or

16 (ii) 90 percent of the value of other property that is pledged as
17 security for the loan and that is satisfactory to the corporation as collateral;

18 (B) unless the terms of the loan agreement require inspections and
19 certifications, as required by regulations of the corporation, at the expense of the
20 borrower; and

21 (C) unless the period of time allowed for repayment of the loan is equal
22 to or less than 15 years;

23 (3) originate direct loans or purchase or participate in the purchase of a
24 nonconforming or rural housing mortgage loan that is secured by real property the marketable
25 title to which is shown in accordance with AS 18.56.480(b)(2) if the total amount of outstanding
26 nonconforming and rural housing mortgage loans held by the corporation exceeds 10 times the
27 amount of money in the restricted title loss reserve account established by AS 18.56.490;

28 (4) originate a direct loan for nonconforming or rural housing or purchase or
29 participate in the purchase of a nonconforming or rural housing mortgage loan, other than a loan
30 for the repair, remodeling, rehabilitation, or expansion of an existing owner-occupied residence,
31 if the borrower has an outstanding housing loan made under a state loan program, other than a

1 loan for nonowner-occupied housing under AS 18.56.580, that bears interest at a rate that was
2 less than the prevailing market interest rate for similar housing loans at the time the loan was
3 made;

4 (5) originate a direct mortgage loan or purchase or participate in the purchase of
5 a mortgage loan for rental housing unless the borrower agrees not to discriminate against tenants
6 or prospective tenants because of sex, marital status, changes in marital status, pregnancy,
7 parenthood, race, religion, color, national origin, or status as a student;

8 (6) originate, purchase, or participate in a loan to a person who has a past due
9 child support obligation established by court order or by the child support enforcement division
10 under AS 25.27.160 - 25.27.220 at the time of application.

11 Sec. 18.56.450. OPERATING LOSS RESERVE ACCOUNT. (a) There is established
12 an operating loss reserve account for the purpose of meeting legal expenses incurred through the
13 foreclosure of properties acquired by the corporation under AS 18.56.400(6) and making repairs
14 to these properties so that they may be sold to new buyers.

15 (b) The operating reserve loss account consists of money appropriated by the legislature.
16 To the extent that money is paid out of the operating loss reserve account for the purposes stated
17 in this section, this money shall be replaced with money received as interest on loans authorized
18 by AS 18.56.400 - 18.56.600.

19 Sec. 18.56.460. SECURITY FOR LOANS. (a) The corporation shall adopt regulations
20 in accordance with AS 18.56.088 establishing acceptable security for loans originated or
21 purchased in whole or in part under AS 18.56.420.

22 (b) A person may pledge as security for the repayment of a loan originated or purchased
23 in whole or in part under AS 18.56.420 a preference right that person holds to receive title to
24 land the person occupies as a primary place of residence, primary place of business, subsistence
25 campsite, or as headquarters for reindeer husbandry. The preference right must be conveyed to
26 the person by the Native corporation to which the land was granted under 43 U.S.C. 1613
27 (Alaska Native Claims Settlement Act) before it may be pledged as security under this
28 subsection. The corporation shall prescribe procedures and standard forms for establishing,
29 pledging, and appraising the value of a preference right held by a person to secure the repayment
30 of a loan originated or purchased in whole or in part under AS 18.56.420.

31 Sec. 18.56.470. INTEREST ON LOANS. (a) The interest rate on a mortgage loan

1 originated or purchased in whole or in part under AS 18.56.420 for nonconforming housing that
2 is not rural housing is one-quarter percent more than the interest rate, as determined under
3 AS 18.56.098(g)(1) - (4), on a mortgage loan purchased under AS 18.56.098(a) from the proceeds
4 of the most recent applicable issue of taxable bonds before the origination or purchase of the
5 mortgage loan originated or purchased under AS 18.56.420.

6 (b) The interest rate on a mortgage loan originated or purchased in whole or in part under
7 AS 18.56.420 for rural housing is one percent less than the interest rate, as determined under
8 AS 18.56.098(g)(1) - (4), on a mortgage loan purchased under AS 18.56.098(a) from the proceeds
9 of the most recent applicable issue of taxable bonds before the origination or purchase of the
10 mortgage loan originated or purchased under AS 18.56.420.

11 (c) Notwithstanding the requirements of (a) and (b) of this section, if there has not been
12 an applicable issue of taxable bonds issued within six months before the origination or purchase
13 of a loan under this section, the corporation may estimate the interest rate that an issue of taxable
14 bonds would bear.

15 Sec. 18.56.480. TITLE. (a) Before the corporation originates or purchases a
16 nonconforming or rural housing mortgage loan in whole or in part, the corporation may require
17 a borrower to show marketable title to real property offered as security for the loan to be
18 purchased.

19 (b) A borrower may show marketable title to real property for the purposes of (a) of this
20 section

21 (1) by purchasing title insurance from a title insurance company authorized to do
22 business in the state; or

23 (2) by delivering to the corporation a copy of a letter of intent signed by an
24 authorized representative of the United States Department of the Interior that shows the transfer
25 of title to the property from the United States government to the borrower if

26 (A) the borrower is an Alaska Native; and

27 (B) title to the property was originally transferred from the United States
28 government, directly or indirectly, to the borrower under federal law.

29 (c) For the purposes of this section, a deed which federal law prohibits or limits the
30 power to transfer or encumber and which would otherwise constitute marketable title to real
31 property is considered marketable title to real property if the United States Bureau of Indian

1 Affairs or another appropriate federal agency waives immunity under the federal law from
2 foreclosure or other alienation of the real property.

3 Sec. 18.56.490. RESTRICTED TITLE LOSS RESERVE ACCOUNT. (a) There is
4 established in the corporation the restricted title loss reserve account. The restricted title loss
5 reserve account consists of money appropriated to it by the legislature and shall be administered
6 by the corporation.

7 (b) The corporation may withdraw money from the restricted title loss reserve account
8 in an amount equal to the loss to the corporation on a nonconforming or rural housing mortgage
9 loan originated or purchased in whole or in part by the corporation if marketable title to the real
10 property used to secure the loan was shown in accordance with AS 18.56.480(b)(2). Money
11 withdrawn from the restricted title loss reserve account under this section shall be deposited in
12 the housing assistance loan fund.

13 Sec. 18.56.500. FIRE INSURANCE. Before purchasing or participating in the purchase
14 of a nonconforming or rural housing mortgage loan, the corporation may require the borrower
15 to agree to purchase and maintain fire insurance for the real property for which the loan is made
16 in an amount not less than the outstanding principal balance of the loan.

17 Sec. 18.56.510. LOAN ORIGINATION AND SERVICING. (a) Before purchasing or
18 participating in the purchase of a nonconforming or a rural housing mortgage loan, the
19 corporation shall enter into a loan servicing agreement with the private financial institution from
20 which the loan is to be purchased.

21 (b) The corporation may execute service agreements with private lending institutions or
22 with regional native housing authorities established under AS 18.55.996 to service loans
23 originated by the corporation or loans originated under AS 18.55.997.

24 (c) Under the servicing agreement, the private financial institution or the regional native
25 housing authority shall administer the loan and may charge the corporation a negotiated
26 origination or servicing fee on the division's share of the loan. When appropriate, the private
27 financial institution or the regional native housing authority may also charge the borrower a
28 reasonable originator fee not to exceed one percent.

29 Sec. 18.56.520. APPRAISALS. Before originating or purchasing or participating in the
30 purchase of a nonconforming or rural housing mortgage loan, the corporation may have or may
31 require the borrower to have an appraisal made of the fair market value of the real property,

1 including structures on the real property, for which the loan is made. In conducting an appraisal
2 under this section, the appraiser shall give full value to insulation and other features of
3 construction in structures on the real property that add to the energy efficiency of the structures.

4 Sec. 18.56.530. ENERGY AUDIT EXEMPTION. In making loans under AS 18.56.400 -
5 18.56.600, the corporation is exempt from the requirements of AS 46.11.050(b).

6 Sec. 18.56.540. TOLL-FREE TELEPHONE NUMBER. For the purposes of
7 administration of AS 18.56.400 - 18.56.600, the corporation shall arrange for and maintain a
8 toll-free telephone number for the corporation so that private financial institutions and their
9 borrowers may contact the corporation from any location in the state by telephone without a toll
10 charge.

11 Sec. 18.56.550. FIELD OFFICES; CONTRACT SERVICES; ASSISTANCE TO
12 OTHERS. (a) The corporation may establish field offices under AS 18.56.400 - 18.56.600, may
13 hire one or more lending officers, and may contract for the services of

- 14 (1) real property appraisers who are familiar with rural construction; and
15 (2) engineers who are familiar with engineering problems in arctic and subarctic
16 regions.

17 (b) The personnel described in (a) of this section may make visits to the regions
18 established under AS 18.56.570(a) to provide preconstruction and post-construction inspections
19 of real property for which loans are originated or purchased by the corporation in whole or in
20 part under AS 18.56.420 and to provide assistance to private financial institutions and their
21 borrowers in the regions. Authority for final approval of loans may not be exercised by the
22 personnel described in this section.

23 Sec. 18.56.560. DEMONSTRATION PROJECTS AND INFORMATION. The
24 corporation may enter into agreements with public and private agencies to provide demonstration
25 projects and information concerning housing construction in each of the regions established under
26 AS 18.56.570(a).

27 Sec. 18.56.570. REGIONAL ALLOCATION. (a) The corporation, by regulations
28 adopted in accordance with AS 18.56.088, shall establish and may amend the boundaries of
29 reasonably compact and contiguous regions in the state.

30 (b) Unless otherwise required by an appropriation, the corporation shall allocate the
31 money in the housing assistance loan fund among the regions established under (a) of this section

1 for the purpose of originating or purchasing each type of loan described in AS 18.56.420. In
2 making an allocation under this subsection, the corporation shall consider the past and potential
3 lending activity of private financial institutions in the region as well as the need for loans in the
4 region. The corporation may reallocate the money among the regions as the corporation
5 considers necessary.

6 Sec. 18.56.580. LOANS FOR NONOWNER OCCUPIED HOUSING. (a) In addition
7 to the powers authorized by AS 18.56.400, the corporation may adopt regulations under
8 AS 18.56.088 allowing the use of money in the housing assistance loan fund to make loans for
9 the purchase or development of nonowner occupied housing in rural areas of the state.

10 (b) The rate of interest on a loan authorized by this section may not exceed 10-1/2
11 percent a year.

12 (c) The principal amount of loans made for nonowner occupied housing under this
13 section may not exceed 20 percent of the total principal amount of loans made for nonconforming
14 and rural housing under AS 18.56.400 - 18.56.600.

15 (d) In this section

16 (1) "development" means the construction of a new residence or the repair,
17 remodeling, rehabilitation, or expansion of an existing residence;

18 (2) "nonowner occupied housing" means a single-family residence or a
19 multi-family residence having up to eight dwelling units, that is not nonconforming housing, and
20 is not occupied by the owner; the corporation may modify this definition if it determines that
21 there is a special need for nonowner occupied housing and that a change in the definition is
22 necessary to enable the corporation to meet that need.

23 Sec. 18.56.590. BIENNIAL REPORT. To further ensure effective budgetary decision
24 making by the legislature, the corporation shall present a complete accounting of the housing
25 assistance revolving fund to the legislature every two years by January 10. The accounting must
26 consist of an audit by an independent outside auditor for each year covered by the accounting.
27 The accounting must include a full description of all mortgage loan interest and principal
28 repayments and program receipts for purposes of programs under AS 18.56.400 - 18.56.600,
29 including mortgage loan commitment fees, received by or accrued to the corporation during the
30 two preceding fiscal years, and all income earned on assets held by the corporation for purposes
31 of programs under AS 18.56.400 - 18.56.600 during that period.

1 Sec. 18.56.600. DEFINITIONS. In AS 18.56.400 - 18.56.600,

2 (1) "housing" means owner-occupied, single-family housing and owner-occupied
3 duplexes;

4 (2) "nonconforming housing" means housing that does not conform to minimum
5 building standards under any state or federal program that provides loans for housing purchases;

6 (3) "rural" means a community

7 (A) with a population of 5,500 or less that is not connected by road or rail
8 to Anchorage or Fairbanks; or

9 (B) with a population of 1,500 or less that is connected by road or rail to
10 Anchorage or Fairbanks;

11 (4) "rural housing" means housing whether or not it is nonconforming housing
12 that is located in a rural area of the state.

13 ARTICLE 3. LOW COST AND LOW INCOME MULTIPLE FAMILY
14 HOUSING DEVELOPMENT FUND.

15 Sec. 18.56.650. LOW COST AND LOW INCOME MULTIPLE FAMILY HOUSING
16 DEVELOPMENT. (a) There is created in the corporation a low cost and low income multiple
17 family housing development fund. Subject to appropriation the corporation shall make grants to
18 municipalities or public or private nonprofit corporations designated as tax exempt under 26
19 U.S.C. 501(c)(3) and (4) (Internal Revenue Code of 1954) for the purpose of developing low
20 cost, low income multiple family housing.

21 (b) Application for a grant under (a) of this section shall be in the form prescribed by
22 the corporation. The application

23 (1) shall demonstrate the need for low cost, low income multiple family housing
24 in the area to be served, the feasibility of the proposed project; and

25 (2) must include an adequate management plan that shall demonstrate the ability
26 of the eligible recipient to sustain the proposed project.

27 (c) A low cost and low income multiple family housing project developed under this
28 section

29 (1) shall be prepared in accordance with facility procurement policies developed
30 by the Department of Transportation and Public Facilities under AS 35.10.160 - 35.10.200; and

31 (2) is a public facility under AS 35.10.160 - 35.10.200.

1 (d) The corporation shall adopt regulations under AS 18.56.088 to carry out the purposes
2 of this section.

3 (e) In this section, "low cost and low income multiple family housing"

4 (1) means a specific work or improvement undertaken primarily to provide
5 multiple family dwelling accommodations for low income persons;

6 (2) includes the acquisition, construction, or rehabilitation of land, buildings,
7 improvements, and other nonhousing facilities that are incidental or appurtenant to the housing.

8 ARTICLE 4. SENIOR HOUSING OFFICE.

9 Sec. 18.56.700. SENIOR HOUSING OFFICE. (a) There is established in the
10 corporation a senior housing office. The office shall promote a comprehensive response to the
11 needs of senior citizens for adequate, accessible, secure, and affordable housing in the state. In
12 order to fulfill this purpose, the office may

13 (1) study the needs of senior citizens in the state for housing to meet their needs;

14 (2) seek financial assistance from appropriate sources for the development of
15 housing alternatives for senior citizens;

16 (3) administer the senior housing loan program established under AS 18.56.700 -
17 18.56.799;

18 (4) cooperate and coordinate with other public and private agencies to respond
19 to the housing needs of senior citizens;

20 (5) offer public education programs to increase the awareness of alternatives to
21 large residential facilities for senior citizens;

22 (6) provide information to senior citizens to help them understand their financial
23 alternatives related to homes they might already own and to help them coordinate with other
24 senior citizens in finding housing alternatives, including information and coordination on home
25 equity conversion and home sharing; and

26 (7) disseminate information to construction contractors to educate them about
27 remodeling projects that would meet the needs of many senior citizens for accessible and secure
28 housing.

29 (b) . In order to avoid duplication of efforts and to benefit from the commission's
30 expertise, the office shall consult with the Older Alaskans Commission in the performance of the
31 office's duties under AS 18.56.700 - 18.56.799 so that the housing needs of senior citizens can

1 be met most efficiently and effectively.

2 Sec. 18.56.710. SENIOR HOUSING REVOLVING FUND. (a) The senior housing
3 revolving fund is established. The revolving fund consists of appropriations made to it by the
4 legislature, the proceeds of bonds sold under AS 18.56.790 as they are deposited into it by the
5 corporation for specific projects, and money or other assets transferred to the revolving fund by
6 the corporation. The corporation may pledge amounts deposited in the revolving fund for bonds
7 issued under AS 18.56.790 and used by the corporation for making, purchasing, or participating
8 in

- 9 (1) senior housing mortgage loans;
10 (2) loans made for building materials for senior housing;
11 (3) loans made for renovation or improvement of or for senior housing, including
12 loans for renovation or improvement of congregate or individual residences; and
13 (4) loans made for the construction of senior housing.

14 (b) For each loan proposed to be made under AS 18.56.700 - 18.56.799, the corporation
15 shall determine the financial feasibility of the project for which the loan would be used and the
16 extent to which the project would meet senior housing needs in the area for which it is proposed.

17 Sec. 18.56.720. INTEREST RATE. The interest rate on loans made under
18 AS 18.56.700 - 18.56.799 that are funded by a bond issue under AS 18.56.790 is equal to the
19 cost of funds of that bond issue plus

- 20 (1) two percentage points for a construction loan;
21 (2) one-half of one percentage point for a permanent loan.

22 Sec. 18.56.730. CONDITIONS ON LOANS. (a) The corporation shall adopt regulations
23 under AS 18.56.088(a) and (b) establishing acceptable security for loans originated or purchased
24 in whole or in part under AS 18.56.700 - 18.56.799.

25 (b) The corporation

26 (1) may condition a loan under AS 18.56.700 - 18.56.799 on an agreement by the
27 borrower to maintain the financed project as senior housing for a time period specified by the
28 corporation; and

29 (2) shall establish by regulation the criteria it will use for specifying time periods
30 under (1) of this subsection and for determining under what circumstances the time periods can
31 be decreased after the loan is made.

1 Sec. 18.56.740. FIRE INSURANCE. Before purchasing or participating in the purchase
2 of a senior housing mortgage loan, the corporation shall require the borrower to agree to purchase
3 and maintain fire insurance for the real property for which the loan is made in an amount not less
4 than the outstanding principal balance of the loan.

5 Sec. 18.56.750. LOAN ORIGINATION AND SERVICING. (a) Before purchasing or
6 participating in the purchase of a senior housing loan, the corporation shall enter into a loan
7 servicing agreement with the private financial institution from which the loan is to be purchased.

8 (b) The corporation may execute service agreements with private lending institutions or
9 with regional native housing authorities established under AS 18.55.996 to service loans
10 originated by the office.

11 (c) Under the servicing agreement, the private financial institution or the regional native
12 housing authority shall administer the loan and may charge the corporation a negotiated
13 origination or servicing fee on the office's share of the loan. When appropriate, the private
14 financial institution or the regional native housing authority may also charge the borrower a
15 reasonable origination fee not to exceed one percent.

16 Sec. 18.56.760. APPRAISALS. Before originating or purchasing or participating in the
17 purchase of a senior housing mortgage loan, the corporation may have or may require the
18 borrower to have an appraisal made of the fair market value of the real property, including
19 structures on the real property, for which the loan is made. In conducting an appraisal under this
20 section, the appraiser shall give full value to insulation and other features of construction in
21 structures on the real property that add to the energy efficiency of the structures.

22 Sec. 18.56.770. TOLL-FREE TELEPHONE NUMBER. The corporation shall arrange
23 for and maintain a toll-free telephone number for senior housing purposes so that private financial
24 institutions and their borrowers may contact the office from any location in the state by telephone
25 without a toll charge.

26 Sec. 18.56.780. CONTRACTING FOR SERVICES. The corporation may contract for
27 the services of persons who will assist the office in performing its duties under AS 18.56.700 -
28 18.56.799.

29 Sec. 18.56.790. BONDS FOR SENIOR HOUSING. (a) Under the procedures of this
30 chapter, the corporation may issue bonds in a total amount not exceeding \$30,000,000 to fund
31 senior housing loans made under AS 18.56.700 - 18.56.799 that are approved by the corporation

1 under (b) of this section.

2 (b) Before issuing its bonds under this section, the corporation shall compile a list of
3 approved senior housing projects that it has determined are financially feasible and meet housing
4 needs for senior citizens as required under AS 18.56.710(b).

5 (c) The proceeds of bonds issued under this section for approved projects shall be
6 deposited in the senior housing revolving fund administered by the senior housing office under
7 AS 18.56.700 - 18.56.799 on a schedule determined by the corporation.

8 (d) There is established in the corporation a senior housing bond account. The account
9 consists of proceeds of bonds issued under this section, money appropriated to the account,
10 repayments of principal the corporation collects for a loan made under AS 18.56.700 - 18.56.799
11 that was funded by bonds issued under this section, and the corporation's right, title, and interest
12 in property financed through a loan made under AS 18.56.700 - 18.56.799 that was funded by
13 bonds issued under this section. The corporation may pledge assets in the account and in the
14 senior housing revolving fund for the payment of bonds issued under this section and may use
15 money in the account for payment of the bonds.

16 (e) In this section, "bond" has the meaning given in AS 18.56.390.

17 Sec. 18.56.799. DEFINITIONS. In AS 18.56.700 - 18.56.799,

18 (1) "office" means the senior housing office established under AS 18.56.700;

19 (2) "senior housing"

20 (A) means construction or improvement undertaken primarily to provide
21 dwelling accommodations for persons 60 years of age or older, including conventional
22 housing, housing for frail elderly, group homes, congregate housing, residential horizontal
23 property regimes organized under AS 34.07, residential cooperatives organized under
24 AS 10.15 or AS 34.08, residential condominiums organized under AS 34.08, and other
25 housing that meets special needs of the elderly;

26 (B) includes acquisition, construction, or rehabilitation of land, buildings,
27 improvements, and other nonhousing facilities that are incidental or appurtenant to the
28 housing described in (A) of this paragraph.

29 ARTICLE 5. SENIOR CITIZENS HOUSING DEVELOPMENT FUND.

30 Sec. 18.56.800. DECLARATION OF PURPOSE. There exists in the state a serious
31 shortage of decent, safe and sanitary residential housing available at low or moderate prices or

1 rentals to persons 60 years of age or older. There also exist in the state organizations whose
2 purposes are to provide the kinds of housing needed to alleviate this shortage. Development
3 work to provide such housing involves substantial expense that is often beyond the resources of
4 the organizations.

5 **Sec. 18.56.810. SENIOR CITIZENS HOUSING DEVELOPMENT.** (a) There is created
6 in the corporation a senior citizens housing development fund. Subject to direct appropriation
7 or through proceeds of a bond issue, the corporation shall make grants to municipalities or public
8 or private nonprofit corporations designated as tax exempt under 26 U.S.C. 501(c)(3) and (4)
9 (Internal Revenue Code of 1954) for the purpose of developing senior citizen housing. A grant
10 from the proceeds of a bond issue may be made only to municipalities.

11 (b) Application for a grant under (a) of this section shall be in the form prescribed by
12 the corporation. The application

13 (1) shall demonstrate the need for senior citizen housing in the area to be served
14 and the feasibility of the proposed project; and

15 (2) must include an adequate management plan that shall demonstrate the ability
16 of the eligible recipient to sustain the proposed project.

17 (c) A senior citizen housing project developed under this section

18 (1) shall be prepared in accordance with facility procurement policies developed
19 by the Department of Transportation and Public Facilities under AS 35.10.160 - 35.10.200; and

20 (2) is a public facility under AS 35.10.160 - 35.10.200.

21 (d) The corporation shall adopt regulations to carry out the purposes of this section. The
22 provisions of AS 18.56.088(a) and (b) apply to regulations adopted under this section.

23 (e) In this section, "senior citizen housing" has the meaning given "senior housing" in
24 AS 18.56.799.

25 **ARTICLE 6. ENERGY CONSERVATION.**

26 **Sec. 18.56.850. HOME ENERGY CONSERVATION AND WEATHERIZATION**
27 **PROGRAM.** (a) The corporation shall plan, study, implement, and assist programs for home
28 energy conservation and weatherization including, without limitation, the

29 (1) Alaska craftsman home program;

30 (2) energy rated homes of Alaska program;

31 (3) home energy loan program;

- 1 (4) rural capital retrofit program; and
2 (5) low income weatherization program.

3 (b) In the development of a home energy conservation or weatherization program under
4 (a) of this section, the corporation may not consider the value of Alaska longevity bonus
5 payments under AS 47.45 or permanent fund dividends under AS 43.23 in determining whether
6 a person meets income guidelines established under AS 18.56.088 and (a) of this section for a
7 state or, to the extent permitted by federal law, a federal energy conservation or weatherization
8 program.

9 * Sec. 96. AS 18.56.900 is repealed and reenacted to read:

10 Sec. 18.56.900. DEFINITIONS. In this chapter,

- 11 (1) "board" means the board of directors of the corporation;
12 (2) "corporation" means the Alaska Housing Finance Corporation created by this
13 chapter.

14 * Sec. 97. AS 09.25.115(g) is amended to read:

15 (g) Each public agency shall establish the fees for the electronic services and products
16 provided under this section. The Telecommunications Information Council may cancel the fees
17 established by a public agency in the executive branch, except the fees of [INCLUDING THE
18 ALASKA STATE HOUSING AUTHORITY, BUT NOT INCLUDING] the University of Alaska
19 and the Alaska Railroad Corporation, if the council determines that the fees are unreasonably
20 high.

21 * Sec. 98. AS 09.25.123(a) is amended to read:

22 (a) The Telecommunications Information Council shall supervise and adopt regulations
23 for the operation and implementation of AS 09.25.110 - 09.25.140 by public agencies in the
24 executive branch, except [INCLUDING THE ALASKA STATE HOUSING AUTHORITY, BUT
25 NOT INCLUDING] the Alaska Railroad Corporation.

26 * Sec. 99. AS 09.25.220(5) is amended to read:

27 (5) "public agency" means a political subdivision, department, institution, board,
28 commission, division, authority, public corporation, council, committee, or other instrumentality
29 of the state or a municipality; "public agency" includes the University of Alaska [, THE
30 ALASKA STATE HOUSING AUTHORITY.] and the Alaska Railroad Corporation;

31 * Sec. 100. AS 09.38.015(c) is amended to read:

1 (c) Property of the state, a general law or home rule municipality, and of [THE
2 ALASKA STATE HOUSING AUTHORITY,] the Alaska Municipal Bond Bank Authority [,] or
3 another [OTHER] state public corporation is exempt.

4 * Sec. 101. AS 18.60.545(6) is amended to read:

5 (6) "state agency" or "agency of the state"

6 (A) means a state department or agency, whether in the legislative,
7 judicial, or executive branch;

8 (B) [, INCLUDING SUCH ENTITIES AS THE ALASKA STATE
9 HOUSING AUTHORITY; "STATE AGENCY" OR "AGENCY OF THE STATE"] does
10 not include the University of Alaska, a municipality, or an agency of a municipality.

11 * Sec. 102. AS 26.15.010(a) is amended to read:

12 (a) Except for administration of housing loans by the Alaska Housing Finance
13 Corporation under AS 18.56.098 and 18.56.101, the [THE] Department of Commerce and
14 Economic Development shall administer the laws and regulations relating to the veterans' loan
15 program, adopt new regulations, and recommend legislation.

16 * Sec. 103. AS 26.15.010(d) is amended to read:

17 (d) Under regulations of the department, the department may enter into contracts with
18 insurance companies for mortgage insurance coverage on veteran loans to protect the state's
19 interest in real property that secures a business loan made under AS 26.15.040(a)(3).

20 * Sec. 104. AS 26.15.040(a) is amended to read:

21 (a) The commissioner of commerce and economic development may, under regulations
22 and policies, make the following loans:

23 (1) Personal loans may be made for educational, domestic, [REMOTE AREA
24 FAMILY HOUSING] and other personal purposes, not exceeding \$10,000. The loans
25 shall be secured by acceptable collateral when available but if not available the
26 commissioner may make loans on the basis of good character. The rate of interest may
27 not exceed nine and one-half per cent a year on the unpaid balance.

28 (2) [REPEALED]

29 (3) Business loans not exceeding \$125,000 may be made to acquire, finance or
30 refinance or equip businesses, including mining and fishing but not including farming, if the loan
31 applicant has had three or more years of general business experience. The loans shall be secured

1 by acceptable collateral and may not exceed 75 percent of the appraised value of the collateral
2 offered as security. The rate of interest may not exceed nine and one-half per cent a year on the
3 unpaid balance.

4 [(4) MULTIPLE DWELLING LOANS NOT EXCEEDING \$110,000 MAY BE
5 MADE TO PURCHASE, REMODEL, REPAIR, BUILD, FURNISH, REFINANCE OR EQUIP
6 MULTIPLE DWELLINGS. THE LOANS SHALL BE SECURED BY ACCEPTABLE
7 COLLATERAL AND MAY NOT EXCEED 75 PER CENT OF THE APPRAISED VALUE OF
8 THE COLLATERAL OFFERED AS SECURITY. THE RATE OF INTEREST MAY NOT
9 EXCEED NINE AND ONE-HALF PER CENT A YEAR ON THE UNPAID BALANCE.]

10 * Sec. 105. AS 26.15.040(c) is amended to read:

11 (c) Loans authorized by former (a)(2) of this section or (a)(3) [AND (4)] of this section
12 may not be made unless the commissioner of commerce and economic development is satisfied
13 that money at a comparable rate of interest is not available to the applicant from private lending
14 institutions on a guaranteed basis as set out in (b) of this section. An applicant is eligible for
15 more than one type of loan, but the total may not exceed \$125,000 at any one time.

16 * Sec. 106. AS 26.15.040(e) is amended to read:

17 (e) If a loan made under (a)(3) of this section is assigned by the borrower or if the real
18 property that secures a loan made under former (a)(2) [OR UNDER (a)(4)] of this section is
19 transferred by the borrower, the commissioner of commerce and economic development shall
20 allow the assignee or transferee to assume the outstanding indebtedness on the loan unless the
21 commissioner determines in writing that the credit of the assignee or transferee is not satisfactory
22 to assure repayment of the loan. The assignee or transferee may assume the outstanding
23 indebtedness on the loan at the existing interest rate on the loan.

24 * Sec. 107. AS 29.45.050(l) is amended to read:

25 (l) A municipality may by ordinance exempt from taxation an interest, other than record
26 ownership, in real property of an individual residing in the property if the property has been
27 developed, improved, or acquired with federal funds for low-income housing and is owned or
28 managed as low-income housing by the Alaska Housing Finance Corporation under
29 AS 18.55.100 - 18.55.960 [ALASKA STATE HOUSING AUTHORITY] or by a regional
30 housing authority formed under AS 18.55.996. However, the corporation may make payments
31 to the municipality or political subdivision for improvements, services, and facilities

1 furnished by it for the benefit of a housing project, and this subsection [THIS SECTION]
2 does not prohibit a municipality from receiving those payments or any payments in lieu of taxes
3 authorized under federal law.

4 * Sec. 108. AS 34.60.135 is amended to read:

5 Sec. 34.60.135. PLANNING LOANS FOR ADDITIONAL HOUSING. In addition to
6 the other programs authorized by this chapter, the Alaska Housing Finance Corporation [A
7 STATE AGENCY] may make loans in order to encourage and facilitate the construction or
8 rehabilitation of housing to meet the needs of displaced persons. These loans are a part of the
9 federally assisted project cost and may be made to nonprofit, limited dividend, or cooperative
10 organizations, or to public bodies. The loans may be made only for necessary and reasonable
11 expenses, before construction, for planning and obtaining federally insured mortgage financing
12 for the rehabilitation or construction of housing for displaced persons. The loans may not exceed
13 80 percent of the reasonable costs expected to be incurred in planning, and in obtaining financing
14 for housing for displaced persons. Reasonable costs include but are not limited to costs for
15 preliminary surveys and analysis of market needs, preliminary architectural fees, site acquisition,
16 application and mortgage commitment fees, and construction loan fees and discounts. Loans to
17 an organization established for profit shall bear interest at a market rate established by the Alaska
18 Housing Finance Corporation [STATE AGENCY]. All other loans shall be without interest.
19 The Alaska Housing Finance Corporation [STATE AGENCY] shall require repayment of loans
20 made under this section [,] under terms and conditions that it may prescribe [ESTABLISHED
21 BY THE STATE AGENCY]. Repayment shall be made upon completion of the project or
22 sooner, and except in the case of a loan to an organization established for profit, the Alaska
23 Housing Finance Corporation [STATE AGENCY] may cancel any part or all of a loan if the
24 corporation determines [FOLLOWING A DETERMINATION BY THE STATE AGENCY] that
25 a permanent loan to finance the rehabilitation or construction of the housing cannot be obtained
26 in an amount adequate for repayment of the loan.

27 * Sec. 109. AS 34.60.137 is amended to read:

28 Sec. 34.60.137. HOUSING REPLACEMENT ASSISTANCE AS LAST RESORT. If a
29 federal aided program or project cannot proceed to actual construction because comparable
30 replacement sale or rental housing is not available, and the state agency determines that housing
31 cannot otherwise be made available, the agency may take, or may request the Alaska Housing

1 Finance Corporation to take, action necessary or appropriate to provide the housing either by
2 use of funds authorized for the project or by use of money available to the corporation.

3 * Sec. 11b. AS 35.05.040 is amended to read:

4 Sec. 35.05.040. POWERS OF DEPARTMENT. The department may

5 (1) acquire property;

6 (2) exercise the power of eminent domain;

7 (3) take immediate possession of real property, or any interest in it under a
8 declaration of taking or by other lawful means;

9 (4) acquire rights-of-way for present or future use;

10 (5) dispose of excess property or property rights;

11 (6) accept and dispose of federal funds or property available for public works
12 construction, maintenance, or equipment;

13 (7) enter into contracts or agreements relating to public works with the federal
14 government and political subdivisions, and also enter into contracts with a foreign government
15 if approved by the federal government;

16 (8) exercise any other power necessary to carry out the purpose of this title;

17 (9) lease or grant land or any interest in land to the Alaska Housing Finance
18 Corporation for a purpose set out in AS 18.55.100 - 18.55.960 [ALASKA STATE HOUSING
19 AUTHORITY] on terms and conditions prescribed by the department;

20 (10) procure directly materials, labor and contractual services for planning,
21 designing and constructing public facilities of the state.

22 * Sec. 111. AS 36.30.015(f) is amended to read:

23 (f) The board of directors of the Alaska Housing Finance Corporation, notwithstanding
24 AS 18.56.088, [AND THE BOARD OF DIRECTORS OF THE ALASKA STATE HOUSING
25 AUTHORITY] shall adopt regulations under the Administrative Procedure Act (AS 44.62) to
26 govern the procurement of supplies, services, professional services, and construction for it [THE
27 RESPECTIVE PUBLIC CORPORATIONS]. The regulations must

28 (1) reflect competitive bidding principles and provide vendors reasonable and
29 equitable opportunities to participate in the procurement process; and

30 (2) include procurement methods to meet emergency and extraordinary
31 circumstances.

1 * **Sec. 112.** AS 36.30.050(c) is amended to read:

2 (c) The lists may be used by the chief procurement officer or an agency when issuing
3 invitations to bid or requests for proposals under this chapter. The lists may be used by the
4 legislative council, the court system, [THE ALASKA STATE HOUSING AUTHORITY,] and
5 the Alaska Railroad Corporation.

6 * **Sec. 113.** AS 36.30.735(b) is amended to read:

7 (b) In this section, "state agency"

8 (A) means a state department or agency, whether in the legislative,
9 judicial, or executive branch;

10 (B) does not include [, INCLUDING SUCH ENTITIES AS THE
11 ALASKA STATE HOUSING AUTHORITY, BUT NOT INCLUDING] the University
12 of Alaska, a municipality, or an agency of a municipality [OR THE ALASKA STATE
13 HOUSING AUTHORITY].

14 * **Sec. 114.** AS 36.30.990(1) is amended to read:

15 (1) "agency"

16 (A) means a department, institution, board, ~~commission~~, division,
17 authority, public corporation, the Alaska Pioneers' Home, or other administrative unit of
18 the executive branch of state government;

19 (B) does not include

20 (i) the University of Alaska;

21 (ii) [THE ALASKA STATE HOUSING AUTHORITY;

22 (iii)] the Alaska Railroad Corporation;

23 (iii) [(iv)] the Alaska Housing Finance Corporation;

24 (iv) [(v)] a regional Native housing authority created under
25 AS 18.55.996, or a regional electrical authority created under AS 18.57.020;

26 (v) [(vi)] the Alaska Aerospace Development Corporation;

27 * **Sec. 115.** AS 37.05.146 is amended to read:

28 **Sec. 37.05.146. DEFINITION OF PROGRAM RECEIPTS.** In AS 37.05.142 - 37.05.146
29 and AS 37.07.080, "program receipts" means fees, charges, income earned on assets, and other
30 state money received by a state agency in connection with the performance of its functions; all
31 program receipts except the following are general fund program receipts:

- 1 (1) federal receipts;
- 2 (2) University of Alaska receipts (AS 14.40.491);
- 3 (3) individual, foundation, or corporation gifts, grants, or bequests that by their
- 4 terms are restricted to a specific purpose;
- 5 (4) receipts of the following funds:
- 6 (A) highway working capital fund (AS 44.68.210);
- 7 (B) correctional industries fund (AS 33.32.020);
- 8 (C) loan funds;
- 9 (D) international airports revenue fund (AS 37.15.430);
- 10 (E) funds managed by the Alaska Aerospace Development Corporation
- 11 (AS 14.40.821), [THE ALASKA STATE HOUSING AUTHORITY (AS 18.55.020),] the
- 12 Alaska Housing Finance Corporation (AS 18.56.020), the Alaska Railroad Corporation
- 13 (AS 42.40.010), the Municipal Bond Bank Authority (AS 44.85.020), or the Alaska
- 14 Industrial Development and Export Authority (AS 44.88.020);
- 15 (F) fish and game fund (AS 16.05.100);
- 16 (G) school fund (AS 43.50.140);
- 17 (H) training and building fund (AS 23.20.130);
- 18 (I) retirement funds (AS 14.25, AS 22.25, AS 26.05.222, AS 39.35, and
- 19 former AS 39.37);
- 20 (J) permanent fund (art. IX, sec. 15, Alaska Constitution);
- 21 (K) public school trust fund (AS 37.14.110);
- 22 (L) second injury fund (AS 23.30.040);
- 23 (M) fishermen's fund (AS 23.35.060);
- 24 (N) FICA administration fund (AS 39.30.050);
- 25 (O) mental health trust fund (AS 37.14.031).

26 * Sec. 116. AS 39.05.060(a) is amended to read:

- 27 (a) Each member of the following shall be a citizen of the United States:
- 28 (1) Local Boundary Commission;
- 29 (2) Alcoholic Beverage Control Board;
- 30 (3) Employment Security Advisory Council;
- 31 (4) [ALASKA STATE HOUSING AUTHORITY;

1 (5)] Board of Fisheries;
2 (5) [(6) REPEALED,
3 (7) REPEALED,
4 (8) REPEALED,
5 (9)] the Governor's Commission on the Involvement of Young People in
6 Government;

7 (6) [(10)] Board of Game.

8 * Sec. 117. AS 39.50.200(a)(4) is amended to read:

9 (4) "instrumentality of the state" means a state department or agency, whether in
10 the legislative, judicial, or executive branch, including [SUCH ENTITIES AS] the University of
11 Alaska [AND THE ALASKA STATE HOUSING AUTHORITY];

12 * Sec. 118. AS 44.21.230(a)(9) is amended to read:

13 (9) give assistance, on request, to the senior housing office in the Alaska Housing
14 Finance Corporation [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] in
15 administration of the senior housing loan program under AS 18.56.710 - 18.56.799
16 [AS 44.47.587 - 44.47.609] and in the performance of the office's other duties under
17 AS 18.56.700 [AS 44.47.585]; and

18 * Sec. 119. AS 44.21.240(6) is amended to read:

19 (6) "senior citizen housing" has the meaning given "senior housing" in
20 AS 18.56.799 [AS 44.47.620(e)].

21 * Sec. 120. AS 44.99.020 is amended to read:

22 Sec. 44.99.020. USE OF PAPER. A state agency shall use both sides of paper when
23 feasible. In this section, "state agency" means a department, institution, board, commission,
24 division, authority, public corporation, or other administrative unit of the executive, legislative,
25 or judicial branch of state government, including the University of Alaska, [THE ALASKA
26 STATE HOUSING AUTHORITY,] the Alaska Railroad Corporation, and legislative committees.

27 * Sec. 121. AS 44.99.350(3) is amended to read:

28 (3) "state agency"

29 (A) means a department, institution, board, commission, division,
30 authority, public corporation, committee, or other administrative unit of the executive,
31 judicial, or legislative branch of state government, including the University of Alaska;

1 (B) does not include [AND THE ALASKA STATE HOUSING
2 AUTHORITY, BUT NOT INCLUDING] the Alaska Railroad Corporation.

3 * **Sec. 122.** AS 44.99.400 is amended to read:

4 Sec. 44.99.400. COPYRIGHTS. A state agency may hold the copyright for software
5 created by the agency or developed by a private contractor for an agency, and may enforce its
6 rights to protect the copyright. In this section, "state agency" means a department, institution,
7 board, commission, division, authority, public corporation, committee, or other administrative unit
8 of the executive, judicial, or legislative branch of state government, including the University of
9 Alaska, [THE ALASKA STATE HOUSING AUTHORITY,] the Alaska Aerospace Development
10 Corporation, and the Alaska Railroad Corporation.

11 * **Sec. 123.** AS 46.07.030(b) is amended to read:

12 (b) The location of a facility constructed under this chapter shall be determined by the
13 commissioner after consultation with the governing body of the village in which the facility is
14 located, as well as with appropriate public agencies [, INCLUDING BUT NOT LIMITED TO
15 THE ALASKA STATE HOUSING AUTHORITY]. The aim of the consultation is to achieve
16 maximum coordination in public development plans and activities affecting the community in
17 which the facility is to serve.

18 * **Sec. 124.** AS 46.11.040 is amended to read:

19 Sec. 46.11.040. APPLICABILITY OF THERMAL AND LIGHTING ENERGY
20 STANDARDS TO RESIDENTIAL BUILDINGS. State financial assistance may not be approved
21 or granted for the construction of or purchase of a loan for a residential building if construction
22 of the building begins after December 31, 1991, unless

23 (1) the building is in compliance with thermal and lighting energy standards;

24 (2) the building is in compliance with the building code of a municipality and the
25 standards for thermal and lighting energy of the municipal building code meet or exceed the
26 thermal and lighting energy standards;

27 (3) the building

28 (A) is constructed under an exception to the municipal building code
29 granted because the exception will result in increased energy efficiency; or

30 (B) is located or is to be located in an area where thermal and lighting
31 energy standards are not justified because of the high cost of implementation of the

1 standards, with specific consideration given to the availability of inexpensive home
2 heating energy sources, as determined under regulations adopted by the Alaska Housing
3 Finance Corporation [COMMISSIONER OF COMMUNITY AND REGIONAL
4 AFFAIRS]; or

5 (4) the applicant agrees, in writing, that the building will be brought into
6 compliance with thermal and lighting energy standards within one year of conveyance.

7 * Sec. 125. AS 46.11.900(8) is amended to read:

8 (8) "thermal and lighting energy standards" means the thermal and lighting energy
9 standards

10 (A) established by the American Society of Heating, Refrigeration, and
11 Air Conditioning Engineers as revised

12 (i) by the commissioner of transportation and public facilities under
13 AS 44.42.020(a) for public facilities; or

14 (ii) by the Alaska Housing Finance Corporation
15 [COMMISSIONER OF COMMUNITY AND REGIONAL AFFAIRS] for
16 buildings and structures that are not public facilities; or

17 (B) developed in regulations adopted

18 (i) by the commissioner of transportation and public facilities under
19 AS 44.42.020(a) for public facilities; or

20 (ii) by the Alaska Housing Finance Corporation
21 [COMMISSIONER OF COMMUNITY AND REGIONAL AFFAIRS] for
22 buildings and structures that are not public facilities.

23 * Sec. 126. AS 18.55.020, 18.55.030, 18.55.050, 18.55.070, 18.55.430, 18.55.640, 18.55.950(2),
24 AS 18.56.083, 18.56.210(a)(10), AS 39.50.200(b)(12), AS 44.47.050(a)(18), 44.47.050(b), 44.47.370,
25 44.47.378, 44.47.380, 44.47.382, 44.47.390, 44.47.395, 44.47.400, 44.47.410, 44.47.420, 44.47.430,
26 44.47.440, 44.47.460, 44.47.470, 44.47.475, 44.47.480, 44.47.490, 44.47.500, 44.47.510, 44.47.520,
27 44.47.530, 44.47.560, 44.47.585, 44.47.587, 44.47.589, 44.47.591, 44.47.593, 44.47.595, 44.47.597,
28 44.47.599, 44.47.601, 44.47.603, 44.47.609, 44.47.610, 44.47.620, 44.47.630, 44.47.635, and
29 AS 44.99.200(b)(5) are repealed.

30 * Sec. 127. TRANSITIONAL PROVISIONS RELATING TO MERGER OF ALASKA STATE
31 HOUSING AUTHORITY. (a) All contracts, rights, liabilities, bonds, notes, or other obligations of the

1 Alaska State Housing Authority created by or under a law amended or repealed by this Act and in effect
2 on the effective date of this section, remain in effect notwithstanding this Act's taking effect, with all
3 contracts, rights, liabilities, bonds, notes, or other obligations of the Alaska State Housing Authority
4 becoming contracts, rights, liabilities, bonds, notes, and other obligations of the Alaska Housing Finance
5 Corporation with the same limitations and provisions as under a contract, right, liability, bond, note, or
6 other obligation of the former Alaska State Housing Authority.

7 (b) All records, equipment, appropriations, and other property of the Alaska State Housing
8 Authority shall be transferred to the Alaska Housing Finance Corporation to implement the provisions
9 of this Act.

10 (c) Employees of the Alaska State Housing Authority become employees of the Alaska Housing
11 Finance Corporation on the effective date of this Act.

12 * Sec. 128. TRANSITIONAL PROVISIONS RELATING TO TRANSFER OF HOUSING
13 PROGRAMS FROM THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS. (a) All
14 contracts, rights, liabilities, bonds, notes, or other obligations of the Department of Community and
15 Regional Affairs under former AS 44.47.370 - 44.47.560 and 44.47.635 created by or under a law
16 amended or repealed by this Act and in effect on the effective date of this section, remain in effect
17 notwithstanding this Act's taking effect, with all contracts, rights, liabilities, bonds, notes, or other
18 obligations of the Department of Community and Regional Affairs incurred under former AS 44.47.370 -
19 44.47.560 and 44.47.635 becoming contracts, rights, liabilities, bonds, notes, and other obligations of the
20 Alaska Housing Finance Corporation.

21 (b) All records, equipment, appropriations, and other property of the Department of Community
22 and Regional Affairs held under former AS 44.47.370 - 44.47.560 and 44.47.635 shall be transferred to
23 the Alaska Housing Finance Corporation to implement the provisions of this Act.

24 (c) Employees of the Department of Community and Regional Affairs responsible for
25 administration of the programs set out in former AS 44.47.370 - 44.47.560 and 44.47.635 become
26 employees of the Alaska Housing Finance Corporation on the effective date of this Act.

27 * Sec. 129. TRANSITIONAL PROVISIONS RELATING TO TRANSFER OF SENIOR CITIZEN
28 HOUSING PROGRAMS FROM THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS.
29 (a) All contracts, rights, liabilities, bonds, notes, or other obligations of the Department of Community
30 and Regional Affairs under former AS 44.47.585 - 44.47.620 created by or under a law amended or
31 repealed by this Act and in effect on the effective date of this section, remain in effect notwithstanding

1 this Act's taking effect, with all contracts, rights, liabilities, bonds, notes, or other obligations of the
2 Department of Community and Regional Affairs incurred under former AS 44.47.585 - 44.47.620
3 becoming contracts, rights, liabilities, bonds, notes, and other obligations of the Alaska Housing Finance
4 Corporation.

5 (b) All records, equipment, appropriations, and other property of the Department of Community
6 and Regional Affairs secured under former AS 44.47.585 - 44.47.620 shall be transferred to the Alaska
7 Housing Finance Corporation to implement the provisions of this Act.

8 (c) Employees of the Department of Community and Regional Affairs responsible for
9 administration of the programs set out in former AS 44.47.585 - 44.47.620 become employees of the
10 Alaska Housing Finance Corporation on the effective date of this section.

11 (d) All bonds issued under former AS 18.56.083 and in effect on the effective date of this
12 section remain in effect notwithstanding this Act's taking effect.

13 * **Sec. 130. TRANSITIONAL PROVISIONS RELATING TO TRANSFER OF HOME ENERGY**
14 **CONSERVATION AND WEATHERIZATION PROGRAMS FROM THE DEPARTMENT OF**
15 **COMMUNITY AND REGIONAL AFFAIRS.** (a) All contracts, rights, liabilities, bonds, notes, or other
16 obligations of the Department of Community and Regional Affairs under AS 44.47.050(a)(18) and
17 44.47.050(b) created by or under a law repealed by sec. 126 of this Act and in effect on the effective
18 date of this section, remain in effect notwithstanding this Act's taking effect, with all contracts, rights,
19 liabilities, bonds, notes, or other obligations of the Department of Community and Regional Affairs
20 incurred under AS 44.47.050(a)(18) and 44.47.050(b) becoming contracts, rights, liabilities, bonds, notes,
21 and other obligations of the Alaska Housing Finance Corporation.

22 (b) All records, equipment, appropriations, and other property of the Department of Community
23 and Regional Affairs secured under AS 44.47.050(a)(18) and 44.47.050(b) shall be transferred to the
24 Alaska Housing Finance Corporation to implement the provisions of AS 18.55.850, added by sec. 95 of
25 this Act, and sec. 126 of this Act.

26 (c) Employees of the Department of Community and Regional Affairs responsible for
27 administration of the home energy conservation and weatherization programs set out in
28 AS 44.47.050(a)(18) and 44.47.050(b), repealed by sec. 126 of this Act, become employees of the Alaska
29 Housing Finance Corporation on the effective date of this Act.

30 * **Sec. 131. TRANSITIONAL PROVISIONS RELATING TO TERMINATION OF THE**
31 **AUTHORITY TO MAKE RESIDENTIAL LOANS TO VETERANS UNDER THE VETERANS' LOAN**

1 PROGRAM ADMINISTERED BY THE DEPARTMENT OF COMMERCE AND ECONOMIC
2 DEVELOPMENT. (a) All contracts, rights, liabilities, bonds, notes, or other obligations of the
3 Department of Commerce and Economic Development for residential loans under AS 26.15 created by
4 or under a law amended by secs. 79, 80, 90, and 102 - 106 of this Act and in effect on the effective date
5 of this section, remain in effect notwithstanding this Act's taking effect, with all contracts, rights,
6 liabilities, bonds, notes, or other obligations of the Department of Commerce and Economic Development
7 incurred for residential loans under AS 26.15 becoming contracts, rights, liabilities, bonds, notes, and
8 other obligations of the Alaska Housing Finance Corporation.

9 (b) All records, equipment, appropriations, and other property of the Department of Commerce
10 and Economic Development for residential loans secured under AS 26.15 shall be transferred to the
11 Alaska Housing Finance Corporation to implement the provisions of secs. 79, 80, 90, and 102 - 106 of
12 this Act.

13 (c) Employees of the Department of Commerce and Economic Development responsible for
14 administration of the residential loan elements of the veterans' loan program set out in AS 26.15 become
15 employees of the Alaska Housing Finance Corporation on the effective date of this section.

16 * Sec. 132. TRANSITIONAL PROVISION: EXPANSION OF MEMBERSHIP OF ALASKA
17 HOUSING FINANCE CORPORATION BOARD OF DIRECTORS. (a) Notwithstanding AS 18.56.030(a)(4)(A) -
18 (H), repealed and reenacted by sec. 81 of this Act, the public members of the board of directors of the
19 Alaska Housing Finance Corporation who are serving on the effective date of this Act continue to serve
20 their unexpired terms. Thereafter, the governor shall fill vacancies on the board of directors among the
21 public members under the provisions of AS 18.56.030(a)(4)(A) - (H), as repealed and reenacted by
22 sec. 81 of this Act, and AS 18.56.030(f), added by sec. 83 of this Act.

23 (b) Notwithstanding AS 18.56.030(c), of the public members first appointed to fill the two
24 additional seats on the board of directors authorized by AS 18.56.030(a)(4), amended by sec. 81 of this
25 Act, one-half shall be appointed for a term of one year and one-half shall be appointed for a term of two
26 years. The governor shall specify the length of the term of each member.

27 * Sec. 133. TRANSITIONAL PROVISION: REPORT OF TRANSFERRED ASSETS. Each of the
28 following shall prepare or direct the preparation of all necessary financial reports of the assets to be
29 transferred by them under this Act as of the close of business on the day before the effective date of the
30 transfer:

31 (1) Department of Commerce and Economic Development;

1 (2) Department of Community and Regional Affairs;

2 (3) Alaska State Housing Authority.

3 * Sec. 134. ALASKA STATE HOUSING PLANNING COMMISSION. (a) The Alaska State
4 Housing Planning Commission is established within the Office of the Governor. The commission
5 consists of five members

6 (1) a representative of the Office of the Governor, designated by the governor;

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

8 (3) the commissioner of community and regional affairs;

9 (4) a representative of the Alaska Housing Finance Corporation, designated by the board
10 of directors of the corporation; and

11 (5) a public member, appointed by the governor, who is a representative of low income,
12 homeless, or special needs housing interests.

13 (b) In addition to the members specified in (a) of this section, the governor may invite the
14 United States Department of Housing and Urban Development to designate a representative of that
15 department to serve with the Alaska State Housing Planning Commission in an advisory capacity.

16 (c) The Alaska State Housing Planning Commission shall

17 (1) assist with the merger of the state housing programs as set out in this Act to ensure
18 that housing program service delivery is maintained efficiently and without interruption during the
19 transitional period; and

20 (2) make recommendations to the legislature regarding further statutory changes that may
21 be necessary or appropriate to enhance the delivery of housing programs and services in the state.

22 (d) A majority of the members appointed under (a) of this section constitutes a quorum for
23 organization of the commission and for conducting the business and exercising the powers of the
24 commission. The commission shall elect a chair from among its membership. The commission shall
25 meet at the call of the chair.

26 * Sec. 135. ALASKA HOUSING FINANCE CORPORATION MAY PURCHASE HOUSING
27 LOANS OF DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS. (a) Notwithstanding
28 AS 18.56.210(a)(10) and any other provision of law, the Alaska Housing Finance Corporation may
29 purchase, at an appropriate discount mutually satisfactory to the board of directors of the Alaska Housing
30 Finance Corporation and the commissioner of community and regional affairs, the mortgage loans and
31 other housing-related loans that are held on the effective date of this Act by the Department of

1 Community and Regional Affairs for the loans it has made under the department's various housing
2 assistance programs set out in AS 44.47.370 - 44.47.560 and 44.47.585 - 44.47.635.

3 (b) The commissioner of community and regional affairs shall deposit the full amount received
4 from the purchase made under (a) of this section in the state general fund.

5 * **Sec. 136.** REVISOR OF STATUTES TO REVISE REFERENCES. In each of the following, the
6 revisor of statutes shall delete references to "authority" and insert in place of each deletion a reference
7 to "corporation": AS 18.55.100(d), 18.55.320(a), 18.55.410, 18.55.470(2) and (3), 18.55.510(c),
8 18.55.530(b), (c), (f), and (h), 18.55.540(c), and (d), 18.55.570(c), (d), and (f), 18.55.610,
9 18.55.630(b), 18.55.650; 18.55.720, 18.55.770, 18.55.790, 18.55.800, 18.55.810, 18.55.830, 18.55.840,
10 18.55.850, 18.55.870, 18.55.880, 18.55.890, 18.55.900, 18.55.932(a), (b), (c), (e), and (f), 18.55.934(a),
11 and 18.55.950(4), (10), and (14).

12 * **Sec. 137.** Section 134 of this Act is repealed January 1, 1993.

13 * **Sec. 138.** Sections 133 - 135 of this Act take effect immediately under AS 01.10.070(c).

14 * **Sec. 139.** Except as provided in sec. 138, this Act takes effect July 1, 1992.

FISCAL NOTE

**STATE OF ALASKA
1992 LEGISLATIVE SESSION**

BILL NO. CSHB 152 (FIN)

Revision Date: 4/10/92

Department Affected: DCEP

Title: Merger of Housing Programs:
ASHA and DCRA under AHFC

BRU: Alaska State Housing Authority

Sponsor: Representative Brown

Component: _____

Requestor: _____

COMPONENT SERIAL NO.

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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER FUND SOURCE:						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: 0

ANALYSIS: (Attach a separate page if necessary.)

It is our understanding, from discussions with the Alaska Housing Finance Corporation, that AHFC will assume all costs related to the merger that could not be attributed to HUD programs.

Prepared By: Wayne Mundy, Executive Director
Division: Alaska State Housing Authority

Phone: 562-2813
Date: April 10, 1992

Approved by Commissioner: _____

Agency: _____

Date: _____

REVISION: ~~4/8/92~~ - Based on Work Draft ~~4/8/92~~

HOUSE BILL 152 - SECTIONAL ANALYSIS

(The Housing Merger Bill)

1. Section 1, Page 1, sets out the Legislature's findings that there are critical low income and rural housing needs in the state, that a coordinated state housing policy is required to address these needs, and that such coordination can be best effectuated by a merger of state housing programs into the Corporation.
2. Section 2, Page 2, the purpose section, explains that the purpose of the Act is to direct the merger of the Alaska State Housing Authority ("ASHA") into the Alaska Housing Finance Corporation (the "Corporation"), to transfer certain housing programs of the Department of Community and Regional Affairs ("DCRA") to AHFC, to transfer responsibility for the senior citizens housing programs from DCRA to the Corporation, to transfer the responsibility for the home energy conservation weatherization program from DCRA to the Corporation, to transfer responsibility for mortgage loans under the veterans' program to the Corporation, and to assign to the Corporation the responsibility for replacement housing plans. In addition, Section 1 states that the bill authorizes the Corporation to purchase, at a discount, mortgage notes held by DCRA under its housing assistance programs; moneys paid to DCRA for the notes will be deposited into the state's general fund. These moneys, combined with an expected transfer of revenue by the Corporation to the State, will increase the state general fund by \$200,000,000.

Provisions Transferring ASHA AS 18.55.010-290 Powers to AHFC

3. Section 3, Page 4, amends the AS 18.55.010-290 ASHA purposes which are slum clearance, low cost housing and veterans housing, to transfer the purposes to AHFC. (AS 18.55.010)
4. Section 4, Page 4, amends the prohibited interest section of the ASHA statute to reflect the transfer to the Corporation. (AS 18.55.080)
5. Section 5, Page 4, transfers ASHA's general powers to carry out AS 18.55.010-290 to the Corporation. (AS 18.55.100(a))
6. Section 6, Page 6, transfers to the Corporation certain ASHA disaster relief powers. (AS 18.55.100(b))

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7. Section 7, Page 6, transfers ASHA's veterans' housing powers to the Corporation. (AS 18.55.110)
8. Section 8, Page 7, transfers ASHA's low-cost housing project powers to the Corporation. (AS 18.55.120)
9. Section 9, Page 7, amends the tenant qualification section of low-cost housing projects to refer to the Corporation. (AS 18.55.130)
10. Section 10, Page 8, substitutes the Corporation for ASHA in a provision allowing the issuance of bonds. (AS 18.55.140)
11. Section 11, Page 8, substitutes the Corporation for ASHA in respect of certain bond powers of ASHA for bonds issued under AS 18.55. (AS 18.55.150)
12. Section 12, Page 9, limits the Corporation's liability in the execution of any bonds under its ASHA .100 to .290 powers. It provides that the Corporation's bonds issued for its ASHA powers are not obligations of the State. (AS 18.55.160)
13. Section 13, Page 9, provides for exemption from taxes of bonds issued by the Corporation under its ASHA .100 to .290 powers. (AS 18.55.170)
14. Section 14, Page 9, provides for the issuance of bonds of the Corporation for ASHA .100 to .290 purposes. (AS 18.55.180)
15. Section 15, Page 10, provides for a financial advisor when the Corporation is issuing bonds and notes for .100 to .290 ASHA purposes. (AS 18.55.187)
16. Section Page 11, gives to the Corporation ASHA's powers with respect to pledges mortgages of property and provides for covenants and other bond security for the Corporation when it exercises ASHA .100 to .290 powers. (AS 18.55.200)
17. Sections 17 and 18, Page 12, give the Corporation or its bondholders certain rights when bonds are issued for ASHA .100 to .290 purposes. (AS 18.55.210-220)
18. Section 19, Page 13, provides for exemption from execution or other judicial process of Corporation property in conjunction with the exercise of an ASHA .100 to .290 power. (AS 18.55.230)

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19. Section 20, Page 13, provides that the Corporation may borrow funds or obtain other financial assistance from the federal government when it is exercising an ASHA .100 to .290 power. (AS 18.55.240)
20. Section 21, Page 13, exempts from taxation property owned by the Corporation in connection with its exercise of ASHA .100 to .290 powers. (AS 18.55.250)
21. Section 22, Page 13, provides for conveyance of real and personal property in the exercise by the Corporation of an ASHA .100 to .290 power, and sets out procedural safeguards for such conveyance. (AS 18.55.255(a))
22. Section 23, Page 14, provides for conveyance of property to a State or federal agency for less than appraised value in connection with the Corporation's exercise of ASHA .100 to .290 powers. (AS 18.55.255(b))
23. Section 24, Page 14, provides that bonds of the Corporation issued for ASHA purposes are legal investments. (AS 18.55.260)
24. Section 25, Page 14, requires the Corporation to recommend legislation in connection with exercise of ASHA .100 to .290 powers. (AS 18.55.270)
25. Section 26, Page 14, provides that the Corporation has certain general corporate powers in exercising an ASHA .100 to .290 power. (AS 18.55.280(a))
26. Section 27, Page 15, changes a reference from ASHA to Corporation. (AS 18.55.288 (1))
27. Section 28, Page 15, corrects the definition of "public building." (AS 18.55.288(3))
28. Section 29, Page 16, changes the short title of .010 to .290 of the ASHA statute to the Housing Project and Public Building Assistance Act. (AS 18.55.288(1))

ASHA Moderate-Cost and Rental Housing Powers Transferred to AHFC
(AS 18.55.300-470)

29. Section 30, Page 16, gives the Corporation ASHA powers to construct and operate moderate-cost and rental housing for veterans and other residents. (AS 18.55.310)
30. Section 31, Page 16, provides for veterans' preference in moderate-cost and rental housing projects. (AS 18.55.330)

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31. Section 32, Page 16, provides for the maintenance and rental of moderate-cost and rental housing by the Corporation. (AS 18.55.340)
32. Section 33, Page 16, provides that housing projects may be rented or sold by the Corporation to eligible persons and prescribes certain uses for moneys received from such sales or rentals. (AS 18.55.350)
33. Section 34, Page 17, authorizes the Corporation to use money appropriated or made available under .300 to .470 for character loans of up to \$500 for certain purposes, and for moderate-cost or rental housing loans to public agencies, non-profit organizations, and other corporations of up to 95 percent of assessed valuation in the case of co-ops. (AS 18.55.370)
34. Section 35, Page 17, provides that powers under any statute including eminent domain, may be exercised by the Corporation with respect to moderate-cost and rental housing projects (.300 to .470). (AS 18.55.380)
35. Section 36, Page 17, limits the Corporation's powers under .300 to .470 to instances where other adequate financing is not available. (AS 18.55.390)
36. Section 37, Page 18, provides for the Corporation's expenditure of appropriated funds under .300 to .470 to research methods of low-cost construction. (AS 18.55.400)
37. Section 38, Page 18, provides for the adoption of regulations for the moderate-cost and rental housing program (.300 to .470). (AS 18.55.420)
38. Section 39, Page 18, provides for acquisition of land in connection with moderate-cost and rental housing projects (.300 to .470). (AS 18.55.440)
39. Section 40, Page 18, provides that the Corporation may accept properties from other agencies for moderate-cost and rental housing purposes (.300 to .470). (AS 18.55.450)
40. Section 41, Page 19, provides for a preference for professional and contractor services of State residents for .300 to .470 projects. (AS 18.55.480)
41. Section 42, Page 19, adds the definition of the Corporation. (AS 18.55.470(1))

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ASHA Slum Clearance, Redevelopment, and Urban Renewal Powers
Transferred to AHFC
(AS 18.55.480-960)

42. Section 43, Page 19, provides that the intent of the Act is to take advantage of Title I of the U.S. Housing Act of 1949 (providing for redevelopment powers). (AS 18.55.490)
43. Section 44, Page 19, provides there be no interest of the members of the board of the Corporation in the redevelopment project. (AS 18.55.500)
44. Section 45, Page 20, provides that when the Corporation's redevelopment powers (.480 to .960) are exercised within a municipality, the governing body of the municipality must consent. (AS 18.55.510(a))
45. Section 46, Page 20, provides that in the exercise of its redevelopment powers (.480 to .960) the Corporation has other necessary powers to purchase property, to sell property, to make covenants, to borrow money, to invest money, and the like. In Subsection 11, Page 23, with the approval of the local government body, it can demolish structures in connection with redevelopment projects. (AS 18.55.520)
46. Section 47, Page 23, provides that neighborhood development projects (.480 to .960) shall consist of urban renewal projects undertaken in urban renewal areas under federal law. (AS 18.55.525)
47. Section 48, Page 23, provides that property may not be acquired for redevelopment projects unless the governing body has approved the redevelopment plan. (AS 18.55.530(a))
48. Section 49, Page 23, provides for the preparation of a redevelopment plan and defines the requisites of such a plan. (AS 18.55.530(d))
49. Section 50, Page 24, provides that before redevelopment plans are submitted to the governing body, the same shall be submitted to the local planning commission for review and comment. (AS 18.55.530(e))
50. Section 51, Page 24, sets out the documents and statements that must accompany the redevelopment plan when it is submitted to the governing body. (AS 18.55.530(g))

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51. Section 52, Page 25, provides that after a hearing under this Section, the governing body may, by ordinance, approve a redevelopment plan. (AS 18.55.530(l))
52. Section 53, Page 25, provides for modification of such a redevelopment plan. (AS 18.55.530(j))
53. Section 54, Page 25, provides that when a natural catastrophe has been declared or certified by a local government body a redevelopment plan may be adopted on an expedited basis. (AS 18.55.530(k))
54. Section 55, Page 26, provides for sale, lease, or exchange of real property in connection with a redevelopment plan. (AS 18.55.540(a))
55. Section 58, Page 26, provides for public notice of redevelopment contract proposals and sets out procedures and criteria for the Corporation's consideration of such proposals. (AS 18.55.540(b))
56. Section 57, Page 27, provides for the Corporation's exercise of eminent domain in connection with a redevelopment project. (AS 18.55.550(a))
57. Section 58, Page 27, provides for the acquisition and development of vacant land not within a slum or blighted area if necessary for the redevelopment of a slum or blighted area. (AS 18.55.580)
58. Section 59, Page 28, provides for the Corporation's issuance of debt in connection with a redevelopment plan. (AS 18.55.570(a))
59. Section 60, Page 28, provides that the members of the Corporation's board of directors are not liable on any such debt. (AS 18.55.570(b))
60. Section 61, Page 29, provides that a signature of a board member of the Corporation on a bond is valid if the member leaves office after signing the bond. (AS 18.55.570(e))
61. Section 62, Page 29, provides detailed provisions in connection with the Corporation's issuance of bonds for redevelopment projects, including covenants, mortgages, and bond remedy features. (AS 18.55.580)
62. Section 63, Page 31, sets out the rights and remedies of a bondholder. (AS 18.55.590)

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63. Section 64, Page 32, provides that bond proceeds issued for redevelopment purposes are legal investments. (AS 18.55.600(b))
64. Section 65, Page 32, provides that property held by the Corporation for redevelopment purposes is exempt from taxation and execution, and further requires payments in lieu of taxes in connection with such property. (AS 18.56.620)
65. Section 66, Page 33, empowers public bodies to convey property or furnish services to the Corporation in connection with a redevelopment project. (AS 18.55.630(a))
66. Section 67, Page 34, provides for powers of a municipal governing body in connection with physical development of redevelopment property by the Corporation. (AS 18.55.660)
67. Section 68, Page 34, provides that the Corporation may undertake an urban renewal project. (AS 18.55.680(a))
68. Section 69, Page 35, provides, with respect to urban renewal plans or projects, that the Corporation has the right to acquire and dispose of property, borrow money, and the like, and provides for the details of effectuation of an urban renewal plan or project. (AS 18.55.700)
69. Section 70, Page 36, provides that the Corporation may have power under a municipal ordinance to determine that properties or dwellings within an urban development area are not fit for human habitation. (AS 18.55.860)
70. Section 71, Page 36, details the conditions which could give rise to a finding that a property or dwelling is not fit for human habitation. (AS 18.55.860(b))
71. Section 72, Page 37, defines the Corporation. (AS 18.55.950(18))

Regional Native Housing Authorities
(AS 18.55.995-998)

72. Section 73, Page 37, provides that Native associations can form public corporations with powers, rights, and functions the same as those of ASHA under AS 18.55.100-.290 which are transferred to the Corporation. (AS 18.55.995)

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73. Section 74, Page 37, refers to sections of the former ASHA statute (.100-.290) transferred to the regional housing authority. (AS 18.55.996(b))
74. Section 75, Page 38, provides that planning, financing, construction or operation activities of a regional housing authority conflicting with the Corporation shall be resolved by the municipal governing body in which the project is located. (AS 18.55.996(g))
75. Section 76, Page 38, provides that, in addition to other powers, a regional housing authority may make loans in accordance with the Corporation's procedures for the purchase or development of residential housing in areas other than those where the Corporation has a loan office. (AS 18.55.997(a))
76. Section 77, Page 38, creates within the Corporation a supplemental housing development grant fund to pay costs of on-site water and sewer facilities, road construction, and other infrastructure, subject to appropriation. This is a transfer of power from DCRA. (AS 18.55.998(a))
77. Section 78, Page 38, provides for regulations under AS 18.56.088 (AHFC regulatory statute) to carry out the provisions of the supplemental housing development grant fund. (AS 18.55.998(d))

Modifications to AHFC's Statute
(AS 18.56.010 - .900)

78. Section 79, Page 39, amends the program for residential loans to vets to provide for assumption of the AS 26.15 (DCED) program by the Corporation. (AS 18.56.010(d))
79. Section 80, Page 39, sets forth the legislative finding that the Corporation's financing of veterans' loans for residential housing benefits the people of the State. (AS 18.56.010(f))
80. Section 81, Page 39, sets out the composition of the Corporation's board of directors, increasing the number of members to eleven persons: the commissioners of Revenue, Commerce and Economic Development, and Community and Regional Affairs; and eight public members appointed by the governor, including: a representative of the financial community; a licensed real estate broker; a representative of the interests of regional housing authorities; a rural resident of the state; a representative of persons having special housing needs; a representative

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of low income interests; a representative of the state's residential energy efficient home building industry; and a public member. (AS 18.56.030(a))

81. Section 82, Page 40, provides for designation by board members of a person to act in the board member's place at a board or committee meeting (AS 18.56.030(b))
82. Section 83, Page 40, requires reasonable competence, experience, and geographic balance among the public members of the board of directors of the Corporation. (AS 18.56.030(f))
83. Section 84, Page 40, provides that the board may establish committees and delegate to such committees powers and duties it considers appropriate (AS 18.56.050)
84. Section 85, Page 40, corrects a statutory reference in the provision for international borrowing by the Corporation. (AS 18.56.084)
85. Section 86, Page 41, amends the provision governing adoption of regulations by the Corporation, to include reference to the housing assistance program authorized by Section 88 of this legislation. (AS 18.56.088(c))
86. Section 87, Page 41, exempts from the Executive Budget Act those activities of the Corporation transferred from ASHA by this legislation. (AS 18.56.089(a))
87. Section 88, Page 42, amends the Corporation's general powers by adding the authority to provide or receive housing assistance funding for low and moderate income housing and for congregate and special needs housing. Such funding can include deferred loans, subsidies, or other assistance as provided in regulations of the Corporation. (AS 18.56.090)
88. Section 89, Page 42, substitutes "Corporation" for the commissioner of community and regional affairs in a provision requiring that the Corporation not make loans for buildings unless they are in compliance with thermal energy standards. (AS 18.56.096(c))
89. Section 90, Page 43, amends the definition of "residence" to include a veteran's "multiple dwelling." (AS 18.56.093(f)(4))

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90. Section 91, Page 43, amends provisions concerning the Corporation's housing development fund, to clarify that for-profit organizations may apply for congregate housing loans and to provide that congregate housing may include units that do not contain, but have access to, sanitation or kitchen facilities. (AS 18.56.100)
91. Section 92, Page 44, requires that the Corporation include in its annual report certain reports on activities under programs transferred to the Corporation by this legislation. (AS 18.56.200(e))
92. Section 93, Page 44, corrects section references in the Corporation's powers to take actions to stabilize the market price and demand for residential housing in the State. (AS 18.56.210(a))
93. Section 94, Page 45, amends a provision respecting construction standards for housing eligible for purchase of loans by the Corporation, to provide that the provision does not apply to nonconforming housing loans made or purchased by the Corporation under AS 18.56.106. (AS 18.56.300(d))
94. Section 95, Page 45, starts with a restatement of the Corporation's current definitions section from AS 18.56 with certain minor deletions and the addition of a definition of "special needs housing." (AS 18.56.390) This section also transfers the following DCRA housing powers to the Corporation:
 - (a) Page 48, general powers with respect to originating and servicing loans (formerly AS 44.47.370, now AS 18.56.400).
 - (b) Page 49, establishes the Alaska energy efficient home grant fund (formerly AS 44.47.378, now AS 18.56.410).
 - (c) Page 49, establishes the housing assistance loan fund (a revolving fund for non-conforming and rural loans) (formerly AS 44.47.380, now AS 18.56.420).
 - (d) Page 50, establishes the home ownership assistance fund (a fund to provide interest subsidy for loans to lower- and moderate-income persons) (formerly AS 44.47.382, now AS 18.56.430).
 - (e) Page 51, provides limits on the use of the home ownership assistance fund (formerly AS 44.47.390, now AS 18.56.440).

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- (f) Page 52, provides for an operating loss reserve account to meet foreclosure legal expenses (formerly AS 44.47.395, now AS 18.56.450).
- (g) Page 52, provides for loan security (formerly 44.47.410, now AS 18.56.460).
- (h) Page 52, provides for interest rates on loans, and amends the current provision to provide that the Corporation may estimate the interest rate if no applicable issue of taxable bonds has been issued within the six months prior to the purchase or origination of loans (formerly AS 44.47.410, now AS 18.56.470).
- (i) Pages 53 to 55, provide for title to properties securing loans purchased by the Corporation (formerly AS 44.47.420, now AS 18.56.480), a restricted title loss reserve account (formerly AS 44.47.430, now AS 18.56.490), fire insurance (formerly AS 44.47.440, now AS 18.56.500), loan origination and servicing (formerly AS 44.47.460, now AS 18.56.510), appraisals (formerly AS 44.47.470, now AS 18.56.520), exemption from energy audit (AS 44.47.475, now AS 18.56.530) and toll-free phone number (formerly AS 44.47.480, now AS 18.56.540).
- (j) Page 55, establishes field offices (formerly AS 44.47.490, now AS 18.56.550).
- (k) Page 55, provides for regional demonstration projects (formerly AS 44.47.500, now AS 18.56.560).
- (l) Page 55, provides for regional allocation of the housing assistance loan fund (formerly AS 44.47.510, now AS 18.56.570).
- (m) Page 56, provides for loans for non-owner occupied housing from the housing assistance loan fund (formerly AS 44.47.520, now AS 18.56.580).
- (n) Page 56, provides for a biennial report by the Corporation (formerly AS 44.47.530, now AS 18.56.590).
- (o) Page 57, sets out definitions, including a change in the definition of "rural" (formerly AS 44.47.500, now AS 18.56.600).
- (p) Page 57, creates a low-cost and low-income multiple-family housing development fund (formerly AS 44.47.380, now AS 18.56.650).

- (q) Page 58, creates a senior housing office in the Corporation to administer the senior housing loan program (formerly AS 44.47.585, now AS 18.56.700).
 - (r) Page 59, creates a senior housing revolving fund (formerly AS 44.47.587, now AS 18.56.710).
 - (s) Page 59, provides for interest rates on senior housing bond issues (formerly AS 44.47.589, now AS 18.56.720).
 - (t) Pages 59 to 61, provide for loan conditions, (formerly AS 44.47.591, now AS 18.56.730), fire insurance (formerly AS 44.47.595, now AS 18.56.740), loan origination and servicing (formerly AS 44.47.597, now AS 18.56.760), toll-free number (formerly AS 44.47.601, now AS 18.56.770), contracting for services (formerly AS 44.47.603, now AS 18.56.780), a bond authorization of \$30 million for senior housing loans (formerly AS 18.56.083, now AS 18.56.790), and definition of senior housing (formerly AS 44.47.609, now AS 18.56.799).
 - (u) Pages 61 to 62, make a declaration of purpose respecting senior housing (formerly AS 44.47.610, now AS 18.56.800) and establish a senior housing development fund (formerly AS 44.47.620, now AS 18.56.810).
 - (v) Page 62, transfers to the Corporation the home energy conservation and weatherization program of DCRA and specifies certain programs in the state that shall receive the Corporation's assistance under this section (formerly AS 44.47.050(a)(16) and (b), now AS 18.56.850).
95. Section 96, Page 63, defines the board and the Corporation. (AS 18.56.800)

General Provisions

96. Section 97, Page 63, deletes reference to ASHA from a statute concerning telecommunication fees. (AS 09.25.115(g))
97. Section 98, Page 63, deletes reference to ASHA from a provision concerning public inspection of agency records. (AS 09.25.123(a))
98. Section 99, Page 63, deletes reference to ASHA from a definition of "public agency" in a statute concerning public officials' disclosure of information. (AS 09.25.220(5))

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99. Section 100, Page 63, deletes reference to ASHA from a statute respecting exemptions for State property from process to collect unsecured debt. (AS 09.38.015(c))
100. Section 101, Page 64, deletes reference to ASHA from a definition of State agency or agency of the State in a statute concerning radiation protection. (AS 18.60.545(b))

DCED Housing Functions Transferred to AHFC

101. Section 102, Page 64, exempts the Corporation's administration of housing loans from Department of Commerce and Economic Development ("DCED") veteran's loan provisions. (AS 26.15.010(a))
102. Section 103, Page 64, limits DCED to obtain mortgage insurance on property securing veterans' business loans. (AS 26.15.010(d))
103. Section 104, Page 64, deletes DCED's program of making multiple-dwelling loans. (AS 26.15.040(a))
104. Sections 105 and 106, Page 65, make technical corrections to correspond with the change effected by Section 98. (AS 26.15.040(c) and (e))
105. Section 107, Page 65, substitutes the Corporation for ASHA in the statutory provision providing for exemption of low-income housing from local property taxation. (AS 29.45.050(l))
106. Sections 108 and 109, Page 66, provide that the Corporation may make loans for housing for displaced persons. (AS 34.60.135, .137)
107. Section 110, Page 67, substitutes the Corporation for ASHA in a provision providing for leasing or granting of interests in land to ASHA by the Alaska Department of Transportation and Public Facilities ("DOT&PF). (AS 35.05.040)
108. Section 111, Page 67, deletes reference to ASHA from a provision concerning promulgation of regulations in AS 36.30, the State Procurement Code. (AS 36.30.015(f))
109. Section 112, Page 68, deletes reference to ASHA from a provision concerning the use of lists of contractors under the State Procurement Code. (AS 36.30.050(c))

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110. Section 113, Page 68, deletes reference to ASHA from a provision defining "State agency" in the State Procurement Code. (AS 36.30.735(b))
111. Section 114, Page 68, deletes reference to ASHA from a section of the State Procurement Code defining "agency." (AS 36.30.990(1))
112. Section 115, Page 68, deletes reference to ASHA from a provision defining "program receipts" in AS 37.05, the Fiscal Procedures Act. (AS 37.05.146)
113. Section 116, Page 69, deletes reference to ASHA from a provision in AS 39.05 setting criteria for membership on boards and commissions. (AS 39.05.060(a))
114. Section 117, Page 70, deletes reference to ASHA from a provision defining "Instrumentality of the State" in AS 39.50, the statute governing public officials' conflict of interest. (AS 39.50.200(a)(4))
115. Section 118, Page 70, substitutes the Corporation for DCRA in a provision concerning administration of the senior housing loan program. (AS 44.21.230(a)(9))
116. Section 119, Page 78, makes a technical correction to correspond to previous changes concerning "senior housing." (AS 44.21.240(6))

**Miscellaneous
Provisions**

117. Section 120, Page 70, deletes ASHA from a provision concerning "use of paper" by State agencies. (AS 44.99.020)
118. Section 121, Page 70, deletes ASHA from a provision defining "State agency" in a statute concerning personal information in public records. (AS 44.99.350(3))
119. Section 122, Page 71, deletes ASHA from a section concerning copyrights held by State agencies. (AS 44.99.400)
120. Section 123, Page 71, deletes reference to ASHA from a provision of the Village Safe Water Act. (AS 46.07.030(b))

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121. Sections 124 and 125, Pages 71-72, substitute the Corporation for the commissioner of community and regional affairs in provisions concerning thermal energy standards for residential buildings. (AS 48.11.040, 48.11.900)
122. Section 126, Page 72, repeals numerous provisions of AS 18.55, AS 39.50, AS 44.47, and AS 44.99 that are replaced or transferred by this Bill.
123. Section 127, Page 72, sets out transitional provisions relating to the merger of ASHA with the Corporation, stating that contracts, rights, liabilities, bonds, notes, or other obligations of ASHA remain in effect and become contracts, rights, liabilities, bonds, notes, or other obligations of the Corporation. This Section also transfers records, equipment, etc. of ASHA to the Corporation and states that ASHA employees shall become employees of the Corporation on the effective date of the Act.
124. Section 128, Page 73, sets out transitional provisions relating to transfer of housing programs from DCRA to the Corporation, in a fashion similar to Section 127.
125. Section 129, Page 73, sets out transitional provisions relating to transfer of senior citizen housing programs from DCRA to the Corporation, in a fashion similar to Section 127.
126. Section 130, Page 74, sets out transitional provisions relating to transfer of the home energy conservation and weatherization programs from DCRA to the Corporation, in a fashion similar to Section 127.
127. Section 131, Page 74, sets out transitional provisions relating to termination of DCED's authority to make residential loans to veterans, in a fashion similar to Section 127.
128. Section 132, Page 75, describes the transition concerning expansion of the membership of the Corporation's board of directors, providing that current members shall continue to serve their unexpired terms and describing the terms of the public members first appointed to fill the additional seats authorized by this legislation.
129. Section 133, Page 75, provides that ASKA, DCRA and DCED shall prepare financial reports respecting the assets transferred under this legislation.
130. Section 134, Page 76, establishes the Alaska State Housing Planning Commission within the office of the governor, the members of which shall consist of: a

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representative from the office of the governor; the commissioners of commerce and economic development and of community and regional affairs; a representative of the Corporation; a public member representing low income, homeless, or special needs housing interests; and an advisory member representing HUD. The commission is to assist in the merger of housing functions mandated by this legislation to ensure that housing services are not interrupted during the resultant transition.

131. Section 135, Page 76, authorizes the Corporation to purchase, at a discount, the mortgage loans and other housing-related loans of DCRA, and requires the commissioner of DCRA to deposit the amounts received from the purchase in the state general fund.
132. Section 136, Page 77, instructs the revisor of statutes to delete references to "authority" and insert in place of each deletion a reference to "corporation" in certain specified provisions of AS 18.55. A subsequent analysis will indicate the effect of this provision.
133. Section 137, Page 77, provides a repeal date of January 1, 1993 for Section 134 of this legislation.
134. Section 138, Page 77, provides an immediate effective date for sections 133-135 of this legislation.
135. Section 139, Page 77, sets forth an effective date of July 1, 1992, for this Act (with the exception of Sections 133-135).

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

April 2, 1991

- P.O. BOX B
JUNEAU, ALASKA 99811-2100
PHONE: (907) 465-4700
- 949 E. 38TH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508-4302
PHONE: (907) 563-1073

POSITION PAPER

RE: CS for House Bill 152

SPONSOR: Representative Brown

Departmental Position

Neutral

Program Effects of Bill

This bill:

1. creates an eleven member Alaska State Housing Commission in the Department of Community and Regional Affairs. The Commission would:

- Serve as the governing board of the Alaska State Housing Authority and the Alaska Housing Finance Corporation;
- Coordinate all state housing programs, develop and implement a state housing policy;
- Prepare an annually updated five-year housing plan for the state;
- Prepare and update a housing needs assessment;
- Undertake a coordinated public information program concerning state housing programs and opportunities; and
- Administer the Alaska Housing Trust Fund.

2. Creates an Alaska Housing Trust Fund. This fund would be composed of the unrestricted funds of the Alaska Housing Finance Corporation not necessary for the financial integrity of the corporation and would be fully capitalized at \$100 million. The fund would be used to provide housing assistance through public agencies and nonprofit organizations to address low and moderate income housing, including special needs housing.

Comments

In 1988 the Alaska Housing Market Council was formed to investigate housing policy and program issues and make recommendations to the Governor and the Alaska Legislature. The Council conducted this work through a 37-member Housing Policy Development Committee. The committee was composed of housing professionals, consumers, banking representatives, legislators and public housing and housing finance officials. The committee found that:

1. Housing programs in Alaska are spread among 13 different state agencies, offices and divisions. The result is that there is no coordinated state housing policy which would allow clear direction for housing programs.
2. Low income and rural housing needs in Alaska are critical and have not been met with existing state housing efforts.
3. Federal housing funding to the state is dwindling; and
4. Many states are taking a much more active role by adopting an overall state housing policy and have coordinated housing programs. The Council recommended that a Housing Commission be established to overcome the fragmentation of existing programs.

The State of Alaska needs to adopt a policy to meet the need of Alaskans for affordable, durable, healthy and energy efficient housing. State housing programs are spread out among thirteen different state agencies, offices and divisions. This makes it very difficult for the Governor and the Legislature to affect a clear and coordinated housing policy to address this vital issue. While the state has invested considerable sums on housing, there are many needs that have not been met.

The housing needs of lower income and rural Alaskans are critical. The 1988 Rural Housing Needs Assessment found that rural Alaska has a serious housing problem. The report found that overcrowding and substandard housing is prevalent. This is reflected in the fact that the study reported that almost a third of the homes surveyed were unable to maintain a healthy indoor temperature during the long winter months. These conditions are not only a threat to health and safety, but inhibit local economic development because a high percentage of homeowners' incomes are spent on just staying warm.

This housing crisis is compounded by the fact that with declining revenues, the State of Alaska's general fund cannot be looked to provide the solution. The federal government cannot also be depended upon. Due to the need to reduce the federal budget, federal housing funding has been dramatically reduced over the past few years.

The Alaska Housing Market Council investigated the state's housing needs and the programs that have been established to address these needs. The Council recommended that a Housing Commission be established that would oversee the development of a state housing policy and ensure that the state's response is coordinated.

House Bill 152 embodies the recommendations of the Alaska Housing Market Council. It would create an Alaska State Housing Commission within the Department of Community and Regional Affairs. The commission would be composed of 11 members appointed by the Governor. The Commission would serve as the governing board of the Alaska Housing Finance Corporation and the Alaska State Housing Authority. The Commission would be responsible for overseeing the development of a state housing policy and coordinate with the various agencies in implementing the plan. It would oversee the development of budget requests and identify priorities for the Governor and Legislature. The Commission would also prepare a housing plan to meet the policy and prepare a housing needs assessment.

The legislation would create an Alaska Housing Trust Fund that would be administered by the housing commission and subject to annual legislative appropriation from the unrestricted funds not necessary for the financial integrity of the Alaska Housing Finance Corporation. This fund would be used to address the housing needs of low and moderate income Alaskans as well as those with special housing needs.

The legislation should not threaten the Alaska Housing Finance Corporation or the Alaska State Housing Authority, but rather help to improve the effectiveness of the programs through the added coordination of a single commission. It is also logical that they be located within the Department of Community and Regional Affairs. The Department is the line agency that is most involved in a wide variety of housing and community development issues. Within the Department are programs that address rural housing needs, senior housing, rental rehabilitation, the homeless, energy efficiency and local economic development. Housing the commission in the Department would help ensure that all needs are addressed. Housing new federal National Affordable Housing Act which requires the development of a state housing plan and designation of a single state agency to administer the federal housing funding.

Position Paper - CS HB 152
April 2, 1991
Page Four

The creation of a housing trust fund would allow the earnings of the Alaska Housing Finance Corporation to be applied to meeting the dire housing needs that are currently not being addressed or are dependent upon the state's general fund.

Amendments Proposed

None

Ed. Blatchford
Edgar Blatchford, Commissioner

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. H.B. 152

Revision Date: April 13, 1992
Title: An Act Relating to Powers and Functions of Alaska Housing Finance Corporation
Sponsor: S State Affairs

Department Affected: CR & A
BRU: Administration & Support
Component: Administrative Services

Requestor: S. State Affairs

COMPONENT SERIAL NO. 06814

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	(111.3)	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	(.5)	0	0	0	0	0
SUPPLIES	(.2)	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	(112.0)	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FINDING: (THOUSANDS OF DOLLARS)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER 1007 FUND SOURCE: 1064	(29.2) (82.8)	0	0	0	0	0
TOTAL	(112.0)	0	0	0	0	0

POSITIONS:

FULL-TIME	(3)	0	0	0	0	0
PART-TIME	1	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary.)
Programs, responsibilities, staff and functions as outlined in legislation of this component are being transferred to AHFC. This fiscal note represents the transfer from the DCRA FY 93 Operating Budget.

Prepared By: Robert L. Brian
Division: Rural Development

Robert L. Brian 4-10-92

Phone: (907) 283-4607
Date: April 10, 1992

Approved by Commissioner: Erin Kelly
Agency: Community and Regional Affairs

Date: 4/3/92

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Leg. Office & Impacted Agency(ies).

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. H.B. 152

Revision Date: April 13, 1992
Title: An Act Relating to Powers and Functions of Alaska Housing Finance Corporation
Sponsor: S State Affairs

Department Affected: CR & A
BRU: Employment Training/Rural Dev.
Component: Energy Conservation

Requestor: S State Affairs

COMPONENT SERIAL NO. 0677

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	(808.2)	0	0	0	0	0
TRAVEL	(95.5)	0	0	0	0	0
CONTRACTUAL	(475.0)	0	0	0	0	0
SUPPLIES	(18.4)	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	(100.0)	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	(1495.1)	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING: (THOUSANDS OF DOLLARS)

GENERAL FUND	(540.4)	0	0	0	0	0
FEDERAL FUNDS	(388.5)	0	0	0	0	0
OTHER FUND SOURCE: 1061	(568.2)	0	0	0	0	0
TOTAL	(1495.1)	0	0	0	0	0

POSITIONS:

FULL-TIME	(13.0)	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impacts:

ANALYSIS: (Attach a separate page if necessary.)
Programs, responsibilities, staff and functions as outlined in legislation of this component are being transferred to AHFC. This fiscal note represents the transfer from the DCRA FY 93 Operating Budget.

Prepared By: Robert L. Breen
Division: Rural Development

Robert L. Breen

4-10-93

Phone: (907) 265-4607
Date: April 10, 1992

Approved by Commissioner: [Signature]
Agency: Community and Regional Affairs

Date: 4-10-92

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Leg. Office & Impacted Agency(ies).

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. H.B. 152

Revision Date: April 13, 1992
Title: An Act Relating to Powers and Functions of Alaska Housing Finance Corporation
Sponsor: S State Affairs

Department Affected: CR & A
BAU: Employment Training/Rural Dev
Component: Statewide Service Delivery

Requestor: S. State Affairs

COMPONENT SERIAL NO. 1178

Expenditures/Revenue: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	(32.1)	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	(32.1)	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	(64.2)	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING: (THOUSANDS OF DOLLARS)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE: 1064	(64.2)	0	0	0	0	0
TOTAL	(64.2)	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary.)
Programs, responsibilities, staff and functions as outlined in legislation of this component are being transferred to AHFC. This fiscal note represents the transfer from the DCRA FY 93 Operating Budget.

Prepared By: Robert L. Breen Phone: 1907-269-4307
Division: Rural Development Date: April 10, 1992

Approved by Commissioner: ECR BATH Date: 4-13-92
Agency: Community and Regional Affairs

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Leg. Office & Impacted Agency(ies).

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. H.B. 152

Revision Date: April 13, 1992
Title: An Act Relating to Powers and Functions of Alaska Housing Finance Corporation
Sponsor: S State Affairs

Department Affected: CR & A
BRU: Employment Training/Rural Dev.
Component: Housing Loan Administration

Requestor: S. State Affairs

COMPONENT SERIAL NO. 06317

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	(1474.4)	0	0	0	0	0
TRAVEL	(190.9)	0	0	0	0	0
CONTRACTUAL	(1274.9)	0	0	0	0	0
SUPPLIES	(15.0)	0	0	0	0	0
EQUIPMENT	(10.0)	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	(2965.2)	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING: (THOUSANDS OF DOLLARS)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE: 1084	(2965.2)	0	0	0	0	0
TOTAL	(2965.2)	0	0	0	0	0

POSITIONS:

FULL-TIME	(24)	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary.)
Programs, responsibilities, staff and functions as outlined in legislation of this component are being transferred to AHFC. This fiscal note represents the transfer from the DCRA FY 93 Operating Budget.

Prepared By: Robert L. Green
Division: Rural Development

Phone: (907)269-4637
Date: April 10, 1992

Approved by Commissioner: [Signature]
Agency: Community and Regional Affairs

Date: 4-13-92

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Leg. Office & Impacted Agency(ies).

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. H.B. 152

Revision Date: April 13, 1992
Title: An Act Relating to Powers and Functions of Alaska Housing Finance Corporation
Sponsor: S. State Affairs

Department Affected: CR & A
BRU: Employment Training/Rural Dev.
Component: Senior Housing Development

Requestor: S. State Affairs

COMPONENT SERIAL NO. 1415

Expenditures/Revenue: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	(107.6)	0	0	0	0	0
TRAVEL	(20.0)	0	0	0	0	0
CONTRACTUAL	(11.8)	0	0	0	0	0
SUPPLIES	(3.0)	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	(142.4)	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING: (THOUSANDS OF DOLLARS)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE: 1007	(142.4)	0	0	0	0	0
TOTAL	(142.4)	0	0	0	0	0

POSITIONS:

FULL-TIME	(2)	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary.)
Programs, responsibilities, staff and functions as outlined in legislation of this component are being transferred to AHFC. This fiscal note represents the transfer from the DCRA FY 83 Operating Budget.

Prepared By: Robert L. Breen
Division: Rural Development

Robert L. Breen 4-10-92

Phone: (907) 269-4607
Date: April 10, 1992

Approved by Commissioner: _____
Agency: Community and Regional Affairs

Date: 4-15-92

Revised (by preparer): Leg. Fin., Legislative Sponsor, Requestor, CMB/DBR, Gov. Leg. Office & Impacted Agency(ies).
Rev 10/91

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. H.B. 152

Revision Date: April 13, 1992
Title: An Act Relating to Powers and Functions of Alaska Housing Finance Corporation
Sponsor: S State Affairs

Department Affected: CR S A
BRU: Employment Training/Rural Dev.
Component: Community Development

Requestor: S. State Affairs

COMPONENT SERIAL NO. 1179

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	(19.4)	0	0	0	0	0
TRAVEL	(7.0)	0	0	0	0	0
CONTRACTUAL	(2.3)	0	0	0	0	0
SUPPLIES	(9.1)	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	(37.8)	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING: (THOUSANDS OF DOLLARS)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE: 1064	(37.8)	0	0	0	0	0
TOTAL	(37.8)	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary.)
Programs, responsibilities, staff and functions as outlined in legislation of this component are being transferred to AHFC. This fiscal note represents the transfer from the DCRA FY 93 Operating Budget.

Prepared By: Robert L. Breen
Division: Rural Development

Robert L. Breen 4-10-92

Phone: (907)269-4607
Date: April 10, 1992

Approved by Commissioner: *E. Beth*
Agency: Community and Regional Affairs

Date: 4-13-92

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Leg. Office & Impacted Agency(ies).

ANALYSIS OF FISCAL NOTE
SCS CSHB152

Alaska Housing Finance Corporation

OPERATING	AS SUBMITTED FY93	DCRA	AHFC
PERSONAL SERVICES	2406.8	2406.8	0
TRAVEL	368.4	306.4	62.0
CONTRACTUAL	2031.7	1761.7	270.0
SUPPLIES	34.4	34.4	0
EQUIPMENT	185.0	10.0	175.0
LAND/STRUCTURES	0	0	0
GRANTS, CLAIMS	100.0	100.0	0
MISCELLANEOUS	0	0	0
TOTAL OPERATING	5126.3	4619.3	507.0

Travel

12.0 Travel associated with installation, maintenance, and training of communications and computer equipment.

50.0 Administrative and expanded Board of Director's travel.

Contractual

100.0 Special auditing and accounting services.

10.0 Office move of HAD staff in Anchorage, if necessary.

100.0 Classification study.

60.0 RSA with Department of Revenue, Administrative Services Division

Equipment

175.0 An upgrade to existing IBM AS/400 computer will be necessary to accommodate local and remote user support.

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. SCS CSHB152

Revision Date: _____
Title: AN ACT RELATED TO HOUSING

Department Affected: Revenue
BRU: Alaska Housing Finance Corporation
Component: Alaska Housing Finance Corporation

Sponsor: SENATE STATE AFFAIRS

Requestor: SENATE STATE AFFAIRS
Expenditures/Revenues: (Thousands of Dollars)

COMPONENT SERIAL NO.

1	1	0
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OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	2406.8	2406.8	2406.8	2406.8	2406.8	2406.8
TRAVEL	368.4	368.4	368.4	368.4	368.4	368.4
CONTRACTUAL	2031.7	1761.7	1761.7	1761.7	1761.7	1761.7
SUPPLIES	34.4	34.4	34.4	34.4	34.4	34.4
EQUIPMENT	185.0	10.0	10.0	10.0	10.0	10.0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	100.0	100.0	100.0	100.0	100.0	100.0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	5126.3	4680.3	4680.3	4680.3	4680.3	4680.3

CAPITAL	7,200.0	7,200.0	7,200.0	7,200.0	7,200.0	7,200.0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING: (THOUSANDS OF DOLLARS)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE: 1022	12,326.3	11,880.3	11,880.3	11,880.3	11,880.3	11,880.3
TOTAL	12,326.3	11,880.3	11,880.3	11,880.3	11,880.3	11,880.3

POSITIONS:

FULL-TIME	41.0	41.0	41.0	41.0	41.0	41.0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: -0-

ANALYSIS: (Attach a separate page if necessary.) This fiscal note represents the transfer of programs, responsibilities, staff and functions of DCRA to AHFC. This fiscal note reflects upgrade in computer system and increases in travel and contractual.

Prepared By: _____
Division: _____

Phone: (907)564-9303
Date: April 11, 1992

Approved by Commissioner: _____
Agency: Revenue Date: _____

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).
Rev 10/91

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. SCS CSHB152

Revision Date: APRIL 11, 1992
Title: AN ACT RELATED TO HOUSING

Department Affected: Revenue
BRU: Alaska Housing Finance Corporation
Component: Alaska Housing Finance Corporation

Sponsor: SENATE STATE AFFAIRS

Requestor: SENATE STATE AFFAIRS
Expenditures/Revenues: (Thousands of Dollars)

COMPONENT SERIAL NO.

1	1	0
---	---	---

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	2406.8	2406.8	2406.8	2406.8	2406.8	2406.8
TRAVEL	368.4	368.4	368.4	368.4	368.4	368.4
CONTRACTUAL	2031.7	1761.7	1761.7	1761.7	1761.7	1761.7
SUPPLIES	34.4	34.4	34.4	34.4	34.4	34.4
EQUIPMENT	185.0	10.0	10.0	10.0	10.0	10.0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	100.0	100.0	100.0	100.0	100.0	100.0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	5126.3	4680.3	4680.3	4680.3	4680.3	4680.3

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING: (THOUSANDS OF DOLLARS)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE: 1022	5126.3	4680.3	4680.3	4680.3	4680.3	4680.3
TOTAL	5126.3	4680.3	4680.3	4680.3	4680.3	4680.3

POSITIONS:

FULL-TIME	41.0	41.0	41.0	41.0	41.0	41.0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: -0-

ANALYSIS: (Attach a separate page if necessary.) This fiscal note represents the transfer of programs, responsibilities, staff and functions of DCRA to AHFC. This fiscal note reflects upgrade in computer system and increases in travel and contractual.

Prepared By: Judith DeSpain
Division: Alaska Housing Finance Corporation

Phone: (907)564-9303
Date: April 11, 1992

Approved by Commissioner: _____
Agency: Revenue Date: _____

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).
Rev 10/91

REVISION DATE: March 26, 1992

HOUSE BILL 152 - SECTIONAL ANALYSIS

(The Housing Merger Bill)

1. Section 1, Page 2, the purpose section, explains that the purpose of the Act is to direct the merger of the Alaska State Housing Authority ("ASHA") into the Alaska Housing Finance Corporation (the "Corporation"), to transfer certain housing programs of the Department of Community and Regional Affairs ("DCRA") to AHFC, to transfer responsibility for the senior citizens housing programs from DCRA to the Corporation, to transfer the responsibility for the home energy conservation weatherization program from DCRA to the Corporation, to transfer responsibility for mortgage loans under the veterans' program to the Corporation, and to assign to the Corporation the responsibility for replacement housing plans. In addition, Section 1 states that the Bill transfers to the Alaska Industrial Development and Export Authority ("AIDEA") the State lease building program.

Provisions Transferring ASHA AS 18.55.010-290 Powers to AHFC

2. Section 2, Page 3, amends the AS 18.55.010-290 ASHA purposes which are slum clearance, low cost housing and veterans housing, to transfer the purposes to AHFC while deleting reference to the State lease building program. (AS 18.55.010)
3. Section 3, Page 3, amends the prohibited interest section of the ASHA statute to reflect the transfer to the Corporation. (AS 18.55.080)
4. Section 4, Page 3, transfers ASHA's general powers to carry out AS 18.55.010-290 to the Corporation with the exception of the State public building program. (AS 18.55.100(a))
5. Section 5, Page 5, transfers to the Corporation certain ASHA disaster relief powers. (AS 18.55.100(b))
6. Section 6, Page 5, transfers ASHA's veterans' housing powers to the Corporation. (AS 18.55.110)
7. Section 7, Page 6, transfers ASHA's low-cost housing project powers to the Corporation. (AS 18.55.120)

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REVISION DATE: March 26, 1992

8. Section 8, Page 6, amends the tenant qualification section of low-cost housing projects to refer to the Corporation. (AS 18.55.150)
9. Section 9, Page 7, substitutes the Corporation for ASHA in respect of certain bond powers of ASHA for bonds issued under AS 18.55. (AS 18.55.15)
10. Section 10, Page 8, limits the Corporation's liability in the execution of any bonds under its ASHA .100 to .290 powers. It provides that the Corporation's bonds issued for its ASHA powers are not obligations of the State. (AS 18.55.160)
11. Section 11, Page 8, provides for exemption from taxes of bonds issued by the Corporation under its ASHA .100 to .290 powers. (AS 18.55.170)
12. Section 12, Page 8, provides for the issuance of bonds of the Corporation for ASHA .100 to .290 purposes. (AS 18.55.180)
13. Section 13, Page 9, provides for a financial advisor when the Corporation is issuing bonds and notes for .100 to .290 ASHA purposes. (AS 18.55.187)
14. Section 14, Page 9, gives to the Corporation ASHA's powers with respect to pledges and mortgages of property and provides for covenants and other bond security for the Corporation when it exercises ASHA .100 to .290 powers. (AS 18.55.200)
15. Sections 15 and 16, Page 11, give the Corporation or its bondholders certain rights when bonds are issued for ASHA .100 to .290 purposes. (AS 18.55.210-.220)
16. Section 17, Page 12, provides for exemption from execution or other judicial process of Corporation property in conjunction with the exercise of an ASHA .100 to .290 power. (AS 18.55.230)
17. Section 18, Page 12, provides that the Corporation may borrow funds or obtain other financial assistance from the federal government when it is exercising an ASHA .100 to .290 power. (AS 18.55.240)
18. Section 19, Page 12, exempts from taxation property held by the Corporation in connection with its exercise of ASHA .100 to .290 powers. (AS 18.55.250)

REVISION DATE: March 26, 1992

19. Section 20, Page 12, provides for conveyance of real and personal property in the exercise by the Corporation of an ASHA .100 to .290 power, and sets out procedural safeguards for such conveyance. (AS 18.55.255(a))
20. Section 21, Page 13, provides for conveyance of property to a State or federal agency for less than appraised value in connection with the Corporation's exercise of ASHA .100 to .290 powers. (AS 18.55.255(b))
21. Section 22, Page 13, provides that bonds of the Corporation issued for ASHA purposes are legal investments. (AS 18.55.260)
22. Section 23, Page 13, provides for the Corporation recommending legislation in connection with exercise of ASHA .100 to .290 powers. (AS 18.55.270)
23. Section 24, Page 13, provides that the Corporation has certain general corporate powers in exercising an ASHA .100 to .290 power. (AS 18.55.280(a))
24. Sections 25 and 26, Page 14, changes the reference to Corporation and changes the short title of .010 to .290 of the ASHA statute to the Housing Project Assistance Act. (AS 18.55.288(1) and AS 18.55.290)

ASHA Moderate-Cost and Rental Housing Powers Transferred to AHFC
(AS 18.55.300-470)

25. Section 27, Page 14, gives the Corporation ASHA powers with respect to construct and operate moderate-cost and rental housing for veterans and other residents. (AS 18.55.310)
26. Section 28, Page 15, provides for veterans' preference in moderate-cost and rental housing projects. (AS 18.55.330)
27. Section 29, Page 15, provides for the maintenance and rental of moderate-cost and rental housing by the Corporation. (AS 18.55.340)
28. Section 30, Page 15, provides that housing projects may be rented or sold by the Corporation to eligible persons and prescribes certain uses for moneys received from such sales or rentals. (AS 18.55.350)
29. Section 31, Page 16, provides from money appropriated or made available under .300 to .470 for character loans by the Corporation of up to \$500 for certain

REVISION DATE: March 26, 1992

purposes, and for moderate-cost or rental housing loans to public agencies, non-profit organizations, and other corporations of up to 95 percent of assessed valuation in the case of co-ops. (AS 18.55.370)

30. Section 32, Page 16, provides that powers under any statute including eminent domain, may be exercised by the Corporation with respect to moderate-cost and rental housing projects (.300 to .470). (AS 18.55.380)
31. Section 33, Page 16, limits the Corporation's powers under .300 to .470 to instances where other adequate financing is not available. (AS 18.55.390)
32. Section 34, Page 16, provides for the Corporation's expenditure of appropriated funds under .300 to .470 to research methods of low-cost construction. (AS 18.55.400)
33. Section 35, Page 17, provides for the adoption of regulations for the moderate-cost and rental housing program (.300 to .470). (AS 18.55.420)
34. Section 36, Page 17, provides for acquisition of land in connection with moderate-cost and rental housing projects (.300 to .470). (AS 18.55.440)
35. Section 37, Page 17, provides that the Corporation may accept properties from other agencies for moderate-cost and rental housing purposes (.300 to .470). (AS 18.55.450)
36. Section 38, Page 17, provides for a preference for professional and contractor services to State residents for .300 to .470 projects. (AS 18.55.460)
37. Section 39, Page 18, adds the definition of the Corporation. (AS 18.55.470(1))

ASHA Slum Clearance, Redevelopment, and Urban Renewal Powers
Transferred to AHFC
(AS 18.55.480-960)

38. Section 40, Page 18, provides that the intent of the Act is to take advantage of Title I of the U.S. Housing Act of 1949 (providing for redevelopment powers). (AS 18.55.490)
39. Section 41, Page 18, provides there be no interest of the members of the board of the Corporation in the redevelopment project. (AS 18.55.500)

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40. Section 42, Page 18, provides that when the Corporation's redevelopment powers (.480 to .960) are exercised within a municipality, the governing body of the municipality must consent. (AS 18.55.510(a))
41. Section 43, Page 19, provides that in the exercise of its redevelopment powers (.480 to .960) the Corporation has other necessary powers to purchase property, to sell property, to make covenants, to borrow money, to invest money, and the like. In Subsection 11, Page 21, with the approval of the local government body, it can demolish structures in connection with redevelopment projects. (AS 18.55.520)
42. Section 44, Page 22, provides that neighborhood development projects (.480 to .960) shall consist of urban renewal projects undertaken in urban renewal areas under federal law. (AS 18.55.525)
43. Section 45, Page 22, provides that property may not be acquired for redevelopment projects unless the governing body has approved the redevelopment plan. (AS 18.55.530(a))
44. Section 46, Page 22, provides for the preparation of a redevelopment plan and defines the requisites of such a plan. (AS 18.55.530(d))
45. Section 47, Page 23, provides that before redevelopment plans are submitted to the governing body, the same shall be submitted to the local planning commission for review and comment. (AS 18.55.530(e))
46. Section 48, Page 23, sets out the documents and statements that must accompany the redevelopment plan when it is submitted to the governing body. (AS 18.55.530(g))
47. Section 49, Page 24, provides that after a hearing under this Section, the governing body may, by ordinance, approve a redevelopment plan. (AS 18.55.530(i))
48. Section 50, Page 24, provides for modification of such a redevelopment plan. (AS 18.55.530(j))
49. Section 51, Page 24, provides that when a natural catastrophe has been declared or certified by a local government body a redevelopment plan may be adopted on an expedited basis. (AS 18.55.530(k))

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50. Section 52, Page 24, provides for sale, lease, or exchange of real property in connection with a redevelopment plan. (AS 18.55.540(a))
51. Section 53, Page 25, provides for public notice of redevelopment contract proposals and sets out procedures and criteria for the Corporation's consideration of such proposals. (AS 18.55.540(b))
52. Section 54, Page 26, provides for the Corporation's exercise of eminent domain in connection with a redevelopment project. (AS 18.55.550(a))
53. Section 55, Page 26, provides for the acquisition and development of vacant land not within a slum or blighted area if necessary for the redevelopment of a slum or blighted area. (AS 18.55.560)
54. Section 56, Page 26, provides for the Corporation's issuance of debt in connection with a redevelopment plan. (AS 18.55.570(a))
55. Section 57, Page 27, provides that the members of the Corporation's board of directors are not liable on any such debt. (AS 18.55.570(b))
56. Section 58, Page 27, provides that a signature of a board member of the Corporation on a bond is valid if the member leaves office after signing the bond. (AS 18.55.570(e))
57. Section 59, Page 28, provides detailed provisions in connection with the Corporation's issuance of bonds for redevelopment projects, including covenants, mortgages, and bond remedy features. (AS 18.55.580)
58. Section 60, Page 30, set out the rights and remedies of a bondholder. (AS 18.55.590)
59. Section 61, Page 30, provides that bond proceeds issued for redevelopment purposes are legal investments. (AS 18.55.600(b))
60. Section 62, Page 31, provides that property held by the Corporation for redevelopment purposes is exempt from taxation and execution, and further requires payments in lieu of taxes in connection with such property. (AS 18.56.620)
61. Section 63, Page 32, empowers public bodies to convey property or furnish services to the Corporation in connection with a redevelopment project. (AS 18.55.630(a))

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62. Section 64, Page 33, provides for powers of a municipal governing body in connection with physical development of redevelopment property by the Corporation. (AS 18.55.660)
63. Section 65, Page 33, provides that the Corporation may undertake an urban renewal project. (AS 18.55.680(a))
64. Section 66, Page 33, provides, with respect to urban renewal plans or projects, that the Corporation has the right to acquire and dispose of property, borrow money, and the like, and provides for the details of effectuation of an urban renewal plan or project. (AS 18.55.700)
65. Section 67, Page 34, provides that the Corporation may have power under a municipal ordinance to determine that properties or dwellings within an urban development area are not fit for human habitation. (AS 18.55.860)
66. Section 68, Page 35, details the conditions which could give rise to a finding that a property or dwelling is not fit for human habitation. (AS 18.55.860(b))
67. Section 69, Page 36, defines the Corporation. (AS 18.55.950(18))

Regional Native Housing Authorities
(AS 18.55.995-998)

68. Section 70, Page 36, provides that Native associations can form public corporations with powers, rights, and functions the same as those of ASHA under AS 18.55.100-.290 which are transferred to the Corporation. (AS 18.55.995)
69. Section 71, Page 36, refers to sections of the former ASHA statute (.100-.290) transferred to the regional housing authority. (AS 18.55.996(b))
70. Section 72, Page 37, provides that planning, financing, construction or operation activities of a regional housing authority conflicting with the Corporation shall be resolved by the municipal governing body in which the project is located. (AS 18.55.996(g))
71. Section 73, Page 37, provides that, in addition to other powers, a regional housing authority may make loans in accordance with the Corporation's procedures for the purchase or development of residential housing in areas other than those where the Corporation has a loan office. (AS 18.55.997(a))

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72. Section 74, Page 37, creates within the Corporation a supplemental housing development grant fund to pay costs of on-site water and sewer facilities, road construction, and other infrastructure, subject to appropriation. This is a transfer of power from DCRA. (AS 18.55.998(a))
73. Section 75, Page 37, provides for regulations under AS 18.56.088 (AHFC regulatory statute) to carry out the provisions of the supplemental housing development grant fund. (AS 18.55.998(d))

Modifications to AHFC's Statute
(AS 18.56.010 - .900)

74. Section 76, Page 37, amends the program for residential loans to vets to provide for assumption of the AS 26.15 (DCED) program by the Corporation. (AS 18.56.010(d))
75. Section 77, Page 38, sets forth the legislative finding that the Corporation's financing of veterans' loans for residential housing benefits the people of the State. (AS 18.56.010(f))
76. Section 78, Page 38, sets out the composition of the Corporation's board of directors, increasing the number of members to nine: besides the commissioners of Revenue and Commerce and Economic Development and another commissioner appointed by the governor, a representative of the financial community and a representative real estate brokers, one new member would be nominated by the Association of Alaska Housing Agencies, one member would be nominated by the Alaska Coalition for the Homeless, one member would be nominated by the commissioner of the Department of Community and Regional Affairs, and one member would be involved with special needs housing. (AS 18.56.030(a))
77. Section 79, Page 39, provides for designation by board members of a person to act in the board member's place at a board or committee meeting. (AS 18.56.030(b))
78. Section 80, Page 39, requires reasonable geographic balance among the public members of the board of directors of the Corporation. (AS 18.56.030(f))
79. Section 81, Page 39, provides that the board may establish committees and delegate to such committees powers and duties it considers appropriate (AS 18.56.050)

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80. Section 82, Page 39, corrects a statutory reference in the provision for international borrowing by the Corporation. (AS 18.56.084)
81. Section 83, Page 39, amends the definition of "residence" to include a veteran's "multiple dwelling." (AS 18.56.098(f)(4))
82. Section 84, Page 40, adds to the Corporation's annual report, certain reports on activities under programs transferred to the Corporation by this legislation. (AS 18.56.200(e))
83. Section 85, Page 40, corrects section references in the Corporation's powers to take actions to stabilize the market price and demand for residential housing in the State. (AS 18.56.210(a))
84. Section 86, Page 41, starts with a restatement of the Corporation's current definitions section from AS 18.56 with certain minor deletions. (AS 18.56.390) This section also transfers the following DCRA housing powers to the Corporation:
 - (a) Page 44, general powers with respect to originating and servicing loans (formerly AS 44.47.370, now AS 18.56.400).
 - (b) Page 45, establishing the Alaska energy efficient home grant fund (formerly AS 44.47.378, now AS 18.56.410).
 - (c) Page 45, establishing the housing assistance loan fund (a revolving fund for non-conforming and rural loans) (formerly AS 44.47.380, now AS 18.56.420).
 - (d) Page 45, establishing the home ownership assistance fund (a fund to provide interest subsidy for loans to lower- and moderate-income persons) (formerly AS 44.47.382, now AS 18.56.430).
 - (e) Page 46, providing limits on the use of the home ownership assistance fund (formerly AS 44.47.390, now AS 18.56.440).
 - (f) Page 47, providing for an operating loss reserve account to meet foreclosure legal expenses (formerly AS 44.47.395, now AS 18.56.450).
 - (g) Page 48, providing for loan security (formerly 44.47.410, now AS 18.56.460).

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- (h) Page 48, providing for interest rate on loans (formerly AS 44.47.410, now AS 18.56.470).
- (i) Pages 48 to 50, providing for title to properties securing loans purchased by the Corporation (formerly AS 44.47.420, now AS 18.56.480), a restricted title loss reserve account (formerly AS 44.47.430, now AS 18.56.490), fire insurance (formerly AS 44.47.440, now AS 18.56.500), loan origination and servicing (formerly AS 44.47.460, now AS 18.56.510), appraisals (formerly AS 44.47.470, now AS 18.56.520), exemption from energy audit (AS 44.47.475, now AS 18.56.530) and toll-free phone number (formerly AS 44.47.480, now AS 18.56.540).
- (j) Page 51, establishes field offices (formerly AS 44.47.490, now AS 18.56.560).
- (k) Page 51, provides for regional demonstration projects (formerly AS 44.47.500, now AS 18.56.560).
- (l) Page 51, provides for regional allocation of the housing assistance loan fund (formerly AS 44.47.510, now AS 18.56.570).
- (m) Page 51, provides for loans for non-owner occupied housing from the housing assistance loan fund (formerly AS 44.47.520, now AS 18.56.580).
- (n) Page 52, provides for a biennial report (formerly AS 44.47.530, now AS 18.56.590).
- (o) Page 52, definitions (formerly AS 44.47.500, now AS 18.56.600).
- (p) Page 52, creates a low-cost and low-income multiple-family housing development fund (formerly AS 44.47.380, now AS 18.56.650).
- (q) Page 53, creates a senior housing office in the Corporation to administer the senior housing loan program (formerly AS 44.47.585, now AS 18.56.700).
- (r) Page 54, creates a senior housing revolving fund (formerly AS 44.47.587, now AS 18.56.710).
- (s) Page 54, provides for interest rates on senior housing bond issues (formerly AS 44.47.589, now AS 18.56.720).

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- (t) Page 54 to 56, provide for loan conditions, (formerly AS 44.47.591, now AS 18.56.730), fire insurance (formerly AS 44.47.595, now AS 18.56.740), loan origination and servicing (formerly AS 44.47.597, now AS 18.56.760), toll-free number (formerly AS 44.47.601, now AS 18.56.770), contracting for services (formerly AS 44.47.603, now AS 18.56.780), a bond authorization of \$30 million for senior housing loans (formerly AS 18.56.083, now AS 18.56.790), and definition of senior housing (formerly AS 44.47.609, now AS 18.56.799).
 - (u) Page 57, makes a declaration of purpose respecting senior housing (formerly AS 44.47.610, now AS 18.56.800) and establishes a senior housing development fund (formerly AS 44.47.620, now AS 18.56.810).
85. Section 87, Page 58, transfers to the Corporation the home energy conservation and weatherization program of DCRA under AS 44.47. (AS 18.56.850)
86. Section 88, Page 58, defines the board and the Corporation. (AS 18.56.900)

General Provisions

87. Section 89, Page 58, deletes reference to ASHA from a statute concerning telecommunication fees. (AS 09.25.115(g))
88. Section 90, Page 58, deletes reference to ASHA from a provision concerning public inspection of agency records. (AS 09.25.123(z))
89. Section 91, Page 59, deletes reference to ASHA from a definition of "public agency" in a statute concerning public officials' disclosure of information. (AS 09.25.220(5))
90. Section 92, Page 59, deletes reference to ASHA from a statute respecting exemptions for State property from process to collect unsecured debt. (AS 09.38.015(c))
91. Section 93, Page 59, deletes reference to ASHA from a definition of State agency or agency of the State in a statute concerning radiation protection. (AS 18.60.545(6))

DCED Housing Functions Transferred to AHFC

92. Section 94, Page 59, exempts the Corporation's administration of housing loans from Department of Commerce and Economic Development ("DCED") veteran's loan provisions. (AS 26.15.010(a))
93. Section 95, Page 59, limits DCED to obtain mortgage insurance on property securing veterans' business loans. (AS 26.15.010(d))
94. Section 96, Page 59, deletes DCED's program of making multiple-dwelling loans. (AS 26.15.040(a))
95. Sections 97 and 98, Page 60, make technical corrections to correspond with the change effected by Section 96. (AS 26.15.040(c) and (e))
96. Section 99, Page 61, substitutes the Corporation for ASHA in the statutory provision providing for exemption of low-income housing from local property taxation. (AS 29.45.050(l))
97. Sections 100 and 101, Pages 61 and 62, provides that the Corporation may make loans for housing for displaced persons. (AS 34.60.135, .137)
98. Section 102, Page 62, substitutes the Corporation for ASHA in a provision providing for leasing or granting of interests in land to ASHA by the Alaska Department of Transportation and Public Facilities ("DOT&PF). (AS 35.05.040)
99. Section 103, Page 63, deletes reference to ASHA from a provision concerning promulgation of regulations in AS 36.30, the State Procurement Code. (AS 36.30.015(f))
100. Section 104, Page 63, deletes reference to ASHA from a provision concerning the use of lists of contractors under the State Procurement Code. (AS 36.30.050(c))
101. Section 105, Page 63, deletes reference to ASHA from a provision defining "State agency" in the State Procurement Code. (AS 36.30.735(b))
102. Section 106, Page 63, deletes reference to ASHA from a section of the State Procurement Code defining "agency." (AS 36.30.990(1))
103. Section 107, Page 64, deletes reference to ASHA from a provision defining "program receipts" in AS 37.05, the Fiscal Procedures Act. (AS 37.05.146)

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104. Section 108, Page 65, deletes reference to ASHA from a provision in AS 39.05 setting criteria for membership on boards and commissions. (AS 39.05.060(a))
105. Section 109, Page 65, deletes reference to ASHA from a provision defining "instrumentality of the State" in AS 39.50, the statute governing public officials' conflict of interest. (AS 39.50.200(a)(4))
106. Section 110, Page 65, substitutes the Corporation for DCRA in a provision concerning administration of the senior housing loan program. (AS 44.21.230(a)(9))
107. Section 111, Page 65, makes a technical correction to correspond to previous changes concerning "senior housing." (AS 44.21.240(6))

State Lease Building Program

108. Section 112, Page 65, transfers ASHA powers relating to the State lease building program to AIDEA. (AS 44.88.070)
109. Section 113, Page 66, adds AIDEA's authority to finance, design, construct, and acquire public buildings under the State lease building program. (AS 44.88.080)
110. Section 114, Page 66, provides that AIDEA board members or employees are prohibited from acquiring an interest in public building projects. (AS 44.88.082)
111. Section 115, Page 66, provides for legislative review and approval of public building projects proposed by AIDEA. (AS 44.88.087)
112. Section 116, Page 66, gives AIDEA the ability to issue bonds which are payable exclusively from rents collected on public buildings. (AS 44.88.090(a))
113. Section 117, Page 66, addresses challenges to the validity of bonds issued by AIDEA under the State lease building program. (AS 44.88.090(j))
114. Section 118, Page 67, transfers to AIDEA numerous powers to secure bonds or obligations for public building projects under the State lease building program, gives AIDEA the power to confer upon bond obligees the right to bring an action or proceeding concerning the bonds, and gives AIDEA the power to obtain federal aid and cooperation in connection with the State lease building program. (AS 44.88.132- AS 44.88.136)

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115. Section 119, Page 69, adds public buildings of the State lease building program to AIDEA's statutes, stating that the property of AIDEA is devoted to an essential public purpose, exempts such property from State or local taxation and exempts from taxation the income from bonds issued by AIDEA. (AS 44.88.140(a))
116. Section 120, Page 70, provides for AIDEA's payments to a municipality for improvements or services in lieu of taxes in connection with a public building under the State lease building program. (AS 44.88.140(d))
117. Section 121, Page 70, adds the definition of "public building" to AIDEA's definition provision. (AS 44.88.900(15))

Miscellaneous Provisions

118. Section 122, Page 70, deletes ASHA from the provision concerning "use of paper" by State agencies. (AS 44.99.020)
119. Section 123, Page 70, deletes ASHA from a provision defining "State agency" in a statute concerning personal information in public records. (AS 44.99.350(3))
120. Section 124, Page 70, deletes ASHA from a section concerning copyrights held by State agencies. (AS 44.99.400)
121. Section 125, Page 71, deletes reference to ASHA from a provision of the Village Safe Water Act. (AS 46.07.030(b))
122. Section 126, Page 71, repeals numerous provisions of AS 18.55, AS 39.50, AS 44.47, and AS 44.99 that are replaced or transferred by this Bill.
123. Section 127, Page 71, sets out transitional provisions relating to the merger of ASHA with the Corporation, stating that contracts, rights, liabilities, bonds, notes, or other obligations of ASHA remain in effect and become contracts, rights, liabilities, bonds, notes, or other obligations of the Corporation. This Section also transfers records, equipment, etc. of ASHA to the Corporation and states that ASHA employees shall become employees of the Corporation on the effective date of the Act.
124. Section 128, Page 71, sets out transitional provisions relating to transfer of housing programs from DCRA to the Corporation, in a fashion similar to Section 127.

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125. Section 129, Page 72, sets out transmittal provisions relating to transfer of senior citizen housing programs from DCRA to the Corporation, in a fashion similar to Section 127.
126. Section 130, Page 73, sets out transitional provisions relating to transfer of the home energy conservation and weatherization programs from DCRA to the Corporation, in a fashion similar to Section 127.
127. Section 131, Page 73, sets out transitional provisions relating to termination of DCED's authority to make residential loans to veterans, in a fashion similar to Section 127.
128. Section 132, Page 74, describes the transition concerning expansion of the membership of the Corporation's board of directors, providing that current members shall continue to serve their unexpired terms and describing the terms of the public members first appointed to fill the two additional seats authorized by this legislation.
129. Section 133, Page 74, instructs the revisor of statutes to delete references to "authority" and insert in place of each deletion a reference to "corporation" in certain specified provisions of AS 18.55. A subsequent analysis will indicate the effect of this provision.
130. Section 134, Page 74, sets forth an effective date of July 1, 1992, for this Act.

7-LS1986D ✓
Chenoweth
3/16/92

SENATE BILL NO.
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY

Introduced:
Referred:

A BILL
FOR AN ACT ENTITLED

1 "An Act relating to the powers and functions of the Alaska Housing Finance Corporation;
2 transferring to the Alaska Housing Finance Corporation duties and powers of the
3 Department of Community and Regional Affairs related to housing and to home energy
4 conservation and weatherization programs; transferring the Department of Commerce and
5 Economic Development's responsibility for mortgage lending for qualified veterans to the
6 veterans' loan program of the Alaska Housing Finance Corporation; assigning to the
7 corporation the responsibility for provision of planning loans and for providing assistance
8 to agencies in the provision of replacement housing under the state statutes authorizing
9 relocation assistance due to acquisition of real property for state agency activities; and
10 transferring from the Alaska Housing Finance Corporation to the Alaska Industrial
11 Development and Export Authority certain responsibilities for public buildings; and
12 providing for an effective date."

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

2 * **Section 1. PURPOSE.** (a) Merger is the process by which two or more corporations are united
3 by a transfer of the responsibilities, assets, and liabilities of all into one of them, with that one entity
4 continuing in existence as the successor corporation. Except for the provisions described in (b) and (c)
5 of this section, the purpose of this Act is to direct the merger of the Alaska State Housing Authority,
6 a public corporation of the state, into the Alaska Housing Finance Corporation, another public
7 corporation of the state, transferring the programs of the former to the latter and leaving the latter as the
8 public corporation responsible for the former's housing project assistance, moderate income and rental
9 housing, and slum clearance and redevelopment programs and initiatives for the people of the state.

10 (b) To provide further for the consolidation of housing programs under the Alaska Housing
11 Finance Corporation,

12 (1) the provisions of secs. 75 - 77, AS 18.56.400 - 18.56.650, added by sec. 86, and secs.
13 126 and 128 of this Act transfer certain programs of the Department of Community and Regional Affairs
14 related to housing to the expanded Alaska Housing Finance Corporation;

15 (2) the provisions of sec. 84, of AS 18.56.700 - 18.56.810, added by sec. 86, and secs.
16 126 and 129 of this Act transfer the responsibility for the operation of the senior citizen housing office
17 and for the provision of senior citizens housing programs under AS 44.47.585 - 44.47.620 from the
18 Department of Community and Regional Affairs into the expanded Alaska Housing Finance Corporation;

19 (3) the provisions of secs. 87, 126, and 130 of this Act transfer the responsibility for
20 development of home energy conservation and weatherization programs from the Department of
21 Community and Regional Affairs into the expanded Alaska Housing Finance Corporation;

22 (4) the provisions of secs. 76, 77, 83, 95 - 99, and 131 of this Act transfer the
23 responsibility for the provision of mortgage loans under the veterans' loan program of AS 26.15 in favor
24 of the veterans' loan program of the Alaska Housing Finance Corporation;

25 (5) the provisions of secs. 100, 101, and 102 of this Act assign to the Alaska Housing
26 Finance Corporation the exclusive responsibility for provision of replacement housing planning loans and
27 a coordinate responsibility in the provision of assistance to state agencies for replacement housing under
28 the state program that authorizes and directs relocation assistance due to acquisition of real property for
29 state agency activities.

30 (c) Sections 114 - 121 of this Act direct the transfer to the Alaska Industrial Development and
31 Export Authority responsibility for the program of financing, design, construction, and acquisition of

1 public buildings for lease to the state.

2 * Sec. 2. AS 18.55.010 is amended to read:

3 Sec. 18.55.010. PURPOSE OF AS 18.55.100 - 18.55.290 [AS 18.55.010 - 18.55.290].

4 The purpose of AS 18.55.100 - 18.55.290 [AS 18.55.010 - 18.55.290] is to remedy the acute
5 housing shortage that exists in certain localities of the state by undertaking slum clearance,
6 low-cost housing projects, housing for persons and their families engaged in national defense
7 activities in the state, and housing projects and housing for veterans [OF WORLD WAR II] and
8 other citizens of the state [AND TO REMEDY THE SHORT SUPPLY OF NECESSARY
9 PUBLIC BUILDINGS BY PROVIDING FOR THE FINANCING, CONSTRUCTION, AND
10 ACQUISITION OF PUBLIC BUILDINGS FOR LEASE TO THE STATE].

11 * Sec. 3. AS 18.55.080 is amended to read:

12 Sec. 18.55.080. MEMBERS OR EMPLOYEES PROHIBITED FROM ACQUIRING
13 INTEREST IN PROJECTS. A member of the board of directors or employee of the
14 corporation [AUTHORITY] may not acquire an interest, direct or indirect, in a housing [OR
15 PUBLIC BUILDING] project proposed under AS 18.55.100 - 18.55.290, or in property or a
16 contract for materials or services included or planned to be included in a project proposed under
17 AS 18.55.100 - 18.55.290. If a member of the board of directors or employee owns or controls
18 an interest, the member or employee shall immediately disclose the interest in writing to the
19 corporation [AUTHORITY]. Failure to make disclosure constitutes misconduct in office.

20 * Sec. 4. AS 18.55.100(a) is amended to read:

21 (a) To the extent not already provided by AS 18.56, the corporation [THE
22 AUTHORITY] has all powers necessary to carry out the purposes of AS 18.55.010 - 18.55.290,
23 including the power to [BUT NOT LIMITED TO THE FOLLOWING:]

- 24 (1) sue and be sued;
- 25 (2) adopt a seal;
- 26 (3) have perpetual succession;
- 27 (4) adopt, amend, and repeal bylaws and regulations;
- 28 (5) make and execute contracts and other instruments;
- 29 (6) in its own name, own, exchange, transfer, lease, rent, convey, or acquire by
30 eminent domain under AS 09.55.240 - 09.55.460, or otherwise, real and personal property;
31 provided that no project site or part of a project site may be acquired by eminent domain until

1 the corporation [AUTHORITY] has secured, through negotiation, options for the purchase of
2 at least 50 per cent of the properties included in the site, except in disaster areas; in an eminent
3 domain proceeding the court may, upon motion and after a hearing, fix the time when and the
4 terms upon which the parties in possession are required to surrender possession to the plaintiff;
5 if the court finds that urgent public necessity requires, it may grant the plaintiff possession at any
6 time after the proceeding has been commenced;

7 (7) [TO] provide, subject to the applicable planning, zoning, sanitary, and building
8 laws, ordinances, and regulations for the construction, improvement, alteration, or repair of a
9 housing [OR PUBLIC BUILDING] project or any part of a housing [OR PUBLIC BUILDING]
10 project, and also, subject to the same restrictions, to provide for the construction, improvement,
11 alteration, repair, planning, financing, and interim operation of a sewer or water system, or part
12 of a sewer or water system, to foster, encourage, and permit the development of housing projects
13 by private and public developers and builders;

14 (8) operate those housing projects and to act as agent or lessee in developing or
15 administering housing projects undertaken by the federal government;

16 (9) arrange or contract for services, privileges, works, or facilities for or in
17 connection with a housing project or the occupants of a housing project and notwithstanding
18 anything to the contrary contained in AS 18.55.010 - 18.55.470 or in any other provision of law,
19 include in the contract stipulations that the contractor and subcontractors comply with
20 requirements as to minimum wages and maximum hours of labor, with any conditions that the
21 federal government may have attached to its financial aid of the project, and with any pertinent
22 state law;

23 (10) establish and revise rent schedules;

24 (11) insure any real or personal property or operations of the corporation
25 [AUTHORITY] against any risks or hazards;

26 (12) invest in property or securities in which banks or trust companies may legally
27 invest any money [FUNDS] held in reserves or sinking funds or any money [FUNDS] not
28 required for immediate disbursement;

29 (13) purchase its bonds at a price not more than the principal amount of the bonds
30 and accrued interest, all bonds so purchased to be canceled;

31 (14) investigate and study living and housing conditions and the clearing and

1 reconstructing of slum areas;

2 (15) [ARRANGE OR CONTRACT FOR THE FINANCING, DESIGN,
3 CONSTRUCTION, AND ACQUISITION OF PUBLIC BUILDINGS FOR LEASE TO THE
4 STATE IN ACCORDANCE WITH AS 18.55.010 - 18.55.290;

5 (16)] charge to and collect fees from owners or developers of low-income housing
6 for the application for and allocation of federal low-income housing tax credits;

7 (16) [(17)] collect and pay reasonable fees and charges in connection with
8 making, purchasing, and servicing its mortgages, loans, notes, bonds, certificates, commitments,
9 and other evidences of indebtedness.

10 * Sec. 5. AS 18.55.100(b) is amended to read:

11 (b) Notwithstanding any other provisions in AS 18.55.010 - 18.55.470,

12 (1) when the local governing body certifies that an area is in need of a housing
13 project under any of the provisions or powers within AS 18.55.010 - 18.55.470 as a result of the
14 earthquakes of 1964 and all results and aftereffects respecting which the governor of the state has
15 certified the need for disaster assistance, the corporation [AUTHORITY] may plan, undertake,
16 and carry out the project in the disaster area;

17 (2) with the approval of the local governing body, and immediately after the
18 approval, the corporation [AUTHORITY] may acquire real property for the purposes of
19 AS 18.55.010 - 18.55.470, and demolish and remove any structure on the property, and it may
20 pay all costs related to the acquisition, demolition, or removal, including any administrative or
21 relocation expenses, unless payment of the costs are contrary to applicable federal law or
22 regulation;

23 (3) [REPEALED,

24 (4)] for the purposes of this subsection, AS 18.55.130 and 18.55.330 do not apply.

25 * Sec. 6. AS 18.55.110 is amended to read:

26 **Sec. 18.55.110. COOPERATION WITH AND AID OF FEDERAL GOVERNMENT.**

27 For purposes of AS 18.55.100 - 18.55.290, the corporation [THE AUTHORITY] may do all
28 things necessary or desirable to cooperate with or act as agent for the federal government, or to
29 secure financial aid for housing projects for veterans of World War II and other citizens of the
30 state, provided that those projects may not be undertaken unless an acute shortage of housing
31 exists. With respect to those projects, the corporation [AUTHORITY] may not be subject to

1 limitations, restrictions, or requirements of other laws, except those relating to land acquisition,
2 prescribing or limiting the procedure or action to be taken in the development or administration
3 of any buildings, property, public works, undertakings, or projects of municipal or public
4 corporations or agencies of the state.

5 * Sec. 7. AS 18.55.120 is amended to read:

6 Sec. 18.55.120. OPERATION AND MANAGEMENT OF PROJECTS. For purposes
7 of AS 18.55.100 - 18.55.290, the corporation [THE AUTHORITY] shall manage and operate
8 low-cost housing projects with rentals fixed at the lowest rates consistent with decent, safe, and
9 sanitary dwellings. A low-cost housing project may not be constructed or operated for profit or
10 as a source of revenue to a municipality or the state. Rentals in the housing projects may not
11 exceed the amount that the corporation [AUTHORITY] finds necessary to produce revenues
12 sufficient together with all other available money from whatever source derived, to

- 13 (1) pay, as they become due, the principal and interest on its bonds;
14 (2) meet the cost of maintaining and operating the projects, including insurance
15 and administrative expenses; and
16 (3) create, during not less than the six years immediately following issuance of
17 any bonds, a reserve sufficient to meet the largest principal and interest payments due in any one
18 year thereafter and to maintain that reserve.

19 * Sec. 8. AS 18.55.130 is amended to read:

20 Sec. 18.55.130. QUALIFICATIONS OF TENANTS AND MAXIMUM NUMBER OF
21 ROOMS. (a) In the operation or management of low-cost housing projects, the corporation
22 [AUTHORITY] shall from time to time establish rents and requirements for admission of tenants
23 to its low-cost housing projects [OF THE AUTHORITY] in each municipality [CITY OR
24 BOROUGH OF ANY CLASS] in which low-cost housing projects of the corporation
25 [AUTHORITY] are located. The rents and requirements for admission are subject to the
26 approval of the United States Department of Housing and Urban Development.

27 (b) Except in the case of leased housing [,] as provided in 42 U.S.C. 1421b, [THE
28 UNITED STATES HOUSING ACT OF 1937, SEC. 23 (PL 89-117; 79 STAT. 455;
29 AUGUST 19, 1965)] as amended [(42 U.S.C. 1421b)], the corporation shall fix the income
30 limits for occupancy of its low-cost housing projects [OF THE AUTHORITY] and rents that are
31 [SHALL BE FIXED BY THE AUTHORITY AND] approved by the United States Department

1 of Housing and Urban Development after taking into consideration

2 (1) the family size, composition, age, physical handicaps, and other factors that
3 might affect the rent-paying ability of the family; [,] and

4 (2) the economic factors that affect the financial stability and solvency of the
5 project.

6 (c) Rents and requirements for admission to low-cost housing projects as provided in (a)
7 and (b) of this section [,] must be so established that a gap of at least 20 per cent, except in the
8 case of an elderly family or displaced family or in the case of leased housing under 42 U.S.C.
9 1421b, [THE UNITED STATES HOUSING ACT OF 1937, SEC. 23 (PL 89-117; 79 STAT. 455;
10 AUGUST 19, 1965)] as amended, [(42 U.S.C. 1421b)] will be left between the upper rental
11 limits for admission to low-cost housing projects of the corporation [AUTHORITY] and the
12 lowest rents at which private enterprise unaided by public subsidy is providing housing
13 substantially similar to the low-cost housing projects of the corporation [AUTHORITY].

14 (d) The corporation [AUTHORITY] may not rent more than the minimum number of
15 rooms that it considers necessary to provide safe and sanitary accommodations without
16 overcrowding.

17 (e) Nothing in this section or AS 18.55.120 limits the power of the corporation
18 [AUTHORITY] to vest in an obligee the right to take possession of a housing project or have
19 a receiver appointed free from the restrictions imposed by this section or AS 18.55.120 in case
20 of default by the corporation [AUTHORITY].

21 * Sec. 9. AS 18.55.150 is amended to read:

22 Sec. 18.55.150. SECURITY FOR BONDS. (a) In conjunction with housing projects
23 authorized by this chapter, the corporation [THE AUTHORITY] may issue bonds, including
24 [BUT NOT LIMITED TO] bonds on which the principal and interest are payable

25 (1) exclusively from the income and revenue of the housing project financed with
26 the proceeds of the bonds; [,]

27 (2) exclusively from the income and revenue of designated housing projects
28 whether or not they are financed in whole or in part with the proceeds of the bonds; or [,]

29 (3) from its revenue generally [, OR

30 (4) EXCLUSIVELY FROM RENTS COLLECTED ON PUBLIC BUILDINGS].

31 (b) Bonds authorized by (a) of this section may be additionally secured

1 (1) by a pledge of a grant or contribution from the federal government or from
2 another source;

3 (2) [, OR] by a pledge of income or revenue of the corporation;

4 (3) [AUTHORITY, OR] by a mortgage of a housing project or other property of
5 the corporation [AUTHORITY].

6 * Sec. 10. AS 18.55.160 is amended to read:

7 Sec. 18.55.160. LIMITATION OF LIABILITY ON BONDS. (a) The members of the
8 board of directors of the corporation [AUTHORITY] and any person executing the bonds
9 issued under AS 18.55.100 - 18.55.290 are not liable personally on the bonds by reason of their
10 issuance.

11 (b) The bonds of the corporation issued under AS 18.55.100 - 18.55.290
12 [AUTHORITY] are not a debt of the state or a political or municipal corporation or other
13 subdivision of the state and each bond shall so state on its face. Neither the state nor a political
14 or municipal corporation or other subdivision of the state other than the corporation
15 [AUTHORITY] is liable on the bonds, nor are the bonds payable out of money or property
16 [FUNDS OR PROPERTIES] other than those of the corporation [AUTHORITY].

17 (c) The corporation [AUTHORITY] may not pledge the faith of the people of the state
18 for a loan or obligation that is entered into under AS 18.55.100 - 18.55.290.

19 (d) Bonds of the corporation issued under AS 18.55.100 - 18.55.290 [AUTHORITY]
20 are not a debt, indebtedness, or the borrowing of money within the meaning of any limitation or
21 restriction on the issuance of bonds contained in the constitution or laws of the state.

22 * Sec. 11. AS 18.55.170 is amended to read:

23 Sec. 18.55.170. EXEMPTION FROM TAXES. Bonds and other obligations of the
24 corporation issued under AS 18.55.100 - 18.55.290 [AUTHORITY] are declared to be issued
25 for an ~~essential~~ public and governmental purpose and are public instrumentalities and, together
26 with interest on them and income from them, are exempt from taxes.

27 * Sec. 12. AS 18.55.180 is amended to read:

28 Sec. 18.55.180. ISSUANCE AND SALE OF BONDS AND NOTES. Bonds and notes
29 of the corporation issued under AS 18.55.100 - 18.55.290 [AUTHORITY] are authorized by
30 adoption of a resolution prescribing the date of issuance and maturity, interest rate, denomination,
31 form, conversion privilege, rank or priority, execution, terms of redemption, medium and place

1 of payment. Bonds and notes may be sold in the manner, on the terms, and at the price the
2 corporation [AUTHORITY] determines. Each bond and note is negotiable. The signature of
3 a member of the board of directors of the corporation or an officer of the corporation upon
4 a bond or note or coupon is not invalidated by that person's ceasing to hold office before the
5 delivery of the bond or note. The recitation of a bond or note that it has been issued in the
6 financing of a housing [OR PUBLIC BUILDING] project under AS 18.55.010 - 18.55.290 is
7 conclusive as to the issuance of the bond or note and the character of the project in a challenge
8 of the validity of the bond or note or the security for it.

9 * Sec. 13. AS 18.55.187 is amended to read:

10 Sec. 18.55.187. INDEPENDENT FINANCIAL ADVISOR. In negotiating the private
11 sale of bonds or bond anticipation notes to an underwriter when that sale is authorized by
12 AS 18.55.100 - 18.55.290, the corporation shall retain a financial advisor who is independent
13 from the underwriter. The financial advisor may not bid on the bonds or notes if offered at
14 public sale or negotiate for their purchase if sold at private sale.

15 * Sec. 14. AS 18.55.200 is amended to read:

16 Sec. 18.55.200. ADDITIONAL POWERS TO SECURE BONDS OR OBLIGATIONS
17 UNDER LEASES. When authorized by AS 18.55.100 - 18.55.290, in [IN] connection with the
18 issuance of bonds or the incurring of obligations under leases and in order to secure the payment
19 of bonds or lease obligations, the corporation [AUTHORITY], in addition to its other powers,
20 may

21 (1) pledge all or a part of its gross or net rents, fees, or revenues to which its
22 right exists or may exist;

23 (2) mortgage all or a part of its real or personal property, owned or later acquired;

24 (3) covenant against pledging all or a part of its rents, fees, and revenues, or
25 against ~~mortgaging~~ all or a part of its real or personal property, to which its right or title exists
26 or may ~~come~~ into existence or against permitting or suffering any lien on the revenues or
27 property;

28 (4) covenant with respect to limitations on its right to sell, lease, or otherwise
29 dispose of a housing [OR PUBLIC BUILDING] project or a part of a housing [OR PUBLIC
30 BUILDING] project;

31 (5) covenant as to what other, or additional debts or obligations may be incurred

1 by it;

2 (6) covenant as to the bonds to be issued and as to the issuance of the bonds in
3 escrow or otherwise, and as to the use and disposition of the proceeds of bonds;

4 (7) provide for the replacement of lost, destroyed, or mutilated bonds;

5 (8) covenant against extending the time for the payment of its bonds or interest
6 on the bonds;

7 (9) redeem the bonds, and covenant for their redemption and to provide the terms
8 and conditions of redemption;

9 (10) covenant subject to the limitations contained in AS 18.55.100 - 18.55.290
10 [AS 18.55.010 - 18.55.290] as to the rents and fees to be charged in the operation of a housing
11 [OR PUBLIC BUILDING] project, the amount to be raised each year or other period of time by
12 rents, fees, and other revenues, and as to the use and disposition of these revenues;

13 (11) create or authorize the creation of special funds for money held for
14 construction or operating costs, debt service, reserves, or other purposes, and covenant as to the
15 use and disposition of this money;

16 (12) prescribe the procedure by which the terms of a contract with bondholders
17 may be amended or abrogated, the amount of bonds the holders of which must consent thereto
18 and the manner in which the consent may be given;

19 (13) covenant as to the rights, liabilities, powers, and duties arising upon the
20 breach by it of a covenant, condition, or obligation, and covenant and prescribe as to events of
21 default and terms and conditions upon which any or all of its bonds or obligations shall become
22 or may be declared due before maturity, and covenant as to the terms and conditions upon which
23 this declaration and its consequences may be waived;

24 (14) vest in a trustee or trustees or the holders of bonds or a specified proportion
25 of them, ~~the~~ right to enforce the payment of the bonds or covenants securing or relating to the
26 bonds;

27 (15) vest in one or more trustees the right, in the event of a default by the
28 corporation [AUTHORITY], to take possession of a housing [OR PUBLIC BUILDING] project
29 or a part of the project, and so long as the corporation [AUTHORITY] continues in default to
30 retain possession and to use, operate, and manage the project, and to collect the rents and
31 revenues from the project, and to dispose of the money according to the agreement between the

1 corporation [AUTHORITY] and the trustees;

2 (16) provide for the powers and duties of the trustees, and limit the liability of
3 the trustees; and

4 (17) provide the terms and conditions upon which the trustee or trustees or the
5 holders of bonds, or portions of bonds, may enforce a covenant or right securing or relating to
6 the bonds.

7 * Sec. 15. AS 18.55.210 is amended to read:

8 Sec. 18.55.210. RIGHT OF OBLIGEE OF CORPORATION [AUTHORITY] TO
9 BRING INJUNCTION. An obligee of the corporation [AUTHORITY] may, in addition to all
10 other rights that may be conferred by AS 18.55.100 - 18.55.290 and subject only to contractual
11 restriction binding upon the obligee, seek an injunction or an action in nature of an action for
12 mandamus against the members of the board of directors, the corporation, or [AUTHORITY,]
13 its officers, agents, or employees for a matter arising out of AS 18.55.100 - 18.55.290.

14 * Sec. 16. AS 18.55.220 is amended to read:

15 Sec. 18.55.220. POWER OF CORPORATION [AUTHORITY] TO CONFER UPON
16 OBLIGEE RIGHT TO BRING ACTION OR PROCEEDING. In conjunction with the exercise
17 of a power authorized by AS 18.55.100 - 18.55.290, the corporation [THE AUTHORITY]
18 may, by resolution, trust indenture, mortgage, lease, or other contract, confer upon an obligee
19 holding or representing a specified amount in bonds, or holding a lease, the right upon a default
20 as defined in the resolution or instrument by suit, action, or proceeding

21 (1) to have possession of a housing [OR PUBLIC BUILDING] project or part of
22 one surrendered to the obligee, with possession retained by the obligee as long as the
23 corporation [AUTHORITY] continues in default;

24 (2) to obtain the appointment of a receiver of a housing [OR PUBLIC
25 BUILDING] project or part of one and its rents and profits, who may enter, take possession, and
26 for the duration of the default operate and maintain it, collect and receive all fees, rents,
27 revenues, or other charges thereafter arising, and keep the money in a separate account or
28 accounts to be applied in accordance with the obligations of the corporation [AUTHORITY] as
29 the court directs;

30 (3) to require the corporation [AUTHORITY] and the [ITS] members of its
31 board of directors to account as if they were the trustees of an express trust.

1 * Sec. 17. AS 18.55.230 is amended to read:

2 Sec. 18.55.230. EXEMPTION OF REAL PROPERTY OF CORPORATION
3 [AUTHORITY] FROM EXECUTION OR OTHER PROCESS. In conjunction with the
4 exercise of a power authorized by AS 18.55.100 - 18.55.290. the [ALL] real property of the
5 corporation [AUTHORITY] is exempt from levy and sale by execution. Execution [, AND NO
6 EXECUTION] or other judicial process may not issue against it and [NO] judgment against the
7 corporation [AUTHORITY] may not be a charge or lien upon its real property. However, this
8 section does not limit the right of an obligee to foreclose or otherwise enforce a mortgage of the
9 authority or to pursue any remedy for the enforcement of a pledge or lien given by the
10 corporation under AS 18.55.100 - 18.55.290 [AUTHORITY] on its rents, fees, or revenues.

11 * Sec. 18. AS 18.55.240 is amended to read:

12 Sec. 18.55.240. POWER OF CORPORATION [AUTHORITY] TO OBTAIN FEDERAL
13 AID AND COOPERATION. The corporation [AUTHORITY] may borrow, accept
14 contributions, grants, or other financial assistance from the federal government in aid of any
15 housing [OR PUBLIC BUILDING] project and for this purpose may comply with conditions and
16 enter into the mortgages, trust indentures, leases, or agreements that are necessary, convenient,
17 or desirable in order to obtain financial aid or cooperation from the federal government in the
18 undertaking, construction, maintenance, or operation of a housing [OR PUBLIC BUILDING]
19 project the construction of which is authorized by AS 18.55.100 - 18.55.290.

20 * Sec. 19. AS 18.55.250 is amended to read:

21 Sec. 18.55.250. EXEMPTION FROM TAXES AND ASSESSMENTS. The property of
22 the corporation held under AS 18.55.100 - 18.55.290 for the benefit of a housing project
23 [AUTHORITY] is public property used for essential public and governmental purposes, and is
24 [THIS PROPERTY AND THE AUTHORITY ARE] exempt from all taxes and special
25 ~~assessments~~ of a municipality, the state, or a political subdivision of the state. However, instead
26 of the payment of taxes on this property, the corporation [AUTHORITY] may make payments
27 to the municipality or political subdivision for improvements, services, and facilities furnished
28 by it for the benefit of a housing [OR PUBLIC BUILDING] project.

29 * Sec. 20. AS 18.55.255(a) is amended to read:

30 (a) In conjunction with the exercise of a power authorized by AS 18.55.100 -
31 18.55.290, the corporation [THE AUTHORITY] may convey real or personal property that it

1 determines is in excess of its needs. Except as provided in (b) and (c) of this section, the sale
2 shall be by public auction or by sealed bids at a price not lower than the fair market value
3 determined by an appraisal made within 180 days before the sale by a qualified appraiser.
4 Public notice shall be given by publishing notice of the sale at least once a week for two
5 consecutive weeks in a newspaper of general circulation within the area in which the property
6 to be sold is located and by posting notice of sale in at least two public places in the area. In
7 no event may the auction be held less than 30 days after the last day of publication. If [NO]
8 acceptable bids are not received the corporation [AUTHORITY] may sell the property at
9 negotiated sale within six months after the date of the auction. A negotiated sale may not be
10 made on an appraisal made more than nine months before the date of sale. The price at a
11 negotiated sale may not be less than the appraised value.

12 * Sec. 21. AS 18.55.255(b) is amended to read:

13 (b) Real or personal property of the corporation [AUTHORITY] may be conveyed
14 under (a) of this section to a state or federal agency or political subdivision for less than the
15 appraised value without competitive bidding, upon a determination by the board that the terms
16 are fair and proper and in the best interests of the state. Before authorizing a conveyance
17 under this section, the [THE] board of directors of the corporation shall consider both the
18 nature of the agency's or political subdivision's public services or functions and the terms under
19 which the property was acquired by the corporation [AUTHORITY].

20 * Sec. 22. AS 18.55.260 is amended to read:

21 Sec. 18.55.260. LEGALITY OF CORPORATION'S [AUTHORITY] BONDS AS
22 INVESTMENTS. Bonds of the corporation that are issued under AS 18.55.100 - 18.55.290
23 [AUTHORITY] are legal and proper investments and security for public and private banking,
24 insurance, and trust funds.

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

26 Sec. 18.55.270. [REPORTS AND] RECOMMENDATIONS FOR LEGISLATION. The
27 corporation [AUTHORITY SHALL FILE WITH THE DEPARTMENT OF COMMERCE AND
28 ECONOMIC DEVELOPMENT AN ANNUAL REPORT OF ITS ACTIVITIES AND] shall make
29 recommendations for [THE] legislation or other action it considers necessary to carry out the
30 purposes of AS 18.55.100 - 18.55.290 [AS 18.55.010 - 18.55.290].

31 * Sec. 24. AS 18.55.280(a) is amended to read:

1 (a) In conjunction with the exercise by the corporation of a power authorized by
 2 AS 18.55.100 - 18.55.290, a [ANY] public body, officer, or agency of the state may

3 (1) lend or donate money or property to the corporation [AUTHORITY];

4 (2) cooperate with it in the planning, construction, or operation of a housing
 5 project;

6 (3) transfer to it an interest in property, grant an easement, and undertake
 7 otherwise authorized construction of facilities adjacent to a project;

8 (4) furnish or improve otherwise authorized roads, streets, alleys, and sidewalks;

9 (5) make exceptions from building codes, exercise its planning and zoning powers,
 10 and annex the site of a project;

11 (6) contract to exercise its powers relating to repair, elimination, or closing of
 12 unsafe, insanitary, or unfit dwellings;

13 (7) purchase the bonds of the corporation for a housing project authorized by
 14 AS 18.55.100 - 18.55.290 [AUTHORITY];

15 (8) incur the entire expense of improvements made under AS 18.55.010 -
 16 18.55.290;

17 (9) agree with the corporation [AUTHORITY] that a certain sum or that no sum
 18 shall be paid by the corporation [AUTHORITY] to the public body, officer, or agency [IT]
 19 instead of taxes;

20 (10) enter into agreements respecting exercise of a power [ANY POWERS]
 21 granted in AS 18.55.100 - 18.55.290 if that agreement is [HEREIN WHICH SHALL BE]
 22 approved and executed by the public body or municipality in or adjacent to the project before
 23 the project is [MAY BE] constructed; and

24 (11) in general do all things necessary or convenient to cooperate in the planning,
 25 construction, or operation of a project.

26 * Sec. 25. AS 18.55.288(1) is repealed and reenacted to read:

27 (1) "corporation" means the Alaska Housing Finance Corporation;

28 * Sec. 26. AS 18.55.290 is amended to read:

29 Sec. 18.55.290. SHORT TITLE. AS 18.55.010 - 18.55.290 may be cited as the Housing
 30 Project Assistance Act [ALASKA STATE HOUSING AUTHORITY ACT].

31 * Sec. 27. AS 18.55.310 is amended to read:

1 Sec. 18.55.310. POWERS AND DUTIES OF CORPORATION [AUTHORITY]. The
2 corporation [AUTHORITY] shall construct, protect, operate, maintain, rent, and sell at the places
3 in the state that it [THE AUTHORITY] considers most appropriate moderate-cost or rental
4 housing facilities and projects for veterans and other residents of the state. For this purpose the
5 corporation [AUTHORITY] may accept money [FUNDS] from any source, including the federal
6 government, and may enter into appropriate contracts, including contracts with the federal
7 government.

8 * Sec. 28. AS 18.55.330 is amended to read:

9 Sec. 18.55.330. PREFERENCE TO VETERANS. The corporation [AUTHORITY] shall
10 initially offer 50 percent of the dwelling unit in a housing project held by it under
11 AS 18.55.300 - 18.55.470 for rent or sale to veterans. The offer shall be by publication of
12 reasonable notice in a newspaper circulated in the area in which the housing project is located.
13 The corporation [AUTHORITY] shall set aside these units for rental or sale to veterans for at
14 least 30 days following first publication of the notice before making them available to other
15 residents. If, after an additional 30 days a unit remains unassigned, the corporation
16 [AUTHORITY] may rent or sell it to any person in the state, provided that residents have first
17 preference.

18 * Sec. 29. AS 18.55.340 is amended to read:

19 Sec. 18.55.340. CARE, OPERATION, MAINTENANCE, AND RENTAL OF HOUSING.
20 The corporation [AUTHORITY] has control over and is responsible for the care, operation,
21 maintenance, and rental or sale of the housing held by it under AS 18.55.300 - 18.55.470. It
22 may enter into appropriate arrangements for carrying out this responsibility and for safeguarding
23 the interest of the state.

24 * Sec. 30. AS 18.55.350 is amended to read:

25 Sec. 18.55.350. AVAILABILITY OF HOUSING UNITS. The corporation
26 [AUTHORITY] shall make the housing units held by it [CONSTRUCTED] under
27 AS 18.55.300 - 18.55.470 available for rental to eligible persons upon application in the form it
28 prescribes, and at the moderate rentals that it considers proper, or for sale at the prices and
29 subject to the terms and conditions that it considers fair and equitable. The corporation [THE
30 AUTHORITY] shall use the money it receives [FUNDS RECEIVED] from the sale of housing
31 or housing projects held by it under AS 18.55.300 - 18.55.470, and the revenue from rentals,

1 after payment of obligations and deductions for proper expenses of maintenance and operation,
2 for the construction of further housing, under the terms of AS 18.55.300 - 18.55.470.

3 * Sec. 31. AS 18.55.370 is amended to read:

4 Sec. 18.55.370. USE OF MONEY [FUNDS]. Money [THE FUNDS] appropriated or
5 made available under AS 18.55.300 - 18.55.470 may be used by the corporation [AUTHORITY]
6 to make

7 (1) character loans, not exceeding \$500 for each dwelling, to residents or
8 cooperatives for the improvement, conversion, or construction of dwellings in remote areas for
9 occupancy by the residents or members of the cooperatives;

10 (2) loans for moderate-cost or rental housing facilities and projects to public
11 agencies, or private nonprofit or limited dividend corporations, or private corporations or
12 cooperatives organized under AS 10.15.005 - 10.15.600 that are regulated or restricted by the
13 corporation until [AUTHORITY (UNTIL) the termination of all loan obligations to it [IT)] as
14 to rents or sales, charges, capital structure, rate of return, and methods of operation to the extent
15 and in the manner that provides reasonable rentals to tenants and a reasonable return on the
16 investment; loans to cooperatives may be made for up to 95 per cent of the appraised value of
17 the housing facility.

18 * Sec. 32. AS 18.55.380 is amended to read:

19 Sec. 18.55.380. CORPORATION [AUTHORITY] MAY USE POWERS UNDER
20 OTHER LAWS. The corporation may invoke a power given to it [ANY POWERS OF THE
21 AUTHORITY] under any statute, including [BUT NOT LIMITED TO] the powers of eminent
22 domain and those relating to the issuance of bonds and obligations [, MAY BE INVOKED]
23 with respect to a project undertaken or loan made or to be made under the authorization provided
24 in AS 18.55.300 - 18.55.470.

25 * Sec. 33. AS 18.55.390 is amended to read:

26 Sec. 18.55.390. LIMITATION ON CORPORATION'S [AUTHORITY'S] POWER. The
27 power of the corporation [AUTHORITY] to act under AS 18.55.300 - 18.55.470 is limited to
28 projects in which [WHERE] adequate financing on reasonable terms is not otherwise available
29 or entrepreneurial sponsorship is lacking.

30 * Sec. 34. AS 18.55.400 is amended to read:

31 Sec. 18.55.400. EXPENDITURE OF MONEY [FUNDS]. The corporation

1 [AUTHORITY] may spend the portion of the money [FUNDS] appropriated under
2 AS 18.55.300 - 18.55.470 that it considers advisable, either directly or in cooperation with
3 educational institutions or government agencies, to develop, through study, research, and analysis,
4 information regarding low cost building supplies, materials, and methods of construction, and to
5 disseminate this information.

6 * Sec. 35. AS 18.55.420 is amended to read:

7 Sec. 18.55.420. POWER TO ADOPT AND ENFORCE [MAKE] REGULATIONS. The
8 corporation [AUTHORITY] may

9 (1) make and enforce reasonable rules and regulations to carry out the purposes
10 of AS 18.55.300 - 18.55.470; and

11 (2) [MAY] determine the allocation of dwelling units and projects constructed in
12 a municipality on the basis of the municipality's [ITS] population or the demand or potential
13 demand for dwelling units in it.

14 * Sec. 36. AS 18.55.440 is amended to read:

15 Sec. 18.55.440. ADDITIONAL POWERS. For the purpose of carrying out
16 AS 18.55.300 - 18.55.470, the corporation [AUTHORITY] may acquire by purchase, lease,
17 condemnation, or otherwise,

18 (1) land and appurtenances to land necessary or desirable for the establishment,
19 construction, and operation of moderate cost and moderate rental housing;

20 (2) [. THE AUTHORITY MAY ACQUIRE BY PURCHASE, LEASE,
21 CONDEMNATION, OR OTHERWISE,] rights-of-way or easements for roads, streets, trails,
22 utilities, power lines, and other similar facilities necessary and desirable for the proper
23 establishment, operation, and maintenance of a housing project.

24 * Sec. 37. AS 18.55.450 is amended to read:

25 Sec. 18.55.450. ABILITY [AUTHORITY] TO ACCEPT LAND [LANDS] AND OTHER
26 PROPERTY. The corporation [AUTHORITY] may accept land , a building, property, or
27 equipment that is available from an executive department, independent establishment or agency
28 of the federal government or the state, or a municipality, for the purpose of carrying out
29 AS 18.55.300 - 18.55.470.

30 * Sec. 38. AS 18.55.460 is amended to read:

31 Sec. 18.55.460. PREFERENCE FOR STATE PROFESSIONAL AND CONTRACTORS'

1 SERVICES. In planning, designing, and constructing projects under AS 18.55.300 - 18.55.470,
2 the corporation [AUTHORITY] shall use [ALASKAN] professional and contractor services of
3 state residents as far as practicable and shall encourage the use of local building materials.

4 * Sec. 39. AS 18.55.470(1) is repealed and reenacted to read:

5 (1) "corporation" means the Alaska Housing Finance Corporation;

6 * Sec. 40. AS 18.55.490 is amended to read:

7 Sec. 18.55.490. LEGISLATIVE INTENT. It is the intent of the legislature in
8 AS 18.55.480 - 18.55.960 to take advantage of 42 U.S.C. 1441 - 1469c (Title I of the Housing
9 Act of 1949 (P.L. 81-171; 63 Stat. 413)) [TITLE I OF THE HOUSING ACT OF 1949 (P.L.
10 81-171; 63 STAT. 413)], as amended.

11 * Sec. 41. AS 18.55.500 is amended to read:

12 Sec. 18.55.500. INTEREST OF MEMBERS OF BOARD OF DIRECTORS OR
13 EMPLOYEES OF CORPORATION [AUTHORITY] IN PROJECT PROHIBITED. (a) A
14 member of the board of directors or employee of the corporation [AUTHORITY] may not
15 voluntarily acquire an interest, direct or indirect, in a redevelopment project or in property
16 included or planned by the authority to be included in a redevelopment project, or in a contract
17 or proposed contract in connection with a project. If the acquisition is not voluntary the member
18 or employee shall immediately disclose the interest in writing to the corporation [AUTHORITY]
19 and the disclosure shall be entered upon the minutes of the corporation [AUTHORITY].

20 (b) If a member of the board of directors or employee of the corporation
21 [AUTHORITY] owns or controls or owned or controlled within the preceding two years an
22 interest, direct or indirect, in property that the member or employee knows is included or planned
23 by the corporation [AUTHORITY] to be included in a redevelopment project, the member or
24 employee shall immediately disclose the interest in writing to the corporation [AUTHORITY]
25 and the disclosure shall be entered upon the minutes of the corporation [AUTHORITY], and the
26 member or employee may not participate in an action by the corporation [AUTHORITY]
27 affecting the property. A violation of this section constitutes misconduct in office or dereliction
28 of duties of employment or both.

29 * Sec. 42. AS 18.55.510(a) is amended to read:

30 (a) The corporation [AUTHORITY] may not transact business or exercise its powers
31 under AS 18.55.480 - 18.55.960 in a municipality until the governing body approves by

1 resolution the exercise in the municipality of the powers, functions, and duties of the corporation
2 [AUTHORITY] under AS 18.55.480 - 18.55.960.

3 * Sec. 43. AS 18.55.520 is amended to read:

4 Sec. 18.55.520. POWERS OF THE CORPORATION [AUTHORITY]. In addition to
5 all powers previously vested in or granted to the corporation [AUTHORITY] by any other law,
6 the corporation [AUTHORITY] has all the powers necessary or convenient to carry out and
7 effectuate the purposes and provisions of AS 18.55.480 - 18.55.960, including the following
8 powers:

9 (1) to prepare or have prepared and to recommend redevelopment plans to the
10 governing body of any municipality within its area of operation and to undertake and carry out
11 redevelopment projects within its area of operation;

12 (2) to arrange or contract for the furnishing or repair, by any person or agency,
13 public or private, of services, privileges, works, streets, roads, public utilities or other facilities
14 for or in connection with a redevelopment project; and notwithstanding anything to the contrary
15 contained in AS 18.55.480 - 18.55.960 or any other provision of law, to agree to the conditions
16 that it considers reasonable and appropriate that are attached to federal financial assistance and
17 imposed pursuant to federal law relating to the determination of prevailing salaries or wages or
18 compliance with labor standards, in the undertaking or carrying out of a redevelopment project,
19 and to include a contract let in connection with a redevelopment project, provisions to fulfill any
20 of these conditions it considers reasonable and appropriate;

21 (3) within its area of operation,

22 (A) to purchase, lease, obtain options upon, acquire by gift, grant, bequest,
23 devise, eminent domain, or otherwise, any real or personal property or any interest in it,
24 together with any improvements on it necessary or incidental to a redevelopment project;

25 (B) to hold, improve, clear, or prepare for redevelopment the [ANY
26 SUCH] property it obtains under (A) of this paragraph;

27 (C) to sell, lease, exchange, transfer, assign, subdivide, retain for its own
28 use, mortgage, pledge, hypothecate, or otherwise encumber or dispose of any real or
29 personal property or any interest in it;

30 (D) to enter into contracts with redevelopers of property containing
31 covenants, restrictions, and conditions regarding the use of the property for residential,

1 commercial, industrial, recreational purposes or for public purposes in accordance with
2 the redevelopment plan and other covenants, restrictions, and conditions that the
3 corporation [AUTHORITY] considers necessary to prevent a recurrence of slum or
4 blighted areas or to effectuate the purposes of AS 18.55.480 - 18.55.960;

5 (E) to make any covenant, restriction, or condition of the foregoing
6 contracts a covenant running with the land, and to provide appropriate remedies for a
7 breach of the covenant, restriction, or condition, including the right in the corporation
8 [AUTHORITY] to terminate the contract and the interest in the property created under
9 the contract;

10 (F) to borrow money and issue bonds and provide security for loans or
11 bonds;

12 (G) to insure or provide for the insurance of real or personal property or
13 operations of the corporation [AUTHORITY] against risk or hazard, including the power
14 to pay premiums on this insurance;

15 (H) to enter into any contracts necessary to effectuate the purposes of
16 AS 18.55.480 - 18.55.960; however, statutory provisions with respect to the acquisition,
17 clearance, or disposition of property by another public body do not restrict the
18 corporation [AUTHORITY] or the other public body in these functions, unless the
19 legislature has specifically so provided [STATES];

20 (4) to invest money [FUNDS] held in reserves or sinking funds or any money
21 [FUNDS] not required for immediate disbursement, in property or securities in which savings
22 banks may legally invest money [FUNDS] subject to their control, and to redeem its bonds at
23 the redemption price established in the bonds or to purchase its bonds at less than redemption
24 price; and all bonds redeemed or purchased shall be cancelled;

25 (5) to borrow money and to apply for and accept advances, loans, grants,
26 contributions, and any other form of financial assistance from the federal government, the state,
27 municipality, or other public body or from any sources, public or private, for the purposes of
28 AS 13.55.480 - 18.55.960, to give the security required and to enter into and carry out contracts
29 in connection with the transaction; [THE AUTHORITY] notwithstanding the provisions of any
30 other law, the corporation may include in a contract for financial assistance with the federal
31 government for a redevelopment project those conditions imposed pursuant to federal law that

1 the corporation [AUTHORITY] considers reasonable and appropriate and which are not
2 inconsistent with the purposes of AS 18.55.480 - 18.55.960;

3 (6) to act through a member or another person designated by the corporation
4 [AUTHORITY] to conduct examinations and investigations and to hear testimony and take proof
5 under oath at public or private hearings on any matter material for its information; to administer
6 oaths, and to issue commissions for the examination of witnesses who are outside the state or
7 unable to attend before the corporation [AUTHORITY], or excused from attendance; to make
8 available to appropriate agencies or public officials, including those charged with the duty of
9 abating or requiring the correction of nuisances or like conditions or of demolishing unsafe or
10 unsanitary structures or eliminating slums or conditions of blight within its area of operation, its
11 findings and recommendations with regard to any building or property where conditions exist that
12 are dangerous to the public health, safety, morals, and welfare;

13 (7) within its area of operation, to make or have made all surveys, appraisals,
14 studies, and plans necessary to carry out the purposes of AS 18.55.480 - 18.55.960 and to
15 contract or cooperate with persons or agencies, public or private, in the making and carrying out
16 of the surveys, appraisals, studies, and plans;

17 (8) to prepare plans and provide reasonable assistance for the relocation of
18 families displaced from a redevelopment project area to the extent essential for acquiring
19 possession of and clearing the area or parts of the area to permit the carrying out of the
20 redevelopment project;

21 (9) to make expenditures that are necessary to carry out the purposes of
22 AS 18.55.480 - 18.55.960, and to make expenditures from money [FUNDS] obtained from the
23 federal government and the state [INCLUDING THE ALASKA STATE HOUSING
24 AUTHORITY FUND], without regard to any other laws pertaining to the making and approval
25 of appropriations and expenditures;

26 (10) to exercise all or any part or combination of powers granted by this section;

27 (11) with the approval of the local governing body,

28 (A) before approval of an urban renewal or redevelopment plan, or
29 approval of any modifications of the plan to acquire real property in an urban renewal or
30 redevelopment area, to demolish and remove any structures on the property, and pay all
31 costs related to the acquisition, demolition, or removal, including any administrative or

1 relocation expenses; and

2 (B) to assume the responsibility to bear any loss that may arise as the
3 result of the exercise of its powers [AUTHORITY] under this paragraph in the event that
4 the real property is not made part of the urban renewal or redevelopment project;

5 (12) to prepare or have prepared and to recommend neighborhood development
6 plans to the governing body of any municipality within its area of operation and to undertake and
7 carry out neighborhood development projects within its area of operation.

8 * Sec. 44. AS 18.55.525 is amended to read:

9 Sec. 18.55.525. NEIGHBORHOOD DEVELOPMENT PROJECTS. (a) A neighborhood
10 development project, as undertaken and administered by the corporation [AUTHORITY], shall
11 consist of urban renewal project undertakings and activities in one or more urban renewal areas
12 that are planned and carried out on the basis of annual increments in accordance with 42 U.S.C.
13 1469 - 1469c (secs. 131 - 134, Title I, Housing Act of 1949), as amended.

14 (b) The corporation shall adhere to the provisions of [PROVISIONS IN]
15 AS 18.55.480 - 18.55.960 [SHALL BE ADHERED TO] in the planning and carrying out of a
16 neighborhood development project by the authority.

17 * Sec. 45. AS 18.55.530(a) is amended to read:

18 (a) Except as provided in AS 18.55.520(11), the corporation [THE AUTHORITY] may
19 not acquire real property for a redevelopment project unless the governing body of the
20 municipality has approved the redevelopment plan, as prescribed in (i) of this section[, EXCEPT
21 AS PROVIDED IN AS 18.55.520(11)].

22 * Sec. 46. AS 18.55.530(d) is amended to read:

23 (d) The corporation [AUTHORITY] may prepare or have prepared a redevelopment plan
24 or any person or agency, public or private, may submit a redevelopment plan to the corporation
25 [AUTHORITY]. A redevelopment plan must be sufficiently complete to indicate its relationship
26 to definite local objectives as to appropriate land uses, improved traffic, public transportation,
27 public utilities, recreational and community facilities, and other public improvements and the
28 proposed land uses and building requirements in the redevelopment project area, and must include
29 [WITHOUT BEING LIMITED TO]

30 (1) the boundaries of the redevelopment project area, with a map showing the
31 existing uses and conditions of the real property within those boundaries [THEREIN];

- 1 (2) a land use plan showing proposed uses of the area;
2 (3) information showing the standards of population densities, land coverage, and
3 building intensities in the area after redevelopment;
4 (4) a statement of the proposed changes, if any, in zoning ordinances or maps,
5 street layouts, street levels or grades, building codes, and ordinances;
6 (5) a site plan of the area; and
7 (6) a statement as to the kind and number of additional public facilities or utilities
8 that will be required to support the new land uses in the area after redevelopment.

9 * Sec. 47. AS 18.55.530(e) is amended to read:

10 (e) Before recommending a redevelopment plan to the governing body for approval, the
11 corporation [AUTHORITY] shall submit the plan to the planning commission, if any, of the area
12 in which the redevelopment project area is located for review and recommendations as to its
13 conformity with the general plan for the physical development of the area. The planning
14 commission shall submit its written recommendations with respect to the proposed redevelopment
15 plan to the corporation [AUTHORITY] within 30 days after receipt of the plan for review.
16 Upon receipt of the recommendations of the planning commission or, if [NO] recommendations
17 are not received within 30 days, then without the recommendations, the corporation
18 [AUTHORITY] may recommend the redevelopment plan to the governing body of the
19 municipality for approval.

20 * Sec. 48. AS 18.55.530(g) is amended to read:

21 (g) The recommendation of a redevelopment plan by the corporation [AUTHORITY]
22 to the governing body shall be accompanied by

23 (1) the recommendations, if any, of the planning commission concerning the
24 redevelopment plan;

25 (2) [BY] a statement of the proposed method and estimated cost of the acquisition
26 and ~~preparation~~ for redevelopment of the redevelopment project area and the estimated proceeds
27 or revenues from its disposal to redevelopers;

28 (3) [BY] a statement of the proposed method of financing the redevelopment
29 project; and

30 (4) [BY] a statement of a feasible method proposed for the relocation of families
31 to be displaced from the redevelopment project area.

1 * Sec. 49. AS 18.55.530(i) is amended to read:

2 (i) Following the hearing required by (h) of this section, the governing body may by
3 ordinance initially approve a redevelopment plan if it finds that the plan is feasible and conforms
4 with the general plan for the physical development of the area. Approval of subsequent
5 modifications of the plan that do not involve substantive changes shall be by resolution. A
6 redevelopment plan that has not been approved by the governing body when recommended by
7 the corporation [AUTHORITY] may again be recommended to it with any modifications
8 considered advisable.

9 * Sec. 50. AS 18.55.530(j) is amended to read:

10 (j) The corporation may modify a [A] redevelopment plan [MAY BE MODIFIED] at
11 any time [BY THE AUTHORITY]. However, if it is modified after the lease or sale of real
12 property in the redevelopment project area, the redeveloper or the developer's successor in
13 interest affected by the proposed modification must consent to the modification. If [WHERE]
14 the proposed modification will substantially change the redevelopment plan as previously
15 approved by the governing body, the modification must similarly be approved by the governing
16 body.

17 * Sec. 51. AS 18.55.530(k) is amended to read:

18 (k) Notwithstanding any other provision of this chapter, if [WHERE] the local governing
19 body certifies that an area is in need of redevelopment or rehabilitation as a result of flood, fire,
20 hurricane, earthquake, storm, or other catastrophe respecting which the governor has certified the
21 need for disaster assistance under [PUBLIC LAW 875, 81ST CONGRESS, OR OTHER] federal
22 law, the local governing body may approve an urban renewal or redevelopment plan and an urban
23 renewal or redevelopment project with respect to the area without regard to the provisions
24 relating to relocation, conformance of the urban renewal or redevelopment plan with the general
25 plan, and the provisions of this chapter requiring a general plan for the municipality and a public
26 hearing ~~on~~ the urban renewal or redevelopment project or plan.

27 * Sec. 52. AS 18.55.540(a) is amended to read:

28 (a) The corporation [AUTHORITY] may sell, lease, exchange, or otherwise transfer real
29 property or any interest in real property in a redevelopment project area to a redeveloper for
30 residential, recreational, commercial, industrial, or other uses, or for public use in accordance
31 with the redevelopment plan, subject to those covenants, conditions, and restrictions it considers

1 in the public interest or to carry out the purposes of AS 18.55.480 - 18.55.960. However, the
2 sale, lease, exchange, or other transfer, or an agreement relating to it, may be made only after,
3 or subject to, the approval of the redevelopment plan by the governing body of the municipality.
4 The real property shall be sold, leased, or transferred at its fair value for uses in accordance with
5 the redevelopment plan although the fair value may be less than the cost of acquiring and
6 preparing the property for redevelopment. In determining the fair value of real property for uses
7 in accordance with the redevelopment plan, the corporation [AUTHORITY] shall consider the
8 uses and purposes required by the redevelopment plan, the restrictions upon, and the covenants,
9 conditions, and obligations assumed by the redeveloper of the property, the objectives of the
10 redevelopment plan for the prevention of the recurrence of slum or blighted areas, and the other
11 matters the corporation [AUTHORITY] specifies as appropriate. In fixing rentals and selling
12 prices, the corporation [AUTHORITY] shall consider appraisals of the property for these
13 [SUCH] uses that are made by land experts employed by the corporation [AUTHORITY].

14 * Sec. 53. AS 18.55.540(b) is amended to read:

15 (b) Before considering a redevelopment contract proposal, the corporation
16 [AUTHORITY], by public notice published at least once a week for two consecutive weeks in
17 a newspaper of general circulation in the municipality, or, if there is no [SUCH] newspaper of
18 general circulation, by posting the notice in three public places in the municipality, shall invite
19 proposals from, and make available all pertinent information to private redevelopers or to persons
20 interested in undertaking the redevelopment of an area or any part of an area that the governing
21 body has declared to be in need of redevelopment. The notice must identify the area and must
22 state that the further information that is available may be obtained at the office of the authority.
23 The corporation [AUTHORITY] shall consider all redevelopment proposals and the financial
24 and legal ability of the prospective redevelopers to carry out their proposals and may negotiate
25 with redevelopers for proposals for the purchase or lease of real property in the redevelopment
26 project area. The corporation [AUTHORITY] may accept the redevelopment contract proposal
27 it considers in the public interest and in furtherance of the purposes of AS 18.55.480 - 18.55.960,
28 provided that the corporation [AUTHORITY] has given to the governing body at least 30 days'
29 written notice of its intent to accept the redevelopment contract proposal. Thereafter the
30 corporation [AUTHORITY] may execute a redevelopment contract in accordance with the
31 provisions of (a) of this section and deliver deeds, leases, and other instruments and take all steps

1 necessary to effectuate the redevelopment contract. The corporation [AUTHORITY] may,
2 without regard to the foregoing provisions of this subsection, dispose of real property in a
3 redevelopment project area to private redevelopers for redevelopment under the reasonable
4 competitive bidding procedures it prescribes, subject to the provisions of (a) of this section.

5 * Sec. 54. AS 18.55.550(a) is amended to read:

6 (a) The corporation [AUTHORITY] may

7 (1) acquire by eminent domain real property that it considers necessary within the
8 boundaries of the redevelopment project or for its purposes under AS 18.55.480 - 18.55.960 after
9 the adoption by it of a resolution declaring that the acquisition of the real property described in
10 the resolution is necessary for those purposes; and

11 (2) [. THE AUTHORITY MAY] exercise the power of eminent domain in the
12 manner provided in AS 09.55.240 - 09.55.460 or in the manner provided by other statutory
13 provisions for the exercise of the power of eminent domain.

14 * Sec. 55. AS 18.55.560 is amended to read:

15 Sec. 18.55.560. ACQUISITION AND DEVELOPMENT OF UNDEVELOPED VACANT
16 LAND. Upon a determination, by resolution, of the governing body of the municipality that the
17 acquisition and development of undeveloped vacant land not within a slum or blighted area is
18 essential to the proper clearance or redevelopment of a slum or blighted area or a necessary part
19 of the general slum clearance program of the municipality, the acquisition, planning, preparation
20 for development or disposal of the [SUCH] land shall constitute a redevelopment project that
21 [WHICH] may be undertaken by the corporation [AUTHORITY] in the manner provided in
22 AS 18.55.480 - 18.55.960. The determination by the governing body is a substitute for the
23 declaration required by AS 18.55.530(b) but the determination may not be made until the
24 governing body finds that

25 (1) there is a shortage of decent, safe, and sanitary housing in the municipality;

26 (2) [THAT] the undeveloped vacant land will be developed for predominantly
27 residential uses; and

28 (3) [THAT] the provisions of dwelling accommodations on the undeveloped
29 vacant land is necessary to accomplish the relocation in decent, safe, and sanitary housing in the
30 municipality, of families to be displaced from slum or blighted areas that are to be redeveloped.

31 * Sec. 56. AS 18.55.570(a) is amended to read:

1 (a) The corporation [AUTHORITY] may

2 (1) issue bonds and notes from time to time for any of the purposes of
3 AS 18.55.480 - 18.55.960, [ITS CORPORATE PURPOSES] including the payment of principal
4 and interest upon advances for surveys and plans for redevelopment projects;

5 (2) [. THE AUTHORITY MAY], issue refunding bonds for the purpose of the
6 payment or retirement or in exchange for bonds previously issued by it;

7 (3) [. THE AUTHORITY MAY] issue the types of bonds and notes it
8 determines, including bonds and notes on which the principal and interest are payable

9 (A) [(1)] exclusively from the income, proceeds, and revenues of the
10 redevelopment project financed with the proceeds of the bonds or notes; [,] or

11 (B) [(2)] exclusively from the income, proceeds, and revenue of any of
12 its redevelopment projects whether or not they are financed in whole or in part with the
13 proceeds of the bonds or notes; and

14 (4) further secure the [. THE] bonds or notes authorized by (1) - (3) of this
15 subsection [MAY BE FURTHER SECURED] by a pledge of all or any part of a loan, grant, or
16 contribution from the federal government or from another source, or by a mortgage of a
17 redevelopment project of the corporation [AUTHORITY].

18 * Sec. 57. AS 18.55.570(b) is amended to read:

19 (b) The members of the board of directors of the corporation [AUTHORITY] or a
20 person executing the bonds or notes authorized by (a) of this section are not liable personally
21 on the bonds or notes by reason of the issuance of them. The bonds, notes, and other obligations
22 of the corporation [AUTHORITY] are not a debt of the municipality, the state, or the United
23 States, and neither the municipality, the state, nor the United States is liable on them, nor are the
24 bonds, notes, or obligations payable out of money or property [FUNDS OR PROPERTIES]
25 other than those of the corporation [AUTHORITY] acquired for the purposes of AS 18.55.480 -
26 18.55.960 and each bond and note shall state this on its face. A bond or note does not constitute
27 an indebtedness within the meaning of any constitutional or statutory debt limitation or
28 restriction. Bonds and notes of the corporation [AUTHORITY] issued under AS 18.55.480 -
29 18.55.960 are declared to be issued for an essential public and governmental purpose and,
30 together with interest on them and income from them, are exempt from all taxes.

31 * Sec. 58. AS 18.55.570(e) is amended to read:

1 (e) If a member of the board of directors or officer of the corporation [AUTHORITY]
2 whose signature appears on a bond, note, or coupon ceases to be a member or officer before the
3 delivery of the bonds or notes, the signature is nevertheless valid and sufficient for all purposes
4 as if the member or officer had remained in office until delivery. Any provision of law to the
5 contrary notwithstanding, bonds and notes issued under AS 18.55.480 - 18.55.960 are negotiable.

6 * Sec. 59. AS 18.55.580 is amended to read:

7 Sec. 18.55.580. POWER OF CORPORATION [AUTHORITY] TO PROVIDE
8 ADDITIONAL SECURITY FOR BONDS. (a) In connection with the issuance of bonds or the
9 incurring of obligations under leases, in order to secure the payment of the bonds or obligations,
10 the corporation [AUTHORITY], in addition to its other powers, may

11 (1) pledge all or a part of its gross or net rents, fees, or revenue from
12 redevelopment projects to which its right exists or may come into existence;

13 (2) mortgage all or a part of its real or personal property in a redevelopment
14 project owned or later acquired;

15 (3) covenant against pledging all or a part of its rents, fees, and revenue from
16 redevelopment projects or against mortgaging all or a part of its real or personal property in a
17 redevelopment project to which its right or title exists or may come into existence or against
18 permitting or suffering a lien on the revenue or property, and covenant with respect to limitations
19 on its right to sell, lease, or otherwise dispose of a redevelopment project or a part of a project,
20 and covenant as to other, or additional debts or obligations that may be incurred by it;

21 (4) covenant as to the bonds to be issued and as to the issuance of the bonds in
22 escrow or otherwise, and as to the use and disposition of the proceeds, and provide for the
23 replacement of lost, destroyed, or mutilated bonds, covenant against extending the time for the
24 payment of its bonds or interest, and covenant for the redemption of the bonds and to provide
25 the terms and conditions of redemption;

26 (5) covenant, subject to the limitations contained in AS 18.55.480 - 18.55.960,
27 as to the amount of revenue to be raised each year or other period of time by rents, fees, and
28 other revenue, and as to their use and disposition, and create or authorize the creation of special
29 funds for money held for operating costs, debt service, reserves, or other purposes, and covenant
30 as to the use and disposition of the money held in these funds;

31 (6) prescribe the procedure by which the terms of a contract with bondholders

1 may be amended or abrogated, the amount of bonds the holders of which must consent thereto,
2 and the manner in which consent may be given;

3 (7) covenant as to the use, maintenance, and replacement of any or all of its real
4 or personal property in a redevelopment project, the insurance to be carried and the use and
5 disposition of insurance money, and warrant its title to that property;

6 (8) covenant as to the rights, liabilities, powers, and duties arising upon the breach
7 by it of a covenant, condition, or obligation, and covenant and prescribe as to events of default
8 and terms and conditions upon which any or all of its bonds or obligations shall become or may
9 be declared due before maturity, and as to the terms and conditions upon which the declaration
10 and its consequences may be waived;

11 (9) vest in any obligees of the corporation [AUTHORITY] the right to enforce
12 the payment of the bonds or any covenants securing or relating to the bonds;

13 (10) vest in any obligee or obligees holding a specified amount in bonds the right,
14 in the event of a default by the corporation [AUTHORITY], to take possession of and use,
15 operate, and manage a redevelopment project or a part of a project, title to which is in the
16 corporation [AUTHORITY], or money [FUNDS] connected with a project, and to collect the
17 rent and revenue arising from the project or part of the project and to dispose of the money in
18 accordance with the agreement of the corporation [AUTHORITY] with the obligees;

19 (11) provide for the powers and duties of the obligees and limit their liability;

20 (12) provide the terms and conditions upon which the obligees may enforce any
21 covenant or rights securing or relating to the bonds;

22 (13) exercise all or any part or combination of the powers granted in
23 A.S. 18.55.480 - 18.55.960;

24 (14) make the covenants and do any and all acts and things necessary or
25 convenient or desirable in order to secure its bonds, or, in the absolute discretion of the
26 corporation [AUTHORITY], as will tend to make the bonds more marketable even if the
27 covenants, acts, or things are not enumerated in this section.

28 (b) The corporation [AUTHORITY] may, by resolution, trust, indenture, mortgage,
29 lease, or other contract confer upon an obligee holding or representing a specified amount in
30 bonds, the right, in addition to all rights that may be conferred, upon the happening of an event
31 of default as defined in the resolution or instrument, by an action or proceeding in a competent

1 court

2 (1) to have possession of a redevelopment project or part of one, title to which
3 is in the corporation [AUTHORITY], surrendered to the obligee;

4 (2) to obtain the appointment of a receiver of a redevelopment project or part of
5 a project, title to which is in the corporation [AUTHORITY], and of the rents and profits from
6 the project or part, and if a receiver is appointed, the receiver may enter and take possession of,
7 carry out, operate, and maintain the project or a part of the project and may collect and receive
8 all fees, rents, revenue, or other charges thereafter arising from the project or part, and shall keep
9 this money in a separate account and apply it in accordance with the obligations of the authority
10 as the court directs; and

11 (3) to require the corporation [AUTHORITY], the members of its board of
12 directors [MEMBERS], officers, agents, and employees to account as if it and they were the
13 trustees of an express trust.

14 * Sec. 60. AS 18.55.590 is amended to read:

15 Sec. 18.55.590. REMEDIES OF OBLIGEE. An obligee of the corporation
16 [AUTHORITY] may, in addition to all other rights that may be conferred on the obligee, subject
17 only to contractual restrictions binding upon the obligee,

18 (1) by mandamus, suit, action, or proceeding at law or in equity compel the
19 corporation, the members of its board of directors, [AUTHORITY] and its [MEMBERS,]
20 officers, agents, or employees to perform each and every term, provision, and covenant contained
21 in a contract of the corporation [AUTHORITY] with or for the benefit of the obligee, and
22 require the carrying out of any or all those covenants and agreements of the corporation
23 [AUTHORITY] and the fulfillment of all duties imposed upon it by AS 18.55.480 - 18.55.960;
24 and

25 (2) by suit, action, or proceeding in equity enjoin any acts or things that may be
26 unlawful, or in violation of any of the rights of the obligee of the corporation [AUTHORITY].

27 * Sec. 61. AS 18.55.600(b) is amended to read:

28 (b) The following investments are proper investments under (a) of this section: Any
29 bonds or other obligations issued by the corporation [AUTHORITY] under AS 18.55.480 -
30 18.55.960 or by any public housing or redevelopment authority or commission, or agency or any
31 other public body in the United States for redevelopment purposes, when the bonds and other

1 obligations are secured by an agreement between the issuing agency and the federal government
2 in which the issuing agency agrees to borrow from the federal government and the federal
3 government agrees to lend to the issuing agency, before the maturity of the bonds or other
4 obligations, money in an amount that, together [WHICH (TOGETHER)] with any other money
5 irrevocably committed to the payment of interest on the bonds or other obligations,
6 [OBLIGATIONS]] is sufficient to pay the principal of the bonds or other obligations with interest
7 to maturity, if, [WHICH MONEY] under the terms of the agreement, the money is required to
8 be used for the purpose of paying the principal and interest on the bonds or other obligations at
9 their maturity. The bonds and other obligations shall be authorized security for all public
10 deposits.

11 * Sec. 62. AS 18.55.620 is amended to read:

12 Sec. 18.55.620. PROPERTY EXEMPT FROM TAXES AND EXECUTION. (a) All
13 property held by the corporation for a purpose set out in AS 18.55.300 - 18.55.470 and in
14 AS 18.55.480 - 18.55.960 [OF THE AUTHORITY] is exempt from levy and sale by virtue of
15 an execution, and an [NO] execution or other judicial process may not issue against it nor may
16 judgment against it be a charge or lien upon its property. However, this subsection [;
17 HOWEVER, THIS SECTION] does not apply to or limit the right of an obligee to foreclose or
18 otherwise enforce any mortgage of the corporation [AUTHORITY] or to pursue remedies for
19 the enforcement of a pledge or lien given by the authority on its rents, fees, grants, or revenue.

20 (b) The property held by the corporation for a purpose set out in AS 18.55.300 -
21 18.55.470 and in AS 18.55.480 - 18.55.960 [OF THE AUTHORITY] is declared to be public
22 property used for essential public and governmental purposes and the property is [AND THE
23 AUTHORITY ARE] exempt from all taxes of the state or a political subdivision of the state.
24 However, subject to (c) of this section, the corporation [AUTHORITY] shall, from the time it
25 acquires ~~title~~ to property in a redevelopment project until it sells, leases, or otherwise disposes
26 of that property, make payment equal in amount and in lieu of taxes that [WHICH] would be
27 assessed and paid to a political subdivision in which the property is situated if the property had
28 not been acquired by the corporation [AUTHORITY]. From the time the corporation
29 [AUTHORITY] sells, leases, or otherwise transfers the property, the obligation of the
30 corporation [AUTHORITY] to make payment in lieu of taxes shall cease and the property shall
31 thereafter be taxable in the same manner as other property within the political subdivision, unless

1 the property is exempt from taxation by law. The property sold, leased, or otherwise transferred
2 by the corporation [AUTHORITY] may be assessed for taxation on that part of the tax year
3 during which it was not owned by the corporation [AUTHORITY], unless the property is
4 exempt from taxation by law. Except for the payments required by this subsection, the power
5 vested in the corporation [AUTHORITY] to make payments in lieu of taxes under AS 18.55.250
6 or other law is not affected by this subsection.

7 (c) Property for which payments are required under (b) of this section is limited to land
8 and valuable improvements on the land, including buildings located on the property on the
9 assessment date.

10 (d) Payments for property under (b) of this section [FURTHERMORE, PAYMENTS]
11 may not be required from the corporation [AUTHORITY] unless the payments are eligible
12 project costs under federal policy.

13 * Sec. 63. AS 18.55.630(a) is amended to read:

14 (a) For the purpose of aiding and cooperating in the planning, undertaking, or carrying
15 out of a redevelopment project located within the area in which it is authorized to act, a public
16 body may, upon terms, with or without consideration, as it determines,

17 (1) dedicate, sell, convey, or lease any of its interest in a property, or grant
18 easements, licenses, or other rights or privileges in the property to the corporation
19 [AUTHORITY];

20 (2) cause parks, playgrounds, or recreational, community, educational, water,
21 sewer, or drainage facilities, or other works that it is otherwise empowered to undertake to be
22 furnished in connection with a redevelopment project;

23 (3) furnish, dedicate, close, vacate, pave, install, grade, regrade, plan, or replan
24 streets, roads, sidewalks, ways, or other places, that it is otherwise empowered to undertake;

25 (4) plan or replan, or zone or rezone any part of the public body or make
26 exceptions from building regulations and ordinances if the functions are of the character that the
27 public body is otherwise empowered to perform;

28 (5) cause administrative and other services to be furnished to the corporation
29 [AUTHORITY] of the character that the public body is otherwise empowered to undertake or
30 furnish for the same or other purposes;

31 (6) incur the entire expense of public improvements made by the public body in

1 exercising the powers granted in this section;

2 (7) do any and all things necessary or convenient to aid and cooperate in the
3 planning or carrying out of a redevelopment plan;

4 (8) lend, grant, or contribute money [FUNDS] to the corporation
5 [AUTHORITY];

6 (9) employ any money [FUNDS] belonging to or within the control of the public
7 body, including money [FUNDS] derived from the sale or furnishing of property, service, or
8 facilities to the authority, in the purchase of the bonds or other obligations of the authority and,
9 as the holder of the bonds or other obligations, exercise the rights connected with them; and

10 (10) enter into agreements, which may extend over any period, notwithstanding
11 a provision or rule of law to the contrary, with the corporation [AUTHORITY] respecting action
12 to be taken by the public body under any of the powers granted by AS 18.55.480 - 18.55.960.

13 * Sec. 64. AS 18.55.660 is amended to read:

14 Sec. 18.55.660. ADDITIONAL POWERS OF GOVERNING BODY. Whenever the
15 corporation [AUTHORITY] exercises its rights, powers, and duties under AS 18.55.480 -
16 18.55.960 in the area adjacent to a municipality, the governing body of the municipality may
17 prepare or have prepared general plans for the physical development of the area if the preparation
18 of those plans is not otherwise authorized by law and approve redevelopment plans, and lend or
19 grant money [FUNDS] and other assistance for the undertaking of redevelopment projects in the
20 area and to take other action with respect to the area or redevelopment project area that is
21 authorized or required by AS 18.55.480 - 18.55.960 of the governing body of the municipality.

22 * Sec. 65. AS 18.55.680(a) is amended to read:

23 (a) In addition to the power given [ITS AUTHORITY] under AS 18.55.480 - 18.55.960,
24 the corporation [AUTHORITY] may plan and undertake an urban renewal project. In
25 AS 18.55.480 - 18.55.960 an urban renewal project includes undertaking and activity for the
26 elimination and prevention of the development or spread of slums or blighted, deteriorated, or
27 deteriorating areas. An urban renewal project may involve any work or undertaking for this
28 purpose that constitutes a redevelopment project or any rehabilitation or conservation work or any
29 combination of an undertaking or work.

30 * Sec. 66. AS 18.55.700 is repealed and reenacted to read:

31 Sec. 18.55.700. POWERS WITH RESPECT TO URBAN RENEWAL. (a) The

1 corporation has all the powers necessary or convenient to undertake and carry out urban renewal
2 plans and urban renewal projects, including the power to acquire and dispose of property, to issue
3 bonds and other obligations, to borrow and accept grants from the federal government or other
4 source, and to exercise the other powers granted to it by AS 18.55.480 - 18.55.960 with respect
5 to redevelopment projects.

6 (b) In connection with the planning and undertaking of an urban renewal plan or urban
7 renewal project, the corporation, the municipality, and all public and private offices, agencies,
8 and bodies have all the rights, powers, privileges, and immunities that they have with respect to
9 a redevelopment plan or redevelopment project, in the same manner as though all of the
10 provisions of AS 18.55.480 - 18.55.960 applicable to a redevelopment plan or redevelopment
11 project were applicable to an urban renewal plan or urban renewal project. However, for the
12 purpose of this subsection,

13 (1) the word "redevelopment" as used in AS 18.55.480 - 18.55.960, except in this
14 section and in the definition of "redevelopment project" in AS 18.55.950, means "urban renewal";

15 (2) the words "slum" and "blighted" as used in AS 18.55.480 - 18.55.960, except
16 in this section and in the definitions in AS 18.55.950, mean "blighted, deteriorated, or
17 deteriorating"; and

18 (3) the finding required by AS 18.55.510(b) with respect to a blighted area is not
19 required.

20 (c) In addition to the surveys and plans that the corporation may otherwise make, it may
21 make plans

22 (1) for carrying out a program of voluntary repair and rehabilitation of buildings
23 and improvements; and

24 (2) for the enforcement of laws, codes, and regulations relating to the use of land
25 and the use and occupancy of buildings and improvements, and the compulsory repair-
26 rehabilitation, demolition, or removal of buildings and improvements.

27 (d) The corporation may develop, test, and report methods and techniques, and carry out
28 demonstrations and other activities for the prevention and the elimination of slums and urban
29 blight.

30 * Sec. 67. AS 18.55.860 is amended to read:

31 Sec. 18.55.860. ORDINANCE TO GIVE CORPORATION [AUTHORITY] POWER

1 TO DETERMINE FITNESS OF DWELLINGS FOR HABITATION. The ordinance adopted by
2 a municipality under AS 18.55.480 - 18.55.960

3 (1) must [ALSO] provide that the corporation [AUTHORITY] may determine
4 that a dwelling is unfit for human habitation if it finds that conditions exist that

5 (A) are dangerous or injurious to the health, safety, or morals of the
6 occupant of the dwelling, the occupants of neighboring dwellings or other residents of the
7 municipality; [,] or

8 (B) [THAT] have a blighting influence on properties in the area;

9 (2) [. THESE CONDITIONS MAY INCLUDE THE FOLLOWING, WITHOUT
10 LIMITATION: DEFECTS INCREASING THE HAZARDS OF FIRE, ACCIDENT, OR OTHER
11 CALAMITY; LACK OF ADEQUATE VENTILATION, LIGHT, OR SANITARY FACILITIES;
12 DILAPIDATION; DISREPAIR; STRUCTURAL DEFECTS; UNCLEANLINESS;
13 OVERCROWDING; INADEQUATE INGRESS AND EGRESS; INADEQUATE DRAINAGE;
14 OR ANY VIOLATION OF HEALTH, FIRE, BUILDING, OR ZONING REGULATIONS, OR
15 ANY OTHER LAWS OR REGULATIONS, RELATING TO THE USE OF LAND AND THE
16 USE AND OCCUPANCY OF BUILDINGS AND IMPROVEMENTS. THE ORDINANCE] may
17 provide additional standards to guide the corporation [AUTHORITY] in determining the fitness
18 of a dwelling for human habitation.

19 * Sec. 68. AS 18.55.860 is amended by adding a new subsection to read:

20 (b) The conditions sufficient to support a finding under (a)(1) of this section include the
21 following, without limitation:

22 (1) defects increasing the hazards of fire, accident, or other calamity;

23 (2) lack of adequate ventilation, light, or sanitary facilities;

24 (3) dilapidation;

25 (4) disrepair;

26 (5) structural defects;

27 (6) uncleanliness;

28 (7) overcrowding;

29 (8) inadequate ingress and egress;

30 (9) inadequate drainage; or

31 (10) a violation of health, fire, building, or zoning regulations, or any other laws

1 or regulations, relating to the use of land and the use and occupancy of buildings and
2 improvements.

3 * Sec. 69. AS 18.55.950 is amended by adding a new paragraph to read:

4 (18) "corporation" means the Alaska Housing Finance Corporation.

5 * Sec. 70. AS 18.55.995 is amended to read:

6 Sec. 18.55.995. PURPOSE AND INTENT. The legislature finds that an acute shortage
7 of housing and related facilities exists in the villages of the state [ALASKA] and that adequate
8 housing cannot be provided by the private sector due to the economic depression that exists in
9 most villages of the state [ALASKA]. It is the purpose and intent of the legislature to provide
10 a means for certain Native associations to form public corporations with the powers and duties
11 comparable to those provided in AS 18.55.100 - 18.55.960 [THE ALASKA STATE HOUSING
12 AUTHORITY].

13 * Sec. 71. AS 18.55.996(b) is amended to read:

14 (b) There is created with respect to each of the associations named in (a) of this section
15 a public body corporate and politic to function in the operating area of the individual associations
16 to be known as the regional housing authority of the associations possessing all powers, rights,
17 and functions now or subsequently specified [FOR THE ALASKA STATE HOUSING
18 AUTHORITY,] under AS 18.55.100 - 18.55.290 [THE ALASKA STATE HOUSING
19 AUTHORITY ACT (AS 18.55.010 - 18.55.290)] except those specified with respect to [THE
20 CONSTRUCTION AND ACQUISITION OF PUBLIC BUILDINGS FOR LEASE TO THE
21 STATE OR] any [SUBSEQUENTLY SPECIFIED] authority that is inconsistent with
22 AS 18.55.995. The authority may enter into agreements with local government, other political
23 subdivisions of the state, the state or the federal government for the exercise of a function or
24 power relating to construction, operation, and maintenance of public facilities or public utilities.
25 Upon execution of an agreement and for the period of the agreement the authority shall have the
26 same powers and functions relating to the subject matter of the agreement as those that may
27 legally be exercised by the governmental unit with whom the agreement is made including the
28 authority to separately or together with the other unit borrow money and issue notes, bonds, or
29 other evidence of indebtedness to finance a project within the scope of the agreement subject to
30 the express limitations, if any, contained in the agreement. All obligations or liabilities of the
31 regional housing authority shall remain their own and are not obligations or liabilities of the state.

1 * Sec. 72. AS 18.55.996(g) is amended to read:

2 (g) If an activity associated with the planning, financing, construction, or operation of
3 a project by a regional housing authority established in this section and authorized under
4 AS 18.55.100 - 18.55.290 conflicts with an activity of the Alaska Housing Finance Corporation
5 [ALASKA STATE HOUSING AUTHORITY], the governing body of the municipality in which
6 the project is located shall resolve the conflict.

7 * Sec. 73. AS 18.55.997(a) is amended to read:

8 (a) In addition to the powers authorized to a regional housing authority under
9 AS 18.55.996, a regional housing authority may, in accordance with procedures and policies
10 adopted and approved by the Alaska Housing Finance Corporation [DEPARTMENT OF
11 COMMUNITY AND REGIONAL AFFAIRS], make loans for the purchase or development of
12 residential housing in rural areas of the state, other than in an area where the corporation
13 [DEPARTMENT] has a loan office. A loan shall be secured by collateral in an amount
14 acceptable to the corporation [DEPARTMENT OF COMMUNITY AND REGIONAL
15 AFFAIRS]. The rate of interest on a loan authorized by this section may not exceed the interest
16 rate on a loan originated or purchased under AS 18.56.400 - 18.56.600 [AS 44.47.370 -
17 44.47.560].

18 * Sec. 74. AS 18.55.998(a) is amended to read:

19 (a) There is created in the Alaska Housing Finance Corporation [DEPARTMENT OF
20 COMMUNITY AND REGIONAL AFFAIRS] a supplemental housing development grant fund.
21 Subject to the availability of appropriations for the purpose, the corporation [DEPARTMENT]
22 shall make grants to regional housing authorities established under AS 18.55.996 for the cost of
23 on-site sewer and water facilities, road construction to project sites, energy efficient design
24 features in homes, and extension of electrical distribution facilities to individual residences.

25 * Sec. 75. AS 18.55.998(d) is amended to read:

26 (d) The Alaska Housing Finance Corporation [DEPARTMENT] shall adopt regulations
27 to carry out the purposes of this section. The provisions of AS 18.56.088(a) and (b) [THE
28 ADMINISTRATIVE PROCEDURE ACT (AS 44.62)] apply to regulations adopted under this
29 section.

30 * Sec. 76. AS 18.56.010(d) is amended to read:

31 (d) The program of making loans for residential housing to veterans [IN ACCORDANCE

1 WITH AS 26.15 HAS INCREASED AND IMPROVED THE SUPPLY OF ADEQUATE
 2 HOUSING IN THE STATE, AND THE CONTINUATION OF THE PROGRAM] is essential
 3 to the economic growth of the state and the expansion of the supply of adequate residential
 4 housing in the state. Assumption [PARTICIPATION] by the Alaska Housing Finance
 5 Corporation of [IN] the program of purchasing and insuring state veterans' loans as provided in
 6 this chapter will be of material aid in insuring the continuance of the program of making loans
 7 for residential housing to veterans [IN ACCORDANCE WITH AS 26.15].

8 * Sec. 77. AS 18.56.010(f) is amended to read:

9 (f) The legislature finds that enabling the Alaska Housing Finance Corporation to finance
 10 [ASSIST IN FINANCING] the program of veterans' loans for residential housing [IN
 11 ACCORDANCE WITH AS 26.15] and to expand its program of purchasing other mortgage loans
 12 serves a public purpose in benefiting the people of the state. The Alaska Housing Finance
 13 Corporation is empowered to act on behalf of the state and its people in serving this public
 14 purpose for the benefit of the general public."

15 * Sec. 78. AS 18.56.030(a) is amended to read:

16 (a) The corporation shall be governed by a board of directors consisting of

17 (1) the commissioner of revenue and the commissioner of commerce and
 18 economic development;

19 (2) one other member who is the head of a principal department of the executive
 20 branch of state government appointed by the governor, and

21 (3) six [FOUR] public members appointed by the governor, appointed as follows:

22 (A) one [OF WHOM] shall be a representative of the financial
 23 community;

24 (B) [AND] one [OF WHOM] shall be a person licensed as a real estate
 25 broker under AS 08.88.171(a);

26 (C) one shall be a person appointed from a list of nominees provided
 27 to the governor by the Association of Alaska Housing Authorities;

28 (D) one shall be a person appointed from a list of nominees provided
 29 to the governor by the Alaska Coalition for the Homeless;

30 (E) one shall be a resident of rural Alaska appointed from a list of
 31 persons provided to the governor by the commissioner of community and regional

1 affairs; and

2 (F) one shall be a member of an organization involved with special
3 needs housing.

4 * Sec. 79. AS 18.56.030(b) is amended to read:

5 (b) If a member described in (a)(1) or (2) of this section is unable to attend a meeting
6 of the board or of a committee of the board, the member may by an instrument in writing filed
7 with the board, designate a deputy or assistant to act in the member's place at the meeting. For
8 all purposes of this chapter, the designee is a member of the board at the meeting.

9 * Sec. 80. AS 18.56.030 is amended by adding a new subsection to read:

10 (f) The governor shall appoint the public members under (a)(3) of this section to give
11 the board of directors a reasonable geographic balance among regions of the state.

12 * Sec. 81. AS 18.56.050 is amended by adding new subsections to read:

13 (b) The board may establish an executive committee or other committee of its members
14 and delegate to the executive committee or other committee the powers and duties it considers
15 appropriate.

16 (c) The board may establish advisory committees for any aspect of its activities.

17 * Sec. 82. AS 18.56.084 is amended to read:

18 Sec. 18.56.084. INTERNATIONAL BORROWING. For the purpose of obtaining access
19 to international capital markets to borrow money for the special mortgage loan purchase program
20 (AS 18.56.098), as an addition to the powers of the corporation under AS 18.56.090, the
21 corporation may (1) establish or cause to be established, subsidiary corporations incorporated in
22 the state or in another state, or under the laws of a foreign jurisdiction; (2) invest in corporations
23 established under this section; (3) issue bonds and borrow money for investments in corporations
24 established under this section; (4) borrow from corporations established under this section; (5)
25 guarantee the obligations of corporations established under this section; or (6) enter into
26 agreements with corporations established under this section or with other persons. In exercising
27 a power under this section, the corporation may not subject its assets to risk of loss through
28 foreign currency exchange. A guarantee under this section constitutes a bond of the corporation
29 as defined in AS 18.56.390 [AS 18.56.900].

30 * Sec. 83. AS 18.56.098(f)(4) is amended to read:

31 (4) "residence" means

- 1 (A) an owner-occupied, single-family residence, including a mobile home;
2 [OR]
3 (B) an owner-occupied duplex, triplex, or fourplex; or
4 (C) the multiple dwelling of a person who qualifies as a veteran under
5 AS 18.56.101.

6 * Sec. 84. AS 18.56.200 is amended by adding a new subsection to read:

7 (e) The corporation shall include in its annual report under (b) of this section a report
8 of its activities under

9 (1) AS 18.55.010 - 18.55.290 (Housing Project Assistance Act);

10 (2) AS 18.55.300 - 18.55.470 (programs of moderate income and rental housing);

11 and

12 (3) AS 18.55.480 - 18.55.960 (Slum Clearance and Redevelopment Act).

13 * Sec. 85. AS 18.56.210(a) is amended to read:

14 (a) If the board of directors determines that it is in the best interest of the corporation,
15 the corporation may take appropriate action under this section to stabilize the market price of and
16 demand for residential housing in the state. To accomplish the purposes of this section, the
17 corporation may

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

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

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

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

31 (5) convert residential housing owned by the corporation that is designed and

1 constructed for owner occupancy to another beneficial use;

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

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

7 (8) invest funds of the corporation in the removal and disposal of substandard
8 publicly owned residential housing if the board of directors determines that the investment is
9 prudent, properly secured, and in the long-term best interests of the corporation;

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

12 (10) purchase loans from the housing assistance loan fund (AS 18.56.420)
13 [(AS 44.47.380)] if and only if:

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

18 (B) the corporation has established a source of mortgage insurance for new
19 loans subject to the provisions of AS 18.56.400 - 18.56.600 [AS 44.47.360 - 44.47.560];
20 and

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

23 * Sec. 86. AS 18.56 is amended by adding new sections to read:

24 Sec. 18.56.390. DEFINITIONS FOR AS 18.56.010 - 18.56.390. In AS 18.56.010 -
25 18.56.390, unless the context clearly indicates a different meaning,

26 (1) "adjustable rate mortgage loan" means a mortgage loan with respect to which
27 the interest rate varies or is expected to vary from time to time by reference to an index or
28 formula or other reference point;

29 (2) "bond" or "obligation" means a bond, bond anticipation note, or other note of
30 the corporation authorized to be issued by the corporation under this chapter, or a mortgage
31 participation certificate issued with respect to mortgages of the corporation;

1 (3) "construction loan" means a construction loan for land development or
2 residential housing that is secured by a federally insured or guaranteed mortgage or that is
3 insured or guaranteed by the United States or an instrumentality of the United States, or for
4 which there is a commitment by the United States or an instrumentality of the United States to
5 insure or guarantee such a loan, or a construction loan for land development or residential
6 housing which land development or residential housing will be secured by a mortgage loan;

7 (4) "development costs" means the costs approved by the corporation as
8 appropriate expenditures that may be incurred by sponsors, builders, and developers of residential
9 housing, before commitment and initial advance of the proceeds of a construction loan or of a
10 mortgage loan, including but not limited to

11 (A) payments for options to purchase properties on the proposed
12 residential housing site, deposits on contracts of purchase, or, with prior approval of the
13 corporation, payments for the purchase of the properties;

14 (B) legal and organizational expenses, including payments of attorney fees,
15 project manager, clerical, and other staff salaries, office rent, and other incidental
16 expenses;

17 (C) payment of fees for preliminary feasibility studies and advances for
18 planning, engineering, and architectural work;

19 (D) expenses for tenant surveys and market analyses; and

20 (E) necessary application and other fees;

21 (5) "governmental agency" means any department, division, public agency,
22 political subdivision, or other public instrumentality of the state or the federal government;

23 (6) "housing development fund" means the housing development fund created by
24 AS 18.56.100;

25 (7) "land development" means the process of acquiring land primarily for
26 residential housing construction for persons of lower and moderate income and making, installing,
27 or constructing nonresidential housing improvements, including water, sewer, and other utilities,
28 roads, streets, curbs, gutters, sidewalks, storm drainage facilities, and other installations or works,
29 whether on or off the site, that the corporation considers necessary or desirable to prepare the
30 land primarily for residential housing construction;

31 (8) "mortgage" or "mortgage loan" means a mortgage loan for residential housing

1 insured or guaranteed by the United States or an instrumentality of the United States or for which
2 there is a commitment by the United States or an instrumentality of the United States to insure
3 or guarantee such a mortgage, or if not so insured or guaranteed or if there is no such
4 commitment, that is secured upon such terms and conditions as the corporation considers
5 necessary or practicable to insure all repayments;

6 (9) "persons of lower and moderate income" means a person or persons
7 considered by the corporation to require assistance available under this chapter on account of
8 insufficient or inadequate personal or family income or otherwise limited personal financial
9 resources, taking into consideration, without limitation, such factors as

10 (A) the amount of the total income of the persons available for housing
11 needs;

12 (B) the size of the family;

13 (C) the cost and condition of housing facilities available;

14 (D) standards established for various federal programs determining
15 eligibility based on income of the persons; and

16 (E) the ability of the persons to compete successfully in the normal
17 housing market and to pay the amounts at which private enterprise is providing decent,
18 safe, and sanitary housing;

19 (10) "remote, underdeveloped, or blighted areas" means areas considered by the
20 corporation to require assistance available under this chapter on account of insufficient
21 availability of the residential housing necessary to promote, develop, or maintain the economic
22 growth or potential of the area, taking into consideration, without limitation, the following:

23 (A) the population, resources, and environment of the area;

24 (B) the present availability and condition of residential housing in and near
25 the area;

26 (C) the cost of construction and rehabilitation of residential housing in the
27 area;

28 (D) the availability of other federal or state sponsored programs to
29 facilitate the development of residential housing in the area; and

30 (E) the ability of residents of the area to finance the purchase of
31 residential housing or to rent or lease residential housing at rates comparable to those in

1 effect in other areas of the state;

2 (11) "residential housing" means a specific work or improvement undertaken
3 primarily to provide dwelling accommodations without limitation as to form of lawful occupancy,
4 whether rental, under contract, fee ownership, cooperative housing, condominium, mobile home,
5 or other lawful form of ownership, including the acquisition, construction, or rehabilitation of
6 land, buildings, and improvements to them, and other nonhousing facilities as may be incidental
7 or appurtenant to the land or buildings;

8 (12) "sponsors" means individuals, public and private corporations, associations,
9 partnerships or other entities, whether or not operated for profit; and consumer housing
10 cooperatives, associations, partnerships, or other entities organized under law for the primary
11 purpose of providing housing to individuals and families of lower and moderate income; it
12 includes organizations engaged in the production, origination, and development of residential
13 housing units intended to qualify for financial assistance under 42 U.S.C. 1437f (sec. 8, Housing
14 Act of 1937), as amended.

15 ARTICLE 2. HOUSING ASSISTANCE.

16 Sec. 18.56.400. POWERS OF CORPORATION RELATED TO HOUSING
17 ASSISTANCE. The board may

18 (1) adopt regulations in accordance with AS 18.56.088 to implement
19 AS 18.56.400 - 18.56.600;

20 (2) make and execute agreements, contracts, and other instruments necessary or
21 convenient in the exercise of the powers and functions granted under AS 18.56.400 - 18.56.600;

22 (3) purchase or participate in the purchase of nonconforming and rural housing
23 mortgage loans in accordance with AS 18.56.400 - 18.56.600;

24 (4) purchase or participate in the purchase of loans for building materials for
25 nonconforming and rural housing in accordance with AS 18.56.400 - 18.56.600;

26 (5) procure insurance against loss in connection with the corporation's functions
27 under AS 18.56.400 - 18.56.600;

28 (6) acquire real or personal property, or an interest in real or personal property,
29 by purchase, transfer, or foreclosure, when the acquisition is necessary or appropriate to protect
30 a loan in which the corporation has an interest; sell, transfer and convey that property to a buyer,
31 and, if the sale, transfer or conveyance cannot be effected with reasonable promptness or at a

1 reasonable price, rent or lease the property to a tenant pending the sale, transfer or conveyance;
2 (7) do all acts necessary, convenient or desirable to carry out the powers expressly
3 granted or necessarily implied in AS 18.56.400 - 18.56.600;

4 (8) originate and service direct loans made to qualified buyers in accordance with
5 AS 18.56.400 - 18.56.600.

6 Sec. 18.56.410. ALASKA ENERGY EFFICIENT HOME GRANT FUND. (a) There
7 is established in the corporation the Alaska energy efficient home grant fund consisting of money
8 appropriated to it by the legislature. The corporation shall administer the Alaska energy efficient
9 home grant fund under the provisions of this section.

10 (b) The corporation may grant funds from the Alaska energy efficient home grant fund
11 to agencies of the state or federal government, individuals, or businesses that retrofit existing
12 single family dwellings or build new single family dwellings that meet criteria adopted by the
13 corporation.

14 (c) The corporation shall adopt guidelines and procedures for the fund after consultation
15 with the board of directors of the Alaska Craftsman Home Program.

16 Sec. 18.56.420. HOUSING ASSISTANCE LOAN FUND. (a) There is created in the
17 corporation, as a revolving loan fund, the housing assistance loan fund consisting of money
18 appropriated to it by the legislature and repayments of principal and interest on loans made or
19 purchased from the assets of the fund. The corporation shall administer the housing assistance
20 loan fund in accordance with AS 18.56.400 - 18.56.600 and shall use the money in the housing
21 assistance loan fund to originate, purchase, or participate in the purchase of

22 (1) nonconforming and rural housing mortgage loans;

23 (2) loans made for building materials for nonconforming and rural housing;

24 (3) loans made for renovations or improvements to nonconforming and rural
25 housing;

26 (4) loans made for the construction of owner-occupied nonconforming and rural
27 housing other than loans to builders or contractors or loans that compensate an owner for the
28 owner's labor or services in constructing the owner's own housing.

29 (b) Money in the fund may be used by the legislature to make appropriations for costs
30 of administering the housing assistance program.

31 Sec. 18.56.430. HOME OWNERSHIP ASSISTANCE FUND. (a) There is created in

1 the corporation the home ownership assistance fund consisting of money appropriated to it by
2 the legislature. Money in the fund shall be used solely to assist persons of lower and moderate
3 income to purchase or construct single-family homes financed under AS 18.56.400 - 18.56.600
4 by providing a subsidy to those persons.

5 (b) The subsidy provided by this section may not exceed the amount that is necessary
6 to reduce the annual interest rate paid on the mortgage loan to six percent.

7 (c) A mortgage loan that is subsidized from the home ownership assistance fund may not
8 exceed \$120,000.

9 (d) The corporation shall adopt regulations that establish maximum income-to-loan
10 payment ratios for persons who apply for a subsidy under this section.

11 (e) In this section, "persons of lower and moderate income" means individuals considered
12 by the corporation to require assistance under this section because of inadequate income or other
13 limited personal financial resources, taking into consideration

14 (1) the amount of total income available for housing needs;

15 (2) the size of the family;

16 (3) the cost and condition of available housing;

17 (4) standards established in various federal programs for determining eligibility
18 based on income;

19 (5) the ability to enter the private housing market and to pay market amounts for
20 decent, safe, and sanitary housing; and

21 (6) other factors considered relevant by the corporation.

22 **Sec. 18.56.440. LIMITATIONS ON USE OF HOUSING ASSISTANCE LOAN FUND.**

23 The corporation may not use the money in the housing assistance loan fund to

24 (1) originate a direct loan or purchase or participate in the purchase of a
25 nonconforming or rural housing mortgage loan that exceeds the limitations on mortgage loans
26 purchased by the Federal National Mortgage Association as to principal amount or loan-to-value
27 ratio;

28 (2) originate a direct loan or purchase or participate in the purchase of a loan
29 made for building materials for nonconforming or rural housing

30 (A) that exceeds \$45,000 or exceeds

31 (i) 80 percent of the appraised value of the work completed on the

1 nonconforming or rural housing for which the loan is made if the nonconforming
2 or rural housing is pledged as collateral for the loan; or

3 (ii) 90 percent of the value of other property that is pledged as
4 security for the loan and that is satisfactory to the corporation as collateral;

5 (B) unless the terms of the loan agreement require inspections and
6 certifications, as required by regulations of the corporation, at the expense of the
7 borrower; and

8 (C) unless the period of time allowed for repayment of the loan is equal
9 to or less than 15 years;

10 (3) originate direct loans or purchase or participate in the purchase of a
11 nonconforming or rural housing mortgage loan that is secured by real property the marketable
12 title to which is shown in accordance with AS 18.56.480(b)(2) if the total amount of outstanding
13 nonconforming and rural housing mortgage loans held by the corporation exceeds 10 times the
14 amount of money in the restricted title loss reserve account established by AS 18.56.490;

15 (4) originate a direct loan for nonconforming or rural housing or purchase or
16 participate in the purchase of a nonconforming or rural housing mortgage loan, other than a loan
17 for the repair, remodeling, rehabilitation, or expansion of an existing owner-occupied residence,
18 if the borrower has an outstanding housing loan made under a state loan program, other than a
19 loan for nonowner-occupied housing under AS 18.56.580, that bears interest at a rate that was
20 less than the prevailing market interest rate for similar housing loans at the time the loan was
21 made;

22 (5) originate a direct mortgage loan or purchase or participate in the purchase of
23 a mortgage loan for rental housing unless the borrower agrees not to discriminate against tenants
24 or prospective tenants because of sex, marital status, changes in marital status, pregnancy,
25 parenthood, race, religion, color, national origin, or status as a student;

26 (6) originate, purchase, or participate in a loan to a person who has a past due
27 child support obligation established by court order or by the child support enforcement division
28 under AS 25.27.160 - 25.27.220 at the time of application.

29 Sec. 18.56.450. OPERATING LOSS RESERVE ACCOUNT. (a) There is established
30 an operating loss reserve account for the purpose of meeting legal expenses incurred through the
31 foreclosure of properties acquired by the corporation under AS 18.56.400(6) and making repairs

1 to these properties so that they may be sold to new buyers.

2 (b) The operating reserve loss account consists of money appropriated by the legislature.
3 To the extent that money is paid out of the operating loss reserve account for the purposes stated
4 in this section, this money shall be replaced with money received as interest on loans authorized
5 by AS 18.56.400 - 18.56.600.

6 Sec. 18.56.460. SECURITY FOR LOANS. (a) The corporation shall adopt regulations
7 in accordance with AS 18.56.088 establishing acceptable security for loans originated or
8 purchased in whole or in part under AS 18.56.420.

9 (b) A person may pledge as security for the repayment of a loan originated or purchased
10 in whole or in part under AS 18.56.420 a preference right that person holds to receive title to
11 land the person occupies as a primary place of residence, primary place of business, subsistence
12 campsite, or as headquarters for reindeer husbandry. The preference right must be conveyed to
13 the person by the Native corporation to which the land was granted under 43 U.S.C. 1613
14 (Alaska Native Claims Settlement Act) before it may be pledged as security under this
15 subsection. The corporation shall prescribe procedures and standard forms for establishing,
16 pledging, and appraising the value of a preference right held by a person to secure the repayment
17 of a loan originated or purchased in whole or in part under AS 18.56.420.

18 Sec. 18.56.470. INTEREST ON LOANS. (a) The interest rate on a mortgage loan
19 originated or purchased in whole or in part under AS 18.56.420 for nonconforming housing that
20 is not rural housing is one-quarter percent more than the interest rate, as determined under
21 AS 18.56.098(g)(1) - (4), on a mortgage loan purchased under AS 18.56.098(a) from the proceeds
22 of the most recent applicable issue of taxable bonds before the origination or purchase of the
23 mortgage loan originated or purchased under AS 18.56.420.

24 (b) The interest rate on a mortgage loan originated or purchased in whole or in part under
25 AS 18.56.420 for rural housing is one percent less than the interest rate, as determined under
26 AS 18.56.098(g)(1) - (4), on a mortgage loan purchased under AS 18.56.098(a) from the proceeds
27 of the most recent applicable issue of taxable bonds before the origination or purchase of the
28 mortgage loan originated or purchased under AS 18.56.420.

29 Sec. 18.56.480. TITLE. (a) Before the corporation originates or purchases a
30 nonconforming or rural housing mortgage loan in whole or in part, the corporation may require
31 a borrower to show marketable title to real property offered as security for the loan to be

1 purchased.

2 (b) A borrower may show marketable title to real property for the purposes of (a) of this
3 section

4 (1) by purchasing title insurance from a title insurance company authorized to do
5 business in the state; or

6 (2) by delivering to the corporation a copy of a letter of intent signed by an
7 authorized representative of the United States Department of the Interior that shows the transfer
8 of title to the property from the United States government to the borrower if

9 (A) the borrower is an Alaska Native; and

10 (B) title to the property was originally transferred from the United States
11 government, directly or indirectly, to the borrower under federal law.

12 (c) For the purposes of this section, a deed which federal law prohibits or limits the
13 power to transfer or encumber and which would otherwise constitute marketable title to real
14 property is considered marketable title to real property if the United States Bureau of Indian
15 Affairs or another appropriate federal agency waives immunity under the federal law from
16 foreclosure or other alienation of the real property.

17 Sec. 18.56.490. RESTRICTED TITLE LOSS RESERVE ACCOUNT. (a) There is
18 established in the corporation the restricted title loss reserve account. The restricted title loss
19 reserve account consists of money appropriated to it by the legislature and shall be administered
20 by the corporation.

21 (b) The corporation may withdraw money from the restricted title loss reserve account
22 in an amount equal to the loss to the corporation on a nonconforming or rural housing mortgage
23 loan originated or purchased in whole or in part by the corporation if marketable title to the real
24 property used to secure the loan was shown in accordance with AS 18.56.480(b)(2). Money
25 withdrawn from the restricted title loss reserve account under this section shall be deposited in
26 the housing assistance loan fund.

27 Sec. 18.56.500. FIRE INSURANCE. Before purchasing or participating in the purchase
28 of a nonconforming or rural housing mortgage loan, the corporation may require the borrower
29 to agree to purchase and maintain fire insurance for the real property for which the loan is made
30 in an amount not less than the outstanding principal balance of the loan.

31 Sec. 18.56.510. LOAN ORIGINATION AND SERVICING. (a) Before purchasing or

1 participating in the purchase of a nonconforming or a rural housing mortgage loan, the
2 corporation shall enter into a loan servicing agreement with the private financial institution from
3 which the loan is to be purchased.

4 (b) The corporation may execute service agreements with private lending institutions or
5 with regional native housing authorities established under AS 18.55.996 to service loans
6 originated by the corporation or loans originated under AS 18.55.997.

7 (c) Under the servicing agreement, the private financial institution or the regional native
8 housing authority shall administer the loan and may charge the corporation a negotiated
9 origination or servicing fee on the division's share of the loan. When appropriate, the private
10 financial institution or the regional native housing authority may also charge the borrower a
11 reasonable originator fee not to exceed one percent.

12 Sec. 18.56.520. APPRAISALS. Before originating or purchasing or participating in the
13 purchase of a nonconforming or rural housing mortgage loan, the corporation may have or may
14 require the borrower to have an appraisal made of the fair market value of the real property,
15 including structures on the real property, for which the loan is made. In conducting an appraisal
16 under this section, the appraiser shall give full value to insulation and other features of
17 construction in structures on the real property that add to the energy efficiency of the structures.

18 Sec. 18.56.530. ENERGY AUDIT EXEMPTION. In making loans under AS 18.56.400 -
19 18.56.600, the corporation is exempt from the requirements of AS 46.11.050(b).

20 Sec. 18.56.540. TOLL-FREE TELEPHONE NUMBER. For the purposes of
21 administration of AS 18.56.400 - 18.56.600, the corporation shall arrange for and maintain a
22 toll-free telephone number for the corporation so that private financial institutions and their
23 borrowers may contact the corporation from any location in the state by telephone without a toll
24 charge.

25 Sec. 18.56.550. FIELD OFFICES; CONTRACT SERVICES; ASSISTANCE TO
26 OTHERS. (a) The corporation may establish field offices under AS 18.56.400 - 18.56.600, may
27 hire one or more lending officers, and may contract for the services of

28 (1) real property appraisers who are familiar with rural construction; and

29 (2) engineers who are familiar with engineering problems in arctic and subarctic
30 regions.

31 (b) The personnel described in (a) of this section may make visits to the regions

1 established under AS 18.56.570(a) to provide preconstruction and post-construction inspections
2 of real property for which loans are originated or purchased by the corporation in whole or in
3 part under AS 18.56.420 and to provide assistance to private financial institutions and their
4 borrowers in the regions. Authority for final approval of loans may not be exercised by the
5 personnel described in this section.

6 Sec. 18.56.560. DEMONSTRATION PROJECTS AND INFORMATION. The
7 corporation may enter into agreements with public and private agencies to provide demonstration
8 projects and information concerning housing construction in each of the regions established under
9 AS 18.56.570(a).

10 Sec. 18.56.570. REGIONAL ALLOCATION. (a) The corporation, by regulations
11 adopted in accordance with AS 18.56.088, shall establish and may amend the boundaries of
12 reasonably compact and contiguous regions in the state.

13 (b) Unless otherwise required by an appropriation, the corporation shall allocate the
14 money in the housing assistance loan fund among the regions established under (a) of this section
15 for the purpose of originating or purchasing each type of loan described in AS 18.56.420. In
16 making an allocation under this subsection, the corporation shall consider the past and potential
17 lending activity of private financial institutions in the region as well as the need for loans in the
18 region. The corporation may reallocate the money among the regions as the corporation
19 considers necessary.

20 Sec. 18.56.580. LOANS FOR NONOWNER OCCUPIED HOUSING. (a) In addition
21 to the powers authorized by AS 18.56.400, the corporation may adopt regulations under
22 AS 18.56.088 allowing the use of money in the housing assistance loan fund to make loans for
23 the purchase or development of nonowner occupied housing in rural areas of the state.

24 (b) The rate of interest on a loan authorized by this section may not exceed 1 1/2
25 percent a year.

26 (c) The principal amount of loans made for nonowner occupied housing under this
27 section may not exceed 20 percent of the total principal amount of loans made for nonconforming
28 and rural housing under AS 18.56.400 - 18.56.600.

29 (d) In this section

30 (1) "development" means the construction of a new residence or the repair,
31 remodeling, rehabilitation, or expansion of an existing residence;

1 (2) "nonowner occupied housing" means a single-family residence or a
2 multi-family residence having up to eight dwelling units, that is not nonconforming housing, and
3 is not occupied by the owner; the corporation may modify this definition if it determines that
4 there is a special need for nonowner occupied housing and that a change in the definition is
5 necessary to enable the corporation to meet that need.

6 Sec. 18.56.590. BIENNIAL REPORT. To further ensure effective budgetary decision
7 making by the legislature, the corporation shall present a complete accounting of the housing
8 assistance revolving fund to the legislature every two years by January 10. The accounting must
9 consist of an audit by an independent outside auditor for each year covered by the accounting.
10 The accounting must include a full description of all mortgage loan interest and principal
11 repayments and program receipts for purposes of programs under AS 18.56.400 - 18.56.600,
12 including mortgage loan commitment fees, received by or accrued to the corporation during the
13 two preceding fiscal years, and all income earned on assets held by the corporation for purposes
14 of programs under AS 18.56.400 - 18.56.600 during that period.

15 Sec. 18.56.600. DEFINITIONS. In AS 18.56.400 - 18.56.600,

16 (1) "housing" means owner-occupied, single-family housing and owner-occupied
17 duplexes;

18 (2) "nonconforming housing" means housing that does not conform to minimum
19 building standards under any state or federal program that provides loans for housing purchases;

20 (3) "rural" means

21 (A) a community in the second, third, or fourth judicial district of the state
22 with a population of 4,500 or less that is not connected by road or rail to
23 Anchorage or Fairbanks; or

24 (B) a community in the first judicial district of the state with a population
25 of 4,500 or less;

26 (4) "rural housing" means housing whether or not it is nonconforming housing
27 that is located in a rural area of the state.

28 ARTICLE 3. LOW COST AND LOW INCOME MULTIPLE FAMILY
29 HOUSING DEVELOPMENT FUND.

30 Sec. 18.56.650. LOW COST AND LOW INCOME MULTIPLE FAMILY HOUSING
31 DEVELOPMENT. (a) There is created in the corporation a low cost and low income multiple

1 family housing development fund. Subject to appropriation the corporation shall make grants to
2 municipalities or public or private nonprofit corporations designated as tax exempt under 26
3 U.S.C. 501(c)(3) and (4) (Internal Revenue Code of 1954) for the purpose of developing low
4 cost, low income multiple family housing.

5 (b) Application for a grant under (a) of this section shall be in the form prescribed by
6 the corporation. The application

7 (1) shall demonstrate the need for low cost, low income multiple family housing
8 in the area to be served, the feasibility of the proposed project; and

9 (2) must include an adequate management plan that shall demonstrate the ability
10 of the eligible recipient to sustain the proposed project.

11 (c) A low cost and low income multiple family housing project developed under this
12 section

13 (1) shall be prepared in accordance with facility procurement policies developed
14 by the Department of Transportation and Public Facilities under AS 35.10.160 - 35.10.200; and

15 (2) is a public facility under AS 35.10.160 - 35.10.200.

16 (d) The corporation shall adopt regulations to carry out the purposes of this section.

17 (e) In this section "low cost and low income multiple family housing"

18 (1) means a specific work or improvement undertaken primarily to provide
19 multiple family dwelling accommodations for low income persons;

20 (2) includes the acquisition, construction, or rehabilitation of land, buildings,
21 improvements, and other nonhousing facilities that are incidental or appurtenant to the housing.

22 ARTICLE 4. SENIOR HOUSING OFFICE.

23 Sec. 18.56.700. SENIOR HOUSING OFFICE. (a) There is established in the
24 corporation a senior housing office. The office shall promote a comprehensive response to the
25 needs of senior citizens for adequate, accessible, secure, and affordable housing in the state. In
26 order to fulfill this purpose, the office may

27 (1) study the needs of senior citizens in the state for housing to meet their needs;

28 (2) seek financial assistance from appropriate sources for the development of
29 housing alternatives for senior citizens;

30 (3) administer the senior housing loan program established under AS 18.56.700 -
31 18.56.799;

1 (4) cooperate and coordinate with other public and private agencies to respond
2 to the housing needs of senior citizens;

3 (5) offer public education programs to increase the awareness of alternatives to
4 large residential facilities for senior citizens;

5 (6) provide information to senior citizens to help them understand their financial
6 alternatives related to homes they might already own and to help them coordinate with other
7 senior citizens in finding housing alternatives, including information and coordination on home
8 equity conversion and home sharing; and

9 (7) disseminate information to construction contractors to educate them about
10 remodeling projects that would meet the needs of many senior citizens for accessible and secure
11 housing.

12 (b) In order to avoid duplication of efforts and to benefit from the commission's
13 expertise, the office shall consult with the Older Alaskans Commission in the performance of the
14 office's duties under AS 18.56.700 - 18.56.799 so that the housing needs of senior citizens can
15 be met most efficiently and effectively.

16 Sec. 18.56.710. SENIOR HOUSING REVOLVING FUND. (a) The senior housing
17 revolving fund is established. The revolving fund consists of appropriations made to it by the
18 legislature, the proceeds of bonds sold under AS 18.56.790 as they are deposited into it by the
19 corporation for specific projects, and money or other assets transferred to the revolving fund by
20 the corporation. The corporation may pledge amounts deposited in the revolving fund for bonds
21 issued under AS 18.56.790 and used by the corporation for making, purchasing, or participating
22 in

23 (1) senior housing mortgage loans;

24 (2) loans made for building materials for senior housing;

25 (3) loans made for renovation or improvement of or for senior housing, including
26 loans for renovation or improvement of congregate or individual residences; and

27 (4) loans made for the construction of senior housing.

28 (b) For each loan proposed to be made under AS 18.56.700 - 18.56.799, the corporation
29 shall determine the financial feasibility of the project for which the loan would be used and the
30 extent to which the project would meet senior housing needs in the area for which it is proposed.

31 Sec. 18.56.720. INTEREST RATE. The interest rate on loans made under

1 AS 18.56.700 - 18.56.799 that are funded by a bond issue under AS 18.56.790 is equal to the
2 cost of funds of that bond issue plus

3 (1) two percentage points for a construction loan;

4 (2) one-half of one percentage point for a permanent loan.

5 Sec. 18.56.730. CONDITIONS ON LOANS. (a) The corporation shall adopt regulations
6 under AS 18.56.088(a) and (b) establishing acceptable security for loans originated or purchased
7 in whole or in part under AS 18.56.700 - 18.56.799.

8 (b) The corporation

9 (1) may condition a loan under AS 18.56.700 - 18.56.799 on an agreement by the
10 borrower to maintain the financed project as senior housing for a time period specified by the
11 corporation; and

12 (2) shall establish by regulation the criteria it will use for specifying time periods
13 under (1) of this subsection and for determining under what circumstances the time periods can
14 be decreased after the loan is made.

15 Sec. 18.56.740. FIRE INSURANCE. Before purchasing or participating in the purchase
16 of a senior housing mortgage loan, the corporation shall require the borrower to agree to purchase
17 and maintain fire insurance for the real property for which the loan is made in an amount not less
18 than the outstanding principal balance of the loan.

19 Sec. 18.56.750. LOAN ORIGINATION AND SERVICING. (a) Before purchasing or
20 participating in the purchase of a senior housing loan, the corporation shall enter into a loan
21 servicing agreement with the private financial institution from which the loan is to be purchased.

22 (b) The corporation may execute service agreements with private lending institutions or
23 with regional native housing authorities established under AS 18.55.996 to service loans
24 originated by the office.

25 (c) Under the servicing agreement, the private financial institution or the regional native
26 housing authority shall administer the loan and may charge the corporation a negotiated
27 origination or servicing fee on the office's share of the loan. When appropriate, the private
28 financial institution or the regional native housing authority may also charge the borrower a
29 reasonable origination fee not to exceed one percent.

30 Sec. 18.56.760. APPRAISALS. Before originating or purchasing or participating in the
31 purchase of a senior housing mortgage loan, the corporation may have or may require the

1 borrower to have an appraisal made of the fair market value of the real property, including
2 structures on the real property, for which the loan is made. In conducting an appraisal under this
3 section, the appraiser shall give full value to insulation and other features of construction in
4 structures on the real property that add to the energy efficiency of the structures.

5 Sec. 18.56.770. TOLL-FREE TELEPHONE NUMBER. The corporation shall arrange
6 for and maintain a toll-free telephone number for senior housing purposes so that private financial
7 institutions and their borrowers may contact the office from any location in the state by telephone
8 without a toll charge.

9 Sec. 18.56.780. CONTRACTING FOR SERVICES. The corporation may contract for
10 the services of persons who will assist the office in performing its duties under AS 18.56.700 -
11 18.56.799.

12 Sec. 18.56.790. BONDS FOR SENIOR HOUSING. (a) Under the procedures of this
13 chapter, the corporation may issue bonds in a total amount not exceeding \$30,000,000 to fund
14 senior housing loans made under AS 18.56.700 - 18.56.799 that are approved by the corporation
15 under (b) of this section.

16 (b) Before issuing its bonds under this section, the corporation shall compile a list of
17 approved senior housing projects that it has determined are financially feasible and meet housing
18 needs for senior citizens as required under AS 18.56.710(b).

19 (c) The proceeds of bonds issued under this section for approved projects shall be
20 deposited in the senior housing revolving fund administered by the senior housing office under
21 AS 18.56.700 - 18.56.799 on a schedule determined by the corporation.

22 (d) There is established in the corporation a senior housing bond account. The account
23 consists of proceeds of bonds issued under this section, money appropriated to the account,
24 repayments of principal the corporation collects for a loan made under AS 18.56.700 - 18.56.799
25 that was funded by bonds issued under this section, and the corporation's right, title, and interest
26 in property financed through a loan made under AS 18.56.700 - 18.56.799 that was funded by
27 bonds issued under this section. The corporation may pledge assets in the account and in the
28 senior housing revolving fund for the payment of bonds issued under this section and may use
29 money in the account for payment of the bonds.

30 (e) In this section, "bond" has the meaning given in AS 18.56.390.

31 Sec. 18.56.799. DEFINITIONS. In AS 18.56.700 - 18.56.799,

1 (1) "office" means the senior housing office established under AS 18.56.700;

2 (2) "senior housing"

3 (A) means construction or improvement undertaken primarily to provide
4 dwelling accommodations for persons 60 years of age or older, including conventional
5 housing, housing for frail elderly, group homes, congregate housing, residential horizontal
6 property regimes organized under AS 34.07, residential cooperatives organized under
7 AS 10.15 or AS 34.08, residential condominiums organized under AS 34.08, and other
8 housing that meets special needs of the elderly;

9 (B) includes acquisition, construction, or rehabilitation of land, buildings,
10 improvements, and other nonhousing facilities that are incidental or appurtenant to the
11 housing described in (A) of this paragraph.

12 **ARTICLE 5. SENIOR CITIZENS HOUSING DEVELOPMENT FUND.**

13 **Sec. 18.56.800. DECLARATION OF PURPOSE.** There exists in the state a serious
14 shortage of decent, safe and sanitary residential housing available at low or moderate prices or
15 rentals to persons 60 years of age or older. There also exists in the state organizations whose
16 purposes are to provide the kinds of housing needed to alleviate this shortage. Development
17 work to provide such housing involves substantial expense that is often beyond the resources of
18 the organizations.

19 **Sec. 18.56.810. SENIOR CITIZENS HOUSING DEVELOPMENT.** (a) There is created
20 in the corporation a senior citizens housing development fund. Subject to direct appropriation
21 or through proceeds of a bond issue, the corporation shall make grants to municipalities or public
22 or private nonprofit corporations designated as tax exempt under 26 U.S.C. 501(c)(3) and (4)
23 (Internal Revenue Code of 1954) for the purpose of developing senior citizen housing. A grant
24 from the proceeds of a bond issue may be made only to municipalities.

25 (b) Application for a grant under (a) of this section shall be in the form prescribed by
26 the corporation. The application

27 (1) shall demonstrate the need for senior citizen housing in the area to be served
28 and the feasibility of the proposed project; and

29 (2) must include an adequate management plan that shall demonstrate the ability
30 of the eligible recipient to sustain the proposed project.

31 (c) A senior citizen housing project developed under this section

1 (1) shall be prepared in accordance with facility procurement policies developed
2 by the Department of Transportation and Public Facilities under AS 35.10.160 - 35.10.200; and

3 (2) is a public facility under AS 35.10.160 - 35.10.200.

4 (d) The corporation shall adopt regulations to carry out the purposes of this section. The
5 provisions of AS 18.56.088(a) and (b) apply to regulations adopted under this section.

6 (e) In this section, "senior citizen housing" has the meaning given "senior housing" in
7 AS 18.56.799.

8 * Sec. 87. AS 18.56 is amended by adding a new section to read:

9 ARTICLE 6. ENERGY CONSERVATION.

10 Sec. 18.56.850. HOME ENERGY CONSERVATION AND WEATHERIZATION
11 PROGRAM. (a) The corporation shall plan, study, implement, and assist programs for home
12 energy conservation and weatherization.

13 (b) In the development of a home energy conservation or weatherization program under
14 (a) of this section, the corporation may not consider the value of Alaska longevity bonus
15 payments under AS 47.45 or permanent fund dividends under AS 43.23 in determining whether
16 a person meets income guidelines established under AS 18.56.088 and (a) of this section for a
17 state or, to the extent permitted by federal law, a federal energy conservation or weatherization
18 program.

19 * Sec. 88. AS 18.56.900 is repealed and reenacted to read:

20 Sec. 18.56.900. DEFINITIONS. In this chapter,

21 (1) "board" means the board of directors of the corporation;

22 (2) "corporation" means the Alaska Housing Finance Corporation created by this
23 chapter.

24 * Sec. 89. AS 09.25.115(g) is amended to read:

25 (g) Each public agency shall establish the fees for the electronic services and products
26 provided under this section. The Telecommunications Information Council may cancel the fees
27 established by a public agency in the executive branch, except the fees of [INCLUDING THE
28 ALASKA STATE HOUSING AUTHORITY, BUT NOT INCLUDING] the University of Alaska
29 and the Alaska Railroad Corporation, if the council determines that the fees are unreasonably
30 high.

31 * Sec. 90. AS 09.25.123(a) is amended to read:

1 (a) The Telecommunications Information Council shall supervise and adopt regulations
2 for the operation and implementation of AS 09.25.110 - 09.25.140 by public agencies in the
3 executive branch, except [INCLUDING THE ALASKA STATE HOUSING AUTHORITY, BUT
4 NOT INCLUDING] the Alaska Railroad Corporation.

5 * Sec. 91. AS 09.25.220(5) is amended to read:

6 (5) "public agency" means a political subdivision, department, institution, board,
7 commission, division, authority, public corporation, council, committee, or other instrumentality
8 of the state or a municipality; "public agency" includes the University of Alaska [, THE
9 ALASKA STATE HOUSING AUTHORITY,] and the Alaska Railroad Corporation;

10 * Sec. 92. AS 09.38.015(c) is amended to read:

11 (c) Property of the state, a general law or home rule municipality, and of [THE
12 ALASKA STATE HOUSING AUTHORITY,] the Alaska Municipal Bond Bank Authority [,] or
13 another [OTHER] state public corporation is exempt.

14 * Sec. 93. AS 18.60.545(6) is amended to read:

15 (6) "state agency" or "agency of the state"

16 (A) means a state department or agency, whether in the legislative,
17 judicial, or executive branch;

18 (B) [, INCLUDING SUCH ENTITIES AS THE ALASKA STATE
19 HOUSING AUTHORITY; "STATE AGENCY" OR "AGENCY OF THE STATE"] does
20 not include the University of Alaska, a municipality, or an agency of a municipality.

21 * Sec. 94. AS 26.15.010(a) is amended to read:

22 (a) Except for administration of housing loans by the Alaska Housing Finance
23 Corporation under AS 18.56.098 and 18.56.101, the [THE] Department of Commerce and
24 Economic Development shall administer the laws and regulations relating to the veterans' loan
25 program, adopt new regulations, and recommend legislation.

26 * Sec. 95. AS 26.15.010(d) is amended to read:

27 (d) Under regulations of the department, the department may enter into contracts with
28 insurance companies for mortgage insurance coverage on veteran loans to protect the state's
29 interest in real property that secures a business loan made under AS 26.15.040(a)(3).

30 * Sec. 96. AS 26.15.040(a) is amended to read:

31 (a) The commissioner of commerce and economic development may, under regulations

1 and policies, make the following loans:

2 (1) Personal loans may be made for educational, domestic, [REMOTE AREA
3 FAMILY HOUSING] and other personal purposes, not exceeding \$10,000. The loans
4 shall be secured by acceptable collateral when available but if not available the
5 commissioner may make loans on the basis of good character. The rate of interest may
6 not exceed nine and one-half per cent a year on the unpaid balance.

7 (2) [REPEALED]

8 (3) Business loans not exceeding \$125,000 may be made to acquire, finance or
9 refinance or equip businesses, including mining and fishing but not including farming, if the loan
10 applicant has had three or more years of general business experience. The loans shall be secured
11 by acceptable collateral and may not exceed 75 percent of the appraised value of the collateral
12 offered as security. The rate of interest may not exceed nine and one-half per cent a year on the
13 unpaid balance.

14 [(4) MULTIPLE DWELLING LOANS NOT EXCEEDING \$110,000 MAY BE
15 MADE TO PURCHASE, REMODEL, REPAIR, BUILD, FURNISH, REFINANCE OR EQUIP
16 MULTIPLE DWELLINGS. THE LOANS SHALL BE SECURED BY ACCEPTABLE
17 COLLATERAL AND MAY NOT EXCEED 75 PER CENT OF THE APPRAISED VALUE OF
18 THE COLLATERAL OFFERED AS SECURITY. THE RATE OF INTEREST MAY NOT
19 EXCEED NINE AND ONE-HALF PER CENT A YEAR ON THE UNPAID BALANCE.]

20 * Sec. 97. AS 26.15.040(c) is amended to read:

21 (c) Loans authorized by former (a)(2) of this section or (a)(3) [AND (4)] of this section
22 may not be made unless the commissioner of commerce and economic development is satisfied
23 that money at a comparable rate of interest is not available to the applicant from private lending
24 institutions on a guaranteed basis as set out in (b) of this section. An applicant is eligible for
25 more than one type of loan, but the total may not exceed \$125,000 at any one time.

26 * Sec. 98. AS 26.15.040(e) is amended to read:

27 (e) If a loan made under (a)(3) of this section is assigned by the borrower or if the real
28 property that secures a loan made under former (a)(2) [OR UNDER (a)(4)] of this section is
29 transferred by the borrower, the commissioner of commerce and economic development shall
30 allow the assignee or transferee to assume the outstanding indebtedness on the loan unless the
31 commissioner determines in writing that the credit of the assignee or transferee is not satisfactory

1 to assure repayment of the loan. The assignee or transferee may assume the outstanding
2 indebtedness on the loan at the existing interest rate on the loan.

3 * Sec. 99. AS 29.45.050(l) is amended to read:

4 (l) A municipality may by ordinance exempt from taxation an interest, other than record
5 ownership, in real property of an individual residing in the property if the property has been
6 developed, improved, or acquired with federal funds for low-income housing and is owned or
7 managed as low-income housing by the Alaska Housing Finance Corporation under
8 AS 18.55.100 - 18.55.960 [ALASKA STATE HOUSING AUTHORITY] or by a regional
9 housing authority formed under AS 18.55.996. However, the corporation may make payments
10 to the municipality or political subdivision for improvements, services, and facilities
11 furnished by it for the benefit of a housing project, and this subsection [THIS SECTION]
12 does not prohibit a municipality from receiving those payments or any payments in lieu of taxes
13 authorized under federal law.

14 * Sec. 100. AS 34.60.135 is amended to read:

15 Sec. 34.60.135. PLANNING LOANS FOR ADDITIONAL HOUSING. In addition to
16 the other programs authorized by this chapter, the Alaska Housing Finance Corporation [A
17 STATE AGENCY] may make loans in order to encourage and facilitate the construction or
18 rehabilitation of housing to meet the needs of displaced persons. These loans are a part of the
19 federally assisted project cost and may be made to nonprofit, limited dividend, or cooperative
20 organizations, or to public bodies. The loans may be made only for necessary and reasonable
21 expenses, before construction, for planning and obtaining federally insured mortgage financing
22 for the rehabilitation or construction of housing for displaced persons. The loans may not exceed
23 80 percent of the reasonable costs expected to be incurred in planning, and in obtaining financing
24 for housing for displaced persons. Reasonable costs include but are not limited to costs for
25 preliminary surveys and analysis of market needs, preliminary architectural fees, site acquisition,
26 application and mortgage commitment fees, and construction loan fees and discounts. Loans to
27 an organization established for profit shall bear interest at a market rate established by the Alaska
28 Housing Finance Corporation [STATE AGENCY]. All other loans shall be without interest.
29 The Alaska Housing Finance Corporation [STATE AGENCY] shall require repayment of loans
30 made under this section [,] under terms and conditions that it may prescribe [ESTABLISHED
31 BY THE STATE AGENCY]. Repayment shall be made upon completion of the project or

1 sooner, and except in the case of a loan to an organization established for profit, the Alaska
2 Housing Finance Corporation [STATE AGENCY] may cancel any part or all of a loan if the
3 corporation determines [FOLLOWING A DETERMINATION BY THE STATE AGENCY] that
4 a permanent loan to finance the rehabilitation or construction of the housing cannot be obtained
5 in an amount adequate for repayment of the loan.

6 * Sec. 101. AS 34.60.137 is amended to read:

7 Sec. 34.60.137. HOUSING REPLACEMENT ASSISTANCE AS LAST RESORT. If a
8 federal aided program or project cannot proceed to actual construction because comparable
9 replacement sale or rental housing is not available, and the state agency determines that housing
10 cannot otherwise be made available, the agency may take, or may request the Alaska Housing
11 Finance Corporation to take, action necessary or appropriate to provide the housing either by
12 use of funds authorized for the project or by use of money available to the corporation.

13 * Sec. 102. AS 35.05.040 is amended to read:

14 Sec. 35.05.040. POWERS OF DEPARTMENT. The department may

- 15 (1) acquire property;
- 16 (2) exercise the power of eminent domain;
- 17 (3) take immediate possession of real property, or any interest in it under a
18 declaration of taking or by other lawful means;
- 19 (4) acquire rights-of-way for present or future use;
- 20 (5) dispose of excess property or property rights;
- 21 (6) accept and dispose of federal funds or property available for public works
22 construction, maintenance, or equipment;
- 23 (7) enter into contracts or agreements relating to public works with the federal
24 government and political subdivisions, and also enter into contracts with a foreign government
25 if approved by the federal government;
- 26 (8) exercise any other power necessary to carry out the purpose of this title;
- 27 (9) lease or grant land or any interest in land to the Alaska Housing Finance
28 Corporation for a purpose set out in AS 18.55.100 - 18.55.960 [ALASKA STATE HOUSING
29 AUTHORITY] on terms and conditions prescribed by the department;
- 30 (10) procure directly materials, labor and contractual services for planning,
31 designing and constructing public facilities of the state.

1 * **Sec. 103.** AS 36.30.015(f) is amended to read:

2 (f) The board of directors of the Alaska Housing Finance Corporation, notwithstanding
3 AS 18.56.088, [AND THE BOARD OF DIRECTORS OF THE ALASKA STATE HOUSING
4 AUTHORITY] shall adopt regulations under the Administrative Procedure Act (AS 44.62) to
5 govern the procurement of supplies, services, professional services, and construction for it [THE
6 RESPECTIVE PUBLIC CORPORATIONS]. The regulations must

7 (1) reflect competitive bidding principles and provide vendors reasonable and
8 equitable opportunities to participate in the procurement process; and

9 (2) include procurement methods to meet emergency and extraordinary
10 circumstances.

11 * **Sec. 104.** AS 36.30.050(c) is amended to read:

12 (c) The lists may be used by the chief procurement officer or an agency when issuing
13 invitations to bid or requests for proposals under this chapter. The lists may be used by the
14 legislative council, the court system, [THE ALASKA STATE HOUSING AUTHORITY,] and
15 the Alaska Railroad Corporation.

16 * **Sec. 105.** AS 36.30.735(b) is amended to read:

17 (b) In this section, "state agency"

18 (A) means a state department or agency, whether in the legislative,
19 judicial, or executive branch;

20 (B) does not include [, INCLUDING SUCH ENTITIES AS THE
21 ALASKA STATE HOUSING AUTHORITY, BUT NOT INCLUDING] the University
22 of Alaska, a municipality, or an agency of a municipality [OR THE ALASKA STATE
23 HOUSING AUTHORITY].

24 * **Sec. 106.** AS 36.30.990(1) is amended to read:

25 (1) "agency"

26 (A) means a department, institution, board, commission, division,
27 authority, public corporation, the Alaska Pioneers' Home, or other administrative unit of
28 the executive branch of state government;

29 (B) does not include

30 (i) the University of Alaska;

31 (ii) [THE ALASKA STATE HOUSING AUTHORITY;

- 1 (iii)] the Alaska Railroad Corporation;
2 (iii) [(iv)] the Alaska Housing Finance Corporation;
3 (iv) [(v)] a regional Native housing authority created under
4 AS 18.55.996, or a regional electrical authority created under AS 18.57.020;
5 (v) [(vi)] the Alaska Aerospace Development Corporation;

6 * Sec. 107. AS 37.05.146 is amended to read:

7 Sec. 37.05.146. DEFINITION OF PROGRAM RECEIPTS. In AS 37.05.142 - 37.05.146
8 and AS 37.07.080, "program receipts" means fees, charges, income earned on assets, and other
9 state money received by a state agency in connection with the performance of its functions; all
10 program receipts except the following are general fund program receipts:

11 (1) federal receipts;

12 (2) University of Alaska receipts (AS 14.40.491);

13 (3) individual, foundation, or corporation gifts, grants, or bequests that by their
14 terms are restricted to a specific purpose;

15 (4) receipts of the following funds:

16 (A) highway working capital fund (AS 44.68.210);

17 (B) correctional industries fund (AS 33.32.020);

18 (C) loan funds;

19 (D) international airports revenue fund (AS 37.15.430);

20 (E) funds managed by the Alaska Aerospace Development Corporation
21 (AS 14.40.821), [THE ALASKA STATE HOUSING AUTHORITY (AS 18.55.020),] the
22 Alaska Housing Finance Corporation (AS 18.56.020), the Alaska Railroad Corporation
23 (AS 42.40.010), the Municipal Bond Bank Authority (AS 44.85.020), or the Alaska
24 Industrial Development and Export Authority (AS 44.88.020);

25 (F) fish and game fund (AS 16.05.100);

26 (G) school fund (AS 43.50.140);

27 (H) training and building fund (AS 23.20.130);

28 (I) retirement funds (AS 14.25, AS 22.25, AS 26.05.222, AS 39.35, and
29 former AS 39.37);

30 (J) permanent fund (art. IX, sec. 15, Alaska Constitution);

31 (K) public school trust fund (AS 37.14.110);

- 1 (L) second injury fund (AS 23.30.040);
2 (M) fishermen's fund (AS 23.35.060);
3 (N) FICA administration fund (AS 39.30.050);
4 (O) mental health trust fund (AS 37.14.031).

5 * Sec. 108. AS 39.05.060(a) is amended to read:

6 (a) Each member of the following shall be a citizen of the United States:

- 7 (1) Local Boundary Commission;
8 (2) Alcoholic Beverage Control Board;
9 (3) Employment Security Advisory Council;
10 (4) [ALASKA STATE HOUSING AUTHORITY];
11 (5) Board of Fisheries;
12 (5) [(6) REPEALED,
13 (7) REPEALED,
14 (8) REPEALED,
15 (9)] the Governor's Commission on the Involvement of Young People in
16 Government;
17 (6) [(10)] Board of Game.

18 * Sec. 109. AS 39.50.200(a)(4) is amended to read:

- 19 (4) "instrumentality of the state" means a state department or agency, whether in
20 the legislative, judicial, or executive branch, including [SUCH ENTITIES AS] the University of
21 Alaska [AND THE ALASKA STATE HOUSING AUTHORITY];

22 * Sec. 110. AS 44.21.230(a)(9) is amended to read:

- 23 (9) give assistance, on request, to the senior housing office in the Alaska Housing
24 Finance Corporation [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] in
25 administration of the senior housing loan program under AS 18.56.710 - 18.56.799
26 [AS 44.47.587 - 44.47.609] and in the performance of the office's other duties under
27 AS 18.56.700 [AS 44.47.585]; and

28 * Sec. 111. AS 44.21.240(6) is amended to read:

- 29 (6) "senior citizen housing" has the meaning given "senior housing" in
30 AS 18.56.799 [AS 44.47.620(e)].

31 * Sec. 112. AS 44.88.070 is amended by adding a new paragraph to read:

1 (7) provide for the financing, construction, and acquisition of public buildings for
2 lease to the state.

3 * Sec. 113. AS 44.88.080 is amended by adding a new paragraph to read:

4 (26) arrange or contract for the financing, design, construction, and acquisition
5 of public buildings for lease to the state under AS 44.88.090 - 44.88.150.

6 * Sec. 114. AS 44.88 is amended by adding a new section to read:

7 Sec. 44.88.082. MEMBERS OR EMPLOYEES PROHIBITED FROM ACQUIRING
8 INTEREST IN PUBLIC BUILDING PROJECTS. A member or employee of the authority may
9 not acquire an interest, direct or indirect, in a public building, or in property or a contract for
10 materials or services included or planned to be included in a public building. If a member or
11 employee owns or controls an interest, the member or employee shall immediately disclose the
12 interest in writing to the authority. ~~Failure to make disclosure constitutes misconduct in office.~~

13 * Sec. 115. AS 44.88 is amended by adding a new section to article 2 to read:

14 Sec. 44.88.087. PUBLIC BUILDING PROJECTS TO BE APPROVED BY THE
15 LEGISLATURE. The authority shall submit a proposed public building to the legislature for
16 review. The authority may proceed with the public building only if the building is approved by
17 law. An appropriation does not constitute approval by law for purposes of this section.

18 * Sec. 116. AS 44.88.090(a) is amended to read:

19 (a) The authority may borrow money and may issue bonds, including but not limited to
20 bonds on which the principal and interest are payable

21 (1) exclusively from the income and receipts or other money derived from the
22 project or development project financed with the proceeds of the bonds or derived from the
23 exporter or exporting transaction financed, guaranteed, or insured with the proceeds of the bonds;

24 (2) exclusively from the income and receipts or other money derived from
25 designated projects or development projects or other sources whether or not they are financed,
26 insured, or guaranteed in whole or in part with the proceeds of the bonds; [OR]

27 (3) from its income and receipts or other assets generally, or a designated part or
28 parts of them; or

29 (4) exclusively from rents collected on public buildings.

30 * Sec. 117. AS 44.88.090 is amended by adding a new subsection to read:

31 (j) The recitation of a bond or note that it has been issued in the financing of a public

1 building under this chapter is conclusive as to the issuance of the bond or note and the character
2 of the project in a challenge of the validity of the bond or note or the security for it.

3 * Sec. 118. AS 44.88 is amended by adding new sections to read:

4 Sec. 44.88.132. ADDITIONAL POWERS TO SECURE BONDS OR OBLIGATIONS
5 UNDER LEASES. In connection with the issuance of bonds or the incurring of obligations
6 under leases and in order to secure the payment of bonds or lease obligations for a public
7 building project, the authority, in addition to its other powers, may

8 (1) pledge all or a part of its gross or net rents, fees, or revenue to which its right
9 exists or may exist;

10 (2) mortgage all or a part of its real or personal property, owned or later acquired;

11 (3) covenant against pledging all or a part of its rents, fees, and revenue, or
12 against mortgaging all or a part of its real or personal property, to which its right or title exists
13 or may come into existence or against permitting or suffering any lien on the revenue or
14 property;

15 (4) covenant with respect to limitations on its right to sell, lease, or otherwise
16 dispose of a public building or a part of a public building;

17 (5) covenant as to what other, or additional debts or obligations may be incurred
18 by it;

19 (6) covenant as to the bonds to be issued and as to the issuance of the bonds in
20 escrow or otherwise, and as to the use and disposition of the proceeds of bonds;

21 (7) provide for the replacement of lost, destroyed, or mutilated bonds;

22 (8) covenant against extending the time for the payment of its bonds or interest
23 on the bonds;

24 (9) redeem the bonds, and covenant for their redemption and to provide the terms
25 and conditions of redemption;

26 (10) covenant subject to the limitations contained in this chapter as to the rents
27 and fees to be charged in the operation of a public building, the amount to be raised each year
28 or other period of time by rents, fees, and other revenue, and as to the use and disposition of this
29 revenue;

30 (11) create or authorize the creation of special funds for money held for
31 construction or operating costs, debt service, reserves, or other purposes, and covenant as to the

1 use and disposition of this money;

2 (12) prescribe the procedure by which the terms of a contract with bondholders
3 may be amended or abrogated, the amount of bonds the holders of which must consent to them
4 and the manner in which the consent may be given;

5 (13) covenant as to the rights, liabilities, powers, and duties arising upon the
6 breach by it of a covenant, condition, or obligation, and covenant and prescribe as to events of
7 default and terms and conditions upon which any or all of its bonds or obligations shall become
8 or may be declared due before maturity, and covenant as to the terms and conditions upon which
9 this declaration and its consequences may be waived;

10 (14) vest in a trustee or trustees or the holders of bonds or a specified proportion
11 of them, the right to enforce the payment of the bonds or covenants securing or relating to the
12 bonds;

13 (15) vest in one or more trustees the right, in the event of a default by the
14 authority, to take possession of a public building or a part of it, and so long as the authority
15 continues in default to retain possession and to use, operate, and manage the public building, and
16 to collect the rents and revenue from the public building, and to dispose of the money according
17 to the agreement between the authority and the trustees;

18 (16) provide for the powers and duties of the trustees, and limit the liability of
19 the trustees; and

20 (17) provide the terms and conditions upon which the trustee or trustees or the
21 holders of bonds, or portions of bonds, may enforce a covenant or right securing or relating to
22 the bonds.

23 **Sec. 44.88.134. POWER OF AUTHORITY TO CONFER UPON OBLIGEE RIGHT TO**
24 **BRING ACTION OR PROCEEDING.** In conjunction with its financing of a public building
25 project, ~~the~~ authority may by resolution, trust indenture, mortgage, lease, or other contract confer
26 upon an obligee holding or representing a specified amount in bonds, or holding a lease, the right
27 upon a default as defined in the resolution or instrument by suit, action, or proceeding

28 (1) to have possession of a public building or part of one surrendered to the
29 obligee, with possession retained by the obligee as long as the authority continues in default;

30 (2) to obtain the appointment of a receiver of a public building or part of one and
31 its rents and profits, who may enter, take possession, and for the duration of the default operate

1 and maintain it, collect and receive all fees, rents, revenue, or other charges thereafter arising,
2 and keep the money in a separate account or accounts to be applied in accordance with the
3 obligations of the authority as the court directs;

4 (3) to require the authority and its members to account as if they were the trustees
5 of an express trust.

6 Sec. 44.88.136. POWER OF AUTHORITY TO OBTAIN FEDERAL AID AND
7 COOPERATION. In aid of a public building, the authority may borrow or may accept
8 contributions, grants, or other financial assistance from the federal government, and for this
9 purpose may comply with conditions and enter into the mortgages, trust indentures, leases, or
10 agreements that are necessary, convenient, or desirable in order to obtain financial aid or
11 cooperation from the federal government in the undertaking, construction, maintenance, or
12 operation of the public building.

13 * Sec. 119. AS 44.88.140(a) is amended to read:

14 (a) Except as provided in AS 29.45.030(a)(1), the real and personal property of the
15 authority and its assets, income, and receipts are declared to be the property of a political
16 subdivision of the state and, together with a public building designed, constructed, and
17 acquired under this chapter, a [ANY] project or development project financed under
18 AS 44.88.155 - 44.88.159 or 44.88.172 - 44.88.177, and a leasehold interest created in a project
19 or development project financed under AS 44.88.155 - 44.88.159 or 44.88.172 - 44.88.177,
20 devoted to an essential public and governmental function and purpose, and the property, assets,
21 income, receipts, project, development project, and leasehold interests shall be exempt from all
22 taxes and special assessments of the state or a political subdivision of the state, including, without
23 limitation, all boroughs, cities, municipalities, school districts, public utility districts, and other
24 taxing units. All bonds of the authority are declared to be issued by a political subdivision of the
25 state and for an essential public and governmental purpose and to be a public instrumentality, and
26 the bonds, interest on them, the income from them and the transfer of the bonds, and all
27 assets, income, and receipts pledged to pay or secure the payments of the bonds, or interest on
28 them, shall at all times be exempt from taxation by or under the authority of the state, except for
29 inheritance and estate taxes and taxes on transfers by or in contemplation of death. Nothing in
30 this section affects or limits an exemption from license fees, property taxes, or excise, income
31 or any other taxes, provided under any other law, nor does it create a tax exemption with respect

1 to the interest of any business enterprise or other person, other than the authority, in any property,
2 assets, income, receipts, project, development project, or lease whether or not financed under this
3 chapter. By January 10 of each year, the authority shall submit to the governor and the
4 legislature a report describing the nature and extent of the tax exemption of the property, assets,
5 income, receipts, project, development project, and leasehold interests of the authority under this
6 section.

7 * Sec. 120. AS 44.88.140 is amended by adding a new subsection to read:

8 (d) Instead of taxes, the authority may make payments to a municipality for
9 improvements, services, and facilities furnished by it for the benefit of a public building
10 constructed under this chapter.

11 * Sec. 121. AS 44.88.900 is amended by adding a new paragraph to read:

12 (15) "public building" means a publicly-owned structure leased to the state for
13 a government, public, or educational use.

14 * Sec. 122. AS 44.99.020 is amended to read:

15 Sec. 44.99.020. USE OF PAPER. A state agency shall use both sides of paper when
16 feasible. In this section, "state agency" means a department, institution, board, commission,
17 division, authority, public corporation, or other administrative unit of the executive, legislative,
18 or judicial branch of state government, including the University of Alaska, [THE ALASKA
19 STATE HOUSING AUTHORITY,] the Alaska Railroad Corporation, and legislative committees.

20 * Sec. 123. AS 44.99.350(3) is amended to read:

21 (3) "state agency"

22 (A) means a department, institution, board, commission, division,
23 authority, public corporation, committee, or other administrative unit of the executive,
24 judicial, or legislative branch of state government, including the University of Alaska;

25 (B) does not include [AND THE ALASKA STATE HOUSING
26 AUTHORITY, BUT NOT INCLUDING] the Alaska Railroad Corporation.

27 * Sec. 124. AS 44.99.400 is amended to read:

28 Sec. 44.99.400. COPYRIGHTS. A state agency may hold the copyright for software
29 created by the agency or developed by a private contractor for an agency, and may enforce its
30 rights to protect the copyright. In this section, "state agency" means a department, institution,
31 board, commission, division, authority, public corporation, committee, or other administrative unit

1 of the executive, judicial, or legislative branch of state government, including the University of
2 Alaska, [THE ALASKA STATE HOUSING AUTHORITY,] the Alaska Aerospace Development
3 Corporation, and the Alaska Railroad Corporation.

4 * Sec. 125. AS 46.07.030(b) is amended to read:

5 (b) The location of a facility constructed under this chapter shall be determined by the
6 commissioner after consultation with the governing body of the village in which the facility is
7 located, as well as with appropriate public agencies[, INCLUDING BUT NOT LIMITED TO
8 THE ALASKA STATE HOUSING AUTHORITY]. The aim of the consultation is to achieve
9 maximum coordination in public development plans and activities affecting the community in
10 which the facility is to serve.

11 * Sec. 126. AS 18.55.020, 18.55.030, 18.55.050, 18.55.070, 18.55.100(d), 18.55.140, 18.55.288(3),
12 18.55.430, 18.55.640, 18.55.950(2), AS 18.56.083, 18.56.210(a)(10), AS 39.50.200(b)(12),
13 AS 44.47.050(a)(18), 44.47.050(b), 44.47.370, 44.47.378, 44.47.380, 44.47.382, 44.47.390, 44.47.395,
14 44.47.400, 44.47.410, 44.47.420, 44.47.430, 44.47.440, 44.47.460, 44.47.470, 44.47.475, 44.47.480,
15 44.47.490, 44.47.500, 44.47.510, 44.47.520, 44.47.530, 44.47.560, 44.47.585, 44.47.587, 44.47.589,
16 44.47.591, 44.47.593, 44.47.595, 44.47.597, 44.47.599, 44.47.601, 44.47.603, 44.47.609, 44.47.610,
17 44.47.620, 44.47.630, 44.47.635, and AS 44.99.200(b)(5) are repealed.

18 * Sec. 127. TRANSITIONAL PROVISIONS RELATING TO MERGER OF ALASKA STATE
19 HOUSING AUTHORITY. (a) All contracts, rights, liabilities, bonds, notes, or other obligations of the
20 Alaska State Housing Authority created by or under a law amended or repealed by this Act and in effect
21 on the effective date of this Act, remain in effect notwithstanding this Act's taking effect, with all
22 contracts, rights, liabilities, bonds, notes, or other obligations of the Alaska State Housing Authority
23 becoming contracts, rights, liabilities, bonds, notes, and other obligations of the Alaska Housing Finance
24 Corporation with the same limitations and provisions as under a contract, right, liability, bond, note, or
25 other obligation of the former Alaska State Housing Authority.

26 (b) All records, equipment, appropriations, and other property of the Alaska State Housing
27 Authority shall be transferred to the Alaska Housing Finance Corporation to implement the provisions
28 of this Act.

29 (c) Employees of the Alaska State Housing Authority become employees of the Alaska Housing
30 Finance Corporation on the effective date of this Act.

31 * Sec. 128. TRANSITIONAL PROVISIONS RELATING TO TRANSFER OF HOUSING

1 PROGRAMS FROM THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS. (a) All
2 contracts, rights, liabilities, bonds, notes, or other obligations of the Department of Community and
3 Regional Affairs under former AS 44.47.370 - 44.47.560 and 44.47.635 created by or under a law
4 amended or repealed by this Act and in effect on the effective date of this Act, remain in effect
5 notwithstanding this Act's taking effect, with all contracts, rights, liabilities, bonds, notes, or other
6 obligations of the Department of Community and Regional Affairs incurred under former AS 44.47.370 -
7 44.47.560 and 44.47.635 becoming contracts, rights, liabilities, bonds, notes, and other obligations of the
8 Alaska Housing Finance Corporation.

9 (b) All records, equipment, appropriations, and other property of the Department of Community
10 and Regional Affairs held under former AS 44.47.370 - 44.47.560 and 44.47.635 shall be transferred to
11 the Alaska Housing Finance Corporation to implement the provisions of this Act.

12 (c) Employees of the Department of Community and Regional Affairs responsible for
13 administration of the programs set out in former AS 44.47.370 - 44.47.560 and 44.47.635 become
14 employees of the Alaska Housing Finance Corporation on the effective date of this Act.

15 * Sec. 129. TRANSITIONAL PROVISIONS RELATING TO TRANSFER OF SENIOR CITIZEN
16 HOUSING PROGRAMS FROM THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS.

17 (a) All contracts, rights, liabilities, bonds, notes, or other obligations of the Department of Community
18 and Regional Affairs under former AS 44.47.585 - 44.47.620 created by or under a law amended or
19 repealed by this Act and in effect on the effective date of this Act, remain in effect notwithstanding this
20 Act's taking effect, with all contracts, rights, liabilities, bonds, notes, or other obligations of the
21 Department of Community and Regional Affairs incurred under former AS 44.47.585 - 44.47.620
22 becoming contracts, rights, liabilities, bonds, notes, and other obligations of the Alaska Housing Finance
23 Corporation.

24 (b) All records, equipment, appropriations, and other property of the Department of Community
25 and Regional Affairs secured under former AS 44.47.585 - 44.47.620 shall be transferred to the Alaska
26 Housing Finance Corporation to implement the provisions of this Act.

27 (c) Employees of the Department of Community and Regional Affairs responsible for
28 administration of the programs set out in former AS 44.47.585 - 44.47.620 become employees of the
29 Alaska Housing Finance Corporation on the effective date of this Act.

30 (d) All bonds issued under former AS 18.56.083 and in effect on the effective date of this Act
31 remain in effect notwithstanding this Act's taking effect.

1 * **Sec. 130. TRANSITIONAL PROVISIONS RELATING TO TRANSFER OF HOME ENERGY**
2 **CONSERVATION AND WEATHERIZATION PROGRAMS FROM THE DEPARTMENT OF**
3 **COMMUNITY AND REGIONAL AFFAIRS.** (a) All contracts, rights, liabilities, bonds, notes, or other
4 obligations of the Department of Community and Regional Affairs under AS 44.47.050(a)(18) and
5 44.47.050(b) created by or under a law repealed by sec. 126 of this Act and in effect on the effective
6 date of this Act, remain in effect notwithstanding this Act's taking effect, with all contracts, rights,
7 liabilities, bonds, notes, or other obligations of the Department of Community and Regional Affairs
8 incurred under AS 44.47.050(a)(18) and 44.47.050(b) becoming contracts, rights, liabilities, bonds, notes,
9 and other obligations of the Alaska Housing Finance Corporation.

10 (b) All records, equipment, appropriations, and other property of the Department of Community
11 and Regional Affairs secured under AS 44.47.050(a)(18) and 44.47.050(b) shall be transferred to the
12 Alaska Housing Finance Corporation to implement the provisions of secs. 87 and 126 of this Act.

13 (c) Employees of the Department of Community and Regional Affairs responsible for
14 administration of the home energy conservation and weatherization programs set out in
15 AS 44.47.050(a)(18) and 44.47.050(b), repealed by sec. 126 of this Act, become employees of the Alaska
16 Housing Finance Corporation on the effective date of this Act.

17 * **Sec. 131. TRANSITIONAL PROVISIONS RELATING TO TERMINATION OF THE**
18 **AUTHORITY TO MAKE RESIDENTIAL LOANS TO VETERANS UNDER THE VETERANS' LOAN**
19 **PROGRAM ADMINISTERED BY THE DEPARTMENT OF COMMERCE AND ECONOMIC**
20 **DEVELOPMENT.** (a) All contracts, rights, liabilities, bonds, notes, or other obligations of the
21 Department of Commerce and Economic Development for residential loans under AS 26.15 created by
22 or under a law amended by secs. 76, 77, 83, and 94 - 98 of this Act and in effect on the effective date
23 of this Act, remain in effect notwithstanding this Act's taking effect, with all contracts, rights, liabilities,
24 bonds, notes, or other obligations of the Department of Commerce and Economic Development incurred
25 for residential loans under AS 26.15 becoming contracts, rights, liabilities, bonds, notes, and other
26 obligations of the Alaska Housing Finance Corporation.

27 (b) All records, equipment, appropriations, and other property of the Department of Commerce
28 and Economic Development for residential loans secured under AS 26.15 shall be transferred to the
29 Alaska Housing Finance Corporation to implement the provisions of secs. 76, 77, 83, and 94 - 98 of this
30 Act.

31 (c) Employees of the Department of Commerce and Economic Development responsible for

1 administration of the residential loan elements of the veterans' loan program set out in AS 26.15 become
2 employees of the Alaska Housing Finance Corporation on the effective date of this Act.

3 * Sec. 132. TRANSITIONAL PROVISION: EXPANSION OF MEMBERSHIP OF ALASKA
4 HOUSING FINANCE CORPORATION BOARD OF DIRECTORS. (a) Notwithstanding
5 AS 18.56.030(a)(3)(C) - (F), added by sec. 78 of this Act, the public members of the board of directors
6 of the Alaska Housing Finance Corporation who are serving on the effective date of this Act continue
7 to serve their unexpired terms. Thereafter, the governor shall fill vacancies on the board of directors
8 among the public members under the provisions of AS 18.56.030(a)(3)(C) - (F), as amended by sec. 78
9 of this Act, and AS 18.56.030(f), added by sec. 80 of this Act.

10 (b) Notwithstanding AS 18.56.030(c), of the public members first appointed to fill the two
11 additional seats on the board of directors authorized by AS 18.56.030(a)(3), amended by sec. 78 of this
12 Act, one shall be appointed for a term of one year and one shall be appointed for a term of two years.
13 The governor shall specify the length of the term of each member.

14 * Sec. 133. REVISOR OF STATUTES TO REVISE REFERENCES. In each of the following, the
15 revisor of statutes shall delete references to "authority" and insert in place of each deletion a reference
16 to "corporation": AS 18.55.320(a), 18.55.410, 18.55.470(2) and (3), 18.55.510(c), 18.55.530(b), (c), (f),
17 and (h), 18.55.540(c), and (d), 18.55.570(c), (d), and (f), 18.55.610, 18.55.630(b), 18.55.650; 18.55.720,
18 18.55.770, 18.55.790, 18.55.800, 18.55.810, 18.55.830, 18.55.840, 18.55.850, 18.55.870,
19 18.55.880, 18.55.890, 18.55.900, 18.55.932(a), (b), (c), (e), and (f), 18.55.934(a), and 18.55.950(4), (10),
20 and (14).

21 * Sec. 134. This Act takes effect July 1, 1992.

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

MUNICIPAL & REGIONAL ASSISTANCE DIVISION

333 W. 4TH AVENUE, SUITE 220
ANCHORAGE, ALASKA 99501-2341
PHONE: (907) 269-4500

P.O. BOX 348
BETHEL, ALASKA 99559-0348
PHONE: (907) 543-3475

P.O. BOX 295
DILLINGHAM, ALASKA 99576-0295
PHONE: (907) 842-5135

1001 NOBLE ST., SUITE 430
FAIRBANKS, ALASKA 99701-4948
PHONE: (907) 452-7126

P.O. BOX 112100
JUNEAU, ALASKA 99811-2100
PHONE: (907) 465-4750

710 MILL BAY RD.
KODIAK, ALASKA 99615-6340
PHONE: (907) 486-5736

P.O. BOX 350
KOTZEBUE, ALASKA 99752-0350
PHONE: (907) 442-3696

P.O. BOX 41
NOME, ALASKA 99762-0041
PHONE: (907) 443-5457

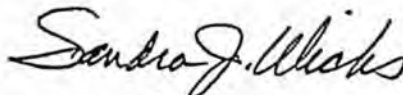
April 22, 1992

The Honorable Pat Rodey
Alaska State Legislature
State Capitol Building, Rm. 113
Juneau, Alaska 99811

Dear Senator Rodey:

Your office asked for information about the number of employees of the Department of Community and Regional Affairs effected by HB 152 who would be eligible for early retirement under the early retirement legislation currently before the legislature. Six people would be effected: one Range 10, one Range 12, two people at Range 17, and two people at Range 18. We do not have information at this time on the cost to the state for them to take early retirement.

Sincerely,



Sandra J. Wicks
Deputy Director



Official Business

Alaska State Legislature

State Capitol
Juneau, AK 99801-1182

New Composition of Board of Directors as of 4/23/92

- * Commissioner of Revenue
- * Commissioner of Community & Regional Affairs

Plus:

Seven public members appointed by the Governor including:

- * 1 member who represents the financial community or who is a licensed real estate broker
- * 1 member representing the interests of regional housing authorities
- * 1 member who is a rural resident of the state
- * 1 member representing persons with special housing needs or who is a representative of low income interests or senior citizens
- * 1 member who is a representative of the residential energy efficient homebuilding and weatherization interests in the state
- * 2 public members -

STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

MUNICIPAL & REGIONAL ASSISTANCE DIVISION

- | | | | |
|--|---|---|---|
| <input type="checkbox"/> 333 W. 4TH AVENUE, SUITE 220
ANCHORAGE, ALASKA 99501-2341
PHONE: (907) 269-4500 | <input type="checkbox"/> P.O. BOX 348
BETHEL, ALASKA 99559-0348
PHONE: (907) 543-3475 | <input type="checkbox"/> P.O. BOX 295
DILLINGHAM, ALASKA 99576-0295
PHONE: (907) 842-5135 | <input type="checkbox"/> 1001 NOBLE ST., SUITE 430
FAIRBANKS, ALASKA 99701-4948
PHONE: (907) 452-7126 |
| <input checked="" type="checkbox"/> P.O. BOX 112100
JUNEAU, ALASKA 99811-2100
PHONE: (907) 465-4750 | <input type="checkbox"/> 710 MILL BAY RD.
KODIAK, ALASKA 99615-6340
PHONE: (907) 486-5736 | <input type="checkbox"/> P.O. BOX 350
KOTZEBUE, ALASKA 99752-0350
PHONE: (907) 442-3696 | <input type="checkbox"/> P.O. BOX 41
NOME, ALASKA 99762-0041
PHONE: (907) 443-5457 |

April 21, 1992

The Honorable Pat Rodey
Alaska State Legislature
State Capitol Building, Rm. 113
Juneau, Alaska 99811

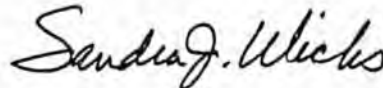
RE: HB 152 - Housing Merger Bill

Dear Senator Rodey:

Attached to this letter is information requested by Senator Duncan at the last hearing on the housing merger legislation about the types and locations of the jobs that will be transferred to Alaska Housing Finance Corporation from this department if HB 152 becomes law.

I am in the process of obtaining the information requested about who among the 41 employees effected by the merger would be eligible for early retirement. I hope to have that information for you before the continued hearing on April 22.

Sincerely,



Sandra J. Wicks
Deputy Director

Attachment

FY93 GOV AMENDED

TITLE	LOC RANGE	TITLE	LOC RANGE
=====		=====	
HOUSING	24	ENERGY	13
DIRECTOR	ANCH 26	PROGRAM COORD	ANCH 20
DEP DIRECTOR	ANCH 23	ACCTNG CLERK II	ANCH 9
SECRETARY I	ANCH 10	ADMIN ASST I	ANCH 12
PROJ COORD	ANCH 18	CLERK TYPIST III	ANCH 8
LOAN EXAMINER III	ANCH 19	GRANT ADMIN II	ANCH 17
LOAN EXAMINER III	ANCH 18	ARCH ASST III	ANCH 19
CLERK TYPIST III	ANCH 8	ENERGY SPEC II	ANCH 18
CLERK TYPIST III	ANCH 8	ENERGY SPEC II	ANCH 18
ACCT TECH III	ANCH 16	GRANT ADMIN III	ANCH 19
LOAN CLOSER II	ANCH 12	ENERGY SPEC II	ANCH 18
LOAN MANAGER	ANCH 20	ADMIN OFFICER II	ANCH 19
ADMIN ASST I	ANCH 12	ENERGY SPEC II	ANCH 18
ACCT CLERK III	ANCH 10	ENERGY SPEC I	ANCH 16
LOAN EXAMINER I	ANCH 15		
ACCT TECH I	ANCH 12	SR HOUSING	2
LOAN EXAMINER II	BETH 17	LOAN EXMINR III	ANCH 19
CLERK TYPIST III	BETH 8	CLERK TYPIST III	ANCH 8
LOAN EXAMINER II	DILL 17		
FLD OFF ASST	DILL 10	ADMIN SVCS	2
LOAN EXAMINER II	FBKS 17	ACCOUNTANT II	ANCH 16
LOAN EXAMINER II	JUNO 17	ACCOUNTANT II	JUNO 16
LOAN EXAMINER II	KOTZ 17		
CLERK TYPIST III	KOTZ 8		
LOAN EXAMINER II	NOME 17		

LOCATION SUMMARY

LOCATION	ADM SVCS	ENERGY	HOUSING	SR HOUSING	TOTAL
=====	=====	=====	=====	=====	=====
ANCHORAGE	1	13	15	2	31
BETHEL			2		2
DILLINGHAM			2		2
FAIRBANKS			1		1
JUNEAU	1		1		2
KOTZEBUE			2		2
NOME			1		1
=====	=====	=====	=====	=====	=====
TOTAL	2	13	24	2	41



U.S. Department of Housing and Urban Development

Anchorage Office, Region X
222 West 8th Avenue, #64
Anchorage, Alaska 99513-7537

April 17, 1992

Senator Pat Rodey
Chair, Senate State Affairs Committee
State Capitol
Juneau, AK 99801-1182

Dear Senator Rodey:

In response to your request, raised during the committee hearing on HB-152 held April 13, 1992, be advised that the U.S. Department of Housing and Urban Development has no legal objections to the bill as proposed (workdraft dated 4/8/92).

Accordingly, assuming that version of the bill passes, we will consider the Alaska Housing Finance Corporation as a public housing authority and, to the extent it is eligible, provide funding.

Sincerely,

A handwritten signature in cursive script, appearing to read "Arlene L. Patton".

Arlene L. Patton
Manager

WOHLFORTH, ARGETSINGER, JOHNSON & BRECHT

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

600 WEST 5TH AVENUE, SUITE 600

ANCHORAGE, ALASKA 99501

PETER ARGETSINGER
JULIUS J. BRECHT
CYNTHIA L. CARTLEDGE
ROBERT M. JOHNSON
BARBARA E. KISSNER
THOMAS F. KLINKNER
ANDREW M. LERO
BRADLEY E. MEYER
JAMES A. SARAFIN
KENNETH E. VASSAR
ERIC E. WOHLFORTH

TELEPHONE
(907) 276-4401

TELECOPY
(907) 276-8083

MEMORANDUM

TO: Eric Myers
Office of Representative Brown
State of Alaska
Alaska House of Representatives

FROM: Eric E. Wohlforth

DATE: April 15, 1992

Please find attached reference to the requirement that for a residence to be eligible for tax-exempt financing no more than 15 percent of the usable area may be used in a trade or business.

gmt
Attachment

mathematical error (but not an erroneous legal opinion). See Temp. Reg. § 6a.103A-2(c)(2) and examples thereunder.

2. Mortgage Eligibility Requirements

a. **Residence Requirements.** In order for an issue to meet these requirements, Section 143(c) requires each mortgage financed to provide a "single-family residence" which can reasonably be expected to be used as the mortgagor's principal residence within a reasonable time after the financing is provided, and which is located within the boundaries of the jurisdiction of the issuer. See Temp. Reg. § 6a.103A-2(d).

i. **Residence.** In addition to real property, a residence includes stock in cooperative housing corporations and mobile homes if they are permanently affixed to real property, but does not include other personal property (appliances, etc.) which is not a fixture under local law. See PLRs 8416061, 8212056. In Revenue Procedure 86-3 the Treasury announced it will not issue an advance ruling regarding whether bonds issued to provide owner-occupied mobile homes not permanently affixed to real property are tax-exempt.

ii. **Single-Family Residence.** Section 143(k)(7) and Temp. Reg. section 6a.103A-1(b)(6) define a single-family residence to include two to four family residences if one unit is occupied by the owner and if the units were first used as residences at least five years before the mortgage was executed. Section 103A was amended by TEFRA to provide that dwelling units in a cooperative housing corporation as defined in Section 216(b)(1) of the Code should be treated as owner-occupied residences. See PLR 8506028. However, Section 143(k)(8) and (9) permits an election to be treated as a residential rental property under Section 142(d).

iii. **Principal Residence.** Whether a residence is used as a principal residence depends on all the facts and circumstances. The reasonable expectation requirement may normally be satisfied by the execution of an affidavit by the mortgagor to the effect that he intends to use the residence as his principal residence within 60 days after execution of the mortgage. The 1980 Act legislative history indicates that the term principal residence has the same meaning as it does for purposes of Section 1034 of the Code. The temporary regulations require that the residence

(other than the non occupied residences in the case of two, three, and four-family units) not be used primarily in a trade or business nor used as an investment property or a recreational home. A residence will be used primarily in a trade or business if more than 15% of its usable area will be so used. See Temp. Reg. § 6a.103A-2(d).

b. **First-Time Homebuyer Requirement.** Section 143(d) requires that at least 95 percent of "net proceeds" (i.e., bond proceeds minus amounts deposited in a reasonably required reserve fund) must be loaned to mortgagors who have not had any present interest in a principal residence within 3 years prior to the date the mortgage is executed (the so-called "first-time homebuyer" requirement). Note that in the case of multiple mortgagors, e.g., husband and wife who own the property jointly and are both liable on the note and mortgage, the three-year requirement applies to each of them. However, a mortgagor who does not have a present ownership interest in the property, e.g., a father co-signing a note and mortgage for a child, need not satisfy the three-year requirement. Rev. Proc. 82-16 establishes procedures for verifying satisfaction of the three-year requirement through use of income tax return information.

Old Section 103A (as amended by TEFRA) required 90 percent of "lendable proceeds" to satisfy the "first-time homebuyer" rule. Lendable proceeds excluded costs of issuance, mortgages in targeted areas and home improvement and rehabilitation loans. Prior to TEFRA, every mortgagor had to be a "first-time homebuyer." That strict provision was only tempered by the "good faith" rule in old Section 103A(c)(2)(B) in cases where mortgagors misrepresented their status. The less restrictive requirement of only having to lend 90 percent of "lendable proceeds" to first-time homebuyers increased the pool of mortgagors and offered greater leeway in avoiding taxable bonds. The new 95% rule is not as strict as the original 100% rule but leaves little room for error, particularly if costs of issuance use up part of the remaining 5%. Nevertheless, issuers may rely on mortgagor tax returns as an exercise of good faith under Section 143(a)(2)(B).

c. **Purchase Price Requirement.** Section 143(e) provides that the "acquisition cost" of each residence must not exceed 90 percent of the "average area purchase price" applicable to such residence, or 110 percent of such price for targeted area residences. This provision of the 1986 Act reverses the liberalizing provisions of

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

☐ 150 THIRD STREET
JUNEAU, ALASKA 99801-1291
PHONE: (907) 465-4700

☐ 949 E. 36TH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508-4302
PHONE: (907) 563-1073

March 11, 1992

The Honorable Eileen MacLean
Co-Chair, House Finance Committee
House of Representatives
Room 507, State Capitol
P.O. Box V
Juneau, AK 99811

Dear Representative MacLean:

This is in response to questions asked during the joint House and Senate Community and Regional Affairs Subcommittee meeting on Tuesday, March 3, 1992. If you need additional information please contact Remond Henderson, Director of Administrative Services, at 465-4708.

- 1) What is the purpose of the 34.2 transfer from the grants line to the contractual line in the Energy Conservation component?

This transfer is strictly correcting a technical fiscal problem that has evolved over the definition of a grant versus a contract. A total of 34.2 in the grants line item has been identified more appropriately as contractual costs which need to be reflected in the component's base. This funding will be used specifically to cover a professional services contract, through the Energy Library, for a survey of home heating costs.

- 2) What is the purpose of the 120.0 grants transfer from the Statewide Service Delivery component to the State Employment and Training component?

The Department is being asked by the Department of Labor (DOL) to budget for RSA's to cover a statistical review of the STEP program by DOL, and employment assistance services to STEP program participants by DOL. The RSA's are appropriately being budgeted for within the State Employment and Training (STEP) component, but contributions are being planned for and budgeted from each of the Service Delivery Areas. The Statewide Service Delivery component represents the Statewide Service Delivery Area, and as such is contributing 120.0.

- 3) How many people are budgeted within the Housing Program and where are they located?

The Housing Loan Administration component includes ²⁴~~25~~ full-time positions funded 100% by House Loan Funds. The Senior Housing Development component includes 2 full-time positions funded 100% by interagency funds from Alaska Housing Finance Corporation. Attached is an organizational chart which shows the location of these positions.

Other operating budget components also include support positions funded in part by Housing Loan Funds by means of Reimbursable Services Agreements: Administrative Services (three positions--two in Juneau and one in Anchorage), Statewide Service Delivery (three positions--one in Nome and two in Fairbanks), and Community Development Assistance (one position in Anchorage).

- 4) What is the reason for the substantial decrease in the grants line of the Energy Conservation component, between FY91 Actual and FY92 Authorized?

The FY91 actual amount of 851.5 includes an unbudgeted reimbursable services agreement (RSA) with the Department of Health and Social Services for the Low Income Residential Energy Conservation program (LIHEAP). The FY92 authorized amount of 134.2 does not include that program, although about 700.0 is now being planned for LIHEAP. Therefore, an unbudgeted agreement will be processed for current year, and again in FY93 for a similar amount. The agencies have agreed to budget for LIHEAP for FY94, since it will be ongoing.

Sincerely,

Remond Henderson for

Edgar Blatchford
Commissioner

Attachment

cc: Senator Al Adams
Remond Henderson, Director, DAS
Robert Brean, Director, RDD

Revision Date: April 13, 1992
 Title: An Act Relating to Powers and Functions of Alaska Housing Finance Corporation
 Sponsor: S State Affairs

Department Affected: CR & A
 BRU: Employment Training/Rural Dev.
 Component: Housing Loan Administration

Requestor: S. State Affairs

COMPONENT SERIAL NO. 0697

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	(1474.4)	0	0	0	0	0
TRAVEL	(190.9)	0	0	0	0	0
CONTRACTUAL	(1274.9)	0	0	0	0	0
SUPPLIES	(15.0)	0	0	0	0	0
EQUIPMENT	(10.0)	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	(2965.2)	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING: (THOUSANDS OF DOLLARS)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE: 1064 <i>Housing</i>	(2965.2)	0	0	0	0	0
TOTAL <i>Receipts</i>	(2965.2)	0	0	0	0	0

POSITIONS:

FULL-TIME	(24)	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary.)
 Programs, responsibilities, staff and functions as outlined in legislation of this component are being transferred to AHFC. This fiscal note represents the transfer from the DCRA FY 93 Operating Budget.

Prepared By: Robert L. Brean *RLB* 4-10-92
 Division: Rural Development

Phone: (907)259-4607
 Date: April 10, 1992

Approved by Commissioner: *CR, Peters*
 Agency: Community and Regional Affairs

Date: 4-13-92

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Leg. Office & Impacted Agency(ies).
 Rev 10/91

Revision Date: April 13, 1992
 Title: An Act Relating to Powers and Functions of Alaska Housing Finance Corporation
 Sponsor: S State Affairs

Department Affected: CR & A
 BRU: Employment Training/Rural Dev.
 Component: Senior Housing Development

Requestor: S. State Affairs

COMPONENT SERIAL NO. 14115

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	(107.6)	0	0	0	0	0
TRAVEL	(20.0)	0	0	0	0	0
CONTRACTUAL	(11.8)	0	0	0	0	0
SUPPLIES	(3.0)	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	(142.4)	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING: (THOUSANDS OF DOLLARS)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE: 1007 <i>AHFC</i>	(142.4)	0	0	0	0	0
TOTAL <i>S/L</i>	(142.4)	0	0	0	0	0

POSITIONS:

FULL-TIME	(2)	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary.)
 Programs, responsibilities, staff and functions as outlined in legislation of this component are being transferred to AHFC. This fiscal note represents the transfer from the DCRA FY 93 Operating Budget.

Prepared By: Robert L. Brean *Robert L. Brean* Phone: (907)259-4607
 Division: Rural Development *4-10-92* Date: April 10, 1992

Approved by Commissioner: *Commissioner* Date: 4-15-92
 Agency: Community and Regional Affairs

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Leg. Office & Impacted Agency(ies).
 Rev 10/91

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PERSONAL SERVICES EXPENDITURES DETAIL REPORT PAGE 1

DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS SCENARIO 1

CONPR: HOUSING LOAN ADMINISTRATION BRD: EMPLOYMENT, TRAINING, RISK MGMT

PCN	JOB CLASS TITLE	F	S	LOC	J	RES	MONTH RATE	MOS BDC	PRET PAY	ANN BEXES	TOTAL
213001	DIVISION DIRECTOR	F	EBA	XE	16E		6497	12.00	0	24447	20944
213002	DEP DIR HOUSING ASSIST	F	EBA	SB	13F		3847	12.00	0	22497	9058
213003	SECRETARY I	F	EBA	16	10K		2466	12.00	0	12588	4022
213004	PROJECT COORD	F	EBA	GS	16F		4011	12.00	0	17788	5733
213005	LOAN EXAMINER II	F	DAA	GS	17C		4289	12.00	0	18888	7213
213006	FIELD OFFICE ASSISTANT	F	DAA	GS	10C		2694	12.00	0	10613	4703
213007	LOAN EXAMINER II	F	DAA	GS	17C		4688	12.00	0	20374	7373
213008	CLERK TYPIST III	F	DAA	GS	28C		2573	12.00	0	12259	4348
213009	LOAN EXAMINER II	F	ATA	GS	17F		3316	12.00	0	13934	5507
213011	LOAN EXAMINER II	F	KAA	GS	17C		4795	12.00	0	22488	7994
213013	LOAN EXAMINER III	F	EBA	GS	19J		4418	12.00	0	19388	7413
213014	LOAN EXAMINER III	F	EBA	GS	19E		4164	12.00	0	18588	7053
213015	CLERK TYPIST III	F	EBA	GS	28B		1920	12.00	0	10727	3574
213016	CLERK TYPIST III	F	EBA	GS	28C		1877	12.00	0	10918	3414
213017	LOAN EXAMINER II	F	JBA	GS	17J		4021	12.00	0	17975	6733

MONTHLY RATE IS BASE RATE. OTHER AMOUNTS INCLUDE 3.57000 % COLA IF APPLICABLE
 3278-D STATUS: AVAILAEL E A218C108 ASD: READY R01 C01 PROTECTED

P201DETR 03/10/82 PERSONAL SERVICES EXPENDITURES DETAIL REPORT PAGE:
 DEPARTMENT OF HOUSING, IT & REGIONAL AFFAIRS SCENARIO :

COMP: HOUSING LOAN ADMINISTRATION BRU, EMPLOYEES, TRAINING, RURAL DE

PCN	JOB CLASS	TITLE	1	2	3	4	5	6	7	8	9	10
			1	2	3	4	5	6	7	8	9	10
213017	ACCOUNTING TECH III		1	004	00	100	0141	12.00	0	10000	0	0
213020	LOAN CLOSER II		1	004	00	100	0100	12.00	0	10000	0	0
213021	LOAN MANAGER		1	004	00	100	0100	12.00	0	10000	0	0
213022	ADMIN ASST - I		1	004	00	100	0100	12.00	0	10000	0	0
213023	CLERK TYPIST I	<i>GAI</i>	1	004	00	100	0100	12.00	0	10000	0	0
213025	LOAN EXAMINER II	<i>D. Conner</i>	1	004	00	100	0100	12.00	0	10000	0	0
213083	CLERK TYPIST III		1	004	00	100	0100	12.00	0	10000	0	0
213088	ACCOUNTING CLERK III		1	004	00	100	0100	12.00	0	10000	0	0
213098	LOAN EXAMINER I		1	004	00	100	0100	12.00	0	10000	0	0
213104	ACCOUNTING TECH I		1	004	00	100	0100	12.00	0	10000	0	0

MONTHLY RATE IS BASE RATE. OTHER AMOUNTS INCLUDE 3.57000 % DOLA IF APPLICABLE

FIDIDETR 03/10/92 PERSONAL SERVICES EXPENDITURES DETAIL REPORT PAGE: 1
 DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS SCENARIO 1
 COMP: HOUSING LOAN ADMINISTRATION BRD: EMPLOYMENT, TRAINING, RURAL DE

PCN	JOB CLASS TITLE	T	S	MATH	NOB	PREM	A	T	
		S	LOC	J	R&E	RATE	DOB	PA	SENEE

COLUMN TOTALS:	PREMIUM PAY	SENESITE	PERSONAL SER
	8	483,942	1,458,112

FULL TIME POSITIONS	15	TOTAL PERSONAL SERVICES	1,458,112
PART TIME & SEASONAL	5	PLUS LUMP SUM PREMIUM PAY	0
NON PERM. POSITIONS	2	SUB-TOTAL	1,458,112
OTHER.....	2	MINUS 2.00000 % VAC. ADJUSTMENT	29,760

TOTAL POSITIONS:	25 24	PERSONAL SERVICES, LINE 103	1,458,352
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MONTHLY RATE IS BASE RATE. OTHER AMOUNTS INCLUDE 3.57000 % COLA IF APPLICABLE

REG12ETR 03/10/92 PERSONAL SERVICES EXPENDITURES DETAIL REPORT PAGE:
 DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS SCENARIO

COMP: SENIOR HOUSING DEVELOPMENT BRD: EMPLOY/TRAIN/RURAL DEVELOPMENT
 PCN JOB CLASS TITLE

PCN	JOB CLASS TITLE	T	S	WTH	MOB	TREN	ANN	TOTL		
		8	200	0	428	RATE	3DE	PAY	BENEF	P.S.
213095	LOAN EXAMINER III	7	224	00	197	4100	12.00	0	10577	7227
213097	CLERK TYPIST III	7	224	00	260	1977	12.00	0	10710	0137

COLUMN TOTALS: PREMIUM PAY 0 BENEFITS 29,792 PERSONAL SERV. SER 106,410

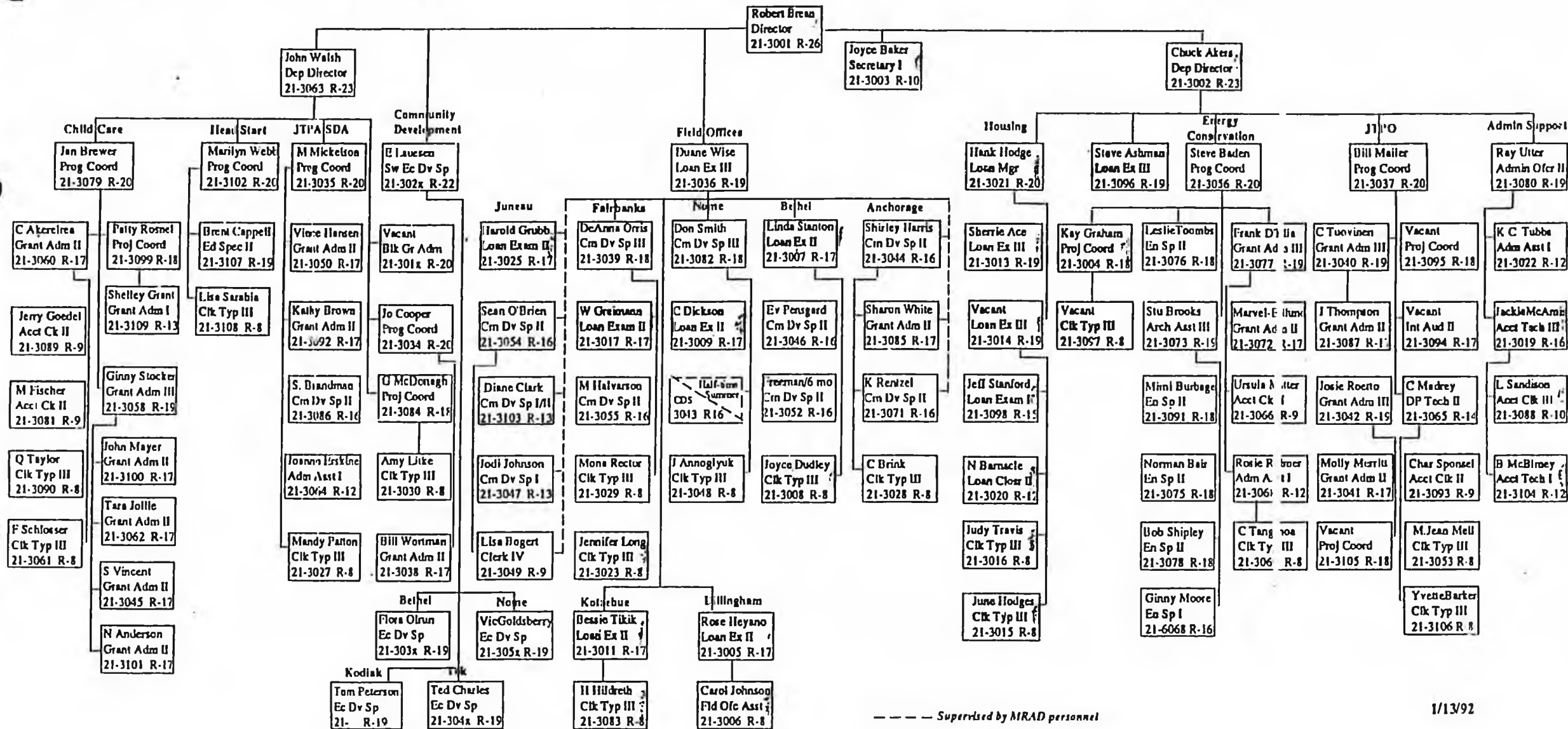
FULL TIME POSITIONS	2	TOTAL PERSONAL SERVICES	106,410
PART TIME & SEASONAL	0	PLUS LUMP SUM PREMIUM PAY	0
NON PERM. POSITIONS	0	SUB-TOTAL	106,410
OTHER.....	0	MINUS 0.00000 % VAC. ADJUSTMENT	0
=====		=====	
TOTAL POSITIONS:	2	PERSONAL SERVICES, LINE 100	106,410

MONTHLY RATE IS BASE RATE. OTHER AMOUNTS INCLUDE 3.57265 % COLA IF APPLICABLE

HOUSING LOAN ADMINISTRATION (25 FT Positions)
 SENIOR HOUSING (2 FT Positions)

Admin. Svcs.: Acct Tech II; Accountant II; Accountant III
 Statewide Svc. Del.: Clerk IV;
 CDS III; CT III
 Comm. Dev. Assistance: Statewide EDS

ALASKA DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
 RURAL DEVELOPMENT DIVISION



--- Supervised by MRAD personnel

Alaska State Housing Authority
624 W. International Airport Rd.
P.O. Box 230329
Anchorage, Alaska 99503

Telephone (907) 567-2813
FAX (907) 786-6218

Alaska State Housing Authority Program Overview

The Alaska State Housing Authority (ASHA) was created in 1945 to provide safe, sanitary, and affordable housing for low-income families, elderly, handicapped, and disabled Alaskans. Primarily funded through the U.S. Department of Housing and Urban Development (HUD), ASHA provides housing throughout Alaska.

ASHA also serves as a catalyst to promote self sufficiency among public housing residents. Its comprehensive approach includes child care programs and scholarships for its clients, the formation of self-governing tenant councils, home ownership programs, and job-training programs.

To qualify for ASHA-assisted housing, an applicant must qualify either as a family; or as an individual by being 62 years of age, or disabled or handicapped. Eligibility for admission is also determined by the family income limits as established by HUD for the area of residence.

The specific housing programs available are Conventional Low Rent, Section 8 New Construction, Section 8 Certificates and Vouchers, Turnkey III, Mutual Help, and Section 8 Additional Assistance. The total number of units currently administered is 4,099 with a total population of nearly 10,000.

These programs are operated with rent paid by the residents and federal housing program subsidies. State funds are not received for program delivery, but have been received in the past for the construction of new units.

The total number of families statewide on waiting lists is 5,625. This figure may include some duplication of families on more than one waiting list.

Section 8 Existing

The Section 8 program combines a unique blend of private-sector cooperation, government subsidies, and self-sufficiency on the part of the participant. It is our most popular and successful public housing activity. The Section 8 Existing program differs from other programs in that the local private rental market is the provider of the dwelling units. This program is available in ten locations: Anchorage, Fairbanks, Juneau, Kenai/Soldotna, Homer, Ketchikan, Sitka, Valdez, Petersburg, and Matanuska/Susitna. The program has a statewide capacity to assist 1,866 families in the certificate program and 561 families in the voucher program. Currently a total of 5,540 people are served by this program.

The qualifying family or individual is issued a certificate or voucher and must locate a suitable dwelling unit in the private sector. The selected dwelling unit is then inspected by ASHA staff to verify that it meets HUD's Housing Quality Standards.

There are two significant differences between the Section 8 certificate and voucher programs. Under the certificate program, the landlord agrees to accept a maximum rent determined by HUD as the Fair Market Rent for the community. Under the voucher program, the participant may locate a unit renting for more than the Fair Market Rent and agrees to personally pay the difference. This allows more participants to locate homes in a tight housing market, but can also cause them to pay more than 30 percent of their income toward rent. Another difference is that with the voucher, the participant may move, even to another state.

Conventional Low Rent

ASHA owns, manages, and maintains 1,204 units in the Conventional Low Rent program. There are 335 elderly units and 869 family units located across the state. Currently, a total of 3,132 people live in these units.

Funding sources for the Conventional Low Rent programs are from the rents paid by the participants and operating subsidies received from HUD. Residents in a Low Rent dwelling unit contribute 30 percent of their adjusted gross income toward rent.

Construction expenditures for units within this program have been provided by long-term notes and bonds paid by HUD. In the 1980s, the State of Alaska also contributed to construction of Low Rent units.

Section 8 New Construction

Four Alaska communities have projects known as Section 8 New Construction: Golden Towers, Fairbanks; Sunset View, Cordova; Glacier View, Seward; and Chugach View, Anchorage. These properties have a total of 260 units built exclusively for occupancy by the elderly. Additionally, in Anchorage there is a family complex consisting of 17 dwelling units known as Plamigan Park. These complexes remain fully occupied, with waiting lists of eligible applicants seeking to move in. A total of 451 people are currently served by this program.

The Section 8 New Construction properties were originally financed through notes payable to the State of Alaska. Rents are subsidized by HUD and used in payment of remaining obligations on the structures. Residents in these complexes contribute 30 percent of their adjusted gross income toward rent.

Turnkey III

Families selected to participate in the Turnkey III program must be low income. This special program, operated only in rural Alaska, makes provision for a low income family that is selected to sign a lease/purchase option contract. This contract provides that the

family may have an opportunity to purchase a home at the development cost and provide their own maintenance in addition to all utilities. Participants contribute a maximum of 30 percent of their income as rental payments, with a small portion set aside for reserve accounts which may be applied at the time of purchase as a credit to the amortized balance. At the present time, 78 of the 85 participants located in Bethel and Nome have completed the purchase of their homes.

Mutual Help

Mutual Help is a remote housing program operated as a lease/purchase option in ten Alaskan locations. Of the 200 units originally constructed, 107 have been sold. Mutual Help residents of Ambler, Goodnews Bay, Holy Cross, Kaltay, Wainwright, Kwethluk, Manokotak, Mekoryuk, New Stuyahok and Unalakleet may convert from renters to owners upon retirement of the administrative fees due on their individual account or rental management. Development debt in these locations is paid in full.

Section 8 Additional Assistance

The only program of Section 8 Additional Assistance operated by ASHA is located in Wrangell, where there are 33 family units, serving 80 people. This program is operated under criteria similar to that of Low Rent and Section 8 New Construction programs. A distinction is made in accounting for long term indebtedness of the original construction expenditures.

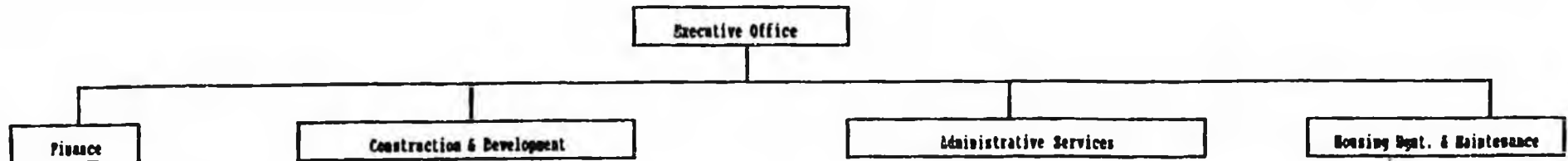
The families pay 30 percent of their adjusted gross income toward the rent. Additional rent is subsidized by the federal government to cover some program operating expenses.

Other

ASHA owns and operates the Alpine Terrace Apartment complex in Anchorage. This 48-unit complex has six project-based Section 8 certificates.

Alaska State Housing Authority

Functions by Department



EXECUTIVE OFFICE (7 administrative employees)

Implements and interprets the policies, provides in-house coordination and support in developing new and ongoing programs in harmony with HUD's goals; and maintains and encourages political partnerships at local, state, and federal levels

Executive

- Operates the Agency
- Implements and interprets policy
- Program oversight
- Political partnerships
- Administrative support to the Board of Directors
- Legislative advocacy

Legal

- Counsel to Board and Agency
- Legal review and research
- Legal operations of evictions and collections

Communications/Public Relations

- Contact for media, media events
- Writes/coordinates Annual Report
- Writes/coordinates Agency newsletter
- Press releases
- Clearinghouse for news clippings
- Legislative contact & clearinghouse
- WordPerfect & E-Mail training for Agency

FINANCE (12 administrative employees)

Maintains accounting and financial reporting for 16) various federal and nonfederal funds and projects in accordance with GASB, GAAP, and HUD guidelines associated with Special Revenue, Enterprise, General, Pined Asset Group, and Proprietary, etc., funds. Provides administrative and financial support services to the ASHA departments and program beneficiaries.

- Program Accounting
- Accounts Payable
- Accounts Receivable
- Payroll - Union and non-union
- Invests funds
- Highly specialized federal and non-federal) financial reporting
- Coordinates financial and management audits, and responses to any findings
- Maintains mortgage and bond financial files

CONSTRUCTION AND DEVELOPMENT (10 administrative employees)

Oversees all modernization and new construction capital projects; develops new programs, and secures funding for the agency.

- Maintains day-to-day contact with local HUD office personnel, providing information as required by HUD regulations for construction and modernization functions
- Project management services for modernization and new construction capital projects
- Identifies and abates hazardous materials in Agency-owned properties

Fund/Program Development

- Viability reviews of proposed projects
- Researches and designs new programs
- Coordinates program development among departments and other agencies
- Locates and secures funding sources for Agency projects
- Coordinates and writes funding applications
- Prepares information for funding applications to HUD

Policy Analysis

- Policy analysis
- General research program administration
- Administers Low-Income Housing Tax Credit Program
- Clearinghouse for Resolution Trust and Federal Home Loan Bank properties

Alaska State Housing Authority

- 2 -

Functions by Department

ADMINISTRATIVE SERVICES (17 administrative employees)

Provides service and support on issues related to development, implementation, and administration of operational systems, policies, and procedures of the Agency. Primary goals are to facilitate the cost-efficient operation of the Agency and to ensure maximum utilization of the Agency's human, electronic, and material resources; and to continually service the various divisions to ensure that there are no interruptions or reductions in program progress or in services to the public.

Procurement

- Purchasing/contracting
- Property and vehicle inventory;
- Property surplus
- Contract compliance monitoring

Management Information Systems

- Mini Computer operations
- Computer data entry
- Personal computer support
- Personal computer purchasing
- Coordination of mini computer, hardware, software, implementation, budget

Risk Management

- Secures and manages the following coverage: fire and extended coverage, comprehensive general liability, commercial automobile, fidelity bond, boiler coverage, electronic data processing, workers' compensation, group travel, and accident

Human Resources

- Equal Opportunity and Affirmative Action compliance
- Federal Section 504 compliance
- Human resources planning and forecasting
- Employee relations and organizational analysis
- Coordination of employee training and development

Other

- Desktop publishing
- Video and photo production
- Production of Annual Report
- Production of Agency newsletter
- Photographs and displays for media events

HOUSING MANAGEMENT AND MAINTENANCE (57 administrative and 54 bargaining unit maintenance employees, located in 14 communities statewide)

Responsible for the management and maintenance of 1,590 Agency owned properties, and the administration of 2,364 private-sector Certificates and Vouchers under the Section 8 Existing Housing Assistance Program. Operates a shrinking Turnkey III program and continues to collect outstanding debts for the Mutual Help program.

Housing Management

- Client intake and eligibility for ASBA-owned and private sector properties
- Maintains waiting lists (currently 6,150 families)
- Issues Section 8 Certificates/Vouchers to qualified applicants
- Rent collections
- Manages housing units/programs
- Inspects and certifies private-sector housing for the Section 8 program
- Community representation of ASBA, including homeless task force & coalition
- Program audits
- Policies and procedures development and implementation
- Resident services
- Compliance with physical requirements of Section 504

Maintenance

- Hands-on maintenance activities supporting 1,590 housing units in twelve communities throughout Alaska
- Yearly physical improvements
- Maintains contact with local HUD office personnel, providing information as required by HUD regulation for maintenance functions

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ACTIVE CONSTRUCTION AND MODERNIZATION PROJECTS - LOW RENT			
	Total Budget	Remaining Funds	% Complete
Comprehensive Improvement Assistance Program (CIAP)			
Geneva Woods, Phase I (Juneau)	\$578,054	\$2,134	99%
Geneva Woods, Phase II	508,279	34,904	99%
Geneva Woods, Phase III	1,256,000	1,245,791	5%
Park View Security Entrance (Anchorage)	187,520	178,370	40%
Birch Park Demolition (Fairbanks)	1,301,630	240,437	90%
Louiseac Manor (Anchorage)	2,339,195	2,315,428	5%
Sea View Terrace (Ketchikan)	204,960	187,344	45%
Handicap Accessibility of ASHA Community Buildings (statewide)	246,456	61,317	95%
	06,622,094	\$4,265,725	
Major Reconstruction of Chgolete Public Housing (MRCP)			
Bethel Heights Reconstruction	\$4,510,324	\$1,402,235	80%
Development			
Chugach View	\$11,363,636	\$453,980	95%
Fairbanks Affordable Rental Housing	8,540,000	8,041,344	25%
Willow Park Replacement Acquisition	13,830,000	4,790,458	75%
	\$22,370,000	\$13,285,782	
GRAND TOTAL	\$33,502,418	\$18,953,742	

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04/15/92 10:30

ALASKA STATE HOUSING AUTHORITY
 FINANCIAL INFORMATION FOR THE FISCAL YEAR ENDING MARCH 31, 1991

HUD SUBSIDY	4,505,272	7,050,503	2,214,649	1,440,128	0	114,966		0	15,533,518	
RENTAL OPER RECEIPTS	3,440,737			1,100,006	88,943	116,282	949,190	975	5,776,133	
# OF CLIENTS	3,103	5,800	"	327	**	**	**	**	9,516	*INCLUDED IN 80 CERTIFIED **COMBINED TOTAL = 286
ADMIN FEES EARNED		825,666	210,641						1,044,277	
TOTAL ASSETS	83,774,015	376,044	155,902	3,415,652	7,720,124	646,470	5,465,740	3,805,124	105,367,071	
TOTAL LIABILITIES	47,840,288	185,940	103,135	260,878	7,359,440	429,205	453,947	1,564,955	58,213,788	WRANGELL NOTE P&I = 370,804 89 HOV PRIN = 1,686,171
FUND BALANCE-SURPLUS	35,925,727	190,104	52,767	2,698,208	368,684	217,265	5,011,793	1,181,280	45,645,900	
OPERATING RESERVE	3,333,939	740,827	131,443		210,064			87,508	4,503,781	
LOCATIONS	30			5	2	1		10	48	
FEDERAL/STATE FUNDING	FED	FED	FED	FED	FED	FED	NON-FED	FED		

cc:\sp51\asha\finf.ora

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DEPARTMENT OF COMMUNITY AND
REGIONAL AFFAIRS

MUNICIPAL & REGIONAL ASSISTANCE DIVISION

- | | | | |
|--|---|---|---|
| <input type="checkbox"/> 333 W. 4TH AVENUE, SUITE 220
ANCHORAGE, ALASKA 99501-2341
PHONE: (907) 269-4500 | <input type="checkbox"/> P.O. BOX 348
BETHEL, ALASKA 99559-0348
PHONE: (907) 543-3475 | <input type="checkbox"/> P.O. BOX 295
DILLINGHAM, ALASKA 99576-0295
PHONE: (907) 842-5135 | <input type="checkbox"/> 1001 NOBLE ST., SUITE 430
FAIRBANKS, ALASKA 99701-4948
PHONE: (907) 452-7126 |
| <input checked="" type="checkbox"/> P.O. BOX 112100
JUNEAU, ALASKA 99811-2100
PHONE: (907) 465-4750 | <input type="checkbox"/> 710 MILL BAY RD.
KODIAK, ALASKA 99615-6340
PHONE: (907) 486-5736 | <input type="checkbox"/> P.O. BOX 350
KOTZEBUE, ALASKA 99752-0350
PHONE: (907) 442-3696 | <input type="checkbox"/> P.O. BOX 41
NOME, ALASKA 99762-0041
PHONE: (907) 443-5457 |

April 14, 1992

The Honorable Pat Rodey
Alaska State Legislature
State Capitol Building, Room 113
Juneau, Alaska 99811-1182

RE: DCRA Housing Loan Program/SS HB 152

Dear Senator Rodey:

In the course of our discussion in the Senate State Affairs Committee about the rural housing loan program administered currently by the Department of Community and Regional Affairs, it was apparent there is some confusion about the current and amended definitions of "rural" and who may be served under those definitions. This letter summarizes the oral and written testimony that has been provided on those issues to the Senators hearing SB 402 and the Representatives hearing HB 431. Those are companion bills that amend the definition of rural contained in AS 44.47.560.

As presently written, the definition of rural means a community in the first judicial district with a population of 4500 or less and a community in the rest of the state with a population of 4500 or less that is not connected by road or rail to Fairbanks or Anchorage. SB 402 and HB 431 amend that rural definition. The amended definition of rural has been included in SS HB 152 on page 57 of the draft. The amended definition raises the population cap on a rural community from 4500 to 5500, unless that community is connected by road or rail to Anchorage or Fairbanks, in which case the population cap is 1500.

Bethel (4674) and Nome (4559) are now over the population cap as the statute is presently written and we have suspended our lending activity in those communities. We were asked what other cities might be approaching the 4500 cap. We provided the following list of the next largest cities after Bethel and Nome that are not connected by road or rail to Anchorage or Fairbanks: Petersburg (3680), Barrow (3469), Unalaska (3450), Kotzebue (3075), Cordova (2504), and Wrangell (2479).

Senator Rodey
April 14, 1992
Page Two

In addition, we were asked to provide a list of communities under 1500 that are attached to Anchorage or Fairbanks by road or rail and could be served by our loan program if the rural definition is amended as requested. That list is attached.

I hope this letter provides clarification where there was apparently some confusion. If you have any additional questions about this matter, please let me know.

Sincerely,



Sandra J. Wicks
Deputy Director

Enclosure

cc: Sen. Jim Duncan
Sen. Paul Fischer
Sen. Pat Pourchot
Sen. Dick Schultz
Sen. Rick Uehling
Rep. Kay Brown
Rep. Ivan M. Ivan

Rural Communities Connected by Road or Rail to Anchorage or Fairbanks

1992 Population of Community

866 Anchor Point
 628 Anderson
 400 Big Delta
 147 Cantwell
 52 Central
 * Chena Hot Springs
 145 Chickaloon
 60 Chistochina
 49 Chitina
 73 Circle
 29 Circle Hot Springs
 79 Clam Gulch
 243 Cooper Landing
 449 Copper Center
 70 Dot Lake
 106 Dry Creek
 169 Eagle
 147 Ester
 275 Fox
 25 Gakona
 451 Glennallen
 103 Gulkana
 487 Healy
 161 Hope
 738 Houston
 383 Kasilof
 267 Kenny Lake
 272 Knik

1992 Population of Community

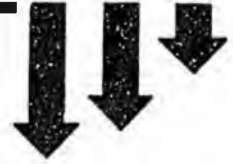
* Livengood
 38 Lower Tonsina
 96 Manley Hot Springs
 25 McCarthy
 171 McKinley Park
 37 Mendaltna
 96 Mentastna Lake
 81 Moose Pass
 * Nabesna
 * Nelchina
 555 Nenana
 456 Ninilchik
 1456 North Pole
 123 Northway
 88 Northway Junction
 30 Paxson
 * Petersville
 63 Slana
 308 Sutton
 250 Talkeetna
 106 Tanacross
 247 Tazlina
 87 Tetlin
 935 Tok
 38 Tonsina
 299 Whittier
 285 Willow
 33 Wiseman

* Population unknown at this time but under 1500.



713 15th Ave. • Fairbanks, Alaska 99701 • (907) 452-5323

INTERIOR WEATHERIZATION, INC.



DATE: April 14, 1992

TO: Members, Senate State Affairs Committee

FROM: Robert Maxwell, Executive Director

RE: Work Draft SCS for HB 152 - Alaska Housing Programs

As stated in the sectional analysis of this work draft "the bill ensures adequate financial resources are available to address Alaska's low income and special housing needs." The low income weatherization program has been addressing the housing rehabilitation and energy conservation needs of thousands of Alaskan low income residents on an annual basis. Every year, hundreds of low income Alaskans are required to wait an entire winter for weatherization assistance due to a chronic lack of funding. Under the weatherization program regulations, priority is given to households containing elderly and/or handicapped residents. With the exception of some limited urban areas of the state, weatherization has been the only housing assistance program available to the low income who often find themselves burdened with extremely substandard housing.

The analysis continues to emphasize this condition by the following, "Most importantly, the merger will ensure future money to subsidize rural and urban housing needs of those Alaskans who are least able to afford safe, sanitary, and energy efficient housing." Since this is a dramatic departure from the past activities of AHFC, it is heartening to see that the expanded Board of Directors will have a composition that should be favorable to the needs of weatherization recipients.

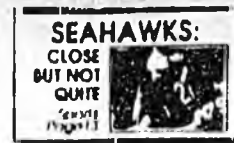
However, the statement made at the April 13, 1992 hearing by the Director of AHFC that weatherization will have to come before the Board for continued funding has raised some concerns among the weatherization providers in the State. Weatherization providers have not yet been able to meet with the Director of AHFC, nor attend any of the work sessions. This is not due to a lack of desire but because of conflicting schedules exacerbated by the beginning of the weatherization program cycle in which the hundreds of applicants who have been waiting up to a year for assistance can begin to receive assistance. Weatherization providers are concerned that this type of situation may exist when it is time to come before the Board for continued funding, and would therefore like to see some language added to this work

draft that would assist in the selection of a low income representative that has an understanding of the needs of the low income weatherization program and its clients. This could be as simple as changing the wording to read "representative of low income and weatherization interests." This change would not restrict highly qualified people from serving in this position.

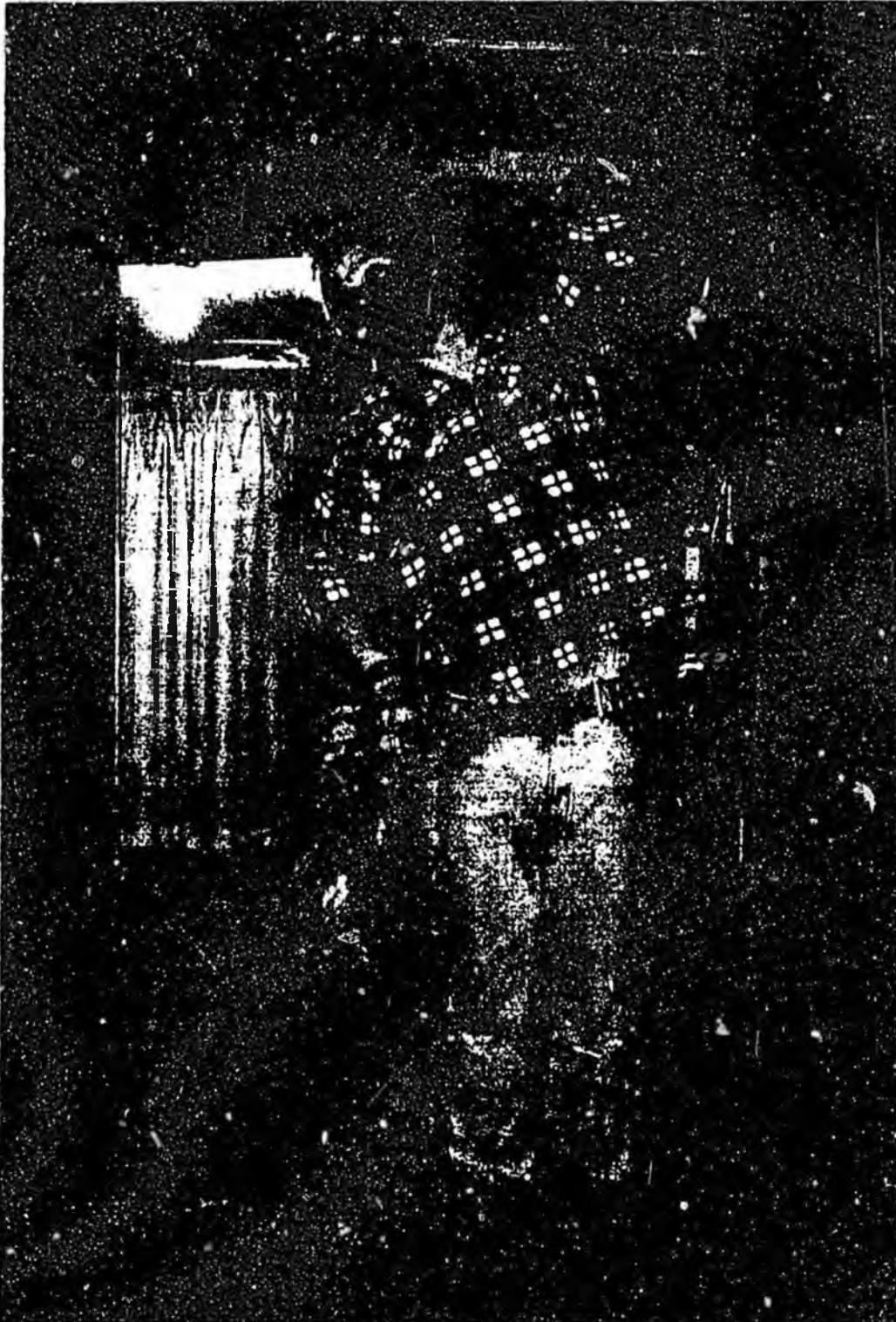
Federal funding for weatherization in Alaska has been helpful, and in some years essential; but as is the case with many federal programs, the amount of money available per dwelling under federal regulations is the same for Alaska as it is for Florida. The weatherization needs of Alaskans far exceed those of Floridians and it is only with non-federal funds that the Alaska low income weatherization program has been able to come close to addressing the needs of Alaskans.

Weatherization providers applaud the hard work and effort that has gone into this bill, we see and appreciate the fact that there has been an obvious effort to find continued funding for the many programs included in this merger. Our only other concern is that there should be some mention within this bill of the federally recognized weatherization subgrantees grandfathered under 10 CFR 440.15(a)(3) as the weatherization service providers. These organizations have made long term commitments to providing quality weatherization services throughout the state. They have many years of experience in the areas they serve. They are committed to providing the best weatherization possible and are responsible for Alaska being on the cutting edge of weatherization and retrofit building science in this country.

I appreciate your time and attention to these concerns and want to express my thanks for encouraging public participation in this matter.



Strangers help out needy widow



Mike Mathers/News-Miner

HOME IMPROVEMENT—Ruby Hensley jokes with Craig Fowler of Tradewinds Construction as he installs a ceiling in her home. Interior Weatherization Inc., a state program that weatherizes homes for low-income people, hired Tradewinds to finish her ceiling. The program will also repair her leaking roof this spring.

By LIN GALE
Staff Writer

When Ruby Hensley goes to bed, she no longer stares up at sagging sheets of insulation in an unfinished ceiling.

Since the News-Miner reported on the 64-year-old widow's financial difficulties in an article Dec. 9, strangers have stepped in to finish her home, buy her heating oil, and donate cash.

"Everybody was so wonderful I almost went beside myself," Hensley said.

Hensley's husband died in 1988, leaving behind \$3,000 worth of unpaid bills, an unfinished house in South Fairbanks, and no life insurance.

Since her husband's death, Hensley has struggled to make ends meet on a \$703 monthly Social Security check and by selling her late husband's tools.

She remains on a fixed income that leaves no room for extras, but Hensley's situation is a little brighter today.

When the News-Miner reported on Hensley's plight, the ceilings in her home were unfinished and her roof leaked. About half of her house was kept unheated. The rest was kept at near 60 degrees. Of her \$703 monthly income, she was spending about \$200 a month for heating oil and about \$200 a month for prescriptions to deal with crippling osteoporosis and arthritis.

The week following publication of the story, a dozen individuals came forward to donate money to Hensley, and to help heat and repair her home, she said.

"A Sourdough man in the big truck drove up and said, 'I'm going to fill your tank, somebody donated 109 gallons.' It's been a real blessing, I tell you it has. It's been wonderful," Hensley said.

Others sent more than \$100 anonymously, which she said she put in the bank to pay bills.

Love Inc., a non-profit organization of church volunteers that helps people, arranged for someone to shovel Hensley's leaky roof through the winter. She was paying \$50 each time snow accumulated.

A team of carpenters from Interior Weatherization Inc., a state program that weatherizes homes of low-income residents to conserve energy, arrived at

(See HOME, Page 5)

HOME: Widow helped

(Continued from page 1)

her home last week to finish her ceiling with a plastic vapor barrier and plywood.

The carpenters plan to repair her roof this spring. Before the repairs, sheets of fiberglass insulation sagged from her uncovered ceiling.

The finished ceiling should cut Hensley's heating bills by about 25 percent, said Bob Maxwell, director of the weatherization program.

"It won't be nothing fancy, but it will serviceable, and make it a lot warmer in here, and cut down on my fuel bills," Hensley said.

Hensley turned down offers from several building contractors to repair her home, because the weatherization program had already contacted her about the repairs, she said.

"People are just awful lovely, you know," she said. "I appreciate it very much and I thank the Lord for them too. It's a blessing."

Those who wish to help other Alaska pioneers in difficult situations can contact several organizations. An estimated 1,000 senior citizens in the Fairbanks North Star Borough survived on incomes of less than \$8,600 in 1989, according to the

Older Persons Action Group in Anchorage.

Love Inc. coordinates volunteers from 34 local churches who want to help people in need. The organization also enlists the help of individuals, including those willing to shovel roofs and walkways for elderly and disabled people incapable of doing it themselves, said director Terri Reichardt.

"If anyone wants to shovel, please give us a call and we'll get their names down. And if anyone needs shoveling, they can give us a call," she said.

Love Inc. knows of nearly 3,000 volunteers available to help people, including snow shovelers, attorneys, doctors, dentists and budget counselors, Reichardt said.

Those who need help can call 452-5683. Those who wish to volunteer help can call 452-3876.

The Senior Citizen Center on Moore Street also assists people who are 60 and over.

"People call and let the center know about seniors in trouble," said Kathy Irving, community resource coordinator.

The center investigates their problems, and refers them to agencies, Love Inc. or people who want to help, Irving said. The center's number is 452-1735.

Weatherization explained

Jan. 3, 1991
713 15th Ave.
Fairbanks, AK 99701

To the editor:

Since your article "Strangers help out needy widow" regarding our program appeared on the front page of your Dec. 31 issue, there have been a few questions put forth to me that I would like to clear up. The foremost being that Interior Weatherization, Inc. is an independent non-profit corporation and donations to us are tax deductible.

We operate the low-income weatherization program here in the Interior for the state of Alaska. This is a program funded through the Department of Community and Regional Affairs with funds from the state and federal governments. We have no problem accepting donations of money or labor to assist the many clients who come to us for help, some of whom are pioneers in situations similar to that of Ruby Kensley.

While we have used all of our available funding for our current contract, the next funding cycle will begin on April 1, 1991, and we are accepting applications for this funding. We are located at 713 15th Ave., and our telephone number is 452-5323. We are also listed in the state blue pages of the phone book under "weatherization." Thank you for this opportunity to clarify who we are and what we do.

Sincerely,

Robert A. Maxwell
Executive Director
Interior Weatherization, Inc.



Alaska Association of the Energy Efficiency Industry

DATE: April 14, 1992

TO: Members, Senate State Affairs Committee

FROM: Robert Maxwell, Vice President

RE: Work Draft SCS for HB 152 - Alaska Housing Programs

The sectional analysis of this work draft states, "the bill ensures adequate financial resources are available to address Alaska's low income and special housing needs." The analysis continues to emphasize this; "Most importantly, the merger will ensure future money to subsidize rural and urban housing needs of those Alaskans who are least able to afford safe, sanitary, and energy efficient housing."

The Association has been advocating for programs that will have a positive effect on reducing the \$213 million Alaskans spend every year to heat their homes. Since the low income residents of this state are often saddled with the substandard housing that also consumes a greater proportion of energy than any other housing stock, we wholeheartedly endorse the conclusion of the analysis quoted above. Since this is a dramatic departure from the past activities of AHFC, it is heartening to see that the expanded Board of Directors will have a composition that should be favorable to these goals. The Association feels that there could be language added to Section 83 AS 18.56.030 to make it reflect the new composition of the Board. This would assist the Governor and future Administrations in choosing appropriate and qualified representatives. The Association supports adding the words "and weatherization" to the seat designated for the low income representative.

With the exception of some limited urban areas of the state, weatherization has been the only housing assistance program available to low income residents who often find themselves burdened with substandard housing. The difference between receiving and not receiving weatherization for some of these homes is the difference between having shelter or being homeless. Since this type of existing housing is going to continue to be lived in and not replaced under other low income housing programs, it is important that the weatherization program have adequate Board representation to ensure continued funding of this important program.

The Association would like to thank the committee for all of the effort that has gone into this bill. We appreciate your attention and thank you for the opportunity to submit our opinions.



TANANA CHIEFS CONFERENCE, INC.

122 FIRST AVENUE
FAIRBANKS, ALASKA 99701-4897
PHONE (907) 452-8251 FAX (907) 451-8938

MEMORANDUM

DATE: 12 April 1992

TO: Members, Senate State Affairs Committee

FROM: Todd Hoener, Tanana Chiefs Conference Director Housing Services

SUBJECT: CSHB-152, comments for consideration

The concept for the Housing Merger Bill, CSHB-152, was first introduced during public testimony on SB-429, 9 March 1992. To date, a 77-page working draft has been prepared. Tanana Chiefs Conference department of housing services has reviewed the proposal and wishes the committee to consider the following points:

TCC is concerned with rural and village interests. We advocate for people of low-income, for elders and for people with special interests, such as people who are physically impaired and families living in large, overcrowded and substandard situations. TCC has long been a leader and proponent of energy efficiency programs in the villages because such conservation programs reduce economic dependency, create jobs and provide safe and warm living conditions.

In February of this year the Alaska Housing Finance Corporation published the State of Alaska's Comprehensive Housing Affordability Strategy (CHAS) for the U.S. Department of Housing and Urban Development as mandated by the National Affordable Housing Act of 1990. The CHAS cited a rural housing study commissioned by the Department of Community and Regional Affairs that concluded "a continuing, serious deficit exists in access to decent housing for low-income, rural and Native Alaskans." The study found serious overcrowding in village housing due to the fact that past increases in housing stock across the state did not benefit the villages. The study found that existing housing stock in the villages are less than adequate in terms of energy efficiency and in the ability to withstand the stresses of arctic living.

In addition, the study found what villagers have always known: That the private housing market does not function well in the villages. Most village household incomes are either sporadic or seasonal and too low to qualify for DCRA rural homeownership loans, much less AHFC. Establishing credit is almost non-existent. In spite of this, the primary housing need for villages



Alaska Association of the Energy Efficiency Industry

April 10, 1992

TO: Senator Pat Rodey

FR: Barbara Collins, President

Barbara Collins

RE: HB 152

On behalf of the Alaska Association of the Energy Efficiency Industry, I have been following the work you have been doing on HB 152 closely, and I appreciate the open approach you have taken in the work sessions.

I have received the 4/8/92 work draft of the bill and have been reviewing it. I have particularly reviewed section 81. AS 18.56.030 (a) regarding the board of directors. I appreciate the inclusion on the board of a member who is a representative of the residential energy efficient homebuilding industry. I am confident that this representative will offer valuable expertise to the housing corporation at a time when its mission to provide affordable, decent housing is expanding. Unfortunately, too many homes financed by the State in the past have been flimsily constructed, and inefficient.

The current definition for the board seat - a representative of the residential energy efficient homebuilding industry, is flexible and will allow the governor to choose from a broad number of experienced people with the proficiency and background necessary. I believe it is important to keep the definition as currently written and not add another restriction to this board seat, such as limiting it to licensed residential contractors. Such a change would needlessly restrict excellently qualified people from serving in this capacity.

We appreciate your time and attention, and want to thank you for encouraging public participation in this process.

efficiency. Thus, it may be limiting, from an energy efficiency policy perspective, to consider only those within the homebuilding industry as the sole source to represent the energy efficiency seat on the board of directors (Sec. 81 (a) (G)).

In Sec. 70 (1)(A) we would hope that considerations for an unfit dwelling include the inability to keep a place warm and comfortable at the most extreme cold temperatures. Terms like "healthy, energy efficient, comfortable" should be used wherever and whenever reference is used for providing decent, safe and sanitary standard housing to reinforce the purpose and mission of housing needs in Alaska.

We wish to re-emphasize the need for public education concerning energy efficiency and healthy housing techniques and methods as they apply to weatherization, rehabilitation and new construction. AHFC must become the resource public awareness to improving the overall quality of housing in Alaska. Also, the need for demonstration projects that test the ideas for alternative and appropriate housing needs should be clarified within the bill.

Last, for this working draft, we would like a clarification of the funding apparatus or method the bill proposes, especially for the weatherization program, the enhanced weatherization program (rehabilitation). It is still not clear where or how the money will be channeled that are to support the programs transferred to AHFC.

I realize these concerns are somewhat haphazard and dis-jointed, but we did only receive the working draft of 152 and the sectional analysis on Friday. Thank you for your attention at this time.

is for new construction which will address both the housing shortages and replace severely deteriorated housing units.

Until a serious and deliberate plan for the long-term housing short falls of the villages are tackled, weatherization programs, rehabilitation programs and direct new housing grants must continue as the major alternatives for improving village housing conditions in terms of increasing both the energy efficiency and the livable spaces.

With this in mind, please consider the following suggestions and concerns for the working draft of CSHB-152:

The working draft states, within the FINDINGS of Section 1 (3), that "low-income and rural housing needs in the state are critical" and that "nearly 33 percent of Alaskans are considered low-income residents." There is no argument here. Our most immediate concern is that 152 will do little to change this situation as it stands. The majority of the bill addresses existing loan programs that have had almost no benefit for village residents. We are not opposed to the loan programs; we would like to see stronger language in 152 for programs that DO help rural Alaskans, i.e., weatherization, rehabilitation and direct grants for new housing especially for high-priority people. We would also like to see a good-faith effort directed to seeking alternative and more appropriate methods and planning for drastically improving the critical and neglected state of village housing.

We would like to see within the mission statement of Sec 1 (6) the word "weatherization" inserted before or after the word "rehabilitation." And, we would like the word "weatherization" or "rehabilitation" inserted wherever and whenever the text of 152 draws reference to this type of language, e.g., Sec. 5 (7), Sec. 20, Sec. 34 (1), Sec. 88 (b)(1), Sec. 95 (11), etc.

We would like to see a more expanded review process of this merger than simply a biennial report. We wish to insure that the integrity of the mission of past DCRA programs will not be displaced when swallowed by AHFC. We would like to see an accounting of the "human services assets" that will be passed to AHFC, an auditing of the "heart" of AHFC to insure that progress is being made that will address the critical energy and housing needs in the villages and especially those people of special needs and high-priority. TCC would suggest that, at minimum, a yearly report to the legislature for the first five years of this merger be presented so that progress may be more qualified in terms of human needs.

We would hope to see some mention within 152 of the federally recognized weatherization subgrantees grandfathered under 10 CFR 440.15 (a)(3) as the long-standing eligible providers for weatherization programs. These weatherization subgrantees, as mentioned in the State of Alaska's Low-Income Weatherization Assistance Program state plan prepared for the U.S. Department of Energy, have long been the state's advocate for energy

NORTH SLOPE BOROUGH HOUSING DEPARTMENT

P.O. Box 69
Barrow, Alaska 99723

Phone: (907) 852-2611, Ext. 204

John G. Duffy, Director



April 10, 1992

Rep. Eileen MacClean
Alaska State House of Representatives
State Capitol
Juneau, Alaska 99801-1182

Attention: Rena Bukovich

RE: Suggested Revisions to HB 152

Dear Rena:

As we discussed earlier this week, what follows are brief comments concerning Rep. Brown's March 16, 1992 Working Draft of House Bill 152.

As you know, my primary concern is that the composition of the board of directors afford adequate rural representation. The provisions for rural members of the board will not be adequate to counteract the inherent urban bias that often exists in statewide organizations. Although, of course, the population is overwhelmingly concentrated in urban areas, the housing needs are so extreme and diverse in rural areas that rural needs must be represented especially strongly on this board.

To address that concern, I propose that A.S. 18.56.030(a) be revised to provide that there be two (2) public members, both of whom are rural residents, rather than only one so designated. Further, I suggest that any executive committee empowered to act on behalf of the board be required to include at least one rural representative, either a rural public member, or the regional housing authority representative. (See A.S. 18.56.050.)

Thank you for providing me the drafts of this bill, and for keeping me advised of its progress.

Sincerely,

Bessie O'Rourke *BOR/RE/rft*
Bessie O'Rourke, Director

BOR/rft



Alaska Association of the Energy Efficiency Industry

April 10, 1992

TO: Senator Pat Rodey

FR: Barbara Collins, President

Barbara Collins

RE: HB 152

On behalf of the Alaska Association of the Energy Efficiency Industry, I have been following the work you have been doing on HB 152 closely, and I appreciate the open approach you have taken in the work sessions.

I have received the 4/8/92 work draft of the bill and have been reviewing it. I have particularly reviewed section 81. AS 18.56.030 (a) regarding the board of directors. I appreciate the inclusion on the board of a member who is a representative of the residential energy efficient homebuilding industry. I am confident that this representative will offer valuable expertise to the housing corporation at a time when its mission to provide affordable, decent housing is expanding. Unfortunately, too many homes financed by the State in the past have been flimsily constructed, and inefficient.

The current definition for the board seat - a representative of the residential energy efficient homebuilding industry, is flexible and will allow the governor to choose from a broad number of experienced people with the proficiency and background necessary. I believe it is important to keep the definition as currently written and not add another restriction to this board seat, such as limiting it to licensed residential contractors. Such a change would needlessly restrict excellently qualified people from serving in this capacity.

We appreciate your time and attention, and want to thank you for encouraging public participation in this process.

DIVISION OF LEGAL SERVICES

**LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA**

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

240 Main Street, Suite 500
Juneau, Alaska 99801-2101

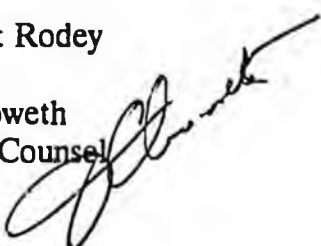
MEMORANDUM

April 8, 1992

SUBJECT: Consolidation of housing programs (Work Order No. 7LS-1986/G)

TO: Senator Pat Rodey

FROM: Jack Chenoweth
Legislative Counsel



Another version, incorporating the substance of amendments provided by Max Gifford and Jim Kelly and your request that the bill pick up the draft of the provision that would authorize AHFC's purchase of the Community & Regional Affairs housing loan portfolio.

Am I the only person to not know for certain that this draft will eventually become a Senate Committee Substitute for House Bill 152? If your efforts to conform the meat of the bill to the constraints of the title of the House-passed bill, then there may be a complication. This bill sweeps responsibility for a number of the state's current programs--some related to housing and some not--on to the Alaska Housing Finance Corporation. All of these changes, especially the ones that do not directly relate to housing (and I have in mind chiefly the provisions that relate to financial arrangements for public buildings), you should realize, hang on the thin thread of one clause in the bill title referring to "the management of the Alaska Housing Finance Corporation."

Article II, section 13 requires that "the subject of each bill shall be expressed in the title." The purpose of the requirement is "to prevent surreptitious introduction of legislation not indicated by the title." State v. First National Bank of Anchorage, 660 P.2d 406 (Alaska 1982). The title must give reasonable notice of the subject of the bill. Since reference to "the management of the Alaska Housing Finance Corporation" does caution interested parties that the bill touches on the internal operation and direction of that public agency, I suspect that the reference would be found to achieve the constitutional requirement, albeit just barely. However, compliance with the requirement is not clear-cut and I am concerned that someone who might object to this measure would seize on the constitutional requirement to raise a question as

Senator Pat Rodey

April 8, 1992

Page 2

to whether the bill has been enacted in a manner that is consistent with the constitution. Given the size of the measure and the closeness of the question, this may be an instance in which the Senate would be well advised to bite the bullet, give the bill a complete title, and ask the House to agree to a waiver of the applicable rules relating to title changes in the second house.

I do not foresee a single subject violation under article II, section 13.

JBC:gc
92-287.glc

Enclosure

DIVISION OF LEGAL SERVICES

**LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA**

(907) 465-3867 or 465-2450
FAX (907) 465-2029
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240 Main Street, Suite 500
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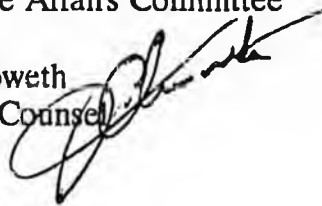
MEMORANDUM

April 7, 1992

SUBJECT: Draft 7LS-2272\A, authorizing AHFC purchase of Community and Regional Affairs' bond portfolio (Work Order No. 7LS-2272/A)

TO: Senator Pat Rodey, Chair
Senate State Affairs Committee

FROM: Jack Chenoweth
Legislative Counsel



This draft is one that has passed from me to you, has been revised by Eric Wohlforth, rehashed by the working committee on the housing merger, and is back to me courtesy of Jim Kelly of the Permanent Fund Corporation. Even before being assigned a work order number, it has had an interesting history!

I am working from Eric Wohlforth's revision but, since I do not condone characterizing the voluntary transfer of money from Alaska Housing Finance Corporation to the state general fund as a "dividend"--his or AHFC's term--I have declined to use that description. A "dividend," as I understand, is a payment out of a corporation's profits that the corporate directors decide to return to shareholders. This anticipated payment may, in fact, be generated out of AHFC's profits and the payment of it may be discretionary with AHFC's board of directors, but the state is really not the corporation's shareholder, and there is no requirement in law that either authorizes or compels the payment. It is a gratuitous gift to the state, probably as much intended to keep the legislature from extracting a larger amount as anything else, and to identify the payment as a "dividend" just seems wrong.

JBC:pl:gc
92-244.plm

*This can be INCORPORATED
into HB 152*

Letter from Chenoweth 4/7/92
RE: "Dividend" used in 152



**ALASKA STATE
HOMEBUILDERS ASSOCIATION**

March 30, 1992

The Honorable Pat Rodey
Alaska State Legislature
The Senate
Juneau, AK 99811

Dear Senator Rodey:

The Alaska State Homebuilders Association has had, and continues to have, a good working relationship with the Alaska Housing Finance Corporation. We have supported its efforts to provide affordable housing for Alaskans, and we have worked diligently with the organization to use its programs for the most public good. Therefore, any change to its structure, as is proposed in HB 152, is of great interest to us.

The Alaska Housing Finance Corporation has functioned in the past, and still does in its most primary purpose, as a mortgage market for residential loans to homebuyers. It went through some massive upheavals to be able to deal with property ownership concerns when it became the owner of many different types of residential properties. The lessons learned have stood it in good stead, and, at a very practical level, the organization is set up to deal with residential properties as never before. However, whether or not it will also be able to deal with social service issues should the reconstruction of its purpose now under consideration be accomplished is another matter. It would seem that a careful look at what special interest groups are involved in this restructuring and how they can best fit into the picture is an absolute necessity.

Whatever groups are finally represented through an umbrella organization run through the Alaska Housing Finance Corporation's structure, it would seem to be imperative that representation from the homebuilding industry be a minimum requirement for the Board of Directors. Whether it is single family, multifamily, cooperative, transitional, disabled accessible, adaptable, senior -- no matter the type of housing or its ultimate occupant -- a homebuilder will be involved to build it initially or to retrofit it specifically. It is extremely important that the residential construction industry be a part of the decisions being made from the outset. It can only make things easier down the road.

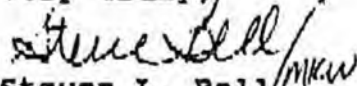


Senator Pat Rodey
HB 152
March 30, 1992

It is particularly important to have this representation from the beginning since there are now new building standards and statewide inspection processes in the state of Alaska. There is a much greater understanding of the type of housing that needs to be built in Alaska to meet the rigorous demands placed on dwellings by our extremes of climate. There are programs in place to teach homebuilders about structural concerns and energy efficient methods of construction. Innovations in these areas happen on a monthly basis in some cases. It would seem prudent to have someone who was aware of these changes and concerns on the Board of Directors to be able to address actual construction needs and requirements. In many cases, this would save time and ultimately money and still accomplish the end goal. There are many ways to build a home. Doing it right the first time can only create a win/win situation for everyone.

The Alaska State Homebuilders Association has supported the Alaska Craftsman Home Program and its educational efforts from the beginning. We have worked with the Energy Rated Homes of Alaska program to help make energy efficiency in home construction a workable tool for all builders across the state. There is a group of people in Alaska that has the knowledge and expertise to provide the very kind of input needed to insure that any housing programs sponsored through the Alaska Housing Finance Corporation provide viable, durable, and healthy homes for the intended occupants. We urge your careful consideration of a board position on the Alaska Housing Finance Corporation Board of Directors for an Alaskan homebuilder.

Very truly,


Steven L. Bell
President

March 31, 1992



The Honorable Pat S. Rodey
Senate State Affairs Committee
Room 113
State Capitol
Juneau, AK 99801-1182

Post-It™ brand fax transmittal memo 7671		of pages > 11
To: Senator Rodey	From: C. Renda	
Co.	Co: ASHA	
Dept.	Phone: 286-6270	
Fax: 463-3144	Fax: 786-6248	

Dear Senator Rodey:

Re: Outstanding Merger Issues

Below are the major issues related to the proposed merger of ASHA and AHFC. We believe answers to these issues should be incorporated into the legislation.

1. What is the impact of the merger on the outstanding State Lease Building (SLB) bonds issued through ASHA. The bonds are tax exempt issues. We are concerned there be no adverse impact on the tax exempt status. We recommend an IRS opinion and bond counsel opinion be obtained.
2. Do the SLB bonds issued and property securing those bonds transfer from ASHA to AIDEA or AHFC? If so, do they assume all liability?
3. Are there any tax consequences related to the merger? It is recommended an IRS opinion be solicited.
4. All substitutions on contracts, bonds, and notes must be approved by the holder of the instrument. This may raise problems on the tax exempt issues, if not done properly.
5. AHFC is assuming the environmental liabilities of ASHA. We have completed in excess of \$3.0 million in asbestos abatement with more work still pending. We have over 100 buried fuel tanks some of which are known to leak.
6. AHFC will assume ASHA's pending litigation.
7. ASHA has a forgiveness clause from HUD for the money provided to the low rent programs. We need to insure HUD will continue this effort. We also need to address if the merger would result in tax consequences related to the forgiveness.
8. AHFC will assume the relationship with ASHA's bargaining unit. The bargaining unit agreement may affect other properties of AHFC, such as their REO's. The agreement would need to be negotiated to limit it to PHA properties or assets of ASHA prior to this merger.

ASHA Letter 3/30/92



The Honorable Pat S. Rodey
March 31, 1992
Page 2

9. ASHA's procurement code takes the most restrictive of the State's code and HUD's code. The procurement code is approved by HUD and must comply with numerous HUD handbooks and regulations. It is strongly recommended ASHA's procurement code apply to only the PHA process while AHFC's procurement code apply to non-PHA activity.

10. There is a need to insure the low income residents are not lost in the merger transaction. The mission, goals and objectives for serving low income Alaskans must be the focal point including affordable housing. We must guarantee the programs and low income people are adequately and equitably considered in the long term operation of the surviving entity. Sec 127 or intent language should contain verbiage which keep intact a delivery system to address maintenance, management, construction and development insuring these goals are met. This is a serious concern of the ASHA Board and HUD which we need to deal with.

11. The cost related to this merger should be funded from non-HUD funds. There is a significant cost to transferring the assets, liabilities, and contracts, along with the cost of audits.

Enclosed is a draft memo from Mr. Velasquez to me, regarding some legal issues we are concerned with. When Mr. Velasquez returns we will finalize the memo and forward it to you.

I am also enclosing an excerpt from the minutes of the ASHA Board Meeting of March 27, 1992. The excerpt contains the motion addressing the Board's position on the merger. The motion passed unanimously. Please note these are not the approved minutes. I expect the minutes to be approved at our Annual Board Meeting in April.



The Honorable Past S. Rodey
March 31, 1992
Page 3

I look forward to discussing these issues further with you.

Sincerely,

ALASKA STATE HOUSING AUTHORITY

A handwritten signature in cursive script that reads "Wayne Mundy".

Wayne Mundy
Acting Executive Director

Enclosures (2)

c: Eric Wohlforth
Barry Hulin, AHFC
Bob Brean, DCRA
Jim Kelley, AK Perm Fund

cc:\wp5:\va\SenRodey

To: Wayne Mundy
From: Cesar O. Velasquez
Re: ASHA - AHFC Merger
Date: March 26, 1992

DRAFT

Per your request I have done a sectional review of the 3/16/92 working draft of the proposed merger bill (HB 152). Because Eric Wohlforth, Counsel for AHFC did a detailed section analysis (attached), I decided to incorporate his efforts with mine in narrative form.

ASHA is created by STATUTE (AS 18.55). Chapter 55 is entitled Housing, Urban Renewal and Regional Housing Authorities. Also known by its short title as The Alaska State Housing Authority Act (18.55.290), amended (emphasis added) in working draft to Housing Project Assistance Act. Additionally chapter 55 is further divided into four articles:

1. Alaska State Housing Act (18.55.010-290)
2. Moderate Cost and Rental Housing (18.55.300-470)
3. Slum Clearance and Redevelopment Act (18.55.480-960)
4. Regional Native Housing Authorities (18.55.995-998)

As you can see from the title and the breakdown of areas under it, ASHA has multi-faceted responsibilities. Article 2, 3, and 4 add to our mission statement (set out in 18.55.010), which reads,

(2)

The purpose of AS 18.55.010 - 18.55.290 is to remedy the acute housing shortage that exists in certain localities of the state by undertaking slum clearance, low-cost housing projects, housing for persons and their families engaged in national defense activities in the state, and housing projects and housing for veterans of World War II and other citizens of the state and to remedy the short supply of necessary public buildings by providing for the financing, construction, and acquisition of public buildings for lease to the state. (§ 40-7-1 ACLA 1949; am § 1 ch 8 SLA 1949; am § 1 ch 99 SLA 1965; am § 1 ch 60 SLA 1966; am § 1 ch 110 SLA 1967)

DRAFT

DRAFT

In addition to remedying the acute housing shortage [for] ... low housing... etc. efforts to deal with "serious shortage of moderate-cost and rental housing became part of its purpose (18.55.300) when Article II was drafted. It appears that Article II gets its power and duties by using the authorized methods established in Article I. (18.55.010-290)

Article III is more complete and detailed. Article IV is similarly specific and detailed, concerning the ability of native regional corporations to run their own housing authorities.

Having the general outline of the statute(s) it is important to note that ASHA in its 47 year existence had been responsible for development of Alaska's housing needs, as well as the needs of its over expanding government.

The proposed working draft takes all four of the articles of 18.55 and generally, with the exception of sections (as discussed below) and without a radical renumbering and merges ASHA into AHFC.

As stated, no major change is contemplated. The bill merely takes out Authority and substitutes the word corporation wherever the word Authority (as referring to Alaska State Housing Authority) is found and leaves those powers conferred on the Authority intact.

(4)

The exception to this is A.S. 18.55.140 as it relates to "Issuance of Bonds, Notes and Refunding Bonds". This provision should not be deleted.

However, the working draft does not transfer to AHFC the mission or the tools to implement that mission (18.55.010) concerning ASHA building (and bonding) of State facilities. As you know historically this has been part of our mission; one that has been favorably received and a profitable area for ASHA. Because it has been so successful, ASHA has been able to acquire almost two decades of expertise in the construction area.

Moreover, in the last couple months we are finding, because of the fiscal concerns of state government, a renewed interest in this part of our mission. To transfer it now¹, to an agency without the required expertise would not be in the states best interest.

Because the bill does not disturb our mission beyond that already noted above, it does not lend itself to much further analysis as to what may actually occur if the Authority is merged into AHFC.

It must be noted that because the bill is a mere "lifting of ASHA's statutory powers", which are incorporated into AHFC there

¹Also, as you point out the bill has AHFC transferring the Bonding-State Building portion of our mission to AIDEA. This would have to be corrected if in fact the legislature does want to take this away from ASHA/AHFC.

(6)

remains many questions that are not addressed by the bill.

ASHA has numerous bond issues outstanding at this time, and no effort has been made to determine how the bond market or its holders would react to the merger. Even the statutory efforts to guarantee ASHA bond placement may not be enough. There is a letter from our 1984 Bond Counsel that appears to question the wisdom of not keeping our total independence from the state. This matter as well as effects to our status before the IRS are now being investigated. Because we are integrally connected to HUD by way of subsidies, regulation and control of our budgetary process, as well as review of our non-federal expenditures we must consider whether our action will have any impact on us as a PHA (which is free from normal IRS interference).

Specifically, because of our relationship contractually established with HUD - we have certain indebtedness forgiven. While it is generally believed that there is no problem with transferring this benefit, on advice of our financial people we are attempting to obtain a written confirmation from the IRS.

Of equal importance is the need to address and inform all parties of the potential areas of liability that loom on the horizon. Because we are substantial property owner, legal has begun a program to evaluate our environmental responsibilities. We will be proposing extensive audit of our compliance practice and inspection. Because Federal law is ever expansive in this area, it

SECRET

(6)

is easy to predict that major expenditure of funds and resources will be needed. At this time we have clean-up plans being developed in preparation for commencing work in Sitka and Wrangell. It is my understanding that we have been involved in environmental clean-up and disposal in recent past, and because of the cradle to grave liability mentality now common in environmental regulations, it is certain that the past will also cause us to expend our funds and resources. The new agency must be prepared to provide those funds which will be necessary to correct past and future problems.

Equally, a review of ASHA litigation has begun. Both internal litigation-action as well as those matter directly contracted out to outside Counsel. Our insurance for general risk (death, fire etc.) is also being reviewed.

Because HUD regulations prohibit our participating in self-insurance or co-insurance programs we are confronting ever-increasing insurance premiums which are in excess of \$600,000. At this time we are negotiating to obtain excess insurance that will increase our yearly premiums by \$50,000- \$70,000 per year.

Specifically we are facing litigation because of multiple death as a result of fire. This has occurred too frequently, and as a substantial landlord and manager it is unlikely to decrease. Add to this, your collision problem, bodily injury (short of death) etc. and you have ever growing responsibility.

⑦

Moreover, The merger must consider some general issues: Our collective bargaining agreement and its acceptance by our successor organization; our ability to transfer our deferred compensation plan if not prohibited by the state or federal government; and the reaction of our tenants whom we serve.

Each director has outlined for your review specific areas of concern. I have touched on the most obvious and possibly the most problematic concerns.

While we are attempting to address each question, and the likelihood of favorable answers is there, I must agree with you that time is against us to do an in depth analysis of the merger.

I will supplement this as questions and answers are uncovered.

DRAFT

Excerpted from Minutes of the
Alaska State Housing Authority
Special Board Meeting, March 27, 1992
Anchorage, Alaska

A motion was made by Commissioner Olds and seconded by Gale Kincaid in which the board directed Mr. Mundy to:

- o Serve as the board's representative in an aggressive manner which strengthens the board's position with AHFC;
- o Focus on the mission and goals of ASHA (affordable housing for low income people) and to be sure that they are addressed and incorporated into the new bill;
- o Insure protection of HUD required conditions of managing their funds and addressing all of HUD concerns;
- o Retain flexibility of ASHA bonding and operating functions in housing; construction, and services;
- o Insure constituent needs are incorporated into a new bill and;
- o Address the concerns of executive staff.

Mr. Mundy was further directed that if the mission, goals and objectives of ASHA are not integrated into the new legislation, the board is not in favor of the bill.

Motion passed unanimously

DIVISION OF LEGAL SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

240 Main Street, Suite 500
Juneau, Alaska 99801-2101

MEMORANDUM

March 3, 1992

SUBJECT: Enclosed Amendments A.6 and A.7
(Work Order No. 7-LS1986\A)

TO: Senator Pat Rodey

FROM: David R. Dierdorff *DRD*
Revisor of Statutes

Enclosed are five amendments for the AHFC bill, two of which, denominated A.6 and A.7, were drafted by Jack and redrafted by me. Both contain material that amounts to a reenactment of AS 18.56.900 in the form of two sections, AS 18.56.390, providing definitions for what will become Article 1 of AS 18.56, and a reenactment of AS 18.56.900 to provide definitions applicable to the entire chapter. This was necessary because the former DCRA programs had to be relocated within AHFC's statutes. Although this can sometimes be done editorially by the revisor, in this case there were too many related changes, and it has to be done through reenactment of each DCRA program in AS 18.56, and the repeal of the "parent" provisions in AS 44.47. (Compare Executive Order No. 75, sixteenth legislature).

There were no substantive changes made in the programs other than those necessary because of your proposed reorganization. In addition to the provisions amended by this bill, approximately 15 provisions of AS would be changed editorially if the reorganization became law.

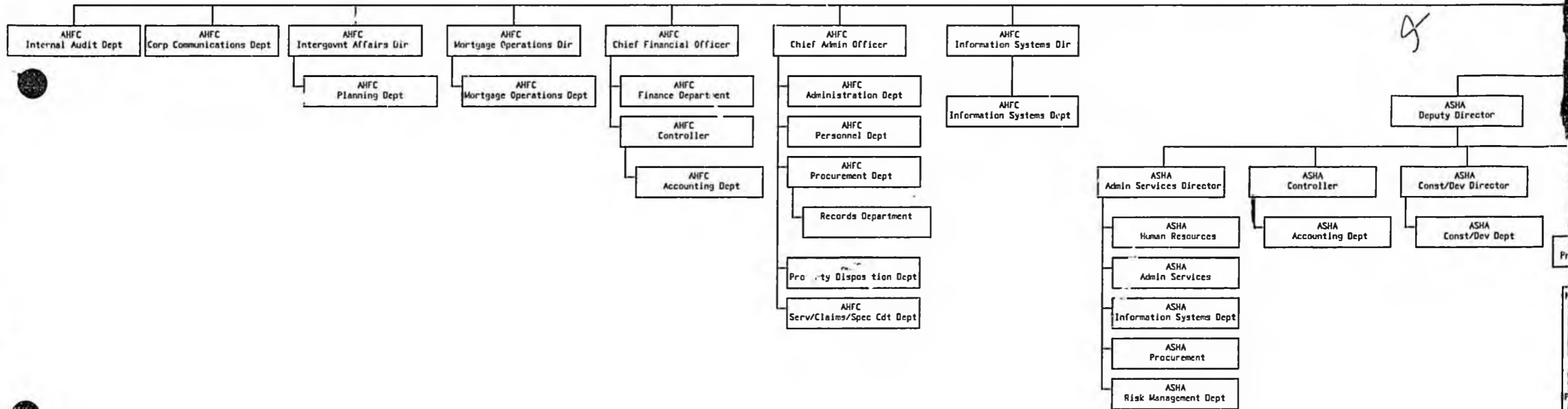
If you have any questions about the form of the amendments, I would be happy to answer them. As to the substance, please address questions concerning all of the enclosed, as well as the underlying bill draft, to Jack as usual.

DRD:plm
92-152.plm

Enclosure

AIDA - Comparisons

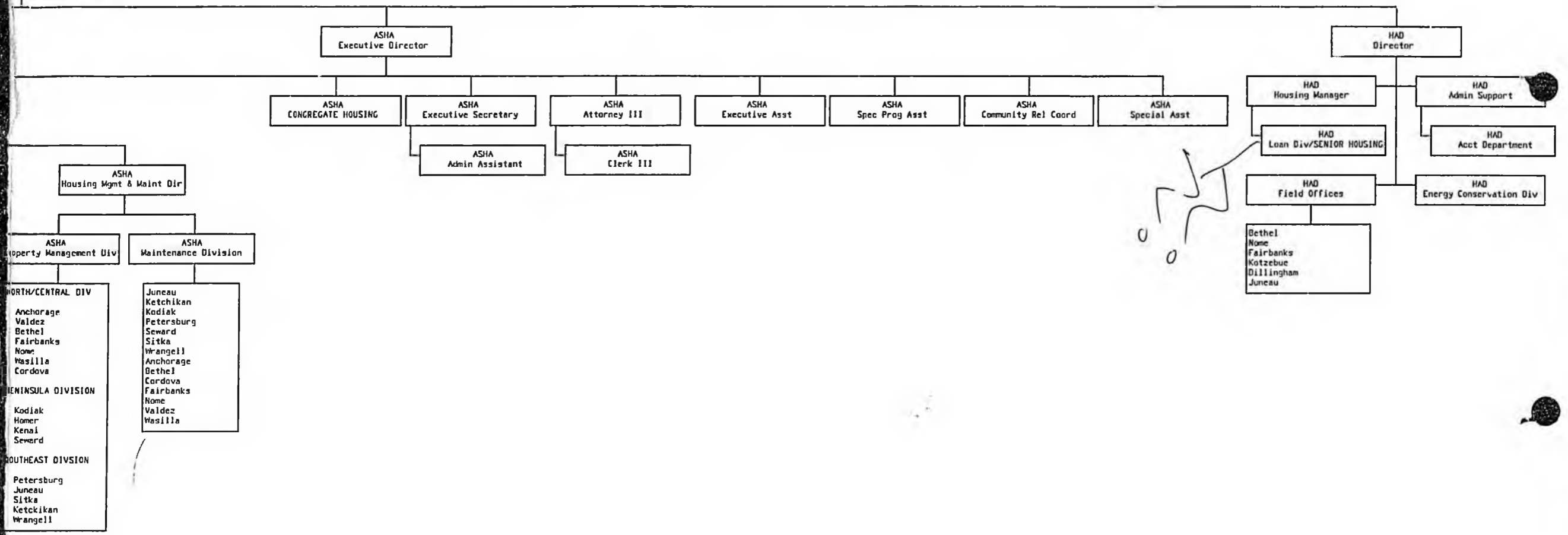
<u>Subject</u>	<u>CSSB-410(SIA) @ Rodey</u>	<u>CSSB-417(L&C) @ Choquette</u>
Sunset:	Restores bonding ability without Legislative oversight up to \$10 million.	Same.
Size of loan allowed without Legislative approval:	Allows the Authority to participate in any size of loan guarantee while limiting the Authority's exposure to \$10 million.	Allows the Authority to participate in any size of loan guarantee while limiting the Authority's exposure to \$7 million.
Size of loan allowed with Legislative approval:	Legislative approval is required on any bond issue of \$10 million or more.	Legislative approval is required on all bond issues of \$7 million or more.
Direct participation in loans:	Allows the Authority to use money and/or assets from the Enterprise Development Account to secure bonds or to directly finance participation in loans.	Same.
Provision for floating interest rates:	Provides for interest rates that are tied to fluctuations of the prime interest rate.	Same.
Expansion of activities:	Redefines "project" to include tourism destination facilities that have no existing competition. Grants Legislative approval for up to \$50 million in loans for an air cargo/air transport support facility at Anchorage International Airport.	Same.
New definitions:	Defines "loan participation" as the purchase of a portion of an existing loan from a bank.	Same.
Small uncollateralized loans:	Not addressed.	Same.
Interest guarantees:	Not addressed.	Same.
<u>Subject:</u>	<u>Work Draft for CSSB-226 @ Halford</u>	<u>Present AIDEA statute</u>
Sunset:	Restores bonding ability without Legislative oversight up to \$10 million.	Loan ability sunsets this year.
Size of loan allowed without Legislative approval:	Allows the Authority to participate in any size loan guarantee while limiting the Authority's exposure to \$10 million.	AIDEA can guarantee up to 80%, up to a \$10 million dollar loan.
Size of loan allowed with Legislative approval:	Legislative approval is required on any bond issue of \$10 million or more.	AIDEA can bond up to \$400 million in a 12 month period.
Direct participation in loans:	Allows the Authority to use money and/or assets from the Enterprise Development Account to secure bonds or to directly finance participation in loans.	Not presently allowed.
Provision for floating interest rates:	Provides for a ceiling of 2 3/4 points over the prime rate on the day the loan was made.	Fixed at the time the loan is made.
Expansion of activities:	Not covered.	N/A.
Small uncollateralized loans:	Increases the limit of unsecured loan guarantees to \$100,000.	Limited to \$50,000.
Interest guarantees:	Guarantees interest on federal Small Business Administration guaranteed loans.	Not presently allowed.



AS

11 Member
Directors
/92

AHFC
Executive Director



DRAFT April 24, 1992

AMENDMENT

TO: HOUSING MERGER
WORK DRAFT (04/08/92)

by _____

Page 40, Line 17, amend Sec. 84 as follows:

* Sec. 84. AS 18.56.050 is amended by adding new subsections to read:

(b) The board may establish an executive committee or other committee of its members for any purpose, including, without limitation, the management of investments. [AND] The board may delegate to the executive committee or other committee the powers and duties its considers appropriate.

AMENDMENT

TO: HOUSING MERGER
WORK DRAFT (04/08/92)

by _____

Page 39, Line 20, amend Sec. 81 as follows:

* Sec. 81. AS 18.56.030(a) is repealed and reenacted to read:

(a) The corporation shall be governed by a board of directors consisting of

(1) the commissioner of revenue;

[(2) THE COMMISSIONER OF COMMERCE AND ECONOMIC DEVELOPMENT;]

[(3)](2) the commissioner of community and regional affairs; and

[(4)](3) [EIGHT]seven public members appointed by the governor as follows:

[(A) ONE MEMBER WHO REPRESENTS THE FINANCIAL COMMUNITY;]

[(B)](A) one member who represents the financial community or is a licensed real estate broker under AS 08.88.171(a);

[(C)](B) one member who represents the interests of regional housing authorities;

[(D)](C) one member who is a rural resident of the state;

[(E)](D) - one member who represents persons with special housing needs[;]

[(F) ONE MEMBER] or who is a representative of low income interests or senior citizens;

[(G)] (E) one member who is a representative of the residential energy efficient homebuilding and weatherization interests [INDUSTRY] in the state; and

[(h)](E) [ONE]two public members.

DRAFT April 23, 1992

AMENDMENT

TO: HOUSING MERGER
WORK DRAFT (04/08/92)

by _____

Page 39, Line 3, insert a new bill section to read:

"Section 79. AS 18.55.998 is amended by adding a new subsection to read (e) In order to make grants to regional housing authorities for purposes authorized by (a) of this section, the board of directors shall identify in the proposed operating budget the funding available to the corporation, including its own assets, to supplement available federal development funds."

Renumber following bill sections accordingly.

4/22/92 Supplemental 20%

AMENDMENT

by BROWN

TO: SENATE CS FOR HB 152
(draft dated 4/8/92)

Page 39, line 3:

Insert a new bill section to read:

"Section 79. AS 18.55.998 is amended by adding a new subsection to read:

(e) In order to make grants to regional housing authorities for purposes authorized by (a) of this section, the board of directors of the corporation shall identify in its proposed operating budget and, subject to appropriation under AS _____ (Executive Budget Act), annually provide funding to ~~match~~ at a ratio of one dollar to each four dollars, available federal Indian Development Funds."

Renumber following bill sections accordingly.

20%
supplemental

4/22/92 Transitional Housing

AMENDMENT

by BROWN

TO: SENATE CS FOR HB 152
(draft dated 4/8/92)

page 48, line 19:

delete "and"

page 48, line 20:

after "homeless;"
insert "and (iii) transitional housing;"

4/22/92 WX contractors

AMENDMENT

by BROWN

TO: SENATE CS FOR HB 152
(draft dated 4/8/92)

page 3, line 26

after "interruption"

insert "including the continued use of the weatherization contractors
recognized under 10 CFR 440.15 (a)(3)"

4/22/92 Rural Loan Program

AMENDMENT

by BROWN

TO: SENATE CS FOR HB 152
(draft dated 4/8/92)

Page 50, line 1

After "shall"
Insert "adopt regulations to"

Page 50, line 2

After "shall"
Delete "use the money in the housing assistance loan fund"
Insert "fund the rural assistance loan program"

4/22/92 Supplemental Housing Program

AMENDMENT

by BROWN

TO: SENATE CS FOR HB 152
(draft dated 4/8/92)

Page 38, line 26

After "fund."

Delete "Subject to the availability of appropriations for the purpose,"

Insert "Using corporate earnings or other available funds,"

4/22/92 Technical Assistance

AMENDMENT

by BROWN

TO: SENATE CS FOR HB 152
(draft dated 4/8/92)

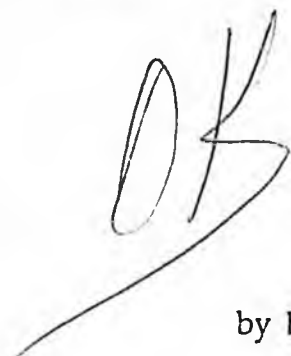
Page __ , line __ :

A handwritten signature in dark ink, appearing to be the initials 'BA' followed by a flourish.

Insert a new subsection: "The corporation shall make a reasonable effort, through seminars, training sessions or other forms of technical assistance, to assist local governments, regional housing authorities, non-profit organizations or other organizations or individuals in understanding the corporation's housing programs and the opportunities that exist to obtain financial assistance from the corporation."

4/22/92 Rural Loan Program

AMENDMENT



by BROWN

TO: SENATE CS FOR HB 152
(draft dated 4/8/92)

Page 50, line 1

After "shall"
Insert "adopt regulations to".

Page 50, line 2

After "shall"
Delete "use the money in the housing assistance loan fund"
Insert "fund the rural assistance loan program"

4/22/92 Supplemental Housing Program

AMENDMENT

by BROWN

TO: SENATE CS FOR HB 152
(draft dated 4/8/92)

Page 38, line 26

After "fund."

Delete "Subject to the availability of appropriations for the purpose,"
Insert "Using corporate earnings or other available funds,"

DRAFT April 15, 1992

AMENDMENT

TO: HOUSING MERGER
WORK DRAFT (04/08/92)

by _____

On page 40, line 1:

Revise to read "(E) one member who represents persons [with] requiring special needs housing [needs]."

DRAFT April 21, 1992

AMENDMENT

TO: HOUSING MERGER
WORK DRAFT (04/08/92)

by _____

Page 3, Line 19, the date of purchase of notes of the Department of Community and Regional Affairs and transfer to the general fund "by June 30, 1992" should be omitted.

Page 18, Line 14, insert "under AS 18.56.088" after regulations.

Page 23, Line 21, substitute "corporation" for "authority."

Page 37, Lines 26 and 30, change "authority" to read "regional housing authority."

Page 44, Line 12, change to read "(Housing Project and Public Building Assistance Act)."

Page 45, Lines 27 through 28, should read "(d) This section does not apply to a non-conforming housing loan made or purchased by the [under AS 18.56.106]."

Page 48, Line 8, after residential housing insert "or residential building."

Amendment Revision Date: March 30, 1992

DRAFT April 21, 1992

AMENDMENT

TO: HOUSING MERGER
WORK DRAFT (04/08/92)

by _____

Page 48, Line 11, after the word ownership, insert "including special needs housing, and."

Page 48, Line 19 delete the word "and."

Page 48, Line 20, after "homeless;", insert:

"and

(iii) transitional housing."

Page 49, Line 21, at the end of the sentence after the legislature, add "and deposited to it by the corporation."

Page 49, Line 31, after legislature, add ", deposited to it by the corporation."

Page 50, Line 15, after legislature, add "and deposited to it by the corporation."

Page 52, Line 15, after legislature, add "and deposited to it by the corporation."

Page 54, Line 5, after legislature, add "and deposited to it by the corporation."

Page 75, Line 23, change "two" to "four."

WOHLFORTH, ARGETSINGER, JOHNSON & BRECHT

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

900 WEST 5TH AVENUE, SUITE 600

ANCHORAGE, ALASKA 99501

PETER ARGETSINGER
JULIUS J. BRECHT
CYNTHIA L. CARTLEDGE
ROBERT M. JOHNSON
BARBARA E. KISSNER
THOMAS F. KLINKNER
ANDREW M. LEBO
BRADLEY E. MEYEN
JAMES A. SARAFIN
KENNETH E. VASSAR
ERIC E. WOHLFORTH

TELEPHONE
(907) 276-6401
TELECOPY
(907) 276-5093

MEMORANDUM

TO: Working Group

FROM: Eric E. Wohlforth

DATE: April 10, 1992

SUBJECT: Comments on April 8, 1992, Work Draft of HB 152
Our File Number 3598.0001

1. With respect to the transfer of the State Lease Program from the Alaska State Housing Authority (the "Authority") to Alaska Housing Finance Corporation (the "Corporation") and the title problem mentioned in Jack Chenowith's memorandum, I thought the decision was to make the transfer in other legislation and that Senator Rodey had announced this at a work session.
2. Page 3, Line 19, the date of purchase of notes of the Department of Community and Regional Affairs ("DCRA") and transfer to the general fund "by June 30, 1992," should be omitted.
3. Page 18, Line 14, insert "under AS 18.56.088" after regulations.
4. Page 23, Line 21, substitute "corporation" for "authority."
5. Page 37, Lines 26 and 30, change "authority" to read "regional housing authority."
6. Page 41, Lines 18 through 29, I question the addition of Item 6, which permits regulations for the housing assistance program in AS 18.56.090(b). Numerous other programs are added to the Corporation from DCRA but no detailed regulatory procedures are set out.

Memorandum to Working Group
RE: HB 152 Comments
April 10, 1992
Page 2

7. Page 44, Line 12, change to read "Housing Project and Public Building Assistance Act."
8. Page 45, Lines 27-28, should read "(d) this section does not apply to a non-conforming housing loan made or purchased by the corporation [under AS 18.56.106]."
9. Page 49, Line 21, at the end of the sentence after legislature, add "and deposited to it by the corporation."
10. Page 49, Line 31, after legislature, add ", deposited to it by the corporation".
11. Page 50, Line 15, after legislature, add "and deposited to it by the Corporation."
12. Page 52, Line 15, after legislature, add "and deposited by the Corporation."
13. Page 54, Line 5, after legislature, add "and deposited to it by the Corporation."
14. Page 75, Line 23, change "two" to "four."

5/7/91
Rep. Kay Brown

Sectional Analysis

CS HB 152 (Finance) Alaska State Housing Planning Commission

Section 1

Findings.

Section 2

Amends the composition of the board of the Alaska Housing Finance Corporation to add a total of 2 new members. The board would be comprised of the following members:

- the Commissioners of DCED, DCRA and Revenue;
- a licensed real estate broker;
- a representative of the financial community;
- a representative of regional housing authorities;
- two representatives of special housing needs; and
- one public member.

Section 3

Conforming amendment to AHFC statutes. Allows a commissioner to designate an alternate to serve in the commissioner's place.

Section 4

Conforming amendment to AHFC statutes.

Section 5

Conforming amendment to AHFC statutes.

Section 6

Amends AHFC general powers to direct that the corporation, in consultation with the Alaska State Housing Planning Commission, provide housing assistance funding for public agencies (including municipalities and regional housing authorities) and private nonprofit organizations, to finance the design, construction, development, rehabilitation or improvement of low

and moderate income housing and for housing in remote, underdeveloped or blighted areas of the state, including special needs housing.

Funding may take the form of deferred loans, interest rate subsidies, building subsidies, participation funding through housing partnerships and other forms of assistance under regulations adopted by the corporation. The regulations shall be prepared in consultation with the Alaska State Housing Planning Commission.

Defines "special needs housing" as housing, including emergency shelters, designed to meet the needs of those with specific and special housing needs, including supportive services, including the elderly, individuals with a disability, the mentally ill and the homeless.

Section 7

Establishes the Alaska State Housing Planning Commission within the Department of Commerce and Economic Development. The commission consists of the boards of directors of the Alaska Housing Finance Corporation (AHFC) and the Alaska State Housing Authority (ASHA). The commission shall meet at least once a year and may transact business by electronic media. Seven members are a quorum.

Duties of the commission include the coordination of all housing programs administered by state agencies. The commission is specifically charged with development of a state housing policy. The commission shall examine and define state budget needs for housing and prepare a coordinated state housing budget with priorities defined for legislative consideration. The commission shall prepare a Five-Year Housing Plan. The plan shall be released annually, identify housing initiatives and provide guidance to the Alaska Housing Finance Corporation in undertaking the corporation's additional powers as established by Section 6.

Section 8

Transitional provisions respecting the change in AHFC board composition.

Section 9

Transitional provisions respecting the change in AHFC board composition.

Section 10

Effective date of July 1, 1991.

WALTER J. HICKEL
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

POSITION PAPER

RE: CS for House Bill 152 (Finance)

SPONSOR: Representative Brown

ADMINISTRATION POSITION

Neutral

Program Effects of the Bill

This bill:

- 1) Establishes an Alaska State Housing Planning Commission within the Department of Commerce and Economic Development. The Commission consists of members of the Boards of Directors of the Alaska State Housing Authority (ASHA) and the Alaska Housing Finance Corporation (AHFC). The Planning Commission shall coordinate all housing programs administered by state agencies and develop a state housing policy. The Commission shall also prepare a five year Housing Plan for the state; and prepare and periodically update a housing needs assessment of housing and financing availability;
- 2) Expands the composition of the board of directors of the Alaska Housing Finance Corporation (AHFC) to include the Commissioner of Community and Regional Affairs and representatives of special needs housing; and
- 3) Amends the general powers of AHFC and directs the corporation to play a greater role in meeting the needs of low and moderate income Alaskans and individuals with special housing needs.

Comments

The Hickel Administration concurs with the Alaska Housing Market Councils' recommendation for a comprehensive statewide housing policy; and further concurs that there is a need to coordinate all state agencies charged with administering housing programs to ensure delivery of that policy. However,

POSITION PAPER: Hickel
Administration

POSITION PAPER 152
Page 2

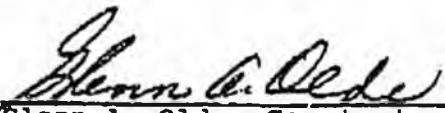
the Administration feels that these goals can be attained through coordination at the Governor's office -- where the state's housing policy must ultimately be developed and through whose guidance it must be delivered. Thus, the need for yet another Commission (the Alaska State Housing Planning Commission established within CS HB 152) seems questionable.

Furthermore, the Administration is not yet convinced that changes to the composition of the AHFC board and to its general powers and direction is necessary.

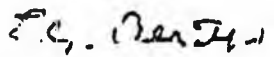
However, the Administration does recognize that without a solid commitment to harness the resources of all the various players in the states' housing puzzle, it is impossible to effectively address the challenges presented by the wide range of housing needs and its uniquely disparate physical, cultural and economic environments. Therefore, should CS HB 152 (Finance) not pass this session, the Administration will have the Commissioner of DCRA designate two (2) people as non-voting advisors to the AHFC, to act as resources in the areas of low and moderate income Alaskans, and individuals with special housing needs. Additionally, the Administration will immediately begin working on development of a comprehensive housing policy and a coordinated delivery of same.



Lee Fisher, Commissioner
Department of Revenue



Glenn A. Olds, Commissioner
Department of Commerce and Economic Development



Edgar Blatchford, Commissioner
Department of Community and Regional Affairs

5/9/91

Sponsor Statement

prepared by
Representative Kay Brown

CS HB 152 (Finance)
Alaska State Housing Planning Commission

Summary

CSHB 152 (Finance) would:

- 1) expand the composition of the board of directors of the Alaska Housing Finance Corporation (AHFC) to include the Commissioner of Community and Regional Affairs and representatives of special needs housing;
- 2) establish an Alaska State Housing Planning Commission; and
- 3) amend the general powers of AHFC and direct the corporation to play a greater role in meeting the needs of low and moderate income Alaskans and individuals with special housing needs.

Discussion

During 1989-1990, the Alaska Housing Market Council undertook an extensive and comprehensive review of the state's disparate housing programs. As a member of the Council's Housing Policy Development Committee, I had the opportunity to become familiar with the state's severely fragmented housing policy programs and initiatives.

CS HB 152 (Finance) is an outgrowth of the Alaska Housing Market Council's work and would:

- Expand the AHFC board from the current total of 7 members to a total of 9 members. The AHFC board would consist of:
 - the Commissioners of DCED, DCRA and Revenue;
 - a licensed real estate broker;
 - a representative of the financial community;
 - a representative of regional housing authorities;
 - two representatives of special housing needs; and
 - one public member.

-SPONSOR STATEMENT-

- **Establish an Alaska State Housing Planning Commission that would be comprised of the boards of AHFC and ASHA. The Commission, established within DCED, would serve as a coordinating body for state housing programs and would be responsible for the development of a Five-Year Housing Plan. The Commission would draw on the staff and resources of AHFC, ASHA and DCRA for support and not exist as a separate independent agency.**
- **Amend the powers of AHFC to direct that the corporation, in consultation with the Alaska State Housing Planning Commission, provide funding to public agencies and private nonprofit organizations. Assistance could be used to finance the design, construction, development, rehabilitation or improvement of low-moderate income and special needs housing. Funding could take the form of deferred loans, interest rate subsidies, building subsidies, participation funding through housing partnerships and other forms of assistance under regulations adopted by the corporation.**

There is broad recognition of the need for consolidation of housing related policy-making to improve the delivery of housing services. In its final report to the Governor and the Legislature, the Alaska Housing Market Council noted that "central to [the Council's] policy recommendations is the need to provide coordinated housing functions within state government."

The Council's report recommended the creation of an Alaska Housing Commission "to overcome the fragmentation of existing programs and to ensure continuing public involvement in housing issues."

Housing programs in Alaska are spread among numerous different state agencies, offices and divisions. As noted in the Market Council's report, housing programs are designed with little quantitative information regarding real needs. At the same time, the recently enacted federal Affordable Housing Act requires that future state and local participation in federal housing programs is contingent upon the development of a comprehensive state housing strategy.

Apart from the need to consolidate housing policy-making, there is also widespread recognition that the state's existing housing initiatives have not succeeded in meeting critical housing needs. Even while nearly a third of all Alaskans are considered to be low-income, these housing needs have not been adequately addressed through existing housing programs. The expanded AHFC powers and authorities provided by CS HB 152 (Finance) would provide a means to help meet the need for affordable housing.

Under the terms of CS HB 152 (Finance), AHFC would, in consultation with the Alaska State Housing Planning Commission, provide housing assistance

funding to public agencies and private non-profit organizations to help finance the design, construction, development, rehabilitation or improvement of low- and moderate-income housing and for housing in remote, underdeveloped or blighted areas of the state, including special needs housing.

Under the terms of the proposed legislation, financial assistance would take the form of deferred loans, interest rate subsidies, building subsidies, participation financing through housing partnerships and other forms of assistance as identified under regulations adopted by AHFC.

CS HB 152 (Finance) defines "special needs housing" as housing, including emergency shelters, designed to meet the needs of those with specific and special housing needs, including supportive services, including the elderly, individuals with a disability, the mentally ill and the homeless.

was substantially amended. When CS HB 152 (Finance) finally passed the House last session, the bill called for expansion of the AHFC board of directors to include the Commissioner of DCRA and representatives of "special needs housing" and established an Alaska State Housing Planning Commission, consisting of the boards of AHFC and ASHA, to serve as a housing planning body for the state.

Since last session, there have been further, on-going discussions regarding the opportunity to improve Alaska's housing service delivery system, including the potential for additional amendments to CS HB 152 (Finance). Perhaps most significantly, the administration has expressed a renewed interest in the original concept proposed by House Bill 152 — a true consolidation of state housing programs within a single agency.

I welcome the chance to explore the possibility of further amendments to CS HB 152 (Finance) as a means of achieving the essential objectives noted above: 1) better coordination of state housing policy and service delivery; and 2) ensuring that adequate financial resources are available to assist in meeting the state's many unmet housing needs.

enclosures

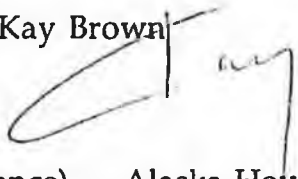
Representative Kay Brown

ALASKA STATE LEGISLATURE

Legislative Information Office
3111 C Street #435
Anchorage, Alaska 99503
(907) 561-7627

During Session
P.O. Box V
Juneau, Alaska 99811
(907) 465-4998

TO: Senator Pat Rodey, Chair
Senate State Affairs Committee

FROM: Representative Kay Brown 

DATE: March 17, 1992

SUBJ: CS HB 152 (Finance) — Alaska Housing Finance Corporation

In anticipation of the Senate State Affairs Committee hearing on CS HB 152 (Finance), legislation that would establish an Alaska State Housing Planning Commission, I would like to provide you with a Sectional Analysis and Sponsor Statement regarding this bill as it was passed by the House.

As you are aware, the fundamental objectives of CS HB 152 (Finance) are to ensure:

- greater coordination of Alaska's housing programs, including representation of unmet needs in the state's housing policy making; and
- that adequate financial resources are available to address Alaska's unmet low/moderate income and special housing needs (ie, homeless, mentally ill, disabled, elderly).

This legislation has evolved significantly since it was first introduced.

The initial proposal embodied in House Bill 152 as introduced was to merge AHFC and ASHA into the Alaska State Housing Planning Commission. This proposal was an outgrowth of work and recommendations by the Alaska Housing Market Council which undertook an extensive and comprehensive review of the state's disparate housing programs. The Council's report recommended the creation of an Alaska Housing Commission "to overcome the fragmentation of existing programs and to ensure continuing public involvement in housing issues."

During the legislative committee review process in the House, in response to administration concerns with this proposal as initially introduced, the bill

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5/7/91
Rep. Kay Brown

Sectional Analysis

CS HB 152 (Finance) Alaska State Housing Planning Commission

Section 1

Findings.

Section 2

Amends the composition of the board of the Alaska Housing Finance Corporation to add a total of 2 new members. The board would be comprised of the following members:

- the Commissioners of DCED, DCRA and Revenue;
- a licensed real estate broker;
- a representative of the financial community;
- a representative of regional housing authorities;
- two representatives of special housing needs; and
- one public member.

Section 3

Conforming amendment to AHFC statutes. Allows a commissioner to designate an alternate to serve in the commissioner's place.

Section 4

Conforming amendment to AHFC statutes.

Section 5

Conforming amendment to AHFC statutes.

Section 6

Amends AHFC general powers to direct that the corporation, in consultation with the Alaska State Housing Planning Commission, provide housing assistance funding for public agencies (including municipalities and regional housing authorities) and private nonprofit organizations, to finance the design, construction, development, rehabilitation or improvement of low

and moderate income housing and for housing in remote, underdeveloped or blighted areas of the state, including special needs housing.

Funding may take the form of deferred loans, interest rate subsidies, building subsidies, participation funding through housing partnerships and other forms of assistance under regulations adopted by the corporation. The regulations shall be prepared in consultation with the Alaska State Housing Planning Commission.

Defines "special needs housing" as housing, including emergency shelters, designed to meet the needs of those with specific and special housing needs, including supportive services, including the elderly, individuals with a disability, the mentally ill and the homeless.

Section 7

Establishes the Alaska State Housing Planning Commission within the Department of Commerce and Economic Development. The commission consists of the boards of directors of the Alaska Housing Finance Corporation (AHFC) and the Alaska State Housing Authority (ASHA). The commission shall meet at least once a year and may transact business by electronic media. Seven members are a quorum.

Duties of the commission include the coordination of all housing programs administered by state agencies. The commission is specifically charged with development of a state housing policy. The commission shall examine and define state budget needs for housing and prepare a coordinated state housing budget with priorities defined for legislative consideration. The commission shall prepare a Five-Year Housing Plan. The plan shall be released annually, identify housing initiatives and provide guidance to the Alaska Housing Finance Corporation in undertaking the corporation's additional powers as established by Section 6.

Section 8

Transitional provisions respecting the change in AHFC board composition.

Section 9

Transitional provisions respecting the change in AHFC board composition.

Section 10

Effective date of July 1, 1991.

Sectional Analysis

CS HB 152 (Finance) Alaska State Housing Planning Commission

Section 1

Findings.

Section 2

Amends the composition of the board of the Alaska Housing Finance Corporation to add a total of 2 new members. The board would be comprised of the following members:

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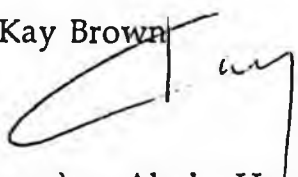
Representative Kay Brown

ALASKA STATE LEGISLATURE

Legislative Information Office
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During Session
P.O. Box V
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DATE: March 17, 1992

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Eastridge • Penland Park • Airport Heights • Government Hill

was substantially amended. When CS HB 152 (Finance) finally passed the House last session, the bill called for expansion of the AHFC board of directors to include the Commissioner of DCRA and representatives of "special needs housing" and established an Alaska State Housing Planning Commission, consisting of the boards of AHFC and ASHA, to serve as a housing planning body for the state.

Since last session, there have been further, on-going discussions regarding the opportunity to improve Alaska's housing service delivery system, including the potential for additional amendments to CS HB 152 (Finance). Perhaps most significantly, the administration has expressed a renewed interest in the original concept proposed by House Bill 152 — a true consolidation of state housing programs within a single agency.

I welcome the chance to explore the possibility of further amendments to CS HB 152 (Finance) as a means of achieving the essential objectives noted above: 1) better coordination of state housing policy and service delivery; and 2) ensuring that adequate financial resources are available to assist in meeting the state's many unmet housing needs.

enclosures

STATE OF ALASKA
1991 LEGISLATIVE SESSION

DCED

Revision Date: 5/6/91 Department Affected: Alaska State Housing Au
 Title: A act relating to housing, BRU: Alaska State Housing Authority
creating a housing planning comm. Component: _____

Sponsor: _____
 Requestor: Brown, Ulmer, Koponen, Ellis, COMPONENT SERIAL NO. [] [] [] []
Davis

Expenditures/Revenues (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
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REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.) A zero fiscal note is anticipated under the following assumptions:
 1. The board meeting will piggyback with scheduled meeting of ASHA board
 2. ASHA will not be the lead agency for development of the CHAS and will only provide data to the designated department.

Prepared By: Barbara Baker Phone: 562-2913 3223
 Division: Alaska State Housing Authority Date: 5/6/91

Approved by Commissioner: Commissioner Glen Olds
 Agency: Department of Commerce & Economic Development Date: 5-8-91

Distribution (by prepare

r. OMB, & Impacted Agency(ies).

Rev 10/90

FISCAL Notes

Page of

FISCAL NOTE

No. 4

Bill Version: CSHB 152(FIN)

(H) Publish Date: 5/8/91

STATE OF ALASKA
1991 LEGISLATIVE SESSION

Revision Date: _____ Department Affected: Community & Regional Affairs

Title: "expand directors AHFC...create Alaska State Housing Planning Comm..." BRU: _____

Sponsor: Rep Brown, Ulmer, Koponen, etc. Component: _____

Requestor: _____ COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Remond Henderson, Director *Remond Henderson* Phone: 465-4708

Division: Administrative Services Date: 5/6/91

Approved by Commissioner: Edgar Blatchford *Edgar Blatchford*

Agency: Community & Regional Affairs Date: 5/6/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies)

STATE OF ALASKA
1991 LEGISLATIVE SESSION

Revision Date: May 3, 1991
 Title: An Act relating to housing; expanding AHFC board.
Creating AK State Housing Planning Commission
 Sponsor: Brown
 Requestor: Brown

Department Affected: Revenue
 BRU: Alaska Housing Finance Corporation
 Component: Alaska Housing Finance Corporation

COMPONENT SERIAL NO.

1	1	0
---	---	---

Expenditures/Revenues (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	15.2	15.8	16.4	17.1	17.7	18.4
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	15.2	15.8	16.4	17.1	17.7	18.4

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING: (THOUSANDS OF DOLLARS)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER - AHFC operating	15.2	15.8	16.4	17.1	17.7	18.4
TOTAL	15.2	15.8	16.4	17.1	17.7	18.4

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: - 0 -

ANALYSIS: (Attach a separate page if necessary.)
 Fees and travel associated with addition of two board members of AHFC Board of Directors.

Prepared By: Mird Barker
 Division: Alaska Housing Finance Corporation/Planning and Research

Phone: (907)644-9323
 Date: MAY 6, 1991

Approved by Commissioner: [Signature]
 Agency: Department of Revenue

Date: 5-7-91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

WALTER J. HICKEL
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

POSITION PAPER

RE: CS for House Bill 152 (Finance)

SPONSOR: Representative Brown

ADMINISTRATION POSITION

Neutral

Program Effects of the Bill

This bill:

- 1) Establishes an Alaska State Housing Planning Commission within the Department of Commerce and Economic Development. The Commission consists of members of the Boards of Directors of the Alaska State Housing Authority (ASHA) and the Alaska Housing Finance Corporation (AHFC). The Planning Commission shall coordinate all housing programs administered by state agencies and develop a state housing policy. The Commission shall also prepare a five year Housing Plan for the state; and prepare and periodically update a housing needs assessment of housing and financing availability;
- 2) Expands the composition of the board of directors of the Alaska Housing Finance Corporation (AHFC) to include the Commissioner of Community and Regional Affairs and representatives of special needs housing; and
- 3) Amends the general powers of AHFC and directs the corporation to play a greater role in meeting the needs of low and moderate income Alaskans and individuals with special housing needs.

Comments

The Hickel Administration concurs with the Alaska Housing Market Councils' recommendation for a comprehensive statewide housing policy; and further concurs that there is a need to coordinate all state agencies charged with administering housing programs to ensure delivery of that policy. However,

POSITION PAPER 152

Page 2

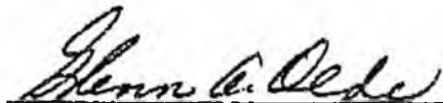
the Administration feels that these goals can be attained through coordination at the Governor's office -- where the state's housing policy must ultimately be developed and through whose guidance it must be delivered. Thus, the need for yet another Commission (the Alaska State Housing Planning Commission established within CS HB 152) seems questionable.

Furthermore, the Administration is not yet convinced that changes to the composition of the AHFC board and to its general powers and direction is necessary.

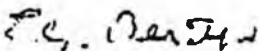
However, the Administration does recognize that without a solid commitment to harness the resources of all the various players in the states' housing puzzle, it is impossible to effectively address the challenges presented by the wide range of housing needs and its uniquely disparate physical, cultural and economic environments. Therefore, should CS HB 152 (Finance) not pass this session, the Administration will have the Commissioner of DCRA designate two (2) people as non-voting advisors to the AHFC, to act as resources in the areas of low and moderate income Alaskans, and individuals with special housing needs. Additionally, the Administration will immediately begin working on development of a comprehensive housing policy and a coordinated delivery of same.



Lee Fisher, Commissioner
Department of Revenue



Glenn A. Olds, Commissioner
Department of Commerce and Economic Development



Edgar Blatchford, Commissioner
Department of Community and Regional Affairs

FISCAL NOTE

No. 2
 Bill Version: CSHB 152(HES)
 (H) Publish Date: 4/17/91

STATE OF ALASKA
 1991 LEGISLATIVE SESSION

Revision Date: _____ Department Affected: Community & Regional Affair
 Title: Establishing the Alaska State Housing Commission BRU: Housing Assistance
 Component: Housing Loan Administration
 Sponsor: Representative Kay Brown
 Requestor: _____ COMPONENT SERIAL NO.

	6	8	7
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	50	50	50	50	50	50
CONTRACTUAL	117	50	50	50	50	50
SUPPLIES	10	10	10	10	10	10
EQUIPMENT	5	5	5	5	5	5
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	182	115	115	115	115	115

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Trust Fund)	182	115	115	115	115	115
TOTAL	182	115	115	115	115	115

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

--ATTACHED--

Prepared By: Remond Henderson *Remond Henderson* Phone: 465-4708
 Division: Administrative Services Date: 4/2/91
 Approved by Commissioner: Edgar Blatchford *E. Blatchford*
 Agency: Community & Regional Affairs Date: 4/2/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, CMB, & Impacted Agency(ies).

CSHB 152-FISCAL NOTE ANALYSIS
PAGE TWO

PERSONAL SERVICES:

<u>Title</u>	<u>Salary</u>
Executive Director	\$ 83,000
Secretary I	<u>28,000</u>
Total	\$111,000*

*Executive Director and secretary to be provided by AHFC with existing positions and funding.

TRAVEL:

Board Member Travel	\$27,000
Board Perdiem for Quarterly Meetings	5,500
Administrative Travel	<u>17,500</u>
Total	\$50,000

CONTRACTUAL:

Housing Study	\$100,000
Advertising & Printing	<u>17,000</u>
Total	\$117,000**

** Reduced to \$50,000 for yearly maintenance (\$20,000) and annual report (\$30,000) in fiscal years 93 through 97.

SUPPLIES:

Office Supplies	\$10,000
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EQUIPMENT:

Computer & Hookups	<u>\$5,000</u>
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TOTAL OPERATING	\$182,000
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11

STATE OF ALASKA
1991 LEGISLATIVE SESSION

FISCAL NOTE ANALYSIS

BILL NO: CSHB 152

Department Affected: Community and Regional Affairs

Sponsor: Representative Brown

TITLE:

An act relating to Housing; creating the Alaska State Housing Commission and setting out duties; providing that the Alaska State Housing Commission is the governing body of the Alaska State Housing Authority and the Alaska Housing Finance Corporation; repealing the boards of directors of the Alaska State Housing Authority and the Alaska Housing Finance Corporation; and establishing the Alaska housing trust fund within the Alaska Housing Finance Corporation (AHFC).

FISCAL IMPACT:

It is anticipated the the positions necessary for the administration of the Commission will be provided by existing agencies and funded by the trust fund. We anticipate that at a minimum an Executive Director position and some professional and clerical staff would be necessary to provide the administrative support for the Commission and the trust fund.

Again, it is anticipated that these positions would be provided by existing agencies and in particular AHFC as this agency presently administers the trust fund.

The Alaska State Housing Commission would spend a great amount of time setting up the office and creating a State Housing Policy by consolidating information and resources of the different housing loan programs within the state agencies. This commission would develop and implement a state housing policy, prepare a five year housing plan, prepare and personally update a Housing Needs Assessment of housing and financing availability; provide information and technical assistance to the public; coordinate public education and outreach programs; and would be the designated agency for federal housing funding, which may be grant or matching revolving loan funds. Additionally, the commission would coordinate the efforts of senior housing, low to moderate income housing and energy related programs.

The largest part of this budget is due to the large undertaking of implementing an ongoing statewide housing policy and administering the Alaska Housing Trust Fund, which would be the task of the Alaska State Housing Commission. The largest part (117K) of contractual fees will be to make available funding for a statewide housing survey, to be updated yearly, in addition to an annual report each year.

STATE OF ALASKA
1991 LEGISLATIVE SESSION

No. 1
 Bill Version: CSHB 152(L&C)
 (H) Publish Date: 3/8/91

Revision Date: _____ Department Affected: Alaska State Housing Authority

Title: An Act relating to housing, creating the Alaska State Housing Commission BRU: _____
 Component: _____

Sponsor: Brown

Requestor: [Signature] COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	30.2	31.7	33.3	35.0	36.8	38.6
TRAVEL	37.4	39.3	41.2	43.3	45.5	47.7
CONTRACTUAL	1.0	1.1	1.2	1.3	1.4	1.5
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	68.6	72.1	75.7	79.6	83.7	87.8

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	68.6	72.1	75.7	79.6	83.7	87.8
FEDERAL FUNDS						
OTHER						
TOTAL	68.6	72.1	75.7	79.6	83.7	87.8

POSITIONS:

FULL-TIME	1	1	1	1	1	1
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)
 See attached: Assumptions 1) Board members would be appointed from Juneau, Anchorage, Fairbanks, Nome and Bethel. 2) Six (6) meetings would be held annually in Juneau, Fairbanks, Bethel and three (3) in Anchorage. 3) 5% inflation per year. 4) Clerk Typist would support Board activities and distribution of Board materials.

Prepared By: _____ Phone: _____

Division: Alaska State Housing Authority Date: March 4, 1991

Approved by Commissioner: [Signature] [Signature] [Signature] [Signature]

Agency: _____ Date: _____

MB 152

Alaska State Housing Authority Board of Directors Meetings
Estimated Board Of Directors Travel Costs

Board of Directors Meeting Locations	Bethel		Fairbanks		Juneau		Anchorage		Anchorage		Anchorage		Total Travel & Per Diem
	Travel	Per Diem	Travel	Per Diem	Travel	Per Diem	Travel	Per Diem	Travel	Per Diem	Travel	Per Diem	

Commission Members

Home Locations

Juneau	\$772	\$300	\$554	\$300	\$0	\$100	\$436	\$200	\$436	\$200	\$436	\$200	
Juneau	\$772	\$300	\$554	\$300	\$0	\$100	\$436	\$200	\$436	\$200	\$436	\$200	
Juneau	\$772	\$300	\$554	\$300	\$0	\$100	\$436	\$200	\$436	\$200	\$436	\$200	
	\$2,316	\$900	\$1,662	\$900	\$0	\$300	\$1,308	\$600	\$1,308	\$600	\$1,308	\$600	\$11,802

Banking Industry

Anchorage	\$422	\$200	\$300	\$200	\$436	\$200	\$0	\$100	\$0	\$100	\$0	\$100	
Anchorage	\$422	\$200	\$300	\$200	\$436	\$200	\$0	\$100	\$0	\$100	\$0	\$100	
	\$844	\$400	\$600	\$400	\$872	\$400	\$0	\$200	\$0	\$200	\$0	\$200	\$4,116

Special Housing

Anchorage	\$422	\$200	\$300	\$200	\$436	\$200	\$0	\$100	\$0	\$100	\$0	\$100	
Bethel	\$0	\$100	\$674	\$300	\$772	\$300	\$422	\$300	\$422	\$300	\$422	\$300	
	\$422	\$300	\$974	\$500	\$1,208	\$500	\$422	\$400	\$422	\$400	\$422	\$400	\$6,370

Public Members

Juneau	\$772	\$300	\$554	\$300	\$0	\$100	\$436	\$200	\$436	\$200	\$436	\$200	
Fairbanks	\$674	\$300	\$0	\$100	\$554	\$300	\$300	\$200	\$300	\$200	\$300	\$200	
Anchorage	\$422	\$200	\$300	\$200	\$436	\$200	\$0	\$100	\$0	\$100	\$0	\$100	
Nome	\$786	\$300	\$596	\$300	\$860	\$300	\$562	\$300	\$562	\$300	\$562	\$300	
	\$2,654	\$1,100	\$1,450	\$900	\$1,850	\$900	\$1,298	\$800	\$1,298	\$800	\$1,298	\$800	\$15,148

Totals:	\$6,236	\$2,700	\$4,686	\$2,700	\$3,930	\$2,100	\$3,028	\$2,000	\$3,028	\$2,000	\$3,028	\$2,000	\$37,436
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