

HB

50

<TARGET><BILL>HB 50</BILL><SUBJECT>HB
50</SUBJECT><COMM>HF IN28</COMM></TARGET>

adopted 3/14/13

28-LS0155\C
Strasbaugh
3/14/13

CS FOR HOUSE BILL NO. 50(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-EIGHTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): REPRESENTATIVES COSTELLO, Gara, Peggy Wilson, Millett

A BILL

FOR AN ACT ENTITLED

1 **"An Act authorizing the Alaska Housing Finance Corporation to allow certain**
2 **commercial uses in a multi-unit residential housing development owned or financed by**
3 **the corporation and limiting the Alcoholic Beverage Control Board's issuance of certain**
4 **licenses to premises in the residential housing development."**

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

6 *** Section 1.** AS 04.11 is amended by adding a new section to read:

7 **Sec. 04.11.365. Denial of certain licenses in multi-unit residential housing**
8 **developments owned or financed by the Alaska Housing Finance Corporation.**

9 For premises located in a multi-unit residential housing development owned or
10 financed by the Alaska Housing Finance Corporation, the board may issue a new
11 license under AS 04.11.320, renew a license under AS 04.11.330, or approve a request
12 for relocation under AS 04.11.340 if the Alaska Housing Finance Corporation
13 authorizes the use under AS 18.56.340 and

14 (1) the license is for a restaurant or eating place under AS 04.11.100;

1 or

2 (2) the premises are designated by the board as a restaurant under
3 AS 04.16.049.

4 * **Sec. 2.** AS 18.56.090(a) is amended to read:

5 (a) In addition to other powers granted in this chapter, the corporation may,
6 for the purpose of providing housing for persons of lower and moderate income or
7 persons located in remote, underdeveloped, or blighted areas of the state and for its
8 other corporate purposes,

9 (1) make or participate in the making of mortgage loans to sponsors,
10 developers, builders, and purchasers of residential housing, if the corporation
11 determines that

12 (A) mortgage loans are not otherwise available, wholly or in
13 part, from private lenders upon reasonably equivalent terms and conditions;
14 and

15 (B) the residential housing for which the mortgage loans are
16 made complies with applicable provisions of AS 18.56.096(c) and the
17 applicable thermal and lighting energy standards of AS 46.11.040;

18 (2) purchase or participate in the purchase of mortgage loans made to
19 sponsors, developers, builders, owners, and purchasers of residential housing, if the
20 corporation

21 (A) has given approval before the initial making of the loan and
22 has determined that mortgage loans were, at the time the approval was given,
23 not otherwise available, wholly or in part, from private lenders upon
24 reasonably equivalent terms and conditions; or

25 (B) has determined that

26 (i) the purchase or participation will result in additional
27 residential housing, taking into account without limitation such factors
28 as reinvestment of the proceeds of the sale in additional mortgage
29 loans, increased availability of mortgage loans insured by the federal
30 government, its agencies or departments, the reduction, if any, of
31 interest payments to be made with respect to mortgage loans, or such

1 other factors as will tend to increase or improve the supply of
2 residential housing within the state; and

3 (ii) the residential housing covered by the mortgage
4 loan complies with applicable provisions of AS 18.56.096(c) and the
5 applicable thermal and lighting energy standards of AS 46.11.040;

6 (3) make partial rental payments and mortgage interest payments under
7 a contract with any housing owner if the payments will be applied to decrease rental or
8 mortgage interest charges of persons of lower and moderate income or owners or
9 purchasers of residential housing in remote, underdeveloped, or blighted areas of the
10 state;

11 (4) make loans from the housing development fund;

12 (5) collect and pay reasonable fees and charges in connection with
13 making, purchasing, and servicing its mortgages, loans, notes, bonds, certificates,
14 commitments, and other evidences of indebtedness;

15 (6) acquire real property, or any interest in real property, in its own
16 name, by purchase, transfer, or foreclosure, when the acquisition is necessary or
17 appropriate to protect any loan in which the corporation has an interest; sell, transfer,
18 and convey the property to a buyer; and, if the sale, transfer, or conveyance cannot be
19 effected with reasonable promptness or at a reasonable price, rent or lease the property
20 to a tenant pending the sale, transfer, or conveyance;

21 (7) sell, at public or private sale, to any purchaser, including the
22 Federal National Mortgage Association, all or any part of a mortgage or other
23 instrument or document securing a construction, land development, mortgage, or
24 temporary loan of any type permitted by this chapter;

25 (8) purchase, in order to meet the requirements of the sale of its
26 mortgages to the Federal National Mortgage Association, stock of the Federal
27 National Mortgage Association;

28 (9) procure insurance against any loss in connection with its operation;

29 (10) consent to the modification of the rate of interest, time of payment
30 of any installment of principal or interest, or any other terms, of the mortgage loan,
31 mortgage loan commitment, construction loan, temporary loan, contract, or agreement

1 of any kind to which the corporation is a party;

2 (11) borrow money as provided in this chapter to carry out and
3 effectuate its corporate purposes, and issue its obligations as evidence of borrowing;

4 (12) include in any borrowing the amounts necessary to pay financing
5 charges, interest on the obligations for a period not exceeding one year after the date
6 on which the corporation estimates funds will otherwise be available to pay the
7 interest, consultant, advisory, and legal fees, and other expenses that are necessary or
8 incident to this borrowing;

9 (13) under AS 18.56.088, adopt and publish regulations respecting its
10 lending programs and other regulations that are necessary to effectuate its purposes;

11 (14) provide technical and advisory services to sponsors, builders, and
12 developers of residential housing and to residents of it;

13 (15) promote research and development in scientific methods of
14 constructing low-cost and energy-efficient residential housing of high durability;

15 (16) make and execute agreements, contracts, and other instruments
16 necessary or convenient in the exercise of the powers and functions of the corporation
17 under this chapter, including contracts with any person, firm, corporation,
18 governmental agency, or other entity;

19 (17) receive, administer, and comply with the conditions and
20 requirements respecting any appropriation or gift, grant, or donation of property or
21 money;

22 (18) sue and be sued in its own name;

23 (19) adopt an official seal;

24 (20) adopt bylaws for the regulation of its affairs and the conduct of its
25 business and adopt regulations and policies in connection with the performance of its
26 functions and duties;

27 (21) employ fiscal consultants, engineers, attorneys, real estate
28 counselors, appraisers, and other consultants and employees that may be required in
29 the judgment of the corporation, and fix and pay their compensation from funds
30 available to the corporation;

31 (22) do all acts and things necessary, convenient, or desirable to carry

1 out the powers expressly granted or necessarily implied in this chapter;

2 (23) invest or reinvest, subject to its contracts with noteholders and
3 bondholders, any money or funds held by the corporation in any obligations or other
4 securities or investments in which banks or trust companies in the state may legally
5 invest funds held in reserves or sinking funds or any funds not required for immediate
6 disbursement, and in certificates of deposit or time deposits secured by obligations of,
7 or guaranteed by, the state or the United States;

8 (24) purchase a mortgage loan made to refinance an existing mortgage
9 loan, without regard to whether the corporation holds the existing mortgage loan, as
10 long as the interest rate and fees charged to the borrower are sufficient to fully
11 reimburse the corporation for all costs incurred by the corporation in purchasing the
12 mortgage loan and as long as the borrower will be in compliance with
13 AS 18.56.096(a)(6) after purchase of the mortgage loan by the corporation;

14 (25) participate in the making of mortgage loans to borrowers for
15 congregate housing under AS 18.56.100(b)(1) as the purchaser of those loans; loans
16 made for congregate housing under this paragraph must reflect application of prudent
17 underwriting standards and lending practices that include, but are not limited to,
18 appropriate loan-to-value ratios and the ability of a borrower to repay the loan;

19 (26) participate in the development of buildings or units that, by their
20 use, address homelessness but that, by their operation, appear nonresidential in nature;

21 (27) provide financial assistance to prevent homelessness, including
22 prevention of foreclosures and evictions;

23 (28) provide financial assistance to support housing retention services
24 or facilitate transition from dependency on low-cost housing;

25 (29) participate with appropriate sponsoring agencies or groups in
26 demonstration housing projects that address homelessness;

27 **(30) authorize under AS 18.56.340 certain commercial uses in a**
28 **multi-unit residential housing development owned or financed by the**
29 **corporation.**

30 * Sec. 3. AS 18.56 is amended by adding a new section to read:

31 **Sec. 18.56.340. Commercial use in a multi-unit residential housing**

1 **development owned or financed by the corporation; limitations.** (a) The
2 corporation may authorize commercial use in a multi-unit residential housing
3 development it owns or finances if

4 (1) the use is not prohibited under (b) of this section; and

5 (2) the total of all commercial uses does not occupy more than a
6 percentage of the space in the multi-unit residential housing development that the
7 corporation has determined is consistent with the corporation's goal of increasing
8 available affordable housing.

9 (b) The corporation may not authorize the commercial use of space in a multi-
10 unit residential housing development owned or financed by the corporation for

11 ✓ (1) charitable gaming under AS 05.15; *Strike Grava CA*

12 (2) a business that offers adult entertainment;

13 (3) the sale of alcoholic beverages, unless the sale is in a restaurant or
14 eating place licensed under AS 04.11.100 or is in premises designated by the
15 Alcoholic Beverage Control Board as a restaurant under AS 04.16.049;

16 (4) substance abuse treatment; or

17 (5) a business that primarily sells, transfers, or stores cigarettes or
18 tobacco-related products.

19 (c) This section does not require the corporation to authorize commercial use
20 in a multi-unit residential housing development owned or financed by the corporation.

21 (d) In this section,

22 (1) "business that offers adult entertainment" has the meaning given in
23 AS 23.10.350(f);

24 (2) "cigarette" has the meaning given in AS 18.74.290;

25 (3) "commercial use" includes a business or nonprofit activity
26 conducted by a sole proprietorship, cooperative, corporation, firm, partnership, or
27 other association of persons organized in any manner.

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3 AS 04.16.049.

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13 part, from private lenders upon reasonably equivalent terms and conditions;
14 and

15 (B) the residential housing for which the mortgage loans are
16 made complies with applicable provisions of AS 18.56.096(c) and the
17 applicable thermal and lighting energy standards of AS 46.11.040;

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19 sponsors, developers, builders, owners, and purchasers of residential housing, if the
20 corporation

21 (A) has given approval before the initial making of the loan and
22 has determined that mortgage loans were, at the time the approval was given,
23 not otherwise available, wholly or in part, from private lenders upon
24 reasonably equivalent terms and conditions; or

25 (B) has determined that

26 (i) the purchase or participation will result in additional
27 residential housing, taking into account without limitation such factors
28 as reinvestment of the proceeds of the sale in additional mortgage
29 loans, increased availability of mortgage loans insured by the federal
30 government, its agencies or departments, the reduction, if any, of
31 interest payments to be made with respect to mortgage loans, or such

1 other factors as will tend to increase or improve the supply of
2 residential housing within the state; and

3 (ii) the residential housing covered by the mortgage
4 loan complies with applicable provisions of AS 18.56.096(c) and the
5 applicable thermal and lighting energy standards of AS 46.11.040;

6 (3) make partial rental payments and mortgage interest payments under
7 a contract with any housing owner if the payments will be applied to decrease rental or
8 mortgage interest charges of persons of lower and moderate income or owners or
9 purchasers of residential housing in remote, underdeveloped, or blighted areas of the
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11 (4) make loans from the housing development fund;

12 (5) collect and pay reasonable fees and charges in connection with
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15 (6) acquire real property, or any interest in real property, in its own
16 name, by purchase, transfer, or foreclosure, when the acquisition is necessary or
17 appropriate to protect any loan in which the corporation has an interest; sell, transfer,
18 and convey the property to a buyer; and, if the sale, transfer, or conveyance cannot be
19 effected with reasonable promptness or at a reasonable price, rent or lease the property
20 to a tenant pending the sale, transfer, or conveyance;

21 (7) sell, at public or private sale, to any purchaser, including the
22 Federal National Mortgage Association, all or any part of a mortgage or other
23 instrument or document securing a construction, land development, mortgage, or
24 temporary loan of any type permitted by this chapter;

25 (8) purchase, in order to meet the requirements of the sale of its
26 mortgages to the Federal National Mortgage Association, stock of the Federal
27 National Mortgage Association;

28 (9) procure insurance against any loss in connection with its operation;

29 (10) consent to the modification of the rate of interest, time of payment
30 of any installment of principal or interest, or any other terms, of the mortgage loan,
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5 charges, interest on the obligations for a period not exceeding one year after the date
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11 (14) provide technical and advisory services to sponsors, builders, and
12 developers of residential housing and to residents of it;

13 (15) promote research and development in scientific methods of
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17 under this chapter, including contracts with any person, firm, corporation,
18 governmental agency, or other entity;

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20 requirements respecting any appropriation or gift, grant, or donation of property or
21 money;

22 (18) sue and be sued in its own name;

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24 (20) adopt bylaws for the regulation of its affairs and the conduct of its
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27 (21) employ fiscal consultants, engineers, attorneys, real estate
28 counselors, appraisers, and other consultants and employees that may be required in
29 the judgment of the corporation, and fix and pay their compensation from funds
30 available to the corporation;

31 (22) do all acts and things necessary, convenient, or desirable to carry

1 out the powers expressly granted or necessarily implied in this chapter;

2 (23) invest or reinvest, subject to its contracts with noteholders and
3 bondholders, any money or funds held by the corporation in any obligations or other
4 securities or investments in which banks or trust companies in the state may legally
5 invest funds held in reserves or sinking funds or any funds not required for immediate
6 disbursement, and in certificates of deposit or time deposits secured by obligations of,
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8 (24) purchase a mortgage loan made to refinance an existing mortgage
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12 mortgage loan and as long as the borrower will be in compliance with
13 AS 18.56.096(a)(6) after purchase of the mortgage loan by the corporation;

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19 (26) participate in the development of buildings or units that, by their
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21 (27) provide financial assistance to prevent homelessness, including
22 prevention of foreclosures and evictions;

23 (28) provide financial assistance to support housing retention services
24 or facilitate transition from dependency on low-cost housing;

25 (29) participate with appropriate sponsoring agencies or groups in
26 demonstration housing projects that address homelessness;

27 **(30) authorize under AS 18.56.340 certain commercial uses in a**
28 **multi-unit residential housing development owned or financed by the**
29 **corporation.**

30 * Sec. 3. AS 18.56 is amended by adding a new section to read:

31 **Sec. 18.56.340. Commercial use in a multi-unit residential housing**

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2 corporation may authorize commercial use in a multi-unit residential housing
3 development it owns or finances if

4 (1) the use is not prohibited under (b) of this section; and

5 (2) the total of all commercial uses does not occupy more than a
6 percentage of the space in the multi-unit residential housing development that the
7 corporation has determined is consistent with the corporation's goal of increasing
8 available affordable housing.

9 (b) The corporation may not authorize the commercial use of space in a multi-
10 unit residential housing development owned or financed by the corporation for

11 (1) a business that offers adult entertainment;

12 (2) the sale of alcoholic beverages, unless the sale is in a restaurant or
13 eating place licensed under AS 04.11.100 or is in premises designated by the
14 Alcoholic Beverage Control Board as a restaurant under AS 04.16.049;

15 (3) substance abuse treatment; or

16 (4) a business that primarily sells, transfers, or stores cigarettes or
17 tobacco-related products.

18 (c) This section does not require the corporation to authorize commercial use
19 in a multi-unit residential housing development owned or financed by the corporation.

20 (d) In this section,

21 (1) "business that offers adult entertainment" has the meaning given in
22 AS 23.10.350(f);

23 (2) "cigarette" has the meaning given in AS 18.74.290;

24 (3) "commercial use" includes a business or nonprofit activity
25 conducted by a sole proprietorship, cooperative, corporation, firm, partnership, or
26 other association of persons organized in any manner.

Fiscal Note

State of Alaska
2013 Legislative Session

Bill Version: HB 50
Fiscal Note Number: 1
(H) Publish Date: 3/1/13

Identifier: HB050-DOR-AHFC-02-22-13
Title: MULTI-UNIT HOUSING: COMMERCIAL USE
Sponsor: COSTELLO
Requester: (H) L&C

Department: Department of Revenue
Appropriation: Alaska Housing Finance Corporation
Allocation: AHFC Operations
OMB Component Number: 110

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2014 Appropriation Requested	Included in Governor's FY2014 Request	Out-Year Cost Estimates					
			FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues								
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Estimated SUPPLEMENTAL (FY2013) cost: 0.0

Estimated CAPITAL (FY2014) cost: 0.0

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 09/30/13

Why this fiscal note differs from previous version:

Initial version

Prepared By: Les Campbell, Budget Director
Division: Alaska Housing Finance Corporation
Approved By: Dan Fauske, CEO
Alaska Housing Finance Corporation

Phone: (907)330-8356
Date: 02/22/2013 12:00 PM
Date: 02/22/13

FISCAL NOTE ANALYSIS #1

STATE OF ALASKA
2013 LEGISLATIVE SESSION

BILL NO. HB 50

Analysis

Financial activity will be managed in the same fashion as other loan programs in AHFC's loan portfolio. This is a "Zero Fiscal Note."



REPRESENTATIVE MIA COSTELLO
Member, House Finance Committee

Sectional Analysis
House Bill 50

"Allowing Alaska Housing Finance Corporation to permit certain non-profit and commercial businesses in large multi-unit residential housing developments"

Section 1. Allows the Alaska Housing Finance Corporation board to issue a new license, renew a license, or approve a request for relocation for premises located in a multi-unit residential housing development owned or financed by the corporation if the license is for a restaurant or eating place and the premises are designated by the board as a restaurant under AS 04.16.049.

Section 2. Authorizes certain types of commercial uses in multi-unit residential housing to be owned or financed by the Alaska Housing Finance Corporation.

Section 3. Limits the types of commercial uses that the Alaska Housing Finance Corporation is allowed to authorize in multi-unit residential housing development it owns or finances. The total of all commercial uses cannot occupy more than a percentage of the space in the multi-unit residential housing development that the corporation has determined is consistent with the corporation's goal of increasing available affordable housing. The corporation may not authorize the commercial use of space for:

- Charitable gaming
- A business that offers adult entertainment
- The sale of alcoholic beverages unless the sale is in a restaurant as designated by the Alcoholic Beverage Control Board
- Substance abuse treatment
- The manufacture, sale, transfer, or storage of cigarettes or tobacco products

The section does not require the corporation to authorize commercial use in a multi-use residential housing development owned or financed by the corporation.

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REPRESENTATIVE MIA COSTELLO
Member, House Finance Committee

Sponsor Statement
House Bill 50

"Allowing Alaska Housing Finance Corporation to permit certain non-profit and commercial businesses in large multi-unit residential housing developments"

The Alaska Housing Finance Corporation (AHFC) has identified a needed fix in current law which impacts the larger-scale housing complexes it builds or finances. House Bill 50 intends to fix that problem, and enhance the economic feasibility of these developments.

All Alaskans desire to live in vibrant neighborhoods with easy access to needed services that include shopping, restaurants, services such as child care, and other amenities. Many municipalities across the nation have recognized the value of multi-use housing as a way to create a stronger economy and vibrant neighborhoods. Other renters using this bill could be police substations, medical offices, or a variety of other businesses.

However, under current statute the Alaska Housing Finance Corporation is not allowed to finance or permit commercial enterprises in multi-unit residential housing developments.

House Bill 50 changes existing statute to allow AHFC to permit certain commercial enterprises in multi-unit residential housing developments. It is based on good community planning, and would be an additional revenue source for AHFC, which would allow the corporation to expand its ability to help ease Alaska's housing shortage. Developers have also stated this change will enhance their ability to build AHFC housing units.

The bill would not allow establishments that involve charitable gaming or adult entertainment to be permitted under this bill, and only an establishment selling alcohol that has been designated as a restaurant by the Alcohol Beverage Control Board could be permitted, as opposed to bars. In other words, this bill is intended to exclude businesses that are not children and family friendly.

Please feel free to contact our office if you have any questions.

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Sec. 18.74.290. Definitions.

In this chapter,

(1) "agent" means a person authorized by the department to purchase and affix stamps on packages of cigarettes under AS 43.50.500 - 43.50.700;

(2) "cigarette" means a roll for smoking of any size or shape, made wholly or in part of tobacco, whether or not the tobacco is flavored, adulterated, or mixed with another ingredient, if the wrapper or cover of the roll is made of paper or a material other than tobacco;

(3) "department" means the Department of Revenue;

(4) "manufacturer" means

(A) a person who manufactures or otherwise produces cigarettes, or causes cigarettes to be manufactured or produced anywhere, if the manufacturer intends the cigarettes to be sold in this state, including cigarettes intended to be sold in the United States through an importer;

(B) the first purchaser anywhere who intends to resell in the United States cigarettes that are manufactured anywhere and that the original manufacturer or maker does not intend to be sold in the United States; or

(C) a person who becomes a successor of a person described in (A) or (B) of this paragraph;

(5) "retail dealer" means a person, other than a manufacturer or wholesale dealer, who sells cigarettes or tobacco products;

(6) "sale" or "sell" means a sale, exchange, barter, and any other manner of transferring the ownership of personal property;

(7) "wholesale dealer" means a person who

(A) sells cigarettes or tobacco products to retail dealers or other persons for resale; and

(B) owns, operates, or maintains cigarette or tobacco vending machines in, at, or on premises owned or occupied by another person.

History -

(Sec. 2 ch 61 SLA 2007)

Definition of "cigarette"

DISTRIBUTED BY THE OFFICE OF REP. COSTELLO

Definition of "business that offers adult entertainment"

Sec. 23.10.350. Employment of person under 18.

(a) A minor under 18 years of age may not be employed or allowed to work

- (1) more than six days a week;
- (2) in hazardous excavation, or underground in mines, or as hoisting engineer in mines; or
- (3) in an occupation dangerous to life or limb or injurious to the health of the minor.

(b) If the commissioner determines that the duties to be performed by the minor would not unduly endanger the life, limb, or health of the minor and if the employment meets the conditions of wages and hours prevailing for the majority of the employees in the industry at the time of employment, the commissioner may grant an exemption in writing from (a) of this section for a minor 16 - 18 years of age to work at those duties

- (1) outside school hours, or while on school vacation, if the minor is attending school; or
- (2) if the minor is no longer attending school.

(c) Except as provided in (e) of this section, a person under 18 years of age who is scheduled to work for six consecutive hours or more is entitled to a break of at least 30 minutes during the course of the work shift. The break required by this subsection may be scheduled at the convenience of the employer but must occur after the first hour and a half of work and before the beginning of the last hour of work. A person under 18 years of age who works for five consecutive hours without a break is entitled to a break of at least 30 minutes before continuing to work. This subsection may be modified by the terms of a collective bargaining agreement that covers the employment of the person under 18. This subsection may be modified on occasion by mutual agreement between the employer and the employee.

(d) Notwithstanding AS 23.10.055(a)(11), failure to provide the unpaid break periods required by (c) of this section creates a minimum wage liability under AS 23.10.065 for the break that the employee did not receive or received late. A claim for minimum wage in lieu of the unpaid break is enforceable under AS 23.10.110.

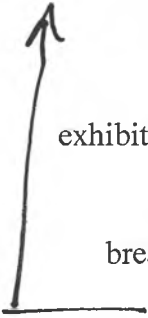
(e) The provisions of (c) of this section do not apply to

- (1) an individual employed in the catching, trapping, cultivating or farming, netting, or taking of any kind of fish, shellfish, or other aquatic forms of animal and vegetable life;

- (2) an individual employed by a member of the individual's family; in this paragraph, "member of the individual's family" means the individual's spouse, parent, step-parent, grandparent, step-grandparent, great grandparent, step-great grandparent, brother, sister, uncle, aunt, great-uncle, or great-aunt, whether of the whole or half blood or by adoption or by marriage.

(f) A minor under the age of 18 may not be employed or allowed to work in any capacity on the premises of a business that offers adult entertainment. In this subsection, "business that offers adult entertainment" means a business in which one or more individuals are employed or contracted to, wholly or in part, or permitted to entertain others by

- (1) removing clothes or other items that clothe or hide the person's body;
- (2) dancing or in any other manner exhibiting the individual's body in a completely or almost completely unclothed state;



(3) participating in an actual or simulated illegal, indecent, or lewd exhibition, act, or practice including
 (A) sexual penetration;
 (B) the lewd exhibition or touching of a person's genitals, anus, or breast; or
 (C) bestiality.

History -

(Sec. 2, 3 ch 73 SLA 1949; am Sec. 1, 2 ch 28 SLA 1951; Sec. 4 ch 73 SLA 1949; am Sec. 84 ch 127 SLA 1974; am Sec. 4 ch 112 SLA 1976; am Sec. 2 ch 86 SLA 1992; am Sec. 3 ch 18 SLA 1995)

Revisors Notes -

In 2005, in subsection (d), "AS 23.10.055(a)(11)" was substituted for "AS 23.10.055(11)" to reflect the addition of AS 23.10.055(b) and (c) by Sec. 2, ch. 90, SLA 2005.

Decisions -

Premise behind present paragraph (3) of subsection (a). - The child labor laws, and present paragraph (3) of subsection (a) of this section in particular, are premised in part on the notion that a child is not competent to assess the risks of personal injury and exploitation attendant in the performance of hazardous activities. *Whitney-Fidalgo Seafoods, Inc. v. Beukers*, 554 P.2d 250 (Alaska 1976).

Illegally-employed child may assert common-law rights against employer. - Where an employer has knowingly entered into an illegal contract of employment with a child, in express violation of a statute, the employer will not be permitted to insist that a child is an "employee" within the terms of the Workmen's Compensation Act, so that the child can no longer assert its common-law rights against the employer. *Whitney-Fidalgo Seafoods, Inc. v. Beukers*, 554 P.2d 250 (Alaska 1976).

Absent any evidence of a conscious intent on her part to choose compensation benefits, an illegally employed minor cannot be held to have waived her right to a common-law remedy. *Whitney-Fidalgo Seafoods, Inc. v. Beukers*, 554 P.2d 250 (Alaska 1976).

And AS 23.30.055 does not bar common-law damage action by such child. - AS 23.30.055, the exclusive liability provision of the Alaska Workmen's Compensation Act, does not bar a common-law damage action when such an action is brought against an employer by a person who was employed in violation of child labor laws at the time of injury. *Whitney-Fidalgo Seafoods, Inc. v. Beukers*, 554 P.2d 250 (Alaska 1976).



January 28, 2013

The Honorable Representative Les Gara
House of Representatives
State Capitol Room 400
Juneau AK, 99801

**SUBJECT: HB 50 – ALLOWING AHFC TO PERMIT CERTAIN NON-PROFIT AND COMMERCIAL
BUSINESSES IN LARGE MULTI-UNIT RESIDENTIAL HOUSING DEVELOPMENTS**

Dear Representative Gara:

I write today on behalf of Cook Inlet Housing Authority ("CIHA") to express strong support for HB 50, which would fix an existing law that unnecessarily constrains innovation in the construction and financing of large-scale housing developments by the Alaska Housing Finance Corporation ("AHFC").

As a Regional Housing Authority, created under Alaska Law, CIHA has for almost forty years provided housing and housing-related services to seniors and families living in the Municipality of Anchorage, the Mat-Su Valley, and portions of the Kenai Peninsula. Presently, we own and/or manage nearly 1,000 units of rental housing throughout Southcentral Alaska.

Our work would not be possible, however, without substantial investments from AHFC. CIHA believes HB 50 will provide AHFC reasonable flexibility to finance and build new housing developments that enhance quality of life for residents and better promote economic development in communities throughout the state.

Under existing law, AHFC may not finance commercial or retail space as part of a mixed-use approach to the construction of multi-unit residential developments or permit businesses to occupy space in developments it owns. This prohibition on mixed-use development makes little sense. The State should encourage AHFC to finance and build developments that promote vibrant neighborhoods with easy access to services like child care, shopping, restaurants, and medical offices. State and local governments across the country have recognized the value of mixed-use development as a way to create healthy economies and neighborhoods of choice.

House Bill 50 would revise an existing statute to allow AHFC to permit certain commercial enterprises in multi-unit residential housing developments. This approach, common throughout the U.S., is based on sound community planning principles. Further, it would generate revenue for AHFC, providing additional resources that the corporation could use to help address Alaska's growing housing shortage. This change will also make it easier for developers to build financially feasible affordable housing throughout Alaska using funds from AHFC, since income from commercial spaces could offset reduced rents from affordable housing units.

January 29, 2013
The Honorable Representative Les Gara

Of course, it is also important to understand what HB 50 will NOT do. It will not permit AHFC to finance or own space occupied by establishments that involve charitable gaming or adult entertainment. An enterprise occupying space in a development owned or financed by AHFC might be able to obtain a liquor license, but only if such an enterprise were a restaurant, as designated by the Alcohol Beverage Control Board, and not a bar or night club. Simply put, the bill will not allow AHFC to finance or own space occupied by businesses that are not family friendly.

As an affordable housing provider in Alaska and strong proponent of the Alaska Housing Finance Corporation's ongoing work to address housing needs in Alaska, Cook Inlet Housing Authority strongly supports HB 50. Please do not hesitate to contact me if we may be able to help advance this critical legislation.

Respectfully,


Carol Gore
President/CEO

Glenn Gellert
1113 W. Fireweed Lane, #202
Anchorage, Alaska 99503

1/22/13

Dear Members of the Alaska House,

I am writing in support of House Bill 50, an act authorizing the Alaska Housing Finance Corporation to allow certain commercial uses in a multi-unit residential housing development owned or financed by the corporation.

For the last 15 years I have worked closely with Alaska Housing Finance to provide affordable housing to Alaskans in Anchorage, Fairbanks, the Mat-Su Valley and Kenai. Rising construction costs and land costs have made it more difficult to fill funding gaps. HB 50 would potentially provide other revenue sources that could allow a property to carry more debt and fill these financing holes.

While there are clearly financial benefits to mixed-use development, there is also a lifestyle benefit too, especially in urban areas of the state where it really makes sense to locate services close to where people live. The Inlet Tower offers a good example. Many of the tenants in the Inlet Tower are young professionals who don't want to prepare meals. They can come home from work; grab a meal or a glass of wine in the restaurant with other friends from the building as well as the surrounding neighborhood. This helps promote a stronger sense of community.

I urge the House to pass Bill 50 so that more affordable multi-family housing will become feasible to develop and community cohesion can be promoted.

Sincerely,



Glenn Gellert



St. Vincent de Paul Society
Juneau, Alaska

svdpjuneau.org

Mindy Voigt, President

Ida Barnack

Terry Elder

Barbara Bechtold

Robert Rehfeld

Anna Marg Rear

Peggy Morris

Theresa Harris

Charles Van Kirk

*We provide material and
spiritual charity and work
for social justice for all
people.*



St. Vincent de Paul Society

Diocesan Council of Southeast Alaska, Inc.

8617 Teal St., Juneau, Alaska 99801

(907) 789-5535 phone

st.vincentdepaul.juneau@gci.net

(907) 789-2557 fax

January 22, 2013

Representative Mia Costello
Representative Les Gara
Alaska State Legislature

Honorable Representatives Costello and Gara;

The St. Vincent de Paul Society of Juneau wishes to express our unreserved support for House Bill 50 "...to allow certain commercial uses in a multi-family residential housing development owned or financed by the corporation..."

Our non-profit corporation has for more than 20 years supported the housing costs of many of Juneau's poorest households from the sales revenue of our Thrift Store. This has allowed us to house more than 100 households per year, many of them with children. Because we have the store, we can do this with little or no help from state or federal government. Currently, our store supplies 51% of the operating budget for our shelter and transitional housing. Most of the rest comes from the tenants themselves.

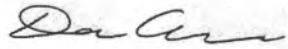
You may be aware that Juneau is Alaska's Most Homeless City. Our homeless rate per capita far exceeds that of either Anchorage or Fairbanks. In fact, our homeless rate is three times that of Los Angeles County, considered the "homeless capital of America." Yet, many homeless households do have meager incomes that could help meet their housing needs, if we can reduce the costs. Mixed use development, especially when non-profit commercial revenue is dedicated to housing support, is one way to help reduce tenant rents.



By allowing developers and owners of low-income affordable housing to utilize AHFC financing in mixed use development, we will increase the amount of housing and reduce reliance on government subsidies. We term this the "Enterprise Solution."

Please call on us if we may be of any assistance in making HB 50 law.

Sincerely



Dan Austin, General Manager
St. Vincent de Paul Society
321-5222





St. Vincent de Paul Society
Juneau, Alaska

svdpjuneau.org

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February 25, 2013

Alaska Legislature, House Labor and Commerce Committee

Representative Kurt Olson, Chair

Honorable Representative Olson;

We are pleased to have this opportunity to offer written testimony in support of HB 50, allowing AHFC to finance development projects that mix residential and commercial uses.

The mixed development concept (generally commercial on the ground floor and multifamily residential above) is certainly not new. Throughout human history, cities have grown and prospered as the center of both residential and commercial activity. Buildings that incorporate both needs are the rule in all the world's great cities. As demographics and lifestyles change, the 21st century is shaping up to be the urban century. Alaska's cities will undoubtedly develop as modern, livable, vital models for development in the North. HB 50 will make it easier and more economically feasible.

For more than 20 years, our organization has built and managed housing opportunities in Juneau. Our modest Thrift Store is the economic engine that has leveraged our multifamily developments. Starting in 1992 with 5 transitional apartments,



we now have more than 100 under direct management and expect to grow to more than 150 over the next year.

More important is the fact that an urban environment is most livable when a family's needs—mundane as well as cultural—are met within a couple of blocks of their apartment. Or better yet, just downstairs! Mixed development encourages revitalization of downtown areas and neighborhoods, leading the way for diverse local economic development on a human scale.

HB 50 will allow the Alaska Housing Finance Corporation to support restricted commercial development within residential projects they finance. Developers, for profit, non-profit and joint ventures, will not have to secure two separate lenders in order to build appropriate mixed developments.

We believe the changes to AHFC statutes proposed in HB 50 will help Alaska cities take their place as leaders in the "urban century".

Dan Austin, General Manager/Director

(907) 321-5222



PARK PLACE CONDOMINIUM ASSOCIATION, INC.

A resolution supporting a full-service restaurant located at the Inlet Tower.

WHEREAS, Inlet Tower has made substantial improvements and renovations to its mixed use facilities including providing affordable and market housing with a convenient neighborhood restaurant;

WHEREAS, the adopted Anchorage 2020 Comprehensive Plan calls for a more progressive mixture of commercial and residential land uses to enhance the Municipality's downtown and adjacent neighborhoods;

WHEREAS, the adopted Anchorage 2020 Comprehensive Plan also encourages more affordable residential housing options to insure a sustainable, vibrant and economically viable downtown core for the Municipal region;

WHEREAS, the existing restaurant in the Inlet Tower is a valuable community amenity which serves as a pleasant gathering place for neighborhood residents enhancing a sense of community;

WHEREAS, the Park Place Condominium Association is the closest neighbor to Inlet Tower and is a 98 unit community of residents that greatly benefit from a renovated, well managed, secure and economically successful mixed-use facility at Inlet Tower;

Now, THEREFORE BE IT RESOLVED the Park Place Condominium Association supports the mixed-use facilities offered at the Inlet Tower including the full-service restaurant with liquor license;

BE IT FURTHER RESOLVED, the Park Place Condominium Association requests any necessary assistance of the South Addition Community Council; Municipal Assemblyperson Patrick Flynn; State Representative Les Gara; State Senator Johnny Ellis; and AHFC CEO Dan Fausky to support the continuing development of the mixed-use project at Inlet Tower, including the operation of a full service restaurant.

Ratified at the regular December 19, 2012 meeting of the Park Place Condominium Association Board of Directors;

In witness whereof, the undersigned has caused this Resolution to hereby be adopted and executed this 19th day of DECEMBER 2012.

Park Place Condominium Association, Inc.

By: _____

(signature)

JOHN TOLLEY; Its President

(print name)