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Alaska State Legislature

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House Special Committee on State Loans

Memorandum

Date: March 28, 1984
To: Members, House Special Committee on State Loans
From: Rep. Rick Uehling
Subject: HB 665, Bond authorization for AHFC

The following is an outline of the provisions of HB 665, which is an act authorizing the issuance of \$700 million worth of tax-exempt housing bonds for veterans. As you may be aware, the Loans Committee passed similar legislation last year, authorizing a \$500 million bond authorization for this program.

At the current time the Alaska Housing Finance Corporation has \$900 million in authorized outstanding debt under this program. The authorization, if approved by the voters, would raise the total level to \$1.6 billion under the Veterans' Home Loan Program.

It is important to remember that these bonds are backed by the full faith and credit of the State of Alaska. Although they are general obligation bonds they are secured by mortgage revenues.

The central question to be asked by the Committee, of each witness, is whether this bond authorization will in any way affect the capacity of the State to issue general obligation bonds for other important projects such as the Knik Arm Crossing, the State office building in Anchorage or the Susitna Project.

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500

900

HB665

TO :
From :
Subject :
Date :

I HAVE ASKED STAFF TO PROVIDE
THE FOLLOWING ^{IS AN} OUTLINE OF THE
PROVISIONS OF HB665. AS YOU MAY
BE AWARE THE LOANS COMMITTEE PASSED
SIMILAR LEGISLATION LAST YEAR AUTHORIZING
A 500 MILLION DOLLAR BOND AUTHORIZATION
FOR THIS PROGRAM

HB665 IS AN ACT AUTHORIZING THE
ISSUANCE OF 700 MILLION ~~AUTHOR~~ OF
TAX-EXEMPT HOUSING BONDS FOR
VETERANS.

AT THE CURRENT TIME THE ~~AHFC~~
ALASKA HOUSING FINANCE HAS 900
MILLION DOLLARS IN AUTHORIZED
OUTSTANDING DEBT UNDER THIS PROGRAM.
THE AUTHORIZATION, IF APPROVED BY
VOTERS WOULD MISS THE TOTAL LEVEL

to 1.6 billion DOLLARS
UNDER THE VETERAN'S HOME LOAN
PROGRAM.

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the Full Faith and Credit of the
State of Alaska. Although they
are ~~General Obligation~~ Bonds they
are secured by the mortgage
requirements.

The central question ^{to be} asked
by the Committee of each
Person testifying is whether these
Bonds will in any way affect the
~~total~~ capacity of the State
General Obligation
to issue bonds for other important
projects such as ^{the} Sustiva Hydro
Electric Project, the Kwik Aan
Crossing on the Anchorage Other

building.