

Leg. Finance - Finance Comtee File

HB 167 cont., 167am

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(1971-72)

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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 trustees 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 related
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.
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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 (1) 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 borrowe
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. 18.56.190. 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.

Committee Report

HOUSE OF REPRESENTATIVES

Date

Mr. Speaker:

The Committee on _____ has had _____ 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:

Four horizontal lines for member signatures.

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

- recommends:
recommends:
recommends:
recommends:
recommends:

CHAIRMAN

REPORTS OF SELECTING COMMITTEES

166 The State Affairs Committee has PASSED HOUSE BILL NO. 167
 167 (to provide financing and development of housing for persons of lower income and to create an Alaska Housing Finance Agency; and providing for an effective date) under consideration and a majority of the members of the Committee recommends it do pass with the following amendments:

amendment No. 1 by the State Affairs Committee:

Page 1, line 6 and throughout the remainder of this bill.

Change the title on line 8 by deleting "Agency" and inserting the word "Corporation".

In addition, wherever reference is made to the organization created by this bill as the "agency", substitute the word "corporation".

amendment No. 2 by the State Affairs Committee:

Page 2, lines 17 through 19: After "the" on line 17 and ending with "commerce" on line 19, delete all matter and insert the following: "commissioner of commerce and four members appointed by the governor"

amendment No. 3 by the State Affairs Committee:

Page 7, lines 6 and 9: After the words "closing costs" on line 6, insert the following: "and to housing owners the amounts applied for partial rental payments and mortgage interest payments under Sec. 690 (4) of the Chapter" followed by "; or"

In line 9, after the word "builders" add ", purchasers"

amendment No. 4 by the State Affairs Committee:

Page 7, line 27: On line 27 following "treasury.", insert the following:

"Prior to the submission of the executive budget to the legislature, the commissioner of revenue shall annually recommend to the governor the anticipated amounts of surplus funds available for purchase of fund notes in the fiscal year encompassed by the budget. In making his recommendation to the governor, the commissioner of revenue shall consider the expenditures and revenue projections contained in the most recent revenue source document prepared for and submitted to the legislature by the administration. If the governor agrees with the recommendation of the commissioner of revenue, he shall forward the recommendation to the agency."

March 22, 1971

533

The report was signed by Mr. McVeigh, Chairman, and concurred in by McVeigh, Fischer, Barber, Rose, E. Miller, Huber and Ferguson. Not concurring was Helm who has no recommendation. 187
HOUSE BILL NO. 187 was referred to the Finance Committee.

INTRODUCTION, FIRST READING AND REFERENCE
OF HOUSE RESOLUTIONS

HOUSE JOINT RESOLUTION NO. 59 by Guess and Bowman

HJR
59

Relating to Federal Highway Trust Funds

was introduced, read the first time and referred to the Committee on State Affairs.

HOUSE RESOLUTION NO. 7 by the Commerce Committee

HR
7

Relating to the Alaska banking system

was introduced, read the first time and referred to the Committee on Commerce.

INTRODUCTION, FIRST READING AND REFERENCE
OF HOUSE BILLS

HOUSE BILL NO. 333 by Moore and Rohman, entitled:

HB
333

"An Act relating to the sale and barter of subsistence-taken fish and fish products."

was introduced, read the first time and referred to the Committee on Resources.

HOUSE BILL NO. 334 by Guess and Bowman, entitled:

HB
334

"An Act relating to revenue sharing with local governments for providing certain mass transit facilities or services.

was introduced, read the first time and referred to the Committees on State Affairs and Finance.

HOUSE BILL NO. 335 by Guess and Bowman, entitled:

HB
335

"An Act relating to powers of a city or borough to provide mass transportation facilities and services.

was introduced, read the first time and referred to the Committee on Local Government.

HOUSE BILL NO. 336 by Holm, Bradner, Huber, E. Miller, Orbeck, Randolph and Warwick, entitled:

HB
336

"An Act relating to the disaster relief fund; and providing for an effective date."

was introduced, read the first time and referred to the Committees on State Affairs and Finance.

HB HOUSE BILL NO. 166 by Peratrovich, entitled:
166

"An Act creating separate boards of fish and game for Western and South-eastern Alaska."

was introduced, read the first time and referred to the Committees on Resources and Judiciary.

HB HOUSE BILL NO. 167 by the Rules Committee by request of
167 the Governor, entitled:

"An Act to provide financing and development of housing for persons of lower income and to create an Alaska Housing Finance Agency; and providing for an effective date."

was introduced, read the first time and referred to the Committees on State Affairs and Finance.

The Speaker stated that without objection, the reading of the Governor's covering letters on HOUSE BILL NO. 167 and all subsequent bills would be waived and they would be printed in the Journal. There being no objection, it was so ordered and the letters appear following the bill to which each pertains.

February 9, 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 legislation creating an Alaska Housing Finance Agency to make, or participate in the making of, loans for low-income housing.

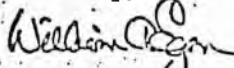
The bill is based on model legislation prepared by the Advisory Commission on Inter-Governmental Relations. As of March, 1970, some 13 states had state housing financing agencies incorporating functions provided under the bill submitted.

The Agency's activities would span the entire home building process from preconstruction through land development, construction, and permanent financing. It would function through the private home building and lending industries, or could directly implement its own program. The program could be implemented either through the FHA or the Farmers Home Administration programs, or on a direct basis to the extent that such programs are not meeting the need for low income housing in Alaska.

GENERAL
EXPLANATION
of purposes
of Bill

To the extent that the Agency purchases Federally insured mortgages or makes, or participates in the making of, Federally insured construction loans, it could anticipate funding from tax exempt revenue bonds and notes. To the extent that Federal programs are not available for these purposes, loans could be made directly through the Housing Development Fund on a short-term or long-term basis. The bill provides that surplus funds of the State may be invested in Housing Development notes in this event. HB 157

Sincerely,



William A. Egan
Governor"

HOUSE BILL NO. 168 by Fischer, Swanson and Bowman, entitled: HB 168

"An Act relating to waitresses serving alcoholic beverages; and providing for an effective date."

was introduced, read the first time and referred to the Committees on State Affairs and Judiciary.

HOUSE BILL NO. 169 by Meland, entitled: HB 169

"An Act relating to historical sites and monuments."

was introduced, read the first time and referred to the Committees on Resources and Finance.

HOUSE BILL NO. 170 by the Rules Committee by request of the Governor, entitled: HB 170

"An Act appropriating to the reapportionment board; and providing for an effective date."

was introduced, read the first time and referred to the Committees on State Affairs and Finance.

"February 10, 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 to you a bill appropriating \$30,000 for the expenses of the Reapportionment Board appointed pursuant to Art. VI, Sec. 8, of the Alaska Constitution.

House Finance Committee
Alaska State Legislature

Attention Mr. Dan Casey

Eric E. Wohlforth
Eric E. Wohlforth
Commissioner of Revenue

March 17, 1971

House Bill 167 ✓

I submit the section-by-section analysis of the bill requested by the Committee Chairman as well as some suggested technical amendments which became apparent on reanalyzing the bill.

EEW:bg
Attachments

Section by Section Analysis of House Bill No. 167 entitled, "An Act to Provide Financing in Development of Housing for Persons in Lower Income and to Create an Alaska Housing Finance Agency; and providing for an Effective Date."

Sec. 18.55.010 states the legislative findings and purposes of the Agency.

Sec. 18.56.020 creates the Agency.

Sec. 18.56.030 establishes the governing body of the Agency as the appointive members of the Alaska State Housing Authority and the Commissioner of Commerce.

Sec. 18.56.040 through 18.56.080 provide, respectively, for meetings of the Board, submission of the minutes to the Governor, administration by the Board of the assets and business of the Agency, establishment of the Attorney General as legal advisor, permission for the Board to employ personnel, exemption from the State Personnel Act to the same extent as personnel of the Alaska State Housing Authority and for inter-departmental cooperation between other agencies of the State.

Sec. 18.56.090 sets out the general powers of the Agency, including the power to make construction loans for land development or residential housing, to make mortgage loans to sponsors, developers, builders and purchasers of residential housing, and to purchase mortgage loans for the same purpose, all to the extent the agency determines that mortgage loans are not available on equivalent terms from private sources. In addition the agency may make partial rental payments and mortgage interest payments to decrease rent or mortgage interest charges to persons of lower income. The agency also has the customary powers to acquire real property and to sell its mortgages, to borrow money, to promote research and methods of constructing low cost residential housing, and other general necessary powers for its corporate purposes.

Sec. 18.156.100 creates the housing development fund from which temporary and permanent loans may be made for the purposes of the authority to defray develop-

ment costs of sponsors, builders and developers of residential housing, to provide to persons of lower income the down payments for housing and to make purchases of or participate in the making of mortgage or construction loans which are not Federally insured to sponsors, builders, and developers of land development or residential housing.

Among other things, the purpose of the housing development fund is to assist builders, sponsors, or developers in organizing and planning housing projects and for down payment assistance for lower income persons. Loans would cover such preconstruction activities as site engineering, preliminary architectural drawings, land options and legal fees. As all these costs eventually go into the price of housing, the legislation permits the loans to be repaid from construction loans or mortgage proceeds.

In addition, the housing development fund would be available for direct construction and mortgage loans to individual occupants of non-project type low income housing.

Subdivision (c) through the end of the section sets forth the details of housing fund notes, providing that the Commissioner of Revenue may purchase such notes from surplus funds of the State treasury. A letter to the Committee Chairman dated February 18, 1971 contains suggested replacement language at page 7, line 23 through line 27 providing for an annual recommendation by the Governor on advice from the Commissioner of Revenue of the amount of housing fund development notes which can be purchased in any particular year.

Sec. 18.56.110 authorizes the agency to issue long term bonds to fund long term mortgage financing. It is contemplated to the extent the agency purchases in construction loans or mortgages which are insured or guaranteed by the Federal government that it could issue bonds to provide monies for the making of the final loan.

The extensive provisions starting on page 9 line 15 of Sec. 18.56.110

through line 28 of page 13 to the end of the section relate to details of the bond issuance.

Sec. 18.56.120 through 190 contain other customary provisions relating to bonds, among them, provisions guaranteeing the holders of the bonds the right to enforce the agency to comply with its obligations, the fact that the bonds are negotiable instruments, eligibility for investment, the fact that the bonds do not constitute an obligation to the State, and are payable solely from the revenues of the Agency, and the like.

Sec. 18.56.210, among other things, define "development costs", "construction loans", "land development", and "residential housing" terms, which are used and have meaning in the powers section of the Agency previously discussed.

Possible Technical Changes in
House Bill No. 167

In reviewing the legislation, I submit the following for a technical amendment. On page 7 line 6, after the words, "closing costs" add "and to housing owners the amounts applied for partial rental payments and mortgage interest payments under Sec. 090(4) of this Chapter," and in line 9 on page 7 after the word "builders" add the word "purchasers."

Also on page 2, line 17, it might be well to remove the word "four" so as to allow for possible changes in composition of the ASHA Board.

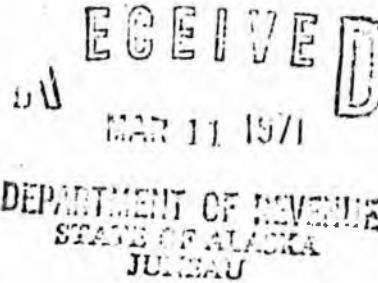


DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
ARCADE PLAZA BUILDING, 1321 SECOND AVENUE
SEATTLE, WASHINGTON 98101

March 9, 1971

REGION X
Office of
Area Director

Mr. Eric E. Wohlforth
Commissioner
Department of Revenue
State of Alaska
Pouch S
Juneau, Alaska 99801



IN REPLY REFER TO:
106A (Halpern)

Dear Mr. Wohlforth

We have reviewed the proposed legislation submitted by your office relating to the establishment of a housing finance agency in the state of Alaska. An examination of the provisions of this proposed statute establishes that the Alaska Housing Finance Agency would be eligible for Federal financial assistance.

The Council of State Governments in its volume of suggested state legislation has recommended legislation very similar to that proposed to the State of Alaska. Thirteen states that have made the decision to establish active and aggressive programs in the housing field have already created housing corporations. Several additional states are considering adoption of similar legislation in 1971 and it is significant that the western states of our country are recognizing the need for active participation in the housing field. Our Department recognizes that the current nation-wide housing crisis is not just relegated to the older eastern urban areas but that it exists throughout the country and includes our smaller cities and rural areas as well as the larger metropolitan centers.

We have spoken with members of our professional staff in several locations throughout the country where working relationships have already been established with existing housing corporations and have found the reaction to be very favorable. It is the general opinion that these agencies have the capability of both aiding the effective extension of federal programs to the public and accomplishing an equitable distribution of the states' housing resources through increased housing productivity, state-wide comprehensive planning and effective program administration. The state-wide housing corporations have been able to interact with and increase the capacities of the industries within their states concerned with the financing, production, management, maintenance and marketing of housing.

The unique nature of a state housing corporation will allow it to participate in housing programs to a much greater extent than any present agency and it can provide a service not found in federal or local programs. When fully operational and qualified, the state agency can act as processing, insuring and mortgaging agent in its own behalf or with the participation of private or federal programs. HUD programs that are designed to serve low and moderate income families, the elderly, displaced, handicapped or unacceptably housed persons can be utilized, in conjunction with the unique features of the state housing act, to speed and expand the state's housing capacity.

The proposed Alaska Housing Corporation Act designed for the State of Alaska will provide an extremely desirable vehicle for state involvement in housing. The goal of the Department of Housing and Urban Development as expressed by Congress in the 1968 Housing Act is to provide "a decent home and a suitable living environment for every American family, . . ." The accomplishment of this goal requires active participation at all levels of federal, state and local governments and it is the policy of HUD to encourage state and local legislation designed to meet housing needs.

If we may be of any further assistance in answering specific questions regarding the proposed legislation, please let us respond.

Sincerely,



W. D. Majors
Area Director

cc:
The Honorable William A. Egan
Governor of Alaska

February 9, 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 legislation creating an Alaska Housing Finance Agency to make, or participate in the making of, loans for low-income housing.

The bill is based on model legislation prepared by the Advisory Commission on Inter-Governmental Relations. As of March, 1970, some 12 states had state housing financing agencies incorporating functions provided under the bill submitted.

The Agency's activities would span the entire home building process from preconstruction through land development, construction, and permanent financing. It would function through the private home building and lending industries, or could directly implement its own program. The program could be implemented either through the FHA or the Farmers Home Administration programs, or on a direct basis to the extent that such programs are not meeting the need for low income housing in Alaska.

To the extent that the Agency purchases Federally insured mortgages or makes, or participates in the making of, Federally insured construction loans, it could anticipate funding from tax exempt revenue bonds and notes. To the extent that Federal programs are not available for these purposes, loans could be made directly through the Housing Development Fund on a short-term or long-term basis. The bill provides that surplus funds of the state may be invested in Housing Development notes in this event.

Sincerely,

William A. Egan
Governor

STATE OF ALASKA

WILLIAM A. EGAN, Governor

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH 5 — JUNEAU 99801

February 18, 1971

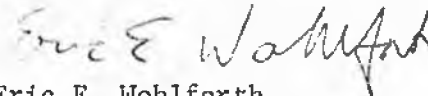
The Honorable George H. Hohman, Chairman
House Finance Committee
Alaska State Legislature
State Capitol Building
Juneau, Alaska 99801

Dear Representative Hohman:

House Bill No. 167 relating to the Alaska Housing Finance Agency has been referred to your committee for consideration. As you know, the bill was introduced by the Rules Committee at the request of the Governor.

Among other things, the bill allows the Commissioner of Revenue to invest surplus State funds in the fund notes of the housing agency. At this time, the Governor has suggested a proposed change in the language of the bill which would require the Commissioner of Revenue to make a yearly recommendation as to the amount of funds available for such investment. Proposed amendatory language is attached for your consideration.

Sincerely yours,



Eric E. Wohlforth
Commissioner

EEW:bj
Attachment

Second referral

HOUSE BILL NO. 167

Proposed amendment.

Page 7; line 23 through 27.

Replace all of ^(e)~~(X)~~ with the following language:

^(e)~~(X)~~ The agency may provide for the issuance, at one time or from time to time, of housing development fund notes for the purpose of providing funds for the fund. The commissioner of revenue is authorized to purchase fund notes with surplus funds in the state treasury. Prior to the submission of the executive budget to the legislature, the commissioner of revenue shall annually recommend to the governor the anticipated amounts of surplus funds available for purchase of fund notes in the fiscal year encompassed by the budget. In making his recommendation to the governor, the commissioner of revenue shall consider the expenditure and revenue projections contained in the most recent revenue source document prepared for and submitted to the legislature by the administration. If the governor agrees with the recommendation of the commissioner of revenue he shall forward the recommendation to the agency.

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

WILLIAM A. EGAN, Governor

POUCH 5 — JUNEAU 99801

February 18, 1971

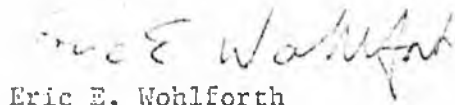
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Sincerely yours,



Eric E. Wohlforth
Commissioner

EEW:bj
Attachment

*Second
signature*

HOUSE BILL NO. 167

Proposed amendment.

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STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

WILLIAM A. EGAN, Governor

POUCH 5 — JUNEAU 99801

February 18, 1971

The Honorable George H. Hohman, Chairman
House Finance Committee
Alaska State Legislature
State Capitol Building
Juneau, Alaska 99801

Dear Representative Hohman:

House Bill No. 157 relating to the Alaska Housing Finance Agency has been referred to your committee for consideration. As you know, the bill was introduced by the Rules Committee at the request of the Governor.

Among other things, the bill allows the Commissioner of Revenue to invest surplus State funds in the fund notes of the housing agency. At this time, the Governor has suggested a proposed change in the language of the bill which would require the Commissioner of Revenue to make a yearly recommendation as to the amount of funds available for such investment. Proposed amendatory language is attached for your consideration.

Sincerely yours,

Eric E. Wohlforth
Eric E. Wohlforth
Commissioner

EEW:bj
Attachment

*Lucinda
Johannes*

HOUSE BILL NO. 167

Proposed amendment.

Page 7; line 23 through 27.

Replace all of ^(e)~~(X)~~ with the following language:

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Introduced: 2/10/71
Referred: State Affairs and
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 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 constructions 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 instru-
5 ments 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; and

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 Sec. 18.56.100: HOUSING DEVELOPMENT FUND. (a) There is created
24 a special revolving loan fund to be known as the "housing development
25 fund" to be administered by the agency as a trust fund separate and
26 distinct from any other moneys or funds administered by the agency.

27 (b) Consistent with sec. 90 of this chapter, the agency may make
28 temporary and permanent loans from the housing development fund, at
29 such interest rate or rates as determined by the agency, and with such

1 security for repayment as is necessary and practicable, to

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

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

7 (3) purchase, make, or participate in the making of
8 mortgage and construction loans which are not federally insured
9 or guaranteed to sponsors, builders and developers of land develop-
10 ment or residential housing, if the agency determines that such
11 loans are not otherwise available, wholly or in part, from private
12 lenders upon reasonably equivalent terms and conditions.

13 (c) To the credit of the housing development fund shall be
14 deposited

15 (1) grants and contributions to the fund and the proceeds
16 of sale of fund notes; and

17 (2) all receipts of the agency on account of repayment
18 of or sale or other disposition of the security for any loans made
19 pursuant to (b) of this section.

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

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

28 (f) The principal and interest on fund notes is payable solely
29 from the housing development fund. The agency shall determine the date

1 of the fund notes of each issue, the maturity of such notes, the
2 redemption provisions, if any, including redemption prices, terms and
3 conditions, the form and manner of execution of such notes, including
4 any interest coupons to be attached thereto, the denomination and the
5 place of payment of principal and interest, which may be any bank,
6 trust company, or any agent, including the purchaser of any fund notes.
7 The fund notes may be issued in coupon or in registered form, or both.
8 The agency may provide for the registration of any coupon fund notes
9 as to principal or interest, or both, and for the reconversion into
10 coupon fund notes of any fund notes registered as to both principal and
11 interest, and for the exchange of registered and coupon fund notes.
12 The agency may provide for the replacement of fund notes which are
13 mutilated, destroyed, lost or stolen.

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

16 (h) If any officer whose signature or a facsimile of whose
17 signature appears on any fund notes or coupons attached thereto ceases
18 to be an officer before the delivery of the fund notes or coupons, his
19 signature or facsimile shall be valid for all purposes as if he had
20 remained in office until delivery.

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

25 (j) Fund notes may be issued without the consent of any govern-
26 ment agency and without any other proceedings or conditions other than
27 those which are specifically required by this chapter and the provisions
28 of the resolution authorizing the issuance of such fund notes.

29 (k) No loan may be made by the agency from the housing development

1 fund except in accordance with a written agreement which shall include,
2 but need not be limited to, the following terms and conditions

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

5 (2) the loan shall be repaid in full as provided in the
6 agreement;

7 (3) all repayments in connection with a loan to defray
8 development costs shall be made concurrent with receipt by the borrower
9 of the proceeds of a construction loan or mortgage loan, or at such
10 other times as the agency deems reasonably necessary or practicable;
11 and

12 (4) security for repayment shall be specified and shall be
13 upon terms and conditions as the agency deems necessary or practicable
14 to insure all repayments.

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

18 (b) The principal and interest on such bonds or notes shall be
19 payable from agency funds, excluding funds in the housing development
20 fund. Bond anticipation notes may be payable from the proceeds of the
21 sale of bonds or from the proceeds of sale of other bond anticipation
22 notes or, in the event bond or bond anticipation note proceeds are not
23 available, such notes may be paid from other funds or assets of the
24 agency. Bonds or notes may be additionally secured by a pledge of any
25 grant or contribution from the federal government, or any corporation,
26 association, institution or person, or a pledge of any money, income,
27 or revenues of the agency from any source.

28 (c) Bonds or bond anticipation notes may be issued in one or more
29 series and shall be dated, bear interest at the rate or rates per

1 annum or within such maximum rate, be in the denomination, be in the
2 form, either coupon or registered, carry the conversion or registration
3 provisions, have the rank or priority, be executed in the manner and
4 form, be payable from the sources in the medium of payment and place or
5 places within or outside the state, be subject to authentication by a
6 trustee or fiscal agent, and be subject to the terms of redemption with
7 or without premium, as the resolution of the agency may provide. Bond
8 anticipation notes shall mature at such time or times as may be deter-
9 mined by the agency. Bonds shall mature at such time, not exceeding 50
10 years from their date, as may be determined by the agency. Prior to the
11 preparation of definitive bonds or bond anticipation notes, the agency
12 may issue interim receipts or temporary bonds or bond anticipation notes
13 with or without coupons, exchangeable for bonds or bond anticipation
14 notes when such definitive bonds or bond anticipation notes have been
15 executed and are available for delivery.

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

18 (e) If an officer whose signature or a facsimile of whose signa-
19 ture appears on any bonds or notes or coupons attached thereto ceases to
20 be an officer before the delivery of the bond, note or coupon, his sig-
21 nature or facsimile shall be valid the same as if he had remained in
22 office until delivery.

23 (f) In any resolution of the agency authorizing or relating to the
24 issuance of any bonds or bond anticipation notes, the agency shall have
25 power by provisions in such resolution which will constitute covenants
26 of the agency and contracts with the holders of such bonds or bond
27 anticipation notes

28 (1) to pledge to any payment or purpose all or any part of
29 its revenues to which its right then exists or may thereafter come into

1 existence, and the money derived from the revenues, and the proceeds of
2 any bonds or notes;

3 (2) to covenant against pledging all or any part of its reve-
4 nues, or against permitting or suffering a lien on the revenues or its
5 property;

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

9 (4) to covenant as to establishment of reserves or sinking
10 funds and the making of provision for and the regulation and disposition
11 of the reserves or sinking funds;

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

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

17 (7) to covenant as to the issuance of additional bonds or
18 notes, or as to limitations on the issuance of additional bonds or notes
19 and the incurring of other debts;

20 (8) to covenant as to the payment of the principal of or in-
21 terest on the bonds or notes, as to the sources and methods of the pay-
22 ment, as to the rank or priority of the bonds or notes with respect to a
23 lien or security, or as to the acceleration of the maturity of the bonds
24 or notes;

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

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

29 (11) to covenant as to the redemption of bonds or notes and

1 privileges of their exchange for other bonds or notes of the agency;

2 (12) to covenant to create or authorize the creation of spe-
3 cial funds of money to be held in pledge or otherwise for operating ex-
4 penses, payment or redemption of bonds or notes, reserves or other pur-
5 poses, and as to the use and disposition of the money held in the funds;

6 (13) to establish the procedure, if any, by which the terms
7 of any contract or covenant with or for the benefit of the holders of
8 bonds or notes may be amended or abrogated; the amount of bonds or notes
9 the holders of which must consent to amendment or abrogation, and the
10 manner in which the consent may be given;

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

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

18 (16) to provide for the rights and liabilities, powers and
19 duties arising upon the breach of any covenant, condition or obligation,
20 and to prescribe the events of default and the terms and conditions upon
21 which any or all the bonds, notes or other obligations of the agency
22 shall become or may be declared due and payable before maturity and the
23 terms and conditions upon which any such declaration and its con-
24 sequences may be waived;

25 (17) to vest in a trustee or trustees within or outside the
26 state such property, rights, powers and duties in trust as the agency
27 may determine, which may include any or all of the rights, powers and
28 duties of any trustee appointed by the holders of any bonds or notes,
29 and to limit or abrogate the right of the holders of any bonds or notes

1 of the agency to appoint a trustee under this chapter or limit the
2 rights, powers and duties of the trustee;

3 (18) to pay the costs or expenses incident to the enforce-
4 ment of the bonds or notes or of the provisions of the resolution or
5 of any covenant or agreement of the agency with the holders of its bonds
6 or notes;

7 (19) to agree with any corporate trustee which may be any
8 trust company or bank having the powers of a trust company within or
9 without the state as to the pledging or assigning of revenues or funds
10 to which or in which the agency has any rights or interest, the agree-
11 ment may further provide for such other rights and remedies exercisable
12 by the trustee as may be proper for the protection of the holders of
13 any bonds or notes of the agency and not otherwise in violation of law
14 and may provide for the restriction of the rights of an individual
15 holder of bonds or notes of the agency;

16 (20) to appoint and provide for the duties and obligations
17 of any paying agent or paying agents, or such other fiduciaries as the
18 resolution may provide within or outside the state;

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

21 (22) to make covenants other than and in addition to the
22 covenants expressly authorized in this section, of like or different
23 character, and to make such covenants to do or refrain from doing such
24 acts and things as may be necessary, or convenient and desirable, in
25 order to better secure bonds or notes or which, in the absolute dis-
26 cretion of the agency, will tend to make bonds or notes more marketable,
27 notwithstanding that the covenants, acts or things may not be enumerated
28 in this section.

29 Sec. 18.56.120. VALIDITY OF ANY PLEDGE. The pledge of assets or

1 revenues of the agency to the payment of the principal or interest on
2 any obligations of the agency shall be valid and binding from the time
3 when the pledge is made and any such assets or revenues shall imme-
4 diately be subject to the lien of the pledge without physical delivery
5 or further act. The lien of any pledge shall be valid and binding
6 against all parties having claims of any kind in tort, contract or
7 otherwise against the agency, irrespective of whether such parties have
8 notice thereof. Nothing herein shall prohibit the agency from selling
9 assets subject to any pledge, except that any sale may be restricted
10 by the trust agreement or resolution providing for the issuance of the
11 obligations.

12 Sec. 18.56.130. REMEDIES. Any holder of obligations or coupons
13 attached thereto issued under the provisions of this chapter, and a
14 trustee under any trust agreement or resolution authorizing the issuance
15 of such obligations, except as restricted by a trust agreement or
16 resolution, either at law or in equity, may enforce all rights granted
17 hereunder or under such trust agreement or resolution, or under any
18 other contract executed by the agency pursuant to this chapter, and
19 may enforce and compel the performance of all duties required by this
20 chapter or by such trust agreement or resolution to be performed by the
21 agency or by any officer thereof.

22 Sec. 18.56.140. NEGOTIABLE INSTRUMENTS. All obligations and
23 interest coupons attached thereto are negotiable instruments under the
24 laws of this state, subject only to any applicable provisions for
25 registration.

26 Sec. 18.56.150. OBLIGATIONS ELIGIBLE FOR INVESTMENT. Obligations
27 issued under the provisions of this chapter are securities in which all
28 public officers and public bodies of the state and its political sub-
29 divisions, all insurance companies, trust companies, banking

1 associations, investment companies, executors, administrators, trustees
2 and other fiduciaries may properly and legally invest funds, including
3 capital in their control or belonging to them. These obligations may
4 be deposited with any state or municipal officer of any agency or
5 political subdivision of the state for any purpose for which the deposit
6 of bonds, notes or obligations of the state is authorized by law.

7 Sec. 18.56.160. REFUNDING OBLIGATIONS. (a) The agency may
8 provide for the issuance of refunding obligations for the purpose of
9 refunding any obligations then outstanding which have been issued under
10 the provisions of this chapter, including the payment of any redemption
11 premium thereon and any interest accrued or to accrue to the date of
12 redemption of such obligations. The issuance of such obligations, the
13 maturities and other details thereof, the rights of the holders thereof,
14 and the rights, duties and obligations of the agency in respect of the
15 same shall be governed by the provisions of this chapter which relate
16 to the issuance of obligations, insofar as such provisions may be
17 appropriate therefor.

18 (b) Refunding obligations may be sold or exchanged for outstanding
19 obligations issued under this chapter and, if sold, the proceeds thereof
20 may be applied, in addition to any other authorized purposes, to the
21 purchase, redemption or payment of such outstanding obligations. Pend-
22 ing the application of the proceeds of any such refunding obligations,
23 with any other available funds, to the payment of the principal,
24 accrued interest and any redemption premium on the obligations being
25 refunded and, if so provided or permitted in the resolution authorizing
26 the issuance of such refunding obligations or in the trust agreement
27 securing the same, to the payment of any interest on such refunding
28 obligations and any expenses in connection with such refunding, such
29 proceeds may be invested in direct obligations of, or obligations the

1 principal of and the interest on which are unconditionally guaranteed
2 by, the United States of America which shall mature or which shall be
3 subject to redemption, at the option of the holders thereof, not later
4 than the respective dates when the proceeds, together with the interest
5 accruing thereon, will be required for the purposes intended.

6 Sec. 18.56.170. CREDIT OF STATE NOT PLEDGED. (a) Obligations
7 issued under the provisions of this chapter shall not constitute a
8 debt, liability or obligation of the state or of any political sub-
9 division thereof or a pledge of the faith and credit of the state or of
10 any such political subdivision but shall be payable solely from the
11 revenues or assets of the agency. Each obligation issued under this
12 chapter shall contain on the face thereof a statement that the agency
13 shall not be obligated to pay the same nor the interest thereon except
14 from the revenues or assets pledged therefor and that neither the faith
15 and credit nor the taxing power of the state or of any political sub-
16 division thereof is pledged to the payment of the principal of or the
17 interest on such obligation.

18 (b) Expenses incurred by the agency in carrying out the provisions
19 of this chapter shall be payable from funds provided pursuant to this
20 chapter and no liability shall be incurred by the agency in excess of
21 these funds.

22 Sec. 18.56.180. OFFICERS NOT LIABLE. No member or other officer
23 of the agency shall be subject to any personal liability or account-
24 ability by reason of his execution of any obligations or the issuance
25 thereof.

26 Sec. 18.56.190. TAX EXEMPTION. (a) The exercise of the powers
27 granted by this chapter will be in all respects for the benefit of the
28 people of the state, for their well-being and prosperity and for the
29 improvement of their social and economic conditions, and the agency shall

1 not be required to pay any tax or assessment on any property owned by
2 the agency under the provisions of this chapter or upon the income
3 therefrom, except taxes on real property of which the agency is fee
4 owner.

5 (b) All obligations issued under this chapter are hereby declared
6 to be issued by a body corporate and public of the state and for an
7 essential public and governmental purpose, and the obligations, and the
8 interest and income on and from the obligations, and all fees, charges,
9 funds, revenues, income and other money pledged or available to pay or
10 secure the payment of the obligations, or interest on the obligations,
11 shall be exempt from taxation except for transfer, inheritance and
12 estate taxes.

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

17 Sec. 18.56.210. DEFINITIONS. The following terms where used in
18 this chapter shall have the following meanings, except where the context
19 clearly indicates a different meaning

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

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

23 (3) "development costs" means the costs approved by the
24 agency as appropriate expenditures which may be incurred by sponsors,
25 builders and developers of residential housing, prior to commitment and
26 initial advance of the proceeds of a construction loan or of a
27 mortgage, including but not limited to

28 (A) payments for options to purchase properties on the
29 proposed residential housing site, deposits on contracts of

1 purchase, or, with prior approval of the agency, payments for the
2 purchase of such properties;

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

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

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

9 (E) necessary application and other fees;

10 (4) "governmental agency" means any department, division,
11 public agency, political subdivision or other public instrumentality
12 of the state or the federal government;

13 (5) "Housing Development Fund" means the housing development
14 fund created by sec. 100 of this chapter;

15 (6) "construction loan" means a construction loan for land
16 development or residential housing which is secured by a federally
17 insured or guaranteed mortgage or which is insured or guaranteed by the
18 United States or an instrumentality thereof, or for which there is a
19 commitment by the United States or an instrumentality thereof to insure
20 or guarantee such a loan, or a construction loan for land development or
21 residential housing which land development or residential housing will
22 be secured by a mortgage loan;

23 (7) "mortgage" or "mortgage loan" means a mortgage loan for
24 residential housing insured or guaranteed by the United States or an
25 instrumentality thereof or for which there is a commitment by the
26 United States or an instrumentality thereof to insure or guarantee such
27 a mortgage, or if not so insured or guaranteed or if there is no such
28 commitment, which the agency determines meets the conditions described
29 in sec. 100(k) of this chapter, for a loan from the housing development

1 fund.

2 (8) "land development" means the process of acquiring land
3 primarily for residential housing construction for persons of lower
4 income and making, installing or constructing nonresidential housing
5 improvements, including water, sewer and other utilities, roads, streets,
6 curbs, gutters, sidewalks, storm drainage facilities and other installa-
7 tions or works, whether on or off the site, which the agency deems
8 necessary or desirable to prepare such land primarily for residential
9 housing construction;

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

13 (10) "persons of lower income" means persons deemed by the
14 agency to require assistance available under this chapter on account
15 of insufficient personal or family income, taking into consideration,
16 without limitation, such factors as

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

19 (B) the size of the family;

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

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

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

28 (11) "residential housing" means a specific work or
29 improvement undertaken primarily to provide dwelling accommodations

1 without limitation as to form of lawful occupancy, whether rental, under
2 contract, fee ownership, cooperative housing, condominium of other
3 lawful forms of ownership, for persons of lower income, including the
4 acquisition, construction or rehabilitation of land, buildings and
5 improvements thereto, and such other nonhousing facilities as may be
6 incidental or appurtenant thereto.

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

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RECORDS CERTIFICATION



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James D. Smith
Signature of Camera Operator

4/4/89
Date

Committee Report

S E N A T E

_____ Date

Mr. President:

The Committee on FINANCE has had HR 167 am
(Housing Finance Agency/Amendment)
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: Both

_____ recommends: " "

_____ recommends:

_____ recommends:

_____ recommends:

_____ CHAIRMAN

Introduced: 2/10/71
Referred: State Affairs
and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 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 Corporation; and providing for an
9 effective 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 CORPORATION

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
18 rural 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 Corporation 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 Corporation is empowered
7 to 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 CORPORATION. The Alaska
10 Housing Finance Corporation is a public corporation and government
11 instrumentality within the Department of Commerce, but having a legal
12 existence independent of and separate from the state. The corporation
13 may not be terminated as long as it has bonds, notes or other obligations
14 outstanding. Upon termination of the corporation, its rights and
15 property pass to the state.
16

17 Sec. 18.56.030. CORPORATION GOVERNING BODY. The corporation shall
18 be governed by a board of directors, consisting of the commissioner of
19 commerce and four members appointed by the governor. Members shall serve
20 without compensation except that each member may be reimbursed by the
21 corporation for actual and necessary expenses at the same rate as set out
22 in AS 39.20.180.

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

29 Sec. 18.56.045. MINUTES OF MEETINGS. The board shall keep
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 corporation and prescribe, amend and
3 repeal bylaws, rules and regulations governing the manner in which the
4 business of the corporation is conducted and the manner in which its
5 powers are exercised. The board may delegate to one or more of its
6 directors, officers, agents or employees those powers and duties it
7 considers proper. The board may delegate supervision of the administra-
8 tion of the corporation to an executive officer.

9 Sec. 18.56.055. LEGAL ADVISOR. The attorney general is the legal
10 counsel for the corporation. 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 corporation
16 personnel.

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

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

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

29 (1) make or participate in the making of construction loans

1 to sponsors, developers and builders of land development or residential
2 housing, if the corporation determines that constructions loans are not
3 otherwise available, wholly or in part, from private lenders upon
4 reasonably equivalent terms and conditions;

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

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

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

21 (5) make loans from the Housing Development Fund;

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

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

1 with reasonable promptness or at a reasonable price, rent or lease such
2 property to a tenant pending such sale, transfer or conveyance;

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

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

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

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

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

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

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

1 (15) provide technical and advisory services to sponsors,
2 builders and developers of residential housing and to residents thereof;

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

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

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

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

13 (20) adopt an official seal;

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

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

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

24 Sec. 18.56.100. HOUSING DEVELOPMENT FUND. (a) There is created
25 a special revolving loan fund to be known as the "housing development
26 fund" to be administered by the corporation as a trust fund separate and
27 distinct from any other moneys or funds administered by the corporation.

28 (b) Consistent with sec. 90 of this chapter, the corporation may
29 make temporary and permanent loans from the housing development fund, at