

Leg. Finance - Finance Comte Files (1971-72) 8879

HB 159 cont., 160, 167

Introduced: 2/8/71
Referred: Labor & Management
and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE
BY REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 159

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act extending employment security coverage to
7 employees of the state; and providing for an
8 effective date."

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

10 * Section 1. AS 23.20.130(b) is amended by adding a new paragraph
11 to read:

12 (9) reimbursement of benefits paid pursuant to sec. 272
13 of this chapter.

14 * Sec. 2. AS 23.20 is amended by adding a new section to read:

15 Sec. 23.20.272. STATE PAYMENTS TO THE FUND. (a) Notwith-
16 standing secs. 165 - 270 of this chapter, the state, in lieu of
17 employer and employee contributions required by this chapter, shall
18 pay to the commissioner for the unemployment compensation fund an
19 amount equivalent to the amount of benefits paid to individuals
20 based upon wages paid by the state.

21 (b) If an individual during the base period was employed by
22 both the state and other employers subject to the provisions of this
23 chapter, the amount to be paid into the fund by the state, with
24 respect to that individual, shall be an amount equal to the
25 additional cost of benefit payments made from the fund which would
26 not have been incurred but for the inclusion of earnings from state
27 employment in the individual's determination of benefit rights.

28 (c) The amount of payments required under this section to be
29 paid into the fund shall be determined by the department once each

1 quarter and paid at the times and in the manner prescribed by the
2 commissioner.

3 * Sec. 3. AS 23.20.25(a) is amended to read:

4 (a) A service performed for an employing unit, including [STATE
5 DEPARTMENTS AND AGENCIES,] municipalities [,] or other political
6 subdivisions of the state, which is excluded under the definition
7 of employment, and with respect to which no payments are required
8 under the employment security law of another state or of the federal
9 government, is considered employment for all purposes of this
10 chapter if the department approves a written election to that effect
11 filed by the employing unit for which the service is performed, as
12 of the date stated in the approval. The department may not approve
13 an election unless it (1) includes all the service of the type
14 specified in each establishment or place of business for which the
15 election is made, and (2) is made for not less than two calendar
16 years.

17 * Sec. 4. AS 23.20.520(12) is amended to read:

18 (12) "employing unit" means an individual or type of
19 organization, the State of Alaska, a partnership, or association,
20 trust, estate, joint trust company, insurance company or domestic
21 or foreign corporation, or the receiver, referee in bankruptcy,
22 trustee, or successor of one of these, or the legal representative
23 of a deceased person, which has or subsequent to January 1, 1937,
24 had one or more individuals performing service for it within
25 the state; an individual performing services inside the state for
26 an employing unit which maintains two or more separate establishments
27 inside the state is considered as employed by a single employing
28 unit for the purposes of this chapter;

29 * Sec. 5. AS 23.20.525(b) is amended by adding a new paragraph to read:

1 (5) service performed on and after April 1, 1970 by an
2 individual for the state.

3 * Sec. 6. AS 23.20.525(c)(12) is amended to read:

4 (12) service performed in the employ of [THIS STATE OR]
5 a municipality or other political subdivision of this state, except
6 as provided in sec. 325 of this chapter;

7 * Sec. 7. AS 23.20.525(c) is amended by adding a new paragraph to read:

8 (22) service performed for the State of Alaska by:

9 (A) persons elected to public office by popular
10 vote or appointed to fill vacancies in elected offices;

11 (B) justices of the supreme court, judges of the
12 superior court, judges and magistrates of other state courts
13 established by law;

14 (C) the administrative director of the state court
15 system;

16 (D) the chief administrative officer of each house
17 of the legislature;

18 (E) the head of each principal department in the
19 executive branch;

20 (F) patients and inmates employed in state
21 institutions;

22 (G) persons employed in a professional capacity to
23 make a temporary and special inquiry, study, or examination as
24 authorized by the governor, the legislature, or a legislative
25 committee; and

26 (H) members of boards, commissions or authorities.

27 * Sec. 8. Notwithstanding the provisions of AS 23.20.272(a) the state
28 is not required to reimburse the unemployment compensation fund for the
29 amount of benefits paid by the state after June 30, 1971 where such

1 benefits were based on wages paid by the state before July 1, 1971 and
2 on which contributions were paid.

3 * Sec. 9. AS 23.20.525(b)(5) is effective only as to benefit years
4 established after June 30, 1971.

5 * Sec. 10. This Act takes effect July 1, 1971.
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ALASKA DEPARTMENT OF LABOR

EMPLOYMENT SECURITY DIVISION

MEMORANDUM

To : George Hohman, Chairman
House Finance Committee

From : *Henry A. Benson*
Henry A. Benson, Commissioner
Department of Labor

Subject : House Bill #159

Date : March 8, 1971

Attached for your committee's consideration is a fiscal note for House Bill #159, "An Act Extending Employee Security Coverage to Employees of The State." We have included enough copies for each of your committee members.

Attachment

Introduced: 2/8/71
Referred: Labor & Management
and Finance

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18 pay to the commissioner for the unemployment compensation fund an
19 amount equivalent to the amount of benefits paid to individuals
20 based upon wages paid by the state.

21 (b) If an individual during the base period was employed by
22 both the state and other employers subject to the provisions of this
23 chapter, the amount to be paid into the fund by the state, with
24 respect to that individual, shall be an amount equal to the
25 additional cost of benefit payments made from the fund which would
26 not have been incurred but for the inclusion of earnings from state
27 employment in the individual's determination of benefit rights.

28 (c) The amount of payments required under this section to be
29 paid into the fund shall be determined by the department once each

1 quarter and paid at the times and in the manner prescribed by the
2 commissioner.

3 * Sec. 3. AS 23.20.325(a) is amended to read:

4 (a) A service performed for an employing unit, including [STATE
5 DEPARTMENTS AND AGENCIES,] municipalities [,] or other political
6 subdivisions of the state, which is excluded under the definition
7 of employment, and with respect to which no payments are required
8 under the employment security law of another state or of the federal
9 government, is considered employment for all purposes of this
10 chapter if the department approves a written election to that effect
11 filed by the employing unit for which the service is performed, as
12 of the date stated in the approval. The department may not approve
13 an election unless it (1) includes all the service of the type
14 specified in each establishment or place of business for which the
15 election is made, and (2) is made for not less than two calendar
16 years.

17 * Sec. 4. AS 23.20.520(12) is amended to read:

18 (12) "employing unit" means an individual or type of
19 organization, the State of Alaska, a partnership, or association,
20 trust, estate, joint trust company, insurance company or domestic
21 or foreign corporation, or the receiver, referee in bankruptcy,
22 trustee, or successor of one of these, or the legal representative
23 of a deceased person, which has or subsequent to January 1, 1937,
24 had one or more individuals performing service for it within
25 the state; an individual performing services inside the state for
26 an employing unit which maintains two or more separate establishments
27 inside the state is considered as employed by a single employing
28 unit for the purposes of this chapter;

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6 as provided in sec. 325 of this chapter;

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8 (22) service performed for the State of Alaska by:

9 (A) persons elected to public office by popular
10 vote or appointed to fill vacancies in elected offices;

11 (B) justices of the supreme court, judges of the
12 superior court, judges and magistrates of other state courts
13 established by law;

14 (C) the administrative director of the state court
15 system;

16 (D) the chief administrative officer of each house
17 of the legislature;

18 (E) the head of each principal department in the
19 executive branch;

20 (F) patients and inmates employed in state
21 institutions;

22 (G) persons employed in a professional capacity to
23 make a temporary and special inquiry, study, or examination as
24 authorized by the governor, the legislature, or a legislative
25 committee; and

26 (H) members of boards, commissions or authorities.

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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 D. Smith
Signature of Camera Operator

4/4/89
Date

Introduced: 2/8/71
Referred: Health, Welfare &
Education and Finance

BY THE RULES COMMITTEE
BY REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 160

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act appropriating to the office of the governor
7 for a professional study of income needs; and
8 providing for an effective date."

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

10 * Section 1. The sum of \$100,000 is appropriated to the office of
11 the governor to conduct professional actuary research directed toward
12 providing ways and means for senior citizens of normal retirement age
13 to remain in Alaska and enjoy a satisfactory standard of living, should
14 such citizens choose to do so.

15 * Sec. 2. This Act takes effect on the day after its passage and
16 approval or on the day it becomes law without approval.
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COMMITTEE COPY

160
February 8, 1971

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

Dear Mr. Speaker:

Pursuant to State Law and the Uniform Rules of the Legislature, I am submitting an appropriation bill which will permit the Office of the Governor to undertake research of the ways and means of providing sufficient financial support so that senior citizens of Alaska, who desire to remain in this land they love, will have enough income to remain here rather than to involuntarily retire elsewhere solely because of Alaska's high cost of living problem.

The needs of the senior citizens of this State are among the paramount concerns of this Administration. In order that we may proceed on a course directed towards meeting these needs through effective administrative and legislative action, it is imperative that we carefully search out the many components of a satisfactory standard of living for our senior citizens. The funds requested will be utilized to define those areas in which this State can most effectively take action to improve the well being of its senior citizens. By utilizing the skills of professional actuaries, familiar with plans and programs intended to provide for the senior citizens and retired persons in other states, it is our hope to develop a program which will permit retired persons to remain in the state of Alaska and thereby to preserve for this State a valuable human resource.

The Honorable Eugene Guess -2- February 8, 1971

Those engaged in the actuarial information program will be directed to determine how many citizens age 65 or older presently reside in Alaska, and how many senior citizens in that age category will likely reside here over the next ten years. These people will also be directed to determine how each present old age or normal retirement support program under the Federal Government, state of Alaska, and private business and industry, might dovetail into one another, and to make positive suggestions and recommendations as to how the state of Alaska might proceed in its desire to evolve a favorable financial support increment within our capabilities on a sound and stable basis.

Sincerely,

William A. Egan
Governor

POOR COPY

ALASKA STATE LEGISLATURE

SEVENTH Legislature FIRST Session

HOUSE BILL NO. 160

By ~~THE RULES COMMITTEE BY~~
REQUEST OF THE GOVERNOR

"An Act appropriating to the office of the governor for a professional study of income needs; and providing for an effective date."

Study/income needs

Introduced in the House 2/8/ 19 71

HISTORY IN THE HOUSE

19 71

Feb 8

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

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 Secy. State

Chapter No.

"An Act appropriating to the office of the governor for a professional study of income needs; and providing for an effective date."

Committee Report

H O U S E O F R E P R E S E N T A T I V E S

2/10/71

_____ Date

Mr. Speaker:

The Committee on FINANCE has had HB 160 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 office of the governor for a professional study of income needs; and providing for an effective date."

Committee Report

FINANCE

HOUSE OF REPRESENTATIVES

2/8/71

9 Feb 1971
Date

Mr. Speaker:

The Committee on HEALTH, WELFARE & EDUCATION has had HB No. 160 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 _____
Mike Colletta _____
Ed Hunter _____
Richard Whitaker _____
Kenneth Speck _____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

- _____ recommends:
- _____ recommends:
- _____ recommends:
- _____ recommends:
- _____ recommends:

Genie Chance
 CHAIRMAN

MEMORANDUM

State of Alaska

OFFICE OF THE GOVERNOR

TO: The Honorable George Hohman
Chairman, Finance Committee

DATE : February 16, 1971

FROM: Warren W. Wiley *W.W.W.*
Administrative Assistant

SUBJECT: Assessment of Needs
of Older Alaskans *HB 160*

The following narrative information is presented in reply to your request for a more detailed analysis of Governor Egan's request for \$100,000 to fund a study to evaluate the needs of elderly Alaskans and a possible coordination of various State and Federal benefits that might be available to these people.

Since the Governor said in his State-of-the-State message that he was requesting authority to engage a team of professional actuaries to do this study, I requested, through the Department of Administration, a program proposal from a firm now doing business with the state of Alaska involving actuarial work. Since the study would be done on a contracting basis with a firm of actuaries it is almost impossible for me to breakdown into the various object codes used by the state of Alaska the expenses involved in this study. On the surface it would appear that the entire amount, \$100,000, would be coded 300 Contractual Services. The money would, of course, come from the unrestricted general fund. I will provide for you here the information I received from Mr. Norman Losk of the firm of Marsh and McLennan.

Such a study would entail the following broad steps:

- (a) Accumulation and assimilation of data, including:
- (1) Material on the economy and projection of future economic trends in Alaska, including a review of reports on the economic future of the state of Alaska which have been developed and further discussions and commentary by qualified economists.
 - (2) Material on the public and private retirement program (including OASDI) expected to affect the proposed program, including plans in industries which may not currently be in the State, but which according to economic forecasts are likely to enter the State in the future.

- (3) Material on the current population of Alaska and projections of the future growth of that population, taking into account birth rates, death rates, and levels of migration into and out of the State.
- (b) Development of computerized models of population flows, economic trends, and the financial impact of these items on a proposed retirement program.
- (c) Evaluation of the results of the information generated in Step (b) and development of recommendations regarding the design and method of operation of such a program.
- (d) Development, presentation, and subsequent discussion of a report detailing the study undertaken, and the results of such a study and information based on these results.

We feel that, assuming that all of the data outlined in general terms in Step (a) are readily available, this project may be complete within the framework of the proposed \$100,000 appropriation. Although the actual breakdown of costs will depend a good deal on the further definition of the project, the availability and form of the required information, and the amount of time available for the completion of the project, a rough approximation of such a breakdown would be as follows:

<u>FUNCTION INVOLVED</u>	<u>COSTS</u>	
Step (a)		
(1) accumulation and assimilation of data (approx. 100 man days)	\$32,000	
(2) expenses	<u>3,000</u>	\$35,000
Step (b)		
(1) Computer programming time (approx. 70 man days)	\$20,000	
(2) data preparation cost	1,000	
(3) computer processing cost	7,000	
(4) expenses	<u>2,000</u>	\$30,000

The Hon. George Hohman

-3-

February 16, 1971

Step (c)

- | | | |
|---|--------------|----------|
| (1) time involved in evaluation of computer runs, other factors, and analysis of fiscal impact on the program (approx. 40 man days) | \$14,000 | |
| (2) expenses | <u>1,000</u> | \$15,000 |

Step (d)

- | | | |
|--|--------------|----------|
| (1) time involved in development of information and reports (approx. 21 man days) | \$10,000 | |
| (2) time involved in delivery and discussion of the final report (approx. 17 man days) | 8,000 | |
| (3) expenses | <u>2,000</u> | \$20,000 |

I hope this information is sufficient to answer your questions regarding the Governor's proposal. I have discussed this request with the Governor and came away convinced that this study, even considering the fact that studies are becoming anathema to some Alaskans, is necessary if we are to proceed in an orderly, fiscally responsible, effective way to assist the elderly in Alaska. Only through a careful analysis of their needs and a thorough review of the resources, both State and Federal, available to them will we be able to create a meaningful program.

If I can be of any further assistance to your Committee, please let me know.

Introduced: 2/8/71
Referred: Health, Welfare &
Education and Finance

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10 * Section 1. The sum of \$100,000 is appropriated to the office of
11 the governor to conduct professional actuary research directed toward
12 providing ways and means for senior citizens of normal retirement age
13 to remain in Alaska and enjoy a satisfactory standard of living, should
14 such citizens choose to do so.

15 * Sec. 2. This Act takes effect on the day after its passage and
16 approval or on the day it becomes law without approval.

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CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

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Referred: Health, Welfare &
Education and Finance

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James O. Smith
Signature of Camera Operator

4/4/89
Date

Original sponsor: Rules Committee by request
of the Governor

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 167

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act to provide financing and development of housing
7 for persons of lower income and to create an Alaska
8 Housing Finance Agency; and providing for an effective
9 date."

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

11 * Section 1. AS 18 is amended by adding a new chapter to read:

12 CHAPTER 56. ALASKA HOUSING FINANCE AGENCY.

13 Sec. 18.56.010. FINDINGS AND PURPOSE. (a) There exists within
14 the state a serious shortage of decent, safe and sanitary residential
15 housing available at low prices or rentals to persons of lower income.
16 This shortage is inimical to the safety, health, welfare and prosperity
17 of the residents of the state and to the sound growth of urban and rural
18 communities therein.

19 (b) The legislature hereby finds and declares that private enter-
20 prise has not been able to provide, without assistance, an adequate
21 supply of safe and sanitary homes at prices or rents which persons of
22 lower income can afford, or to achieve rehabilitation of much of the
23 present housing for persons of lower income, and that existing federal
24 programs are inadequate to meet housing needs of persons of lower
25 income. It is imperative that the supply of housing for persons of
26 lower income be increased and that coordination and cooperation among
27 private enterprise, state and local government be encouraged to sponsor,
28 build and rehabilitate residential housing for such persons.

29 (c) The legislature finds and declares further that, in

1 accomplishing this purpose, the creation of the Alaska Housing Finance
2 Agency is essential to assist in the acquisition and development of
3 land and the construction, rehabilitation, financing, management, main-
4 tenance, sale and rental of dwelling units for persons of lower income
5 and that such activities serve a public purpose in benefiting the
6 people of the state. The Alaska Housing Finance Agency is empowered to
7 act on behalf of the state and its people in serving this public
8 purpose for the benefit of the general public.

9 Sec. 18.56.020. ALASKA HOUSING FINANCE AGENCY. The Alaska Housing
10 Finance Agency is a public corporation and government instrumentality
11 within the Department of Commerce, but having a legal existence
12 independent of and separate from the state. The agency may not be
13 terminated as long as it has bonds, notes or other obligations out-
14 standing. Upon termination of the agency, its rights and property
15 pass to the state.

16 Sec. 18.56.030. AGENCY GOVERNING BODY. The agency shall be
17 governed by a board of directors, consisting of the four appointive
18 members of the Alaska State Housing Authority and the commissioner of
19 commerce. Members shall serve without compensation except that each
20 member may be reimbursed by the agency for actual and necessary
21 expenses at the same rate as set out in AS 39.20.180.

22 Sec. 18.56.040. MEETINGS OF BOARD. The board shall elect a
23 chairman from among its membership at its first meeting in each year.
24 A majority of the members constitute a quorum for organizing the board,
25 conducting its business and exercising the powers of the agency. The
26 board shall meet at the call of its chairman. The board shall meet
27 not less than once each three months.

28 Sec. 18.56.045. MINUTES OF MEETINGS. The board shall keep
29 minutes of each meeting and send a certified copy to the governor.

1 Sec. 18.56.050. ADMINISTRATION OF AFFAIRS. The board may manage
2 the assets and business of the agency and prescribe, amend and repeal
3 bylaws, rules and regulations governing the manner in which the
4 business of the agency is conducted and the manner in which its powers
5 are exercised. The board may delegate to one or more of its directors,
6 officers, agents or employees those powers and duties it considers
7 proper. The board may delegate supervision of the administration of
8 the agency to an executive officer.

9 Sec. 18.56.055. LEGAL ADVISOR. The attorney general is the legal
10 counsel for the agency. He shall advise the corporation in legal
11 matters and represent it in suits.

12 Sec. 18.56.060. BOARD MAY EMPLOY PERSONNEL. The board may appoint
13 other officers, hire employees and agents, and engage professional and
14 technical advisors as employees or as independent contractors. The
15 board shall prescribe the duties and compensation of agency personnel.

16 Sec. 18.56.070. PERSONNEL EXEMPT FROM STATE PERSONNEL ACT. The
17 personnel of the agency are exempt from AS 39.25 to the same extent as
18 the personnel of the Alaska State Housing Authority.

19 Sec. 18.56.080. INTERDEPARTMENTAL COOPERATION. All departments,
20 agencies and public corporations of the state may provide information,
21 services, facilities and loans to the agency upon its request. The
22 agency may reimburse departments, agencies and public corporations of
23 the state for loans advanced or for expenses incurred on the agency's
24 behalf.

25 Sec. 18.56.090. GENERAL POWERS. In addition to other powers
26 granted in this chapter, the agency may, for the purpose of providing
27 housing for persons of lower income

28 (1) make or participate in the making of construction loans
29 to sponsors, developers and builders of land development or residential

1 housing, if the agency determines that construction loans are not
2 otherwise available, wholly or in part, from private lenders upon
3 reasonably equivalent terms and conditions;

4 (2) make or participate in the making of mortgage loans to
5 sponsors, developers, builders and purchasers of residential housing, if
6 the agency determines that mortgage loans are not otherwise available,
7 wholly or in part, from private lenders upon reasonably equivalent terms
8 and conditions;

9 (3) purchase or participate in the purchase of mortgage loans
10 made to sponsors, developers and builders of residential housing or to
11 persons of lower income for residential housing, if the agency has given
12 approval prior to the initial making of such loan and has determined
13 that mortgage loans were, at the time such approval was given, not
14 otherwise available, wholly or in part, from private lenders upon
15 reasonably equivalent terms and conditions;

16 (4) make partial rental payments and mortgage interest pay-
17 ments under a contract with any housing owner providing the payments
18 will be applied to decrease rental or mortgage interest charges of
19 persons of lower income;

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

21 (6) collect and pay reasonable fees and charges in connec-
22 tion with making, purchasing and servicing its loans, notes, bonds,
23 commitments and other evidences of indebtedness;

24 (7) acquire real property, or any interest therein, in its
25 own name, by purchase, transfer or foreclosure, where such acquisition
26 is necessary or appropriate to protect any loan in which the agency has
27 an interest; sell, transfer and convey any such property to a buyer;
28 and, in the event such sale, transfer or conveyance cannot be effected
29 with reasonable promptness or at a reasonable price, rent or lease such

1 property to a tenant pending such sale, transfer or conveyance;

2 (8) sell, at public or private sale, to any purchaser,
3 including the Federal National Mortgage Association, all or any part of
4 any mortgage or other instrument or document securing a construction,
5 land development, mortgage or temporary loan of any type permitted by
6 this chapter;

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

10 (10) procure insurance against any loss in connection with
11 its operations;

12 (11) consent to the modification of the rate of interest,
13 time of payment of any installment of principal or interest, or any
14 other terms, of any mortgage loan, mortgage loan commitment, construc-
15 tion loan, temporary loan, contract or agreement of any kind to which
16 the agency is a party;

17 (12) borrow money as herein provided to carry out and
18 effectuate its corporate purposes; and issue its obligations as evidence
19 of any such borrowing;

20 (13) include in any borrowing such amounts necessary to pay
21 financing charges, interest on the obligations for a period not
22 exceeding one year after the date on which the agency estimates funds
23 will otherwise be available to pay such interest, consultant, advisory
24 and legal fees and such other expenses as are necessary or incident to
25 such borrowing;

26 (14) make and publish rules and regulations respecting its
27 lending programs and such other rules and regulations as are necessary
28 to effectuate its purposes;

29 (15) provide technical and advisory services to sponsors,

1 builders and developers of residential housing and to residents thereof;

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

4 (17) make and execute agreements, contracts and other in-
5 struments necessary or convenient in the exercise of the powers and
6 functions of the agency under this chapter, including contracts with
7 any person, firm, corporation, governmental agency or other entity;

8 (18) receive, administer and comply with the conditions and
9 requirements respecting any appropriation or any gift, grant or
10 donation of any property or money;

11 (19) sue and be sued in its own name;

12 (20) adopt an official seal;

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

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

20 (23) do all acts and things necessary, convenient or desir-
21 able to carry out the powers expressly granted or necessarily implied
22 in this chapter;

23 (24) make funds available, without charging interest, to
24 nonprofit housing development corporations; the amount of funds used
25 to determine the feasibility of a proposed project which proves to
26 be unfeasible, may be forgiven;

27 (25) make funds available for interim financing, without
28 charging interest, to nonprofit housing development corporations;

29 (26) make available technical assistance funds to nonprofit

1 housing development corporations for the purpose of developing pre-
2 occupancy and post-occupancy training programs for people served by
3 the housing development corporation programs; and

4 (27) make available down payment funds to persons of lower
5 income for the purpose of enabling them to qualify for other state
6 or federally assisted housing programs.

7 Sec. 18.56.100. HOUSING DEVELOPMENT FUND. (a) There is created
8 a special revolving loan fund to be known as the "housing development
9 fund" to be administered by the agency as a trust fund separate and
10 distinct from any other money or funds administered by the agency.

11 (b) Consistent with sec. 90 of this chapter, the agency may make
12 temporary and permanent loans from the housing development fund, at
13 such interest rate or rates as determined by the agency, and with such
14 security for repayment as is necessary and practicable, to

15 (1) defray development costs of sponsors, builders and
16 developers of residential housing; or

17 (2) provide to persons of lower income who are applying
18 for mortgages, the amounts required to make down payments and pay
19 closing costs; or

20 (3) purchase, make, or participate in the making of
21 mortgage and construction loans which are not federally insured or
22 guaranteed to sponsors, builders and developers of land development
23 or residential housing, if the agency determines that such loans
24 are not otherwise available, wholly or in part, from private lenders
25 upon reasonably equivalent terms and conditions.

26 (c) To the credit of the housing development fund shall be
27 deposited

28 (1) grants and contributions to the fund and the proceeds
29 of sale of fund notes; and

1 (2) all receipts of the agency on account of repayment of
2 or sale or other disposition of the security for any loans made under
3 (b) of this section.

4 (d) The agency may receive and accept from any source whatever
5 any grants or contributions for the housing development fund.

6 (e) The agency may provide for the issuance, at one time or from
7 time to time, of housing development fund notes for the purpose of
8 providing funds for the fund. The commissioner of revenue is authorized
9 to purchase fund notes with surplus funds in the state treasury.

10 (f) The principal and interest on fund notes is payable solely
11 from the housing development fund. The agency shall determine the
12 date of the fund notes of each issue, the maturity of such notes, the
13 redemption provisions, if any, including redemption prices, terms and
14 conditions, the form and manner of execution of such notes, including
15 any interest coupons to be attached thereto, the denomination and the
16 place of payment of principal and interest, which may be any bank,
17 trust company, or any agent, including the purchaser of any fund notes.
18 The fund notes may be issued in coupon or in registered form, or both.
19 The agency may provide for the registration of any coupon fund notes
20 as to principal or interest, or both, and for the reconversion into
21 coupon fund notes of any fund notes registered as to both principal and
22 interest, and for the exchange of registered and coupon fund notes.
23 The agency may provide for the replacement of fund notes which are
24 mutilated, destroyed, lost or stolen.

25 (g) Fund notes shall bear interest at such rate, and shall be
26 sold in such manner and for such price as the agency determines.

27 (h) If any officer whose signature or a facsimile of whose
28 signature appears on any fund notes or coupons attached thereto ceases
29 to be an officer before the delivery of the fund notes or coupons, his

1 signature or facsimile shall be valid for all purposes as if he had
2 remained in office until delivery.

3 (i) The proceeds of sale of fund notes shall be used solely for
4 the purposes for which issued and shall be disbursed in such manner
5 and under such restrictions as the agency provides in the resolution
6 authorizing the issuance of the fund notes.

7 (j) Fund notes may be issued without the consent of any govern-
8 ment agency and without any other proceedings or conditions other than
9 those which are specifically required by this chapter and the provi-
10 sions of the resolution authorizing the issuance of such fund notes.

11 (k) No loan may be made by the agency from the housing development
12 fund except in accordance with a written agreement which shall include,
13 but need not be limited to, the following terms and conditions:

14 (1) the proceeds of loans shall be used only for the
15 purposes for which the loan is made, as provided in the agreement;

16 (2) the loan shall be repaid in full as provided in the
17 agreement;

18 (3) all repayments in connection with a loan to defray
19 development costs shall be made concurrent with receipt by the borrower
20 of the proceeds of a construction loan or mortgage loan, or at such
21 other times as the agency considers reasonably necessary or practicable;
22 and

23 (4) security for repayment shall be specified and shall be
24 upon terms and conditions as the agency considers necessary or
25 practicable to insure all repayments.

26 Sec. 18.56.110. BONDS AND NOTES. (a) The agency, by resolution,
27 may issue bonds and bond anticipation notes in order to provide funds
28 to carry out and effectuate its purposes.

29 (b) The principal and interest on such bonds or notes shall be

1 payable from agency funds, excluding funds in the housing development
2 fund. Bond anticipation notes may be payable from the proceeds of the
3 sale of bonds or from the proceeds of sale of other bond anticipation
4 notes or, in the event bond or bond anticipation note proceeds are not
5 available, such notes may be paid from other funds or assets of the
6 agency. Bonds or notes may be additionally secured by a pledge of any
7 grant or contribution from the federal government, or any corporation,
8 association, institution or person, or a pledge of any money, income,
9 or revenues of the agency from any source.

10 (c) Bonds or bond anticipation notes may be issued in one or more
11 series and shall be dated, bear interest at the rate or rates a year
12 or within such maximum rate, be in the denomination, be in the form,
13 either coupon or registered, carry the conversion or registration
14 provisions, have the rank or priority, be executed in the manner and
15 form, be payable from the sources in the medium of payment and place
16 or places within or outside the state, be subject to authentication by
17 a trustee or fiscal agent, and be subject to the terms of redemption
18 with or without premium, as the resolution of the agency may provide.
19 Bond anticipation notes shall mature at such time or times as may be
20 determined by the agency. Bonds shall mature at such time, not exceed-
21 ing 50 years from their date, as may be determined by the agency.
22 Before the preparation of definitive bonds or bond anticipation notes,
23 the agency may issue interim receipts or temporary bonds or bond
24 anticipation notes, with or without coupons, exchangeable for bonds
25 or bond anticipation notes when such definitive bonds or bond anticipa-
26 tion notes have been executed and are available for delivery.

27 (d) Bonds or bond anticipation notes may be sold in such manner,
28 on such terms and at such price as the agency determines.

29 (e) If an officer whose signature or a facsimile of whose

1 signature appears on any bonds or notes or coupons attached thereto
2 ceases to be an officer before the delivery of the bond, note or
3 coupon, his signature or facsimile shall be valid the same as if he
4 had remained in office until delivery.

5 (f) In any resolution of the agency authorizing or relating to
6 the issuance of any bonds or bond anticipation notes, the agency shall
7 have power by provisions in such resolution which will constitute
8 covenants of the agency and contracts with the holders of such bonds
9 or bond anticipation notes

10 (1) to pledge to any payment or purpose all or any part of
11 its revenues to which its right then exists or may thereafter come into
12 existence, and the money derived from the revenues, and the proceeds
13 of any bonds or notes;

14 (2) to covenant against pledging all or any part of its
15 revenues, or against permitting or suffering a lien on the revenues
16 or its property;

17 (3) to covenant as to the use and disposition of any and
18 all payments of principal or interest received by the agency on mortgage
19 loans, construction loans or other investments held by the agency;

20 (4) to covenant as to establishment of reserves or sinking
21 funds and the making of provision for and the regulation and disposition
22 of the reserves or sinking funds;

23 (5) to covenant with respect to or against limitations on a
24 right to sell or otherwise dispose of property of any kind;

25 (6) to covenant as to bonds and notes to be issued, and
26 their limitations, terms and conditions, and as to the custody, appli-
27 cation and disposition of the proceeds of the bonds and notes;

28 (7) to covenant as to the issuance of additional bonds or
29 notes, or as to limitations on the issuance of additional bonds or notes

1 and the incurring of other debts;

2 (8) to covenant as to the payment of the principal of or
3 interest on the bonds or notes, as to the sources and methods of the
4 payment, as to the rank or priority of the bonds or notes with respect
5 to a lien or security, or as to the acceleration of the maturity of the
6 bonds or notes;

7 (9) to provide for the replacement of lost, stolen,
8 destroyed or mutilated bonds or notes;

9 (10) to covenant against extending the time for the payment
10 of bonds or notes or interest on the bonds or notes;

11 (11) to covenant as to the redemption of bonds or notes and
12 privileges of their exchange for other bonds or notes of the agency;

13 (12) to covenant to create or authorize the creation of spe-
14 cial funds of money to be held in pledge or otherwise for operating
15 expenses, payment or redemption of bonds or notes, reserves or other
16 purposes, and as to the use and disposition of the money held in the
17 funds;

18 (13) to establish the procedure, if any, by which the terms
19 of any contract or covenant with or for the benefit of the holders of
20 bonds or notes may be amended or abrogated; the amount of bonds or notes
21 the holders of which must consent to amendment or abrogation, and the
22 manner in which the consent may be given;

23 (14) to covenant as to the custody of any of its properties
24 or investments, their safekeeping and insurance, and the use and dis-
25 position of insurance money;

26 (15) to covenant as to the time or manner of enforcement or
27 restraint from enforcement of any rights of the agency arising by
28 reason of or with respect to nonpayment of any principal or interest of
29 any mortgage loans or construction loans;

1 (16) to provide for the rights and liabilities, powers and
2 duties arising upon the breach of any covenant. condition or obligation,
3 and to prescribe the events of default and the terms and conditions upon
4 which any or all the bonds, notes or other obligations of the agency
5 shall become or may be declared due and payable before maturity and the
6 terms and conditions upon which any such declaration and its conse-
7 quences may be waived;

8 (17) to vest in a trustee or trustees within or outside the
9 state such property, rights, powers and duties in trust as the agency
10 may determine, which may include any or all of the rights, powers and
11 duties of any trustee appointed by the holders of any bonds or notes,
12 and to limit or abrogate the right of the holders of any bonds or notes
13 of the agency to appoint a trustee under this chapter or limit the
14 rights, powers and duties of the trustee;

15 (18) to pay the costs or expenses incident to the enforce-
16 ment of the bonds or notes or of the provisions of the resolution or
17 of any covenant or agreement of the agency with the holders of its bonds
18 or notes;

19 (19) to agree with any corporate trustee which may be any
20 trust company or bank having the powers of a trust company within or
21 without the state as to the pledging or assigning of revenues or funds
22 to which or in which the agency has any rights or interest; the agree-
23 ment may further provide for such other rights and remedies exercisable
24 by the trustee as may be proper for the protection of the holders of
25 any bonds or notes of the agency and not otherwise in violation of law
26 and may provide for the restriction of the rights of an individual
27 holder of bonds or notes of the agency;

28 (20) to appoint and provide for the duties and obligations
29 of any paying agent or paying agents, or such other fiduciaries as the

1 resolution may provide within or outside the state;

2 (21) to limit the rights of the holders of any bonds or
3 notes to enforce any pledge or covenant securing bonds or notes;

4 (22) to make covenants other than and in addition to the
5 covenants expressly authorized in this section, of like or different
6 character, and to make such covenants to do or refrain from doing such
7 acts and things as may be necessary, or convenient and desirable, in
8 order to better secure bonds or notes or which, in the absolute dis-
9 cretion of the agency, will tend to make bonds or notes more marketable,
10 notwithstanding that the covenants, acts or things may not be enumerated
11 in this section.

12 Sec. 18.56.120. VALIDITY OF ANY PLEDGE. The pledge of assets or
13 revenues of the agency to the payment of the principal or interest on
14 any obligations of the agency shall be valid and binding from the time
15 when the pledge is made and any such assets or revenues shall immedi-
16 ately be subject to the lien of the pledge without physical delivery
17 or further act. The lien of any pledge shall be valid and binding
18 against all parties having claims of any kind in tort, contract or
19 otherwise against the agency, irrespective of whether such parties have
20 notice thereof. Nothing herein shall prohibit the agency from selling
21 assets subject to any pledge, except that any sale may be restricted
22 by the trust agreement or resolution providing for the issuance of the
23 obligations.

24 Sec. 18.56.130. REMEDIES. Any holder of obligations or coupons
25 attached thereto issued under the provisions of this chapter, and a
26 trustee under any trust agreement or resolution authorizing the issuance
27 of such obligations, except as restricted by a trust agreement or
28 resolution, either at law or in equity, may enforce all rights granted
29 hereunder or under such trust agreement or resolution, or under any

1 other contract executed by the agency under this chapter, and may
2 enforce and compel the performance of all duties required by this
3 chapter or by such trust agreement or resolution to be performed by
4 the agency or by any officer thereof.

5 Sec. 18.56.140. NEGOTIABLE INSTRUMENTS. All obligations and
6 interest coupons attached thereto are negotiable instruments under the
7 laws of this state, subject only to any applicable provisions for
8 registration.

9 Sec. 18.56.150. OBLIGATIONS ELIGIBLE FOR INVESTMENT. Obligations
10 issued under the provisions of this chapter are securities in which all
11 public officers and public bodies of the state and its political sub-
12 divisions, all insurance companies, trust companies, banking associa-
13 tions, investment companies, executors, administrators, trustees and
14 other fiduciaries may properly and legally invest funds, including
15 capital in their control or belonging to them. These obligations may
16 be deposited with any state or municipal officer of any agency or
17 political subdivision of the state for any purpose for which the deposit
18 of bonds, notes or obligations of the state is authorized by law.

19 Sec. 18.56.160. REFUNDING OBLIGATIONS. (a) The agency may
20 provide for the issuance of refunding obligations for the purpose of
21 refunding any obligations then outstanding which have been issued under
22 the provisions of this chapter, including the payment of any redemption
23 premium thereon and any interest accrued or to accrue to the date of
24 redemption of such obligations. The issuance of such obligations, the
25 maturities and other details thereof, the rights of the holders thereof,
26 and the rights, duties and obligations of the agency in respect of the
27 same shall be governed by the provisions of this chapter which relate
28 to the issuance of obligations, insofar as such provisions may be
29 appropriate therefor.

1 (b) Refunding obligations may be sold or exchanged for outstanding
2 obligations issued under this chapter and, if sold, the proceeds thereof
3 may be applied, in addition to any other authorized purposes, to the
4 purchase, redemption or payment of such outstanding obligations. Pend-
5 ing the application of the proceeds of any such refunding obligations,
6 with any other available funds, to the payment of the principal,
7 accrued interest and any redemption premium on the obligations being
8 refunded, and, if so provided or permitted in the resolution authorizing
9 the issuance of such refunding obligations or in the trust agreement
10 securing the same, to the payment of any interest on such refunding
11 obligations and any expenses in connection with such refunding, such
12 proceeds may be invested in direct obligations of, or obligations the
13 principal of and the interest on which are unconditionally guaranteed
14 by, the United States of America which shall mature or which shall be
15 subject to redemption, at the option of the holders thereof, not later
16 than the respective dates when the proceeds, together with the interest
17 accruing thereon, will be required for the purposes intended.

18 Sec. 18.56.170. CREDIT OF STATE NOT PLEDGED. (a) Obligations
19 issued under the provisions of this chapter shall not constitute a
20 debt, liability or obligation of the state or of any political sub-
21 division thereof or a pledge of the faith and credit of the state or of
22 any such political subdivision but shall be payable solely from the
23 revenues or assets of the agency. Each obligation issued under this
24 chapter shall contain on the face thereof a statement that the agency
25 shall not be obligated to pay the same nor the interest thereon except
26 from the revenues or assets pledged therefor and that neither the faith
27 and credit nor the taxing power of the state or of any political sub-
28 division thereof is pledged to the payment of the principal of or the
29 interest on such obligation.

1 (b) Expenses incurred by the agency in carrying out the provisions
2 of this chapter shall be payable from funds provided under this chapter
3 and no liability shall be incurred by the agency in excess of these
4 funds.

5 Sec. 18.56.180. OFFICERS NOT LIABLE. No member or other officer
6 of the agency shall be subject to any personal liability or account-
7 ability by reason of his execution of any obligations or the issuance
8 thereof.

9 Sec. 18.56.190. TAX EXEMPTION. (a) The exercise of the powers
10 granted by this chapter will be in all respects for the benefit of the
11 people of the state, for their well-being and prosperity and for the
12 improvement of their social and economic conditions, and the agency shall
13 not be required to pay any tax or assessment on any property owned by
14 the agency under the provisions of this chapter or upon the income
15 therefrom, except taxes on real property of which the agency is fee
16 owner.

17 (b) All obligations issued under this chapter are hereby declared
18 to be issued by a body corporate and public of the state and for an
19 essential public and governmental purpose, and the obligations, and the
20 interest and income on and from the obligations, and all fees, charges,
21 funds, revenues, income and other money pledged or available to pay or
22 secure the payment of the obligations, or interest on the obligations,
23 shall be exempt from taxation except for transfer, inheritance and
24 estate taxes.

25 Sec. 18.56.200. ANNUAL REPORT. The agency shall prepare and
26 transmit annually a report accounting to the governor and the legisla-
27 ture for the efficient discharge of all responsibility assigned by law
28 or by directive to the agency.

29 Sec. 18.56.210. DEFINITIONS. The following terms where used in

1 this chapter shall have the following meanings, except where the context
2 clearly indicates a different meaning

3 (1) "agency" means the Alaska Housing Finance Agency created
4 by this chapter;

5 (2) "board" means the board of directors of the agency;

6 (3) "development costs" means the costs approved by the
7 agency as appropriate expenditures which may be incurred by sponsors,
8 builders and developers of residential housing, before commitment and
9 initial advance of the proceeds of a construction loan or of a mortgage,
10 including but not limited to

11 (A) payments for options to purchase properties on the
12 proposed residential housing site, deposits on contracts of
13 purchase, or, with prior approval of the agency, payments for the
14 purchase of such properties;

15 (B) legal and organizational expenses, including pay-
16 ments of attorneys' fees, project manager, clerical and other staff
17 salaries, office rent and other incidental expenses;

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

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

21 (E) necessary application and other fees;

22 (4) "governmental agency" means any department, division,
23 public agency, political subdivision or other public instrumentality
24 of the state or the federal government;

25 (5) "housing development fund" means the housing development
26 fund created by sec. 100 of this chapter;

27 (6) "construction loan" means a construction loan for land
28 development or residential housing which is secured by a federally
29 insured or guaranteed mortgage or which is insured or guaranteed by the

1 United States or an instrumentality thereof, or for which there is a
2 commitment by the United States or an instrumentality thereof to insure
3 or guarantee such a loan, or a construction loan for land development or
4 residential housing which land development or residential housing will
5 be secured by a mortgage loan;

6 (7) "mortgage" or "mortgage loan" means a mortgage loan for
7 residential housing insured or guaranteed by the United States or an
8 instrumentality thereof or for which there is a commitment by the
9 United States or an instrumentality thereof to insure or guarantee such
10 a mortgage, or if not so insured or guaranteed or if there is no such
11 commitment, which the agency determines meets the conditions described
12 in sec. 100(k) of this chapter, for a loan from the housing development
13 fund.

14 (8) "land development" means the process of acquiring land
15 primarily for residential housing construction for persons of lower
16 income and making, installing or constructing nonresidential housing
17 improvements, including water, sewer and other utilities, roads, streets
18 curbs, gutters, sidewalks, storm drainage facilities and other installa-
19 tions or works, whether on or off the site, which the agency deems
20 necessary or desirable to prepare such land primarily for residential
21 housing construction;

22 (9) "obligations" means any bonds, bond anticipation notes
23 or fund notes authorized to be issued by the agency under the provisions
24 of this chapter;

25 (10) "persons of lower income" means persons considered by the
26 agency to require assistance available under this chapter on account
27 of insufficient personal or family income, taking into consideration,
28 without limitation, such factors as

29 (A) the amount of the total income of such persons

1 available for housing needs;

2 (B) the size of the family;

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

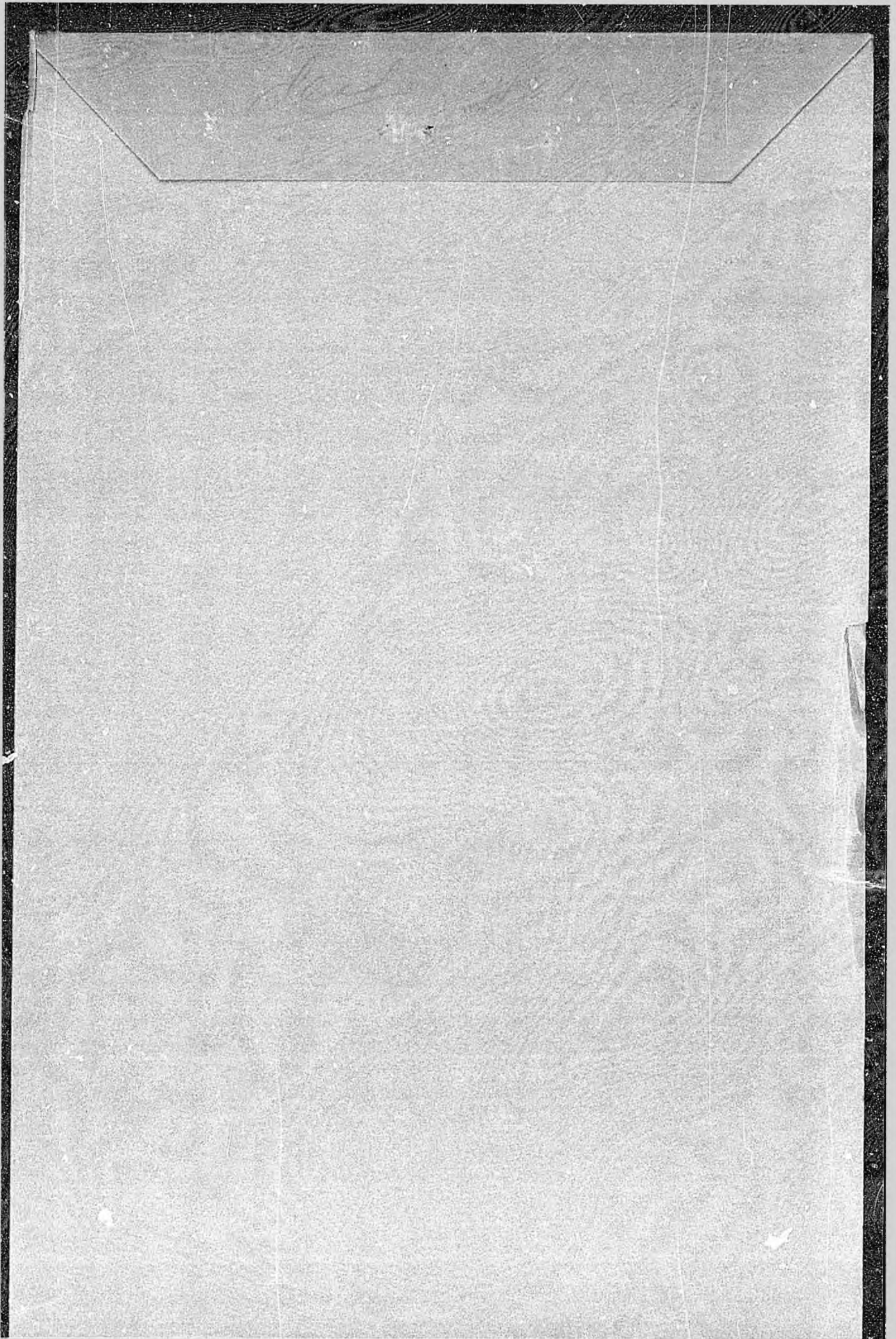
5 (D) standards established for various federal programs
6 determining eligibility based on income of such persons; and

7 (E) the ability of such persons to compete successfully
8 in the normal housing market and to pay the amounts at which
9 private enterprise is providing decent, safe and sanitary housing;
10 and

11 (11) "residential housing" means a specific work or
12 improvement undertaken primarily to provide dwelling accommodations
13 without limitation as to form of lawful occupancy, whether rental, under
14 contract, fee ownership, cooperative housing, condominium or other
15 lawful forms of ownership, for persons of lower income, including the
16 acquisition, construction or rehabilitation of land, buildings and
17 improvements thereto, and such other nonhousing facilities as may be
18 incidental or appurtenant thereto.

19 * Sec. 2. This Act takes effect on the day after its passage and approval
20 or on the day it becomes law without approval.

POOR COPY



Original sponsor: Rules Committee by request
of the Governor

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 167

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act to provide financing and development of housing
7 for persons of lower income and to create an Alaska
8 Housing Finance Agency; and providing for an effective
9 date."

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

11 * Section 1. AS 18 is amended by adding a new chapter to read:

12 CHAPTER 56. ALASKA HOUSING FINANCE AGENCY.

13 Sec. 18.56.010. FINDINGS AND PURPOSE. (a) There exists within
14 the state a serious shortage of decent, safe and sanitary residential
15 housing available at low prices or rentals to persons of lower income.
16 This shortage is inimical to the safety, health, welfare and prosperity
17 of the residents of the state and to the sound growth of urban and rural
18 communities therein.

19 (b) The legislature hereby finds and declares that private enter-
20 prise has not been able to provide, without assistance, an adequate
21 supply of safe and sanitary homes at prices or rents which persons of
22 lower income can afford, or to achieve rehabilitation of much of the
23 present housing for persons of lower income, and that existing federal
24 programs are inadequate to meet housing needs of persons of lower
25 income. It is imperative that the supply of housing for persons of
26 lower income be increased and that coordination and cooperation among
27 private enterprise, state and local government be encouraged to sponsor,
28 build and rehabilitate residential housing for such persons.

29 (c) The legislature finds and declares further that, in

1 accomplishing this purpose, the creation of the Alaska Housing Finance
2 Agency is essential to assist in the acquisition and development of
3 land and the construction, rehabilitation, financing, management, main-
4 tenance, sale and rental of dwelling units for persons of lower income
5 and that such activities serve a public purpose in benefiting the
6 people of the state. The Alaska Housing Finance Agency is empowered to
7 act on behalf of the state and its people in serving this public
8 purpose for the benefit of the general public.

9 Sec. 18.56.020. ALASKA HOUSING FINANCE AGENCY. The Alaska Housing
10 Finance Agency is a public corporation and government instrumentality
11 within the Department of Commerce, but having a legal existence
12 independent of and separate from the state. The agency may not be
13 terminated as long as it has bonds, notes or other obligations out-
14 standing. Upon termination of the agency, its rights and property
15 pass to the state.

16 Sec. 18.56.030. AGENCY GOVERNING BODY. The agency shall be
17 governed by a board of directors, consisting of the four appointive
18 members of the Alaska State Housing Authority and the commissioner of
19 commerce. Members shall serve without compensation except that each
20 member may be reimbursed by the agency for actual and necessary
21 expenses at the same rate as set out in AS 39.20.180.

22 Sec. 18.56.040. MEETINGS OF BOARD. The board shall elect a
23 chairman from among its membership at its first meeting in each year.
24 A majority of the members constitute a quorum for organizing the board,
25 conducting its business and exercising the powers of the agency. The
26 board shall meet at the call of its chairman. The board shall meet
27 not less than once each three months.

28 Sec. 18.56.045. MINUTES OF MEETINGS. The board shall keep
29 minutes of each meeting and send a certified copy to the governor.

1 Sec. 18.56.050. ADMINISTRATION OF AFFAIRS. The board may manage
2 the assets and business of the agency and prescribe, amend and repeal
3 bylaws, rules and regulations governing the manner in which the
4 business of the agency is conducted and the manner in which its powers
5 are exercised. The board may delegate to one or more of its directors,
6 officers, agents or employees those powers and duties it considers
7 proper. The board may delegate supervision of the administration of
8 the agency to an executive officer.

9 Sec. 18.56.055. LEGAL ADVISOR. The attorney general is the legal
10 counsel for the agency. He shall advise the corporation in legal
11 matters and represent it in suits.

12 Sec. 18.56.060. BOARD MAY EMPLOY PERSONNEL. The board may appoint
13 other officers, hire employees and agents, and engage professional and
14 technical advisors as employees or as independent contractors. The
15 board shall prescribe the duties and compensation of agency personnel.

16 Sec. 18.56.070. PERSONNEL EXEMPT FROM STATE PERSONNEL ACT. The
17 personnel of the agency are exempt from AS 39.25 to the same extent as
18 the personnel of the Alaska State Housing Authority.

19 Sec. 18.56.080. INTERDEPARTMENTAL COOPERATION. All departments,
20 agencies and public corporations of the state may provide information,
21 services, facilities and loans to the agency upon its request. The
22 agency may reimburse departments, agencies and public corporations of
23 the state for loans advanced or for expenses incurred on the agency's
24 behalf.

25 Sec. 18.56.090. GENERAL POWERS. In addition to other powers
26 granted in this chapter, the agency may, for the purpose of providing
27 housing for persons of lower income

28 (1) make or participate in the making of construction loans
29 to sponsors, developers and builders of land development or residential

1 housing, if the agency determines that construction loans are not
2 otherwise available, wholly or in part, from private lenders upon
3 reasonably equivalent terms and conditions;

4 (2) make or participate in the making of mortgage loans to
5 sponsors, developers, builders and purchasers of residential housing, if
6 the agency determines that mortgage loans are not otherwise available,
7 wholly or in part, from private lenders upon reasonably equivalent terms
8 and conditions;

9 (3) purchase or participate in the purchase of mortgage loans
10 made to sponsors, developers and builders of residential housing or to
11 persons of lower income for residential housing, if the agency has given
12 approval prior to the initial making of such loan and has determined
13 that mortgage loans were, at the time such approval was given, not
14 otherwise available, wholly or in part, from private lenders upon
15 reasonably equivalent terms and conditions;

16 (4) make partial rental payments and mortgage interest pay-
17 ments under a contract with any housing owner providing the payments
18 will be applied to decrease rental or mortgage interest charges of
19 persons of lower income;

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

21 (6) collect and pay reasonable fees and charges in connec-
22 tion with making, purchasing and servicing its loans, notes, bonds,
23 commitments and other evidences of indebtedness;

24 (7) acquire real property, or any interest therein, in its
25 own name, by purchase, transfer or foreclosure, where such acquisition
26 is necessary or appropriate to protect any loan in which the agency has
27 an interest; sell, transfer and convey any such property to a buyer;
28 and, in the event such sale, transfer or conveyance cannot be effected
29 with reasonable promptness or at a reasonable price, rent or lease such

1 property to a tenant pending such sale, transfer or conveyance;

2 (8) sell, at public or private sale, to any purchaser,
3 including the Federal National Mortgage Association, all or any part of
4 any mortgage or other instrument or document securing a construction,
5 land development, mortgage or temporary loan of any type permitted by
6 this chapter;

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

10 (10) procure insurance against any loss in connection with
11 its operations;

12 (11) consent to the modification of the rate of interest,
13 time of payment of any installment of principal or interest, or any
14 other terms, of any mortgage loan, mortgage loan commitment, construc-
15 tion loan, temporary loan, contract or agreement of any kind to which
16 the agency is a party;

17 (12) borrow money as herein provided to carry out and
18 effectuate its corporate purposes; and issue its obligations as evidence
19 of any such borrowing;

20 (13) include in any borrowing such amounts necessary to pay
21 financing charges, interest on the obligations for a period not
22 exceeding one year after the date on which the agency estimates funds
23 will otherwise be available to pay such interest, consultant, advisory
24 and legal fees and such other expenses as are necessary or incident to
25 such borrowing;

26 (14) make and publish rules and regulations respecting its
27 lending programs and such other rules and regulations as are necessary
28 to effectuate its purposes;

29 (15) provide technical and advisory services to sponsors,

1 builders and developers of residential housing and to residents thereof

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

4 (17) make and execute agreements, contracts and other in-
5 struments necessary or convenient in the exercise of the powers and
6 functions of the agency under this chapter, including contracts with
7 any person, firm, corporation, governmental agency or other entity;

8 (18) receive, administer and comply with the conditions and
9 requirements respecting any appropriation or any gift, grant or
10 donation of any property or money;

11 (19) sue and be sued in its own name;

12 (20) adopt an official seal;

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

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

20 (23) do all acts and things necessary, convenient or desir-
21 able to carry out the powers expressly granted or necessarily implied
22 in this chapter;

23 (24) make funds available, without charging interest, to
24 nonprofit housing development corporations; the amount of funds used
25 to determine the feasibility of a proposed project which proves to
26 be unfeasible, may be forgiven;

27 (25) make funds available for interim financing, without
28 charging interest, to nonprofit housing development corporations;

29 (26) make available technical assistance funds to nonprofit

1 housing development corporations for the purpose of developing pre-
2 occupancy and post-occupancy training programs for people served by
3 the housing development corporation programs; and

4 (27) make available down payment funds to persons of lower
5 income for the purpose of enabling them to qualify for other state
6 or federally assisted housing programs.

7 Sec. 18.56.100. HOUSING DEVELOPMENT FUND. (a) There is created
8 a special revolving loan fund to be known as the "housing development
9 fund" to be administered by the agency as a trust fund separate and
10 distinct from any other money or funds administered by the agency.

11 (b) Consistent with sec. 90 of this chapter, the agency may make
12 temporary and permanent loans from the housing development fund, at
13 such interest rate or rates as determined by the agency, and with such
14 security for repayment as is necessary and practicable, to

15 (1) defray development costs of sponsors, builders and
16 developers of residential housing; or

17 (2) provide to persons of lower income who are applying
18 for mortgages, the amounts required to make down payments and pay
19 closing costs; or

20 (3) purchase, make, or participate in the making of
21 mortgage and construction loans which are not federally insured or
22 guaranteed to sponsors, builders and developers of land development
23 or residential housing, if the agency determines that such loans
24 are not otherwise available, wholly or in part, from private lenders
25 upon reasonably equivalent terms and conditions.

26 (c) To the credit of the housing development fund shall be
27 deposited

28 (1) grants and contributions to the fund and the proceeds
29 of sale of fund notes; and

1 (2) all receipts of the agency on account of repayment of
2 or sale or other disposition of the security for any loans made under
3 (b) of this section.

4 (d) The agency may receive and accept from any source whatever
5 any grants or contributions for the housing development fund.

6 (e) The agency may provide for the issuance, at one time or from
7 time to time, of housing development fund notes for the purpose of
8 providing funds for the fund. The commissioner of revenue is authorized
9 to purchase fund notes with surplus funds in the state treasury.

10 (f) The principal and interest on fund notes is payable solely
11 from the housing development fund. The agency shall determine the
12 date of the fund notes of each issue, the maturity of such notes, the
13 redemption provisions, if any, including redemption prices, terms and
14 conditions, the form and manner of execution of such notes, including
15 any interest coupons to be attached thereto, the denomination and the
16 place of payment of principal and interest, which may be any bank,
17 trust company, or any agent, including the purchaser of any fund notes.
18 The fund notes may be issued in coupon or in registered form, or both.
19 The agency may provide for the registration of any coupon fund notes
20 as to principal or interest, or both, and for the reconversion into
21 coupon fund notes of any fund notes registered as to both principal and
22 interest, and for the exchange of registered and coupon fund notes.
23 The agency may provide for the replacement of fund notes which are
24 mutilated, destroyed, lost or stolen.

25 (g) Fund notes shall bear interest at such rate, and shall be
26 sold in such manner and for such price as the agency determines.

27 (h) If any officer whose signature or a facsimile of whose
28 signature appears on any fund notes or coupons attached thereto ceases
29 to be an officer before the delivery of the fund notes or coupons, his

1 signature or facsimile shall be valid for all purposes as if he had
2 remained in office until delivery.

3 (i) The proceeds of sale of fund notes shall be used solely for
4 the purposes for which issued and shall be disbursed in such manner
5 and under such restrictions as the agency provides in the resolution
6 authorizing the issuance of the fund notes.

7 (j) Fund notes may be issued without the consent of any govern-
8 ment agency and without any other proceedings or conditions other than
9 those which are specifically required by this chapter and the provi-
10 sions of the resolution authorizing the issuance of such fund notes.

11 (k) No loan may be made by the agency from the housing development
12 fund except in accordance with a written agreement which shall include,
13 but need not be limited to, the following terms and conditions:

14 (1) the proceeds of loans shall be used only for the
15 purposes for which the loan is made, as provided in the agreement;

16 (2) the loan shall be repaid in full as provided in the
17 agreement;

18 (3) all repayments in connection with a loan to defray
19 development costs shall be made concurrent with receipt by the borrower
20 of the proceeds of a construction loan or mortgage loan, or at such
21 other times as the agency considers reasonably necessary or practicable
22 and

23 (4) security for repayment shall be specified and shall be
24 upon terms and conditions as the agency considers necessary or
25 practicable to insure all repayments.

26 Sec. 18.56.110. BONDS AND NOTES. (a) The agency, by resolution,
27 may issue bonds and bond anticipation notes in order to provide funds
28 to carry out and effectuate its purposes.

29 (b) The principal and interest on such bonds or notes shall be

1 payable from agency funds, excluding funds in the housing development
2 fund. Bond anticipation notes may be payable from the proceeds of the
3 sale of bonds or from the proceeds of sale of other bond anticipation
4 notes or, in the event bond or bond anticipation note proceeds are not
5 available, such notes may be paid from other funds or assets of the
6 agency. Bonds or notes may be additionally secured by a pledge of any
7 grant or contribution from the federal government, or any corporation,
8 association, institution or person, or a pledge of any money, income,
9 or revenues of the agency from any source.

10 (c) Bonds or bond anticipation notes may be issued in one or more
11 series and shall be dated, bear interest at the rate or rates a year
12 or within such maximum rate, be in the denomination, be in the form,
13 either coupon or registered, carry the conversion or registration
14 provisions, have the rank or priority, be executed in the manner and
15 form, be payable from the sources in the medium of payment and place
16 or places within or outside the state, be subject to authentication by
17 a trustee or fiscal agent, and be subject to the terms of redemption
18 with or without premium, as the resolution of the agency may provide.
19 Bond anticipation notes shall mature at such time or times as may be
20 determined by the agency. Bonds shall mature at such time, not exceed-
21 ing 50 years from their date, as may be determined by the agency.
22 Before the preparation of definitive bonds or bond anticipation notes,
23 the agency may issue interim receipts or temporary bonds or bond
24 anticipation notes, with or without coupons, exchangeable for bonds
25 or bond anticipation notes when such definitive bonds or bond anticipa-
26 tion notes have been executed and are available for delivery.

27 (d) Bonds or bond anticipation notes may be sold in such manner,
28 on such terms and at such price as the agency determines.

29 (e) If an officer whose signature or a facsimile of whose

1 signature appears on any bonds or notes or coupons attached thereto
2 ceases to be an officer before the delivery of the bond, note or
3 coupon, his signature or facsimile shall be valid the same as if he
4 had remained in office until delivery.

5 (f) In any resolution of the agency authorizing or relating to
6 the issuance of any bonds or bond anticipation notes, the agency shall
7 have power by provisions in such resolution which will constitute
8 covenants of the agency and contracts with the holders of such bonds
9 or bond anticipation notes

10 (1) to pledge to any payment or purpose all or any part of
11 its revenues to which its right then exists or may thereafter come into
12 existence, and the money derived from the revenues, and the proceeds
13 of any bonds or notes;

14 (2) to covenant against pledging all or any part of its
15 revenues, or against permitting or suffering a lien on the revenues
16 or its property;

17 (3) to covenant as to the use and disposition of any and
18 all payments of principal or interest received by the agency on mortgage
19 loans, construction loans or other investments held by the agency;

20 (4) to covenant as to establishment of reserves or sinking
21 funds and the making of provision for and the regulation and disposition
22 of the reserves or sinking funds;

23 (5) to covenant with respect to or against limitations on a
24 right to sell or otherwise dispose of property of any kind;

25 (6) to covenant as to bonds and notes to be issued, and
26 their limitations, terms and conditions, and as to the custody, appli-
27 cation and disposition of the proceeds of the bonds and notes;

28 (7) to covenant as to the issuance of additional bonds or
29 notes, or as to limitations on the issuance of additional bonds or notes

1 and the incurring of other debts;

2 (8) to covenant as to the payment of the principal of or
3 interest on the bonds or notes, as to the sources and methods of the
4 payment, as to the rank or priority of the bonds or notes with respect
5 to a lien or security, or as to the acceleration of the maturity of the
6 bonds or notes;

7 (9) to provide for the replacement of lost, stolen,
8 destroyed or mutilated bonds or notes;

9 (10) to covenant against extending the time for the payment
10 of bonds or notes or interest on the bonds or notes;

11 (11) to covenant as to the redemption of bonds or notes and
12 privileges of their exchange for other bonds or notes of the agency;

13 (12) to covenant to create or authorize the creation of spe-
14 cial funds of money to be held in pledge or otherwise for operating
15 expenses, payment or redemption of bonds or notes, reserves or other
16 purposes, and as to the use and disposition of the money held in the
17 funds;

18 (13) to establish the procedure, if any, by which the terms
19 of any contract or covenant with or for the benefit of the holders of
20 bonds or notes may be amended or abrogated; the amount of bonds or notes
21 the holders of which must consent to amendment or abrogation, and the
22 manner in which the consent may be given;

23 (14) to covenant as to the custody of any of its properties
24 or investments, their safekeeping and insurance, and the use and dis-
25 position of insurance money;

26 (15) to covenant as to the time or manner of enforcement or
27 restraint from enforcement of any rights of the agency arising by
28 reason of or with respect to nonpayment of any principal or interest of
29 any mortgage loans or construction loans;

1 (16) to provide for the rights and liabilities, powers and
2 duties arising upon the breach of any covenant, condition or obligation,
3 and to prescribe the events of default and the terms and conditions upon
4 which any or all the bonds, notes or other obligations of the agency
5 shall become or may be declared due and payable before maturity and the
6 terms and conditions upon which any such declaration and its conse-
7 quences may be waived;

8 (17) to vest in a trustee or trustees within or outside the
9 state such property, rights, powers and duties in trust as the agency
10 may determine, which may include any or all of the rights, powers and
11 duties of any trustee appointed by the holders of any bonds or notes,
12 and to limit or abrogate the right of the holders of any bonds or notes
13 of the agency to appoint a trustee under this chapter or limit the
14 rights, powers and duties of the trustee;

15 (18) to pay the costs or expenses incident to the enforce-
16 ment of the bonds or notes or of the provisions of the resolution or
17 of any covenant or agreement of the agency with the holders of its bonds
18 or notes;

19 (19) to agree with any corporate trustee which may be any
20 trust company or bank having the powers of a trust company within or
21 without the state as to the pledging or assigning of revenues or funds
22 to which or in which the agency has any rights or interest; the agree-
23 ment may further provide for such other rights and remedies exercisable
24 by the trustee as may be proper for the protection of the holders of
25 any bonds or notes of the agency and not otherwise in violation of law
26 and may provide for the restriction of the rights of an individual
27 holder of bonds or notes of the agency;

28 (20) to appoint and provide for the duties and obligations
29 of any paying agent or paying agents, or such other fiduciaries as the

1 resolution may provide within or outside the state;

2 (21) to limit the rights of the holders of any bonds or
3 notes to enforce any pledge or covenant securing bonds or notes;

4 (22) to make covenants other than and in addition to the
5 covenants expressly authorized in this section, of like or different
6 character, and to make such covenants to do or refrain from doing such
7 acts and things as may be necessary, or convenient and desirable, in
8 order to better secure bonds or notes or which, in the absolute dis-
9 cretion of the agency, will tend to make bonds or notes more marketable,
10 notwithstanding that the covenants, acts or things may not be enumerated
11 in this section.

12 Sec. 18.56.120. VALIDITY OF ANY PLEDGE. The pledge of assets or
13 revenues of the agency to the payment of the principal or interest on
14 any obligations of the agency shall be valid and binding from the time
15 when the pledge is made and any such assets or revenues shall immedi-
16 ately be subject to the lien of the pledge without physical delivery
17 or further act. The lien of any pledge shall be valid and binding
18 against all parties having claims of any kind in tort, contract or
19 otherwise against the agency, irrespective of whether such parties have
20 notice thereof. Nothing herein shall prohibit the agency from selling
21 assets subject to any pledge, except that any sale may be restricted
22 by the trust agreement or resolution providing for the issuance of the
23 obligations.

24 Sec. 18.56.130. REMEDIES. Any holder of obligations or coupons
25 attached thereto issued under the provisions of this chapter, and a
26 trustee under any trust agreement or resolution authorizing the issuance
27 of such obligations, except as restricted by a trust agreement
28 or resolution, either at law or in equity, may enforce all rights granted
29 hereunder or under such trust agreement or resolution, or under any

1 other contract executed by the agency under this chapter, and may
2 enforce and compel the performance of all duties required by this
3 chapter or by such trust agreement or resolution to be performed by
4 the agency or by any officer thereof.

5 Sec. 18.56.140. NEGOTIABLE INSTRUMENTS. All obligations and
6 interest coupons attached thereto are negotiable instruments under the
7 laws of this state, subject only to any applicable provisions for
8 registration.

9 Sec. 18.56.150. OBLIGATIONS ELIGIBLE FOR INVESTMENT. Obligations
10 issued under the provisions of this chapter are securities in which all
11 public officers and public bodies of the state and its political sub-
12 divisions, all insurance companies, trust companies, banking associa-
13 tions, investment companies, executors, administrators, trustees and
14 other fiduciaries may properly and legally invest funds, including
15 capital in their control or belonging to them. These obligations may
16 be deposited with any state or municipal officer of any agency or
17 political subdivision of the state for any purpose for which the deposit
18 of bonds, notes or obligations of the state is authorized by law.

19 Sec. 18.56.160. REFUNDING OBLIGATIONS. (a) The agency may
20 provide for the issuance of refunding obligations for the purpose of
21 refunding any obligations then outstanding which have been issued under
22 the provisions of this chapter, including the payment of any redemption
23 premium thereon and any interest accrued or to accrue to the date of
24 redemption of such obligations. The issuance of such obligations, the
25 maturities and other details thereof, the rights of the holders thereof,
26 and the rights, duties and obligations of the agency in respect of the
27 same shall be governed by the provisions of this chapter which relate
28 to the issuance of obligations, insofar as such provisions may be
29 appropriate therefor.

1 (b) Refunding obligations may be sold or exchanged for outstanding
2 obligations issued under this chapter and, if sold, the proceeds thereof
3 may be applied, in addition to any other authorized purposes, to the
4 purchase, redemption or payment of such outstanding obligations. Pend-
5 ing the application of the proceeds of any such refunding obligations,
6 with any other available funds, to the payment of the principal,
7 accrued interest and any redemption premium on the obligations being
8 refunded, and, if so provided or permitted in the resolution authorizing
9 the issuance of such refunding obligations or in the trust agreement
10 securing the same, to the payment of any interest on such refunding
11 obligations and any expenses in connection with such refunding, such
12 proceeds may be invested in direct obligations of, or obligations the
13 principal of and the interest on which are unconditionally guaranteed
14 by, the United States of America which shall mature or which shall be
15 subject to redemption, at the option of the holders thereof, not later
16 than the respective dates when the proceeds, together with the interest
17 accruing thereon, will be required for the purposes intended.

18 Sec. 18.56.170. CREDIT OF STATE NOT PLEDGED. (a) Obligations
19 issued under the provisions of this chapter shall not constitute a
20 debt, liability or obligation of the state or of any political sub-
21 division thereof or a pledge of the faith and credit of the state or of
22 any such political subdivision but shall be payable solely from the
23 revenues or assets of the agency. Each obligation issued under this
24 chapter shall contain on the face thereof a statement that the agency
25 shall not be obligated to pay the same nor the interest thereon except
26 from the revenues or assets pledged therefor and that neither the faith
27 and credit nor the taxing power of the state or of any political sub-
28 division thereof is pledged to the payment of the principal of or the
29 interest on such obligation.

1 (b) Expenses incurred by the agency in carrying out the provisions
2 of this chapter shall be payable from funds provided under this chapter
3 and no liability shall be incurred by the agency in excess of these
4 funds.

5 Sec. 18.56.180. OFFICERS NOT LIABLE. No member or other officer
6 of the agency shall be subject to any personal liability or account-
7 ability by reason of his execution of any obligations or the issuance
8 thereof.

9 Sec. 18.56.190. TAX EXEMPTION. (a) The exercise of the powers
10 granted by this chapter will be in all respects for the benefit of the
11 people of the state, for their well-being and prosperity and for the
12 improvement of their social and economic conditions, and the agency shall
13 not be required to pay any tax or assessment on any property owned by
14 the agency under the provisions of this chapter or upon the income
15 therefrom, except taxes on real property of which the agency is fee
16 owner.

17 (b) All obligations issued under this chapter are hereby declared
18 to be issued by a body corporate and public of the state and for an
19 essential public and governmental purpose, and the obligations, and the
20 interest and income on and from the obligations, and all fees, charges,
21 funds, revenues, income and other money pledged or available to pay or
22 secure the payment of the obligations, or interest on the obligations,
23 shall be exempt from taxation except for transfer, inheritance and
24 estate taxes.

25 Sec. 18.56.200. ANNUAL REPORT. The agency shall prepare and
26 transmit annually a report accounting to the governor and the legisla-
27 ture for the efficient discharge of all responsibility assigned by law
28 or by directive to the agency.

29 Sec. 18.56.210. DEFINITIONS. The following terms where used in

1 this chapter shall have the following meanings, except where the context
2 clearly indicates a different meaning

3 (1) "agency" means the Alaska Housing Finance Agency created
4 by this chapter;

5 (2) "board" means the board of directors of the agency;

6 (3) "development costs" means the costs approved by the
7 agency as appropriate expenditures which may be incurred by sponsors,
8 builders and developers of residential housing, ~~before~~ commitment and
9 initial advance of the proceeds of a construction loan or of a mortgage,
10 including but not limited to

11 (A) payments for options to purchase properties on the
12 proposed residential housing site, deposits on contracts of
13 purchase, or, with prior approval of the agency, payments for the
14 purchase of such properties;

15 (B) legal and organizational expenses, including pay-
16 ments of attorneys' fees, project manager, clerical and other staff
17 salaries, office rent and other incidental expenses;

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

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

21 (E) necessary application and other fees;

22 (4) "governmental agency" means any department, division,
23 public agency, political subdivision or other public instrumentality
24 of the state or the federal government;

25 (5) "housing development fund" means the housing development
26 fund created by sec. 100 of this chapter;

27 (6) "construction loan" means a construction loan for land
28 development or residential housing which is secured by a federally
29 insured or guaranteed mortgage or which is insured or guaranteed by the

1 United States or an instrumentality thereof, or for which there is a
2 commitment by the United States or an instrumentality thereof to insure
3 or guarantee such a loan, or a construction loan for land development or
4 residential housing which land development or residential housing will
5 be secured by a mortgage loan;

6 (7) "mortgage" or "mortgage loan" means a mortgage loan for
7 residential housing insured or guaranteed by the United States or an
8 instrumentality thereof or for which there is a commitment by the
9 United States or an instrumentality thereof to insure or guarantee such
10 a mortgage, or if not so insured or guaranteed or if there is no such
11 commitment, which the agency determines meets the conditions described
12 in sec. 100(k) of this chapter, for a loan from the housing development
13 fund.

14 (8) "land development" means the process of acquiring land
15 primarily for residential housing construction for persons of lower
16 income and making, installing or constructing nonresidential housing
17 improvements, including water, sewer and other utilities, roads, streets,
18 curbs, gutters, sidewalks, storm drainage facilities and other installa-
19 tions or works, whether on or off the site, which the agency deems
20 necessary or desirable to prepare such land primarily for residential
21 housing construction;

22 (9) "obligations" means any bonds, bond anticipation notes
23 or fund notes authorized to be issued by the agency under the provisions
24 of this chapter;

25 (10) "persons of lower income" means persons considered by the
26 agency to require assistance available under this chapter on account
27 of insufficient personal or family income, taking into consideration,
28 without limitation, such factors as

29 (A) the amount of the total income of such persons

1 available for housing needs;

2 (B) the size of the family;

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

5 (D) standards established for various federal programs
6 determining eligibility based on income of such persons; and

7 (E) the ability of such persons to compete successfully
8 in the normal housing market and to pay the amounts at which
9 private enterprise is providing decent, safe and sanitary housing;
10 and

11 (11) "residential housing" means a specific work or
12 improvement undertaken primarily to provide dwelling accommodations
13 without limitation as to form of lawful occupancy, whether rental, under
14 contract, fee ownership, cooperative housing, condominium or other
15 lawful forms of ownership, for persons of lower income, including the
16 acquisition, construction or rehabilitation of land, buildings and
17 improvements thereto, and such other nonhousing facilities as may be
18 incidental or appurtenant thereto.

19 * Sec. 2. This Act takes effect on the day after its passage and approval
20 or on the day it becomes law without approval.

Original sponsor: Rules Committee by request
of the Governor

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 167

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act to provide financing and development of housing
7 for persons of lower income and to create an Alaska
8 Housing Finance Agency; and providing for an effective
9 date."

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

11 # Section 1. AS 18 is amended by adding a new chapter to read:

12 CHAPTER 56. ALASKA HOUSING FINANCE AGENCY.

13 Sec. 18.56.010. FINDINGS AND PURPOSE. (a) There exists within
14 the state a serious shortage of decent, safe and sanitary residential
15 housing available at low prices or rentals to persons of lower income.
16 This shortage is inimical to the safety, health, welfare and prosperity
17 of the residents of the state and to the sound growth of urban and rural
18 communities therein.

19 (b) The legislature hereby finds and declares that private enter-
20 prise has not been able to provide, without assistance, an adequate
21 supply of safe and sanitary homes at prices or rents which persons of
22 lower income can afford, or to achieve rehabilitation of much of the
23 present housing for persons of lower income, and that existing federal
24 programs are inadequate to meet housing needs of persons of lower
25 income. It is imperative that the supply of housing for persons of
26 lower income be increased and that coordination and cooperation among
27 private enterprise, state and local government be encouraged to sponsor,
28 build and rehabilitate residential housing for such persons.

29 (c) The legislature finds and declares further that, in

1 accomplishing this purpose, the creation of the Alaska Housing Finance
2 Agency is essential to assist in the acquisition and development of
3 land and the construction, rehabilitation, financing, management, main-
4 tenance, sale and rental of dwelling units for persons of lower income
5 and that such activities serve a public purpose in benefiting the
6 people of the state. The Alaska Housing Finance Agency is empowered to
7 act on behalf of the state and its people in serving this public
8 purpose for the benefit of the general public.

9 Sec. 18.56.020. ALASKA HOUSING FINANCE AGENCY. The Alaska Housing
10 Finance Agency is a public corporation and government instrumentality
11 within the Department of Commerce, but having a legal existence
12 independent of and separate from the state. The agency may not be
13 terminated as long as it has bonds, notes or other obligations out-
14 standing. Upon termination of the agency, its rights and property
15 pass to the state.

16 Sec. 18.56.030. AGENCY GOVERNING BODY. The agency shall be
17 governed by a board of directors, consisting of the four appointive
18 members of the Alaska State Housing Authority and the commissioner of
19 commerce. Members shall serve without compensation except that each
20 member may be reimbursed by the agency for actual and necessary
21 expenses at the same rate as set out in AS 39.20.180.

22 Sec. 18.56.040. MEETINGS OF BOARD. The board shall elect a
23 chairman from among its membership at its first meeting in each year.
24 A majority of the members constitute a quorum for organizing the board,
25 conducting its business and exercising the powers of the agency. The
26 board shall meet at the call of its chairman. The board shall meet
27 not less than once each three months.

28 Sec. 18.56.045. MINUTES OF MEETINGS. The board shall keep
29 minutes of each meeting and send a certified copy to the governor.

1 Sec. 18.56.050. ADMINISTRATION OF AFFAIRS. The board may manage
2 the assets and business of the agency and prescribe, amend and repeal
3 bylaws, rules and regulations governing the manner in which the
4 business of the agency is conducted and the manner in which its powers
5 are exercised. The board may delegate to one or more of its directors,
6 officers, agents or employees those powers and duties it considers
7 proper. The board may delegate supervision of the administration of
8 the agency to an executive officer.

9 Sec. 18.56.055. LEGAL ADVISOR. The attorney general is the legal
10 counsel for the agency. He shall advise the corporation in legal
11 matters and represent it in suits.

12 Sec. 18.56.060. BOARD MAY EMPLOY PERSONNEL. The board may appoint
13 other officers, hire employees and agents, and engage professional and
14 technical advisors as employees or as independent contractors. The
15 board shall prescribe the duties and compensation of agency personnel.

16 Sec. 18.56.070. PERSONNEL EXEMPT FROM STATE PERSONNEL ACT. The
17 personnel of the agency are exempt from AS 39.25 to the same extent as
18 the personnel of the Alaska State Housing Authority.

19 Sec. 18.56.080. INTERDEPARTMENTAL COOPERATION. All departments,
20 agencies and public corporations of the state may provide information,
21 services, facilities and loans to the agency upon its request. The
22 agency may reimburse departments, agencies and public corporations of
23 the state for loans advanced or for expenses incurred on the agency's
24 behalf.

25 Sec. 18.56.090. GENERAL POWERS. In addition to other powers
26 granted in this chapter, the agency may, for the purpose of providing
27 housing for persons of lower income

28 (1) make or participate in the making of construction loans
29 to sponsors, developers and builders of land development or residential

1 housing, if the agency determines that construction loans are not
2 otherwise available, wholly or in part, from private lenders upon
3 reasonably equivalent terms and conditions;

4 (2) make or participate in the making of mortgage loans to
5 sponsors, developers, builders and purchasers of residential housing, if
6 the agency determines that mortgage loans are not otherwise available,
7 wholly or in part, from private lenders upon reasonably equivalent terms
8 and conditions;

9 (3) purchase or participate in the purchase of mortgage loans
10 made to sponsors, developers and builders of residential housing or to
11 persons of lower income for residential housing, if the agency has given
12 approval prior to the initial making of such loan and has determined
13 that mortgage loans were, at the time such approval was given, not
14 otherwise available, wholly or in part, from private lenders upon
15 reasonably equivalent terms and conditions;

16 (4) make partial rental payments and mortgage interest pay-
17 ments under a contract with any housing owner providing the payments
18 will be applied to decrease rental or mortgage interest charges of
19 persons of lower income;

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

21 (6) collect and pay reasonable fees and charges in connec-
22 tion with making, purchasing and servicing its loans, notes, bonds,
23 commitments and other evidences of indebtedness;

24 (7) acquire real property, or any interest therein, in its
25 own name, by purchase, transfer or foreclosure, where such acquisition
26 is necessary or appropriate to protect any loan in which the agency has
27 an interest; sell, transfer and convey any such property to a buyer;
28 and, in the event such sale, transfer or conveyance cannot be effected
29 with reasonable promptness or at a reasonable price, rent or lease such

1 property to a tenant pending such sale, transfer or conveyance;

2 (8) sell, at public or private sale, to any purchaser,
3 including the Federal National Mortgage Association, all or any part of
4 any mortgage or other instrument or document securing a construction,
5 land development, mortgage or temporary loan of any type permitted by
6 this chapter;

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

10 (10) procure insurance against any loss in connection with
11 its operations;

12 (11) consent to the modification of the rate of interest,
13 time of payment of any installment of principal or interest, or any
14 other terms, of any mortgage loan, mortgage loan commitment, construc-
15 tion loan, temporary loan, contract or agreement of any kind to which
16 the agency is a party;

17 (12) borrow money as herein provided to carry out and
18 effectuate its corporate purposes; and issue its obligations as evidence
19 of any such borrowing;

20 (13) include in any borrowing such amounts necessary to pay
21 financing charges, interest on the obligations for a period not
22 exceeding one year after the date on which the agency estimates funds
23 will otherwise be available to pay such interest, consultant, advisory
24 and legal fees and such other expenses as are necessary or incident to
25 such borrowing;

26 (14) make and publish rules and regulations respecting its
27 lending programs and such other rules and regulations as are necessary
28 to effectuate its purposes;

29 (15) provide technical and advisory services to sponsors,

1 builders and developers of residential housing and to residents thereof;

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

4 (17) make and execute agreements, contracts and other in-
5 struments necessary or convenient in the exercise of the powers and
6 functions of the agency under this chapter, including contracts with
7 any person, firm, corporation, governmental agency or other entity;

8 (18) receive, administer and comply with the conditions and
9 requirements respecting any appropriation or any gift, grant or
10 donation of any property or money;

11 (19) sue and be sued in its own name;

12 (20) adopt an official seal;

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

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

20 (23) do all acts and things necessary, convenient or desir-
21 able to carry out the powers expressly granted or necessarily implied
22 in this chapter;

23 (24) make funds available, without charging interest, to
24 nonprofit housing development corporations; the amount of funds used
25 to determine the feasibility of a proposed project which proves to
26 be unfeasible, may be forgiven;

27 (25) make funds available for interim financing, without
28 charging interest, to nonprofit housing development corporations;

29 (26) make available technical assistance funds to nonprofit

1 housing development corporations for the purpose of developing pre-
2 occupancy and post-occupancy training programs for people served by
3 the housing development corporation programs; and

4 (27) make available down payment funds to persons of lower
5 income for the purpose of enabling them to qualify for other state
6 or federally assisted housing programs.

7 Sec. 18.56.100. HOUSING DEVELOPMENT FUND. (a) There is created
8 a special revolving loan fund to be known as the "housing development
9 fund" to be administered by the agency as a trust fund separate and
10 distinct from any other money or funds administered by the agency.

11 (b) Consistent with sec. 90 of this chapter, the agency may make
12 temporary and permanent loans from the housing development fund, at
13 such interest rate or rates as determined by the agency, and with such
14 security for repayment as is necessary and practicable, to

15 (1) defray development costs of sponsors, builders and
16 developers of residential housing; or

17 (2) provide to persons of lower income who are applying
18 for mortgages, the amounts required to make down payments and pay
19 closing costs; or

20 (3) purchase, make, or participate in the making of
21 mortgage and construction loans which are not federally insured or
22 guaranteed to sponsors, builders and developers of land development
23 or residential housing, if the agency determines that such loans
24 are not otherwise available, wholly or in part, from private lenders
25 upon reasonably equivalent terms and conditions.

26 (c) To the credit of the housing development fund shall be
27 deposited

28 (1) grants and contributions to the fund and the proceeds
29 of sale of fund notes; and

1 (2) all receipts of the agency on account of repayment of
2 or sale or other disposition of the security for any loans made under
3 (b) of this section.

4 (d) The agency may receive and accept from any source whatever
5 any grants or contributions for the housing development fund.

6 (e) The agency may provide for the issuance, at one time or from
7 time to time, of housing development fund notes for the purpose of
8 providing funds for the fund. The commissioner of revenue is authorized
9 to purchase fund notes with surplus funds in the state treasury.

10 (f) The principal and interest on fund notes is payable solely
11 from the housing development fund. The agency shall determine the
12 date of the fund notes of each issue, the maturity of such notes, the
13 redemption provisions, if any, including redemption prices, terms and
14 conditions, the form and manner of execution of such notes, including
15 any interest coupons to be attached thereto, the denomination and the
16 place of payment of principal and interest, which may be any bank,
17 trust company, or any agent, including the purchaser of any fund notes.
18 The fund notes may be issued in coupon or in registered form, or both.
19 The agency may provide for the registration of any coupon fund notes
20 as to principal or interest, or both, and for the reconversion into
21 coupon fund notes of any fund notes registered as to both principal and
22 interest, and for the exchange of registered and coupon fund notes.
23 The agency may provide for the replacement of fund notes which are
24 mutilated, destroyed, lost or stolen.

25 (g) Fund notes shall bear interest at such rate, and shall be
26 sold in such manner and for such price as the agency determines.

27 (h) If any officer whose signature or a facsimile of whose
28 signature appears on any fund notes or coupons attached thereto ceases
29 to be an officer before the delivery of the fund notes or coupons, his

1 signature or facsimile shall be valid for all purposes as if he had
2 remained in office until delivery.

3 (i) The proceeds of sale of fund notes shall be used solely for
4 the purposes for which issued and shall be disbursed in such manner
5 and under such restrictions as the agency provides in the resolution
6 authorizing the issuance of the fund notes.

7 (j) Fund notes may be issued without the consent of any govern-
8 ment agency and without any other proceedings or conditions other than
9 those which are specifically required by this chapter and the provi-
10 sions of the resolution authorizing the issuance of such fund notes.

11 (k) No loan may be made by the agency from the housing development
12 fund except in accordance with a written agreement which shall include,
13 but need not be limited to, the following terms and conditions:

14 (1) the proceeds of loans shall be used only for the
15 purposes for which the loan is made, as provided in the agreement;

16 (2) the loan shall be repaid in full as provided in the
17 agreement;

18 (3) all repayments in connection with a loan to defray
19 development costs shall be made concurrent with receipt by the borrower
20 of the proceeds of a construction loan or mortgage loan, or at such
21 other times as the agency considers reasonably necessary or practicable;
22 and

23 (4) security for repayment shall be specified and shall be
24 upon terms and conditions as the agency considers necessary or
25 practicable to insure all repayments.

26 Sec. 18.56.110. BONDS AND NOTES. (a) The agency, by resolution,
27 may issue bonds and bond anticipation notes in order to provide funds
28 to carry out and effectuate its purposes.

29 (b) The principal and interest on such bonds or notes shall be

1 payable from agency funds, excluding funds in the housing development
2 fund. Bond anticipation notes may be payable from the proceeds of the
3 sale of bonds or from the proceeds of sale of other bond anticipation
4 notes or, in the event bond or bond anticipation note proceeds are not
5 available, such notes may be paid from other funds or assets of the
6 agency. Bonds or notes may be additionally secured by a pledge of any
7 grant or contribution from the federal government, or any corporation,
8 association, institution or person, or a pledge of any money, income,
9 or revenues of the agency from any source.

10 (c) Bonds or bond anticipation notes may be issued in one or more
11 series and shall be dated, bear interest at the rate or rates a year
12 or within such maximum rate, be in the denomination, be in the form,
13 whether coupon or registered, carry the conversion or registration
14 provisions, have the rank or priority, be executed in the manner and
15 form, be payable from the sources in the medium of payment and place
16 or places within or outside the state, be subject to authentication by
17 a trustee or fiscal agent, and be subject to the terms of redemption
18 with or without premium, as the resolution of the agency may provide.
19 Bond anticipation notes shall mature at such time or times as may be
20 determined by the agency. Bonds shall mature at such time, not exceed-
21 ing 50 years from their date, as may be determined by the agency.
22 Before the preparation of definitive bonds or bond anticipation notes,
23 the agency may issue interim receipts or temporary bonds or bond
24 anticipation notes, with or without coupons, exchangeable for bonds
25 or bond anticipation notes when such definitive bonds or bond anticipa-
26 tion notes have been executed and are available for delivery.

27 (d) Bonds or bond anticipation notes may be sold in such manner,
28 on such terms and at such price as the agency determines.

29 (e) If an officer whose signature or a facsimile of whose