

ALASKA HOUSING FINANCE CORPORATION
BOARD OF DIRECTORS
REGULAR BOD MEETING IN ANCHORAGE

January 27, 2021

Anchorage

10:00 a.m.

- I. ROLL CALL
- II. APPROVAL OF AGENDA
- III. MINUTES: November 18, 2020
Next Resolution: #21-01
- IV. PUBLIC COMMENTS
- V. OLD BUSINESS:
- VI. NEW BUSINESS:
 - A. Consideration of a \$705,850 loan request for the long term refinancing of a recently completed twelve unit affordable elderly housing complex named “Kenai Meadows” and located in Kenai, Alaska. (21-01)
- VII. REPORT OF THE CHAIR
- VIII. BOARD COMMITTEE REPORTS: Audit Committee
- IX. REPORT OF THE EXECUTIVE DIRECTOR
- X. ANY OTHER MATTERS TO PROPERLY COME BEFORE THE BOARD
Monthly Reports and Meeting Schedules
- XI. EXECUTIVE SESSION: Corporation’s operational and personnel matters that may have an impact on the Corporation’s financial matters. Board action related to this matter, if any, will take place in the public session following the Executive Session.

**The Chair may announce changes in the Order of Business during the meeting.

ALASKA HOUSING FINANCE CORPORATION
BOARD OF DIRECTORS

REGULAR MEETING

November 18, 2020

10:00 a.m.

Anchorage/Juneau/Fairbanks

The Board of Directors of Alaska Housing Finance Corporation met November 18, 2020 in the AHFC boardroom through WebEx, 4300 Boniface Parkway in Anchorage, AK at 10:00 a.m. Board members present via WebEx were:

BRENT LEVALLEY
Via teleconference

CHAIRMAN
Member of the Board

VIVIAN STIVER
Via teleconference

Member of the Board

HAVEN HARRIS
Via teleconference

Member of the Board

MIKE BARNHILL
Via teleconference

Designee for Commissioner
Department of Revenue

JOHN SPRINGSTEEN
Via teleconference

Designee for Commissioner
Department of Commerce,
Community & Economic
Development

CLINTON LASLEY
Via teleconference

Designee for Commissioner
Department of Health
& Social Services
Member of the Board

I. ROLL CALL. A quorum was declared present and the meeting was duly and properly convened for the transaction of business.

II. APPROVAL OF AGENDA. CHAIR LEVALLEY proposed the agenda be approved as presented. Seeing and hearing no objections, the agenda was approved as presented.

III. MINUTES OF OCTOBER 21, 2020. CHAIR LEVALLEY asked for revisions or acceptance of the minutes. Seeing and hearing no objection, the minutes were approved as presented.



IV. **PUBLIC COMMENTS.** In Anchorage: no public were present. In Fairbanks: no public were present. In Juneau: no public were present.

V. **OLD BUSINESS.** No Old Business to discuss with the Board.

VI. A. **CONSIDERATION OF A TERM LOAN REQUEST IN AN AMOUNT OF \$1,000,000 FOR ADDITIONAL LONG TERM FINANCING OF AN EXISTING 233 UNIT MIXED USE FACILITY KNOWN AS “THE AVIATOR” AND LOCATED IN ANCHORAGE, ALASKA.** BRYAN BUTCHER introduced the item and ERIC HAVELOCK presented. Mr. Havelock stated that Alaska Hotel Group, Limited Partnership, Mark Begich, and Sheldon Fisher applied to Alaska Housing Finance Corporation for term funding under the Multifamily, Special Needs and Congregate Housing Program for additional financing guaranteed by the Alaska Industrial Development and Export Authority (AIDEA) for an affordable housing project containing 223 units. The proposed financing will be one hundred percent guaranteed by AIDEA and the proposed financing is found to be an acceptable risk to Alaska Housing Finance Corporation. Discussion followed. HAVEN HARRIS made a motion to approve Resolution 2020-28. VIVIAN STIVER seconded the motion. The resolution was unanimously approved. (6-0)

RESOLUTION #2020-28

RESOLUTION APPROVING ADDITIONAL TERM FINANCING FOR A MULTI-FAMILY HOUSING PROJECT TO ALASKA HOTEL GROUP, LIMITED PARTNERSHIP.

VII. **REPORT OF THE CHAIR.** CHAIR LEVALLEY congratulated Bryan Butcher for being elected to the board for NCSHA. Chair LeValley thanked the AHFC Staff for their continued diligence to stay operational during the COVID-19 pandemic.

VIII. **BOARD COMMITTEE REPORTS.** No Committee meetings were held.

IX. **REPORT OF THE EXECUTIVE DIRECTOR.** BRYAN BUTCHER reported on: 1.) Alaska Relief Program update. \$10 million plus \$5 million more, deadline 12/30; 2.) Legislative Updates, monitoring election and organization; 3.) Alaska Community Foundation CARES funds Nonprofit Relief fund final tranche meeting the week of 10/26; 4.) NCSHA (National Council of State Housing Agencies) Virtual annual meeting (Tues, 10/27 – Thurs, 10/29); 5.) Elected to Board of Directors of NCSHA; 6.) Meeting with Muni about homeless vouchers (Thurs, 10/29); 7.) Fannie Mae HFA Virtual Summit, (Thurs, 11/5); 8.) NAHRO (National Association of Housing and Redevelopment Officials) virtual meetings, (Tues, 11/17 & Weds 11/18); 9.) Colleen Bickford (HUD) retirement 2/15; 10.) NCSHA Executive Directors meetings 12/6 – 12/8; 11.) First day of legislative session (Tues, 1/19); 12.) Next Meetings: Audit



Committee at 8:30am, and AHFC regular BOD Meeting at 10:00am (Wed, 1/27/2021).

X. **OTHER MATTERS.** CHAIR LEVALLEY asked if there were any other matters to properly come before the board.

1. **Monthly Loan Reports.** Finance and Mortgage reports were presented for discussion and review.

2. **Schedule of Board Meetings:**

AHFC Audit Committee Meeting	January 27, 2021	8:30 am	Anchorage
AHFC Regular BOD Meeting	January 27, 2021	10:00 am	Anchorage

XI. **EXECUTIVE SESSION: CORPORATION'S OPERATIONAL MATTERS THAT MAY HAVE AN IMPACT ON THE CORPORATION.** No Executive Session was required today.

XII. **OTHER MATTERS.** CHAIR LEVALLEY asked if there were any other matters to properly come before the board. HAVEN HARRIS made a motion to adjourn. Seeing and hearing no objections, the meeting was adjourned at 10:48 a.m.

ATTESTED:

Brent LeValley - Board Chair

Bryan Butcher
CEO/Executive Director



**ALASKA HOUSING FINANCE CORPORATION
BOARD CONSIDERATION MEMORANDUM**

Date: January 27, 2021

Staff: Rich McKinstry

Item: Term loan request in the amount of \$705,850 for the long term refinancing of an affordable elderly multifamily rental complex consisting of 12 units named “Kenai Meadows” located in Kenai, Alaska

Background:

Kenai Meadows was initially built by Kenai Peninsula Housing Initiatives, Inc. (KPHI) as a 6 unit affordable apartment complex that was built in 2019 for senior residents who are 55+ years. The first phase of construction utilized grant funds from the HOME, SCHDF, NHTF and Rasmussen Foundation to construct the housing units in the Kenai area.

The initial long term financing was closed in 2019 and the borrower has operated the multi-family dwelling complex since its placed in service date. The project provides six affordable elderly units for households that range from below 30% area median income to market rate units for seniors who are age 55 or greater, with the second phase of construction expected to be completed in the first quarter of 2021 that will add an additional six units to the project, totaling 12 units. The housing is designed as accessible, ranch-style units, which feature single car garages and are equipped with fire alarm and sprinkler systems. Property management is provided by KPHI, who will continue to oversee all maintenance and property management responsibilities of the complex.




This memorandum represents the term loan refinancing request from the current borrowing entity, Kenai Peninsula Housing Initiatives, Inc.

Summary and Recommendation:

The Multifamily, Congregate and Special Needs Housing Loan Program was designed to provide term financing for affordable elderly multi-family rental complexes. AHFC has received and reviewed the application by borrower Kenai Peninsula Housing Initiatives, Inc. requesting funding under this loan program in the amount of \$705,850 for the term refinancing of an existing affordable elderly multi-family dwelling complex named “Kenai Meadows”. The subject property is located at 2392 Redoubt Avenue in Kenai, Alaska and refinancing will allow the borrower to continue providing 12 affordable elderly housing units in the community. Staff has reviewed the application package and has determined that it meets the requirements of the program and therefore presents an acceptable risk to the Corporation, noting that the program was designed to accommodate this type of request. (See Appendix A)

Staff recommends approval of the \$705,850 loan, subject to the terms and conditions of the Multifamily, Congregate and Special Needs Housing Loan Program guidelines. In accordance with the fee schedule, a \$3,529.25 loan fee will be charged.

Reviewed and accepted by Senior staff substantively as stated in this Board Consideration Memorandum, subject to Board approval:

 _____ Bryan D. Butcher CEO/Executive Director Date: <u>1-12-2021</u>	 _____ Mark Romick Deputy Executive Director Date: <u>1-12-2021</u>	 _____ Michael Strand Chief Financial Officer Date: <u>1/12/21</u>
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**ALASKA HOUSING FINANCE CORPORATION
RESOLUTION NO. 2021-01**

**RESOLUTION APPROVING TERM REFINANCING
FOR AN AFFORDABLE ELDERLY MULTI-FAMILY
HOUSING PROJECT TO KENAI PENINSULA
HOUSING INITIATIVES, INC**

WHEREAS, there is a need to provide safe, sanitary, and affordable housing for persons of low to moderate income; and

WHEREAS, Kenai Peninsula Housing Initiatives, Inc. has applied to Alaska Housing Finance Corporation for term funding under the Multifamily, Congregate and Special Needs Housing Program to refinance a 12 unit affordable elderly multifamily complex located in Kenai, Alaska; and

WHEREAS, the purpose of the term financing is to provide additional affordable elderly housing opportunities in Kenai; and

WHEREAS, the proposed financing falls within the established program regulations; and

WHEREAS, the proposed financing is found to be an acceptable risk to Alaska Housing Finance Corporation;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Alaska Housing Finance Corporation hereby approves the request substantively as stated in the January 27, 2021 Board Consideration Memorandum prepared in support of the application.

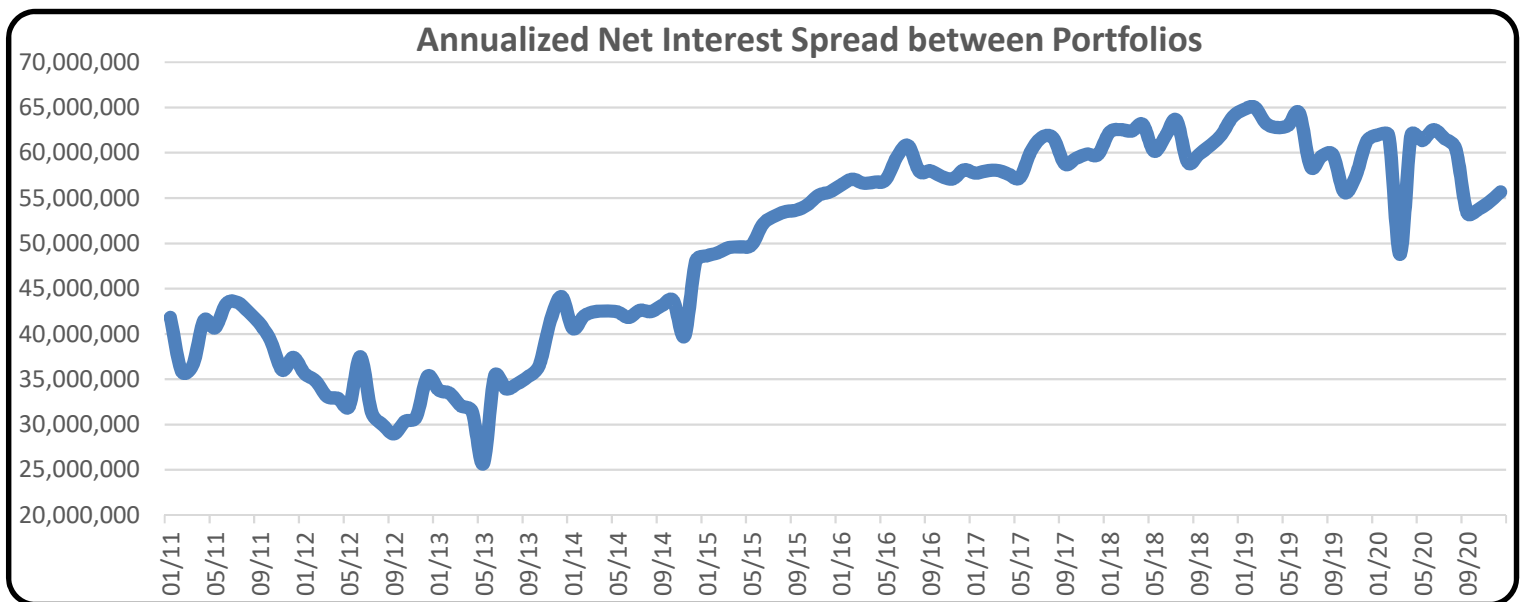
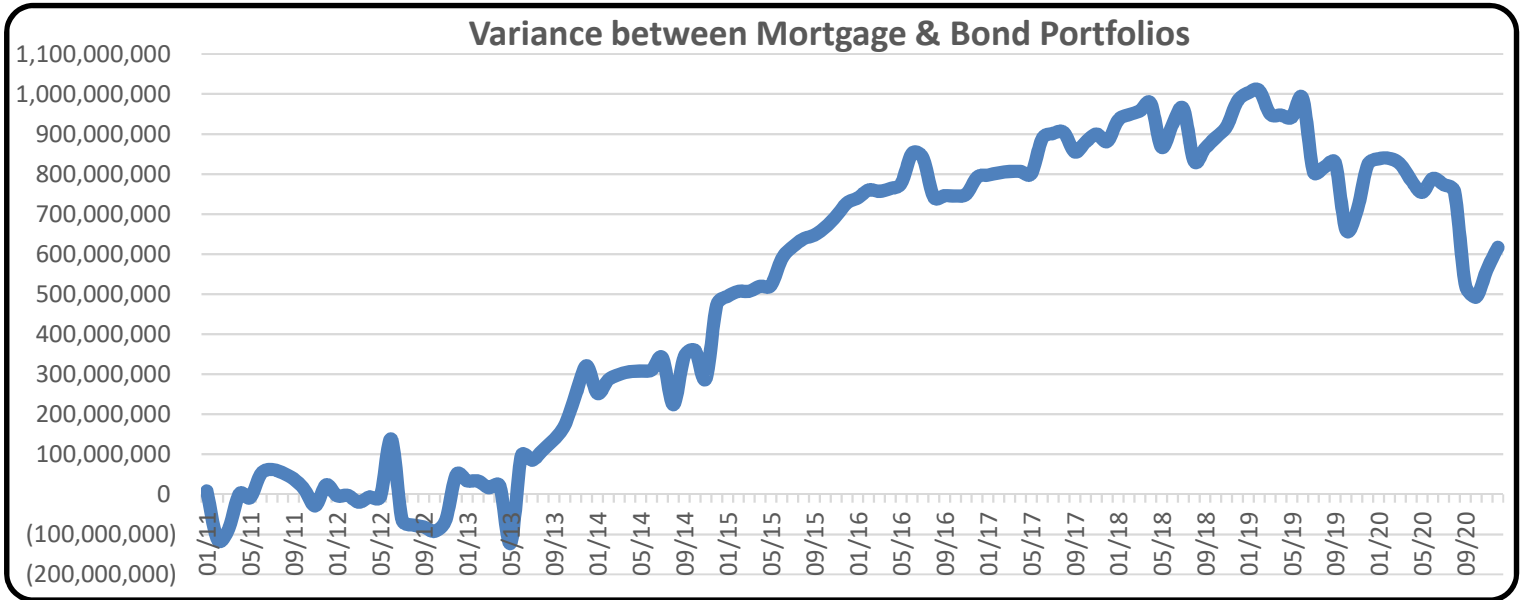
PASSED AND APPROVED by the Board of Alaska Housing Finance Corporation this 27th day of January, 2021.

Brent LeValley – Board Chair

ALASKA HOUSING FINANCE CORPORATION

Finance Board Report

December 2020	Current Month	1 Year Ago	2 Years Ago	1 Year Ago	2 Years Ago
	12/31/20	12/31/19	12/31/18	% Change	% Change
Total Mortgage Portfolio	3,123,081,215	3,407,463,843	3,357,747,758	(8%)	(7%)
12-Month Mortgage Change	(284,382,628)	49,716,085	308,769,884		
Mortgage Average Rate %	4.31%	4.48%	4.54%	(4%)	(5%)
Total Bonds Outstanding	2,506,090,000	2,584,250,000	2,375,375,000	(3%)	6%
12-Month Bond Change	(78,160,000)	208,875,000	207,880,000		
Bond Average Rate %	3.15%	3.54%	3.72%	(11%)	(15%)
Mortgage/Bond Spread %	1.16%	0.94%	0.82%	23%	41%
Mortgage/Bond Ratio	1.25	1.32	1.41	(5%)	(11%)
Delinquent - Not In Forbearance	4.58%	2.98%	3.21%	54%	43%
In Forbearance - Delinquent	1.91%	-	-	-	-
In Forbearance - Not Delinquent	1.69%	-	-	-	-



Mortgage Operations

MORTGAGE ACTIVITY SUMMARY LOANS PURCHASED BY PROGRAM

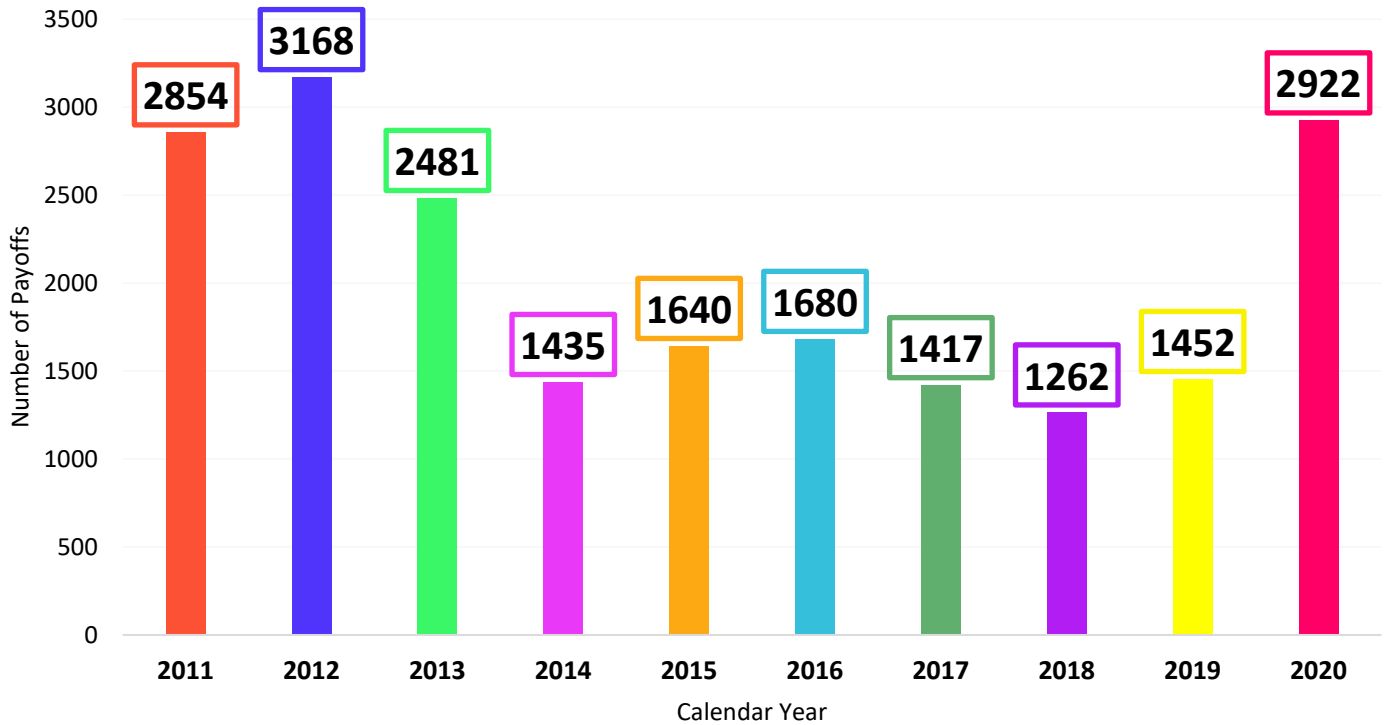
LOAN PROGRAM	December 2020		December 2019		FY 2021 Thru 12/31/2020		FY 2020 Thru 12/31/2019	
	# of Loans	Total Dollar Volume	# of Loans	Total Dollar Volume	# of Loans	Total Dollar Volume	# of Loans	Total Dollar Volume
First Home Limited/TEP	41	9,112,850	81	17,496,844	237	49,253,895	353	72,862,061
First Home/TFTHB	24	7,776,308	24	6,630,467	140	41,409,703	136	40,737,489
Veterans Mortgage Program	9	3,657,001	5	1,287,000	43	14,898,562	51	16,294,474
My Home/Taxable	55	18,220,219	45	15,960,288	230	78,440,971	238	76,973,121
Uniquely Alaskan/Non-Conforming	0	0	6	1,688,461	0	0	30	6,914,881
Rural Loan Program	27	7,004,786	19	5,292,139	115	28,327,999	104	25,042,931
Streamline Refinance	29	8,382,311	13	4,434,626	107	30,669,847	48	17,873,732
Rural Streamline Refinance	11	2,602,149	7	2,371,780	76	20,171,167	12	4,030,493
Other: SME, BML	0	0	0	0	0	0	0	0
Residential Loan Program Totals	196	56,755,624	200	55,161,605	948	263,172,144	972	260,729,182
Multi-Family	1	5,630,000	3	1,525,600	15	19,570,300	7	3,530,950
Rural Multi-Family	0	0	0	0	0	0		
Condominium Association loan	0	0	1	145,000	2	302,500	3	609,655
Loans to Sponsor	0	0	0	0	0	0		
Multi-Family Loan Program Totals	1	5,630,000	4	1,670,600	17	19,872,800	10	4,140,605
Total Loans Purchased	197	62,385,624	204	56,832,205	965	283,044,944	982	264,869,787
LOAN PROGRAM OPTIONS (Included in Total Loans Purchased)								
Interest Rate Reduction Low Income Borrowers	5	1,003,370	12	2,099,357	42	7,085,755	57	9,576,706
Energy Efficiency Interest Rate Reduction	5	1,854,245	8	3,113,550	26	9,502,582	51	16,741,771
Closing Cost Assistance Program	2	636,979	1	147,283	28	7,017,319	7	1,642,989

RESIDENTIAL PIPELINE as of 12/31/2020

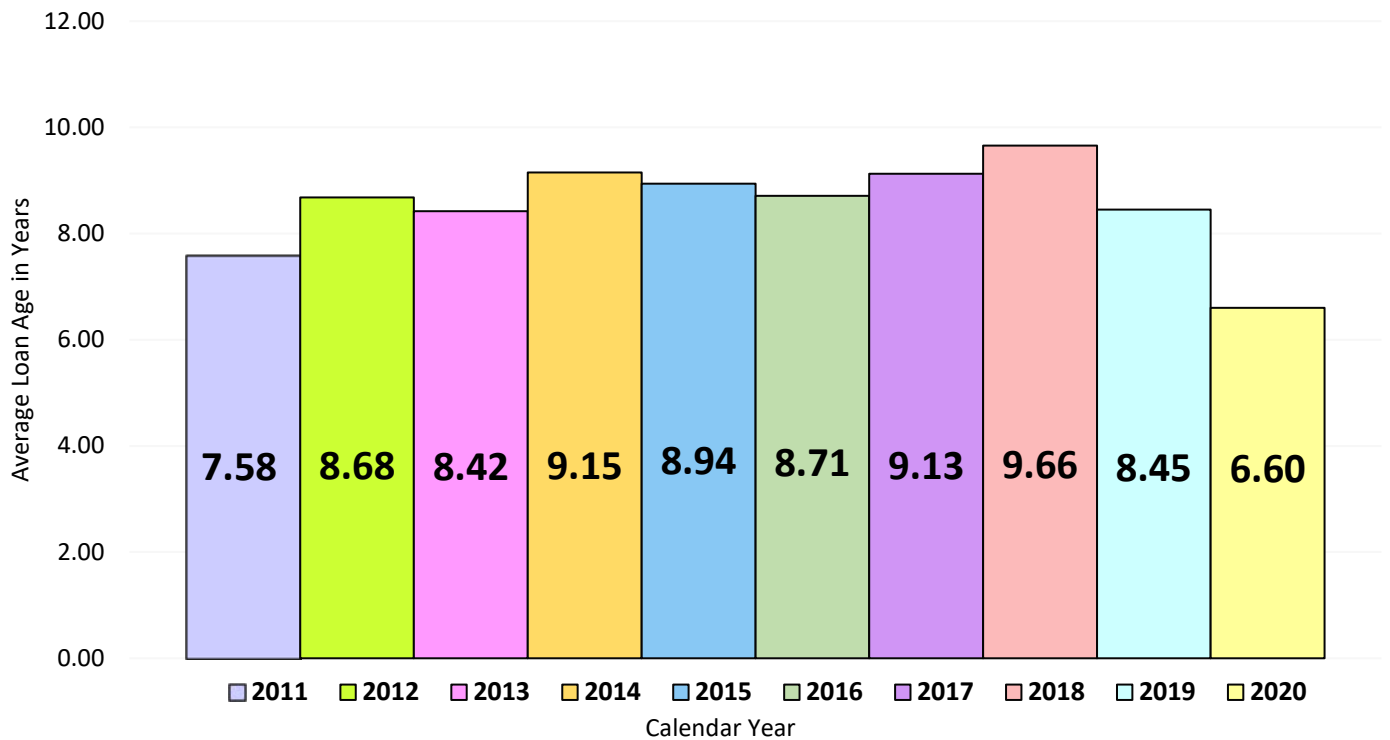
	#	Amount
Lock-ins:	127	37,340,228
Commitments:	502	142,903,157
Total:	629	180,243,385

Mortgage Operations

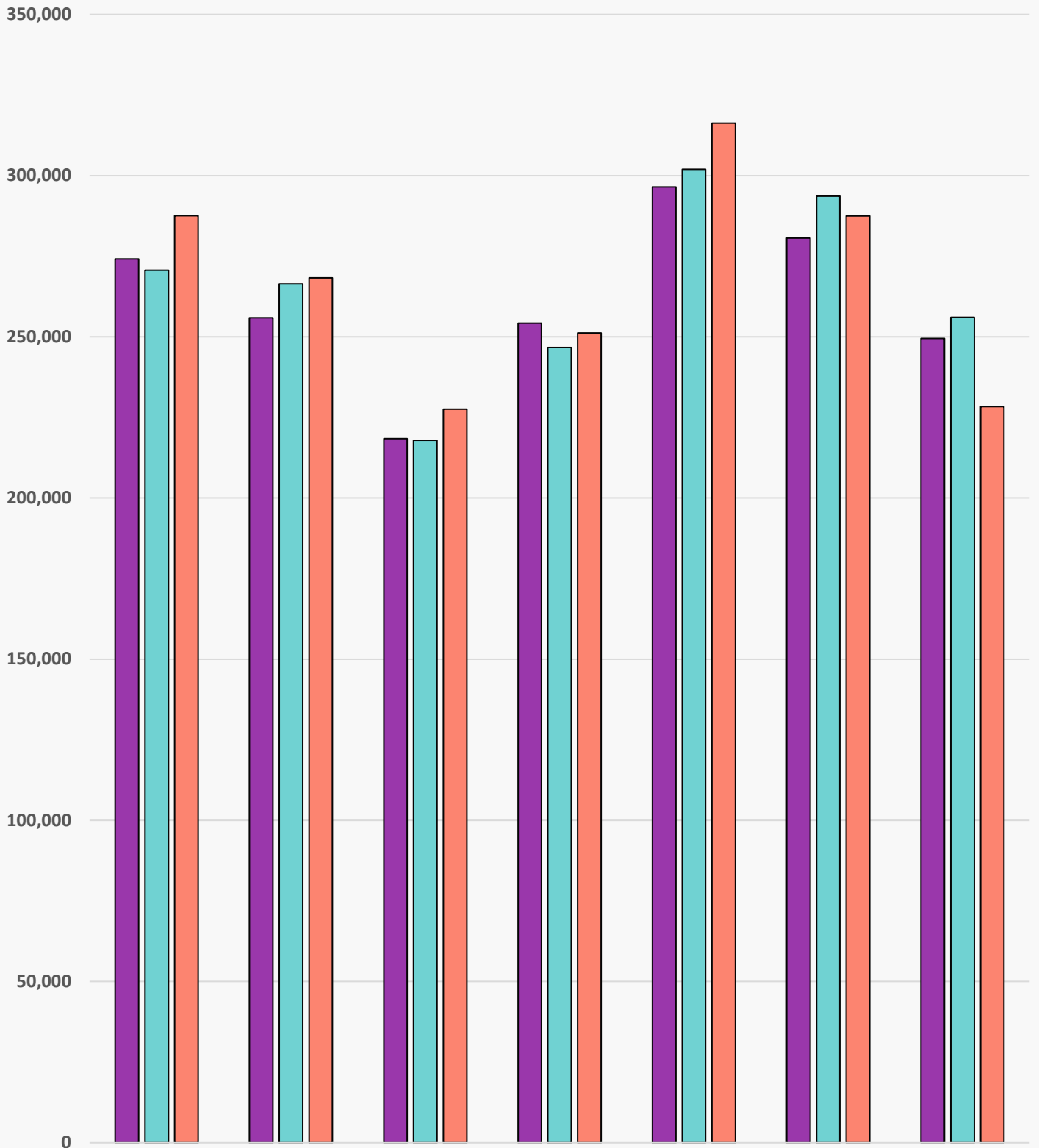
Total Single-Family Loan Payoffs 2011 - 2020



Average Age of Single-Family Loans at Payoff 2011 - 2020

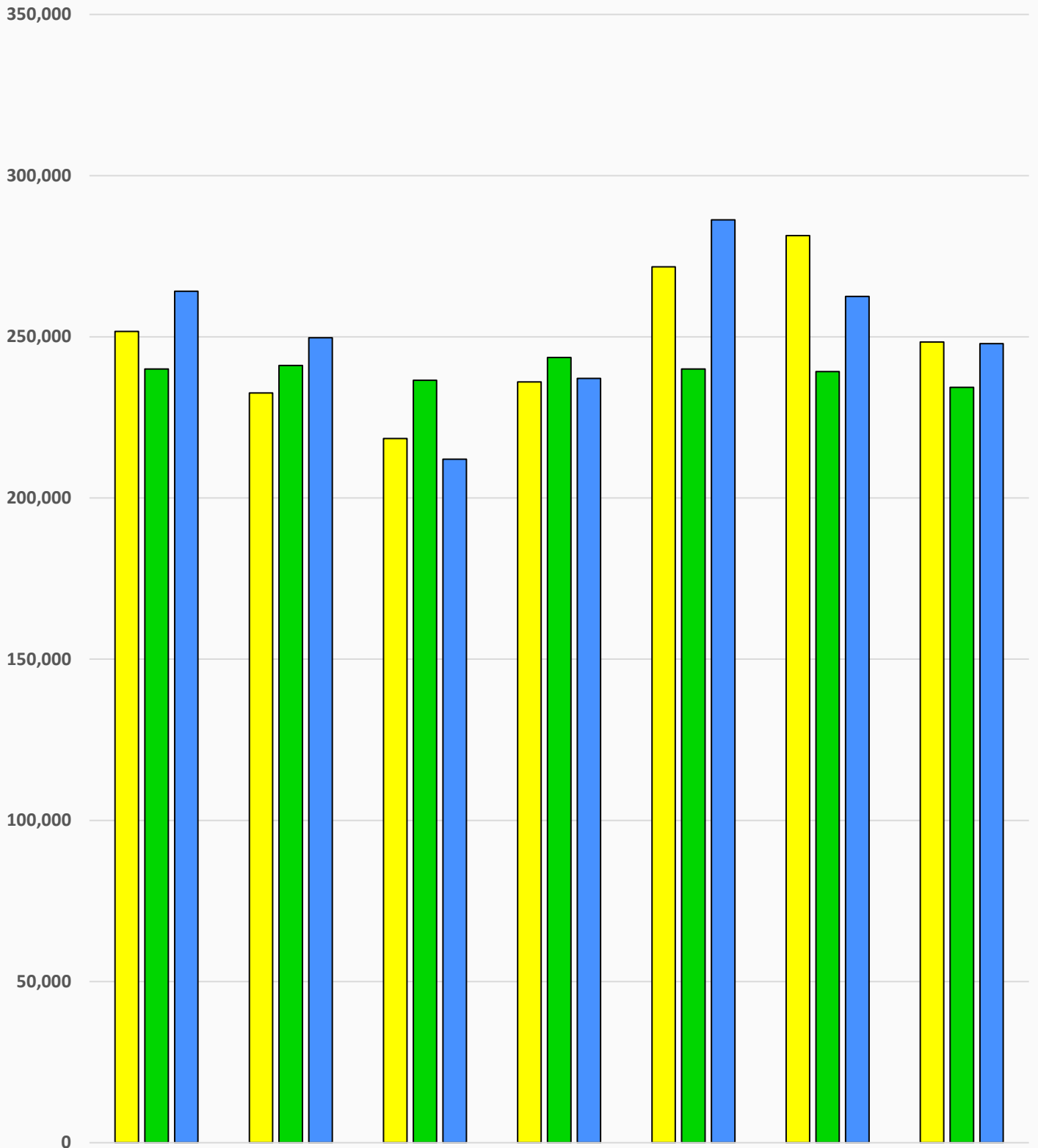


Average Loan Amount by Region



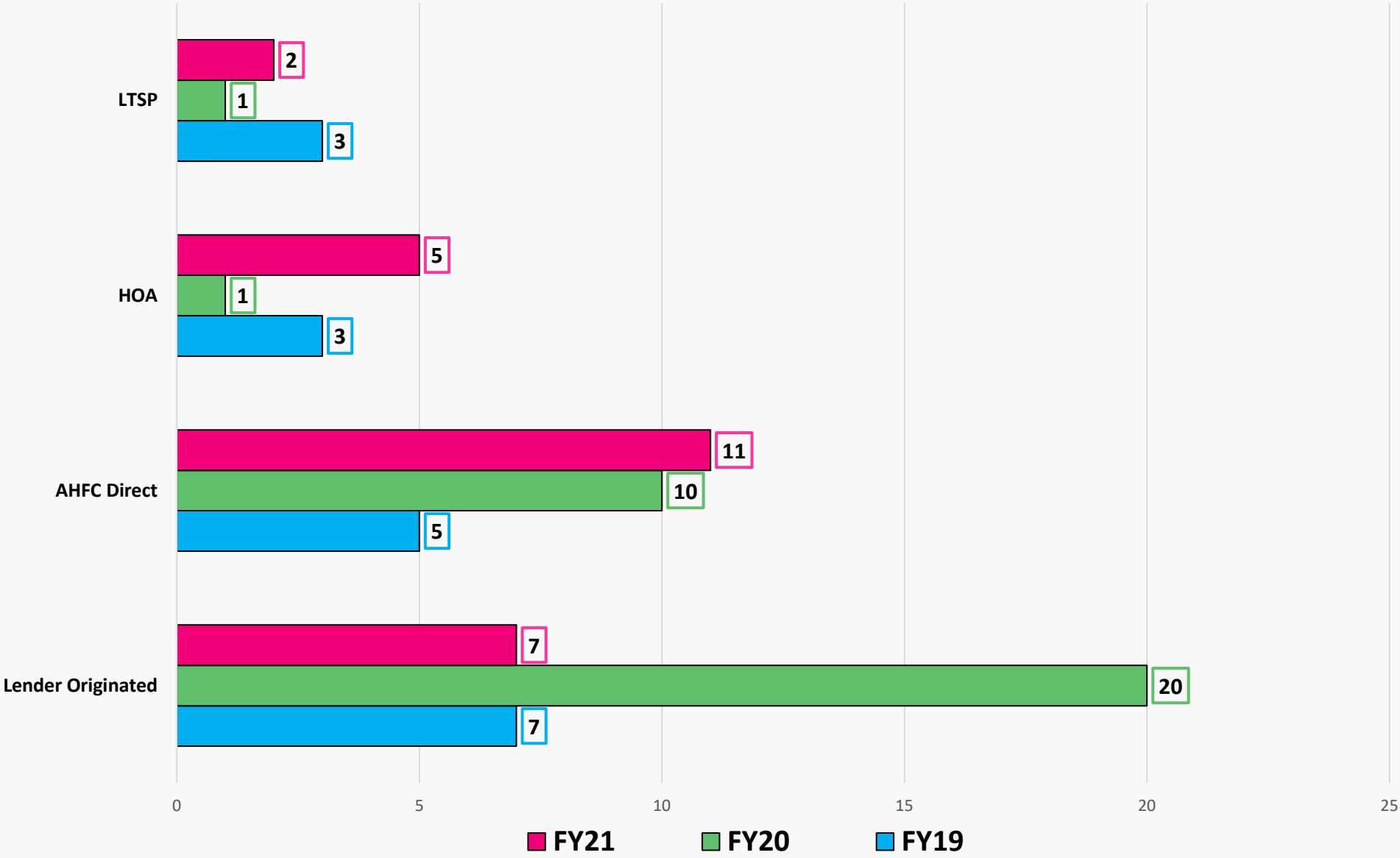
	MOA	Mat-Su	Interior	Kenai	Southeast	Kodiak/PWS	Rural
2018	274,153	255,925	218,436	254,264	296,486	280,653	249,475
2019	270,622	266,434	217,884	246,627	301,946	293,608	256,048
2020	287,601	268,299	227,542	251,163	316,278	287,518	228,339

Median Loan Amount by Region



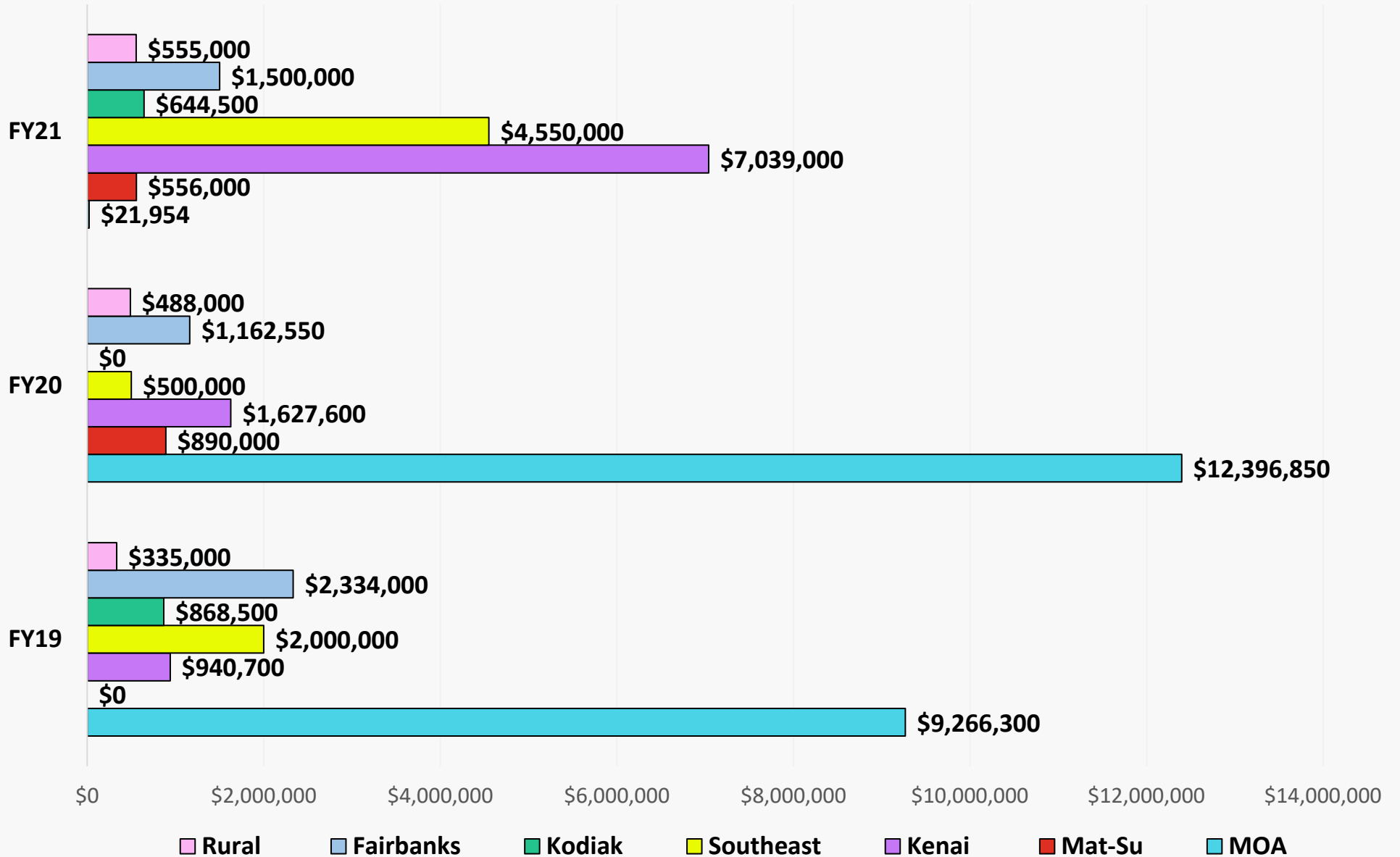
Mortgage Operations

Multi-Family Commitments by Program



Mortgage Operations

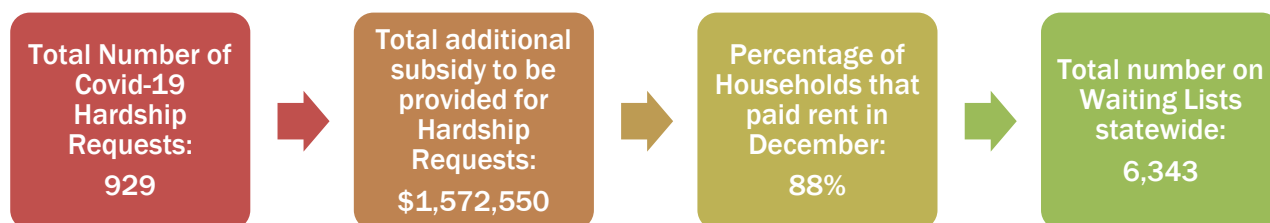
Multi-Family Commitments by Region



Public Housing Operations Update

January 2021

Covid-19 Hardship Requests and Rental Stats:



Operations Updates:

- Extended an additional year of subsidy to all families on our time-limited rental assistance programs. This is to prevent homelessness and help families recover from the economic impacts of COVID-19.
- Participated in multiple community sponsored holiday celebrations for seniors in public housing.
- Extensive work on safety and sanitization of facilities, management of work orders, non-payments of rent, and staffing absences related to COVID-19.

Facilities Management & Construction Updates:

- **Juneau** – Funding issued for projects to improve site lighting, landscaping, driveways, sidewalks, carpet and vinyl flooring, and replacement of failing sections of sewer lines at Mt. View. Working with A&E on feasibility study to renovate the main office at Cedar Park; Geneva Woods siding replacement.
- **Wrangell** – Phase II of retaining wall project funded. Contract to be advertised and awarded. Project documentation is drafted to finish replacement of isolation valves and zone valves at Etolin Heights.
- **Anchorage** – Ongoing fireplace removal continues as properties vacated; area wide funding issued for deferred maintenance projects to include asphalt and concrete replacement, heat plant replacement, interior common area renewals. Alpine Terrace: Sprinkler/Fire Alarm project underway.
- **Bethel** – VCA/ADA work awarded to Wolverine Supply, working with site staff on challenges of unit entry due to COVID, contract may be put on hold until community restrictions lighten.
- **Sitka** – Gutter removal and replacement project funded.
- **Project management**- working with AMPS to develop contract scopes for deferred maintenance repair/replacement projects, assisted with utility allowance review; managed corporate contracts.
- **Extraordinary Maintenance Team (EMT)** - Staff traveled to Seward to “make ready” a vacancy; actively working on modernization of E 18th single family home; ongoing building maintenance and sanitization.
- **Statewide A&E Term Contract**- Design Alaska - Four Requests for Design Services have been sent for proposal response: Golden Towers Exterior Envelope Repairs; Chugach View and Manor Standby Generator Installation; Nome Raise and Support Foundations; Statewide Site Adaptable Playground Design; Chugach Manor window replacement project; Cedar Park Site office redesign. Five task orders have been issued against this requested work. We are at 35% with the design of Golden Towers project and have a second design meeting on the statewide playground design project.

Research and Rural Development Department

January 27, 2021 Board Report

The Research and Rural Development Department promotes a sustainable built environment so that Alaskans have access to safe, quality and affordable housing. Staff accomplish this mission through management of a variety of programs, services, education, technical assistance, and offered resources.

One particular offered resource is a building monitoring system called BMON. BMON is an open source software AHFC developed to help organizations save energy and streamline building operations by monitoring their building systems. BMON stores data from a variety of sources allowing building managers the ability to analyze near-real-time building performance and evaluate historical trends in an online platform. The tool is useful to a variety of small and large organizations.

In the spring of 2020, Research and Rural Development was awarded a grant from the Department of Energy's Office of Energy Efficiency and Renewable Energy to create a BMON training and certification program, which was reported on in the June 24, 2020, Board Report. The BMON program is now underway.

The program has three major components; create educational materials to effectively train building maintenance workers on BMON, conduct trainings in rural communities, and incubate a group of promising participants as the next trainers to continue spreading their knowledge after the program ends. More than halfway through the first year of the program, Analysis North, the primary contractor developing BMON software, has published a comprehensive user manual. The user manual will serve as the basis for the training and certification program.

After the training materials are developed, a pilot training will be conducted using an online delivery platform to assess the effectiveness of the content and delivery methods. Feedback from that training will then be used to refine the training methods before conducting a minimum of four additional trainings across the state. The intent is to certify 40-50 building operation personnel. With a cohesive training program, the benefits of building monitoring can be expanded to more organizations and individuals saving energy and money.

The BMON software has also received a few recent upgrades and additions. The software is now easier to use and provides greater flexibility when incorporating new sensor technologies. A new class of sensors show great potential to reduce the cost of data acquisition and eliminate subscription fees. Already, AHFC Facilities Management has recognized the greater potential of these new sensors to expand freeze-up monitoring of vacant units at a reduced up-front cost relative to prior technology.

During the next decade, we expect internet connected devices to become ubiquitous in buildings providing a wealth of data. BMON serves as a tool to collect and make sense of this flood of data to identify building equipment issues before they become critical failures, to evaluate energy efficiency measures, and to guide building operations toward energy savings. The goal of the BMON training program is to make BMON accessible to organizations that would not otherwise be able to take advantage of this energy-saving resource.

Planning and Program Development

January, 2021

Fast Facts

- Managing 16 Active Housing Programs: 5 Development Programs, 11 Service Programs
- Managing 155 Active Grant Agreements, Tax Credit Awards and Contracts
- Housing Development Programs Awards Issued
 - o Greater Opportunities for Affordable Living: 7 awards were made to proposals in 5 communities to build or renovate 197 rental units for low-income families and seniors. Collective development costs are projected to be \$59.7M.
 - o Teacher, Health and Public Safety Housing: 4 awards were made to proposals in 4 communities to build 12 rental units for rural housing professionals. Collective development costs are projected to be \$3.7M.

Homeless Assistance and Special Needs Housing Grant Programs: These data report the number of Alaskans served during the entire month of November

- Emergency Shelter: 670
- Transitional Housing: 374
- Prevention Programs: 326 – these numbers exclude the CARES funded Housing Relief
- Permanent Supportive Housing: 331

AHFC Funded Homeless and Support Service Programs

Homeless Assistance and Special Needs Housing Grant Program Awards	Active Awards	Annualized Awards
Services - Adult General	33	\$5,358,970
Service - Permanent Supportive Housing	17	\$3,002,720
Service - Prevention	7	\$1,200,144
Service - Shelter	9	\$1,156,106
Services - Domestic Violence	7	\$589,830
Service - Permanent Supportive Housing	1	\$133,162
Service - Prevention	3	\$128,847
Service - Shelter	3	\$327,821
Services - Family	6	\$2,647,849
Service - Permanent Supportive Housing	1	\$197,816
Service - Prevention	2	\$717,383
Service - Shelter	3	\$1,732,650
Services - Youth	3	\$699,291
Service - Shelter	3	\$699,291
Grand Total	49	\$9,295,940

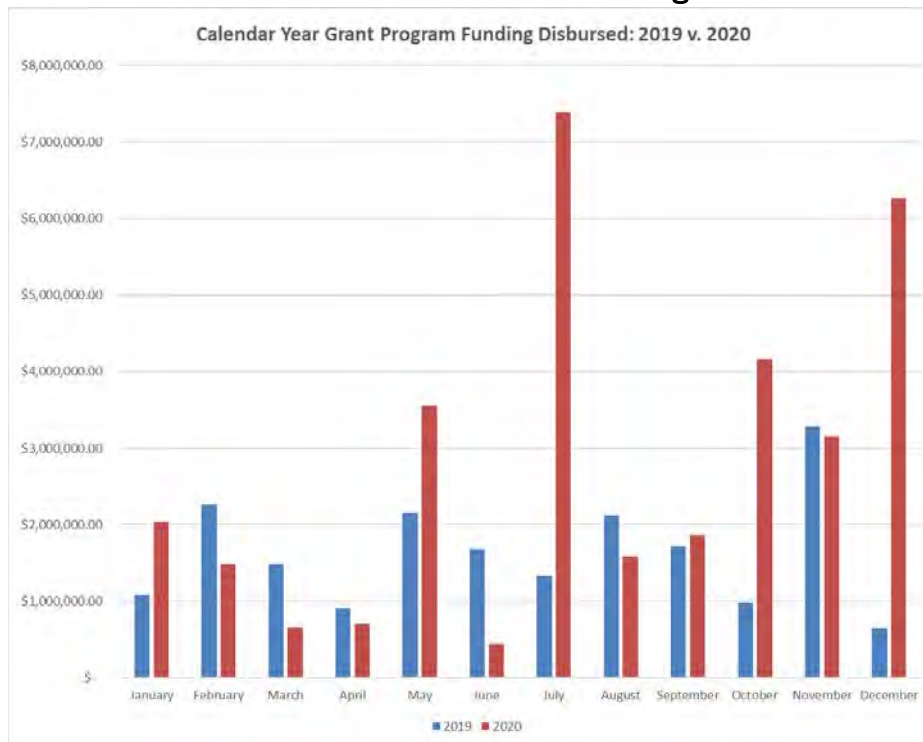
Development Programs Activity

Active Developments by Housing Type	Number of Active Awards Managed	Housing Units Being Built	Total Development Costs
Families	22	654	\$185,790,326
Rural Professionals	16	60	\$20,720,505
Senior Housing	7	233	\$59,424,229
Supportive Housing	1	24	\$4,604,521
Grand Total	46	971	\$270,539,581

Development Program Notes:

- 25 distinct development partners are currently building in 27 distinct communities
- 19 of 27 communities with active developments meet AHFC's small communities definition

Disbursement Trends across All Programs



Disbursement Activity Notes:

- Fifty-four (54) disbursements were processed during the month of December. Historically, between 24 to 88 disbursements are paid out each month.
 - o In Calendar year 2020, \$33.3M in total funding was disbursed to grantees
 - o In calendar year 2019, \$19.6M in total funding was disbursed to grantees
 - o In calendar year 2018, \$20.5M in total funding was disbursed to grantees



AHFC BOARD OF DIRECTORS
SCHEDULE 2021

January 27, 2021 (AHFC Regular & Audit Committee)

February 24, 2021 (AHFC Regular)

April 28, 2021 (Audit Committee, AHCC Annual Membership & Board and AHFC Regular)

May 26, 2021 (AHFC Regular)

June 30, 2021 (AHFC Regular)

July 28, 2021 BOD (Audit Committee & AHFC Regular)

August 25, 2021 (AHFC Annual)

(NCSHA Annual Conference 2021)

October 20, 2021 (Audit Committee, ACAH Annual Membership & Board and AHFC Regular)

November 17, 2021 (NTSC Annual Membership & Board, and AHFC Regular)