



**SFY 2021 Teacher, Health Professional, and Public Safety (THHP) Housing Grant Program**

**Notice of Funding Availability  
Rating Criteria and Award Plan**

**August 5, 2020**

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## **PROGRAM OVERVIEW**

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To help address critical housing needs and the shortage of vital professionals in rural Alaska, AHFC offers the Teacher, Health Professional and Public Safety Housing Grant Program. Funds are awarded competitively on annual basis for the rehabilitation, construction, or acquisition of rural housing projects. Eligible entities include school districts, local governments, regional health corporations, housing authorities and nonprofits.

Rural towns and villages across Alaska rely on attracting experienced teachers, public safety officials and health care workers to help build strong and healthy communities. AHFC works with communities to help address housing shortages which can be a barrier to recruiting and retaining high quality professionals. Partnering with local organizations across the state to develop safe, affordable, sustainable, and quality housing, helps encourage needed professionals to locate or remain in a small community environment.

For over 15 years, funding from the Alaska Housing Finance Corporation's Teacher, Health Professional and Public Safety program has participated in 498 units with more than \$96 million in grants totaling over \$147 million in statewide economic impact.

## **FUNDING**

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The AHFC Teacher, Health Professional, and Public Safety Housing Grant Program (THHP) is funded by the State of Alaska General Funds and Corporate Earnings. The amount available under this program for SFY2021 is \$2,000,000.

Funding is available for the development of housing that will serve Teachers, Health Professionals, and/or Public Safety Personnel, as defined in part 8. of the Application Threshold Requirements & Documentation.

In order to maintain geographic dispersion and maximize total housing units developed, **AHFC has limited THHP grant funding to a maximum of \$500,000 per application** for the SFY2021 cycle. Applications that do not demonstrate a financially feasible development will not be considered for THHP funding.

AHFC encourages all applicants to layer THHP grant funds with funding from other state or federal programs, collaborate with other community organizations to maximize contributions, and/or leverage long term debt to assist in the development.

**During the underwriting process, AHFC will analyze potential Grantee debt capacity to determine the appropriate gap for THHP funding. The THHP subsidy may be different than the amount requested as AHFC may determine a smaller THHP funding level below the amount requested through the gap analysis. Through these analyses, AHFC, in its sole discretion, will determine the portion of total awarded funds available through 1) the THHP Grant Amount and 2) a THHP Permanent Financing Option; maximum THHP funding per applicant includes both 1 & 2.**

## Prior THHP Awardees

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Applicants who received an award under a prior THHP NOFA must show that the housing developed under the previous award remains in service for the specific use of housing Teachers, Health Professionals, and/or Public Safety personnel. Previous awardees are only eligible for funding if prior THHP funded developments remain in compliance with THHP restrictive covenants. Previously funded THHP developments are available on the following webpage, under *2004-Present THHP Projects Summary*:

<https://www.ahfc.us/pros/homelessness/development-grants/thhp>

Applicants will be required to certify compliant use of prior THHP developments through completion of the application via the online tool.

## Important Dates & Deadlines

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All parties wishing to apply for funding under this NOFA must comply with the below stated deadlines. Other important dates are also listed below for your reference. Dates which are subject to change are followed by '(est)'. Registration and Application deadlines are set, submissions after below stated deadlines will not be accepted, unless AHFC determines that it is in the best interests of the Program, Corporation, or State.

<b>Activity</b>	<b>Date/Deadline</b>
NOFA Publication	August 5, 2020
Registration Due*	August 21, 2020 by 5:00 PM
Access Provided for Online Application Tool	August 25, 2020 (est.)
Mandatory Applicant Training**	September 15, 2020 (est.)
Application Due*	November 13 , 2020 by 5:00 PM
Notice of Intent to Award	December 11, 2020 (est.)

*\*indicates a hard deadline, late submission will not be accepted.*

*\*\*unless otherwise approved by AHFC, applications will only be accepted from communities who attend the Mandatory Applicant Training event*

## APPLICATION REVIEW AND EVALUATION PROCESS

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All parties wishing to apply for funding under this NOFA must register their intent no later than the stated deadline by emailing the SFY2021 THHP Registration Form (available on the AHFC website) to the program manager, through the email address provided in the form. Registration submissions received after the deadline will not be invited to participate in the 2021 THHP application cycle. Registrations will be accepted through email to the Program Manager only, other submission types will not be accepted.

Following successful Registration, eligible entities will be required to submit a complete application through the online application tool no later than the stated deadline. Applications received after the deadline will not be evaluated for award; at the sole discretion of AHFC, incomplete or missing information may be submitted, at the request of AHFC, after the application deadline, however, any

information provided after the deadline will not result in additional application points under the competitive scoring criteria. Application forms must be submitted through the online application tool, other submission types will not be accepted.

## **MANDATORY TRAINING**

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AHFC will host an all-day applicant training through a WebEx videoconference on August 25<sup>th</sup> (est.). Information regarding this training will be provided after registration is complete. Unless otherwise approved by AHFC, all successful registrants are required to attend the training to be eligible to submit an application. The applicant training will review the application process, scoring criteria, and use of the online application tool. Registrants are invited to contact the THHP Program Manager to request specific agenda items or points of emphasis to be covered in the training.

Training date(s) will be announced no later than 4:30PM AKST the day after conclusion of the Registration Period; at the time of NOFA publication, training is anticipated to take place on or around August, 2020. Attendance and participation in the training is mandatory, applicants who do not meet this requirement will not be eligible to submit an application for consideration. In the event of unresolvable scheduling conflicts, please contact the Program Manager as soon as possible to determine if, at the sole discretion of AHFC, an alternative option is available.

## **Additional Information and Examples – Appendix I**

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Additional information and examples regarding threshold requirements for the registration and application phases and ranking criteria are available in NOFA Appendix I.

## **Threshold Requirements & Documentation – Registration**

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The below listed documentation must be submitted to AHFC to be eligible to submit a full application. Registration forms must be emailed to the Program Manager no later than the specified due date. All forms must be received via email to the program manager.

Registration submissions that are incomplete will not be invited to participate in the application round.

1. **Registration Form.** Prospective applicants must complete, in its entirety, the SFY2021 THHP Registration Form. The form is available on the AHFC website at <https://www.ahfc.us/pros/homelessness/development-grants/thhp>

**Required Documentation:** SFY2021 THHP Registration Form.

2. **“Small Community”.** Location of the proposed development must be within a “small community”, defined as:  
A community with a population of 6,500 or less that is not connected by road or rail to Anchorage or Fairbanks, or with a population of 1,600 or less that is connected by road or rail to Anchorage or Fairbanks and at least fifty (50) statute miles outside of Anchorage or twenty-five (25) statute miles outside of Fairbanks. In this definition, "a

connected road" does not include connection by the Alaska Marine Highway System or roads outside the boundary of the State of Alaska.

**Required Documentation:** 1 THHP Registration Form.

### **Threshold Requirements & Documentation – Application**

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To be considered for THHP funding, all project proposals must meet the following minimum requirements as verified through submission of the identified documentation. Only those approved to apply, through completion of the registration process, will be provided login credentials to complete a full application through the online tool. Applicants may be required to submit additional documentation as deemed necessary by AHFC.

1. **Resolution Approving SFY2021 THHP Request.** A resolution of the applicant's governing body authorizing the request for grant funds under this NOFA. If the applicant is a municipality, the resolution must be signed by the municipal official with authority to apply for the grant. The resolution must identify the individual who is authorized to provide application information on behalf of the applicant's governing body.

**Required Documentation:** Resolution from the applicant's governing body authorizing the request of SFY2021 THHP funds and naming the authorized individual.

2. **Waiver of Sovereign Immunity.** Before grant awards are executed, eligible tribal governments that qualify for sovereign immunity must sign a Resolution for Waiver of Sovereign Immunity (WOSI). This WOSI must be reviewed and approved by AHFC's legal team prior to executing any THHP award.
3. **Site Control.** Applicant must have binding site control and provide evidence which includes the legal description for the land. Leases or other arrangements where sponsor does not hold title to the land must ensure the site control does not contain reversion terms and/or no encumbrance language.

The site control may be conditional upon the award of AHFC grant funding; however, this condition may not terminate the site control agreement until at least 60 days after the estimated date of Notice of Intent to Award issuance. If the proposal submitted involves multiple project sites, the applicant must provide site control evidence for each piece of property that will be developed or rehabilitated.

Proposed development sites must not be the subject of a lien.

Examples of acceptable forms of site control are:

- a. Current deed (warranty deed, quitclaim deed, etc...);
- b. Executed earnest money agreement;
- c. Lease agreement with a term not less than 15 years or the duration of the mortgage term, whichever is greater;
- d. Option to purchase with a lease term not less than 15 years or the duration of the mortgage term, whichever is greater;

- e. Other similar legally binding document meeting the site control requirements of the above paragraph.

**Site control documents may not include reverter clauses or “reversions” that cloud title or otherwise impede AHFC’s ability to enforce the use restrictions that will be recorded for each of the funded properties. The site control documents must allow the sponsor to sublet or lease property/unit(s) to public service professionals, and allow for an AHFC Deed of Trust and Note.**

**Required Documentation:** Evidence of acceptable site control.

#### 4. Environmental Review.

**Required Documentation:**

1. Proximity to coastline and riverine system(s); must provide a coastal/riverine map and 100 year flood map showing locations relative to the proposed development site. Maps must include the distance to each feature; coasts, rivers, and 100 year flood plain.
2. Susceptibility to natural disasters such as flood, wind events, fire, etc. based on history or current status; if susceptible, documentation must describe design features included to ensure longevity of the development and to protect occupants and systems from harm.
3. Evidence of acceptable zoning or a statement of no zoning from the local governmental body.
4. A letter from the Alaska State Historic Preservation Office (SHPO) indicating that no historic or cultural areas will be impacted. If this letter is unavailable at the time of application, the letter will be required prior to the execution of any THHP award.
5. Photographs of the proposed site(s).

#### 5. Development and Operational Data.

**Required Documentation:**

- a. Development cost estimate supported by a credible third-party bid(s) and/or estimate(s).

Acceptable forms of evidence may be contractor bids, architect estimates, and construction cost estimates. Construction cost estimates should be provided by a general contractor with experience in the area. If the project involves the development of multiple structures, Total Development Cost (TDC) per structure must be reported in addition to overall project TDC.

- b. Third-party support for the project’s anticipated rent revenue.

Acceptable forms of evidence may be current rent for similar buildings, or estimated rents *if* reasonable comparable units do not exist in the proposed community.

- c. Third-party support for the project’s anticipated operating expenses.

Acceptable forms of evidence may be current operating expenses of similar buildings, or estimated operating expenses *if* reasonable comparable units do not exist in the proposed community.

6. **Currently owned residential properties.** Applicants must provide a complete list of their currently owned residential properties within the proposed development community, including those owned by partner organization.

**Required Documentation:** List of currently owned residential properties including:

1. Current occupancy status.
  2. Current monthly rent amount.
  3. Monthly operating expenses (including heating, electricity, maintenance, insurance, etc.).
  4. Current maintenance structure (in-house, occupant only, contract, none, etc.).
7. **Matching Funds.** A match of at least 15% of the Total Development Cost (TDC) is required. Eligible match funds include cash, in-kind donations, grants, debt, and other cash equivalents. Applicants must provide a short narrative describing sources of all non-THHP funds.

**Required Documentation:** Narrative stating the type and value of matching funds. Documentation verifying commitment to contribute at least 15% of the TDC of the project is required. Land owned by the applicant or a partner agency at the time of application may be applied to the required match only where an appraisal or Broker's opinion of value is provided.

Matching funds must represent Total Development Costs less the requested THHP award.

8. **Development Occupancy.** The housing must be for use by eligible professional groups. These include teachers, health or public safety personnel, as defined below:
  - Teacher Housing: Housing for teachers, other educators and (or other) staff employed by the public school district, public vocational education institution and public university in which the housing unit is physically located.
  - Health Professional Housing: Housing for any person who is licensed or board certified by the State of Alaska in a health profession; holds a state certification in a health occupation; or is an administrator or a hospital or clinic, or employed as an aide, attendant, assistant, counselor or technician in a health field. To qualify, individuals must be acting in the qualified capacity for the duration of occupancy.
  - Public Safety Housing: Housing for public safety personnel not limited to law enforcement, employed by the State of Alaska or an instrumentality thereof, including Village Public Safety Officers (VPSOs), the federal government, or municipal/tribal government.

**Required Documentation:** Statement of intended occupancy. Statement must include narrative describing the status of the intended occupant(s); current resident of substandard housing, current resident without permanent housing, not currently identified (hoping to attract professionals with housing), on contract pending housing availability, etc.



9. **Partner Organization Commitment.** If the application involves more than one entity, in cases of mixed type housing or when the applicant does not directly employ the intended occupant professional(s), the application must include resolutions or letters of support from each participating entity, signed by the president, executive officer, mayor, etc.

Applications that request points for unrestricted use under item 3.a. of the Ranking Criteria (see page 14) must provide partner organization commitment for all three eligible professional groups; teachers, health professionals, and public safety personnel.

**Required Documentation:** Letters of commitment from partner organizations.

10. **Concurrent Projects.** Must state concurrent or planned projects, or state none currently planned or ongoing. To qualify for credit under this scoring mechanism, statements must include a description of anticipated cost saving afforded and the estimated value of the savings. Example; *concurrent road project, heavy equipment already in community, shipping savings estimated at \$5,000.00.*

**Required Documentation:** Letter from the local governmental entity detailing concurrent or planned projects. A narrative describing the source of the savings and the estimated/anticipated savings provided; this may be addressed by the local governmental entity in a separate document. Savings that are not identifiable or that will have an unknown cost impact are not eligible for scoring credit under item 1.a. of the Ranking Criteria (see page 12).

11. **Development Timeline.** Completion of the project will be within 3 years of the award date and the start date is within 1 year of the award.

**Required Documentation:** Project development schedule showing, at minimum, estimated completion points including, but not limited to, the following:

1. Contractor selection
2. Material order
3. Construction start
4. Completion of construction, including inspections per the PUR-102
5. Tenant occupancy

12. **Code Compliance.** The housing units developed must satisfy the applicable Building Energy Efficiency Standard (BEES) compliance requirements and AHFC adopted residential construction code per the current AHFC Minimum Construction Inspection Guidelines, available here:

<https://www.ahfc.us/pros/builders/alaska-minimum-construction-standards/>

**Required Documentation:**

1. Single-line drawings that include general layout, also known as preliminary drawings. Preliminary drawings should, at a minimum, provide estimated/anticipated floor areas and unit layout(s).

13. **Relocation Assistance.** Applicants must provide relocation assistance to residents who will be relocated by development activities.

**Required Documentation:** For proposed projects involving currently occupied structures or land, applicants must provide a statement that no persons will be displaced or must provide a *Displacement and Relocation Assistance Plan* outlining what steps will be taken to mitigate effects to existing tenants (residential and/or commercial) and/or the type of relocation assistance to be provided. Relocation assistance is an eligible THHP cost as determined appropriate at AHFC's sole discretion. Documentation must clearly identify the number of displaced individuals and the total cost of relocation assistance.

14. **Application Form and Workbook.** Applicants must complete the application form and application workbook. Applicants will provide data required to meet application requirements through completion of the form and workbook. All information provided in the form and workbook must be accompanied by supporting documentation, as described in the requirements preceding this item. Penalty points may be assigned where responses are not supported by the provided documentation; see the Penalty Points section located on page 16 of this NOFA for additional information.

15. **Development Team Experience.** Development team must possess the required minimum experience threshold and be in good standing. Required minimum experience:

- A minimum of 3 years or 3 separate projects in property/housing development; and
- A minimum of 2 years or 2 separate projects in grant management; and
- A minimum of 1 year in property management.

**Required Documentation:** Resumes of Development Team Members whose experience meets minimum requirements; may be one or multiple individuals. Resumes must clearly establish compliance with minimum experience requirements. Resumes must include contact information for the individual and sufficient information to confirm their content.

16. **Evidence of Legal Organizational Status.**

**Required Documentation:** Evidence of Legal Organizational Status, such as a non-profit designation letter from the Internal Revenue Service (non-profits, school districts, and municipalities) or Certification of Incorporation issued by the Department of Commerce.

17. **Recent Financial Statements.** Applicants must be deemed to be in good financial standing, as determined by AHFC, to be eligible to apply for THHP funds. Applicants with financial findings are encouraged to include a description of the finding and current procedures in place to rectify or avoid future instances. Approval by AHFC to participate in the THHP application phase should not be interpreted as a determination by the corporation that the entity is in good financial standing.

**Required Documentation:** Most recent Financial Statements such as a Balance Sheet and Cash Flow Statement

## APPLICATION RATING AND RANKING CRITERIA

The following criteria and associated points will be utilized to rate and rank applications received for THHP funds:

<b>Teacher, Health and Public Safety Housing Program Development Data &amp; Competitive Scoring SFY2021</b>		
<b>Competitive Scoring Categories</b>	<b>Max Points</b>	<b>Development Type</b>
<b>Leveraging Considerations</b>	<b>35</b>	<b>NC &amp; Rehab</b>
	Concurrent Projects	5
	Sources of Funds	10
	Cost Per Unit	20
<b>Need Analysis</b>	<b>70</b>	<b>NC &amp; Rehab</b>
	Professional Shortage	60
	First Time Community	10
<b>Occupancy Design</b>	<b>30</b>	<b>NC &amp; Rehab</b>
	Occupancy Restrictions	10
	Commercial Space	10
	Number of Units	10
<b>New Construction Project Design</b>	<b>30</b>	<b>NC</b>
	Design Level Assessment	20
	Renewable Energy Assessment	10
<b>Rehabilitation Project Design</b>	<b>30</b>	<b>Rehab</b>
	Rehabilitation	10
	BEES Compliant Rehabilitation	10
	Renewable Energy Assessment	10
<b>Maximum Score</b>	<b>165</b>	<b>NC &amp; Rehab</b>

Application rating and ranking criteria displayed on the prior page are described in the remaining sections of this NOFA. Each criteria will require a response and/or supporting documentation to result in the attainment of points; points will not be awarded where the provided response(s) and/or documentation are determined to be non-responsive; see Penalty Points for non-responsive definition. Application responses and supporting documentation must be submitted through use of the online application tool, other submissions will not be accepted.

**1. Leveraging Considerations – New Construction & Rehabilitation – 30 Points Maximum**

**a. Concurrent Projects – 5 Points**

Communities that have planned (with secured financing), simultaneous (on-going), or recently completed construction projects that will provide an identifiable cost savings to the proposed development will be awarded 5 points; planned and recently completed projects must fall within a 24 month period prior to/following the date of the submitted application to be considered. To achieve points under this category, applicants must clearly identify the nature of the cost savings and the actual or estimated value of the cost savings; AHFC reserves the right to withhold points where concurrent projects provide only a de minimis benefit to the proposed development.

**b. Sources of Funds – 10 Points Maximum**

Communities that commit to the following non-THHP funding sources are eligible for points per the below schedule:

<b>Level of non-THHP Funds</b>	<b>Points</b>
15% Match	<b>0</b> (minimum requirement)
Over 15% Match, but less than 25% Match	<b>5</b>
25% or more Match	<b>10</b>

Under this scoring mechanism, the anticipated source(s) and amount(s) of non-THHP funds must be identified.

Verification of funding source commitments will be required prior to the disbursement of Grant funds.

**c. Cost Per Unit – 20 Points Maximum**

Applicant cost per unit data will be evaluated by Department of Consumer and Regulatory Affairs (DCRA) region; a DCRA regions map is provided in Appendix I. Points will be awarded based on the below listed percentile cost per unit:

<b>Percentile by DCRA Region</b>	<b>Points</b>
80 <sup>th</sup> Percentile or Greater	<b>0</b>
60 <sup>th</sup> to under 80 <sup>th</sup> Percentile	<b>5</b>
40 <sup>th</sup> to under 60 <sup>th</sup> Percentile	<b>10</b>
20 <sup>th</sup> to under 40 <sup>th</sup> Percentile	<b>15</b>
Under 20 <sup>th</sup> Percentile	<b>20</b>

Cost per unit percentile will be determined based on the below ranges, by DCRA region:

<b>New Construction</b>						
<b>Region</b>	<b><i>Gulf Coast Region</i></b>	<b><i>Interior Region</i></b>	<b><i>Northwest Region (includes Utqiagvik)</i></b>	<b><i>Southeast Region</i></b>	<b><i>Southwest Region</i></b>	<b><i>Western Region</i></b>

<b>20th Percentile</b>	\$298,200.90	\$246,074.90	\$242,480.00	\$279,656.41	\$358,302.00	\$319,876.00
<b>40th Percentile</b>	\$331,463.70	\$267,276.00	\$295,803.50	\$306,306.22	\$392,206.50	\$343,479.00
<b>60th Percentile</b>	\$381,499.30	\$338,848.00	\$382,298.38	\$361,165.10	\$445,332.00	\$377,467.00
<b>80th Percentile</b>	\$443,953.05	\$381,724.00	\$449,012.00	\$427,031.70	\$506,137.00	\$453,742.63

<b>Rehabilitation (calculated at 75% of new construction cost per unit)</b>						
<b>Region</b>	<b>Gulf Coast Region</b>	<b>Interior Region</b>	<b>Northwest Region (includes Utqiagvik)</b>	<b>Southeast Region</b>	<b>Southwest Region</b>	<b>Western Region</b>
<b>20th Percentile</b>	\$223,650.67	\$184,556.18	\$181,860.00	\$209,742.30	\$268,726.50	\$239,907.00
<b>40th Percentile</b>	\$248,597.78	\$200,457.00	\$221,852.63	\$229,729.66	\$294,154.88	\$257,609.25
<b>60th Percentile</b>	\$286,124.48	\$254,136.00	\$286,723.78	\$270,873.83	\$333,999.00	\$283,100.25
<b>80th Percentile</b>	\$332,964.78	\$286,293.00	\$336,759.00	\$320,273.78	\$379,602.75	\$340,306.97

Note: AHFC reserves the right to amend the preceding cost per unit data prior to the application deadline if information becomes available that identifies errors, omissions, or unintended consequences that are deemed detrimental to the priorities of the Program, Corporation, and/or State. Adjustments to cost per unit tables will be made through an amended NOFA.

## **2. Need Analysis – 70 Points Maximum**

### **a. Professional Shortage (4 pages maximum) – 60 Points Maximum**

Provide a narrative outlining the professional shortages in your community. Describe the unmet need of professionals available to fill critical teacher, health professional and public safety positions. Include information regarding unfilled or vacant positions, the strategies you use to attract professionals to fill those positions and how housing availability affects recruitment and retention of professionals in these fields.

A committee review will assess the narrative submitted to score this portion of the application. The professional shortage narrative should include both qualitative and quantitative information regarding professional vacancies, available housing units, community housing demand and community support for increasing the supply of housing.

### **b. First Time Community – 10 Points**

Communities not previously funded through THHP will be awarded 10 points. Previously funded communities can be found at <https://www.ahfc.us/pros/homelessness/development-grants/thhp>.

### 3. Occupancy Design – New Construction & Rehabilitation– 30 Points Maximum

#### a. Occupancy Restrictions – 10 Points Maximum

Applications that propose to develop housing available to serve more than one eligible professional group, as defined in this NOFA and the 2021 THHP Policy and Procedure manual, will be awarded points per the below schedule.

To qualify for points under this category, applicants must provide letters of commitment and/or support from local entities who employ Teachers, Health Professionals, and/or Public Safety Professionals, based on the intended occupant group(s). Individual units within a multiunit building may be restricted to an identified eligible professional group, however, at least one unit in the proposed development must be available for a person satisfying any of the eligible “Professional” designations.

Number of Eligible Professional Groups	Points
Occupancy for <i>ONE</i> Professional Group	0
Occupancy for <i>TWO</i> Professional Groups	5
Occupancy for <i>ALL THREE</i> Professional Groups	10

#### b. Commercial Space – 10 Points

Applications that propose developments that include commercial space will be awarded 10 points. Construction of such space is limited to a maximum of 40% of the development total square footage; this limit does apply to the development of a health clinic.

To achieve these points, applicants must specify the intended use of the commercial space. Commercial space must not have a detrimental effect on the occupants of the residential units, and must meet at least one of the below criteria to be eligible for these points:

1. The Commercial Space will be rented to a commercial tenant where the tenant has been identified and has committed to taking occupancy upon completion; or
2. The Commercial Space will be utilized as a community space; or
3. The Commercial Space will be directly utilized by the occupant(s) of the residential space to provide services through their employment as an eligible professional.

THHP funds are limited to the development of the residential space, including integral systems and components that are common to the commercial space, including, but not limited to, foundations, roofing systems, space heating systems, and other elements required by applicable residential code.

#### c. Number of Units – 10 Points Maximum

Points will be awarded based on the number of proposed units per the below schedule:

<b>Number of Units</b>	<b>Points</b>
One Unit	0
Two Units	5
Three or more Units	10

**4. New Construction Project Design – New Construction – 30 Points Maximum**

Points will only be awarded under this category where the Level of Construction (AkWarm Home Energy Rating Score) and/or Solar Energy System(s) has been deemed cost effective through completion of the process described in Appendix I. AHFC will review data submitted under this category and determine, at their sole discretion, eligibility of points. Incomplete or unsupported data, as determined by AHFC, will not result in the award of points under this mechanism. At their discretion, applicants may exceed minimum BEES and/or include solar systems that are not determined cost effective, however, no points will be awarded.

**a. Design Level Assessment– 20 Points**

Applications that commit to developing housing that meets the most economically efficient level of BEES construction (Five Star, Five Star Plus, or Six Star) will be awarded 20 points. Points are only eligible where the selected construction level was deemed cost effective through completion of the process outlined in the application workbook.

**b. Renewable Energy Assessment – 10 Points**

Applications that commit to developing housing that includes the most economically efficient combination of Renewable Energy will be awarded 10 points. These 10 points are awarded for building the most cost effective configuration supported by the analysis.

Applications that commit to the inclusion of a Renewable Energy System will be awarded 10 points if the system is deemed cost effective through completion of the process outlined in the application workbook.

Applicants are encouraged to perform a renewable payback analysis to determine if it is cost effective. If applicants perform the renewable energy assessment and determine that the renewable energy sources are not cost effective, the applicants will receive points for not including the renewable energy system(s) in the final design.

**5. Rehabilitation Project Design – Rehabilitation – 30 Points Maximum**

**a. Rehabilitation – 10 Points**

Applicants proposing rehabilitation projects will be awarded 10 points. Applications proposing rehabilitation must submit an assessment or Brooker’s Opinion of Value for the existing structure to be rehabilitated. To receive points under this category, rehabilitation expenses are limited to 75% of the building’s pre or post renovation value (whichever is higher); this limitation may be waived where the habitable floor will be increased above a de minimis level.

**b. BEES Compliant Rehabilitation – 10 Points**

Applicants proposing rehabilitation projects where the development will meet or exceed current BEES standards at completion will be awarded 10 points.

**c. Renewable Energy Assessment – 10 Points**

Applications that commit to developing housing that includes the most economically efficient combination of Renewable Energy will be awarded 10 points. These 10 points are awarded for building the most cost-effective configuration supported by the analysis.

Applications that commit to the inclusion of a Renewable Energy System will be awarded 10 points only if the system is deemed cost effective through completion of the process described in the application workbook.

If applicants perform the renewable energy assessment and determine that renewable energy sources are not cost effective, the applicants will receive points for not including the renewable energy system(s) in the final design.

**Combination New Construction & Rehabilitation Developments**

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Where the proposed development includes both new construction and rehabilitation, points will be awarded on a pro-rata basis by number of units for each of the preceding ranking criteria. See Appendix I for examples.

**Penalty Points**

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AHFC reserves the right to assign penalty points resulting from deficiencies in the submitted application. AHFC retains the right to reject applications that are deemed, at AHFC’s sole discretion, to have errors or omissions that result in an inability to determine feasibility of the proposed development.

1. Applicant is deemed ‘non-responsive’; meaning that a response provided for a threshold requirement or scoring mechanism, including required support documentation, is incomplete, contradictory to other information provided in the application, missing, or does not address the stated requirement.
2. Conflicts of interest exist between members of the applicant’s development team and employees or board members of AHFC, or where AHFC is aware of a substantive failure to perform under a previously executed agreement with the corporation.
3. Elements of the application are not in line with the mission and goals of the Program, Corporation, and/or State.

**CEO Considerations**

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AHFC’s Chief Executive Officer (CEO) may apply considerations outside of stated threshold requirements and ranking criteria as deemed appropriate to meet Program, Corporation, or State of



Alaska Priorities, funding limitations, and/or equitable and responsible dispersion of THHP Grant Funds. The CEO may apply the below non-exhaustive list of considerations to determine final funding awards:

1. Geographic dispersion of THHP funded developments;
2. Maximization of the number of funded, financially feasible projects;
3. Alignment of other development activities within the proposed community which provide otherwise unavailable cost savings.

AHFC's CEO reserves the right to reject or postpone awards if, in their sole opinion, it is not in the best interest of the Program, Corporation, or State.

### **Tie Breaks**

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In the event of a tie, the tie will be broken in favor of the project whose community has gone the longest without a THHP funded development. If this does not resolve the tie, the proposed development with the lowest percentile cost per unit will prevail; cost per unit percentile will be calculated based on previous THHP development costs, evaluated by Department of Consumer and Regulatory Affairs (DCRA) defined regions. AHFC's CEO reserves the right to break a tie based on alternative development features determined appropriate, in their sole discretion.

**AHFC reserves the right to deny THHP funds to any applicant, regardless of that applicant's point ranking if, in AHFC's sole determination, the applicant's proposed project is not financially feasible, viable, or development costs are excessively under/overestimated.** Additionally, THHP funds may be awarded out of the ranking order established by the points earned. In such cases, this recommendation shall be based on the amount of THHP funds requested, relative to the amount of funding available, as well as other selection criteria identified within the rating criteria plan and the CEO considerations detailed above.