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1 community housing mortgage loan that is secured by real property the marketable title to which  
2 is shown under AS 18.56.480(b)(2) if the total amount of outstanding small community housing  
3 mortgage loans held by the corporation exceeds 10 times the amount of money in the restricted  
4 title loss reserve account established by AS 18.56.490;

5 (4) originate a direct loan for small community housing or purchase or participate  
6 in the purchase of a small community housing mortgage loan, other than a loan for the repair,  
7 remodeling, rehabilitation, or expansion of an existing owner-occupied residence, if the borrower  
8 has an outstanding housing loan made under a state loan program, other than a loan for  
9 nonowner-occupied housing under AS 18.56.580 or under former AS 44.47.520, that bears  
10 interest at a rate that was less than the prevailing market interest rate for similar housing loans  
11 at the time the loan was made;

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

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

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

23 (b) The operating reserve loss account consists of money appropriated to it by the  
24 legislature and deposited in it by the corporation. To the extent that money is paid out of the  
25 operating loss reserve account for the purposes stated in this section, this money shall be replaced  
26 with money received as interest on loans authorized by AS 18.56.400 - 18.56.600.

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

30 (b) A person may pledge as security for the repayment of a loan originated or purchased  
31 in whole or in part under AS 18.56.420 a preference right that person holds to receive title to

1 land the person occupies as a primary place of residence, primary place of business, subsistence  
2 campsite, or as headquarters for reindeer husbandry. The preference right must be conveyed to  
3 the person by the Native corporation to which the land was granted under 43 U.S.C. 1613  
4 (Alaska Native Claims Settlement Act) before it may be pledged as security under this  
5 subsection. The corporation shall prescribe procedures and standard forms for establishing,  
6 pledging, and appraising the value of a preference right held by a person to secure the repayment  
7 of a loan originated or purchased in whole or in part under AS 18.56.420.

8 Sec. 18.56.470. INTEREST ON LOANS. (a) The interest rate on a mortgage loan  
9 originated or purchased in whole or in part under AS 18.56.420 for small community housing  
10 is one percent less than the interest rate, as determined under AS 18.56.098(g)(1) - (4), on a  
11 mortgage loan purchased under AS 18.56.098(a) from the proceeds of the most recent applicable  
12 issue of taxable bonds before the origination or purchase of the mortgage loan originated or  
13 purchased under AS 18.56.420.

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

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

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

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

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

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

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

31 (c) For the purposes of this section, a deed which federal law prohibits or limits the

1 power to transfer or encumber and which would otherwise constitute marketable title to real  
2 property is considered marketable title to real property if the United States Bureau of Indian  
3 Affairs or another appropriate federal agency waives immunity under the federal law from  
4 foreclosure or other alienation of the real property.

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

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

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

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

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

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

31 Sec. 18.56.520. APPRAISALS. Before originating or purchasing or participating in the

1 purchase of a small community housing mortgage loan, the corporation may have or may require  
2 the borrower to have an appraisal made of the fair market value of the real property, including  
3 structures on the real property, for which the loan is made. In conducting an appraisal under this  
4 section, the appraiser shall give full value to insulation and other features of construction in  
5 structures on the real property that add to the energy efficiency of the structures.

6 Sec. 18.56.530. ENERGY AUDIT EXEMPTION. In making loans under AS 18.56.400 -  
7 18.56.600, the corporation is exempt from the requirements of AS 46.11.050(b).

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

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

16 (1) real property appraisers who are familiar with housing and construction in  
17 small communities; and

18 (2) engineers who are familiar with engineering problems in arctic and subarctic  
19 regions.

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

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

30 Sec. 18.56.570. REGIONAL ALLOCATION. (a) The corporation, by regulations  
31 adopted in accordance with AS 18.56.088, shall establish and may amend the boundaries of

1 reasonably compact and contiguous regions in the state.

2 (b) Unless otherwise required by an appropriation, the corporation shall allocate the  
3 money in the housing assistance loan fund among the regions established under (a) of this section  
4 for the purpose of originating or purchasing each type of loan described in AS 18.56.420. In  
5 making an allocation under this subsection, the corporation shall consider the past and potential  
6 lending activity of private financial institutions in the region as well as the need for loans in the  
7 region. The corporation may reallocate the money among the regions as the corporation  
8 considers necessary.

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

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

15 (c) The principal amount of loans made for nonowner occupied housing under this  
16 section may not exceed 20 percent of the total principal amount of loans made for small  
17 community housing under AS 18.56.400 - 18.56.600.

18 (d) In this section

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

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

26 Sec. 18.56.590. ANNUAL REPORT. To further ensure effective budgetary decision  
27 making by the legislature, the corporation shall present a complete accounting of the housing  
28 assistance revolving fund to the legislature each year by January 10. The accounting must consist  
29 of an audit by an independent outside auditor for that year. The accounting must include a full  
30 description of all mortgage loan interest and principal repayments and program receipts for  
31 purposes of programs under AS 18.56.400 - 18.56.600, including mortgage loan commitment

1 fees, received by or accrued to the corporation during the preceding fiscal year, and all income  
2 earned on assets held by the corporation for purposes of programs under AS 18.56.400 -  
3 18.56.600 during that period.

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

5 (1) "housing" means owner-occupied, single-family housing and owner-occupied  
6 duplexes in which not more than 25 percent of the gross floor area is or will be devoted to  
7 commercial use;

8 (2) "small community" means a community with a population of 5,500 or less  
9 that is not connected by road or rail to Anchorage or Fairbanks, or with a population of 1,400  
10 or less that is connected by road or rail to Anchorage or Fairbanks; in this paragraph, "connected  
11 by road" does not include a connection by the Alaska marine highway system.

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

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

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

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

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

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

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

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

31 (d) The corporation shall adopt regulations under AS 18.56.088 to carry out the purposes

1 of this section.

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

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

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

7 ARTICLE 4. SENIOR HOUSING OFFICE.

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

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

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

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

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

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

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

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

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

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

8                   (1) senior housing mortgage loans;

9                   (2) loans made for building materials for senior housing;

10                  (3) loans made for renovation or improvement of or for senior housing, including  
11 loans for renovation or improvement of congregate or individual residences; and

12                  (4) loans made for the construction of senior housing.

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

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

19                   (1) two percentage points for a construction loan;

20                   (2) one-half of one percentage point for a permanent loan.

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

24           (b) The corporation

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

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

31           Sec. 18.56.740. FIRE INSURANCE. Before purchasing or participating in the purchase

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18 (2) "senior housing"

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

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

28 **ARTICLE 5. SENIOR CITIZENS HOUSING DEVELOPMENT FUND.**

29 Sec. 18.56.800. DECLARATION OF PURPOSE. There exists in the state a serious  
30 shortage of decent, safe and sanitary residential housing available at low or moderate prices or  
31 rentals to persons 60 years of age or older. There also exists in the state organizations whose

1 purposes are to provide the kinds of housing needed to alleviate this shortage. Development  
2 work to provide such housing involves substantial expense that is often beyond the resources of  
3 the organizations.

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

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

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

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

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

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

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

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

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

#### 24 ARTICLE 6. ENERGY CONSERVATION.

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

28 (1) Alaska craftsman home program;

29 (2) energy rated homes of Alaska program;

30 (3) home energy loan program;

31 (4) rural capital retrofit program; and

1 (5) low income weatherization program.

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

8 \* Sec. 101. AS 18.56.900 is repealed and reenacted to read:

9 Sec. 18.56.900. DEFINITIONS. In this chapter,

10 (1) "board" means the board of directors of the corporation;

11 (2) "corporation" means the Alaska Housing Finance Corporation created by this  
12 chapter.

13 \* Sec. 102. AS 09.25.115(g) is amended to read:

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

20 \* Sec. 103. AS 09.25.123(a) is amended to read:

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

25 \* Sec. 104. AS 09.25.220(5) is amended to read:

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

30 \* Sec. 105. AS 09.38.015(c) is amended to read:

31 (c) Property of the state, a general law or home rule municipality, and of [THE

1 ALASKA STATE HOUSING AUTHORITY,] the Alaska Municipal Bond Bank Authority [,] or  
2 another [OTHER] state public corporation is exempt.

3 \* Sec. 105. AS 18.60.545(6) is amended to read:

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

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

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

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

11 (l) A municipality may by ordinance exempt from taxation an interest, other than record  
12 ownership, in real property of an individual residing in the property if the property has been  
13 developed, improved, or acquired with federal funds for low-income housing and is owned or  
14 managed as low-income housing by the Alaska Housing Finance Corporation under  
15 AS 18.55.100 - 18.55.960 [ALASKA STATE HOUSING AUTHORITY] or by a regional  
16 housing authority formed under AS 18.55.996. However, the corporation may make payments  
17 to the municipality or political subdivision for improvements, services, and facilities  
18 furnished by it for the benefit of a housing project, and this subsection [THIS SECTION]  
19 does not prohibit a municipality from receiving those payments or any payments in lieu of taxes  
20 authorized under federal law.

21 \* Sec. 108. AS 34.60.135 is amended to read:

22 Sec. 34.60.135. PLANNING LOANS FOR ADDITIONAL HOUSING. In addition to  
23 the other programs authorized by this chapter, the Alaska Housing Finance Corporation [A  
24 STATE AGENCY] may make loans in order to encourage and facilitate the construction or  
25 rehabilitation of housing to meet the needs of displaced persons. These loans are a part of the  
26 federally assisted project cost and may be made to nonprofit, limited dividend, or cooperative  
27 organizations, or to public bodies. The loans may be made only for necessary and reasonable  
28 expenses, before construction, for planning and obtaining federally insured mortgage financing  
29 for the rehabilitation or construction of housing for displaced persons. The loans may not exceed  
30 80 percent of the reasonable costs expected to be incurred in planning, and in obtaining financing  
31 for housing for displaced persons. Reasonable costs include but are not limited to costs for

1 preliminary surveys and analysis of market needs, preliminary architectural fees, site acquisition,  
2 application and mortgage commitment fees, and construction loan fees and discounts. Loans to  
3 an organization established for profit shall bear interest at a market rate established by the Alaska  
4 Housing Finance Corporation [STATE AGENCY]. All other loans shall be without interest.  
5 The Alaska Housing Finance Corporation [STATE AGENCY] shall require repayment of loans  
6 made under this section [,] under terms and conditions that it may prescribe [ESTABLISHED  
7 BY THE STATE AGENCY]. Repayment shall be made upon completion of the project or  
8 sooner, and except in the case of a loan to an organization established for profit, the Alaska  
9 Housing Finance Corporation [STATE AGENCY] may cancel any part or all of a loan if the  
10 corporation determines [FOLLOWING A DETERMINATION BY THE STATE AGENCY] that  
11 a permanent loan to finance the rehabilitation or construction of the housing cannot be obtained  
12 in an amount adequate for repayment of the loan.

13 \* Sec. 109. AS 34.60.137 is amended to read:

14 Sec. 34.60.137. HOUSING REPLACEMENT ASSISTANCE AS LAST RESORT. If a  
15 federal aided program or project cannot proceed to actual construction because comparable  
16 replacement sale or rental housing is not available, and the state agency determines that housing  
17 cannot otherwise be made available, the agency may take, or may request the Alaska Housing  
18 Finance Corporation to take, action necessary or appropriate to provide the housing either by  
19 use of funds authorized for the project or by use of money available to the corporation.

20 \* Sec. 110. AS 35.05.040 is amended to read:

21 Sec. 35.05.040. POWERS OF DEPARTMENT. The department may  
22 (1) acquire property;  
23 (2) exercise the power of eminent domain;  
24 (3) take immediate possession of real property, or any interest in it under a  
25 declaration of taking or by other lawful means;  
26 (4) acquire rights-of-way for present or future use;  
27 (5) dispose of excess property or property rights;  
28 (6) accept and dispose of federal funds or property available for public works  
29 construction, maintenance, or equipment;  
30 (7) enter into contracts or agreements relating to public works with the federal  
31 government and political subdivisions, and also enter into contracts with a foreign government

1 if approved by the federal government;

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

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

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

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

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

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

16 (2) include procurement methods to meet emergency and extraordinary  
17 circumstances.

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

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

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

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

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

27 (B) does not include [, INCLUDING SUCH ENTITIES AS THE  
28 ALASKA STATE HOUSING AUTHORITY, BUT NOT INCLUDING] the University  
29 of Alaska, a municipality, or an agency of a municipality [OR THE ALASKA STATE  
30 HOUSING AUTHORITY].

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

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(1) "agency"

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

(B) does not include

- (i) the University of Alaska;
- (ii) [THE ALASKA STATE HOUSING AUTHORITY;
- (iii)] the Alaska Railroad Corporation;
- (iii) [(iv)] the Alaska Housing Finance Corporation;
- (iv) [(v)] a regional Native housing authority created under AS 18.55.996, or a regional electrical authority created under AS 18.57.020;
- (v) [(vi)] the Alaska Aerospace Development Corporation;

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

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

- (1) federal receipts;
- (2) University of Alaska receipts (AS 14.40.491);
- (3) individual, foundation, or corporation gifts, grants, or bequests that by their terms are restricted to a specific purpose;
- (4) receipts of the following funds:
  - (A) highway working capital fund (AS 44.68.210);
  - (B) correctional industries fund (AS 33.32.020);
  - (C) loan funds;
  - (D) international airports revenue fund (AS 37.15.430);
  - (E) funds managed by the Alaska Aerospace Development Corporation (AS 14.40.821), [THE ALASKA STATE HOUSING AUTHORITY (AS 18.55.020),] the Alaska Housing Finance Corporation (AS 18.56.020), the Alaska Railroad Corporation (AS 42.40.010), the Municipal Bond Bank Authority (AS 44.85.020), or the Alaska Industria' Development and Export Authority (AS 44.88.020);

- 1 (F) fish and game fund (AS 16.05.100);  
2 (G) school fund (AS 43.50.140);  
3 (H) training and building fund (AS 23.20.130);  
4 (I) retirement funds (AS 14.25, AS 22.25, AS 26.05.222, AS 39.35, and  
5 former AS 39.37);  
6 (J) permanent fund (art. IX, sec. 15, Alaska Constitution);  
7 (K) public school trust fund (AS 37.14.110);  
8 (L) second injury fund (AS 23.30.040);  
9 (M) fishermen's fund (AS 23.35.060);  
10 (N) FICA administration fund (AS 39.30.050);  
11 (O) mental health trust fund (AS 37.14.031).

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

13 (a) Each member of the following shall be a citizen of the United States:

- 14 (1) Local Boundary Commission;  
15 (2) Alcoholic Beverage Control Board;  
16 (3) Employment Security Advisory Council;  
17 (4) [ALASKA STATE HOUSING AUTHORITY;  
18 (5)] Board of Fisheries;  
19 (5) [(6) REPEALED,  
20 (7) REPEALED,  
21 (8) REPEALED,  
22 (9)] the Governor's Commission on the Involvement of Young People in  
23 Government;  
24 (6) [(10)] Board of Game.

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

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

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

30 (9) give assistance, on request, to the senior housing office in the Alaska Housing  
31 Finance Corporation [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] in

1 administration of the senior housing loan program under AS 18.56.710 - 18.56.799  
2 [AS 44.47.587 - 44.47.609] and in the performance of the office's other duties under  
3 AS 18.56.700 [AS 44.47.585]; and

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

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

7 \* Sec. 120. AS 44.47.370 is amended to read:

8 Sec. 44.47.370. POWERS OF COMMISSIONER. The commissioner may

9 (1) adopt regulations in accordance with the Administrative Procedure Act  
10 (AS 44.62) to implement AS 44.47.370 - 44.47.560;

11 (2) make and execute agreements, contracts, and other instruments necessary or  
12 convenient in the exercise of the commissioner's powers and functions under AS 44.47.370 -  
13 44.47.560;

14 (3) purchase or participate in the purchase of small community  
15 [NONCONFORMING AND RURAL] housing mortgage loans under [IN ACCORDANCE  
16 WITH] AS 44.47.370 - 44.47.560;

17 (4) purchase or participate in the purchase of loans for building materials for  
18 small community [NONCONFORMING AND RURAL] housing under [IN ACCORDANCE  
19 WITH] AS 44.47.370 - 44.47.560;

20 (5) procure insurance against loss in connection with the director's functions  
21 under AS 44.47.370 - 44.47.560;

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

27 (7) do all acts necessary, convenient or desirable to carry out the powers expressly  
28 granted or necessarily implied in AS 44.47.370 - 44.47.560;

29 (8) originate and service direct loans made to qualified buyers under [IN  
30 ACCORDANCE WITH] AS 44.47.370 - 44.47.560.

31 \* Sec. 121. AS 44.47.380(a) is amended to read:

1 (a) There is created in the department, as a revolving loan fund, the housing assistance  
2 loan fund consisting of money appropriated to it by the legislature and repayments of principal  
3 and interest on loans made or purchased from the assets of the fund. The commissioner shall  
4 administer the housing assistance loan fund under [IN ACCORDANCE WITH] AS 44.47.370 -  
5 44.47.560 and shall use the money in the housing assistance loan fund to originate, purchase, or  
6 participate in the purchase of

7 (1) small community [NONCONFORMING AND RURAL] housing mortgage  
8 loans;

9 (2) loans made for building materials for small community [NONCONFORMING  
10 AND RURAL] housing;

11 (3) loans made for renovations or improvements to small community  
12 [NONCONFORMING AND RURAL] housing;

13 (4) loans made for the construction of owner-occupied small community  
14 [NONCONFORMING AND RURAL] housing other than loans to builders or contractors or loans  
15 that compensate an owner for the owner's labor or services in constructing the owner's own  
16 housing.

17 \* Sec. 122. AS 44.47.390 is amended to read:

18 Sec. 44.47.390. LIMITATIONS ON USE OF HOUSING ASSISTANCE LOAN FUND.

19 The commissioner may not use the money in the housing assistance loan fund to

20 (1) originate a direct loan or purchase or participate in the purchase of a small  
21 community [NONCONFORMING OR RURAL] housing mortgage loan that exceeds the  
22 limitations on mortgage loans purchased by the Federal National Mortgage Association as to  
23 principal amount or loan-to-value ratio;

24 (2) originate a direct loan or purchase or participate in the purchase of a loan  
25 made for building materials for small community [NONCONFORMING OR RURAL] housing

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

27 (i) 80 percent of the appraised value of the work completed on the  
28 small community [NONCONFORMING OR RURAL] housing for which the loan  
29 is made if the small community [NONCONFORMING OR RURAL] housing is  
30 pledged as collateral for the loan; or

31 (ii) 90 percent of the value of other property that is pledged as

1 security for the loan and that is satisfactory to the commissioner as collateral;

2 (B) unless the terms of the loan agreement require inspections and  
3 certifications, as required by regulations of the commissioner, at the expense of the  
4 borrower; and

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

7 (3) originate direct loans or purchase or participate in the purchase of a small  
8 community [NONCONFORMING OR RURAL] housing mortgage loan that is secured by real  
9 property the marketable title to which is shown under [IN ACCORDANCE WITH] AS  
10 44.47.420(b)(2) if the total amount of outstanding small community [NONCONFORMING AND  
11 RURAL] housing mortgage loans held by the department exceeds 10 times the amount of money  
12 in the restricted title loss reserve account (AS 44.47.430);

13 (4) originate a direct loan for small community [NONCONFORMING OR  
14 RURAL] housing or purchase or participate in the purchase of a small community  
15 [NONCONFORMING OR RURAL] housing mortgage loan, other than a loan for the repair,  
16 remodeling, rehabilitation, or expansion of an existing owner-occupied residence, if the borrower  
17 has an outstanding housing loan made under a state loan program, other than a loan for  
18 nonowner-occupied housing under former AS 44.47.520, that bears interest at a rate that was less  
19 than the prevailing market interest rate for similar housing loans at the time the loan was made;

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

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

27 \* Sec. 123. AS 44.47.410(b) is amended to read:

28 (b) The interest rate on a mortgage loan originated or purchased in whole or in part under  
29 AS 44.47.380 for small community [RURAL] housing is one percent less than the interest rate,  
30 as determined under AS 18.56.098(g)(1) - (4), on a mortgage loan purchased under  
31 AS 18.56.098(a) from the proceeds of the most recent applicable issue of taxable bonds before

1 the origination or purchase of the mortgage loan originated or purchased under AS 44.47.380.

2 \* Sec. 124. AS 44.47.420(a) is amended to read:

3 (a) Before the commissioner originates or purchases a small community  
4 [NONCONFORMING OR RURAL] housing mortgage loan in whole or in part, the commissioner  
5 may require a borrower to show marketable title to real property offered as security for the loan  
6 to be purchased.

7 \* Sec. 125. AS 44.47.430(b) is amended to read:

8 (b) The commissioner may withdraw money from the restricted title loss reserve account  
9 in an amount equal to the loss to the department on a small community [NONCONFORMING  
10 OR RURAL] housing mortgage loan originated or purchased in whole or in part by the  
11 department if marketable title to the real property used to secure the loan was shown under [IN  
12 ACCORDANCE WITH] AS 44.47.420(b)(2). Money withdrawn from the restricted title loss  
13 reserve account under this section shall be deposited in the housing assistance loan fund.

14 \* Sec. 126. AS 44.47.440 is amended to read:

15 Sec. 44.47.440. FIRE INSURANCE. Before purchasing or participating in the purchase  
16 of a small community [NONCONFORMING OR RURAL] housing mortgage loan, the  
17 commissioner may require the borrower to agree to purchase and maintain fire insurance for the  
18 real property for which the loan is made in an amount not less than the outstanding principal  
19 balance of the loan.

20 \* Sec. 127. AS 44.47.470 is amended to read:

21 Sec. 44.47.470. APPRAISALS. Before originating or purchasing or participating in the  
22 purchase of a small community [NONCONFORMING OR RURAL] housing mortgage loan, the  
23 commissioner may have or may require the borrower to have an appraisal made of the fair  
24 market value of the real property, including structures on the real property, for which the loan  
25 is made. In conducting an appraisal under this section, the appraiser shall give full value to  
26 insulation and other features of construction in structures on the real property that add to the  
27 energy efficiency of the structures.

28 \* Sec. 128. AS 44.47.490(a) is amended to read:

29 (a) The commissioner may establish field offices under this chapter, may hire one or  
30 more lending officers, and, under AS 36.30 (State Procurement Code), may contract for the  
31 services of

1 (1) real property appraisers who are familiar with housing and [RURAL]  
2 construction in small communities; and

3 (2) engineers who are familiar with engineering problems in arctic and subarctic  
4 regions.

5 \* Sec. 129. AS 44.47.520(a) is amended to read:

6 (a) In addition to the powers authorized by AS 44.47.370 the commissioner may adopt  
7 regulations allowing the use of money in the housing assistance loan fund to make loans for the  
8 purchase or development of nonowner occupier' housing in small communities [RURAL AREAS  
9 OF THE STATE].

10 \* Sec. 130. AS 44.47.520(c) is amended to read:

11 (c) The principal amount of loans made for nonowner occupied housing under this  
12 section may not exceed 20 percent of the total principal amount of loans made for small  
13 community [NONCONFORMING AND RURAL] housing under AS 44.47.370 - 44.47.560.

14 \* Sec. 131. AS 44.47.520(d) is amended to read:

15 (d) In this section,

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

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

23 \* Sec. 132. AS 44.47.560 is amended to read:

24 Sec. 44.47.560. DEFINITIONS. In AS 44.47.370 - 44.47.560,

25 (1) [REPEALED

26 (2) REPEALED

27 (3)] "housing" means owner-occupied, single-family housing and owner-occupied  
28 duplexes in which not more than 25 percent of the gross floor area is or will be devoted to  
29 commercial use;

30 (2) "small community" [(4) "NONCONFORMING HOUSING" MEANS  
31 HOUSING THAT DOES NOT CONFORM TO MINIMUM BUILDING STANDARDS UNDER

1 ANY STATE OR FEDERAL PROGRAM THAT PROVIDES LOANS FOR HOUSING  
2 PURCHASES;

3 (5) "RURAL" means

4 [(A)] a community [IN THE SECOND, THIRD, OR FOURTH JUDICIAL  
5 DISTRICT OF THE STATE] with a population of 5,500 [4,500] or less that is not  
6 connected by road or rail to Anchorage or Fairbanks [;] or with a population of  
7 1,400 or less that is connected by road or rail to Anchorage or Fairbanks; in  
8 this paragraph "connected by road" does not include a connection by the  
9 Alaska marine highway system

10 [(B)] A COMMUNITY IN THE FIRST JUDICIAL DISTRICT OF THE  
11 STATE WITH A POPULATION OF 4,500 OR LESS;

12 (6) "RURAL HOUSING" MEANS HOUSING WHETHER OR NOT IT IS  
13 NONCONFORMING HOUSING THAT IS LOCATED IN A RURAL AREA OF THE STATE].

14 \* Sec. 133. AS 44.99.020 is amended to read:

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

20 \* Sec. 134. AS 44.99.350(3) is amended to read:

21 (3) "state agency"

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

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

27 \* Sec. 135. AS 44.99.400 is amended to read:

28 Sec. 44.99.400. COPYRIGHTS. A state agency may hold the copyright for software  
29 created by the agency or developed by a private contractor for an agency, and may enforce its  
30 rights to protect the copyright. In this section, "state agency" means a department, institution,  
31 board, commission, division, authority, public corporation, committee, or other administrative unit

1 of the executive, judicial, or legislative branch of state government, including the University of  
2 Alaska, [THE ALASKA STATE HOUSING AUTHORITY,] the Alaska Aerospace Development  
3 Corporation, and the Alaska Railroad Corporation.

4 \* Sec. 136. AS 46.07.030(b) is amended to read:

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

11 \* Sec. 137. AS 46.11.040 is amended to read:

12 Sec. 46.11.040. APPLICABILITY OF THERMAL AND LIGHTING ENERGY  
13 STANDARDS TO RESIDENTIAL BUILDINGS. State financial assistance may not be approved  
14 or granted for the construction of or purchase of a loan for a residential building if construction  
15 of the building began [BEGINS] after December 31, 1991, unless

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

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

20 (3) the building

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

23 (B) is located or is to be located in an area where thermal and lighting  
24 energy standards are not justified because of the high cost of implementation of the  
25 standards, with specific consideration given to the availability of inexpensive home  
26 heating energy sources, as determined under regulations adopted by the Alaska Housing  
27 Finance Corporation [COMMISSIONER OF COMMUNITY AND REGIONAL  
28 AFFAIRS]; or

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

31 \* Sec. 138. AS 46.11.900(8) is amended to read:

1 (8) "thermal and lighting energy standards" means the thermal and lighting energy  
2 standards

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

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

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

10 (B) developed in regulations adopted

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

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

16 \* Sec. 139. AS 44.47.410(a) is repealed.

17 \* Sec. 140. AS 18.55.020, 18.55.030, 18.55.050, 18.55.070, 18.55.430, 18.55.640, 18.55.950(2),  
18 AS 18.56.083, AS 39.50.200(b)(12), AS 44.47.050(a)(18), 44.47.050(b), 44.47.370, 44.47.378, 44.47.380,  
19 44.47.382, 44.47.390, 44.47.395, 44.47.400, 44.47.410(b), 44.47.420, 44.47.430, 44.47.440, 44.47.460,  
20 44.47.470, 44.47.475, 44.47.480, 44.47.490, 44.47.500, 44.47.510, 44.47.520, 44.47.530, 44.47.560,  
21 44.47.585, 44.47.587, 44.47.589, 44.47.591, 44.47.593, 44.47.595, 44.47.597, 44.47.599, 44.47.601,  
22 44.47.603, 44.47.609, 44.47.610, 44.47.620, 44.47.630, 44.47.635, and AS 44.99.200(b)(5) are repealed.

23 \* Sec. 141. TRANSITIONAL PROVISIONS RELATING TO MERGER OF ALASKA STATE  
24 HOUSING AUTHORITY. (a) All contracts, rights, liabilities, bonds, notes, or other obligations of the  
25 Alaska State Housing Authority created by or under a law amended or repealed by this Act and in effect  
26 on the effective date of this section, remain in effect notwithstanding this Act's taking effect, with all  
27 contracts, rights, liabilities, bonds, notes, or other obligations of the Alaska State Housing Authority  
28 becoming contracts, rights, liabilities, bonds, notes, and other obligations of the Alaska Housing Finance  
29 Corporation with the same limitations and provisions as under a contract, right, liability, bond, note, or  
30 other obligation of the former Alaska State Housing Authority.

31 (b) All records, equipment, appropriations, and other property of the Alaska State Housing

1 Authority shall be transferred to the Alaska Housing Finance Corporation to implement the provisions  
2 of this Act.

3 (c) Employees of the Alaska State Housing Authority become employees of the Alaska Housing  
4 Finance Corporation on the effective date of this section.

5 \* Sec. 142. TRANSITIONAL PROVISIONS RELATING TO TRANSFER OF HOUSING  
6 PROGRAMS FROM THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS. (a) All  
7 contracts, rights, liabilities, bonds, notes, or other obligations of the Department of Community and  
8 Regional Affairs under former AS 44.47.370 - 44.47.560 and 44.47.635 created by or under a law  
9 amended or repealed by this Act and in effect on the effective date of this section, remain in effect  
10 notwithstanding this Act's taking effect, with all contracts, rights, liabilities, bonds, notes, or other  
11 obligations of the Department of Community and Regional Affairs incurred under former AS 44.47.370 -  
12 44.47.560 and 44.47.635 becoming contracts, rights, liabilities, bonds, notes, and other obligations of the  
13 Alaska Housing Finance Corporation.

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

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

20 (d) Notwithstanding sec. 147(b) of this Act, on the effective date of this section, the cash balance  
21 of the housing assistance loan fund of former AS 44.47.380, exclusive of the loan purchases made under  
22 sec. 147(a) of this Act, becomes the cash balance of the housing assistance loan fund established in  
23 AS 18.56.420, added by sec. 100 of this Act.

24 \* Sec. 143. TRANSITIONAL PROVISIONS RELATING TO TRANSFER OF SENIOR CITIZEN  
25 HOUSING PROGRAMS FROM THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS.

26 (a) All contracts, rights, liabilities, bonds, notes, or other obligations of the Department of Community  
27 and Regional Affairs under former AS 44.47.585 - 44.47.620 created by or under a law amended or  
28 repealed by this Act and in effect on the effective date of this section, remain in effect notwithstanding  
29 this Act's taking effect, with all contracts, rights, liabilities, bonds, notes, or other obligations of the  
30 Department of Community and Regional Affairs incurred under former AS 44.47.585 - 44.47.620  
31 becoming contracts, rights, liabilities, bonds, notes, and other obligations of the Alaska Housing Finance

1 Corporation.

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

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

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

10 \* Sec. 144. TRANSITIONAL PROVISIONS RELATING TO TRANSFER OF HOME ENERGY  
11 CONSERVATION AND WEATHERIZATION PROGRAMS FROM THE DEPARTMENT OF  
12 COMMUNITY AND REGIONAL AFFAIRS. (a) All contracts, rights, liabilities, bonds, notes, or other  
13 obligations of the Department of Community and Regional Affairs under AS 44.47.050(a)(18) and  
14 44.47.050(b) created by or under a law repealed by secs. 139 and 140 of this Act and in effect on the  
15 effective date of this section, remain in effect notwithstanding this Act's taking effect, with all contracts,  
16 rights, liabilities, bonds, notes, or other obligations of the Department of Community and Regional  
17 Affairs incurred under AS 44.47.050(a)(18) and 44.47.050(b) becoming contracts, rights, liabilities,  
18 bonds, notes, and other obligations of the Alaska Housing Finance Corporation.

19 (b) All records, equipment, appropriations, and other property of the Department of Community  
20 and Regional Affairs secured under AS 44.47.050(a)(18) and 44.47.050(b) shall be transferred to the  
21 Alaska Housing Finance Corporation to implement the provisions of AS 18.56.850, added by sec. 100  
22 of this Act, and sec. 140 of this Act.

23 (c) Employees of the Department of Community and Regional Affairs responsible for  
24 administration of the home energy conservation and weatherization programs set out in  
25 AS 44.47.050(a)(18) and 44.47.050(b), repealed by sec. 140 of this Act, become employees of the Alaska  
26 Housing Finance Corporation on the effective date of this section.

27 \* Sec. 145. TRANSITIONAL PROVISION: MEMBERSHIP OF ALASKA HOUSING FINANCE  
28 CORPORATION BOARD OF DIRECTORS. Notwithstanding AS 18.56.030(a)(4)(A) - (D), repealed  
29 and reenacted by sec. 82 of this Act, the public members of the board of directors of the Alaska Housing  
30 Finance Corporation who are serving on the effective date of this section continue to serve their  
31 unexpired terms. Thereafter, the governor shall fill vacancies on the board of directors among the

1 members under the provisions of AS 18.56.030(a)(4)(A) - (D), as repealed and reenacted by sec. 82 of  
2 this Act, and AS 18.56.030(f), added by sec. 86 of this Act.

3 \* Sec. 146. TRANSITIONAL PROVISION: REPORT OF TRANSFERRED ASSETS. Each of the  
4 following shall prepare or direct the preparation of all necessary financial reports of the assets to be  
5 transferred by them under this Act as of the close of business on the day before the effective date of the  
6 transfer:

7 (1) Department of Community and Regional Affairs;

8 (2) Alaska State Housing Authority.

9 \* Sec. 147. ALASKA HOUSING FINANCE CORPORATION MAY PURCHASE HOUSING  
10 LOANS OF DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS. (a) Notwithstanding  
11 AS 18.56.210(a)(10) and any other provision of law, the Alaska Housing Finance Corporation may  
12 purchase, at an appropriate discount mutually satisfactory to the board of directors of the Alaska Housing  
13 Finance Corporation and the commissioner of community and regional affairs, the mortgage loans and  
14 other housing-related loans that are held on the effective date of this section by the Department of  
15 Community and Regional Affairs for the loans it has made under the department's various housing  
16 assistance programs set out in AS 44.47.370 - 44.47.560 and 44.47.585 - 44.47.635. In determining an  
17 appropriate discount applicable to the purchase price of the loans, the corporation and the commissioner  
18 shall take into consideration the cash balance in the housing assistance loan fund on the day before the  
19 effective date of this section and the corporation's retention of sufficient unreserved assets of the  
20 corporation to capitalize the housing assistance loan fund as reconstituted in AS 18.56.420, added by  
21 sec. 100 of this Act.

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

24 \* Sec. 148. REVISOR OF STATUTES TO REVISE REFERENCES. In each of the following, the  
25 revisor of statutes shall delete references to "authority" and insert in place of each deletion a reference  
26 to "corporation": AS 18.55.320(a), 18.55.410, 18.55.470(2) and (3), 18.55.510(c), 18.55.530(b), (c), (f),  
27 and (h), 18.55.540(c), and (d), 18.55.570(c), (d), and (f), 18.55.610, 18.55.630(b), 18.55.650; 18.55.720,  
28 18.55.770, 18.55.790, 18.55.800, 18.55.810, 18.55.830, 18.55.840, 18.55.850, 18.55.870, 18.55.880,  
29 18.55.890, 18.55.900, 18.55.932(a), (b), (c), (e), and (f), 18.55.934(a), and 18.55.950(4), (10), and (14).

30 \* Sec. 149. VALIDATION OF CERTAIN LOANS OF THE DEPARTMENT OF COMMUNITY  
31 AND REGIONAL AFFAIRS. (a) Sections 120 - 132 and 139 of this Act are retroactive to January 1.

1 1992, and apply to all loans and loan commitments for small community housing loans made after  
2 December 31, 1991.

3 (b) Notwithstanding (a) of this section, nonconforming housing loans made by the Department  
4 of Community and Regional Affairs under AS 44.47.370 - 44.47.560 after December 31, 1991, and  
5 before the effective date of this section are valid.

6 \* Sec. 150. Sections 120 - 132, 139, 146, 147, and 149 of this Act take effect immediately under  
7 AS 01.10.070(c).

8 \* Sec. 151. Section 90 of this Act takes effect July 1, 1994.

9 \* Sec. 152. Except as provided in secs. 150 and 151 of this Act, this Act takes effect July 1, 1992.

# Alaska State Legislature

Sen. Pat Pourchot, Co-Chairman  
Sen. Jay Kerttula, Co-Chairman

Sen. Al Adams  
Sen. Jim Duncan  
Sen. Lyman F. Hoffman  
Sen. Dick Shultz  
Sen. Rick Uehling



State Capitol  
Juneau, Alaska 99801-1182  
907-465-3712

## Senate Finance Committee

### MEMORANDUM

From: Senator Pat Pourchot, Co-Chair  
Senator Jay Kerttula, Co-Chair  
Senate Finance Committee *Pat Jay*

To: Senator Jim Duncan, Chair  
Subcommittee on Housing Consolidation - SB 479

Date: May 14, 1992

---

As you know, there were many questions remaining in the minds of some people over consolidation of AHFC, DCRA and ASHA housing programs. It would be our hope that, in the Subcommittee's deliberations, information and hopefully answers could be forthcoming on the following items:

- 1) Is passage of this legislation legally necessary for the purchase of HAD loans?
- 2) Does the removal of ASHA jeopardize the sale of HAD loans?
- 3) What is the effect of inclusion or removal of AHSA on ASHA's continued financial viability?
- 4) What is the effect of inclusion or exclusion of ASHA or DCRA on use of AHFC corporate monies for match monies for the HUD rural housing program, the DCRA HAD program, the DCRA weatherization program or the DCRA senior housing program?
- 5) What additions, if any, are necessary to either the Senate CRA committee substitute or the Senate Finance committee substitute to solve technical or other deficiencies?

We would appreciate your Subcommittee's input on this when we meet in full committee later today.

cc: Senator Pat Rodey  
Senator Al Adams  
Senator Arliss Sturgulewski  
Senator Steve Frank  
Senator Dick Eliason

**DIVISION OF LEGAL SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
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240 Main Street, Suite 500  
Juneau, Alaska 99801-2101

**MEMORANDUM**

May 14, 1992

**SUBJECT:** Draft CSSB 479 ( ) (Work Order No. 7LS-2375/D)  
**TO:** Senator Jim Duncan  
**FROM:** Jack Chenoweth  
Legislative Counsel

This memo highlights the changes between Senate Bill 479 and the accompanying draft CS, based on subcommittee deliberation and action this morning.

There are five principal changes--these are keyed to the section numbers in the draft CS--and one further clarifying note.

1. AS 18.56.030(a), set out in bill section 82, defines the membership and composition of the AHFC board of directors: The committee substitute retains a seven-member board, reconstituting the membership by replacing the commissioner of commerce and economic development with the commissioner of health and social services and providing as designated public members:
  - (1) a member with expertise in financing or real estate;
  - (2) a rural resident or member with expertise with a regional housing authority;
  - (3) a member with expertise in energy efficient homebuilding or weatherization; and
  - (4) a member with experience in the provision of low-income housing.
  
2. New in the committee substitute is bill section 91. Under the current asset disclosure and evaluation provision, AS 18.56.089(b), this bill section adds an additional reference to the programs under AS 18.55 being transferred from ASHA. In response to Senator Frank's concern, it also directs AHFC to identify with specificity the amount of its unobligated reserves that it believes are necessary to address the purposes set out in AS 18.56.089(b)(1)(C).
  
3. New in this committee substitute are bill sections 96 and 97. AS 18.56.210(a)(10) is the current provision governing AHFC's purchase of Community and Regional Affairs' housing loan portfolio. Since, after June 30, the department will not have a

Senator Jim Duncan  
May 14, 1992  
Page 2

housing loan portfolio, SB 479 proposed to repeal AS 18.56.210(a)(10). In sec. 96 of this draft CS, AS 18.56.210(a)(10) is retained, albeit in modified form. The requirement that the principal and interest on the loans purchased from the department be used to continue a rural housing program is retained, but AHFC is authorized to substitute from other sources an amount equivalent to those anticipated payments in order to permit use of corporation revenue bonds to make the loan portfolio purchase. The mortgage insurance requirement is dropped. This provision carries an immediate effective date. The next following section, section 97, merely inserts "former" in front of the applicable loan references, reflecting the elimination of the department's loan program. That section has a July 1, 1992 effective date.

4. The draft CS eliminates provision for the proposed 15-member State Housing Planning Commission.

5. The draft CS also eliminates sec. 139(e); by way of replacement, you will recommend to the Finance Committee the reversal of the appropriation made in the operating budget lapsing the housing assistance loan fund in order to capitalize further small community loans under AS 18.56.420.

*3M approved*

\*

Finally, bill sections 120 - 132, 139, and 149 of the draft CS make the same changes to the permanent law as are made by CSHB 431 (Finance), Representative Ivan's bill relating to housing assistance loans of the Department of Community and Regional Affairs. Representative Ivan's bill has passed both houses and is in the process of being enrolled for transmittal to the Governor. I've checked with the revisor of statutes who advises that, since the provisions in the two bills are identical, those set out in the bill that is first signed into law will be given effect and the provisions of the latter, if also signed, will be set aside. So, if CSHB 431 (Finance) is signed first, its provisions will be made part of the permanent law and those in this bill will be set aside. Since we can address the eventuality of enactment of like provisions in two bills, in the committee substitute I have not made any changes to the original language.

JBC:gc  
92-386.glc

Enclosure



# Alaska State Legislature

Official Business

State Capitol  
Juneau, AK 99801-1182

## MEMORANDUM

**Date:** May 14, 1992

**To:** Senator Jay Kerttula, Co-Chair  
Senator Pat Pourchot, Co-Chair  
Senate Finance Committee

**From:** ~~Senator Jim Duncan, Chair~~  
Finance Subcommittee on SB 479  
Senator Al Adams *APA*  
Senator Arliss Sturgulewski *Arliss Sturgulewski*  
Senator Steve Frank  
Senator Pat Rodey *Pat Rodey*

**Subject:** Result of Subcommittee work on SB 479, relating to housing and AHFC.

The Senate Finance Subcommittee on SB 479 composed of Senator Adams and I met today with the other three Senate appointees to review SB 479. The other three Senate members are Senators Rodey, Sturgulewski and Frank. Senators Hoffman, Uehling, and Cotten also participated in the discussions. Representatives Kay Brown and Georgianna Lincoln participated, and Niilo Koponen was in attendance.

### Consensus was reached on the following points:

1. Clarification was made to 18.56.210(a)(10)(A) - which allows AHFC to substitute "amounts equal to the payments of principal and interest on the loans" from other revenue sources in order to continue making rural housing loans. This will allow them to pledge the principle and interest from the existing rural loans as security for the revenue bonds which they plan to use to purchase the HAD program. (Modifies existing statute, not in SB 479) - effective immediately to cover the transition period.
2. 18.56.210(a)(10)(B) - Delete the requirement for mortgage insurance due to difficulties and expense of obtaining mortgage insurance on loans purchased from the housing assistance loan fund. (Modifies existing statute, not in SB 479)

3. 18.56.210(a)(10) - Require that principal and interest on **former** HAD loan funds be deposited in a separate fund in AHFC to be used for the purposes of the HAD program as it existed on June 10, 1988. Effective July 1, 1992.

4. Delete subsection 139(e)- transition provisions for HAD loan funds. This is taken care of by restoring the funds for the Housing Assistance Loan Fund which was eliminated in Section 19 (b) of SB 405, the operating budget. (See 9A below).

5. Add the ASHA statutes (now AS 18.55) to the reporting requirements of AHFC in 18.56.089(b). Requires that AHFC identify the amount of funds necessary to "stabilize the market price of and demand for residential housing and to ensure an adequate long-term supply of residential housing for persons of lower and moderate income."

6. The AHFC Board, page 39, Section 82, is kept as a seven member board comprised of:

1. commissioner of revenue,
2. commissioner of community and regional affairs,
3. commissioner of health and social services
4. four public members:
  - A. one with financial expertise or experience, or with expertise in real estate;
  - B. one who is a rural resident or who has expertise in regional housing issues;
  - C. one who has experience or expertise in residential energy efficient homebuilding and weatherization;
  - D. one who has expertise <sup>Keep provision of</sup> or experience in senior housing or provision of low income housing.

7. Delete the Alaska State Housing Planning Commission in Section 144, page 78, because the interests of the affected groups are now represented by designated members of the board.

8. Senator Adams is preparing intent language to clarify that ASHA will be able to come to Legislative Budget and Audit for authority to receive and expend federal funds which may become available during the year.

9. Two appropriations are required to ratify the agreement reached this morning:

- A. Restore funding for the housing assistance loan fund. This would be an appropriation from AHFC receipts. All funds in the loan program were rolled into the General Fund

in Sec. 19(b) of the operating budget, HB 405. The Governor's office will identify the actual amount of funds currently in the housing assistance loan fund, but preliminary information is its around \$11 million.

B. An additional appropriation of \$300,000 to the Weatherization and Energy Conservation program. The \$1.8 million in AHFC funds already in the operating budget will match an equal amount of federal funds leaving no funding for the Alaska Craftsman Home Program. The \$300,000 will fund that program.

*Adopted*  
*5-14-92*

*SS SFC-92*

7-LS2375D  
Chenoweth  
5/14/92

**CS FOR SENATE BILL NO. 479 (Fiv )**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**SEVENTEENTH LEGISLATURE - FIRST SPECIAL SESSION**

**BY**

**Offered:  
Referred:**

**Sponsor(s): SENATE RULES COMMITTEE**

**A BILL**

**FOR AN ACT ENTITLED**

**1 "An Act relating to housing and public buildings, and to the Alaska Housing Finance  
2 Corporation; and providing for an effective date."**

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

**4 \* Section 1. FINDINGS. The legislature finds that**

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

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

**10 (3) low-income and rural housing needs in the state are critical and have not been met  
11 with existing housing resources;**

**12 (4) in order to promote and improve the opportunity for all Alaskans to live in safe,  
13 sanitary, and energy efficient housing, coordination of the state's varied and disparate housing program  
14 initiatives is required;**

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

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

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

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

20 (1) the provisions of secs. 77 - 80 of this Act; of AS 18.56.400 - 18.56.650, added by  
21 sec. 100 of this Act; and of secs. 140 and 142 of this Act transfer certain programs of the Department  
22 of Community and Regional Affairs related to housing to the expanded Alaska Housing Finance  
23 Corporation;

24 (2) the provisions of AS 18.56.700 - 18.56.810, added by sec. 100, and secs. 140 and 143  
25 of this Act transfer the responsibility for the operation of the senior citizen housing office and for the  
26 provision of senior citizens housing programs under AS 44.47.585 - 44.47.620 from the Department of  
27 Community and Regional Affairs into the expanded Alaska Housing Finance Corporation;

28 (3) the provisions of AS 18.56.850, added by sec. 100, and secs. 140 and 144 of this Act  
29 transfer the responsibility for development of home energy conservation and weatherization programs  
30 from the Department of Community and Regional Affairs into the expanded Alaska Housing Finance  
31 Corporation;

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

6 (c) With anticipated state revenue expected to decrease substantially during state fiscal year  
7 1993, the legislature looks to reduce general fund expenditures and to increase the state general fund  
8 balance available during that fiscal year to meet the costs of state government operations, its loan  
9 programs, and its capital improvements program. The purpose of sec. 147 of this Act is to authorize  
10 the purchase by the Alaska Housing Finance Corporation, at a discount, of the mortgage notes now held  
11 by the Department of Community and Regional Affairs for the loans it has made under the department's  
12 various housing assistance programs set out in AS 44.47.370 - 44.47.560 and 44.47.585 - 44.47.635, and  
13 to require the deposit of amounts paid to the department for its notes into the state general fund. The  
14 purchase of the notes and transfer of money to the state general fund, as authorized by sec. 147 of this  
15 Act, when coupled with a transfer of revenue to the state expected to be approved by the board of  
16 directors of the Alaska Housing Finance Corporation during 1992, will increase the balance of the state  
17 general fund by approximately \$200,000,000, thereby materially reducing the expected state deficit for  
18 state fiscal year 1993.

19 (d) The provisions of secs. 120 - 132, 139, and 149 of this Act validate certain nonconforming  
20 and rural housing mortgage loans and loan commitments, redesignated as small community loans, entered  
21 into by the Department of Community and Regional Affairs after December 31, 1991, and before the  
22 effective date of those sections.

23 (e) It is the intent of the legislature that

24 (1) existing housing programs being merged into the Alaska Housing Finance Corporation  
25 continue without interruption, and that the program of weatherization assistance for low-income persons  
26 continue the use of subgrantees and contractors under 10 CFR 440.15; and

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

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

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

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

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

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

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

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

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

22 (1) sue and be sued;

23 (2) adopt a seal;

24 (3) have perpetual succession;

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

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

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

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

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

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

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

21 (10) establish and revise rent schedules;

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

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

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

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

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

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

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

8 (b) Notwithstanding any other provisions in AS 18.55.010 - 18.55.470,

9 (1) when the local governing body certifies that an area is in need of a housing

10 project under any of the provisions or powers within AS 18.55.010 - 18.55.470 as a result of the

11 earthquakes of 1964 and all results and aftereffects respecting which the governor of the state has

12 certified the need for disaster assistance, the corporation [AUTHORITY] may plan, undertake,

13 and carry out the project in the disaster area;

14 (2) with the approval of the local governing body, and immediately after the

15 approval, the corporation [AUTHORITY] may acquire real property for the purposes of

16 AS 18.55.010 - 18.55.470, and demolish and remove any structure on the property, and it may

17 pay all costs related to the acquisition, demolition, or removal, including any administrative or

18 relocation expenses, unless payment of the costs are contrary to applicable federal law or

19 regulation;

20 (3) [REPEALED,

21 (4)] for the purposes of this subsection, AS 18.55.130 and 18.55.330 do not apply.

22 \* Sec. 7. AS 18.55.100(d) is amended to read:

23 (d) Notwithstanding (a)(7) and (15) of this section, a proposed public building project

24 shall be submitted by the corporation [AUTHORITY] to the legislature for review. The

25 corporation [AUTHORITY] may proceed with the public building project only if it is approved

26 by law. An appropriation does not constitute approval by law for purposes of this subsection.

27 \* Sec. 8. AS 18.55.110 is amended to read:

28 Sec. 18.55.110. COOPERATION WITH AND AID OF FEDERAL GOVERNMENT.

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

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

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

1 state, provided that those projects may not be undertaken unless an acute shortage of housing  
2 exists. With respect to those projects, the corporation [AUTHORITY] may not be subject to  
3 limitations, restrictions, or requirements of other laws, except those relating to land acquisition,  
4 prescribing or limiting the procedure or action to be taken in the development or administration  
5 of any buildings, property, public works, undertakings, or projects of municipal or public  
6 corporations or agencies of the state.

7 \* Sec. 9. AS 18.55.120 is amended to read:

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

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

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

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

21 \* Sec. 10. AS 18.55.130 is amended to read:

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

29 (b) Except in the case of leased housing [,] as provided in 42 U.S.C. 1421b, [THE  
30 UNITED STATES HOUSING ACT OF 1937, SEC. 23 (PL 89-117; 79 STAT. 455;  
31 AUGUST 19, 1965)] as amended [(42 U.S.C. 1421b)], the corporation shall fix the income

1 limits for occupancy of its low-cost housing projects [OF THE AUTHORITY] and rents that are  
2 [SHALL BE FIXED BY THE AUTHORITY AND] approved by the United States Department  
3 of Housing and Urban Development after taking into consideration

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

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

8 (c) Rents and requirements for admission to low-cost housing projects as provided in (a)  
9 and (b) of this section [,] must be so established that a gap of at least 20 per cent, except in the  
10 case of an elderly family or displaced family or in the case of leased housing under 42 U.S.C.  
11 1421b, [THE UNITED STATES HOUSING ACT OF 1937, SEC. 23 (PL 89-117; 79 STAT. 455;  
12 AUGUST 19, 1965)] as amended, [(42 U.S.C. 1421b)] will be left between the upper rental  
13 limits for admission to low-cost housing projects of the corporation [AUTHORITY] and the  
14 lowest rents at which private enterprise unaided by public subsidy is providing housing  
15 substantially similar to the low-cost housing projects of the corporation [AUTHORITY].

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

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

23 \* **Sec. 11.** AS 18.55.140 is amended to read:

24 Sec. 18.55.140. ISSUANCE OF BONDS, NOTES, AND REFUNDING BONDS. The  
25 corporation [AUTHORITY] may issue bonds and notes from time to time in its discretion for  
26 a purpose authorized by this chapter [ANY OF ITS CORPORATE PURPOSES] and may issue  
27 refunding bonds for the purpose of paying or retiring bonds previously issued under this chapter  
28 [BY IT].

29 \* **Sec. 12.** AS 18.55.150 is amended to read:

30 Sec. 18.55.150. SECURITY FOR BONDS. (a) In conjunction with projects  
31 authorized by this chapter, the corporation [THE AUTHORITY] may issue bonds, including

1 [BUT NOT LIMITED TO] bonds on which the principal and interest are payable

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

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

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

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

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

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

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

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

14 \* Sec. 13. AS 18.55.160 is amended to read:

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

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

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

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

30 \* Sec. 14. AS 18.55.170 is amended to read:

31 Sec. 18.55.170. EXEMPTION FROM TAXES. Bonds and other obligations of the

1 corporation issued under AS 18.55.100 - 18.55.290 [AUTHORITY] are declared to be issued  
2 for an essential public and governmental purpose and are public instrumentalities and, together  
3 with interest on them and income from them, are exempt from taxes.

4 \* Sec. 15. AS 18.55.180 is amended to read:

5 Sec. 18.55.180. ISSUANCE AND SALE OF BONDS AND NOTES. Bonds and notes  
6 of the corporation issued under AS 18.55.100 - 18.55.290 [AUTHORITY] are authorized by  
7 adoption of a resolution prescribing the date of issuance and maturity, interest rate, denomination,  
8 form, conversion privilege, rank or priority, execution, terms of redemption, medium and place  
9 of payment. Bonds and notes may be sold in the manner, on the terms, and at the price the  
10 corporation [AUTHORITY] determines. Each bond and note is negotiable. The signature of  
11 a member of the board of directors of the corporation or an officer of the corporation upon  
12 a bond or note or coupon is not invalidated by that person's ceasing to hold office before the  
13 delivery of the bond or note. The recitation of a bond or note that it has been issued in the  
14 financing of a housing or public building project under AS 18.55.010 - 18.55.290 is conclusive  
15 as to the issuance of the bond or note and the character of the project in a challenge of the  
16 validity of the bond or note or the security for it.

17 \* Sec. 16. AS 18.55.187 is amended to read:

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

23 \* Sec. 17. AS 18.55.200 is amended to read:

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

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

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

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

1 of them, the right to enforce the payment of the bonds or covenants securing or relating to the  
2 bonds;

3 (15) vest in one or more trustees the right, in the event of a default by the  
4 corporation [AUTHORITY], to take possession of a housing or public building project or a part  
5 of the project, and so long as the corporation [AUTHORITY] continues in default to retain  
6 possession and to use, operate, and manage the project, and to collect the rents and revenues from  
7 the project, and to dispose of the money according to the agreement between the corporation  
8 [AUTHORITY] and the trustees;

9 (16) provide for the powers and duties of the trustees, and limit the liability of  
10 the trustees; and

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

14 \* Sec. 18. AS 18.55.210 is amended to read:

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

21 \* Sec. 19. AS 18.55.220 is amended to read:

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

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

31 (2) to obtain the appointment of a receiver of a housing or public building project

1 or part of one and its rents and profits, who may enter, take possession, and for the duration of  
2 the default operate and maintain it, collect and receive all fees, rents, revenues, or other charges  
3 thereafter arising, and keep the money in a separate account or accounts to be applied in  
4 accordance with the obligations of the corporation [AUTHORITY] as the court directs;

5 (3) to require the corporation [AUTHORITY] and the [ITS] members of its  
6 board of directors to account as if they were the trustees of an express trust.

7 \* Sec. 20. AS 18.55.230 is amended to read:

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

17 \* Sec. 21. AS 18.55.240 is amended to read:

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

26 \* Sec. 22. AS 18.55.250 is amended to read:

27 Sec. 18.55.250. EXEMPTION FROM TAXES AND ASSESSMENTS. The property  
28 owned by the corporation under the authority granted in AS 18.55.100 - 18.55.290 [OF THE  
29 AUTHORITY] is public property used for essential public and governmental purposes, and is  
30 [THIS PROPERTY AND THE AUTHORITY ARE] exempt from all taxes and special  
31 assessments of a municipality, the state, or a political subdivision of the state. However, instead

1 of the payment of taxes on this property, the corporation [AUTHORITY] may make payments  
2 to the municipality or political subdivision for improvements, services, and facilities furnished  
3 by it for the benefit of a housing or public building project.

4 \* Sec. 23. AS 18.55.255(a) is amended to read:

5 (a) In conjunction with the exercise of a power authorized by AS 18.55.100 -  
6 18.55.290, the corporation [THE AUTHORITY] may convey real or personal property that it  
7 determines is in excess of its needs. Except as provided in (b) and (c) of this section, the sale  
8 shall be by public auction or by sealed bids at a price not lower than the fair market value  
9 determined by an appraisal made within 180 days before the sale by a qualified appraiser.  
10 Public notice shall be given by publishing notice of the sale at least once a week for two  
11 consecutive weeks in a newspaper of general circulation within the area in which the property  
12 to be sold is located and by posting notice of sale in at least two public places in the area. In  
13 no event may the auction be held less than 30 days after the last day of publication. If [NO]  
14 acceptable bids are not received the corporation [AUTHORITY] may sell the property at  
15 negotiated sale within six months after the date of the auction. A negotiated sale may not be  
16 made on an appraisal made more than nine months before the date of sale. The price at a  
17 negotiated sale may not be less than the appraised value.

18 \* Sec. 24. AS 18.55.255(b) is amended to read:

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

26 \* Sec. 25. AS 18.55.260 is amended to read:

27 Sec. 18.55.260. LEGALITY OF CORPORATION'S [AUTHORITY] BONDS  
28 AS INVESTMENTS. Bonds of the corporation that are issued under AS 18.55.100 -  
29 18.55.290 [AUTHORITY] are legal and proper investments and security for public and private  
30 banking, insurance, and trust funds.

31 \* Sec. 26. AS 18.55.270 is amended to read:

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

6   \* Sec. 27. AS 18.55.280(a) is amended to read:

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

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

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

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

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

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

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

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

21                   (8) incur the entire expense of improvements made under AS 18.55.010 -  
22           18.55.290;

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

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

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

1 \* **Sec. 28.** AS 18.55.288(1) is repealed and reenacted to read:

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

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

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

6 \* **Sec. 30.** AS 18.55.290 is amended to read:

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

10 \* **Sec. 31.** AS 18.55.310 is amended to read:

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

18 \* **Sec. 32.** AS 18.55.330 is amended to read:

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

28 \* **Sec. 33.** AS 18.55.340 is amended to read:

29 Sec. 18.55.340. CARE, OPERATION, MAINTENANCE, AND RENTAL OF HOUSING.  
30 The corporation [AUTHORITY] has control over and is responsible for the care, operation,  
31 maintenance, and rental or sale of the housing held by it under AS 18.55.300 - 18.55.470. It

1 may enter into appropriate arrangements for carrying out this responsibility and for safeguarding  
2 the interest of the state.

3 \* Sec. 34. AS 18.55.350 is amended to read:

4 Sec. 18.55.350. AVAILABILITY OF HOUSING UNITS. The corporation  
5 [AUTHORITY] shall make the housing units held by it [CONSTRUCTED] under  
6 AS 18.55.300 - 18.55.470 available for rental to eligible persons upon application in the form it  
7 prescribes, and at the moderate rentals that it considers proper, or for sale at the prices and  
8 subject to the terms and conditions that it considers fair and equitable. The corporation [THE  
9 AUTHORITY] shall use the money it receives [FUNDS RECEIVED] from the sale of housing  
10 or housing projects held by it under AS 18.55.300 - 18.55.470, and the revenue from rentals,  
11 after payment of obligations and deductions for proper expenses of maintenance and operation,  
12 for the construction of further housing, under the terms of AS 18.55.300 - 18.55.470.

13 \* Sec. 35. AS 18.55.370 is amended to read:

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

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

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

28 \* Sec. 36. AS 18.55.380 is amended to read:

29 Sec. 18.55.380. CORPORATION [AUTHORITY] MAY USE POWERS UNDER  
30 OTHER LAWS. The corporation may invoke a power given to it [ANY POWERS OF THE  
31 AUTHORITY] under any statute, including [BUT NOT LIMITED TO] the powers of eminent

1 domain and those relating to the issuance of bonds and obligations [, MAY BE INVOKED]  
2 with respect to a project undertaken or loan made or to be made under the authorization provided  
3 in AS 18.55.300 - 18.55.470.

4 \* Sec. 37. AS 18.55.390 is amended to read:

5 Sec. 18.55.390. LIMITATION ON CORPORATION'S [AUTHORITY'S] POWER. The  
6 power of the corporation [AUTHORITY] to act under AS 18.55.300 - 18.55.470 is limited to  
7 projects in which [WHERE] adequate financing on reasonable terms is not otherwise available  
8 or entrepreneurial sponsorship is lacking.

9 \* Sec. 38. AS 18.55.400 is amended to read:

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

16 \* Sec. 39. AS 18.55.420 is amended to read:

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

19 (1) make and enforce reasonable rules and regulations under AS 18.56.098 to  
20 carry out the purposes of AS 18.55.300 - 18.55.470; and

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

24 \* Sec. 40. AS 18.55.440 is amended to read:

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

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

30 (2) [. THE AUTHORITY MAY ACQUIRE BY PURCHASE, LEASE,  
31 CONDEMNATION, OR OTHERWISE,] rights-of-way or easements for roads, streets, trails,

1 utilities, power lines, and other similar facilities necessary and desirable for the proper  
2 establishment, operation, and maintenance of a housing project.

3 \* Sec. 41. AS 18.55.450 is amended to read:

4 Sec. 18.55.450. ABILITY [AUTHORITY] TO ACCEPT LAND [LANDS] AND OTHER  
5 PROPERTY. The corporation [AUTHORITY] may accept land , a building, property, or  
6 equipment that is available from an executive department, independent establishment or agency  
7 of the federal government or the state, or a municipality, for the purpose of carrying out  
8 AS 18.55.300 - 18.55.470.

9 \* Sec. 42. AS 18.55.460 is amended to read:

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

14 \* Sec. 43. AS 18.55.470(1) is repealed and reenacted to read:

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

16 \* Sec. 44. AS 18.55.490 is amended to read:

17 Sec. 18.55.490. LEGISLATIVE INTENT. It is the intent of the legislature in  
18 AS 18.55.480 - 18.55.960 to take advantage of 42 U.S.C. 1441 - 1469c (Title I of the Housing  
19 Act of 1949 (P.L. 81-171; 63 Stat. 413)) [TITLE I OF THE HOUSING ACT OF 1949 (P.L.  
20 81-171; 63 STAT. 413)], as amended.

21 \* Sec. 45. AS 18.55.500 is amended to read:

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

30 (b) If a member of the board of directors or employee of the corporation  
31 [AUTHORITY] owns or controls or owned or controlled within the preceding two years an

1 interest, direct or indirect, in property that the member or employee knows is included or planned  
2 by the corporation [AUTHORITY] to be included in a redevelopment project, the member or  
3 employee shall immediately disclose the interest in writing to the corporation [AUTHORITY]  
4 and the disclosure shall be entered upon the minutes of the corporation [AUTHORITY], and the  
5 member or employee may not participate in an action by the corporation [AUTHORITY]  
6 affecting the property. A violation of this section constitutes misconduct in office or dereliction  
7 of duties of employment or both.

8 \* Sec. 46. AS 18.55.510(a) is amended to read:

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

13 \* Sec. 47. AS 18.55.520 is amended to read:

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

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

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

31 (3) within its area of operation,

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

4 (B) to hold, improve, clear, or prepare for redevelopment the [ANY  
5 SUCH] property it obtains under (A) of this paragraph;

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

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

15 (E) to make any covenant, restriction, or condition of the foregoing  
16 contracts a covenant running with the land, and to provide appropriate remedies for a  
17 breach of the covenant, restriction, or condition, including the right in the corporation  
18 [AUTHORITY] to terminate the contract and the interest in the property created under  
19 the contract;

20 (F) to borrow money and issue bonds and provide security for loans or  
21 bonds;

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

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

30 (4) to invest money [FUNDS] held in reserves or sinking funds or any money  
31 [FUNDS] not required for immediate disbursement, in property or securities in which savings

1 banks may legally invest money [FUNDS] subject to their control, and to redeem its bonds at  
2 the redemption price established in the bonds or to purchase its bonds at less than redemption  
3 price; and all bonds redeemed or purchased shall be cancelled;

4 (5) to borrow money and to apply for and accept advances, loans, grants,  
5 contributions, and any other form of financial assistance from the federal government, the state,  
6 municipality, or other public body or from any sources, public or private, for the purposes of  
7 AS 18.55.480 - 18.55.960, to give the security required and to enter into and carry out contracts  
8 in connection with the transaction; [THE AUTHORITY] notwithstanding the provisions of any  
9 other law, the corporation may include in a contract for financial assistance with the federal  
10 government for a redevelopment project those conditions imposed pursuant to federal law that  
11 the corporation [AUTHORITY] considers reasonable and appropriate and which are not  
12 inconsistent with the purposes of AS 18.55.480 - 18.55.960;

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

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

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

31 (9) to make expenditures that are necessary to carry out the purposes of

1 AS 18.55.480 - 18.55.960, and to make expenditures from money [FUNDS] obtained from the  
2 federal government and the state [INCLUDING THE ALASKA STATE HOUSING  
3 AUTHORITY FUND], without regard to any other laws pertaining to the making and approval  
4 of appropriations and expenditures;

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

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

7 (A) before approval of an urban renewal or redevelopment plan, or  
8 approval of any modifications of the plan to acquire real property in an urban renewal or  
9 redevelopment area, to demolish and remove any structures on the property, and pay all  
10 costs related to the acquisition, demolition, or removal, including any administrative or  
11 relocation expenses; and

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

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

18 \* Sec. 48. AS 18.55.525 is amended to read:

19 Sec. 18.55.525. NEIGHBORHOOD DEVELOPMENT PROJECTS. (a) A neighborhood  
20 development project, as undertaken and administered by the corporation [AUTHORITY], shall  
21 consist of urban renewal project undertakings and activities in one or more urban renewal areas  
22 that are planned and carried out on the basis of annual increments in accordance with 42 U.S.C.  
23 1469 - 1469c (secs. 131 - 134, Title I, Housing Act of 1949), as amended.

24 (b) The corporation shall adhere to the provisions of [PROVISIONS IN]  
25 AS 18.55.480 - 18.55.960 [SHALL BE ADHERED TO] in its [THE] planning and carrying out  
26 of a neighborhood development project [BY THE AUTHORITY].

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

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

1 \* Sec. 50. AS 18.55.530(d) is amended to read:

2 (d) The corporation [AUTHORITY] may prepare or have prepared a redevelopment plan  
3 or any person or agency, public or private, may submit a redevelopment plan to the corporation  
4 [AUTHORITY]. A redevelopment plan must be sufficiently complete to indicate its relationship  
5 to definite local objectives as to appropriate land uses, improved traffic, public transportation,  
6 public utilities, recreational and community facilities, and other public improvements and the  
7 proposed land uses and building requirements in the redevelopment project area, and must include  
8 [WITHOUT BEING LIMITED TO]

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

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

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

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

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

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

19 \* Sec. 51. AS 18.55.530(e) is amended to read:

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

30 \* Sec. 52. AS 18.55.530(g) is amended to read:

31 (g) The recommendation of a redevelopment plan by the corporation [AUTHORITY]

1 to the governing body shall be accompanied by

2 (1) the recommendations, if any, of the planning commission concerning the  
3 redevelopment plan;

4 (2) [BY] a statement of the proposed method and estimated cost of the acquisition  
5 and preparation for redevelopment of the redevelopment project area and the estimated proceeds  
6 or revenues from its disposal to redevelopers;

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

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

11 \* Sec. 53. AS 18.55.530(i) is amended to read:

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

19 \* Sec. 54. AS 18.55.530(j) is amended to read:

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

27 \* Sec. 55. AS 18.55.530(k) is amended to read:

28 (k) Notwithstanding any other provision of this chapter, if [WHERE] the local governing  
29 body certifies that an area is in need of redevelopment or rehabilitation as a result of flood, fire,  
30 hurricane, earthquake, storm, or other catastrophe respecting which the governor has certified the  
31 need for disaster assistance under [PUBLIC LAW 875, 81ST CONGRESS, OR OTHER] federal

1 law, the local governing body may approve an urban renewal or redevelopment plan and an urban  
2 renewal or redevelopment project with respect to the area without regard to the provisions  
3 relating to relocation, conformance of the urban renewal or redevelopment plan with the general  
4 plan, and the provisions of this chapter requiring a general plan for the municipality and a public  
5 hearing on the urban renewal or redevelopment project or plan.

6 \* Sec. 56. AS 18.55.540(a) is amended to read:

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

24 \* Sec. 57. AS 18.55.540(b) is amended to read:

25 (b) Before considering a redevelopment contract proposal, the corporation  
26 [AUTHORITY], by public notice published at least once a week for two consecutive weeks in  
27 a newspaper of general circulation in the municipality, or, if there is no [SUCH] newspaper of  
28 general circulation, by posting the notice in three public places in the municipality, shall invite  
29 proposals from, and make available all pertinent information to private developers or to persons  
30 interested in undertaking the redevelopment of an area or any part of an area that the governing  
31 body has declared to be in need of redevelopment. The notice must identify the area and must

1 state that the further information that is available may be obtained at the office of the authority.  
2 The corporation [AUTHORITY] shall consider all redevelopment proposals and the financial  
3 and legal ability of the prospective redevelopers to carry out their proposals and may negotiate  
4 with redevelopers for proposals for the purchase or lease of real property in the redevelopment  
5 project area. The corporation [AUTHORITY] may accept the redevelopment contract proposal  
6 it considers in the public interest and in furtherance of the purposes of AS 18.55.480 - 18.55.960,  
7 provided that the corporation [AUTHORITY] has given to the governing body at least 30 days'  
8 written notice of its intent to accept the redevelopment contract proposal. Thereafter the  
9 corporation [AUTHORITY] may execute a redevelopment contract in accordance with the  
10 provisions of (a) of this section and deliver deeds, leases, and other instruments and take all steps  
11 necessary to effectuate the redevelopment contract. The corporation [AUTHORITY] may,  
12 without regard to the foregoing provisions of this subsection, dispose of real property in a  
13 redevelopment project area to private redevelopers for redevelopment under the reasonable  
14 competitive bidding procedures it prescribes, subject to the provisions of (a) of this section.

15 \* Sec. 58. AS 18.55.550(a) is amended to read:

16 (a) The corporation [AUTHORITY] may

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

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

24 \* Sec. 59. AS 18.55.560 is amended to read:

25 Sec. 18.55.560. ACQUISITION AND DEVELOPMENT OF UNDEVELOPED VACANT  
26 LAND. Upon a determination, by resolution, of the governing body of the municipality that the  
27 acquisition and development of undeveloped vacant land not within a slum or blighted area is  
28 essential to the proper clearance or redevelopment of a slum or blighted area or a necessary part  
29 of the general slum clearance program of the municipality, the acquisition, planning, preparation  
30 for development or disposal of the [SUCH] land shall constitute a redevelopment project that  
31 [WHICH] may be undertaken by the corporation [AUTHORITY] in the manner provided in

1 AS 18.55.480 - 18.55.960. The determination by the governing body is a substitute for the  
2 declaration required by AS 18.55.530(b) but the determination may not be made until the  
3 governing body finds that

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

5 (2) [THAT] the undeveloped vacant land will be developed for predominantly  
6 residential uses; and

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

10 \* Sec. 60. AS 18.55.570(a) is amended to read:

11 (a) The corporation [AUTHORITY] may

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

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

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

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

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

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

28 \* Sec. 61. AS 18.55.570(b) is amended to read:

29 (b) The members of the board of directors of the corporation [AUTHORITY] or a  
30 person executing the bonds or notes authorized by (a) of this section are not liable personally  
31 on the bonds or notes by reason of the issuance of them. The bonds, notes, and other obligations

1 of the corporation [AUTHORITY] are not a debt of the municipality, the state, or the United  
2 States, and neither the municipality, the state, nor the United States is liable on them, nor are the  
3 bonds, notes, or obligations payable out of money or property [FUNDS OR PROPERTIES]  
4 other than those of the corporation [AUTHORITY] acquired for the purposes of AS 18.55.480 -  
5 18.55.960 and each bond and note shall state this on its face. A bond or note does not constitute  
6 an indebtedness within the meaning of any constitutional or statutory debt limitation or  
7 restriction. Bonds and notes of the corporation [AUTHORITY] issued under AS 18.55.480 -  
8 18.55.960 are declared to be issued for an essential public and governmental purpose and,  
9 together with interest on them and income from them, are exempt from all taxes.

10 \* Sec. 62. AS 18.55.570(e) is amended to read:

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

16 \* Sec. 63. AS 18.55.580 is amended to read:

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

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

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

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

31 (4) covenant as to the bonds to be issued and as to the issuance of the bonds in

1 escrow or otherwise, and as to the use and disposition of the proceeds, and provide for the  
2 replacement of lost, destroyed, or mutilated bonds, covenant against extending the time for the  
3 payment of its bonds or interest, and covenant for the redemption of the bonds and to provide  
4 the terms and conditions of redemption;

5 (5) covenant, subject to the limitations contained in AS 18.55.480 - 18.55.960,  
6 as to the amount of revenue to be raised each year or other period of time by rents, fees, and  
7 other revenue, and as to their use and disposition, and create or authorize the creation of special  
8 funds for money held for operating costs, debt service, reserves, or other purposes, and covenant  
9 as to the use and disposition of the money held in these funds;

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

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

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

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

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

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

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

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

3 (14) make the covenants and do any and all acts and things necessary or  
4 convenient or desirable in order to secure its bonds, or, in the absolute discretion of the  
5 corporation [AUTHORITY], as will tend to make the bonds more marketable even if the  
6 covenants, acts, or things are not enumerated in this section.

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

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

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

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

24 \* Sec. 64. AS 18.55.590 is amended to read:

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

28 (1) by mandamus, suit, action, or proceeding at law or in equity compel the  
29 corporation, the members of its board of directors, [AUTHORITY] and its [MEMBERS,]  
30 officers, agents, or employees to perform each and every term, provision, and covenant contained  
31 in a contract of the corporation [AUTHORITY] with or for the benefit of the obligee, and

1 require the carrying out of any or all those covenants and agreements of the corporation  
2 [AUTHORITY] and the fulfillment of all duties imposed upon it by AS 18.55.480 - 18.55.960;  
3 and

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

6 \* Sec. 65. AS 18.55.600(b) is amended to read:

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

21 \* Sec. 66. AS 18.55.620 is amended to read:

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

30 (b) The property held by the corporation for a purpose set out in AS 18.55.300 -  
31 18.55.470 and in AS 18.55.480 - 18.55.960 [OF THE AUTHORITY] is declared to be public

1 property used for essential public and governmental purposes and the property is [AND THE  
2 AUTHORITY ARE] exempt from all taxes of the state or a political subdivision of the state.  
3 However, subject to (c) of this section, the corporation [AUTHORITY] shall, from the time it  
4 acquires title to property in a redevelopment project until it sells, leases, or otherwise disposes  
5 of that property, make payment equal in amount and in lieu of taxes that [WHICH] would be  
6 assessed and paid to a political subdivision in which the property is situated if the property had  
7 not been acquired by the corporation [AUTHORITY]. From the time the corporation  
8 [AUTHORITY] sells, leases, or otherwise transfers the property, the obligation of the  
9 corporation [AUTHORITY] to make payment in lieu of taxes shall cease and the property shall  
10 thereafter be taxable in the same manner as other property within the political subdivision, unless  
11 the property is exempt from taxation by law. The property sold, leased, or otherwise transferred  
12 by the corporation [AUTHORITY] may be assessed for taxation on that part of the tax year  
13 during which it was not owned by the corporation [AUTHORITY], unless the property is  
14 exempt from taxation by law. Except for the payments required by this subsection, the power  
15 vested in the corporation [AUTHORITY] to make payments in lieu of taxes under AS 18.55.250  
16 or other law is not affected by this subsection.

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

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

23 \* Sec. 67. AS 18.55.630(a) is amended to read:

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

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

30 (2) cause parks, playgrounds, or recreational, community, educational, water,  
31 sewer, or drainage facilities, or other works that it is otherwise empowered to undertake to be

1 furnished in connection with a redevelopment project;

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

4 (4) plan or replan, or zone or rezone any part of the public body or make  
5 exceptions from building regulations and ordinances if the functions are of the character that the  
6 public body is otherwise empowered to perform;

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

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

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

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

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

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

23 \* Sec. 68. AS 18.55.660 is amended to read:

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

1 \* Sec. 69. AS 18.55.680(a) is amended to read:

2 (a) In addition to the power given [ITS AUTHORITY] under AS 18.55.480 - 18.55.960,  
3 the corporation [AUTHORITY] may plan and undertake an urban renewal project. In  
4 AS 18.55.480 - 18.55.960 an urban renewal project includes undertaking and activity for the  
5 elimination and prevention of the development or spread of slums or blighted, deteriorated, or  
6 deteriorating areas. An urban renewal project may involve any work or undertaking for this  
7 purpose that constitutes a redevelopment project or any rehabilitation or conservation work or any  
8 combination of an undertaking or work.

9 \* Sec. 70. AS 18.55.700 is repealed and reenacted to read:

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

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

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

25 ~~and~~ (2) the words "slum" and "blighted" as used in AS 18.55.480 - 18.55.960, except  
26 in this section and in the definitions in AS 18.55.950, mean "blighted, deteriorated, or  
27 deteriorating"; and

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

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

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

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

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

9 \* Sec. 71. AS 18.55.860 is amended to read:

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

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

15 (A) are dangerous or injurious to the health, comfort, safety, or morals  
16 of the occupant of the dwelling, the occupants of neighboring dwellings or other residents  
17 of the municipality; [,] or

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

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

29 \* Sec. 72. AS 18.55.860 is amended by adding a new subsection to read:

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

- 1 (1) defects increasing the hazards of fire, accident, or other calamity;  
 2 (2) lack of adequate ventilation, light, or sanitary facilities, or an adequate heating  
 3 source;  
 4 (3) dilapidation;  
 5 (4) disrepair;  
 6 (5) structural defects;  
 7 (6) uncleanliness;  
 8 (7) overcrowding;  
 9 (8) inadequate ingress and egress;  
 10 (9) inadequate drainage; or  
 11 (10) a violation of health, fire, building, or zoning regulations, or any other laws  
 12 or regulations, relating to the use of land and the use and occupancy of buildings and  
 13 improvements.

14 \* Sec. 73. AS 18.55.950 is amended by adding a new paragraph to read:

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

16 \* Sec. 74. AS 18.55.995 is amended to read:

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

24 \* Sec. 75. AS 18.55.996(b) is amended to read:

25 ~~(b)~~ There is created with respect to each of the associations named in (a) of this section  
 26 a public body corporate and politic to function in the operating area of the individual associations  
 27 to be known as the regional housing authority of the associations possessing all powers, rights,  
 28 and functions now or subsequently specified [FOR THE ALASKA STATE HOUSING  
 29 AUTHORITY,] under AS 18.55.100 - 18.55.290, [THE ALASKA STATE HOUSING  
 30 AUTHORITY ACT (AS 18.55.010 - 18.55.290)] except those specified with respect to the  
 31 construction and acquisition of public buildings for lease to the state or any [SUBSEQUENTLY

1 SPECIFIED] authority that is inconsistent with AS 18.55.995. A regional housing [THE]  
2 authority may enter into agreements with local government, other political subdivisions of the  
3 state, the state or the federal government for the exercise of a function or power relating to  
4 construction, operation, and maintenance of public facilities or public utilities. Upon execution  
5 of an agreement and for the period of the agreement the regional housing authority shall have  
6 the same powers and functions relating to the subject matter of the agreement as those that may  
7 legally be exercised by the governmental unit with whom the agreement is made including the  
8 authority to separately or together with the other unit borrow money and issue notes, bonds, or  
9 other evidence of indebtedness to finance a project within the scope of the agreement subject to  
10 the express limitations, if any, contained in the agreement. All obligations or liabilities of the  
11 regional housing authority shall remain their own and are not obligations or liabilities of the state.

12 \* Sec. 76. AS 18.55.996(g) is amended to read:

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

18 \* Sec. 77. AS 18.55.997(a) is amended to read:

19 (a) In addition to the powers authorized to a regional housing authority under  
20 AS 18.55.996, a regional housing authority may, in accordance with procedures and policies  
21 adopted and approved by the Alaska Housing Finance Corporation [DEPARTMENT OF  
22 COMMUNITY AND REGIONAL AFFAIRS], make loans for the purchase or development of  
23 residential housing in rural areas of the state, other than in an area where the corporation  
24 [DEPARTMENT] has a loan office. A loan shall be secured by collateral in an amount  
25 acceptable to the corporation [DEPARTMENT OF COMMUNITY AND REGIONAL  
26 AFFAIRS]. The rate of interest on a loan authorized by this section may not exceed the interest  
27 rate on a loan originated or purchased under AS 18.56.400 - 18.56.600 [AS 44.47.370 -  
28 44.47.560].

29 \* Sec. 78. AS 18.55.997(b)(2) is repealed and reenacted to read:

30 (2) "rural" has the meaning given the term "small community" in AS 18.56.600.

31 \* Sec. 79. AS 18.55.998(a) is amended to read:

1 (a) There is created in the Alaska Housing Finance Corporation [DEPARTMENT OF  
 2 COMMUNITY AND REGIONAL AFFAIRS] a supplemental housing development grant fund.  
 3 Using corporate earnings or other available funds [SUBJECT TO THE AVAILABILITY OF  
 4 APPROPRIATIONS FOR THE PURPOSE], the corporation [DEPARTMENT] shall make grants  
 5 to regional housing authorities established under AS 18.55.996 for the cost of on-site sewer and  
 6 water facilities, road construction to project sites, energy efficient design features in homes, and  
 7 extension of electrical distribution facilities to individual residences.

8 \* Sec. 80. AS 18.55.998(d) is amended to read:

9 (d) The Alaska Housing Finance Corporation [DEPARTMENT] shall adopt regulations  
 10 to carry out the purposes of this section. The provisions of AS 18.56.088(a) and (b) [THE  
 11 ADMINISTRATIVE PROCEDURE ACT (AS 44.62)] apply to regulations adopted under this  
 12 section.

13 \* Sec. 81. AS 18.55.998 is amended by adding a new subsection to read:

14 (e) In order to make grants authorized by (a) of this section in its administration of the  
 15 supplemental housing development grant fund established by this section, the board of directors  
 16 of the corporation shall identify in the corporation's proposed operating budget the money  
 17 available to the corporation, including the corporation's own assets, to supplement available  
 18 federal development money.

19 \* Sec. 82. AS 18.56.030(a) is repealed and reenacted to read:

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

- 21 (1) the commissioner of revenue;
- 22 (2) the commissioner of community and regional affairs;
- 23 (3) the commissioner of health and social services; and
- 24 (4) four public members appointed by the governor, as follows:
  - 25 (A) one member with expertise <sup>or experience</sup> in finances or real estate;
  - 26 (B) one member who is a rural resident of the state or who has experience<sup>1</sup>  
 27 with a regional housing authority;
  - 28 (C) one member who has expertise<sup>1</sup> in residential energy efficient home-  
 29 building or weatherization; and
  - 30 (D) one person with expertise<sup>or experience</sup> in the provision of <sup>Senior or</sup> low-income housing.

31 \* Sec. 83. AS 18.56.030(b) is amended to read:

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

5 \* Sec. 84. AS 18.56.030(c) is amended to read:

6 (c) The board members described in (a)(4) [(a)(2) AND (a)(3)] of this section serve  
7 two-year terms.

8 \* Sec. 85. AS 18.56.030(e) is amended to read:

9 (e) The members of the board described in (a)(4) [(a)(3)] of this section receive \$100  
10 compensation for each day spent on official business of the corporation and may be reimbursed  
11 by the corporation for actual and necessary expenses at the same rate paid to members of state  
12 boards under AS 39.20.180.

13 \* Sec. 86. AS 18.56.030 is amended by adding a new subsection to read:

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

18 \* Sec. 87. AS 18.56.084 is amended to read:

19 Sec. 18.56.084. INTERNATIONAL BORROWING. For the purpose of obtaining access  
20 to international capital markets to borrow money for the special mortgage loan purchase program  
21 (AS 18.56.098), as an addition to the powers of the corporation under AS 18.56.090, the  
22 corporation may (1) establish or cause to be established, subsidiary corporations incorporated in  
23 the state or in another state, or under the laws of a foreign jurisdiction; (2) invest in corporations  
24 established under this section; (3) issue bonds and borrow money for investments in corporations  
25 established under this section; (4) borrow from corporations established under this section; (5)  
26 guarantee the obligations of corporations established under this section; or (6) enter into  
27 agreements with corporations established under this section or with other persons. In exercising  
28 a power under this section, the corporation may not subject its assets to risk of loss through  
29 foreign currency exchange. A guarantee under this section constitutes a bond of the corporation  
30 as defined in AS 18.56.390 [AS 18.56.900].

31 \* Sec. 88. AS 18.56.088(c) is amended to read:

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

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

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

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

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

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

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

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

18 (B) define the forms of housing assistance authorized under  
19 AS 18.56.090(b);

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

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

22 and

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

26 \* Sec. 89. AS 18.56.089(a) is repealed and reenacted to read:

27 (a) The provisions of AS 37.07 (Executive Budget Act)

28 (1) apply to

29 (A) the operating budget of the corporation;

30 (B) amounts payable from corporate earnings or assets of the corporation

31 for grants or grant programs authorized by this chapter;

1 (C) interest rate subsidies and building subsidies as determined by the  
2 corporation, except subsidies payable from the corporation's arbitrage earnings;

3 (2) do not apply to activities of the corporation under this chapter except as  
4 provided in (1) of this subsection or as otherwise specifically provided in this chapter.

5 \* Sec. 90. AS 18.56.089(a)(1) is amended by adding a new subparagraph to read:

6 (D) activities of the corporation under AS 18.55.010 - 18.55.960.

7 \* Sec. 91. AS 18.56.089(b) is amended to read:

8 (b) To further ensure effective budgetary decision making by the legislature, the  
9 corporation shall

10 (1) annually review the corporation's assets, including the assets of the Alaska  
11 housing finance revolving fund under AS 18.56.082, to determine whether assets of the  
12 corporation exceed an amount required to fulfill the purposes of the corporation as defined in  
13 AS 18.55 and this chapter; in making its review, the board shall determine whether, and to what  
14 extent, assets in excess of the amount required to fulfill the purposes of the corporation during  
15 the next fiscal year are available without

16 (A) breaching any agreement entered into by the corporation;

17 (B) materially impairing the operations or financial integrity of the  
18 corporation; or

19 (C) materially affecting the ability of the corporation to

20 (i) stabilize the market price of and demand for residential housing;

21 and

22 (ii) ensure an adequate long-term supply of residential housing for  
23 persons of lower and moderate income; [AND]

24 (2) specifically identify in the corporation's assets the amounts that the  
25 corporation believes are necessary to meet the requirements of (1)(C) of this subsection; and

26 (3) [(2)] present to the legislature by January 10 of each year a complete  
27 accounting of all assets of the corporation, including assets of the Alaska housing finance  
28 revolving fund under AS 18.56.082, and a report of the review and determination made under  
29 (1) and (2) of this subsection; the accounting shall be audited by an independent outside auditor  
30 and must include a full description of all mortgage loan interest and principal repayments and  
31 program receipts, including

1 program receipts, including

2 (A) mortgage loan commitment fees received by or accrued to the  
3 corporation during the preceding fiscal year; [,] and

4 (B) all income earned on assets of the corporation during that period,  
5 including earnings on assets of the state assisted mortgage fund.

6 \* Sec. 92. AS 18.56.090 is amended by adding new subsections to read:

7 (b) The corporation may, subject to (c) of this section,

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

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

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

20 (c) The corporation may not provide money or another form of housing assistance  
21 authorized by (b) of this section unless the board of directors of the corporation identifies in the  
22 corporation's proposed operating budget the money available to the corporation, including the  
23 corporation's own assets, for the proposed housing assistance. The provisions of this subsection  
24 apply to

25 ~~the~~ (1) subsidies authorized by the home ownership assistance program under  
26 AS 18.56.091;

27 (2) mortgage subsidies authorized by the graduated payment mortgage loan  
28 program under AS 18.56.098(c);

29 (3) interest rate deductions authorized in the housing development fund under  
30 AS 18.56.100(b)(1) and (l);

31 (4) money or another form of housing assistance payable from corporate earnings

1 or assets of the corporation, other than money appropriated to the corporation for the specific  
2 purpose, for a program set out in AS 18.56.400 - 18.56.850.

3 \* Sec. 93. AS 18.56.096(c) is amended to read:

4 (c) The corporation may not make, participate in the making of, purchase, or participate  
5 in the purchase of a loan for a residential building if construction of the building began  
6 [BEGINS] after December 31, 1991, unless the building complies with the thermal and lighting  
7 energy standards required by AS 46.11.040. The corporation

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

9 (2) shall, by regulation, establish

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

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

18 (ii) submission of the certificate of a registered architect, registered  
19 engineer, or a building inspector, and the architect, engineer, or building inspector  
20 has completed a training program of the Alaska Craftsman Home Program or  
21 equivalent training program and the training program is satisfactory to the  
22 corporation [COMMISSIONER OF COMMUNITY AND REGIONAL  
23 AFFAIRS];

24 (iii) submission of the certificate of occupancy issued by the  
25 ~~corporation~~ municipality in which the building is located, if the certificate is issued by a  
26 municipality in which the municipal building code meets or exceeds the thermal  
27 and lighting energy standards, as determined by the corporation  
28 [COMMISSIONER OF COMMUNITY AND REGIONAL AFFAIRS];

29 (iv) another method approved by the corporation  
30 [COMMISSIONER OF COMMUNITY AND REGIONAL AFFAIRS] in  
31 regulations adopted by the [COMMISSIONER AFTER CONSULTATION WITH

1 THE EXECUTIVE DIRECTOR OF THE] corporation; and

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

8 \* Sec. 94. AS 18.56.100(b) is amended to read:

9 (b) Consistent with AS 18.56.090, the corporation may make temporary and permanent  
10 loans from the housing development fund, at an interest rate or rates determined by the  
11 corporation, and with the security for repayment that is necessary and practicable, to purchase,  
12 make, or participate in the making of mortgage loans

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

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

20 \* Sec. 95. AS 18.56.200(d) is amended to read:

21 (d) The corporation shall include in its annual report under (b) of this section

22 (1) a report of its activities under

23 (A) AS 18.55.010 - 18.55.290 (Housing Project and Public Building  
24 Assistance Act);

25 (B) AS 18.55.300 - 18.55.470 (programs of moderate income and rental  
26 housing);

27 (C) AS 18.55.480 - 18.55.960 (Slum Clearance and Redevelopment  
28 Act);

29 (2) a summary of its efforts to implement a program to extend the operation of  
30 the [LOAN] programs authorized under AS 18.55 and this chapter to rural communities;

31 (3) an evaluation of the corporation's ability to fulfill the objectives of