



A G E N D A
ALASKA CORPORATION FOR AFFORDABLE HOUSING
SPECIAL BOARD OF DIRECTORS
MEETING

APRIL 27, 2022
ANCHORAGE

- I. ROLL CALL
- II. APPROVAL OF AGENDA
- III. APPROVAL OF MINUTES: OCTOBER 20, 2021 ANNUAL BOARD MEETING
Next Resolution: 2022-01
- IV. PUBLIC COMMENTS:
- V. OLD BUSINESS:
- VI. NEW BUSINESS:
 - A. Election of Board Secretary/Treasurer
 - B. Consideration of a resolution authorizing the President of the Alaska Corporation for Affordable Housing to enter into one or more contracts to borrow up to \$14,000,000, lend up to \$12,000,000, and guaranty certain obligations regarding the financing and the development of affordable housing in Fairbanks, Alaska. (2022-01)
- VII. ANY OTHER MATTERS TO COME BEFORE THE BOARD
 - A. ADJOURNMENT

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

ALASKA CORPORATION FOR AFFORDABLE HOUSING
ANNUAL BOARD OF DIRECTORS MEETING

October 20, 2021

9:30 a.m.

Anchorage / Juneau / Fairbanks

The Annual Board of Directors Meeting of the Alaska Corporation for Affordable Housing (“ACAH”) was held in the AHFC boardroom through WebEx, 4300 Boniface Parkway in Anchorage, AK. On October 20, 2021 at 9:30 a.m. Board members present via WebEx were:

BRENT LEVALLEY
Via Teleconference

CHAIR
Member of the Board

VIVIAN STIVER
Via Teleconference

Member of the Board

HAVEN HARRIS
Via Teleconference

Member of the Board

JESS HALL
Via Teleconference

Member of the Board

LUCINDA MAHONEY
Via Teleconference

Commissioner
Department of Revenue
Member of the Board

JULIE ANDERSON
Via Teleconference

Commissioner
Department of Commerce,
Community & Economic
Development
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 asked for approval of the agenda. Seeing and hearing no objections, the agenda was approved as presented.

III. MINUTES: OCTOBER 21, 2020 ANNUAL BOD MEETING. CHAIR LEVALLEY asked for revisions or acceptance of the minutes. LUCINDA MAHONEY made a motion for approval of the minutes presented. JULIE ANDERSON seconded the motion. Seeing and hearing no objection, the minutes were approved as presented.

IV. PUBLIC COMMENTS. There were no public comments in Anchorage, Juneau or Fairbanks.

V. OLD BUSINESS: No old business to report.

VI. NEW BUSINESS:

A. BOARD MEMBER OATH OF OFFICE AND CONFLICT OF INTEREST STATEMENT. The Alaska Constitution requires all public officers to take and subscribe to the Alaska Oath of Office. The Alaska Oath of Office was read into record and confirmed by roll call vote. (6-0).

B. ELECTION OF OFFICERS. CHAIR LEVALLEY read the item into record. CHAIR LEVALLEY opened the floor up for nominations for Board Chair, President, two Vice President positions, Secretary and Treasurer. JULIE ANDERSON nominated Board Chair – Brent LeValley, Vice Chair – Vivian Stiver, President – Bryan Butcher, Vice President – Catherine Stone, Additional Vice President Mark Romick, Secretary and Treasurer – Haven Harris. HAVEN HARRIS 2nd the motion for nominations. Discussion followed. The nominations were unanimously approved by roll call vote. (6-0)

C. ACTIVITY UPDATE. PRESIDENT BRYAN BUTCHER read the item into record and CARRIE COLLINS presented the item. Ms. Collins gave an update of activities that have taken place since the last Annual board meeting in 2020. Discussion followed. No action from the board was required.

D. CONSIDERATION OF A RESOLUTION ACCEPTING THE ANNUAL STATEMENT OF FINANCIAL CONDITIONS FOR THE ALASKA CORPORATION FOR AFFORDABLE HOUSING. PRESIDENT BRYAN BUTCHER read the item into record and CARRIE COLLINS with ACAH, CHRIS MATIKA with Eide Bailly presented the item. Ms. Collins stated The Alaska Corporation for Affordable Housing (ACAH) (the “Corporation”) was incorporated in February 2012, under the authority of AS 18.56.086. Its purpose is to expand affordable housing in Alaska by leveraging funds derived from its status as an instrumentality of the Alaska Housing Finance Corporation (AHFC), the state public housing authority. Article III, Section 10 of the Bylaws of ACAH requires the Corporation to deliver an annual report certified by a firm of independent public accountants covering assets, liabilities, revenue and expenses of the Corporation for each fiscal year. Mr. Matika gave an overview of the Audited financials. The most recent completed audited financial statements for ACAH were prepared and delivered to ACAH by the firm Eide Bailly. This annual report covers fiscal year 2021.

Mr. Matika gave an overview of the Audit Wrap Up. Discussion followed. HAVEN HARRIS made a motion to accept resolution 21-01 as presented. VIVIAN STIVER seconded the motion. The resolution was approved.

(6-0)

RESOLUTION 2021-01

RESOLUTION ACCEPTING THE ANNUAL STATEMENT OF FINANCIAL CONDITIONS FOR FISCAL YEAR 2021.

E. CONSIDERATION OF A RESOLUTION TO APPROVE THE FISCAL YEAR 2023 OPERATING BUDGET FOR THE ALASKA CORPORATION FOR AFFORDABLE HOUSING. PRESIDENT BRYAN BUTCHER read the item into record and CARRIE COLLINS presented the item. Ms. Collins stated that each year the annual budget for ACAH is prepared in-conjunction with the annual budget of the Alaska Housing Finance Corporation (AHFC). As an instrumentality of AHFC, ACAH's administrative functions are performed by AHFC through a shared services agreement. It is in ACAH's best interest that a formal budget authorization is reviewed and approved by the ACAH Board of Directors. Ms. Collins gave an overview of the 2023 proposed budget. Discussion followed. HAVEN HARRIS made a motion to accept resolution 21-02 as presented. JESS HALL seconded the motion. The resolution was unanimously approved. (6-0)

RESOLUTION 2021-02

RESOLUTION APPROVING SUBMISSION OF THE FISCAL YEAR 2023 OPERATING BUDGET THROUGH THE DEPARTMENT OF REVENUE TO THE GOVERNOR'S OFFICE FOR SUBMITTAL TO THE STATE LEGISLATURE.

VII. ANY OTHER MATTERS TO PROPERLY COME BEFORE THE BOARD. CHAIR LEVALLEY asked if there were any other matters to come before the Board. Seeing and hearing no objections, the meeting was adjourned at 9:48 a.m.

ATTESTED:

Brent LeValley
Board Chair



MEMORANDUM

DATE: April 27, 2022
TO: Board of Directors
FROM: Carrie Collins, Operations & Development Manager
RE: Election of Board Secretary/Treasurer

Background:

Article V, paragraph (a), of the Articles of Incorporation states that the Corporation's Board of Directors "will consist of the same directors as the Sole Member's Board of Directors" and that said directors shall serve for "the same term as the director's term on the Sole Member's Board of Directors." Any designees serving on the Sole Member's Board of Directors shall also serve on the Corporation's Board of Directors. The Sole Member is the Alaska Housing Finance Corporation.

Section 2 *Elections* of the bylaws require annual elections of officers of the Corporation. During the October 20, 2021 Board meeting, the Board elected officers to fill the following positions.

Chair
Vice Chair
President
Vice President
Secretary/Treasurer

Two Vice Presidents were elected in accordance with the Bylaws which allow for one or more Vice Presidents.

Since the October 20, 2021 Board meeting, the secretary/treasurer position has become vacant.



Recommendation and requested action:

It is necessary to elect a new officer to the secretary/treasurer position to fulfill the responsibilities of the Corporation.

Staff recommends election of a Board secretary/treasurer at this time.



MEMORANDUM

DATE: April 27, 2022

TO: Board of Directors

FROM: Carrie Collins, Operations & Development Manager

RE: Resolution authorizing the President of the Alaska Corporation for Affordable Housing to enter into one or more contracts to borrow up to \$14,000,000, lend up to \$12,000,000, and guaranty certain obligations regarding the financing and the development of affordable housing in Fairbanks, Alaska.

Background:

The Alaska Corporation for Affordable Housing (ACAH) was incorporated in February 2012 under the authority of AS 18.56.086. Its purpose is to expand affordable housing in Alaska by leveraging funds derived from its status as an instrumentality of the Alaska Housing Finance Corporation (AHFC), the state public housing authority. Through the use of federal public housing resources, ACAH is beginning its second development project by leveraging these funds with the use of federal low income housing tax credits (LIHTC) and tax-exempt financing.

Fairbanks Development

This second project to be undertaken by ACAH is a 58 unit development spanning two sites in Fairbanks.

The first site is a vacant lot located on Denali Way and will contain 18 units of senior housing. The second site is also a vacant lot located 1.5 miles away on South Barnette Street and will contain 40 units of family housing. Construction is expected to begin in summer 2022 and be completed in winter 2023.

In order to obtain the LIHTC, which are sold to a for-profit investor, a limited liability company (LLC) must be formed. The proceeds from the sale are then used to develop the project. ACAH will be participating in the component of the LIHTC known as the “4%” program which is tied to AHFC’s issuance of a tax-exempt bond under the State private activity volume cap.



This project will be owned by the LLC with the tax credit investor owning 99.99% interest as the investor member and ACAH will own 0.01% interest as the managing member. The LLC will own the properties to facilitate the tax credit benefits for the equity investor, in exchange for the tax credit equity noted in the table below. Upon completion of the 15-year LIHTC compliance period, the ownership interest will revert to the managing member (ACAH) based on terms outlined in an operating agreement.

The projects key budget figures are outlined below.

Key Budget Figures	
Anticipated LIHTC Equity	\$6,499,533
Anticipated Long-Term “Must Pay Debt”	\$1,876,125
Anticipated Soft Debt	\$11,629,872
Projected Total Project Cost	\$20,005,530

- The total development cost of the combined sites is estimated to be \$20 million. A portion of the tax-exempt debt will be replaced with permanent hard debt at project completion.
- Financing through the construction phase is anticipated to stem from Tax Exempt Bond proceeds at both sites. This financing is required to qualify for the LIHTC’s and will involve a subsequent bond issuance by AHFC.
- Long-term financing (remaining post completion) is projected to be two-fold:
 - Must-Pay Debt: The must-pay debt amount noted in the previous table is estimated based on 30-year, fixed-rate financing. The final must-pay debt amount is contingent upon final underwriting and approval through the lender, the tax credit equity investor, and AHFC's tax credit allocation staff.
 - Soft Debt: It is anticipated that ACAH will utilize federal public housing resources for direct capital funding that will go into the project as soft debt. Payment of the soft debt will be on a cash flow basis and any amounts not supportable through cash flow repayments will be deferred until the senior-lien debt is repaid. The soft debt structure is necessary to avoid creating taxable income to the LLC, which would adversely impact the tax credit pricing from excessive capital account balances resulting from large managing member contributions.

The financing and ownership structure for this project has been developed in coordination with a team of advisors.

- Alaska Housing Finance Corporation: Tax-Exempt Financing to Support LIHTC
- Eide Bailly: ACAH LIHTC Accountant



- Enterprise Housing Credit Investments: LIHTC Syndicator
- First National Bank Alaska: Construction and Permanent Loan Financing
- Gallagher Evelius & Jones: Tax Credit Syndicator Counsel
- Kutak Rock: AHFC Tax-Exempt Bond Counsel
- Swell, LLC: ACAH Development Consultant
- Winthrop & Weinstine: ACAH Development Counsel

AHFC staff has indicated that they are targeting the May 2022 AHFC Board meeting to present the tax-exempt bond package for approval. Once approved, ACAH will be required to enter into one or more contracts to finance the development of this project.

Recommendation and requested action:

Staff recommends approval of Resolution 2022-01.



RESOLUTION No. 2022-01

RESOLUTION AUTHORIZING THE PRESIDENT OF THE ALASKA CORPORATION FOR AFFORDABLE HOUSING TO ENTER INTO ONE OR MORE CONTRACTS TO BORROW UP TO \$14,000,000, LEND UP TO \$12,000,000, AND GUARANTY CERTAIN OBLIGATIONS REGARDING THE FINANCING AND THE DEVELOPMENT OF AFFORDABLE HOUSING IN FAIRBANKS, ALASKA

WHEREAS, the Alaska Housing Finance Corporation (AHFC) incorporated a subsidiary, the Alaska Corporation for Affordable Housing (ACAH), and empowered ACAH to acquire, develop, manage and operate affordable housing, and to provide services to support the mission of AHFC; and

WHEREAS, ACAH wishes to develop an affordable housing project to provide approximately 58 units of affordable housing in Fairbanks, Alaska (the "Project") by acting as the managing member in the limited liability company that will own the Project as explained in the Memorandum, dated April 27, 2022 (Board Memorandum); and

WHEREAS, ACAH's Bylaws, Art. IX Sec. 1 provide that no officer, agent, or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable pecuniarily in any amount for any purpose unless authorized by the Board of Directors of ACAH; and

WHEREAS, the limited liability company that will own the Project is obtaining a loan (First Loan) from First National Bank of Alaska (Lender) and Wincopin Circle LLLP, a Maryland limited liability limited partnership and/or its affiliate, successors, and/or assigns (Equity Investor) will be making a capital contribution to the limited liability company that will own the Project in exchange for an investor member interest in said limited liability company (Equity Investment); and

WHEREAS, as a condition to providing the First Loan and as a condition to providing the Equity Investment, Lender and Equity Investor, respectively, have required ACAH guaranty certain obligations of the limited liability company that will own the Project (Guaranty Documents); and

WHEREAS, ACAH's Bylaws Art. IX, Sec. 2 provide that no loans shall be contracted on behalf of ACAH unless specifically authorized by the Board of Directors of ACAH; and



WHEREAS, there has been presented to the Board at this meeting by staff of ACAH a Board Memorandum that describes the proposed Project and outlines the plan for financing the Project;

NOW, THEREFORE, BE IT RESOLVED THAT, the President of ACAH is hereby authorized to enter into one or more contracts to borrow money for interim and permanent loan financing (Borrowing Documents) for the purpose of facilitating the development of the Project as outlined in the Board Memorandum; provided, however, that the aggregate principal amount of money borrowed may not exceed \$14,000,000.

BE IT ALSO RESOLVED THAT, the President of ACAH is hereby further authorized to enter into one or more contracts (Lending Documents) to lend up to \$12,000,000 to the limited liability company that will own the Project as outlined in the Board Memorandum.

BE IT ALSO RESOLVED THAT, the President of ACAH is hereby further authorized to enter into the Guaranty Documents to guaranty obligations of the limited liability company that will own the Project as outlined in the Board Memorandum.

BE IT ALSO RESOLVED THAT, the President of ACAH is hereby further authorized to make changes within his discretion to the aforementioned contracts as long as those changes do not alter the intent of this resolution or Board Memorandum, and to sign such other documents, agreements, and certificates on behalf of ACAH as the President considers to be appropriate or required in furtherance of the Borrowing, Lending, and Guaranty Documents.

PASSED AND APPROVED by the ACAH this 27th day of April 2022.

Board Chair

Attest: _____
Secretary



AHFC BOARD OF DIRECTORS
SCHEDULE 2022

~~January 26, 2022 (AHFC Regular)~~ **CANCELED**

~~February 23, 2022 (AHFC Regular & Audit Committee)~~ **CANCELED**

~~March 22, 2022 (AHFC Regular & Audit Committee)~~

April 27, 2022 (AHFC Regular & ACAH Special Meeting)

May 18, 2022 (AHFC Regular & AHCC Annual Membership & Board)

~~May 25, 2022 (AHFC Regular)~~ **rescheduled to May 18, 2022**

June 29, 2022 (AHFC Regular)

July 27, 2022 BOD (Audit Committee & AHFC Regular)

August 24, 2022 (AHFC Annual in Valdez)

(NCSHA Annual Conference 2022 October 22-25)

October 26, 2022 (Audit Committee, ACAH Annual Membership & Board and AHFC Regular)

November 30, 2022 (NTSC Annual Membership & Board, and AHFC Regular)