

**Grantee: Alaska**

**Grant: B-08-DN-02-0001**

**July 1, 2017 thru September 30, 2017 Performance**

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<b>Grant Number:</b> B-08-DN-02-0001	<b>Obligation Date:</b> 03/19/2009	<b>Award Date:</b> 03/06/2009
<b>Grantee Name:</b> Alaska	<b>Contract End Date:</b> 03/06/2013	<b>Review by HUD:</b> Reviewed and Approved
<b>Grant Award Amount:</b> \$19,600,000.00	<b>Grant Status:</b> Active	<b>QPR Contact:</b> Andrew Petroni
<b>LOCCS Authorized Amount:</b> \$19,600,000.00	<b>Estimated PI/RL Funds:</b> \$749,128.06	
<b>Total Budget:</b> \$20,349,128.06		

## Disasters:

### Declaration Number

No Disasters Found

## Narratives

### Areas of Greatest Need:

The State of Alaska received the minimum state formula allocation for NSP and immediately began discussing the NSP program with Alaskan citizens and local and state government staff. An NSP web page was established on the AHFC website and NSP materials and links to the HUD NSP webpage were posted, as developed. AHFC was designated the lead agency by the Governor. The draft NSP Substantial Amendment was posted for public comment for the required comment period. A statewide, recorded teleconference was held on October to solicit input into the plan and to answer questions. Many provider groups began working together to determine NSP needs in their respective communities and many public comments were received with regard to the distribution and use of the NSP funds in Alaska. AHFC staff presented the NSP program to a number of urban and rural groups in Alaska during the Fall/Winter of 2008. AHFC reviewed the HUD foreclosure and abandonment risk scores to determine the areas of greatest need in Alaska and reviewed the OFHEO data, the HMDA data, and AHFC mortgage data to develop an Alaskan NSP allocation formula using the following factors: potential subprime percentage, foreclosure percentage, notices of default, and eligible LMMI tracts/block group within each area. AHFC proposed a competitive "Request for Qualifications" competition for funds in the SA which would be held by geographic recording district/funding area. AHFC requested a flexible approach in developing Alaska's NSP program due to Alaska's vast, diverse service area and the challenges faced in developing rural projects. AHFC reserved the right in the SA to reallocate any funds not allocated through the initial RFQ process between allocation areas and proposed to pull funds from grantees to reaward if substantial progress could not be achieved by grantees within six months of grant award. AHFC also reserved the right to use NSP funds for the acquisition of housing for the Public Housing Division or for an AHFC Land Bank Activity, proposing to work on behalf of smaller communities or agencies who lacked capacity to independently acquire properties and negotiate the appropriate purchase discount. The Recording District/Funding Areas initially proposed for the Alaskan NSP Program are as follows: Rank 1 Anchorage; Rank 5 Ketchikan; Rank 2 Mat-Su Borough; Rank 6 Juneau; Rank 3 Fairbanks/NS Borough; Rank 7 Rest of State category; Rank 4 Kenai Peninsula. Initially, all five NSP eligible uses and corresponding eligible activities, plus an administrative cost use were proposed in order to give potential NSP applicants a broad menu of NSP program planning options. AHFC's Substantial Amendment was approved by HUD Headquarters on December 29, 2008.

### Distribution and and Uses of Funds:

A competitive "Request for Qualifications" process was held in February/March of 2009. Applicants who could identify substantially "shovel-ready" projects in areas of greatest need with higher HUD Foreclosure Risk Assessment Scores, had fully developed project budgets and could demonstrate site control, received additional, project-based points in the RFQ process. Applicants who could not identify specific projects were eligible applicants, but were not eligible to receive project-based points. Responsive applications were received in Anchorage, Fairbanks, Kenai and Juneau funding areas. Additional project-based points were awarded when an applicant targeted "greatest need areas" with a Risk Assessment Score of between 3-6 within their application. Applications were not received for projects in the Mat-Su Borough funding area, the Ketchikan funding area, and the rest of state funding area. As per the SA, funds were reallocated from the three areas without applicants into the Fairbanks/North Star Borough funding area and the Municipality of Anchorage funding area on a formula basis as the projects proposed exceeded the amount of funds initially available. Additional funds were not allocated to the Kenai and Juneau areas due to their initial ranking of four and six on the statewide distribution table. Due to the lack of applications targeting the LR-25 set-aside, acquisition of foreclosed or abandoned homes or residential properties, \$1.9 million in program funds plus an additional potential \$190,000 in administrative funds were held back from the reallocation process to fully fund LH-25 activities in greater need areas. AHFC is exploring a reallocation strategy which may specifically target the Mat-Su Borough for this activity due to the Borough's designation as an area of greater need during the initial distribution process. Prior to moving forward in the allocation of the LH-25 set-aside funds, AHFC proposes to wait for the release of the HUD "NSP Bridge Document" that AHFC anticipates will modify the discount rate required to be negotiated by grantees on properties and the appraisal requirements found in the initial notice. Many potential applicants felt the required



discount rate could be difficult to achieve in Alaska and opted to undertake redevelopment activities under Use(E) rather than undertake acquisition activities for abandoned or foreclosed homes, which required the negotiation of a discount. Proposals were reviewed by an evaluation committee and a final "Intent to Award" released on May 1, 2009. No award protests were received. Substantially "shovel-ready" projects are moving quickly forward with environmental reviews. When appropriate, a tiered environmental review process will be utilized. Activities proposed by NSP awardees are as follows: acquisition, rehabilitation, demolition (clearance of blight), new housing construction, relocation, and housing counseling. Additional activities may be added if the LH-25 set-aside projects target additional eligible activities. Additional reallocation of NSP funds and new uses/activities could be proposed if grantees fail to demonstrate substantial progress within six months of execution of grant award. AHFC reserved 10% of the NSP allocation for administration activities and will use a portion of the funds for AHFC Admin. and a portion for Grantee Admin. as set forth in DRGR. All awardees plan to have NSP funds totally expended by March 6, 2013, although a few projects proposed

**Distribution and and Uses of Funds:**

may not be totally completed by this date. Revision #2: Prior to any draw down activities, two project names were modified as well as their activity naming conventions to better correlate with the AHFC Grants Management System. CDIA was changed to CDI and HFH1 to HFH. No changes in grantee/award amount were made. Project NSP-09-CIH-1 modified NSP properties as some of the properties identified in their initial application were not available. The Revision #2 up

**Definitions and Descriptions:**

**Affordable Rents - AHFC sets a maximum rent for NSP units. Affordable rents are based on the bedroom size of the unit. They are to be set no higher than the lesser of the LIHTC program rent, the HUD Fair Market Rent, or the AHFC Payment Standard for the Section 8 Housing Choice Voucher Program.**

Affordable Rents - revised definition published in March of 2013. No formal comments were received as a result of this publication. "Affordable Rents" for the Alaska Neighborhood Stabilization Programs 1&3 are defined as rents paid by the tenant. In the case of an NSP-assisted unit housed within a rent-restricted, mixed financing project such as: NSP/LIHTC program, NSP/811 program, NSP/202 program, NSP/NAHASDA or NSP/Public Housing program, affordable rents for the NSP-assisted units within the rent-restricted, mixed finance project will be defined as the affordable rent for the unit set by the partner program. Although NSP does not require annual re-examination of income for existing tenants, if the NSP-assisted unit is housed within a project that requires an annual re-examination of income, the more restrictive, partner-program requirements shall apply.

For NSP-assisted units within an NSP-only project, affordable rents paid by the tenant will be set no higher than the lesser of the HUD Fair Market Rent or the AHFC Payment Standard for the Section 8 Housing Choice Voucher Program and will be based on the bedroom size of the unit. Income will be reviewed prior to occupancy for each new tenant.

**Blighted Structures - A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare and/or multiple code violations. AHFC reserves the right to inspect a property that is proposed to be blighted to determine whether the property meets the national standard. All blighted structures are to be inspected by a qualified inspector and a written report must be submitted that confirms that the property is blighted prior to beginning the demolition of the structure.**

**Low Income Targeting:**

Over \$5 million will be spent on families at or below 50% AMI which will count toward the mandated 25% of 50% AMI set-aside. With the passage of the Dodd-Frank Act, the balance of unexpended funds in two development projects serving a 50% AMI population will be reprogrammed as additional set-aside activities.

**Public Comment:**

Comments on the revised affordable rent definition will be reported at the conclusion of the comment period.

**Acquisition and Relocation:**

Several grantees who purchased and rehabilitated foreclosed properties are planning additional affordable housing development with program income generated from the sale of homes. These activities are in the planning stages and activities have been added to the project when the redevelopment is projected to take place as a Use E rather than a Use B activity.

Relocation activities continue on one project in Fairbanks. A one-day URA Training was held in May of 2010 by Jade Santoro, HUD Relocation Specialist and the three-day HUD "All the Right Moves" Training was held in September of 2010. One additional 30-day publication was done and individual informational outreach letters were sent to former tenants and additional relocation claims were filed as a result of this outreach. Relocation expenses were paid from several sources of funds outside of the NSP activity. All relocation payments will be completed within the second quarter of 2013.

<b>Overall</b>	<b>This Report Period</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$20,047,128.06
<b>Total Budget</b>	\$0.00	\$20,047,128.06
<b>Total Obligated</b>	\$0.00	\$20,047,128.06
<b>Total Funds Drawdown</b>	\$0.00	\$20,047,128.06
<b>Program Funds Drawdown</b>	\$0.00	\$19,600,000.00
<b>Program Income Drawdown</b>	\$0.00	\$447,128.06
<b>Program Income Received</b>	\$0.00	\$519,128.06
<b>Total Funds Expended</b>	\$0.00	\$20,212,193.28
<b>Most Impacted and Distressed Expended</b>	\$0.00	\$0.00
<b>Match Contributed</b>	\$0.00	\$9,464,047.21



## Progress Toward Required Numeric Targets

Requirement	Target	Actual
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$9,464,047.21
Limit on Public Services	\$2,940,000.00	\$0.00
Limit on Admin/Planning	\$1,960,000.00	\$1,517,305.62
Limit on Admin	\$0.00	\$1,517,305.62
Most Impacted and Distressed Threshold (Projected)	\$0.00	\$0.00
Progress towards LH25 Requirement	\$5,087,282.02	\$5,710,207.91

## Overall Progress Narrative:

The only change this quarter is with NSP-09-KPH-1-4. The property was sold to a qualified buyer.

## Project Summary

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
NSP-09-AHF-1, AHFC-Administration	\$0.00	\$1,213,054.00	\$1,213,054.00
NSP-09-ANH-1, ANH-NSP (E) Redevelopment	\$0.00	\$2,734,321.00	\$2,734,321.00
NSP-09-CDI-1, CDI-NSP (D) & (E)	\$0.00	\$4,301,225.50	\$4,301,225.50
NSP-09-CIH-1, CIH-NSP (B) & (D) (E)	\$0.00	\$6,739,068.30	\$6,739,068.30
NSP-09-FNH-1, FNH-NSP (B) Pur & Reh.	\$0.00	\$470,250.00	\$470,250.00
NSP-09-HFH-1, HFH-NSP (E) Red. AcNHC	\$0.00	\$452,809.18	\$452,809.18
NSP-09-JHT-1, JHT-NSP (B) Pur & Reh	\$0.00	\$852,898.50	\$559,032.93
NSP-09-KPH-1, KPH-NSP (B) Purchase & Rehab.	\$0.00	\$1,494,127.58	\$1,340,865.09
NSP-09-RCP-1, Rural CAP-NSP (E) Redev-Anch	\$0.00	\$1,211,374.00	\$1,211,374.00
NSP-09-RCP-2, Rural CAP - NSP (E) Redev-Kenai	\$0.00	\$578,000.00	\$578,000.00



## Activities

**Project # /** NSP-09-KPH-1 / KPH-NSP (B) Purchase & Rehab.

**Grantee Activity Number:** NSP-09-KPH-1-2

**Activity Title:** KPHI - NSP (B) P & R - Rehab

**Activity Category:**

Rehabilitation/reconstruction of residential structures

**Project Number:**

NSP-09-KPH-1

**Projected Start Date:**

12/01/2009

**Benefit Type:**

Direct ( HouseHold )

**National Objective:**

NSP Only - LH - 25% Set-Aside

**Activity Status:**

Completed

**Project Title:**

KPH-NSP (B) Purchase & Rehab.

**Projected End Date:**

03/06/2013

**Completed Activity Actual End Date:**

**Responsible Organization:**

Kenai Peninsula Housing Initiatives

Overall	Jul 1 thru Sep 30, 2017	To Date
Total Projected Budget from All Sources	N/A	\$173,936.82
Total Budget	\$0.00	\$173,936.82
Total Obligated	\$0.00	\$173,936.82
Total Funds Drawdown	\$0.00	\$173,936.82
Program Funds Drawdown	\$0.00	\$173,936.82
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$153,262.49
Total Funds Expended	\$0.00	\$173,936.82
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

**Activity Description:**

Rehabilitation of housing for homeownership units for families at or below 50% AMI. In December 2012, one unit was moved to an 80% AMI unit to facilitate the sale to a family with an income at or below 80% AMI; rather than at 50% AMI due to the lack of mortgage-ready families in the area at the 50% AMI level who were interested in purchasing the property. The rehabilitation expenses attributed to the property have been moved to the 80% AMI rehabilitation activity. Although this change lessens the overall 25% AMI set-aside, the set-aside continues to be well above the statutorily mandated minimum for NSP1.

**Location Description:**

115 North Kobuk, Soldotna, Alaska and 398 Katmai Avenue, Soldotna, Alaska.

**Activity Progress Narrative:**



## Accomplishments Performance Measures

	This Report Period		Cumulative Actual Total / Expected	
	Total		Total	
# of Properties	0		2/2	
#Energy Star Replacement	0		3/0	
#Additional Attic/Roof	0		1/0	
#Low flow toilets	0		6/0	

	This Report Period		Cumulative Actual Total / Expected	
	Total		Total	
# of Housing Units	0		2/2	
# of Singlefamily Units	0		2/2	

## Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod
# of Households	0	0	0	1/2	0/0	1/2	100.00
# Owner Households	0	0	0	1/2	0/0	1/2	100.00
# Renter Households	0	0	0	0/0	0/0	0/0	0

## Activity Locations

No Activity Locations found.

## Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

<b>Grantee Activity Number:</b>	<b>NSP-09-KPH-1-3</b>
<b>Activity Title:</b>	<b>KPHI - NSP (B) Pur &amp; Rehab -Acq</b>

**Activity Category:**

Acquisition - general

**Project Number:**

NSP-09-KPH-1

**Projected Start Date:**

12/01/2009

**Benefit Type:**

Direct ( HouseHold )

**National Objective:**

NSP Only - LMMI

**Activity Status:**

Completed

**Project Title:**

KPH-NSP (B) Purchase & Rehab.

**Projected End Date:**

03/06/2013

**Completed Activity Actual End Date:**

11/28/2012

**Responsible Organization:**

Kenai Peninsula Housing Initiatives

Overall	Jul 1 thru Sep 30, 2017	To Date
<b>Total Projected Budget from All Sources</b>	N/A	\$757,203.31
<b>Total Budget</b>	\$0.00	\$757,203.31
<b>Total Obligated</b>	\$0.00	\$757,203.31
<b>Total Funds Drawdown</b>	\$0.00	\$757,203.31
<b>Program Funds Drawdown</b>	\$0.00	\$757,203.31
<b>Program Income Drawdown</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Total Funds Expended</b>	\$0.00	\$757,203.31
Kenai Peninsula Housing Initiatives	\$0.00	\$757,203.31
<b>Most Impacted and Distressed Expended</b>	\$0.00	\$0.00
<b>Match Contributed</b>	\$0.00	\$0.00

**Activity Description:**

Large foreclosed home was acquired at a 14.36% discount from the lender. Sterling Highway property currently being marketed by grantee to income-eligible borrowers at or below 120% AMI. Program income generated from the sale of the property to an income-eligible borrower will be utilized for additional NSP-eligible activities. In December 2012, the acquisition expenses attributed to 40810 Kay Court were moved to this activity due to the sale of the property to an 80% AMI, rather than a 50% AMI prequalified homebuyer. The 3751 Sterling Highway property was sold to a 120% AMI buyer. This activity is being tracked in NSP-09-KPH-1-4.

**Location Description:**

3751 Sterling Highway, Homer, Alaska and 40810 Kay Court, Homer, Alaska.

**Activity Progress Narrative:**

**Accomplishments Performance Measures**

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
<b># of Properties</b>	0	2/2



# of buildings (non-residential)	0	0/0
# of Parcels acquired by	0	0/0
# of Parcels acquired by admin	0	0/0
# of Parcels acquired	0	2/2
Total acquisition compensation	0	235000/0

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	2/2
# of Singlefamily Units	0	2/2

### Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod
# of Households	0	0	0	0/0	0/2	0/2	0
# of Persons	0	0	0	0/0	0/0	0/0	0

### Activity Locations

No Activity Locations found.

### Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

<b>Grantee Activity Number:</b>	<b>NSP-09-KPH-1-4</b>
<b>Activity Title:</b>	<b>KPHI - NSP (B) P &amp; R - Rehab</b>

**Activity Category:**

Rehabilitation/reconstruction of residential structures

**Project Number:**

NSP-09-KPH-1

**Projected Start Date:**

12/01/2009

**Benefit Type:**

Direct ( HouseHold )

**National Objective:**

NSP Only - LMMI

**Activity Status:**

Completed

**Project Title:**

KPH-NSP (B) Purchase & Rehab.

**Projected End Date:**

03/06/2013

**Completed Activity Actual End Date:**

07/14/2017

**Responsible Organization:**

Kenai Peninsula Housing Initiatives

Overall	Jul 1 thru Sep 30, 2017	To Date
<b>Total Projected Budget from All Sources</b>	N/A	\$23,624.31
<b>Total Budget</b>	\$0.00	\$23,624.31
<b>Total Obligated</b>	\$0.00	\$23,624.31
<b>Total Funds Drawdown</b>	\$0.00	\$23,624.31
<b>Program Funds Drawdown</b>	\$0.00	\$23,624.31
<b>Program Income Drawdown</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Total Funds Expended</b>	\$0.00	\$23,624.31
Kenai Peninsula Housing Initiatives	\$0.00	\$23,624.31
<b>Most Impacted and Distressed Expended</b>	\$0.00	\$0.00
<b>Match Contributed</b>	\$0.00	\$0.00

**Activity Description:**

Rehabilitation of one foreclosure to be resold or leased to an income eligible family with an income at or below 120% AMI. Grantee requested budget modification on April 5, 2010, moving funds from rehabilitation to acquisition. Rehabilitation will take place through the use of other funding sources, with the NSP funds used for acquisition. In December 2012, the expenses attributed to rehabilitation of a second unit initially purchased for resale to a 50% AMI family was reprogrammed to this activity to facilitate the sale of the Kay Court home to a family with an 80% AMI income level. The 3751 Sterling Highway property was sold in July 2017 to a 120% AMI qualified buyer.

**Location Description:**

3751 Sterling Highway and 40810 Kay Court, Homer, Alaska.

**Activity Progress Narrative:**

Property was sold to a qualified buyer in this quarter.

**Accomplishments Performance Measures**

This Report Period  
Total

Cumulative Actual Total / Expected  
Total





# of Properties	0	1/2
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	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	1/2
# of Singlefamily Units	0	1/2

### Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod
# of Households	0	0	0	1/0	0/2	1/2	100.00
# Owner Households	0	0	0	1/0	0/2	1/2	100.00

### Activity Locations

No Activity Locations found.

### Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

