

ALASKA LEGISLATURE COMMITTEE FILES 1991-1992 8672

7708 SENATE STATE AFFAIRS

208

DIVISION OF LEGAL SERVICES

**LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA**

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Court Plaza, Room 500
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MEMORANDUM

March 13, 1991

SUBJECT: Enclosed Amendment for HB 126 (W.C. 7-LS0253A.2)

TO: Senator Pat Rodey
Chair, Senate State Affairs Committee

FROM: David R. Dierdorff *DRD*
Revisor of Statutes

Enclosed is another amendment for HB 126, the program receipts technical "clean-up" bill. This provision was not discovered in our original computer search for sections that needed amending or repealing. This should be the last.

Please let me know if you have any questions about the bill or the two amendments that need to be answered before the bill's first hearing.

DRD:gc
91-154.glc

Enclosure

PROP. AMEND. 7-13-91

A M E N D M E N T

OFFERED IN THE SENATE STATE AFFAIRS COMMITTEE

TO: HB 126

Page 8, following line 4:

Insert a new bill section to read:

"* Sec. 23. AS 46.03.032(n) is amended to read:

(n) State appropriations in excess of the amount required by the federal Clean Water Act, as amended by P.L. 100-4, shall be accounted for separately. Repayments of principal from loans from these amounts shall be deposited in the Alaska clean water fund. Payments of interest from loans made from these amounts and earnings on these amounts shall be deposited in the general fund. [THE COMMISSIONER OF ADMINISTRATION SHALL SEPARATELY ACCOUNT FOR THE INTEREST PAYMENTS AND EARNINGS THAT THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION DEPOSITS IN THE GENERAL FUND.]"

Renumber the following bill sections accordingly.

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MEMORANDUM

March 14, 1991

SUBJECT: Enclosed Amendment for HB 126

TO: Senator Pat Rodey
Chair, Senate State Affairs Committee

FROM: David R. Dierdorff 
Revisor of Statutes

I prepared the enclosed amendment at the request of Richard Burton, the commissioner of public safety. When AS 44.41.020(a) was amended in 1986 to provide for accounting of training fees, the language used did not expressly authorize the charging of those fees, but clearly implied that there were fees charged and collected. The 1989 - 1990 legislation that attempted to "fix" and clarify all such language in program receipts authority failed to pick up the problem in AS 44.41.020.

The amendment would clarify the department's authority to charge fees, which is in jeopardy with the deletion of the accounting language by sec. 19 of HB 126 as currently drafted. Because it has been the intent of HB 126 to avoid any change in current program receipt authority, this amendment is consistent with the purpose of HB 126 and I recommend that the committee incorporate the amendment in a CS if the committee decides to take positive action on the bill.

DRD:mi
91-051.mai

Enclosure



PROP. AMEND. 3-14-91

A M E N D M E N T

OFFERED IN THE SENATE STATE AFFAIRS COMMITTEE

TO: HB 126

Page 7, line 1, after ".":

Insert "The department may charge a reasonable fee for services provided under a training agreement."

HB

152

3/4/91

Sponsor Statement

prepared by
Representative Kay Brown

HB 152/153 — Alaska Housing Commission & Trust Fund

Summary

House Bill 152 would establish an Alaska Housing Commission and Alaska Housing Trust Fund. House Bill 153, a companion funding measure, would appropriate \$100 million to the Alaska Housing Trust Fund from the unrestricted revenues available to the Alaska Housing Finance Corporation.

Background

During 1989-1990, the Alaska Housing Market Council undertook an extensive and comprehensive review of the state's disparate housing programs. As a member of the Council's Housing Policy Development Committee, I had the opportunity to become familiar with the state's severely fragmented housing policy programs and initiatives. HB 152/153 is a direct outgrowth of the Council's work and recommendations. This legislation would:

- provide for the consolidation of state housing policy-making within a new Alaska Housing Commission; and
- establish a new Alaska Housing Trust Fund to address unmet low-income and special housing needs.

Alaska Housing Commission — Consolidation of Housing Programs

There is broad recognition of the need for consolidation of housing related policy-making to improve the delivery of housing services. In its final report to the Governor and the Legislature, the Alaska Housing Market Council noted that "central to [the Council's] policy recommendations is the need to provide coordinated housing functions within state government." More specifically, the Council's report recommended the creation of an Alaska Housing Commission "to overcome the fragmentation of existing programs and to ensure continuing public involvement in housing issues."

Housing programs in Alaska are spread among numerous different state agencies, offices and divisions. As noted in the Council report, housing programs are designed with little quantitative information regarding real needs. As a result, there is no cohesive state policy to provide clear direction

to meet critical housing needs. At the same time, the recently enacted federal Affordable Housing Act requires that future state and local participation in federal housing programs is contingent upon the development of a comprehensive state housing strategy.

Alaska Housing Trust Fund — Financing for Affordable Housing

Apart from the need to consolidate housing policy-making, there is also widespread recognition that the state's existing housing initiatives have not succeeded in meeting critical housing needs. Even while nearly a third of all Alaskans are considered to be low-income, these housing needs have not been adequately addressed through existing housing programs. The Alaska Housing Trust Fund would provide a financing mechanism to help meet the need for affordable housing.

The Alaska Housing Trust Fund would be capitalized with surplus, unrestricted revenues available to the Alaska Housing Finance Corporation (ie, corporation revenues beyond those needed to meet the corporation's debt obligations). Once the Alaska Housing Trust Fund was capitalized in the amount of \$100 million, AHFC's unrestricted funds would be diverted to the general fund.

The Alaska Housing Commission would use earnings of the Alaska Housing Trust Fund to finance housing assistance by public agencies (including municipalities and regional housing authorities) and private non-profit organizations, and provide a means to finance the design, construction, development, rehabilitation or improvement of low- and moderate-income housing, including special needs housing.

Under the terms of the proposed legislation, financial assistance would take the form of grants, loans interest rate subsidies, building subsidies, matching funds and other forms of assistance as identified under regulations adopted by the Commission.

7-LS1986G ✓
Chenoweth
4/8/92

SENATE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY

Introduced:
Referred:

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to housing; expanding the board of directors of the Alaska Housing
2 Finance Corporation; relating to the management of the Alaska Housing Finance
3 Corporation; creating the Alaska State Housing Planning Commission and establishing its
4 duties; and providing for an effective date."

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

6 * Section 1. FINDINGS. The legislature finds that

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

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

12 (3) low-income and rural housing needs in the state are critical and have not been met
13 with existing housing resources even while it is estimated that nearly 33 percent of Alaskans are
14 considered to be low-income residents;

1 (4) in order to ensure that all Alaskans are afforded the opportunity to live in safe,
2 sanitary, and energy efficient housing, coordination of the state's varied and disparate housing program
3 initiatives is required;

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

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

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

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

23 (1) the provisions of secs. 76 - 78, AS 18.56.400 - 18.56.650, added by sec. 95, and secs.
24 126 and 128 of this Act transfer certain programs of the Department of Community and Regional Affairs
25 related to housing to the expanded Alaska Housing Finance Corporation;

26 (2) the provisions of AS 18.56.700 - 18.56.810, added by sec. 95, and secs. 126 and 129
27 of this Act transfer the responsibility for the operation of the senior citizen housing office and for the
28 provision of senior citizens housing programs under AS 44.47.585 - 44.47.620 from the Department of
29 Community and Regional Affairs into the expanded Alaska Housing Finance Corporation;

30 (3) the provisions of AS 18.56.850, added by sec. 95, and secs. 126 and 130 of this Act
31 transfer the responsibility for development of home energy conservation and weatherization programs

1 from the Department of Community and Regional Affairs into the expanded Alaska Housing Finance
2 Corporation;

3 (4) the provisions of secs. 79, 80, 89, 102 - 106, and 131 of this Act transfer the
4 responsibility for the provision of mortgage loans under the veterans' loan program of AS 26.15 in favor
5 of the veterans' loan program of the Alaska Housing Finance Corporation;

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

11 (c) With anticipated state revenue expected to decrease substantially during state fiscal year
12 1993, the legislature looks to reduce general fund expenditures and to increase the state general fund
13 balance available during that fiscal year to meet the costs of state government operations, its loan
14 programs, and its capital improvements program. The purpose of sec. 135 of this Act is to authorize
15 the purchase by the Alaska Housing Finance Corporation, at a discount, of the mortgage notes now held
16 by the Department of Community and Regional Affairs for the loans it has made under the department's
17 various housing assistance programs set out in AS 44.47.370 - 44.47.560 and 44.47.585 - 44.47.635, and
18 to require the deposit of amounts paid to the department for its notes into the state general fund. The
19 purchase of the notes and transfer of money to the state general fund by June 30, 1992, as authorized
20 by sec. 135 this Act, when coupled with a transfer of revenue to the state expected to be approved by
21 the board of directors of the Alaska Housing Finance Corporation during 1992, will increase the balance
22 of the state general fund by approximately \$200,000,000, thereby materially reducing the expected state
23 deficit for state fiscal year 1993.

24 (d) It is the intent of the legislature that

25 (1) existing housing programs being merged into the Alaska Housing Finance Corporation
26 continue without interruption; 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 (e) 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 18.55.110 is amended to read:

23 **Sec. 18.55.110. COOPERATION WITH AND AID OF FEDERAL GOVERNMENT.**

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

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

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

27 **state, provided that those projects may not be undertaken unless an acute shortage of housing**

28 **exists. With respect to those projects, the corporation [AUTHORITY] may not be subject to**

29 **limitations, restrictions, or requirements of other laws, except those relating to land acquisition,**

30 **prescribing or limiting the procedure or action to be taken in the development or administration**

31 **of any buildings, property, public works, undertakings, or projects of municipal or public**

1 corporations or agencies of the state.

2 * Sec. 8. AS 18.55.120 is amended to read:

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

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

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

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

16 * Sec. 9. AS 18.55.130 is amended to read:

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

24 (b) Except in the case of leased housing [,] as provided in 42 U.S.C. 1421b. [THE
25 UNITED STATES HOUSING ACT OF 1937, SEC. 23 (PL 89-117; 79 STAT. 455;
26 AUGUST 19, 1965)] as amended [(42 U.S.C. 1421b)], the corporation shall fix the income
27 limits for occupancy of its low-cost housing projects [OF THE AUTHORITY] and rents that are
28 [SHALL BE FIXED BY THE AUTHORITY AND] approved by the United States Department
29 of Housing and Urban Development after taking into consideration

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

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

3 (c) Rents and requirements for admission to low-cost housing projects as provided in (a)
4 and (b) of this section [,] must be so established that a gap of at least 20 per cent, except in the
5 case of an elderly family or displaced family or in the case of leased housing under 42 U.S.C.
6 1421b, [THE UNITED STATES HOUSING ACT OF 1937, SEC. 23 (PL 89-117; 79 STAT. 455;
7 AUGUST 19, 1965)] as amended, [(42 U.S.C. 1421b)] will be left between the upper rental
8 limits for admission to low-cost housing projects of the corporation [AUTHORITY] and the
9 lowest rents at which private enterprise unaided by public subsidy is providing housing
10 substantially similar to the low-cost housing projects of the corporation [AUTHORITY].

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

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

18 * Sec. 10. AS 18.55.140 is amended to read:

19 Sec. 18.55.140. ISSUANCE OF BONDS, NOTES, AND REFUNDING BONDS. The
20 corporation [AUTHORITY] may issue bonds and notes from time to time in its discretion for
21 a purpose authorized by this chapter [ANY OF ITS CORPORATE PURPOSES] and may issue
22 r. funding bonds for the purpose of paying or retiring bonds previously issued under this chapter
23 [BY IT].

24 * Sec. 11. AS 18.55.150 is amended to read:

25 Sec. 18.55.150. SECURITY FOR BONDS. (a) In conjunction with projects
26 authorized by this chapter, the corporation [THE AUTHORITY] may issue bonds, including
27 [BUT NOT LIMITED TO] bonds on which the principal and interest are payable

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

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

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

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

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

4 **(1)** by a pledge of a grant or contribution from the federal government or from
5 another source;

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

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

9 * **Sec. 12.** AS 18.55.160 is amended to read:

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

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

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

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

25 * **Sec. 13.** AS 18.55.170 is amended to read:

26 Sec. 18.55.170. EXEMPTION FROM TAXES. Bonds and other obligations of the
27 corporation issued under AS 18.55.100 - 18.55.290 [AUTHORITY] are declared to be issued
28 for an essential public and governmental purpose and are public instrumentalities and, together
29 with interest on them and income from them, are exempt from taxes.

30 * **Sec. 14.** AS 18.55.180 is amended to read:

31 Sec. 18.55.180. ISSUANCE AND SALE OF BONDS AND NOTES. Bonds and notes

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

12 * Sec. 15. AS 18.55.187 is amended to read:

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

18 * Sec. 16. AS 18.55.200 is amended to read:

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

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

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

27 (3) covenant against pledging all or a part of its rents, fees, and revenues, or
28 against mortgaging all or a part of its real or personal property, to which its right or title exists
29 or may come into existence or against permitting or suffering any lien on the revenues or
30 property;

31 (4) covenant with respect to limitations on its right to sell, lease, or otherwise

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

1 possession and to use, operate, and manage the project, and to collect the rents and revenues from
 2 the project, and to dispose of the money according to the agreement between the corporation
 3 [AUTHORITY] and the trustees;

4 (16) provide for the powers and duties of the trustees, and limit the liability of
 5 the trustees; and

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

9 * Sec. 17. AS 18.55.210 is amended to read:

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

16 * Sec. 18. AS 18.55.220 is amended to read:

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

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

26 (2) to obtain the appointment of a receiver of a housing or public building project
 27 or part of one and its rents and profits, who may enter, take possession, and for the duration of
 28 the default operate and maintain it, collect and receive all fees, rents, revenues, or other charges
 29 thereafter arising, and keep the money in a separate account or accounts to be applied in
 30 accordance with the obligations of the corporation [AUTHORITY] as the court directs;

31 (3) to require the corporation [AUTHORITY] and the [ITS] member. of its

1 board of directors to account as if they were the trustees of an express trust.

2 * Sec. 19. AS 18.55.230 is amended to read:

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

12 * Sec. 20. AS 18.55.240 is amended to read:

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

21 * Sec. 21. AS 18.55.250 is amended to read:

22 Sec. 18.55.250. EXEMPTION FROM TAXES AND ASSESSMENTS. The property
23 owned by the corporation under the authority granted in AS 18.55.100 - 18.55.290 [OF THE
24 AUTHORITY] is public property used for essential public and governmental purposes, and is
25 [THIS PROPERTY AND THE AUTHORITY ARE] exempt from all taxes and special
26 assessments of a municipality, the state, or a political subdivision of the state. However, instead
27 of the payment of taxes on this property, the corporation [AUTHORITY] may make payments
28 to the municipality or political subdivision for improvements, services, and facilities furnished
29 by it for the benefit of a housing or public building project.

30 * Sec. 22. AS 18.55.255(a) is amended to read:

31 (a) In conjunction with the exercise of a power authorized by AS 18.55.100 -

1 18.55.290. the corporation [THE AUTHORITY] may convey real or personal property that it
2 determines is in excess of its needs. Except as provided in (b) and (c) of this section, the sale
3 shall be by public auction or by sealed bids at a price not lower than the fair market value
4 determined by an appraisal made within 180 days before the sale by a qualified appraiser.
5 Public notice shall be given by publishing notice of the sale at least once a week for two
6 consecutive weeks in a newspaper of general circulation within the area in which the property
7 to be sold is located and by posting notice of sale in at least two public places in the area. In
8 no event may the auction be held less than 30 days after the last day of publication. If [NO]
9 acceptable bids are not received the corporation [AUTHORITY] may sell the property at
10 negotiated sale within six months after the date of the auction. A negotiated sale may not be
11 made on an appraisal made more than nine months before the date of sale. The price at a
12 negotiated sale may not be less than the appraised value.

13 * Sec. 23. AS 18.55.255(b) is amended to read:

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

21 * Sec. 24. AS 18.55.260 is amended to read:

22 Sec. 18.55.260. LEGALITY OF CORPORATION'S [AUTHORITY] BONDS
23 AS INVESTMENTS. Bonds of the corporation that are issued under AS 18.55.100 -
24 18.55.290 [AUTHORITY] are legal and proper investments and security for public and private
25 banking, insurance, and trust funds.

26 * Sec. 25. AS 18.55.270 is amended to read:

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

1 * Sec. 26. AS 18.55.280(a) is amended to read:

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

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

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

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

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

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

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

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

16 (8) incur the entire expense of improvements made under AS 18.55.010
17 18.55.290;

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

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

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

27 * Sec. 27. AS 18.55.288(1) is repealed and reenacted to read:

28 (1) "corporation" means the Alaska Housing Finance Corporation:

29 * Sec. 28. AS 18.55.288(3) is amended to read:

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

1 * Sec. 29. AS 18.55.290 is amended to read:

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

5 * Sec. 30. AS 18.55.310 is amended to read:

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

13 * Sec. 31. AS 18.55.330 is amended to read:

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

23 * Sec. 32. AS 18.55.340 is amended to read:

24 Sec. 18.55.340. CARE, OPERATION, MAINTENANCE, AND RENTAL OF HOUSING.
25 The corporation [AUTHORITY] has control over and is responsible for the care, operation,
26 maintenance, and rental or sale of the housing held by it under AS 18.55.300 - 18.55.470. It
27 may enter into appropriate arrangements for carrying out this responsibility and for safeguarding
28 the interest of the state.

29 * Sec. 33. AS 18.55.350 is amended to read:

30 Sec. 18.55.350. AVAILABILITY OF HOUSING UNITS. The corporation
31 [AUTHORITY] shall make the housing units held by it [CONSTRUCTED] under

1 AS 18.55.300 - 18.55.470 available for rental to eligible persons upon application in the form it
2 prescribes, and at the moderate rentals that it considers proper, or for sale at the prices and
3 subject to the terms and conditions that it considers fair and equitable. The corporation [THE
4 AUTHORITY] shall use the money it receives [FUNDS RECEIVED] from the sale of housing
5 or housing projects held by it under AS 18.55.300 - 18.55.470, and the revenue from rentals,
6 after payment of obligations and deductions for proper expenses of maintenance and operation,
7 for the construction of further housing, under the terms of AS 18.55.300 - 18.55.470.

8 * Sec. 34. AS 18.55.370 is amended to read:

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

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

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

23 * Sec. 35. AS 18.55.380 is amended to read:

24 Sec. 18.55.380. CORPORATION [AUTHORITY] MAY USE POWERS UNDER
25 OTHER LAWS. The corporation may invoke a power given to it [ANY POWERS OF THE
26 AUTHORITY] under any statute, including [BUT NOT LIMITED TO] the powers of eminent
27 domain and those relating to the issuance of bonds and obligations [, MAY BE INVOKED]
28 with respect to a project undertaken or loan made or to be made under the authorization provided
29 in AS 18.55.300 - 18.55.470.

30 * Sec. 36. AS 18.55.390 is amended to read:

31 Sec. 18.55.390. LIMITATION ON CORPORATION'S [AUTHORITY'S] POWER. The

1 power of the corporation [AUTHORITY] to act under AS 18.55.300 - 18.55.470 is limited to
2 projects in which [WHERE] adequate financing on reasonable terms is not otherwise available
3 or entrepreneurial sponsorship is lacking.

4 * Sec. 37. AS 18.55.400 is amended to read:

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

11 * Sec. 38. AS 18.55.420 is amended to read:

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

14 (1) make and enforce reasonable rules and regulations to carry out the purposes
15 of AS 18.55.300 - 18.55.470; and

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

19 * Sec. 39. AS 18.55.440 is amended to read:

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

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

25 (2) [THE AUTHORITY MAY ACQUIRE BY PURCHASE, LEASE,
26 CONDEMNATION, OR OTHERWISE,] rights-of-way or easements for roads, streets, trails,
27 utilities, power lines, and other similar facilities necessary and desirable for the proper
28 establishment, operation, and maintenance of a housing project.

29 * Sec. 40. AS 18.55.450 is amended to read:

30 Sec. 18.55.450. ABILITY [AUTHORITY] TO ACCEPT LAND [LANDS] AND OTHER
31 PROPERTY. The corporation [AUTHORITY] may accept land , a building, property, or

1 equipment that is available from an executive department, independent establishment or agency
2 of the federal government or the state, or a municipality, for the purpose of carrying out
3 AS 18.55.300 - 18.55.470.

4 * Sec. 41. AS 18.55.460 is amended to read:

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

9 * Sec. 42. AS 18.55.470(1) is repealed and reenacted to read:

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

11 * Sec. 43. AS 18.55.490 is amended to read:

12 Sec. 18.55.490. LEGISLATIVE INTENT. It is the intent of the legislature in
13 AS 18.55.480 - 18.55.960 to take advantage of 42 U.S.C. 1441 - 1469c (Title I of the Housing
14 Act of 1949 (P.L. 81-171; 63 Stat. 413)) [TITLE I OF THE HOUSING ACT OF 1949 (P.L.
15 81-171, 63 STAT. 413)], as amended:

16 * Sec. 44. AS 18.55.500 is amended to read:

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

25 (b) If a member of the board of directors or employee of the corporation
26 [AUTHORITY] owns or controls or owned or controlled within the preceding two years an
27 interest, direct or indirect, in property that the member or employee knows is included or planned
28 by the corporation [AUTHORITY] to be included in a redevelopment project, the member or
29 employee shall immediately disclose the interest in writing to the corporation [AUTHORITY]
30 and the disclosure shall be entered upon the minutes of the corporation [AUTHORITY], and the
31 member or employee may not participate in an action by the corporation [AUTHORITY]

1 affecting the property. A violation of this section constitutes misconduct in office or dereliction
2 of duties of employment or both.

3 * Sec. 45. AS 18.55.510(a) is amended to read:

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

8 * Sec. 46. AS 18.55.520 is amended to read:

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

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

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

26 (3) within its area of operation,

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

30 (B) to hold, improve, clear, or prepare for redevelopment the [ANY
31 SUCH] property it obtains under (A) this paragraph:

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

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

10 (E) to make any covenant, restriction, or condition of the foregoing
11 contracts a covenant running with the land, and to provide appropriate remedies for a
12 breach of the covenant, restriction, or condition, including the right in the corporation
13 [AUTHORITY] to terminate the contract and the interest in the property created under
14 the contract;

15 (F) to borrow money and issue bonds and provide security for loans or
16 bonds;

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

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

25 (4) to invest money [FUNDS] held in reserves or sinking funds or any money
26 [FUNDS] not required for immediate disbursement, in property or securities in which savings
27 banks may legally invest money [FUNDS] subject to their control, and to redeem its bonds at
28 the redemption price established in the bonds or to purchase its bonds at less than redemption
29 price; and all bonds redeemed or purchased shall be cancelled;

30 (5) to borrow money and to apply for and accept advances, loans, grants,
31 contributions, and any other form of financial assistance from the federal government, the state,

1 municipality, or other public body or from any sources, public or private, for the purposes of
2 AS 18.55.480 - 18.55.960, to give the security required and to enter into and carry out contracts
3 in connection with the transaction: [THE AUTHORITY] notwithstanding the provisions of any
4 other law, the corporation may include in a contract for financial assistance with the federal
5 government for a redevelopment project those conditions imposed pursuant to federal law that
6 the corporation [AUTHORITY] considers reasonable and appropriate and which are not
7 inconsistent with the purposes of AS 18.55.480 - 18.55.960;

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

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

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

26 (9) to make expenditures that are necessary to carry out the purposes of
27 AS 18.55.480 - 18.55.960, and to make expenditures from money [FUNDS] obtained from the
28 federal government and the state [INCLUDING THE ALASKA STATE HOUSING
29 AUTHORITY FUND], without regard to any other laws pertaining to the making and approval
30 of appropriations and expenditures;

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

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

2 (A) before approval of an urban renewal or redevelopment plan, or
3 approval of any modifications of the plan to acquire real property in an urban renewal or
4 redevelopment area, to demolish and remove any structures on the property, and pay all
5 costs related to the acquisition, demolition, or removal, including any administrative or
6 relocation expenses; and

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

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

13 * Sec. 47. AS 18.55.525 is amended to read:

14 Sec. 18.55.525. NEIGHBORHOOD DEVELOPMENT PROJECTS. (a) A neighborhood
15 development project, as undertaken and administered by the corporation [AUTHORITY], shall
16 consist of urban renewal project undertakings and activities in one or more urban renewal areas
17 that are planned and carried out on the basis of annual increments in accordance with 42 U.S.C.
18 1469 - 1469c (secs. 131 - 134, Title I, Housing Act of 1949), as amended.

19 (b) The corporation shall adhere to the provisions of [PROVISIONS IN]
20 AS 18.55.480 - 18.55.960 [SHALL BE ADHERED TO] in the planning and carrying out of a
21 neighborhood development project by the authority.

22 * Sec. 48. AS 18.55.530(a) is amended to read:

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

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

28 (d) The corporation [AUTHORITY] may prepare or have prepared a redevelopment plan
29 or any person or agency, public or private, may submit a redevelopment plan to the corporation
30 [AUTHORITY]. A redevelopment plan must be sufficiently complete to indicate its relationship
31 to definite local objectives as to appropriate land uses, improved traffic, public transportation,

1 public utilities, recreational and community facilities, and other public improvements and the
2 proposed land uses and building requirements in the redevelopment project area, and must include
3 [WITHOUT BEING LIMITED TO]

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

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

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

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

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

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

14 * Sec. 50. AS 18.55.530(e) is amended to read:

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

* Sec. 51. AS 18.55.530(g) is amended to read:

25 (g) The recommendation of a redevelopment plan by the corporation [AUTHORITY]
26 to the governing body shall be accompanied by

27 (1) the recommendations, if any, of the planning commission concerning the
28 redevelopment plan;

29 (2) [BY] a statement of the proposed method and estimated cost of the acquisition
30 and preparation for redevelopment of the redevelopment project area and the estimated proceeds
31

1 or revenues from its disposal to redevelopers;

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

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

6 * Sec. 52. AS 18.55.530(i) is amended to read:

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

14 * Sec. 53. AS 18.55.530(j) is amended to read:

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

22 * Sec. 54. AS 18.55.530(k) is amended to read:

23 (k) Notwithstanding any other provision of this chapter, if [WHERE] the local governing
24 body certifies that an area is in need of redevelopment or rehabilitation as a result of flood, fire,
25 hurricane, earthquake, storm, or other catastrophe respecting which the governor has certified the
26 need for disaster assistance under [PUBLIC LAW 875, 81ST CONGRESS, OR OTHER] federal
27 law, the local governing body may approve an urban renewal or redevelopment plan and an urban
28 renewal or redevelopment project with respect to the area without regard to the provisions
29 relating to relocation, conformance of the urban renewal or redevelopment plan with the general
30 plan, and the provisions of this chapter requiring a general plan for the municipality and a public
31 hearing on the urban renewal or redevelopment project or plan.

1 * Sec. 55. AS 18.55.540(a) is amended to read:

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

19 * Sec. 56. AS 18.55.540(b) is amended to read:

20 (b) Before considering a redevelopment contract proposal, the corporation
21 [AUTHORITY], by public notice published at least once a week for two consecutive weeks in
22 a newspaper of general circulation in the municipality, or, if there is no [SUCH] newspaper of
23 general circulation, by posting the notice in three public places in the municipality, shall invite
24 proposals from, and make available all pertinent information to private redevelopers or to persons
25 interested in undertaking the redevelopment of an area or any part of an area that the governing
26 body has declared to be in need of redevelopment. The notice must identify the area and must
27 state that the further information that is available may be obtained at the office of the authority.
28 The corporation [AUTHORITY] shall consider all redevelopment proposals and the financial
29 and legal ability of the prospective redevelopers to carry out their proposals and may negotiate
30 with redevelopers for proposals for the purchase or lease of real property in the redevelopment
31 project area. The corporation [AUTHORITY] may accept the redevelopment contract proposal

1 it considers in the public interest and in furtherance of the purposes of AS 18.55.480 - 18.55.960,
2 provided that the corporation [AUTHORITY] has given to the governing body at least 30 days'
3 written notice of its intent to accept the redevelopment contract proposal. Thereafter the
4 corporation [AUTHORITY] may execute a redevelopment contract in accordance with the
5 provisions of (a) of this section and deliver deeds, leases, and other instruments and take all steps
6 necessary to effectuate the redevelopment contract. The corporation [AUTHORITY] may,
7 without regard to the foregoing provisions of this subsection, dispose of real property in a
8 redevelopment project area to private redevelopers for redevelopment under the reasonable
9 competitive bidding procedures it prescribes, subject to the provisions of (a) of this section.

10 * Sec. 57. AS 18.55.550(a) is amended to read:

11 (a) The corporation [AUTHORITY] may

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

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

19 * Sec. 58. AS 18.55.560 is amended to read:

20 Sec. 18.55.560. ACQUISITION AND DEVELOPMENT OF UNDEVELOPED VACANT
21 LAND. Upon a determination, by resolution, of the governing body of the municipality that the
22 acquisition and development of undeveloped vacant land not within a slum or blighted area is
23 essential to the proper clearance or redevelopment of a slum or blighted area or a necessary part
24 of the general slum clearance program of the municipality, the acquisition, planning, preparation
25 for development or disposal of the [SUCH] land shall constitute a redevelopment project that
26 [WHICH] may be undertaken by the corporation [AUTHORITY] in the manner provided in
27 AS 18.55.480 - 18.55.960. The determination by the governing body is a substitute for the
28 declaration required by AS 18.55.530(b) but the determination may not be made until the
29 governing body finds that

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

31 (2) [THAT] the undeveloped vacant land will be developed for predominantly

1 residential uses; and

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

5 * Sec. 59. AS 18.55.570(a) is amended to read:

6 (a) The corporation [AUTHORITY] may

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

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

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

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

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

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

23 * Sec. 60. AS 18.55.570(b) is amended to read:

24 (b) The members of the board of directors of the corporation [AUTHORITY] or a
25 person executing the bonds or notes authorized by (a) of this section are not liable personally
26 on the bonds or notes by reason of the issuance of them. The bonds, notes, and other obligations
27 of the corporation [AUTHORITY] are not a debt of the municipality, the state, or the United
28 States, and neither the municipality, the state, nor the United States is liable on them, nor are the
29 bonds, notes, or obligations payable out of money or property [FUNDS OR PROPERTIES]
30 other than those of the corporation [AUTHORITY] acquired for the purposes of AS 18.55.480 -
31 18.55.960 and each bond and note shall state this on its face. A bond or note does not constitute

1 an indebtedness within the meaning of any constitutional or statutory debt limitation or
2 restriction. Bonds and notes of the corporation [AUTHORITY] issued under AS 18.55.480 -
3 18.55.960 are declared to be issued for an essential public and governmental purpose and,
4 together with interest on them and income from them, are exempt from all taxes.

5 * Sec. 61. AS 18.55.570(e) is amended to read:

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

11 * Sec. 62. AS 18.55.580 is amended to read:

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

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

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

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

26 (4) covenant as to the bonds to be issued and as to the issuance of the bonds in
27 escrow or otherwise, and as to the use and disposition of the proceeds, and provide for the
28 replacement of lost, destroyed, or mutilated bonds, covenant against extending the time for the
29 payment of its bonds or interest, and covenant for the redemption of the bonds and to provide
30 the terms and conditions of redemption;

31 (5) covenant, subject to the limitations contained in AS 18.55.480 - 18.55.960,

1 as to the amount of revenue to be raised each year or other period of time by rents, fees, and
2 other revenue, and as to their use and disposition, and create or authorize the creation of special
3 funds for money held for operating costs, debt service, reserves, or other purposes, and covenant
4 as to the use and disposition of the money held in these funds;

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

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

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

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

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

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

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

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

29 (14) make the covenants and do any and all acts and things necessary or
30 convenient or desirable in order to secure its bonds, or, in the absolute discretion of the
31 corporation [AUTHORITY], as will tend to make the bonds more marketable even if the

1 covenants, acts, or things are not enumerated in this section.

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

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

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

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

19 * Sec. 63. AS 18.55.590 is amended to read:

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

23 (1) by mandamus, suit, action, or proceeding at law or in equity compel the
24 corporation, the members of its board of directors, [AUTHORITY] and its [MEMBERS,]
25 officers, agents, or employees to perform each and every term, provision, and covenant contained
26 in a contract of the corporation [AUTHORITY] with or for the benefit of the obligee, and
27 require the carrying out of any or all those covenants and agreements of the corporation
28 [AUTHORITY] and the fulfillment of all duties imposed upon it by AS 18.55.480 - 18.55.960:
29 and

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

1 * Sec. 64. AS 18.55.600(b) is amended to read:

2 (b) The following investments are proper investments under (a) of this section: Any
3 bonds or other obligations issued by the corporation [AUTHORITY] under AS 18.55.480 -
4 18.55.960 or by any public housing or redevelopment authority or commission, or agency or any
5 other public body in the United States for redevelopment purposes, when the bonds and other
6 obligations are secured by an agreement between the issuing agency and the federal government
7 in which the issuing agency agrees to borrow from the federal government and the federal
8 government agrees to lend to the issuing agency, before the maturity of the bonds or other
9 obligations, money in an amount that, together [WHICH (TOGETHER)] with any other money
10 irrevocably committed to the payment of interest on the bonds or other obligations,
11 [OBLIGATIONS]) is sufficient to pay the principal of the bonds or other obligations with interest
12 to maturity, if, [WHICH MONEY] under the terms of the agreement, the money is required to
13 be used for the purpose of paying the principal and interest on the bonds or other obligations at
14 their maturity. The bonds and other obligations shall be authorized security for all public
15 deposits.

16 * Sec. 65. AS 18.55.620 is amended to read:

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

25 (b) The property held by the corporation for a purpose set out in AS 18.55.300 -
26 18.55.470 and in AS 18.55.480 - 18.55.960 [OF THE AUTHORITY] is declared to be public
27 property used for essential public and governmental purposes and the property is [AND THE
28 AUTHORITY ARE] exempt from all taxes of the state or a political subdivision of the state.
29 However, subject to (c) of this section, the corporation [AUTHORITY] shall, from the time it
30 acquires title to property in a redevelopment project until it sells, leases, or otherwise disposes
31 of that property, make payment equal in amount and in lieu of taxes that [WHICH] would be

1 assessed and paid to a political subdivision in which the property is situated if the property had
2 not been acquired by the corporation [AUTHORITY]. From the time the corporation
3 [AUTHORITY] sells, leases, or otherwise transfers the property, the obligation of the
4 corporation [AUTHORITY] to make payment in lieu of taxes shall cease and the property shall
5 thereafter be taxable in the same manner as other property within the political subdivision, unless
6 the property is exempt from taxation by law. The property sold, leased, or otherwise transferred
7 by the corporation [AUTHORITY] may be assessed for taxation on that part of the tax year
8 during which it was not owned by the corporation [AUTHORITY], unless the property is
9 exempt from taxation by law. Except for the payments required by this subsection, the power
10 vested in the corporation [AUTHORITY] to make payments in lieu of taxes under AS 18.55.250
11 or other law is not affected by this subsection.

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

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

18 * Sec. 66. AS 18.55.630(a) is amended to read:

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

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

25 (2) cause parks, playgrounds, or recreational, community, educational, water,
26 sewer, or drainage facilities, or other works that it is otherwise empowered to undertake to be
27 furnished in connection with a redevelopment project;

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

30 (4) plan or replan, or zone or rezone any part of the public body or make
31 exceptions from building regulations and ordinances if the functions are of the character that the

1 public body is otherwise empowered to perform:

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

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

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

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

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

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

18 * Sec. 67. AS 18.55.660 is amended to read:

19 Sec. 18.55.660. ADDITIONAL POWERS OF GOVERNING BODY. Whenever the
20 corporation [AUTHORITY] exercises its rights, powers, and duties under AS 18.55.480 -
21 18.55.960 in the area adjacent to a municipality, the governing body of the municipality may
22 prepare or have prepared general plans for the physical development of the area if the preparation
23 of those plans is not otherwise authorized by law and approve redevelopment plans, and lend or
24 grant money [FUNDS] and other assistance for the undertaking of redevelopment projects in the
25 area and to take other action with respect to the area or redevelopment project area that is
26 authorized or required by AS 18.55.480 - 18.55.960 of the governing body of the municipality.

27 * Sec. 68. AS 18.55.680(a) is amended to read:

28 (a) In addition to the power given [ITS AUTHORITY] under AS 18.55.480 - 18.55.960,
29 the corporation [AUTHORITY] may plan and undertake an urban renewal project. In
30 AS 18.55.480 - 18.55.960 an urban renewal project includes undertaking and activity for the
31 elimination and prevention of the development or spread of slums or blighted, deteriorated, or

1 deteriorating areas. An urban renewal project may involve any work or undertaking for this
2 purpose that constitutes a redevelopment project or any rehabilitation or conservation work or any
3 combination of an undertaking or work.

4 * Sec. 69. AS 18.55.700 is repealed and reenacted to read:

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

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

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

20 (2) the words "slum" and "blighted" as used in AS 18.55.480 - 18.55.960, except
21 in this section and in the definitions in AS 18.55.950, mean "blighted, deteriorated, or
22 deteriorating"; and

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

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

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

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

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

4 * Sec. 70. AS 18.55.860 is amended to read:

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

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

10 (A) are dangerous or injurious to the health, safety, or morals of the
 11 occupant of the dwelling, the occupants of neighboring dwellings or other residents of the
 12 municipality; [,] or

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

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

24 * Sec. 71. AS 18.55.860 is amended by adding a new subsection to read:

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

- 27 (1) defects increasing the hazards of fire, accident, or other calamity;
 28 (2) lack of adequate ventilation, light, or sanitary facilities;
 29 (3) dilapidation;
 30 (4) disrepair;
 31 (5) structural defects;

- 1 (6) uncleanliness;
2 (7) overcrowding;
3 (8) inadequate ingress and egress;
4 (9) inadequate drainage; or
5 (10) a violation of health, fire, building, or zoning regulations, or any other laws
6 or regulations, relating to the use of land and the use and occupancy of buildings and
7 improvements.

8 * Sec. 72. AS 18.55.950 is amended by adding a new paragraph to read:

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

10 * Sec. 73. AS 18.55.995 is amended to read:

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

18 * Sec. 74. AS 18.55.996(b) is amended to read:

19 (b) There is created with respect to each of the associations named in (a) of this section
20 a public body corporate and politic to function in the operating area of the individual associations
21 to be known as the regional housing authority of the associations possessing all powers, rights,
22 and functions now or subsequently specified [FOR THE ALASKA STATE HOUSING
23 AUTHORITY,] under AS 18.55.100 - 18.55.290 [THE ALASKA STATE HOUSING
24 AUTHORITY ACT (AS 18.55.010 - 18.55.290)] except those specified with respect to the
25 construction and acquisition of public buildings for lease to the state or any [SUBSEQUENTLY
26 SPECIFIED] authority that is inconsistent with AS 18.55.995. The authority may enter into
27 agreements with local government, other political subdivisions of the state, the state or the federal
28 government for the exercise of a function or power relating to construction, operation, and
29 maintenance of public facilities or public utilities. Upon execution of an agreement and for the
30 period of the agreement the authority shall have the same powers and functions relating to the
31 subject matter of the agreement as those that may legally be exercised by the governmental unit

1 with whom the agreement is made including the authority to separately or together with the other
2 unit borrow money and issue notes, bonds, or other evidence of indebtedness to finance a project
3 within the scope of the agreement subject to the express limitations, if any, contained in the
4 agreement. All obligations or liabilities of the regional housing authority shall remain their own
5 and are not obligations or liabilities of the state.

6 * Sec. 75. AS 18.55.996(g) is amended to read:

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

12 * Sec. 76. AS 18.55.997(a) is amended to read:

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

23 * Sec. 77. AS 18.55.998(a) is amended to read:

24 (a) There is created in the Alaska Housing Finance Corporation [DEPARTMENT OF
25 COMMUNITY AND REGIONAL AFFAIRS] a supplemental housing development grant fund.
26 Subject to the availability of appropriations for the purpose, the corporation [DEPARTMENT]
27 shall make grants to regional housing authorities established under AS 18.55.996 for the cost of
28 on-site sewer and water facilities, road construction to project sites, energy efficient design
29 features in homes, and extension of electrical distribution facilities to individual residences.

30 * Sec. 78. AS 18.55.998(d) is amended to read:

31 (d) The Alaska Housing Finance Corporation [DEPARTMENT] shall adopt regulations

1 to carry out the purposes of this section. The provisions of AS 18.56.088(a) and (b) [THE
2 ADMINISTRATIVE PROCEDURE ACT (AS 44.62)] apply to regulations adopted under this
3 section.

4 * Sec. 79. AS 18.56.010(d) is amended to read:

5 (d) The program of making loans for residential housing to veterans [IN ACCORDANCE
6 WITH AS 26.15 HAS INCREASED AND IMPROVED THE SUPPLY OF ADEQUATE
7 HOUSING IN THE STATE, AND THE CONTINUATION OF THE PROGRAM] is essential
8 to the economic growth of the state and the expansion of the supply of adequate residential
9 housing in the state. Assumption [PARTICIPATION] by the Alaska Housing Finance
10 Corporation of [IN] the program of purchasing and insuring state veterans' loans as provided in
11 this chapter will be of material aid in insuring the continuance of the program of making loans
12 for residential housing to veterans [IN ACCORDANCE WITH AS 26.15].

13 * Sec. 80. AS 18.56.010(f) is amended to read:

14 (f) The legislature finds that enabling the Alaska Housing Finance Corporation to finance
15 [ASSIST IN FINANCING] the program of veterans' loans for residential housing [IN
16 ACCORDANCE WITH AS 26.15] and to expand its program of purchasing other mortgage loans
17 serves a public purpose in benefiting the people of the state. The Alaska Housing Finance
18 Corporation is empowered to act on behalf of the state and its people in serving this public
19 purpose for the benefit of the general public."

20 * Sec. 81. AS 18.56.030(a) is repealed and reenacted to read:

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

22 (1) the commissioner of revenue;

23 (2) the commissioner of commerce and economic development;

24 (3) the commissioner of community and regional affairs; and

25 (4) eight public members appointed by the governor, as follows:

26 (A) one member who represents the financial community;

27 (B) one member who is a licensed real estate broker under
28 AS 08.88.171(a);

29 (C) one member that represents the interests of regional housing
30 authorities;

31 (D) one member who is a rural resident of the state;

- 1 (E) one member who represents persons with special housing needs;
2 (F) one member who is a representative of low income interests;
3 (G) one member who is a representative of the residential energy efficient
4 homebuilding industry in the state; and
5 (H) one public member.

6 * Sec. 82. AS 18.56.030(b) is amended to read:

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

12 * Sec. 83. AS 18.56.030 is amended by adding a new subsection to read:

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

17 * Sec. 84. AS 18.56.050 is amended by adding new subsections to read:

18 (b) The board may establish an executive committee or other committee of its members
19 and delegate to the executive committee or other committee the powers and duties it considers
20 appropriate.

21 (c) The board may establish advisory committees for any aspect of its activities.

22 * Sec. 85. AS 18.56.084 is amended to read:

23 Sec. 18.56.084. INTERNATIONAL BORROWING. For the purpose of obtaining access
24 to international capital markets to borrow money for the special mortgage loan purchase program
25 (AS 18.56.098), as an addition to the powers of the corporation under AS 18.56.090, the
26 corporation may (1) establish or cause to be established, subsidiary corporations incorporated in
27 the state or in another state, or under the laws of a foreign jurisdiction; (2) invest in corporations
28 established under this section; (3) issue bonds and borrow money for investments in corporations
29 established under this section; (4) borrow from corporations established under this section; (5)
30 guarantee the obligations of corporations established under this section; or (6) enter into
31 agreements with corporations established under this section or with other persons. In exercising

1 a power under this section, the corporation may not subject its assets to risk of loss through
2 foreign currency exchange. A guarantee under this section constitutes a bond of the corporation
3 as defined in AS 18.56.390 [AS 18.56.900].

4 * Sec. 86. AS 18.56.088(c) is amended to read:

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

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

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

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

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

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

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

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

22 (B) define the forms of housing assistance authorized under
23 AS 18.56.090(b);

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

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

26 and

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

30 * Sec. 87. AS 18.56.089(a) is amended to read:

31 (a) Except for the activities of the corporation under AS 18.55.010 - 18.55.960, the

1 [THE] operating budget of the corporation is subject to AS 37.07 (Executive Budget Act).

2 * Sec. 88. AS 18.56.090 is amended by adding a new subsection to read:

3 (b) The corporation may

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

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

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

16 * Sec. 89. AS 18.56.090(c) is amended to read:

17 (c) The corporation may not make, participate in the making of, purchase, or participate
18 in the purchase of a loan for a residential building if construction of the building begins after
19 December 31, 1991, unless the building complies with the thermal and lighting energy standards
20 required by AS 46.11.040. The corporation

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

22 (2) shall, by regulation, establish

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

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

31 (ii) submission of the certificate of a registered architect, registered

1 engineer, or a building inspector, and the architect, engineer, or building inspector
 2 has completed a training program of the Alaska Craftsman Home Program or
 3 equivalent training program and the training program is satisfactory to the
 4 corporation [COMMISSIONER OF COMMUNITY AND REGIONAL
 5 AFFAIRS];

6 (iii) submission of the certificate of occupancy issued by the
 7 municipality in which the building is located, if the certificate is issued by a
 8 municipality in which the municipal building code meets or exceeds the thermal
 9 and lighting energy standards, as determined by the corporation
 10 [COMMISSIONER OF COMMUNITY AND REGIONAL AFFAIRS];

11 (iv) another method approved by the corporation
 12 [COMMISSIONER OF COMMUNITY AND REGIONAL AFFAIRS] in
 13 regulations adopted by the [COMMISSIONER AFTER CONSULTATION WITH
 14 THE EXECUTIVE DIRECTOR OF THE] corporation; and

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

21 * Sec. 90. AS 18.56.098(f)(4) is amended to read:

22 (4) "residence" means

23 (A) an owner-occupied, single-family residence, including a mobile home;

24 [OR]

25 (B) an owner-occupied duplex, triplex, or fourplex; or

26 (C) the multiple dwelling of a person who qualifies as a veteran under

27 AS 18.56.101.

28 * Sec. 91. AS 18.56.100(b) is amended to read:

29 (b) Consistent with AS 18.56.090, the corporation may make temporary and permanent
 30 loans from the housing development fund, at an interest rate or rates determined by the
 31 corporation, and with the security for repayment that is necessary and practicable, to purchase,

1 make, or participate in the making of mortgage loans

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

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

9 * Sec. 92. AS 18.56.200 is amended by adding a new subsection to read:

10 (e) The corporation shall include in its annual report under (b) of this section a report
11 of its activities under

12 (1) AS 18.55.010 - 18.55.290 (Housing Project Assistance Act);

13 (2) AS 18.55.300 - 18.55.470 (programs of moderate income and rental housing);

14 and

15 (3) ~~AS 18.55.480 - 18.55.960 (Slum Clearance and Redevelopment Act).~~

16 * Sec. 93. AS 18.56.210(a) is amended to read:

17 (a) If the board of directors determines that it is in the best interest of the corporation,
18 the corporation may take appropriate action under this section to stabilize the market price of and
19 demand for residential housing in the state. To accomplish the purposes of this section, the
20 corporation may

21 (1) make and execute necessary agreements and conveyances under which a
22 borrower may exchange residential housing securing a mortgage loan owned, held, or sold by the
23 corporation for other residential housing owned by the corporation;

24 (2) repurchase a mortgage loan sold or pledged by the corporation for the purpose
25 of exercising a power conferred by this section;

26 (3) for the purpose of qualifying residential housing situated in a condominium
27 project for the best available financing for mortgage loans, make and execute agreements and
28 contracts necessary to encourage all owners who occupy units in a condominium project that is
29 not eligible for financing under this chapter to exchange their ownership interest for a
30 condominium unit owned by the corporation in another project;

31 (4) make and execute appropriate agreements with insurers, investors, and

1 guarantors concerning the temporary removal of residential housing owned by the corporation
2 from the resale market;

3 (5) convert residential housing owned by the corporation that is designed and
4 constructed for owner occupancy to another beneficial use;

5 (6) make bulk sales of property owned by the corporation under procedures and
6 terms the corporation determines are in the best interests of the corporation;

7 (7) after giving due consideration to the interests of competing individual sellers
8 of residential housing, provide financing under terms established by the board to promote the sale
9 of residential housing owned by the corporation;

10 (8) invest funds of the corporation in the removal and disposal of substandard
11 publicly owned residential housing if the board of directors determines that the investment is
12 prudent, properly secured, and in the long-term best interests of the corporation;

13 (9) create subsidiary entities to implement a power conferred by this section and
14 to provide insurance under AS 18.56.093 and 18.56.095;

15 (10) purchase loans from the housing assistance loan fund (AS 18.56.420)
16 [(AS 44.47.360)] if and only if:

17 (A) the payments of principal and interest on the loans are deposited in
18 a separate fund of the corporation to be used for the purposes, and subject to the
19 standards and criteria, of former AS 44.47.360 - 44.47.560 as those statutes provided on
20 June 10, 1988; and

21 (B) the corporation has established a source of mortgage insurance for new
22 loans subject to the provisions of AS 18.56.400 - 18.56.600 [AS 44.47.360 - 44.47.560];
23 and

24 (11) take other actions necessary, convenient, or desirable to carry out the powers
25 granted in this subsection.

26 * Sec. 94. AS 18.56.300(d) is amended to read:

27 (d) This section does not apply to a housing loan made or purchased by the corporation
28 under AS 18.56.106.

29 * Sec. 95. AS 18.56 is amended by adding new sections to read:

30 Sec. 18.56.390. DEFINITIONS FOR AS 18.56.010 - 18.56.390. In AS 18.56.010 -
31 18.56.390, unless the context clearly indicates a different meaning,

1 (1) "adjustable rate mortgage loan" means a mortgage loan with respect to which
2 the interest rate varies or is expected to vary from time to time by reference to an index or
3 formula or other reference point;

4 (2) "bond" or "obligation" means a bond, bond anticipation note, or other note of
5 the corporation authorized to be issued by the corporation under this chapter, or a mortgage
6 participation certificate issued with respect to mortgages of the corporation;

7 (3) "construction loan" means a construction loan for land development or
8 residential housing that is secured by a federally insured or guaranteed mortgage or that is
9 insured or guaranteed by the United States or an instrumentality of the United States, or for
10 which there is a commitment by the United States or an instrumentality of the United States to
11 insure or guarantee such a loan, or a construction loan for land development or residential
12 housing which land development or residential housing will be secured by a mortgage loan;

13 (4) "development costs" means the costs approved by the corporation as
14 appropriate expenditures that may be incurred by sponsors, builders, and developers of residential
15 housing, before commitment and initial advance of the proceeds of a construction loan or of a
16 mortgage loan, including but not limited to

17 (A) payments for options to purchase properties on the proposed
18 residential housing site, deposits on contracts of purchase, or, with prior approval of the
19 corporation, payments for the purchase of the properties;

20 (B) legal and organizational expenses, including payments of attorney fees,
21 project manager, clerical, and other staff salaries, office rent, and other incidental
22 expenses;

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

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

26 (E) necessary application and other fees;

27 (5) "governmental agency" means any department, division, public agency,
28 political subdivision, or other public instrumentality of the state or the federal government;

29 (6) "housing development fund" means the housing development fund created by
30 AS 18.56.100;

31 (7) "land development" means the process of acquiring land primarily for

1 residential housing construction for persons of lower and moderate income and making, installing,
2 or constructing nonresidential housing improvements, including water, sewer, and other utilities,
3 roads, streets, curbs, gutters, sidewalks, storm drainage facilities, and other installations or works,
4 whether on or off the site, that the corporation considers necessary or desirable to prepare the
5 land primarily for residential housing construction;

6 (8) "mortgage" or "mortgage loan" means a mortgage loan for residential housing
7 insured or guaranteed by the United States or an instrumentality of the United States or for which
8 there is a commitment by the United States or an instrumentality of the United States to insure
9 or guarantee such a mortgage, or if not so insured or guaranteed or if there is no such
10 commitment, that is secured upon such terms and conditions as the corporation considers
11 necessary or practicable to insure all repayments;

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

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

18 (B) the size of the family;

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

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

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

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

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

30 (B) the present availability and condition of residential housing in and near
31 the area;

1 (C) the cost of construction and rehabilitation of residential housing in the
2 area;

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

5 (E) the ability of residents of the area to finance the purchase of
6 residential housing or to rent or lease residential housing at rates comparable to those in
7 effect in other areas of the state;

8 (11) "residential housing" means a specific work or improvement undertaken
9 primarily to provide dwelling accommodations without limitation as to form of lawful occupancy,
10 whether rental, under contract, fee ownership, cooperative housing, condominium, mobile home,
11 or other lawful form of ownership, including the acquisition, construction, or rehabilitation of
12 land, buildings, and improvements to them, and other nonhousing facilities as may be incidental
13 or appurtenant to the land or buildings;

14 (12) "special needs housing"

15 (A) means residential housing designed to meet the needs of persons with
16 specific and special housing needs, including supportive services;

17 (B) includes

18 (i) housing for the elderly and individuals with a disability or
19 mental illness; and

20 (ii) emergency shelter for the homeless;

21 (13) "sponsors" means individuals, public and private corporations, associations,
22 partnerships or other entities, whether or not operated for profit; and consumer housing
23 cooperatives, associations, partnerships, or other entities organized under law for the primary
24 purpose of providing housing to individuals and families of lower and moderate income; it
25 includes organizations engaged in the production, origination, and development of residential
26 housing units intended to qualify for financial assistance under 42 U.S.C. 1437f (sec. 8, Housing
27 Act of 1937), as amended.

28 ARTICLE 2. HOUSING ASSISTANCE.

29 Sec. 18.56.400. POWERS OF CORPORATION RELATED TO HOUSING
30 ASSISTANCE. The board may

31 (1) adopt regulations in accordance with AS 18.56.088 to implement

1 AS 18.56.400 - 18.56.600;

2 (2) make and execute agreements, contracts, and other instruments necessary or
3 convenient in the exercise of the powers and functions granted under AS 18.56.400 - 18.56.600;

4 (3) purchase or participate in the purchase of nonconforming and rural housing
5 mortgage loans in accordance with AS 18.56.400 - 18.56.600;

6 (4) purchase or participate in the purchase of loans for building materials for
7 nonconforming and rural housing in accordance with AS 18.56.400 - 18.56.600;

8 (5) procure insurance against loss in connection with the corporation's functions
9 under AS 18.56.400 - 18.56.600;

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

15 (7) do all acts necessary, convenient or desirable to carry out the powers expressly
16 granted or necessarily implied in AS 18.56.400 - 18.56.600;

17 (8) originate and service direct loans made to qualified buyers in accordance with
18 AS 18.56.400 - 18.56.600.

19 Sec. 18.56.410. ALASKA ENERGY EFFICIENT HOME GRANT FUND. (a) There
20 is established in the corporation the Alaska energy efficient home grant fund consisting of money
21 appropriated to it by the legislature. The corporation shall administer the Alaska energy efficient
22 home grant fund under the provisions of this section.

23 (b) The corporation may grant funds from the Alaska energy efficient home grant fund
24 to agencies of the state or federal government, individuals, or businesses that retrofit existing
25 single family dwellings or build new single family dwellings that meet criteria adopted by the
26 corporation.

27 (c) The corporation shall adopt guidelines and procedures for the fund after consultation
28 with the board of directors of the Alaska Craftsman Home Program.

29 Sec. 18.56.420. HOUSING ASSISTANCE LOAN FUND. (a) There is created in the
30 corporation, as a revolving loan fund, the housing assistance loan fund consisting of money
31 appropriated to it by the legislature and repayments of principal and interest on loans made or

1 purchased from the assets of the fund. The corporation shall administer the housing assistance
2 loan fund in accordance with AS 18.56.400 - 18.56.600 and shall use the money in the housing
3 assistance loan fund to originate, purchase, or participate in the purchase of

4 (1) nonconforming and rural housing mortgage loans;
5 (2) loans made for building materials for nonconforming and rural housing;
6 (3) loans made for renovations or improvements to nonconforming and rural
7 housing;

8 (4) loans made for the construction of owner-occupied nonconforming and rural
9 housing other than loans to builders or contractors or loans that compensate an owner for the
10 owner's labor or services in constructing the owner's own housing.

11 (b) Money in the fund may be used by the legislature to make appropriations for costs
12 of administering the housing assistance program.

13 Sec. 18.56.430. HOME OWNERSHIP ASSISTANCE FUND. (a) There is created in
14 the corporation the home ownership assistance fund consisting of money appropriated to it by
15 the legislature. Money in the fund shall be used solely to assist persons of lower and moderate
16 income to purchase or construct single-family homes financed under AS 18.56.400 - 18.56.600
17 by providing a subsidy to those persons.

18 (b) The subsidy provided by this section may not exceed the amount that is necessary
19 to reduce the annual interest rate paid on the mortgage loan to six percent.

20 (c) A mortgage loan that is subsidized from the home ownership assistance fund may not
21 exceed \$120,000.

22 (d) The corporation shall adopt regulations that establish maximum income-to-loan
23 payment ratios for persons who apply for a subsidy under this section.

24 (e) In this section, "persons of lower and moderate income" means individuals considered
25 by the corporation to require assistance under this section because of inadequate income or other
26 limited personal financial resources, taking into consideration

27 (1) the amount of total income available for housing needs;
28 (2) the size of the family;
29 (3) the cost and condition of available housing;
30 (4) standards established in various federal programs for determining eligibility
31 based on income;

1 (5) the ability to enter the private housing market and to pay market amounts for
2 decent, safe, and sanitary housing; and

3 (6) other factors considered relevant by the corporation.

4 Sec. 18.56.440. LIMITATIONS ON USE OF HOUSING ASSISTANCE LOAN FUND.

5 The corporation may not use the money in the housing assistance loan fund to

6 (1) originate a direct loan or purchase or participate in the purchase of a
7 nonconforming or rural housing mortgage loan that exceeds the limitations on mortgage loans
8 purchased by the Federal National Mortgage Association as to principal amount or loan-to-value
9 ratio;

10 (2) originate a direct loan or purchase or participate in the purchase of a loan
11 made for building materials for nonconforming or rural housing

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

13 (i) 80 percent of the appraised value of the work completed on the
14 nonconforming or rural housing for which the loan is made if the nonconforming
15 or rural housing is pledged as collateral for the loan; or

16 (ii) 90 percent of the value of other property that is pledged as
17 security for the loan and that is satisfactory to the corporation as collateral;

18 (B) unless the terms of the loan agreement require inspections and
19 certifications, as required by regulations of the corporation, at the expense of the
20 borrower; and

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

23 (3) originate direct loans or purchase or participate in the purchase of a
24 nonconforming or rural housing mortgage loan that is secured by real property the marketable
25 title to which is shown in accordance with AS 18.56.480(b)(2) if the total amount of outstanding
26 nonconforming and rural housing mortgage loans held by the corporation exceeds 10 times the
27 amount of money in the restricted title loss reserve account established by AS 18.56.490;

28 (4) originate a direct loan for nonconforming or rural housing or purchase or
29 participate in the purchase of a nonconforming or rural housing mortgage loan, other than a loan
30 for the repair, remodeling, rehabilitation, or expansion of an existing owner-occupied residence,
31 if the borrower has an outstanding housing loan made under a state loan program, other than a

1 loan for nonowner-occupied housing under AS 18.56.580, that bears interest at a rate that was
2 less than the prevailing market interest rate for similar housing loans at the time the loan was
3 made;

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

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

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

15 (b) The operating reserve loss account consists of money appropriated by the legislature.
16 To the extent that money is paid out of the operating loss reserve account for the purposes stated
17 in this section, this money shall be replaced with money received as interest on loans authorized
18 by AS 18.56.400 - 18.56.600.

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

22 (b) A person may pledge as security for the repayment of a loan originated or purchased
23 in whole or in part under AS 18.56.420 a preference right that person holds to receive title to
24 land the person occupies as a primary place of residence, primary place of business, subsistence
25 campsite, or as headquarters for reindeer husbandry. The preference right must be conveyed to
26 the person by the Native corporation to which the land was granted under 43 U.S.C. 1613
27 (Alaska Native Claims Settlement Act) before it may be pledged as security under this
28 subsection. The corporation shall prescribe procedures and standard forms for establishing,
29 pledging, and appraising the value of a preference right held by a person to secure the repayment
30 of a loan originated or purchased in whole or in part under AS 18.56.420.

31 Sec. 18.56.470. INTEREST ON LOANS. (a) The interest rate on a mortgage loan

1 originated or purchased in whole or in part under AS 18.56.420 for nonconforming housing that
2 is not rural housing is one-quarter percent more than the interest rate, as determined under
3 AS 18.56.098(g)(1) - (4), on a mortgage loan purchased under AS 18.56.098(a) from the proceeds
4 of the most recent applicable issue of taxable bonds before the origination or purchase of the
5 mortgage loan originated or purchased under AS 18.56.420.

6 (b) The interest rate on a mortgage loan originated or purchased in whole or in part under
7 AS 18.56.420 for rural housing is one percent less than the interest rate, as determined under
8 AS 18.56.098(g)(1) - (4), on a mortgage loan purchased under AS 18.56.098(a) from the proceeds
9 of the most recent applicable issue of taxable bonds before the origination or purchase of the
10 mortgage loan originated or purchased under AS 18.56.420.

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

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

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

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

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

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

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

29 (c) For the purposes of this section, a deed which federal law prohibits or limits the
30 power to transfer or encumber and which would otherwise constitute marketable title to real
31 property is considered marketable title to real property if the United States Bureau of Indian

1 Affairs or another appropriate federal agency waives immunity under the federal law from
2 foreclosure or other alienation of the real property.

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

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

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

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

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

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

29 Sec. 18.56.520. APPRAISALS. Before originating or purchasing or participating in the
30 purchase of a nonconforming or rural housing mortgage loan, the corporation may have or may
31 require the borrower to have an appraisal made of the fair market value of the real property,

1 including structures on the real property, for which the loan is made. In conducting an appraisal
2 under this section, the appraiser shall give full value to insulation and other features of
3 construction in structures on the real property that add to the energy efficiency of the structures.

4 Sec. 18.56.530. ENERGY AUDIT EXEMPTION. In making loans under AS 18.56.400 -
5 18.56.600, the corporation is exempt from the requirements of AS 46.11.050(b).

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

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

- 14 (1) real property appraisers who are familiar with rural construction; and
15 (2) engineers who are familiar with engineering problems in arctic and subarctic
16 regions.

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

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

27 Sec. 18.56.570. REGIONAL ALLOCATION. (a) The corporation, by regulations
28 adopted in accordance with AS 18.56.088, shall establish and may amend the boundaries of
29 reasonably compact and contiguous regions in the state.

30 (b) Unless otherwise required by an appropriation, the corporation shall allocate the
31 money in the housing assistance loan fund among the regions established under (a) of this section

1 for the purpose of originating or purchasing each type of loan described in AS 18.56.420. In
2 making an allocation under this subsection, the corporation shall consider the past and potential
3 lending activity of private financial institutions in the region as well as the need for loans in the
4 region. The corporation may reallocate the money among the regions as the corporation
5 considers necessary.

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

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

12 (c) The principal amount of loans made for nonowner occupied housing under this
13 section may not exceed 20 percent of the total principal amount of loans made for nonconforming
14 and rural housing under AS 18.56.400 - 18.56.600.

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 housing, and
20 is not occupied by the owner; the corporation may modify this definition if it determines that
21 there is a special need for nonowner occupied housing and that a change in the definition is
22 necessary to enable the corporation to meet that need.

23 Sec. 18.56.590. BIENNIAL REPORT. To further ensure effective budgetary decision
24 making by the legislature, the corporation shall present a complete accounting of the housing
25 assistance revolving fund to the legislature every two years by January 10. The accounting must
26 consist of an audit by an independent outside auditor for each year covered by the accounting.
27 The accounting must include a full description of all mortgage loan interest and principal
28 repayments and program receipts for purposes of programs under AS 18.56.400 - 18.56.600,
29 including mortgage loan commitment fees, received by or accrued to the corporation during the
30 two preceding fiscal years, and all income earned on assets held by the corporation for purposes
31 of programs under AS 18.56.400 - 18.56.600 during that period.

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

2 (1) "housing" means owner-occupied, single-family housing and owner-occupied
3 duplexes;

4 (2) "nonconforming housing" means housing that does not conform to minimum
5 building standards under any state or federal program that provides loans for housing purchases;

6 (3) "rural" means a community

7 (A) with a population of 5,500 or less that is not connected by road or rail
8 to Anchorage or Fairbanks; or

9 (B) with a population of 1,500 or less that is connected by road or rail to
10 Anchorage or Fairbanks;

11 (4) "rural housing" means housing whether or not it is nonconforming housing
12 that is located in a rural area of the state.

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

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

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

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

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

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

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

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

1 (d) The corporation shall adopt regulations under AS 18.56.088 to carry out the purposes
2 of this section.

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

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

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

8 ARTICLE 4. SENIOR HOUSING OFFICE.

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

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

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

16 (3) administer the senior housing loan program established under AS 18.56.700 -
17 18.56.799;

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

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

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

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

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

1 be met most efficiently and effectively.

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

- 9 (1) senior housing mortgage loans;
10 (2) loans made for building materials for senior housing;
11 (3) loans made for renovation or improvement of or for senior housing, including
12 loans for renovation or improvement of congregate or individual residences; and
13 (4) loans made for the construction of senior housing.

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

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

- 20 (1) two percentage points for a construction loan;
21 (2) one-half of one percentage point for a permanent loan.

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

25 (b) The corporation

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

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

1 Sec. 18.56.740. FIRE INSURANCE. Before purchasing or participating in the purchase
2 of a senior housing mortgage loan, the corporation shall require the borrower to agree to purchase
3 and maintain fire insurance for the real property for which the loan is made in an amount not less
4 than the outstanding principal balance of the loan.

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

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

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

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

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

26 Sec. 18.56.780. CONTRACTING FOR SERVICES. The corporation may contract for
27 the services of persons who will assist the office in performing its duties under AS 18.56.700 -
28 18.56.799.

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

1 under (b) of this section.

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

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

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

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

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

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

19 (2) "senior housing"

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

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

29 ARTICLE 5. SENIOR CITIZENS HOUSING DEVELOPMENT FUND.

30 Sec. 18.56.800. DECLARATION OF PURPOSE. There exists in the state a serious
31 shortage of decent, safe and sanitary residential housing available at low or moderate prices or

1 rentals to persons 60 years of age or older. There also exist in the state organizations whose
2 purposes are to provide the kinds of housing needed to alleviate this shortage. Development
3 work to provide such housing involves substantial expense that is often beyond the resources of
4 the organizations.

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

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

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

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

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

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

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

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

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

25 **ARTICLE 6. ENERGY CONSERVATION.**

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

29 (1) Alaska craftsman home program;

30 (2) energy rated homes of Alaska program;

31 (3) home energy loan program;

- 1 (4) rural capital retrofit program; and
2 (5) low income weatherization program.

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

9 * Sec. 96. AS 18.56.900 is repealed and reenacted to read:

10 Sec. 18.56.900. DEFINITIONS. In this chapter,

- 11 (1) "board" means the board of directors of the corporation;
12 (2) "corporation" means the Alaska Housing Finance Corporation created by this
13 chapter.

14 * Sec. 97. AS 09.25.115(g) is amended to read:

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

21 * Sec. 98. AS 09.25.123(a) is amended to read:

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

26 * Sec. 99. AS 09.25.220(5) is amended to read:

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

31 * Sec. 100. AS 09.38.015(c) is amended to read:

1 (c) Property of the state, a general law or home rule municipality, and of [THE
2 ALASKA STATE HOUSING AUTHORITY,] the Alaska Municipal Bond Bank Authority [,] or
3 another [OTHER] state public corporation is exempt.

4 * Sec. 101. AS 18.60.545(6) is amended to read:

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

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

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

11 * Sec. 102. AS 26.15.010(a) is amended to read:

12 (a) Except for administration of housing loans by the Alaska Housing Finance
13 Corporation under AS 18.56.098 and 18.56.101, the [THE] Department of Commerce and
14 Economic Development shall administer the laws and regulations relating to the veterans' loan
15 program, adopt new regulations, and recommend legislation.

16 * Sec. 103. AS 26.15.010(d) is amended to read:

17 (d) Under regulations of the department, the department may enter into contracts with
18 insurance companies for mortgage insurance coverage on veteran loans to protect the state's
19 interest in real property that secures a business loan made under AS 26.15.040(a)(3).

20 * Sec. 104. AS 26.15.040(a) is amended to read:

21 (a) The commissioner of commerce and economic development may, under regulations
22 and policies, make the following loans:

23 (1) Personal loans may be made for educational, domestic, [REMOTE AREA
24 FAMILY HOUSING] and other personal purposes, not exceeding \$10,000. The loans
25 shall be secured by acceptable collateral when available but if not available the
26 commissioner may make loans on the basis of good character. The rate of interest may
27 not exceed nine and one-half per cent a year on the unpaid balance.

28 (2) [REPEALED]

29 (3) Business loans not exceeding \$125,000 may be made to acquire, finance or
30 refinance or equip businesses, including mining and fishing but not including farming, if the loan
31 applicant has had three or more years of general business experience. The loans shall be secured

1 by acceptable collateral and may not exceed 75 percent of the appraised value of the collateral
2 offered as security. The rate of interest may not exceed nine and one-half per cent a year on the
3 unpaid balance.

4 [(4) MULTIPLE DWELLING LOANS NOT EXCEEDING \$110,000 MAY BE
5 MADE TO PURCHASE, REMODEL, REPAIR, BUILD, FURNISH, REFINANCE OR EQUIP
6 MULTIPLE DWELLINGS. THE LOANS SHALL BE SECURED BY ACCEPTABLE
7 COLLATERAL AND MAY NOT EXCEED 75 PER CENT OF THE APPRAISED VALUE OF
8 THE COLLATERAL OFFERED AS SECURITY. THE RATE OF INTEREST MAY NOT
9 EXCEED NINE AND ONE-HALF PER CENT A YEAR ON THE UNPAID BALANCE.]

10 * Sec. 105. AS 26.15.040(c) is amended to read:

11 (c) Loans authorized by former (a)(2) of this section or (a)(3) [AND (4)] of this section
12 may not be made unless the commissioner of commerce and economic development is satisfied
13 that money at a comparable rate of interest is not available to the applicant from private lending
14 institutions on a guaranteed basis as set out in (b) of this section. An applicant is eligible for
15 more than one type of loan, but the total may not exceed \$125,000 at any one time.

16 * Sec. 106. AS 26.15.040(e) is amended to read:

17 (e) If a loan made under (a)(3) of this section is assigned by the borrower or if the real
18 property that secures a loan made under former (a)(2) [OR UNDER (a)(4)] of this section is
19 transferred by the borrower, the commissioner of commerce and economic development shall
20 allow the assignee or transferee to assume the outstanding indebtedness on the loan unless the
21 commissioner determines in writing that the credit of the assignee or transferee is not satisfactory
22 to assure repayment of the loan. The assignee or transferee may assume the outstanding
23 indebtedness on the loan at the existing interest rate on the loan.

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

25 (l) A municipality may by ordinance exempt from taxation an interest, other than record
26 ownership, in real property of an individual residing in the property if the property has been
27 developed, improved, or acquired with federal funds for low-income housing and is owned or
28 managed as low-income housing by the Alaska Housing Finance Corporation under
29 AS 18.55.100 - 18.55.960 [ALASKA STATE HOUSING AUTHORITY] or by a regional
30 housing authority formed under AS 18.55.996. However, the corporation may make payments
31 to the municipality or political subdivision for improvements, services, and facilities

1 furnished by it for the benefit of a housing project, and this subsection [THIS SECTION]
2 does not prohibit a municipality from receiving those payments or any payments in lieu of taxes
3 authorized under federal law.

4 * Sec. 108. AS 34.60.135 is amended to read:

5 Sec. 34.60.135. PLANNING LOANS FOR ADDITIONAL HOUSING. In addition to
6 the other programs authorized by this chapter, the Alaska Housing Finance Corporation [A
7 STATE AGENCY] may make loans in order to encourage and facilitate the construction or
8 rehabilitation of housing to meet the needs of displaced persons. These loans are a part of the
9 federally assisted project cost and may be made to nonprofit, limited dividend, or cooperative
10 organizations, or to public bodies. The loans may be made only for necessary and reasonable
11 expenses, before construction, for planning and obtaining federally insured mortgage financing
12 for the rehabilitation or construction of housing for displaced persons. The loans may not exceed
13 80 percent of the reasonable costs expected to be incurred in planning, and in obtaining financing
14 for housing for displaced persons. Reasonable costs include but are not limited to costs for
15 preliminary surveys and analysis of market needs, preliminary architectural fees, site acquisition,
16 application and mortgage commitment fees, and construction loan fees and discounts. Loans to
17 an organization established for profit shall bear interest at a market rate established by the Alaska
18 Housing Finance Corporation [STATE AGENCY]. All other loans shall be without interest.
19 The Alaska Housing Finance Corporation [STATE AGENCY] shall require repayment of loans
20 made under this section [,] under terms and conditions that it may prescribe [ESTABLISHED
21 BY THE STATE AGENCY]. Repayment shall be made upon completion of the project or
22 sooner, and except in the case of a loan to an organization established for profit, the Alaska
23 Housing Finance Corporation [STATE AGENCY] may cancel any part or all of a loan if the
24 corporation determines [FOLLOWING A DETERMINATION BY THE STATE AGENCY] that
25 a permanent loan to finance the rehabilitation or construction of the housing cannot be obtained
26 in an amount adequate for repayment of the loan.

27 * Sec. 109. AS 34.60.137 is amended to read:

28 Sec. 34.60.137. HOUSING REPLACEMENT ASSISTANCE AS LAST RESORT. If a
29 federal aided program or project cannot proceed to actual construction because comparable
30 replacement sale or rental housing is not available, and the state agency determines that housing
31 cannot otherwise be made available, the agency may take, or may request the Alaska Housing

1 Finance Corporation to take, action necessary or appropriate to provide the housing either by
2 use of funds authorized for the project or by use of money available to the corporation.

3 * Sec. 11b. AS 35.05.040 is amended to read:

4 Sec. 35.05.040. POWERS OF DEPARTMENT. The department may

- 5 (1) acquire property;
- 6 (2) exercise the power of eminent domain;
- 7 (3) take immediate possession of real property, or any interest in it under a
8 declaration of taking or by other lawful means;
- 9 (4) acquire rights-of-way for present or future use;
- 10 (5) dispose of excess property or property rights;
- 11 (6) accept and dispose of federal funds or property available for public works
12 construction, maintenance, or equipment;
- 13 (7) enter into contracts or agreements relating to public works with the federal
14 government and political subdivisions, and also enter into contracts with a foreign government
15 if approved by the federal government;
- 16 (8) exercise any other power necessary to carry out the purpose of this title;
- 17 (9) lease or grant land or any interest in land to the Alaska Housing Finance
18 Corporation for a purpose set out in AS 18.55.100 - 18.55.960 [ALASKA STATE HOUSING
19 AUTHORITY] on terms and conditions prescribed by the department;
- 20 (10) procure directly materials, labor and contractual services for planning,
21 designing and constructing public facilities of the state.

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

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

- 28 (1) reflect competitive bidding principles and provide vendors reasonable and
29 equitable opportunities to participate in the procurement process; and
- 30 (2) include procurement methods to meet emergency and extraordinary
31 circumstances.

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

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

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

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

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

10 (B) does not include [, INCLUDING SUCH ENTITIES AS THE
11 ALASKA STATE HOUSING AUTHORITY, BUT NOT INCLUDING] the University
12 of Alaska, a municipality, or an agency of a municipality [OR THE ALASKA STATE
13 HOUSING AUTHORITY].

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

15 (1) "agency"

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

19 (B) does not include

20 (i) the University of Alaska;

21 (ii) [THE ALASKA STATE HOUSING AUTHORITY;

22 (iii)] the Alaska Railroad Corporation;

23 (iii) [(iv)] the Alaska Housing Finance Corporation;

24 (iv) [(v)] a regional Native housing authority created under
25 AS 18.55.996, or a regional electrical authority created under AS 18.57.020;

26 (v) [(vi)] the Alaska Aerospace Development Corporation;

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

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

- 1 (1) federal receipts;
- 2 (2) University of Alaska receipts (AS 14.40.491);
- 3 (3) individual, foundation, or corporation gifts, grants, or bequests that by their
- 4 terms are restricted to a specific purpose;
- 5 (4) receipts of the following funds:
- 6 (A) highway working capital fund (AS 44.68.210);
- 7 (B) correctional industries fund (AS 33.32.020);
- 8 (C) loan funds;
- 9 (D) international airports revenue fund (AS 37.15.430);
- 10 (E) funds managed by the Alaska Aerospace Development Corporation
- 11 (AS 14.40.821), [THE ALASKA STATE HOUSING AUTHORITY (AS 18.55.020),] the
- 12 Alaska Housing Finance Corporation (AS 18.56.020), the Alaska Railroad Corporation
- 13 (AS 42.40.010), the Municipal Bond Bank Authority (AS 44.85.020), or the Alaska
- 14 Industrial Development and Export Authority (AS 44.88.020);
- 15 (F) fish and game fund (AS 16.05.100);
- 16 (G) school fund (AS 43.50.140);
- 17 (H) training and building fund (AS 23.20.130);
- 18 (I) retirement funds (AS 14.25, AS 22.25, AS 26.05.222, AS 39.35, and
- 19 former AS 39.37);
- 20 (J) permanent fund (art. IX, sec. 15, Alaska Constitution);
- 21 (K) public school trust fund (AS 37.14.110);
- 22 (L) second injury fund (AS 23.30.040);
- 23 (M) fishermen's fund (AS 23.35.060);
- 24 (N) FICA administration fund (AS 39.30.050);
- 25 (O) mental health trust fund (AS 37.14.031).

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

- 27 (a) Each member of the following shall be a citizen of the United States:
- 28 (1) Local Boundary Commission;
- 29 (2) Alcoholic Beverage Control Board;
- 30 (3) Employment Security Advisory Council;
- 31 (4) [ALASKA STATE HOUSING AUTHORITY;

1 (5)] Board of Fisheries;
2 (5) [(6) REPEALED,
3 (7) REPEALED,
4 (8) REPEALED,
5 (9)] the Governor's Commission on the Involvement of Young People in
6 Government;

7 (6) [(10)] Board of Game.

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

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

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

13 (9) give assistance, on request, to the senior housing office in the Alaska Housing
14 Finance Corporation [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] in
15 administration of the senior housing loan program under AS 18.56.710 - 18.56.799
16 [AS 44.47.587 - 44.47.609] and in the performance of the office's other duties under
17 AS 18.56.700 [AS 44.47.585]; and

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

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

21 * Sec. 120. AS 44.99.020 is amended to read:

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

27 * Sec. 121. AS 44.99.350(3) is amended to read:

28 (3) "state agency"

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

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

3 * **Sec. 122.** AS 44.99.400 is amended to read:

4 Sec. 44.99.400. COPYRIGHTS. A state agency may hold the copyright for software
5 created by the agency or developed by a private contractor for an agency, and may enforce its
6 rights to protect the copyright. In this section, "state agency" means a department, institution,
7 board, commission, division, authority, public corporation, committee, or other administrative unit
8 of the executive, judicial, or legislative branch of state government, including the University of
9 Alaska, [THE ALASKA STATE HOUSING AUTHORITY,] the Alaska Aerospace Development
10 Corporation, and the Alaska Railroad Corporation.

11 * **Sec. 123.** AS 46.07.030(b) is amended to read:

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

18 * **Sec. 124.** AS 46.11.040 is amended to read:

19 Sec. 46.11.040. APPLICABILITY OF THERMAL AND LIGHTING ENERGY
20 STANDARDS TO RESIDENTIAL BUILDINGS. State financial assistance may not be approved
21 or granted for the construction of or purchase of a loan for a residential building if construction
22 of the building begins after December 31, 1991, unless

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

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

27 (3) the building

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

30 (B) is located or is to be located in an area where thermal and lighting
31 energy standards are not justified because of the high cost of implementation of the

1 standards, with specific consideration given to the availability of inexpensive home
2 heating energy sources, as determined under regulations adopted by the Alaska Housing
3 Finance Corporation [COMMISSIONER OF COMMUNITY AND REGIONAL
4 AFFAIRS]; or

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

7 * Sec. 125. AS 46.11.900(8) is amended to read:

8 (8) "thermal and lighting energy standards" means the thermal and lighting energy
9 standards

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

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

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

17 (B) developed in regulations adopted

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

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

23 * Sec. 126. AS 18.55.020, 18.55.030, 18.55.050, 18.55.070, 18.55.430, 18.55.640, 18.55.950(2),
24 AS 18.56.083, 18.56.210(a)(10), AS 39.50.200(b)(12), AS 44.47.050(a)(18), 44.47.050(b), 44.47.370,
25 44.47.378, 44.47.380, 44.47.382, 44.47.390, 44.47.395, 44.47.400, 44.47.410, 44.47.420, 44.47.430,
26 44.47.440, 44.47.460, 44.47.470, 44.47.475, 44.47.480, 44.47.490, 44.47.500, 44.47.510, 44.47.520,
27 44.47.530, 44.47.560, 44.47.585, 44.47.587, 44.47.589, 44.47.591, 44.47.593, 44.47.595, 44.47.597,
28 44.47.599, 44.47.601, 44.47.603, 44.47.609, 44.47.610, 44.47.620, 44.47.630, 44.47.635, and
29 AS 44.99.200(b)(5) are repealed.

30 * Sec. 127. TRANSITIONAL PROVISIONS RELATING TO MERGER OF ALASKA STATE
31 HOUSING AUTHORITY. (a) All contracts, rights, liabilities, bonds, notes, or other obligations of the

1 Alaska State Housing Authority created by or under a law amended or repealed by this Act and in effect
2 on the effective date of this section, remain in effect notwithstanding this Act's taking effect, with all
3 contracts, rights, liabilities, bonds, notes, or other obligations of the Alaska State Housing Authority
4 becoming contracts, rights, liabilities, bonds, notes, and other obligations of the Alaska Housing Finance
5 Corporation with the same limitations and provisions as under a contract, right, liability, bond, note, or
6 other obligation of the former Alaska State Housing Authority.

7 (b) All records, equipment, appropriations, and other property of the Alaska State Housing
8 Authority shall be transferred to the Alaska Housing Finance Corporation to implement the provisions
9 of this Act.

10 (c) Employees of the Alaska State Housing Authority become employees of the Alaska Housing
11 Finance Corporation on the effective date of this Act.

12 * Sec. 128. TRANSITIONAL PROVISIONS RELATING TO TRANSFER OF HOUSING
13 PROGRAMS FROM THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS. (a) All
14 contracts, rights, liabilities, bonds, notes, or other obligations of the Department of Community and
15 Regional Affairs under former AS 44.47.370 - 44.47.560 and 44.47.635 created by or under a law
16 amended or repealed by this Act and in effect on the effective date of this section, remain in effect
17 notwithstanding this Act's taking effect, with all contracts, rights, liabilities, bonds, notes, or other
18 obligations of the Department of Community and Regional Affairs incurred under former AS 44.47.370 -
19 44.47.560 and 44.47.635 becoming contracts, rights, liabilities, bonds, notes, and other obligations of the
20 Alaska Housing Finance Corporation.

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

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

27 * Sec. 129. TRANSITIONAL PROVISIONS RELATING TO TRANSFER OF SENIOR CITIZEN
28 HOUSING PROGRAMS FROM THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS.

29 (a) All contracts, rights, liabilities, bonds, notes, or other obligations of the Department of Community
30 and Regional Affairs under former AS 44.47.585 - 44.47.620 created by or under a law amended or
31 repealed by this Act and in effect on the effective date of this section, remain in effect notwithstanding

1 this Act's taking effect, with all contracts, rights, liabilities, bonds, notes, or other obligations of the
2 Department of Community and Regional Affairs incurred under former AS 44.47.585 - 44.47.620
3 becoming contracts, rights, liabilities, bonds, notes, and other obligations of the Alaska Housing Finance
4 Corporation.

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

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

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

13 * **Sec. 130. TRANSITIONAL PROVISIONS RELATING TO TRANSFER OF HOME ENERGY**
14 **CONSERVATION AND WEATHERIZATION PROGRAMS FROM THE DEPARTMENT OF**
15 **COMMUNITY AND REGIONAL AFFAIRS.** (a) All contracts, rights, liabilities, bonds, notes, or other
16 obligations of the Department of Community and Regional Affairs under AS 44.47.050(a)(18) and
17 44.47.050(b) created by or under a law repealed by sec. 126 of this Act and in effect on the effective
18 date of this section, remain in effect notwithstanding this Act's taking effect, with all contracts, rights,
19 liabilities, bonds, notes, or other obligations of the Department of Community and Regional Affairs
20 incurred under AS 44.47.050(a)(18) and 44.47.050(b) becoming contracts, rights, liabilities, bonds, notes,
21 and other obligations of the Alaska Housing Finance Corporation.

22 (b) All records, equipment, appropriations, and other property of the Department of Community
23 and Regional Affairs secured under AS 44.47.050(a)(18) and 44.47.050(b) shall be transferred to the
24 Alaska Housing Finance Corporation to implement the provisions of AS 18.56.850, added by sec. 95 of
25 this Act, and sec. 126 of this Act.

26 (c) Employees of the Department of Community and Regional Affairs responsible for
27 administration of the home energy conservation and weatherization programs set out in
28 AS 44.47.050(a)(18) and 44.47.050(b), repealed by sec. 126 of this Act, become employees of the Alaska
29 Housing Finance Corporation on the effective date of this Act.

30 * **Sec. 131. TRANSITIONAL PROVISIONS RELATING TO TERMINATION OF THE**
31 **AUTHORITY TO MAKE RESIDENTIAL LOANS TO VETERANS UNDER THE VETERANS' LOAN**

1 PROGRAM ADMINISTERED BY THE DEPARTMENT OF COMMERCE AND ECONOMIC
2 DEVELOPMENT. (a) All contracts, rights, liabilities, bonds, notes, or other obligations of the
3 Department of Commerce and Economic Development for residential loans under AS 26.15 created by
4 or under a law amended by secs. 79, 80, 90, and 102 - 106 of this Act and in effect on the effective date
5 of this section, remain in effect notwithstanding this Act's taking effect, with all contracts, rights,
6 liabilities, bonds, notes, or other obligations of the Department of Commerce and Economic Development
7 incurred for residential loans under AS 26.15 becoming contracts, rights, liabilities, bonds, notes, and
8 other obligations of the Alaska Housing Finance Corporation.

9 (b) All records, equipment, appropriations, and other property of the Department of Commerce
10 and Economic Development for residential loans secured under AS 26.15 shall be transferred to the
11 Alaska Housing Finance Corporation to implement the provisions of secs. 79, 80, 90, and 102 - 106 of
12 this Act.

13 (c) Employees of the Department of Commerce and Economic Development responsible for
14 administration of the residential loan elements of the veterans' loan program set out in AS 26.15 become
15 employees of the Alaska Housing Finance Corporation on the effective date of this section.

16 * Sec. 132. TRANSITIONAL PROVISION: EXPANSION OF MEMBERSHIP OF ALASKA
17 HOUSING FINANCE CORPORATION BOARD OF DIRECTORS. (a) Notwithstanding AS 18.56.030(a)(4)(A) -
18 (H), repealed and reenacted by sec. 81 of this Act, the public members of the board of directors of the
19 Alaska Housing Finance Corporation who are serving on the effective date of this Act continue to serve
20 their unexpired terms. Thereafter, the governor shall fill vacancies on the board of directors among the
21 public members under the provisions of AS 18.56.030(a)(4)(A) - (H), as repealed and reenacted by
22 sec. 81 of this Act, and AS 18.56.030(f), added by sec. 83 of this Act.

23 (b) Notwithstanding AS 18.56.030(c), of the public members first appointed to fill the two
24 additional seats on the board of directors authorized by AS 18.56.030(a)(4), amended by sec. 81 of this
25 Act, one-half shall be appointed for a term of one year and one-half shall be appointed for a term of two
26 years. The governor shall specify the length of the term of each member.

27 * Sec. 133. TRANSITIONAL PROVISION: REPORT OF TRANSFERRED ASSETS. Each of the
28 following shall prepare or direct the preparation of all necessary financial reports of the assets to be
29 transferred by them under this Act as of the close of business on the day before the effective date of the
30 transfer:

31 (1) Department of Commerce and Economic Development;

1 (2) Department of Community and Regional Affairs;

2 (3) Alaska State Housing Authority.

3 * Sec. 134. ALASKA STATE HOUSING PLANNING COMMISSION. (a) The Alaska State
4 Housing Planning Commission is established within the Office of the Governor. The commission
5 consists of five members

6 (1) a representative of the Office of the Governor, designated by the governor;

7 (2) the commissioner of commerce and economic development;

8 (3) the commissioner of community and regional affairs;

9 (4) a representative of the Alaska Housing Finance Corporation, designated by the board
10 of directors of the corporation; and

11 (5) a public member, appointed by the governor, who is a representative of low income,
12 homeless, or special needs housing interests.

13 (b) In addition to the members specified in (a) of this section, the governor may invite the
14 United States Department of Housing and Urban Development to designate a representative of that
15 department to serve with the Alaska State Housing Planning Commission in an advisory capacity.

16 (c) The Alaska State Housing Planning Commission shall

17 (1) assist with the merger of the state housing programs as set out in this Act to ensure
18 that housing program service delivery is maintained efficiently and without interruption during the
19 transitional period; and

20 (2) make recommendations to the legislature regarding further statutory changes that may
21 be necessary or appropriate to enhance the delivery of housing programs and services in the state.

22 (d) A majority of the members appointed under (a) of this section constitutes a quorum for
23 organization of the commission and for conducting the business and exercising the powers of the
24 commission. The commission shall elect a chair from among its membership. The commission shall
25 meet at the call of the chair.

26 * Sec. 135. ALASKA HOUSING FINANCE CORPORATION MAY PURCHASE HOUSING
27 LOANS OF DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS. (a) Notwithstanding
28 AS 18.56.210(a)(10) and any other provision of law, the Alaska Housing Finance Corporation may
29 purchase, at an appropriate discount mutually satisfactory to the board of directors of the Alaska Housing
30 Finance Corporation and the commissioner of community and regional affairs, the mortgage loans and
31 other housing-related loans that are held on the effective date of this Act by the Department of

1 Community and Regional Affairs for the loans it has made under the department's various housing
2 assistance programs set out in AS 44.47.370 - 44.47.560 and 44.47.585 - 44.47.635.

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

5 * **Sec. 136.** REVISOR OF STATUTES TO REVISE REFERENCES. In each of the following, the
6 revisor of statutes shall delete references to "authority" and insert in place of each deletion a reference
7 to "corporation": AS 18.55.100(d), 18.55.320(a), 18.55.410, 18.55.470(2) and (3), 18.55.510(c),
8 18.55.530(b), (c), (f), and (h), 18.55.540(c), and (d), 18.55.570(c), (d), and (f), 18.55.610,
9 18.55.630(b), 18.55.650; 18.55.720, 18.55.770, 18.55.790, 18.55.800, 18.55.810, 18.55.830, 18.55.840,
10 18.55.850, 18.55.870, 18.55.880, 18.55.890, 18.55.900, 18.55.932(a), (b), (c), (e), and (f), 18.55.934(a),
11 and 18.55.950(4), (10), and (14).

12 * **Sec. 137.** Section 134 of this Act is repealed January 1, 1993.

13 * **Sec. 138.** Sections 133 - 135 of this Act take effect immediately under AS 01.10.070(c).

14 * **Sec. 139.** Except as provided in sec. 138, this Act takes effect July 1, 1992.

FISCAL NOTE

**STATE OF ALASKA
1992 LEGISLATIVE SESSION**

BILL NO. CSHB 152 (FIN)

Revision Date: 4/10/92 Department Affected: DCEP
 Title: Merger of Housing Programs: ASHA and DCRA under AHFC BRU: Alaska State Housing Authority
 Sponsor: Representative Brown Component: _____
 Requestor: _____ COMPONENT SERIAL NO.

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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER FUND SOURCE:						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: 0

ANALYSIS: (Attach a separate page if necessary.)

It is our understanding, from discussions with the Alaska Housing Finance Corporation, that AHFC will assume all costs related to the merger that could not be attributed to HUD programs.

Prepared By: Wayne Mundy, Executive Director Phone: 562-2813
 Division: Alaska State Housing Authority Date: April 10, 1992
 Approved by Commissioner: _____
 Agency: _____ Date: _____