

Leg. Finance - Finance Comte Files (1971-72) 8879
HB 695 cont., 713, 715, 717, 735 22

Original Sponsor: Health, Welfare and
Education Committee

Offered: 3/30/72
Referred: Finance

1 IN THE HOUSE

BY THE HEALTH, WELFARE AND
EDUCATION COMMITTEE

2 CS FOR HOUSE BILL NO. 695

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to community schools; and providing
7 for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 14 is amended by adding a new chapter to read:

10 CHAPTER 36. COMMUNITY SCHOOLS.

11 Sec. 14.36.010. PURPOSE. The community school is an expression
12 of the philosophy that the school, as the prime educational institution
13 of the community, is most effective when it involves the people of
14 that community in a program designed to fulfill their educational
15 needs. The community school promotes a more efficient use of school
16 facilities through an extension of buildings and
17 equipment beyond the normal school day. The purpose of this chapter
18 is to provide state leadership and financial support to encourage and
19 assist local school districts in the establishment of community
20 schools.

21 Sec. 14.36.020. COMMUNITY SCHOOL PROGRAM, APPLICATION FOR GRANTS.
22 Under regulations adopted by the state Board of Education, a school
23 district may submit to the commissioner an application for a community
24 school grant. An application shall include

25 (1) a comprehensive plan for the community school program,
26 including but not limited to, before and after school hours activities
27 for both children and adults, continued and remedial education program
28 for children and adults, and cultural enrichment and recreational
29 activities for citizens in the community;

- 1 (2) a provision for a community schools advisory council;
2 (3) provision for community school direction and coordina-
3 tion;
4 (4) a statement as to the number of schools to be operated
5 as community schools.

6 Sec. 14.36.030. APPLICATION REVIEW, DISPOSITION. The commissioner
7 shall review and approve, disapprove or return to the district board
8 for modification, an application for a community school program grant.

9 Sec. 14.36.040. FUNDING. A district operating an approved
10 community school program may receive a grant up to two per cent of its
11 public school foundation support. The support provided shall be in
12 the proportion that the number of schools in each district that are
13 operated as community schools is to the total number of schools in the
14 district.

15 Sec. 14.36.050. TECHNICAL ASSISTANCE. On the request of a
16 school district, the department shall provide technical assistance a
17 school district in developing and submitting an application for a
18 community school program. The department may use its own staff or
19 consultants that may be necessary to accomplish this purpose.

20 Sec. 14.36.060. DEFINITIONS. In this chapter

21 (1) "board" means the governing body of a school district
22 or the state-operated schools;

23 (2) "commissioner" means the commissioner of education;

24 (3) "community school director" or "coordinator" means a
25 certified teacher who is employed by a school district to promote,
26 organize, coordinate and direct a community school program;

27 (4) "community school program" means the composite of those
28 educational, cultural, social and recreational services provided the
29 citizens of a community, except those services normally provided through

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the regular instructional program;

(5) "department" means the Department of Education;

(6) "district" means a school district or the state-operated schools.

Sec. 14.36.080. SHORT TITLE. This chapter may be cited as the Alaska Community School Act.

* Sec. 2. It is the intent of the legislature that the community school program become fully operational at the beginning of the second fiscal year following its authorization by the legislature. However, fiscal year 1972-1973 shall be used primarily for planning, providing technical services to school districts and reviewing proposed community school programs.

* Sec. 3. This Act takes effect July 1, 1972.



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James D. Smith
Signature of Camera Operator

4/4/89
Date

Introduced: 3/1/72
Referred: State Affairs
and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 713

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska Housing Finance
7 Corporation; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 18.56.010 is amended to read:

10 Sec. 18.56.010. FINDINGS AND PURPOSE. (a) There exists within
11 the state a serious shortage of decent, safe and sanitary residential
12 housing available at low prices or rentals to persons of lower or
13 moderate income. There also exist within the state remote, under-
14 developed or blighted areas where the development of decent, safe and
15 sanitary housing is necessary to economic growth. These conditions are
16 [THIS SHORTAGE IS] inimical to the safety, health, welfare and pros-
17 perity of the residents of the state and to the sound growth of urban
18 and rural communities.

19 (b) The legislature finds and declares that private enterprise
20 has not been able to provide, without assistance, an adequate supply
21 of safe and sanitary homes at prices or rents which persons of lower
22 or moderate income can afford, or to achieve rehabilitation of much
23 of the present housing for persons of lower or moderate income, or to
24 provide without assistance the housing necessary to promote the
25 economic growth of remote, underdeveloped or blighted areas, and that
26 existing state or federal programs are inadequate to meet the housing
27 needs of persons of lower or moderate income or of remote, under-
28 developed or blighted areas. It is imperative that the supply of
29 housing for persons of lower or moderate income and the housing

1 necessary to promote the economic growth of remote, underdeveloped or
2 blighted areas be increased and that coordination and cooperation
3 among private enterprise, state and local government be encouraged to
4 sponsor, build and rehabilitate residential housing for these persons.

5 (c) The legislature finds and declares further that, in
6 accomplishing this purpose, the creation of the Alaska Housing Finance
7 Corporation is essential to assist in the acquisition and development
8 of land and the construction, rehabilitation, financing, management,
9 maintenance, sale and rental of dwelling units for persons of lower
10 and moderate income or in remote, underdeveloped or blighted areas and
11 that these activities serve a public purpose in benefiting the people
12 of the state. The Alaska Housing Finance Corporation is empowered to
13 act on behalf of the state and its people in serving this public
14 purpose for the benefit of the general public.

15 * Sec. 2. AS 18.56 is amended by adding a new section to read:

16 Sec. 18.56.085. INVESTMENT OF STATE SURPLUS. Notwithstanding
17 other provision of law, when the commissioner of revenue determines
18 that there is in the state treasury a surplus above an amount sufficient
19 to meet current cash expenditure needs, the surplus may be invested,
20 in addition to the investments permitted by AS 37.10.070(a), in
21 residential mortgages owned by the corporation and secured by real
22 estate within the state, which investments shall be subject to the
23 terms and conditions that the corporation and the commissioner of
24 revenue may provide in any contract of sale. Investments allowed by
25 this section shall be made as provided for other investments of the
26 state money under AS 37.10.070(a), (f), (g), and (i). The terms and
27 conditions of any contract of sale authorized to be made under this
28 section may include but are not limited to:

29 (1) the investment by the state in a specified or

1 determinable amount of mortgage;

2 (2) the existence of a prior lien on and pledge of the
3 mortgages invested in by the state;

4 (3) provisions relating to the subordination of the state's
5 interest in and application of annual payments of principal and
6 interest or the proceeds of a permitted sale of, or insurance or pre-
7 payments on, the mortgages and;

8 (4) the right of the corporation to repurchase the mortgages
9 at a predetermined price.

10 * Sec. 3. AS 18.56.090 is repealed and re-enacted to read:

11 Sec. 18.56.090. GENERAL POWERS. In addition to other powers
12 granted in this chapter, the corporation may, for the purpose of
13 providing housing for persons of lower or moderate income or in remote
14 underdeveloped or blighted areas of the state.

15 (1) make or participate in the making of construction loans
16 to sponsors, developers and builders of land development or residential
17 housing, if the corporation determines that construction loans are not
18 otherwise available, wholly or in part, from private lenders upon
19 reasonably equivalent terms and conditions;

20 (2) make or participate in the making of mortgage loans to
21 sponsors, developers, builders and purchasers of residential housing,
22 if the corporation determines that mortgage loans are not otherwise
23 available, wholly or in part, from private lenders upon reasonably
24 equivalent terms and conditions;

25 (3) purchase or participate in the purchase of mortgage
26 loans made to sponsors, developers, builders, owners and purchasers of
27 residential housing, if the corporation has given approval before the
28 initial making of the loan and has determined that mortgage loans were,
29 at the time such approval was given, not otherwise available, wholly or

1 in part, from private lenders upon reasonably equivalent terms and
2 conditions;

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

9 (5) make loans from the housing development fund;

10 (6) collect and pay reasonable fees and charges in
11 connection with making, purchasing and servicing its loans, notes,
12 bonds, commitments and other evidences of indebtedness;

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

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

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

29 (10) procure insurance against any loss in connection with

1 its operation;

2 (11) consent to the modification of the rate of interest,
3 time of payment of any installment of principal or interest, or any
4 other terms, of a mortgage loan, mortgage loan commitment, construction
5 loan, temporary loan, contract or agreement of any kind to which the
6 corporation is a party;

7 (12) borrow money to carry out and effectuate its corporate
8 purposes; and issue its obligations as evidence of the borrowing;

9 (13) include in any borrowing the amounts necessary to pay
10 financing charges, interest on the obligations for a period not
11 exceeding one year after the date on which the corporation estimates
12 funds will otherwise be available to pay the interest, consultant,
13 advisory and legal fees and other expenses necessary or incident to
14 this borrowing;

15 (14) make and publish rules and regulations respecting its
16 lending programs and other rules and regulations as are necessary to
17 effectuate its purposes;

18 (15) provide technical and advisory services to sponsors,
19 builders and developers of residential housing and to residents of the
20 housing;

21 (16) promote research and development in scientific methods
22 of constructing low-cost residential housing of high durability;

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

27 (18) receive, administer and comply with the conditions and
28 requirements respecting any appropriation or gift, grant or donation
29 of property or money;

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

9 (20) sue and be sued in its own name;

10 (21) adopt an official seal;

11 (22) adopt bylaws for the regulation of its affairs and the
12 conduct of its business and prescribe rules, regulations and policies
13 in connection with the performance of its functions and duties;

14 (23) employ fiscal consultants, engineers, attorneys, real
15 estate counselors, appraisers and such other consultants and employees
16 as may be required in the judgment of the corporation, and fix and pay
17 their compensation from funds available to the corporation; and

18 (24) to do all acts and things necessary, convenient or
19 desirable to carry out the powers expressly granted or necessarily
20 implied in this chapter.

21 * Sec. 4. AS 18.56.100(b)(2) is amended to read:

22 (2) provide to persons of lower or moderate income who are
23 applying for mortgages, the amounts required to make down payments and
24 pay closing costs and to housing owners the amounts applied for partial
25 rental payments and mortgage interest payments under sec. 90(4) of this
26 chapter; or

27 * Sec. 5. AS 18.56.210(3) is amended to read:

28 (3) "development costs" means the costs approved by the
29 corporation as appropriate expenditures which may be incurred by

1 sponsors, builders and developers of residential housing, before
2 commitment and initial advance of the proceeds of a construction loan
3 or of a mortgage loan, including but not limited to

4 (A) payments for options to purchase properties on
5 the proposed residential housing site, deposits on contracts of
6 purchase, or, with prior approval of the corporation, payments
7 for the purchase of the properties;

8 (B) legal and organizational expenses, including
9 payments of attorneys' fees, project manager, clerical and other
10 staff salaries, office rent and other incidental expenses;

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

13 (D) expenses for tenant surveys and market analyses;
14 and

15 (E) necessary application and other fees;

16 * Sec. 6. AS 18.56.210(7) is amended to read:

17 (7) "mortgage" or "mortgage loan" means a mortgage loan
18 for residential housing insured or guaranteed by the United States
19 or an instrumentality thereof or for which there is a commitment by
20 the United States or an instrumentality thereof to insure or guarantee
21 such a mortgage, or if not so insured or guaranteed or if there is no
22 such commitment, which the corporation determines meets the conditions
23 described in sec. 100(k) of this chapter or which shall be secured
24 upon such terms and conditions as the corporation deems necessary or
25 practicable to insure all repayments [FOR A LOAN FROM THE HOUSING
26 DEVELOPMENT FUND];

27 * Sec. 7. AS 18.56.210(8) is amended to read:

28 (8) "land development" means the process of acquiring land
29 to be used primarily for construction of residential housing

1 [CONSTRUCTION FOR PERSONS OF LOWER INCOME] and making, installing or
2 constructing nonresidential housing improvements, including water,
3 sewer and other utilities, roads, streets, curbs, gutters, sidewalks,
4 storm drainage facilities and other installations or works, whether
5 on or off the site, which the corporation considers necessary or
6 desirable to prepare the land primarily for residential housing
7 construction;

8 * Sec. 8. AS 18.56.210(10) is amended to read:

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

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

17 (B) the size of the family;

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

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

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

25 * Sec. 9. AS 18.56.210(11) is amended to read:

26 (11) "residential housing" means a specific work or improve-
27 ment undertaken primarily to provide dwelling accommodations without
28 limitation as to form of lawful occupancy, whether rental, under
29 contract, fee ownership, cooperative housing, condominium or other

1 lawful forms of ownership, for persons of lower or moderate income,
2 or in remote, underdeveloped or blighted areas, including the
3 acquisition, construction or rehabilitation of land, buildings and
4 improvements thereto, and such other non-housing facilities as may be
5 incidental or appurtenant thereto;

6 * Sec. 10. AS 18.56.210 is amended by adding a new paragraph to read:

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

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

15 (B) the present availability and condition of
16 residential housing in and near the area;

17 (C) the cost of construction and rehabilitation of
18 residential housing in the area;

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

22 (E) the ability of residents of the area to finance the
23 purchase of residential housing or to rent or lease such housing
24 at rates comparable to those in effect in other areas of the state.

25 * Sec. 11. This Act takes effect on the day after its passage and
26 approval or on the day it becomes law without approval.
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29

March 1, 1972

The Honorable Eugene Guess
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99801

Dear Mr. Speaker:

Pursuant to the Uniform Rules of the Legislature, I am submitting a bill which would amend the Alaska Housing Finance Corporation Act to allow the Corporation to assist in the financing of a broader range of housing needs, to assist the Corporation in marketing long term bonds at the lowest possible interest cost, and enumerate more specifically their investment powers prior to their purchase of mortgages.

The proposed bill would add the powers to make mortgage purchases and housing loans to provide housing for persons of moderate income and to make mortgage purchases and to provide housing loans to provide housing in remote, underdeveloped or blighted areas. Such an amendment is necessary because of the fact that housing is of such high cost in Alaska that persons of moderate as well as persons of lower income are inhibited from achieving housing accommodations at a rent or mortgage payment structure which bears a reasonable relation to their income. In addition, in certain remote areas of the state mortgage money is unavailable for professional people who have been located in such areas to meet health and educational needs.

The proposed bill would also permit the Commissioner of Revenue to purchase residential mortgages which would also be pledged to secure the long term financing of the corporation. Under the present financing plan the state would receive the income on these mortgages, but these mortgages would remain pledged to the bond holders until the anticipated surplus income of the corporation reaches a certain percentage of the outstanding bonds. At that time the state would become the owner of the mortgage free and clear of any pledge. It should be noted that under the section of the bill which would authorize this transaction, the state can only invest funds in these pledged mortgages after thorough consideration of the ultimate security of the state's interest.

The Honorable Eugene Guess -2- March 1, 1972

Finally, the proposed bill would enumerate the specific investment powers of the Corporation pending the ultimate purchase of mortgages. This will give them almost identical investment powers as those of the Alaska State Housing Authority under AS 18.55.100(12). They will be able to invest in obligations, securities or investments in which banks or trust companies may legally invest reserves or sinking funds or in certificate of deposit or time deposits secured or guaranteed by the state or by the United States.

Sincerely,

William A. Egan
Governor

ALASKA STATE LEGISLATURE

SEVENTH Legislature SECOND Session

HOUSE BILL NO. 713

By THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

"An Act relating to the Alaska Housing Finance Corporation; and providing for an effective date."

Housing Finance Corp.

Introduced in the House 3/1, 1972

HISTORY IN THE HOUSE

1972

Mar 1

Read first time and referred to Committee on

State Affairs and Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS Yeas : Nays : Absent : Excused

Effective Date

PASS Yeas : Nays : Absent : Excused

Reported correctly engrossed Signed by Speaker Sent to Senate

HISTORY IN THE SENATE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS : Yeas
Nays
Absent
Excused

Effective Date

PASS : Yeas
Nays
Absent
Excused

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Reported correctly enrolled

Sent to Governor

..... By Governor

Filed with Lt. Governor

Char. ter No.

"An Act relating to the Alaska Housing Finance Corporation; and providing for an effective date."

Committee Report

FINANCE

3/1/72 HOUSE OF REPRESENTATIVES

March 2, 1972 Date

Mr. Speaker

The Committee on STATE AFFAIRS has had HB 713

under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for _____ and that CS for _____ do pass
- (and) recommends it be referred to the _____ committee
- reports it back without recommendation
- (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

~~Richard L. McVeigh~~ do pass

John M. Fischer do pass if amended

J. B. ... John ...

Mike Rose no rec.

Neil Hill

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

Mike Rose recommends: no recommendation

John Hoe recommends: Do NOT Pass

Richard L. McVeigh recommends: do pass

_____ recommends:

_____ recommends:

Richard L. McVeigh
CHAIRMAN

The Legislature of the State of Alaska
 FISCAL NOTE
 Second Session - Seventh State Legislature

I. REQUEST

Bill Identification: House Bill 713
 Title: Alaska Housing Finance Corporation - "Moderate Income"
 Requested by: Legislative Finance Date: 3/8/72
 Return Date Requested: 3/20/72
 Agency: Commerce Program: _____

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
100 PERSONAL SERVICES		90,000	99,000	108,000	118,800	130,600
200 TRAVEL		8,000	8,800	9,700	10,600	11,600
300 CONTRACTUAL		10,000	11,000	12,100	13,300	14,600
400 COMMODITIES		2,000	2,200	2,500	2,800	3,100
500 EQUIPMENT		2,000	2,200			
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		112,000	123,200	132,300	145,500	159,900

B. FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Since House Bill 713 calls for its implementation by the Alaska Housing Finance Corporation (Section 18.56.010c) and the Alaska Housing Finance Corporation is not funded by State or Federal monies either for development or administration but is designed to be self-supporting, the passage of the bill would not create any additional costs to the State. The AHFC will operate with funds provided by the private sector, either through short term notes or the sale of long term bonds. Its costs of administration will be derived from the difference between the cost of borrowing and returns on mortgages held and service fees.

IV. ATTACHMENTS

V. DATE: 3-17-72 PREPARED BY: R. J. Anthony

Original: Legislative Finance ✓
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) _____

STATE OF ALASKA

DEPARTMENT OF COMMERCE

OFFICE OF THE COMMISSIONER

WILLIAM A. EGAN, GOVERNOR

POUCH D — JUNEAU 99801

March 2, 1972

The Honorable Richard L. McVeigh
Representative
State Legislature
Pouch Y
Juneau, Alaska 99801

Dear Mr. McVeigh:

This is an analysis of House Bill 713 amendatory act for the Alaska Housing Finance Corporation requested by the Governor.

The basic change in the law expands the lending ability of the agency to persons of moderate income and to areas classified as "underdeveloped or blighted." As you can see, this means that the Agency will be able to lend to persons in many geographical areas who would not be classified as those of lower income. (I will elaborate more on this point later in the Act.)

Section 18.56.085 is a completely new section which enumerates the investment powers of the Commissioner of Revenue. This allows the Commissioner of Revenue to invest in mortgages and therefore will be used whenever the Commissioner of Revenue backs up the Housing Finance Corporation's notes or bonds.

Section 18.56.090 is a restatement of the general powers of the Corporation except that there is added a new Subsection 19. Subsection 19 sets forth the Agency's power to invest any monies or funds prior to purchasing mortgages. This Section is needed because the original act did not specifically allow the Agency to invest.

The amendment to Section 18.56.210 (7) would allow the Alaska Housing Finance Corporation to sell bonds or notes or other security interests which are backed up by mortgages of sufficient security and not limited to Federal Government insured or guaranteed mortgages.

Section 18.56.210 (10) adds another amendment which expands the Agency's ability to lend. The underlined phrase "or otherwise limited personal financial resources" would allow the Agency to lend money to people not only of moderate and lower income in blighted or underdeveloped areas, but also to people of much higher income who might for one reason or another have "limited personal financial resources."

The Honorable Richard L. McVeigh

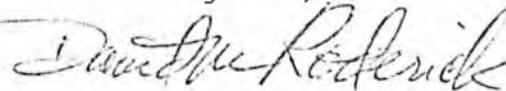
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March 2, 1972

Section AS 18.56.210 (12) is a new section defining remote underdeveloped or blighted areas. There is nothing new here.

I hope this is sufficient.

Best regards,

A handwritten signature in cursive script, appearing to read "David M. Roderick".

David M. Roderick
Consultant
Alaska Housing Finance
Corporation

STATE
of ALASKA

MEMORANDUM

TO: The Honorable Jay Hogan
House Finance Committee
State Capitol
Juneau, Alaska 99801

DATE : April 18, 1972

FROM:

Eric E. Wohlforth
Eric E. Wohlforth
Commissioner
Department of Revenue

SUBJECT: House Bill No. 713

I enclose a copy of the letter and suggested amendment to House Bill No. 713 which I mentioned on the telephone this morning.

EEW/1lh

Enclosure

Board Members

Albert H. Yacura, Chairman
Wayne Johnson, 1st Vice Chairman
Marvin Mitchell, 2nd Vice Chairman
Kenneth W. Kadow, Commissioner of Commerce
Charles W. Gunn, Member

Alaska HOUSING FINANCE CORPORATION

ROBERT E. BUTLER
EXECUTIVE DIRECTOR

R. L. GOTTBURG
MANAGING DIRECTOR

April 4, 1972

Honorable Richard McVeigh
Chairman, State Affairs Committee
House of Representatives
Alaska State Legislature
Juneau, AK 99801

Thru: Honorable Kenneth W. Kadow, Chairman
Department of Commerce

Dear Chairman McVeigh:

Concerning information requested by you last week, House Bill 713 is a bill which would amend the Alaska Housing Finance Corporation law enacted by the Alaska Legislature in 1971.

The changes in HB 713 are designed to bring moderate income people and certain unattended areas in Alaska within purview of the legislation and to give the AHFC more flexibility in operations, particularly in its ability to invest funds.

In addition to the changes shown above, we have found in the last several months of dealing in the purchase of mortgages in local markets that it would be extremely desirable to be able to purchase mortgages on Alaska low-income housing in other markets and to use more direct purchasing techniques.

Accordingly, we wish to further amend the original legislation by inserting a further section in HB 713 which would give AHFC the needed flexibility to purchase mortgages in less restricted markets and in a less restricted manner.

Honorable Richard McVeigh

-2-

April 4, 1972

This amendment was drafted by the Bond Counsel in New York, and by inserting it in HB 713 under Section 18.56.090, Sub-section (3) in lieu of the present Sub-section (3), we would accomplish the amendment of our present act if all of HB 713 is passed.

If, therefore, your committee could amend HB 713 by striking the present Sub-section (3), and inserting, in lieu thereof, the enclosed amendment we would appreciate it as it would make our work a great deal easier.

We will appreciate your comments.

Sincerely,

ALASKA HOUSING FINANCE CORPORATION

Robert E. Butler
Executive Director

Enclosures

Dick

HD&W Draft
3/29/72
AS 18.56.090(3)

(3) purchase or participate in the purchase of mortgage loans to sponsors, developers, builders, owners and purchasers of residential housing, if the corporation (a) has given approval prior to the initial making of such loan and has determined that mortgage loans were, at the time of such approval or determination, not otherwise available wholly or in part, from private lenders upon reasonably equivalent terms and conditions, or (b) has determined that such purchase or participation will result in additional residential housing, taking into account without limitation such factors as reinvestment of the proceeds of such sale in additional mortgage loans, increased availability of mortgage loans insured by the federal government, its agencies or departments, the reduction, if any, of interest payments to be made with respect to mortgage loans, or such other factors as will tend to increase or improve the supply of residential housing within the state.

*Incorporating suggested AHFC
amendments 199*

Introduced: 3/1/72
Referred: State Affairs
and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 713

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska Housing Finance
7 Corporation; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 18.56.010 is amended to read:

10 Sec. 18.56.010. FINDINGS AND PURPOSE. (a) There exists within
11 the state a serious shortage of decent, safe and sanitary residential
12 housing available at low prices or rentals to persons of lower or
13 moderate income. There also exist within the state remote, under-
14 developed or blighted areas where the development of decent, safe and
15 sanitary housing is necessary to economic growth. These conditions are
16 [THIS SHORTAGE IS] inimical to the safety, health, welfare and pros-
17 perity of the residents of the state and to the sound growth of urban
18 and rural communities.

19 (b) The legislature finds and declares that private enterprise
20 has not been able to provide, without assistance, an adequate supply
21 of safe and sanitary homes at prices or rents which persons of lower
22 or moderate income can afford, or to achieve rehabilitation of much
23 of the present housing for persons of lower or moderate income, or to
24 provide without assistance the housing necessary to promote the
25 economic growth of remote, underdeveloped or blighted areas, and that
26 existing state or federal programs are inadequate to meet the housing
27 needs of persons of lower or moderate income or of remote, under-
28 developed or blighted areas. It is imperative that the supply of
29 housing for persons of lower or moderate income and the housing

1 necessary to promote the economic growth of remote, underdeveloped or
2 blighted areas be increased and that coordination and cooperation
3 among private enterprise, state and local government be encouraged to
4 sponsor, build and rehabilitate residential housing for these persons.

5 (c) The legislature finds and declares further that, in
6 accomplishing this purpose, the creation of the Alaska Housing Finance
7 Corporation is essential to assist in the acquisition and development
8 of land and the construction, rehabilitation, financing, management,
9 maintenance, sale and rental of dwelling units for persons of lower
10 and moderate income or in remote, underdeveloped or blighted areas and
11 that these activities serve a public purpose in benefiting the people
12 of the state. The Alaska Housing Finance Corporation is empowered to
13 act on behalf of the state and its people in serving this public
14 purpose for the benefit of the general public.

15 * Sec. 2. AS 18.56 is amended by adding a new section to read:

16 Sec. 18.56.085. INVESTMENT OF STATE SURPLUS. Notwithstanding
17 other provision of law, when the commissioner of revenue determines
18 that there is in the state treasury a surplus above an amount sufficient
19 to meet current cash expenditure needs, the surplus may be invested,
20 in addition to the investments permitted by AS 37.10.070(a), in
21 residential mortgages owned by the corporation and secured by real
22 estate within the state, which investments shall be subject to the
23 terms and conditions that the corporation and the commissioner of
24 revenue may provide in any contract of sale. Investments allowed by
25 this section shall be made as provided for other investments of the
26 state money under AS 37.10.070(a), (f), (g), and (i). The terms and
27 conditions of any contract of sale authorized to be made under this
28 section may include but are not limited to:

29 (1) the investment by the state in a specified or

1 determinable amount of mortgages;

2 (2) the existence of a prior lien on and pledge of the
3 mortgages invested in by the state;

4 (3) provisions relating to the subordination of the state's
5 interest in and application of annual payments of principal and
6 interest or the proceeds of a permitted sale of, or insurance or pre-
7 payments on, the mortgages and;

8 (4) the right of the corporation to repurchase the mortgages
9 at a predetermined price.

10 * Sec. 3. AS 18.56.090 is repealed and re-enacted to read:

11 Sec. 18.56.090. GENERAL POWERS. In addition to other powers
12 granted in this chapter, the corporation may, for the purpose of
13 providing housing for persons of lower or moderate income or in remote
14 underdeveloped or blighted areas of the state

15 (1) make or participate in the making of construction loans
16 to sponsors, developers and builders of land development or residential
17 housing, if the corporation determines that construction loans are not
18 otherwise available, wholly or in part, from private lenders upon
19 reasonably equivalent terms and conditions;

20 (2) make or participate in the making of mortgage loans to
21 sponsors, developers, builders and purchasers of residential housing,
22 if the corporation determines that mortgage loans are not otherwise
23 available, wholly or in part, from private lenders upon reasonably
24 equivalent terms and conditions;

25 (3) purchase or participate in the purchase of mortgage
26 loans made to sponsors, developers, builders, owners and purchasers of
27 residential housing, if the corporation has given approval before the
28 initial making of the loan and has determined that mortgage loans were,
29 at the time such approval was given, not otherwise available, wholly or

1 in part, from private lenders upon reasonably equivalent terms and
2 conditions;

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

9 (5) make loans from the housing development fund;

10 (6) collect and pay reasonable fees and charges in
11 connection with making, purchasing and servicing its loans, notes,
12 bonds, commitments and other evidences of indebtedness;

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

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

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

29 (10) procure insurance against any loss in connection with

1 its operation;

2 (11) consent to the modification of the rate of interest,
3 time of payment of any installment of principal or interest, or any
4 other terms, of a mortgage loan, mortgage loan commitment, construction
5 loan, temporary loan, contract or agreement of any kind to which the
6 corporation is a party;

7 (12) borrow money to carry out and effectuate its corporate
8 purposes; and issue its obligations as evidence of the borrowing;

9 (13) include in any borrowing the amounts necessary to pay
10 financing charges, interest on the obligations for a period not
11 exceeding one year after the date on which the corporation estimates
12 funds will otherwise be available to pay the interest, consultant,
13 advisory and legal fees and other expenses necessary or incident to
14 this borrowing;

15 (14) make and publish rules and regulations respecting its
16 lending programs and other rules and regulations as are necessary to
17 effectuate its purposes;

18 (15) provide technical and advisory services to sponsors,
19 builders and developers of residential housing and to residents of the
20 housing;

21 (16) promote research and development in scientific methods
22 of constructing low-cost residential housing of high durability;

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

27 (18) receive, administer and comply with the conditions and
28 requirements respecting any appropriation or gift, grant or donation
29 of property or money;

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

9 (20) sue and be sued in its own name;

10 (21) adopt an official seal;

11 (22) adopt bylaws for the regulation of its affairs and the
12 conduct of its business and prescribe rules, regulations and policies
13 in connection with the performance of its functions and duties;

14 (23) employ fiscal consultants, engineers, attorneys, real
15 estate counselors, appraisers and such other consultants and employees
16 as may be required in the judgment of the corporation, and fix and pay
17 their compensation from funds available to the corporation; and

18 (24) to do all acts and things necessary, convenient or
19 desirable to carry out the powers expressly granted or necessarily
20 implied in this chapter.

21 * Sec. 4. AS 18.56.100(b)(2) is amended to read:

22 (2) provide to persons of lower or moderate income who are
23 applying for mortgages, the amounts required to make down payments and
24 pay closing costs and to housing owners the amounts applied for partial
25 rental payments and mortgage interest payments under sec. 90(4) of this
26 chapter; or

27 * Sec. 5. AS 18.56.210(3) is amended to read:

28 (3) "development costs" means the costs approved by the
29 corporation as appropriate expenditures which may be incurred by

1 sponsors, builders and developers of residential housing, before
2 commitment and initial advance of the proceeds of a construction loan
3 or of a mortgage loan, including but not limited to

4 (A) payments for options to purchase properties on
5 the proposed residential housing site, deposits on contracts of
6 purchase, or, with prior approval of the corporation, payments
7 for the purchase of the properties;

8 (B) legal and organizational expenses, including
9 payments of attorneys' fees, project manager, clerical and other
10 staff salaries, office rent and other incidental expenses;

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

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

14 and

15 (E) necessary application and other fees;

16 * Sec. 6. AS 18.56.210(7) is amended to read:

17 (7) "mortgage" or "mortgage loan" means a mortgage loan
18 for residential housing insured or guaranteed by the United States
19 or an instrumentality thereof or for which there is a commitment by
20 the United States or an instrumentality thereof to insure or guarantee
21 such a mortgage, or if not so insured or guaranteed or if there is no
22 such commitment, which the corporation determines meets the conditions
23 described in sec. 100(k) of this chapter or which shall be secured
24 upon such terms and conditions as the corporation deems necessary or
25 practicable to insure all repayments [FOR A LOAN FROM THE HOUSING
26 DEVELOPMENT FUND];

27 * Sec. 7. AS 18.56.210(8) is amended to read:

28 (8) "land development" means the process of acquiring land
29 to be used primarily for construction of residential housing

1 [CONSTRUCTION FOR PERSONS OF LOWER INCOME] and making, installing or
2 constructing nonresidential housing improvements, including water,
3 sewer and other utilities, roads, streets, curbs, gutters, sidewalks,
4 storm drainage facilities and other installations or works, whether
5 on or off the site, which the corporation considers necessary or
6 desirable to prepare the land primarily for residential housing
7 construction;

8 * Sec. 8. AS 18.56.210(10) is amended to read:

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

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

17 (B) the size of the family;

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

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

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

25 * Sec. 9. AS 18.56.210(11) is amended to read:

26 (11) "residential housing" means a specific work or improve-
27 ment undertaken primarily to provide dwelling accommodations without
28 limitation as to form of lawful occupancy, whether rental, under
29 contract, fee ownership, cooperative housing, condominium or other

1 lawful forms of ownership, for persons of lower or moderate income,
2 or in remote, underdeveloped or blighted areas, including the
3 acquisition, construction or rehabilitation of land, buildings and
4 improvements thereto, and such other non-housing facilities as may be
5 incidental or appurtenant thereto;

6 * Sec. 10. AS 18.56.210 is amended by adding a new paragraph to read:

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

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

15 (B) the present availability and condition of
16 residential housing in and near the area;

17 (C) the cost of construction and rehabilitation of
18 residential housing in the area;

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

22 (E) the ability of residents of the area to finance the
23 purchase of residential housing or to rent or lease such housing
24 at rates comparable to those in effect in other areas of the state.

25 * Sec. 11. This Act takes effect on the day after its passage and
26 approval or on the day it becomes law without approval.
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21 residential mortgages owned by the corporation and secured by real
22 estate within the state, which investments shall be subject to the
23 terms and conditions that the corporation and the commissioner of
24 revenue may provide in any contract of sale. Investments allowed by
25 this section shall be made as provided for other investments of the
26 state money under AS 37.10.070(a), (f), (g), and (i). The terms and
27 conditions of any contract of sale authorized to be made under this
28 section may include but are not limited to:

29 (1) the investment by the state in a specified or

1 determinable amount of mortgages;

2 (2) the existence of a prior lien on and pledge of the
3 mortgages invested in by the state;

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5 interest in and application of annual payments of principal and
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16 to sponsors, developers and builders of land development or residential
17 housing, if the corporation determines that construction loans are not
18 otherwise available, wholly or in part, from private lenders upon
19 reasonably equivalent terms and conditions;

20 (2) make or participate in the making of mortgage loans to
21 sponsors, developers, builders and purchasers of residential housing,
22 if the corporation determines that mortgage loans are not otherwise
23 available, wholly or in part, from private lenders upon reasonably
24 equivalent terms and conditions;

25 (3) purchase or participate in the purchase of mortgage
26 loans made to sponsors, developers, builders, owners and purchasers of
27 residential housing, if the corporation has given approval before the
28 initial making of the loan and has determined that mortgage loans were,
29 at the time such approval was given, not otherwise available, wholly or

1 in part, from private lenders upon reasonably equivalent terms and
2 conditions;

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

9 (5) make loans from the housing development fund;

10 (6) collect and pay reasonable fees and charges in
11 connection with making, purchasing and servicing its loans, notes,
12 bonds, commitments and other evidences of indebtedness;

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

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

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

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1 its operation;

2 (11) consent to the modification of the rate of interest,
3 time of payment of any installment of principal or interest, or any
4 other terms, of a mortgage loan, mortgage loan commitment, construction
5 loan, temporary loan, contract or agreement of any kind to which the
6 corporation is a party;

7 (12) borrow money to carry out and effectuate its corporate
8 purposes; and issue its obligations as evidence of the borrowing;

9 (13) include in any borrowing the amounts necessary to pay
10 financing charges, interest on the obligations for a period not
11 exceeding one year after the date on which the corporation estimates
12 funds will otherwise be available to pay the interest, consultant,
13 advisory and legal fees and other expenses necessary or incident to
14 this borrowing;

15 (14) make and publish rules and regulations respecting its
16 lending programs and other rules and regulations as are necessary to
17 effectuate its purposes;

18 (15) provide technical and advisory services to sponsors,
19 builders and developers of residential housing and to residents of the
20 housing;

21 (16) promote research and development in scientific methods
22 of constructing low-cost residential housing of high durability;

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

27 (18) receive, administer and comply with the conditions and
28 requirements respecting any appropriation or gift, grant or donation
29 of property or money;

1 (19) invest or reinvest, subject to its contracts with
2 noteholders and bondholders, any monies or funds held by the corpora-
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4 banks or trust companies in the state may legally invest funds held in
5 reserves or sinking funds or any funds not required for immediate
6 disbursement, and in certificates of deposit or time deposits secured
7 by obligations of, or guaranteed by, the state or the United States of
8 America;

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24 provide without assistance the housing necessary to promote the
25 economic growth of remote, underdeveloped or blighted areas, and that
26 existing state or federal programs are inadequate to meet the housing
27 needs of persons of lower or moderate income or of remote, under-
28 developed or blighted areas. It is imperative that the supply of
29 housing for persons of lower or moderate income and the housing

1 necessary to promote the economic growth of remote, underdeveloped or
2 blighted areas be increased and that coordination and cooperation
3 among private enterprise, state and local government be encouraged to
4 sponsor, build and rehabilitate residential housing for these persons.

5 (c) The legislature finds and declares further that, in
6 accomplishing this purpose, the creation of the Alaska Housing Finance
7 Corporation is essential to assist in the acquisition and development
8 of land and the construction, rehabilitation, financing, management,
9 maintenance, sale and rental of dwelling units for persons of lower
10 and moderate income or in remote, underdeveloped or blighted areas and
11 that these activities serve a public purpose in benefiting the people
12 of the state. The Alaska Housing Finance Corporation is empowered to
13 act on behalf of the state and its people in serving this public
14 purpose for the benefit of the general public.

15 * Sec. 2. AS 18.55 is amended by adding a new section to read:

16 Sec. 18.56.085. INVESTMENT OF STATE SURPLUS. Notwithstanding
17 other provision of law, when the commissioner of revenue determines
18 that there is in the state treasury a surplus above an amount sufficient
19 to meet current cash expenditure needs, the surplus may be invested,
20 in addition to the investments permitted by AS 37.10.070(a), in
21 residential mortgages owned by the corporation and secured by real
22 estate within the state, which investments shall be subject to the
23 terms and conditions that the corporation and the commissioner of
24 revenue may provide in any contract of sale. Investments allowed by
25 this section shall be made as provided for other investments of the
26 state money under AS 37.10.070(a), (f), (g), and (i). The terms and
27 conditions of any contract of sale authorized to be made under this
28 section may include but are not limited to:

29 (1) the investment by the state in a specified or

1 determinable amount of mortgages;

2 (2) the existence of a prior lien on and pledge of the
3 mortgages invested in by the state;

4 (3) provisions relating to the subordination of the state's
5 interest in and application of annual payments of principal and
6 interest or the proceeds of a permitted sale of, or insurance or pre-
7 payments on, the mortgages and;

8 (4) the right of the corporation to repurchase the mortgages
9 at a predetermined price.

10 * Sec. 3. AS 18.56.090 is repealed and re-enacted to read:

11 Sec. 18.56.090. GENERAL POWERS. In addition to other powers
12 granted in this chapter, the corporation may, for the purpose of
13 providing housing for persons of lower or moderate income or in remote
14 underdeveloped or blighted areas of the state

15 (1) make or participate in the making of construction loans
16 to sponsors, developers and builders of land development or residential
17 housing, if the corporation determines that construction loans are not
18 otherwise available, wholly or in part, from private lenders upon
19 reasonably equivalent terms and conditions;

20 (2) make or participate in the making of mortgage loans to
21 sponsors, developers, builders and purchasers of residential housing,
22 if the corporation determines that mortgage loans are not otherwise
23 available, wholly or in part, from private lenders upon reasonably
24 equivalent terms and conditions;

25 (3) purchase or participate in the purchase of mortgage
26 loans made to sponsors, developers, builders, owners and purchasers of
27 residential housing, if the corporation has given approval before the
28 initial making of the loan and has determined that mortgage loans were,
29 at the time such approval was given, not otherwise available, wholly or

1 in part, from private lenders upon reasonably equivalent terms and
2 conditions;

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

9 (5) make loans from the housing development fund;

10 (6) collect and pay reasonable fees and charges in
11 connection with making, purchasing and servicing its loans, notes,
12 bonds, commitments and other evidences of indebtedness;

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

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

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

29 (10) procure insurance against any loss in connection with

1 its operation;

2 (11) consent to the modification of the rate of interest,
3 time of payment of any installment of principal or interest, or any
4 other terms, of a mortgage loan, mortgage loan commitment, construction
5 loan, temporary loan, contract or agreement of any kind to which the
6 corporation is a party;

7 (12) borrow money to carry out and effectuate its corporate
8 purposes; and issue its obligations as evidence of the borrowing;

9 (13) include in any borrowing the amounts necessary to pay
10 financing charges, interest on the obligations for a period not
11 exceeding one year after the date on which the corporation estimates
12 funds will otherwise be available to pay the interest, consultant,
13 advisory and legal fees and other expenses necessary or incident to
14 this borrowing;

15 (14) make and publish rules and regulations respecting its
16 lending programs and other rules and regulations as are necessary to
17 effectuate its purposes;

18 (15) provide technical and advisory services to sponsors,
19 builders and developers of residential housing and to residents of the
20 housing;

21 (16) promote research and development in scientific methods
22 of constructing low-cost residential housing of high durability;

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

27 (18) receive, administer and comply with the conditions and
28 requirements respecting any appropriation or gift, grant or donation
29 of property or money;

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

9 (20) sue and be sued in its own name;

10 (21) adopt an official seal;

11 (22) adopt bylaws for the regulation of its affairs and the
12 conduct of its business and prescribe rules, regulations and policies
13 in connection with the performance of its functions and duties;

14 (23) employ fiscal consultants, engineers, attorneys, real
15 estate counselors, appraisers and such other consultants and employees
16 as may be required in the judgment of the corporation, and fix and pay
17 their compensation from funds available to the corporation; and

18 (24) to do all acts and things necessary, convenient or
19 desirable to carry out the powers expressly granted or necessarily
20 implied in this chapter.

21 * Sec. 4. AS 18.56.100(b)(2) is amended to read:

22 (2) provide to persons of lower or moderate income who are
23 applying for mortgages, the amounts required to make down payments and
24 pay closing costs and to housing owners the amounts applied for partial
25 rental payments and mortgage interest payments under sec. 90(4) of this
26 chapter; or

27 * Sec. 5. AS 18.56.210(3) is amended to read:

28 (3) "development costs" means the costs approved by the
29 corporation as appropriate expenditures which may be incurred by

1 sponsors, builders and developers of residential housing, before
2 commitment and initial advance of the proceeds of a construction loan
3 or of a mortgage loan, including but not limited to

4 (A) payments for options to purchase properties on
5 the proposed residential housing site, deposits on contracts of
6 purchase, or, with prior approval of the corporation, payments
7 for the purchase of the properties;

8 (B) legal and organizational expenses, including
9 payments of attorneys' fees, project manager, clerical and other
10 staff salaries, office rent and other incidental expenses;

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

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

14 and

15 (E) necessary application and other fees;

16 * Sec. 6. AS 18.56.210(7) is amended to read:

17 (7) "mortgage" or "mortgage loan" means a mortgage loan
18 for residential housing insured or guaranteed by the United States
19 or an instrumentality thereof or for which there is a commitment by
20 the United States or an instrumentality thereof to insure or guarantee
21 such a mortgage, or if not so insured or guaranteed or if there is no
22 such commitment, which the corporation determines meets the conditions
23 described in sec. 100(k) of this chapter or which shall be secured
24 upon such terms and conditions as the corporation deems necessary or
25 practicable to insure all repayments [FOR A LOAN FROM THE HOUSING
26 DEVELOPMENT FUND];

27 * Sec. 7. AS 18.56.210(8) is amended to read:

28 (8) "land development" means the process of acquiring land
29 to be used primarily for construction of residential housing

1 [CONSTRUCTION FOR PERSONS OF LOWER INCOME] and making, installing or
2 constructing nonresidential housing improvements, including water,
3 sewer and other utilities, roads, streets, curbs, gutters, sidewalks,
4 storm drainage facilities and other installations or works, whether
5 on or off the site, which the corporation considers necessary or
6 desirable to prepare the land primarily for residential housing
7 construction;

8 * Sec. 8. AS 18.56.210(10) is amended to read:

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

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

17 (B) the size of the family;

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

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

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

25 * Sec. 9. AS 18.56.210(11) is amended to read:

26 (11) "residential housing" means a specific work or improve-
27 ment undertaken primarily to provide dwelling accommodations without
28 limitation as to form of lawful occupancy, whether rental, under
29 contract, fee ownership, cooperative housing, condominium or other

1 lawful forms of ownership, for persons of lower or moderate income,
2 or in remote, underdeveloped or blighted areas, including the
3 acquisition, construction or rehabilitation of land, buildings and
4 improvements thereto, and such other non-housing facilities as may be
5 incidental or appurtenant thereto;

6 * Sec. 10. AS 18.56.210 is amended by adding a new paragraph to read:

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

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

15 (B) the present availability and condition of
16 residential housing in and near the area;

17 (C) the cost of construction and rehabilitation of
18 residential housing in the area;

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

22 (E) the ability of residents of the area to finance the
23 purchase of residential housing or to rent or lease such housing
24 at rates comparable to those in effect in other areas of the state.

25 * Sec. 11. This Act takes effect on the day after its passage and
26 approval or on the day it becomes law without approval.
27
28
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RECORDS CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James C. Smith
Signature of Camera Operator

4/4/89
Date

Introduced: 3/3/72
Referred: Health, Welfare
and Education and Finance

BY THE COMMERCE COMMITTEE
BY THE COMMERCE COMMITTEE

1 IN THE HOUSE

2 HOUSE BILL NO. 715

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act appropriating to the Anchorage Community
7 Hospital; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. The sum of \$20,000 is appropriated from the general fund to
10 the Anchorage Community Hospital for the costs of expanding a kidney disease
11 treatment program.

12 * Sec. 2. This Act takes effect July 1, 1972.

ALASKA STATE LEGISLATURE

SEVENTH Legislature SECOND Session

HOUSE BILL NO. 715.

By ... THE COMMERCE COMMITTEE ..

"An Act appropriating to the Anchorage Community Hospital; and providing for an effective date."

Hospital, Anchorage

Introduced in the House ... 3/3/, 1972.

HISTORY IN THE HOUSE

19 72

Mar 3

Read first time and referred to Committee on

Health, Welfare & Education and Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS

Yeas
Nays
: Absent
Excused

Effective Date

PASS

Yeas
Nays
: Absent
Excused

Reported correctly engrossed
Signed by Speaker
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS : Yeas
Nays
Absent
Excused

Effective Date

PASS : Yeas
Nays
Absent
Excused

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Reported correctly enrolled

Sent to Governor

..... By Governor

Filed with Lt. Governor

Chapter No.

"An Act appropriating to the Anchorage Community Hospital; and providing for an effective date."

Committee Report

HOUSE OF REPRESENTATIVES

4/19/72

_____ Date

Mr. Speaker

The Committee on FINANCE has had HB 715

under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for _____ and that
CS for _____ do pass
- (and) recommends it be referred to the _____
committee
- reports it back without recommendation
- (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____	recommends:
_____	recommends:
_____	recommends:
_____	recommends:
_____	recommends:

_____ CHAIRMAN

"An Act appropriating to the Anchorage Community Hospital; and providing for an effective date."

Committee Report

3/3/72

FINANCE

HOUSE OF REPRESENTATIVES

April 18, 1972

Date

Mr. Speaker

The Committee on HWE has had HB 715

under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for _____ and that CS for _____ do pass
- (and) recommends it be referred to the _____ committee
- reports it back without recommendation
- (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

Genie Chance _____

E. Nantano _____

K. Specking _____

Mike Colletta _____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

Carl E. Moses recommends: that this be handled through local revenue sharing.

M. B. Moore recommends: that this be handled by Dept of health and Social Services.

_____ recommends:

_____ recommends:

_____ recommends:

Genie Chance
CHAIRMAN

Introduced: 3/3/72
Referred: Health, Welfare
and Education and Finance

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2 HOUSE BILL NO. 715

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act appropriating to the Anchorage Community
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RECORDS CERTIFICATION



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James D. Smith
Signature of Camera Operator

4/4/89
Date

Introduced: 3/3/72
Referred: Health, Welfare &
Education and Finance

BY THE HEALTH, WELFARE
AND EDUCATION COMMITTEE

1 IN THE HOUSE

2 HOUSE BILL NO. 717

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act appropriating to the Department of Health and
7 Social Services, office of comprehensive health
8 planning; and providing for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. The sum of \$200,000 is appropriated from the general fund
11 to the Department of Health and Social Services, office of comprehensive
12 health planning to adequately staff state comprehensive health planning
13 activities and to form local comprehensive health planning councils.

14 * Sec. 2. This Act takes effect July 1, 1972.
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ALASKA STATE LEGISLATURE

SEVENTH Legislature SECOND Session

HOUSE BILL NO. 717

By THE HEALTH, WELFARE AND EDUCATION COMMITTEE

"An Act appropriating to the Department of Health and Social Services, office of comprehensive health planning; and providing for an effective date."

Dept. Health & Soc. Svs. appro

Introduced in the House 3/31, 1972

HISTORY IN THE HOUSE

19 72

Mar 3

Read first time and referred to Committee on

HW&E and Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS Yeas : Nays Absent Excused

Effective Date

PASS Yeas : Nays Absent Excused

Reported correctly engrossed Signed by Speaker Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS : Yeas
: Nays
: Absent
: Excused

Effective Date

PASS : Yeas
: Nays
: Absent
: Excused

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Reported correctly enrolled

Sent to Governor

..... By Governor

Filed with Lt. Governor

Chapter No.

"An Act appropriating to the Department of Health and Social Services, office of comprehensive health planning; and providing for an effective date."

Committee Report

HOUSE OF REPRESENTATIVES

3/30/72

_____ Date

Mr. Speaker

The Committee on FINANCE has had HB 717

under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for _____ and that
CS for _____ do pass
- (and) recommends it be referred to the _____
committee
- reports it back without recommendation
- (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____	recommends:	
_____	recommends:	
_____	recommends:	
_____	recommends:	
_____	recommends:	

CHAIRMAN

"An Act appropriating to the Department of Health and Social Services, office of comprehensive health planning; and providing for an effective date."

Committee Report

3/3/72

FINANCE

HOUSE OF REPRESENTATIVES

29 Mar. 1972 Date

Mr. Speaker

The Committee on HWE has had HB 717

under consideration. A majority of the members of the Committee

- recommends it do pass
recommends it do not pass
recommends it do pass with attached amendment(s)
recommends it be replaced with CS for ... and that CS for ... do pass
(and) recommends it be referred to the ... committee
reports it back without recommendation
(other)

MEMBERS SIGNING THE MAJORITY REPORT:

Signatures of committee members: Genie Chance, Richard Whitaker, M. B. Moore, E. ... , K. ...

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

- recommends:
recommends:
recommends:
recommends:
recommends:

Signature of Genie Chance, CHAIRMAN

Introduced: 3/3/72
Referred: Health, Welfare &
Education and Finance

1 IN THE HOUSE

BY THE HEALTH, WELFARE
AND EDUCATION COMMITTEE

2 HOUSE BILL NO. 717

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act appropriating to the Department of Health and
7 Social Services, office of comprehensive health
8 planning; and providing for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. The sum of \$200,000 is appropriated from the general fund
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12 health planning to adequately staff state comprehensive health planning
13 activities and to form local comprehensive health planning councils.

14 * Sec. 2. This Act takes effect July 1, 1972.
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Ketchikan General Hospital

3100 TONGASS AVE.

Ketchikan, Alaska 99901

March 14, 1972

The Honorable George H. Hohman
Chairman, Finance Committee
Alaska State House of Representatives
Pouch V, State Capitol Building
Juneau, Alaska 99801

Dear Mr. Hohman:

I am in support of House ~~Bill No. 717~~ appropriating additional funds to the office of Comprehensive Health Planning to adequately staff the state Comprehensive Health Planning activities. We have increased the duties of this office considerably over the last few years without the necessary appropriation of funds. I urge that you support House Bill No. 717.

Thank you.

Sincerely,

Sister Monica Heeran
Sister Monica Heeran
Administrator

SMH:skf



RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James D. Smith
Signature of Camera Operator

4/4/89
Date

Introduced: 3/15/72
Referred: State Affairs
and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 735

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the establishment of a program for
7 assistance for housing and related facilities for
8 Alaskans who are unable to finance housing; and
9 providing for an effective date.

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 * Section 1. The governor is authorized to modify the existing Alaska
12 remote housing program so that it will complement existing federal low-rent
13 programs under the department of housing and urban development. The program
14 shall provide housing and related facilities for Alaska residents in rural
15 areas upon terms and conditions they can afford.

16 * Sec. 2. The program shall:

17 (1) specify the minimum and maximum standards for the
18 housing and related facilities. (These may not exceed an average of
19 \$35,000 per dwelling unit for construction costs. Administrative costs
20 of the program may not exceed 10 per cent of construction costs.);

21 (2) to the extent feasible, the program established by this
22 Act shall be coordinated with the planning and construction activities
23 undertaken in conjunction with existing federal low-cost programs under
24 the department of housing and urban development, but with program
25 eligibility established to provide housing for Alaskan residents of
26 rural areas not eligible for housing under existing federal low-cost^{Rent}
27 programs.

28 (3) provide for, and encourage participation in self-
29 government and individual home ownership.

735-

March 15, 1972

The Honorable Eugene Guess
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99801

Dear Mr. Speaker:

Pursuant to the Uniform Rules of the Legislature, I am transmitting a bill to repeal a 1967 temporary act which authorized the remote housing program, and which substitutes a new authorization. The new authorization calls for a continuation of the program, but the continued program is modified to complement the President's Indian Housing Program. Cost ceilings are also revised.

Sincerely,

William A. Egan
Governor

ALASKA STATE LEGISLATURE

SEVENTH Legislature SECOND... Session

HOUSE BILL NO. 735

By THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

"An Act relating to the establishment of a program for assistance for housing and related facilities for Alaskans who are unable to finance housing; and providing for an effective date."

Housing/assistance

Introduced in the House. 3/15/ , 19 72

HISTORY IN THE HOUSE

19 72

Mar 15

Read first time and referred to Committee on State Affairs and Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS : Yeas Nays Absent Excused

Effective Date

PASS : Yeas Nays Absent Excused

Reported correctly engrossed Signed by Speaker Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS : Yeas
: Nays
: Absent
: Excused

Effective Date

PASS : Yeas
: Nays
: Absent
: Excused

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Reported correctly enrolled

Sent to Governor

..... By Governor

Filed with Lt. Governor

Chapter No.

"An Act relating to the establishment of a program for assistance for housing and related facilities for Alaskans who are unable to finance housing; and providing for an effective date. **Committee Report**

HOUSE OF REPRESENTATIVES

3/24/72

Mr. Speaker

_____ Date

The Committee on FINANCE has had HB 735 under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for _____ and that CS for _____ do pass
- (and) recommends it be referred to the _____ committee
- reports it back without recommendation
- (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends:
_____ recommends:
_____ recommends:
_____ recommends:
_____ recommends:

_____ CHAIRMAN

"An Act relating to the establishment of a program for assistance for housing and related facilities for Alaskans who are unable to finance housing; and providing for an effective **Committee Report** date."

3/15/72

HOUSE OF REPRESENTATIVES

State Affairs
FINANCE

March 22, 1972 Date

Mr. Speaker

The Committee on STATE AFFAIRS has had HB 735 under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for _____ and that CS for _____ do pass
- (and) recommends it be referred to the _____ committee
- reports it back without recommendation
- (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

<u>Richard L. McVeigh</u>	<u>Mike Roper</u>	_____
<u>L.H. Barber</u>	<u>Neil Hill</u>	_____
<u>Allen M. Fischer</u>	<u>John Huber</u>	_____
<u>L.H. Barber</u>		_____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

<u>Jess Harris</u>	recommends: <u>DO NOT PASS</u>
<u>Don Hill</u>	recommends: <u>No Rec.</u>
<u>James Morgan</u>	recommends: <u>DO PASS IF AMENDED</u>
_____	recommends:
_____	recommends:

Richard L. McVeigh
CHAIRMAN

A M E N D M E N T

Offered in the HOUSE

By State Affairs Committee

To: _____ HOUSE BILL NO. 735
_____ SENATE BILL NO. _____

AMENDMENT: Page _____ Line _____

(Line 23, page 1) Delete the word "low-cost" and insert "low-rent"

(Line 26, page 1) Delete the word "low-cost" and insert "low-rent"

(Line 28, page 1) Delete all of lines 28 and 29. Insert in lieu:
"(3) the income of participants receiving housing through this program shall be reviewed annually and the amount of principal repayment and grant and the repayment interest rate may be adjusted pursuant to regulations duly promulgated and adopted. When a participant's income increases beyond the eligibility limits provided by regulation, the rate of interest applicable to his contract of purchase shall be adjusted to the then prevailing rate of interest in the Alaska housing market, and he will be required to repay up to 100% of the unamortized balance of the cost of the dwelling."