



AGENDA  
ALASKA CORPORATION FOR AFFORDABLE HOUSING  
SPECIAL BOARD OF DIRECTORS  
MEETING

JULY 20, 2022  
ANCHORAGE

- I. ROLL CALL
- II. APPROVAL OF AGENDA
- III. APPROVAL OF MINUTES: APRIL 27, 2022 SPECIAL BOARD MEETING  
Next Resolution: 2022-02
- IV. PUBLIC COMMENTS:
- V. OLD BUSINESS:
- VI. NEW BUSINESS:
  - A. 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 \$17,000,000, lend up to \$16,000,000, and guaranty certain obligations regarding the financing and the development of affordable housing in Fairbanks, Alaska. (2022-02)
- VII. ANY OTHER MATTERS TO COME BEFORE THE BOARD
  - A. ADJOURNMENT

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



## MINUTES

### ALASKA CORPORATION FOR AFFORDABLE HOUSING BOARD OF DIRECTORS MEETING

April 27, 2022

9:00 a.m.

The Board of Directors of the Alaska Corporation for Affordable Housing (ACAH) met on April 27, 2022, in the AHFC boardroom, 4300 Boniface Parkway in Anchorage, AK at 9:00 a.m. Board members present via WebEx were:

**BRENT LEVALLEY**  
Via Teleconference

**CHAIRMAN**  
Member of the Board

**JESS HALL**  
Via Teleconference

Member of the Board

**VIVIAN STIVER**  
Via Teleconference

Member of the Board

**SANDRA MOLLER**  
Via Teleconference

**Designee for Commissioner**  
Department of Commerce,  
Community, & Economic  
Development  
Member of the Board

**ALBERT WALL**  
Via Teleconference

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

**DEVEN MITCHELL**  
Anchorage

**Designee for Commissioner**  
Department of Revenue  
Member of the Board

- I. **ROLL CALL.** CHAIRMAN LEVALLEY called the meeting to order. BRYAN BUTCHER declared a quorum and the meeting was duly and properly convened for the transaction of business.
- II. **APPROVAL OF AGENDA.** CHAIRMAN LEVALLEY asked for approval of agenda. BRYAN BUTCHER advised there was an amended Resolution. The agenda was approved as presented.



- III. **MINUTES OF OCTOBER 21, 2021.** CHAIRMAN LEVALLEY asked for approval of minutes. VIVIAN STIVER moved to approve minutes. JESS HALL seconded. The minutes were approved as presented.
- IV. **PUBLIC COMMENTS.** No public comments.
- V. **OLD BUSINESS.** No old business.
- VI. **NEW BUSINESS.**
- A. **Election of a Board Secretary/Treasurer.** VIVIAN STIVER nominated Jess Hall for Board Secretary/Treasurer. No other nominations. JESS HALL unanimously (5-0) approved by the board as 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.** Presentation by CARRIE COLLINS gave background on the project and planning to build 58 units of affordable housing in Fairbanks that will leverage federal public housing resources, federal low-income housing tax credits, and tax-exempt financing. Total development cost estimated to be 20 million dollars. Financing would stem from tax-exempt bond proceeds. ACAH expects to utilize federal program housing resources for direct housing funding for the project. Presented a list of other partners in this development. Staff recommends approval of Resolution 2022-01. GERARD DETA addressed the private activity on volume cap and that we do have a sufficient allocation in hand already and a sufficient multi-family designation within that cap. VIVIAN STIVER moved to approve Resolution 2202-01. JESS HALL seconded the motion. The resolution was unanimously approved (6-0) **Resolution 2202-01: 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.**
- VII. **ANY OTHER MATTERS TO PROPERLY COME BEFORE THE BOARD.** There were none.
- XII. **ADJOURNMENT.** JESS HALL moved to adjourn. VIVIAN STIVER seconded. CHAIRMAN LEVALLEY called the meeting adjourned at 9:15 a.m.

ATTESTED:

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Brent LeValley  
Board Chair



## MEMORANDUM

**DATE:** July 20, 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 \$17,000,000, lend up to \$16,000,000, and guaranty certain obligations regarding the financing and the development of affordable housing in Fairbanks, Alaska.

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### *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 has started its second development project by leveraging these funds with federal low income housing tax credits (LIHTC) and tax-exempt financing.

### Fairbanks Development

ACAH will develop 58 units of affordable housing 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, located 1.5 miles away on South Barnette Street, is also a vacant lot and will contain 40 units of family housing. Construction is expected to begin in summer 2022 and be completed in spring 2024.

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 is 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	\$8,589,775
Anticipated Long-Term “Must Pay Debt”	\$1,876,115
Anticipated Soft Debt	\$14,809,025
<b>Projected Total Project Cost</b>	<b>\$25,274,915</b>

- The total development cost of the combined sites is estimated to be \$25 million. A portion of the tax-exempt debt will be replaced with permanent hard debt at project completion.
- Financing through the construction phase will stem from Tax Exempt Bond proceeds at both sites. This financing is required to qualify for the LIHTC’s and has been approved by the AHFC Board of Directors.
- 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

The partners outlined above expect to finalize this transaction in August 2022. At that time, 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 2022-02.



## RESOLUTION No. 2022-02

### **RESOLUTION AUTHORIZING THE PRESIDENT OF THE ALASKA CORPORATION FOR AFFORDABLE HOUSING TO ENTER INTO ONE OR MORE CONTRACTS TO BORROW UP TO \$17,000,000, LEND UP TO \$16,000,000, 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 July 20, 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 \$17,000,000.

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 \$16,000,000 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 20<sup>th</sup> day of July 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 & Audit Committee)~~

July 20, 2022 (AHFC Regular & ACAH Special Meeting)

~~July 27, 2022 BOD (AHFC Regular)~~ **Rescheduled to July 20, 2022**

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)