

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

November 18, 2020

Anchorage

10:00 a.m.

- I. ROLL CALL
- II. APPROVAL OF AGENDA
- III. MINUTES: October 21, 2020
Next Resolution: #20-28
- IV. PUBLIC COMMENTS
- V. OLD BUSINESS:
- VI. NEW BUSINESS:
 - 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. (20-28)
- VII. REPORT OF THE CHAIR
- VIII. BOARD COMMITTEE REPORTS: NONE
- 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

October 21, 2020

10:00 a.m.

Anchorage/Juneau/Fairbanks

The Board of Directors of Alaska Housing Finance Corporation met October 21, 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

ROBERT YUNDT
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

ALBERT WALL
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 AUGUST 26, 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 \$3,900,000 FOR THE LONG TERM FINANCING OF A PROPOSED TWENTY-ONE UNIT MIXED USE FACILITY TO BE KNOWN AS “HILLSIDE THPP PROJECT” AND LOCATED IN HOONAH, ALASKA.** BRYAN BUTCHER introduced the item and JAN MIYAGISHIMA presented. Ms. Miyagishima stated that this agenda item represents the term loan-refinancing request from First Bank on behalf of the Hoonah Indian Association for the development of a mixed-use multi-family building consisting of 16 apartment units and five office units. The purpose is to provide safe, quality, sanitary housing in Hoonah. AHFC has received and reviewed the application submitted by First Bank on behalf of Hoonah Indian Association, requesting funding in the amount of \$3,900,000, for the term refinancing of a newly developed 21 unit mixed-use building. Staff has reviewed the application package and has determined that it meets the requirements of the Multi-Family Loan Purchase Program and therefore presents an acceptable risk to the Corporation, noting that the program was designed to accommodate this type of request. Discussion followed. HAVEN HARRIS made a motion to approve Resolution 2020-26. VIVIAN STIVER seconded the motion. The resolution was unanimously approved. (7-0)

RESOLUTION #2020-26

RESOLUTION APPROVING TERM FINANCING FOR A MULTI-FAMILY HOUSING PROJECT TO HOONAH INDIAN ASSOCIATION.

B. **CONSIDERATION OF A RESOLUTION TO APPROVE THE AHFC’S FY2022 OPERATING AND CAPITAL BUDGETS.** BRYAN BUTCHER introduced the item and JAMES WIEDLE presented. Mr. Wiedle stated that the proposed FY2022 operating budget represents a “status-quo” operating budget of \$99,493,200 that uses no state general funds. This year’s capital budget request reflects a nominal decrease of \$1.5 million from last year’s request (FY2021) for a total budget of \$54.5 million. AHFC presented its proposed FY2022 budget to the Office of Management and Budget (OMB) on Sept. 28, 2020. The budget presented today, for AHFC board approval, is a result of these



efforts. Upon approval, AHFC's Executive Director will submit these budgets through the Department of Revenue to the Office of Management and Budget for inclusion in the Governor's proposed FY2022 budget. Discussion followed. VIVIAN STIVER made a motion to approve Resolution 2020-27. HAVEN HARRIS seconded the motion. The resolution was unanimously approved. (7-0)

RESOLUTION #2020-27

RESOLUTION TO AUTHORIZE ALASKA HOUSING FINANCE CORPORATION TO SUBMIT THE FY2022 OPERATING AND CAPITAL BUDGETS THROUGH THE DEPARTMENT OF REVENUE TO THE GOVERNOR'S OFFICE FOR SUBMITTAL TO THE STATE LEGISLATURE.

VII. REPORT OF THE CHAIR. CHAIR LEVALLEY thanked the AHFC Staff for their diligence to stay operational during the COVID-19 pandemic, yet making sure staff stayed safe and compliant with regulations.

VIII. BOARD COMMITTEE REPORTS. Audit Committee. MIKE BARNHILL gave an overview of the Audit Committee Meeting that was held earlier today.

IX. REPORT OF THE EXECUTIVE DIRECTOR. BRYAN BUTCHER reported on: 1.) Alaska Relief Program update; 2.) Legislative Updates, monitoring election and organization; 3.) DMVA Housing Security working group (Thurs, 8/27); 4.) PHD's Annual Training Week of September 21, 2020; 5.) Big Picture meeting with OMB, (Mon, 9/28); 6.) Meeting with Governor, (Mon, 10/5); 7.) Spoke to the AK Bankers Association virtually, (Tues, 10/6); 8.) ANC Homeless Leadership Council, (Thurs, 10/8); 9.) NCSHA Emergency Housing national panel recorded to be played at next week's NCSHA annual conference, (Monday, 10/19); 10.) Alaska Community Foundation CARES funds Nonprofit Relief fund final tranche meeting the week of 10/26; 11.) SC Earthquake \$15 million CDBG funds from DCCED; 12.) NCSHA Virtual annual meeting (Tues, 10/27 - Thurs, 10/29); 13. State Homebuilders Conference, Wasilla, (Thurs - Fri, 10/29-30); 14.) Fannie Mae HFA Virtual Summit, (Thurs, 11/5).



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:**

NTSC Annual Membership Meeting	November 18, 2020 9:30 am	Anchorage
NTSC Annual BOD Meeting	November 18, 2020 9:30 am	Anchorage
AHFC Regular BOD Meeting	November 18, 2020 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. VIVIAN STIVER made a motion to adjourn. Seeing and hearing no objections, the meeting was adjourned at 10:41 a.m.

ATTESTED:

Brent LeValley - Board Chair

Bryan Butcher
CEO/Executive Director



**ALASKA HOUSING FINANCE CORPORATION
BOARD CONSIDERATION MEMORANDUM**

Date: November 18, 2020

Staff: Eric A. Havelock

Item: Term loan request in the amount of \$1,000,000 for additional long term financing of a mixed-use multifamily project consisting of 223 units named "The Aviator" and located in Anchorage, Alaska

Background:


AHFC's board approved term financing for the acquisition of the subject 223 unit mixed-use affordable housing complex at the October, 2012 meeting. The loan was approved for a qualifying assumption that closed in August 2020. The borrower has applied to AHFC for additional funding to be guaranteed through Alaska Industrial Development and Export Authority's (AIDEA) AKSAFE loan program.

Summary and Recommendation:

The Multi-Family, Special Needs and Congregate Housing Program (Program) was designed to provide term financing for affordable multi-family rental developments. AHFC has received and reviewed the application by borrower Alaska Hotel Group, Limited Partnership requesting funding in the amount of \$1,000,000 for additional financing of a 223 unit affordable housing development. The subject property is located at 239 West 4th Avenue in Anchorage, Alaska. Staff has reviewed the application package and has determined that it presents an acceptable risk to the Corporation. (See Appendix A)

Staff recommends approval of the \$1,000,000 loan, subject to the terms and conditions of the AKSAFE program guidelines and receipt of the AIDEA loan guaranty. In accordance with the fee schedule, a \$10,000 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


Mark Romick
Deputy Executive Director


Michael Strand
Chief Financial Officer

Date: 11-5-2020

Date: 11/05/2020

Date: 11/05/20

**ALASKA HOUSING FINANCE CORPORATION
RESOLUTION NO. 2020-28**

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

WHEREAS, 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; and

WHEREAS, the proposed financing will be one hundred percent guaranteed by AIDEA; 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 November 18, 2020 Board Consideration Memorandum prepared in support of the application.

PASSED AND APPROVED by the Board of Alaska Housing Finance Corporation this 18th day of November, 2020.

Brent LeValley – Board Chair

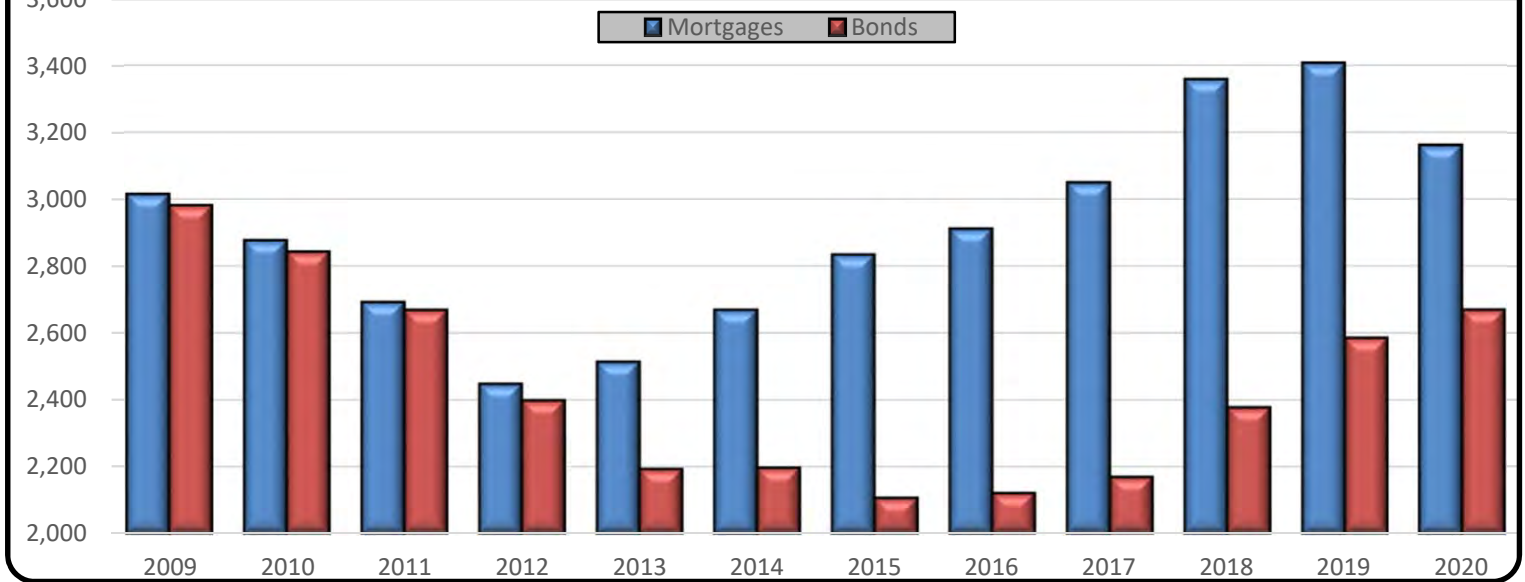
ALASKA HOUSING FINANCE CORPORATION

Finance Board Report

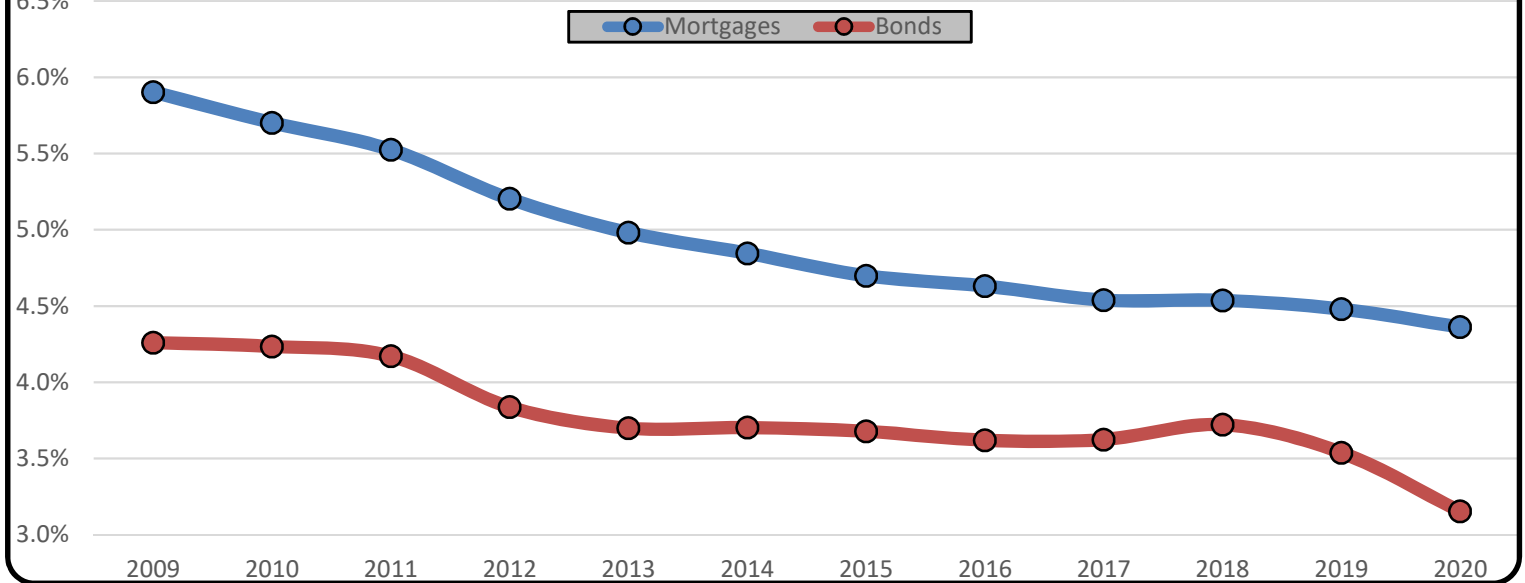
October 2020

	Current Month	1 Year Ago	2 Years Ago	1 Year Ago	2 Years Ago
	10/31/20	10/31/19	10/31/18	% Change	% Change
Total Mortgage Portfolio	3,161,553,435	3,379,110,210	3,301,217,315	(6%)	(4%)
12-Month Mortgage Change	(217,556,775)	77,892,895	289,213,226		
Mortgage Average Rate %	4.36%	4.51%	4.54%	(3%)	(4%)
Total Bonds Outstanding	2,668,600,000	2,718,310,000	2,409,830,000	(2%)	11%
12-Month Bond Change	(49,710,000)	308,480,000	277,750,000		
Bond Average Rate %	3.15%	3.56%	3.69%	(12%)	(15%)
Mortgage/Bond Spread %	1.21%	0.95%	0.85%	27%	42%
Mortgage/Bond Ratio	1.19	1.24	1.37	(4%)	(13%)

AHFC Mortgage & Bond Portfolio Comparison by Year (\$Millions)



AHFC Mortgage & Bond Interest Rate Comparison by Year



Mortgage Operations

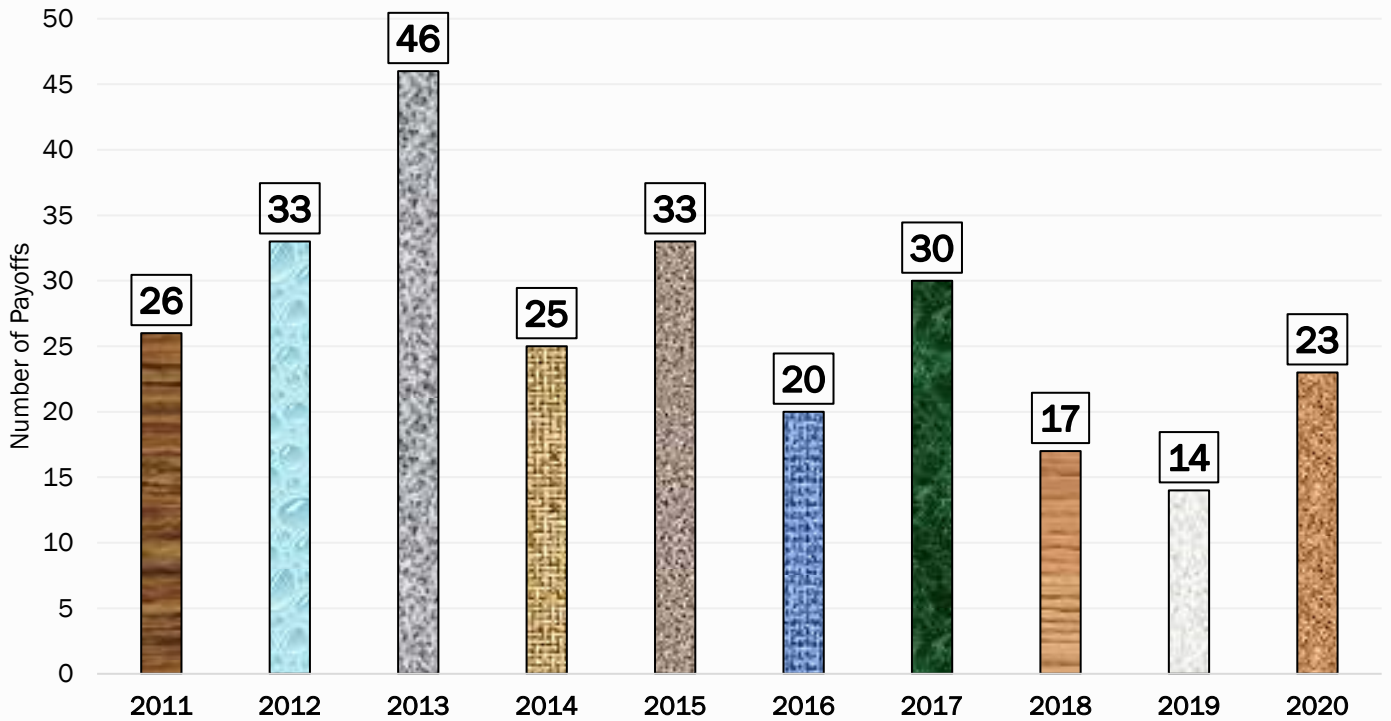
MORTGAGE ACTIVITY SUMMARY LOANS PURCHASED BY PROGRAM

LOAN PROGRAM	October 2020		October 2019		FY 2021 Thru 10/31/2020		FY 2020 Thru 10/31/2019	
	# of Loans	Total Dollar Volume	# of Loans	Total Dollar Volume	# of Loans	Total Dollar Volume	# of Loans	Total Dollar Volume
First Home Limited/TEP	60	12,691,259	65	12,913,555	149	30,166,060	213	43,052,983
First Home/TFTHB	30	8,735,199	19	5,498,960	94	27,438,022	92	28,121,339
Veterans Mortgage Program	8	2,554,330	10	3,003,490	26	8,141,069	35	10,833,548
My Home/Taxable	39	13,790,558	38	9,435,995	129	44,991,316	162	50,611,765
Uniquely Alaskan/Non-Conforming	0	0	4	1,584,450	0	0	20	4,642,320
Rural Loan Program	20	5,162,735	20	4,567,604	70	16,398,568	69	15,948,703
Streamline Refinance	15	3,740,934	11	4,222,023	59	16,508,057	23	9,450,686
Rural Streamline Refinance	13	3,269,827	1	168,213	55	15,234,829	3	868,213
Other: SME, BML	0	0	0	0	0	0	0	0
Residential Loan Program Totals	185	49,944,842	168	41,394,290	582	158,877,921	617	163,529,557
Multi-Family	4	1,443,950	1	341,750	9	4,026,950	4	2,005,350
Rural Multi-Family	0	0	0	0	0	0	0	0
Condominium Association loan	0	0	0	0	1	212,500	2	464,655
Loans to Sponsor	0	0	0	0	0	0	0	0
Multi-Family Loan Program Totals	4	1,443,950	1	341,750	10	4,239,450	6	2,470,005
Total Loans Purchased	189	51,388,792	169	41,736,040	592	163,117,371	623	165,999,562
LOAN PROGRAM OPTIONS (Included in Total Loans Purchased)								
Interest Rate Reduction Low Income Borrowers	7	995,550	9	1,710,001	28	4,320,426	32	5,360,168
Energy Efficiency Interest Rate Reduction	4	1,096,567	6	1,862,325	15	5,439,272	31	10,354,329
Closing Cost Assistance Program	10	2,432,694	0	0	25	6,097,832	6	1,495,706

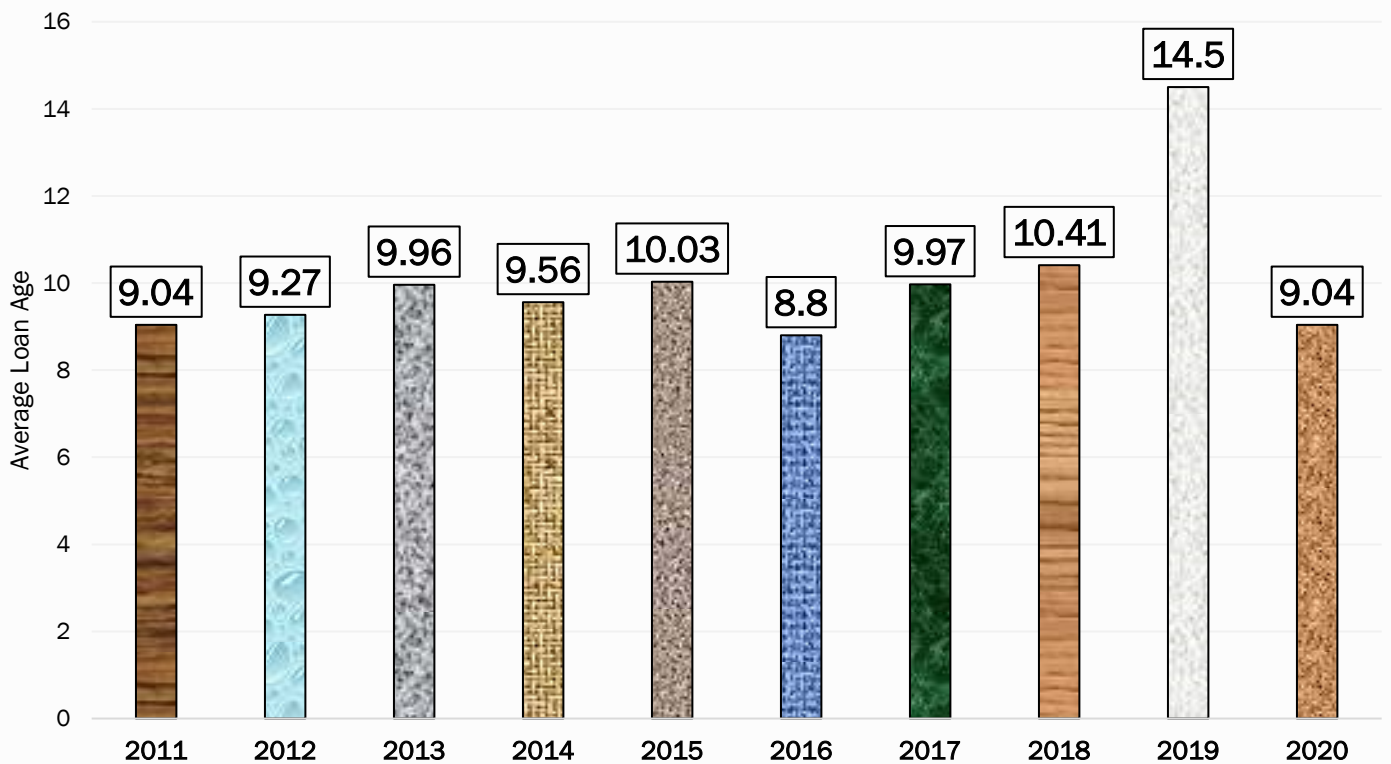
RESIDENTIAL PIPELINE as of 10/31/2020

	#	Amount
Lock-ins:	222	63,226,711
Commitments:	514	150,585,236
Total:	736	213,811,947

Multi-Family Loan Payoffs FY2011 to FY2020

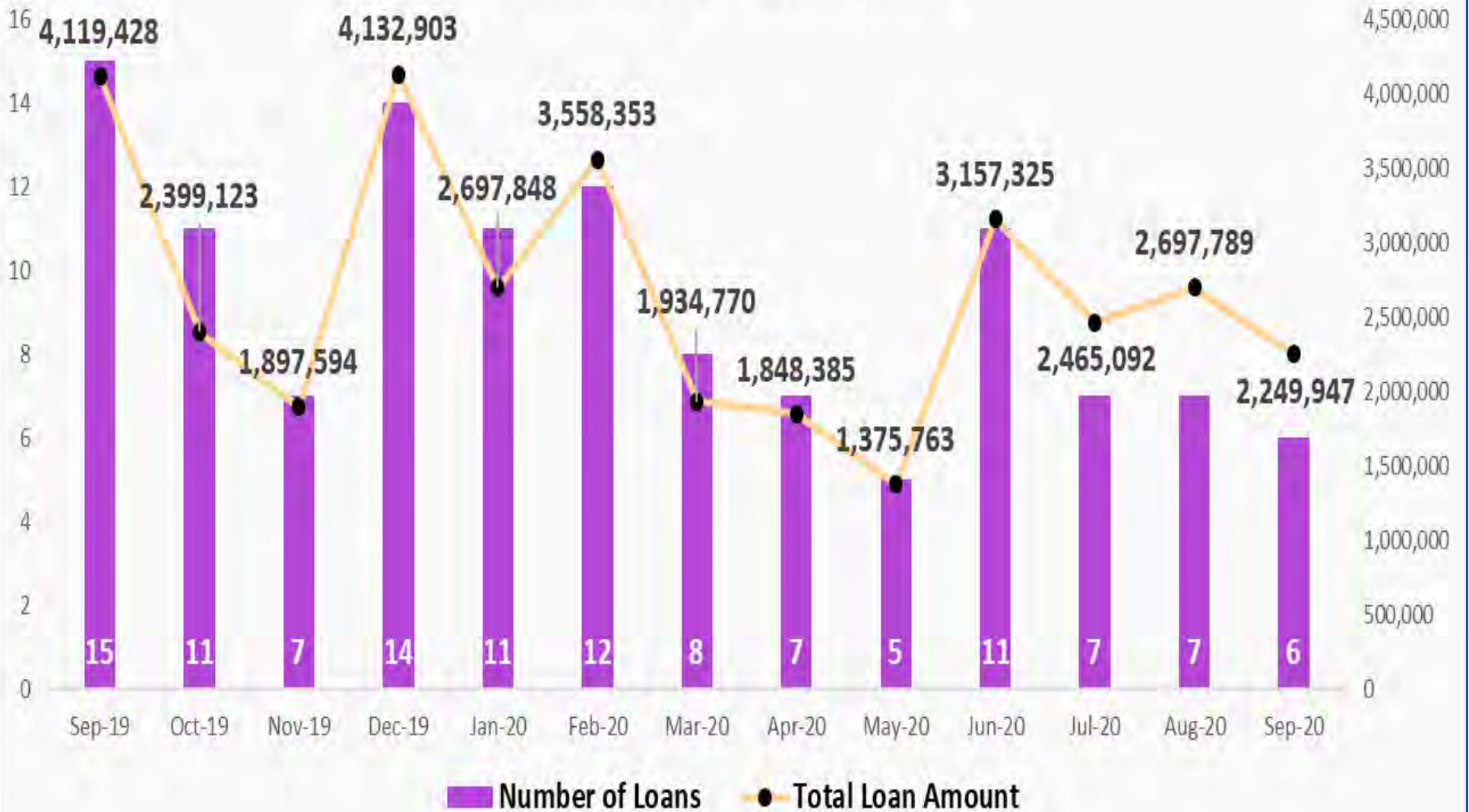


Average age of Multi-Family Loans at Payoff FY2011 to FY2020



Mortgage Operations

Renovation Loans September 2019 - September 2020



Mortgage Operations

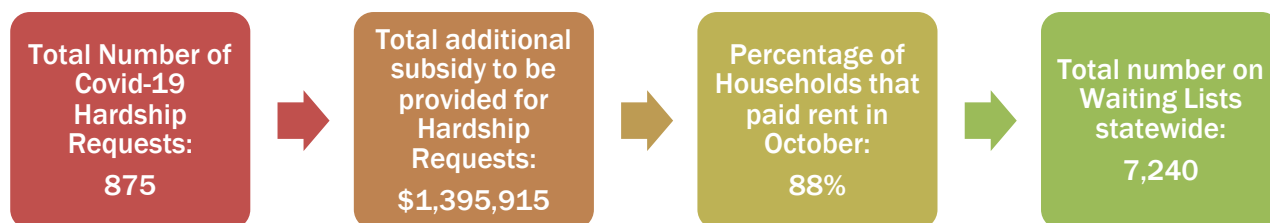
Renovation Loans Year over Year



Public Housing Operations Update

November 2020

Covid-19 Hardship Requests and Rental Stats:



Operations Updates:

- Received an additional 17 VASH vouchers from HUD, with this we will now have 332 VASH statewide. Will continue to collaborate with the VA to make this program successful in Alaska.
- Launched the *PHD Academy* to provide new hires, and existing staff, with the tools they need to be successful. The PHD Academy will welcome and onboard new hires with information they need, and will structure content for existing employees to fill in their knowledge gaps. The Academy has both in person training sessions, on line learning, quizzes and tests, and a library to transfer knowledge from employee to employee.
- Participated in HUD Moving to Work Virtual Site Visit. Discussed our long-term vision and goals, Step program status, COVID related issues including the PHD Safety Net program and program extensions, and a Jumpstart presentation. Overall successful meeting with HUD.

Facilities Management & Construction Updates:

- **Juneau** – Project wide funding is 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 all of these project will be finished by June 30, 2021 or sooner. We are working with A&E to do a feasibility study to renovate the main office at Cedar Park for more office space and a more functional center.
- **Anchorage** – Ongoing Fire place removal project continues as properties are vacated; Area wide: funding was issued for many deferred maintenance projects to include asphalt and concrete replacement, heat plant replacement, interior common area renewals. Alpine Terrace: Sprinkler/Fire Alarm project underway for code compliant replacement/upgrades to aging systems.
- **Seward** – City will grant permission for AHFC contracted work, awaiting quote.
- **Sitka** – Gutter removal and replacement project funded.
- Several security camera and access control systems are being repaired and upgraded statewide some project timelines are being affected due to travel or property restrictions, work continues.
- **Project management**- working with various AMPS as they work to develop contract scopes for deferred maintenance repair/replacement projects, continues.
- **Extraordinary Maintenance Team (EMT)** - Staff in Valdez to turn a vacant unit, leaving one EMT in Anchorage for corporation and housing work.
- **Statewide A&E Term Contract** - Design Alaska - Four Request 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.

Research and Rural Development Department

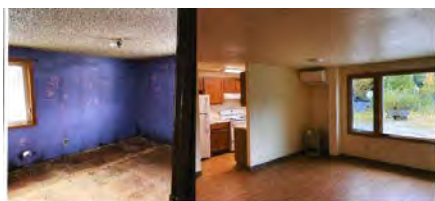
November 18, 2020 Board Report

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

The Supplemental Housing Development Grant program provides funding to Regional Housing Authorities for housing infrastructure projects, specifically for electrical distribution, water, roads, and energy efficiency. In State Fiscal Year 2020, Research and Rural Development awarded \$3.37 million to 11 Regional Housing Authorities. These funds supported construction of 65 units and rehabilitation of 82 units. This year has been very challenging for Housing Authorities. The COVID-19 pandemic has created many obstacles, including rescheduling or canceling work due to quarantine requirements, challenges getting materials due to suppliers being closed or not able to get materials, and challenges hiring crew and contractors. In Southeast, cancellation of the ferry service has made it very difficult to ship material to remote villages and has exponentially increased freight charges. On the bright side, the Housing Authorities have done an exceptional job overcoming these obstacles by establishing procedures and following best practices so that they can continue to provide much needed housing and repairs.

Looking ahead to next year, the Supplemental Housing Development Grant program will send a Notice of Funding Availability (NOFA) of \$1,589,145.10 in November. The new grants are anticipated for award sometime in February, 2021.

Captured below are several photos of a home completed in FY20 by the Tlingit-Haida Regional Housing Authority in Haines. This house was a complete remodel with AHFC funds contributing to the energy efficiency components. They remodeled the house using the remote wall technique, installed a heat pump, and a direct vent heater for backup heat. They also installed a propane on-demand hot water tank, new roof, siding and flooring.



Before

After

Planning and Program Development

November, 2020

Fast Facts

- Managing 16 Active Housing Programs: 5 Development Programs, 11 Service Programs
- Managing 154 Active Grant Agreements, Tax Credit Awards and Contracts
- CARES Act Homeless Prevention Program Progress:
 - o \$5M paid out to 4,600+ households; residual funds being distributed by 2nd payment
 - o Partnerships signed with 7 communities to extend the housing relief program within their jurisdictions using their respective CARES allocations (\$5.6M total)
 - o Emergency Solutions Grant awards issued - \$5.5M in federal funds for homeless prevention, shelter operations and renovations in the following communities: Bethel, Fairbanks, Juneau, Ketchikan, Kodiak, Kotzebue, and the Mat Su Valley
- Active Funding Opportunities:
 - o Active - Statewide and Small Community affordable housing development round
 - o Active - Teacher, Health and Rural Public Safety Housing development round

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

- Emergency Shelter: 494
- Transitional Housing: 376
- Prevention Programs: 201 – these numbers exclude the CARES funded Housing Relief
- Permanent Supportive Housing: 282

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

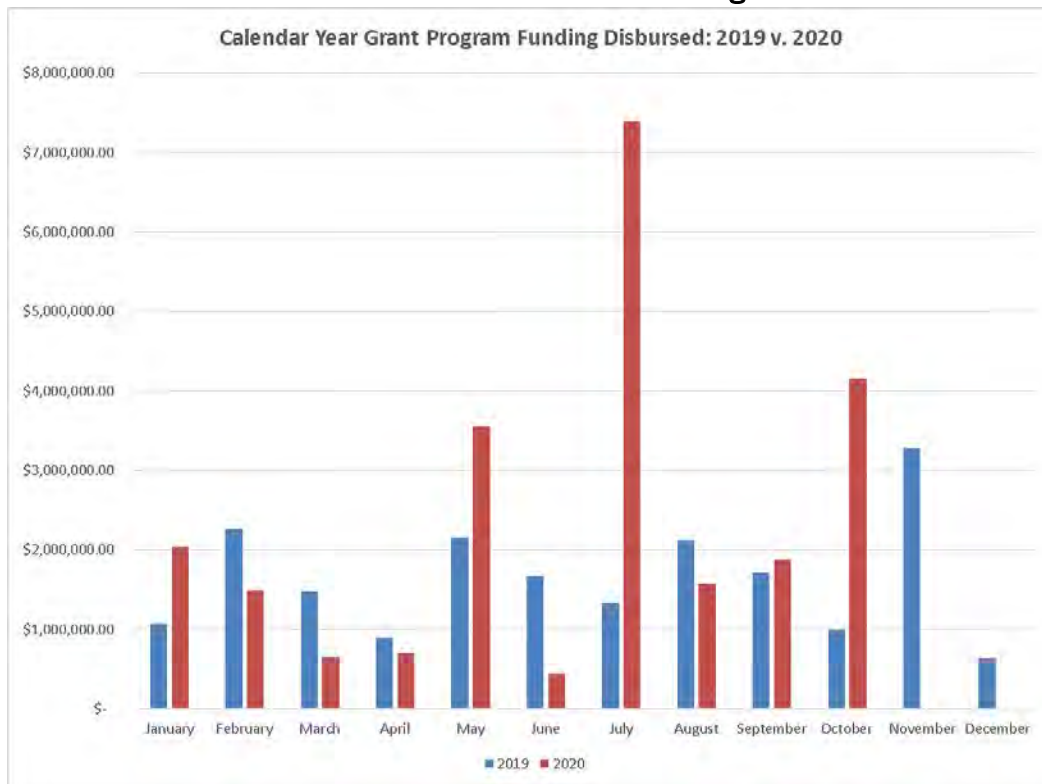
Development Programs Activity

Active Developments by Housing Type	Number of Active Awards Managed	Housing Units Being Built	Total Development Costs
Families	19	599	\$154,136,212
Rural Professionals	15	54	\$18,615,224
Senior Housing	7	223	\$54,258,295
Supportive Housing	2	56	\$10,611,003
Grand Total	43	932	\$237,620,734

Development Program Notes:

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

Disbursement Trends across All Programs



Disbursement Activity Notes:

- Fifty-seven (57) disbursements were processed during the month of October. Historically, between 24 to 67 disbursements are paid out each month.
 - 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 2020

~~January 29, 2020 (AHFC Regular & NTSC Annual Membership & Board)~~

~~February 26, 2020 (AHFC Regular & Audit Committee)~~ **CANCELED**
2.10.20

~~March 25, 2020 (AHFC Regular) (WebEx meeting due to COVID-19)~~
ADDED 2.10.20

~~April 29, 2020 (Audit Committee, AHCC Annual Membership & Board
and AHFC Regular) (WebEx meeting due to COVID-19)~~

~~May 27, 2020 (AHFC Regular) (WebEx meeting due to COVID-19)~~

~~June 24, 2020 (AHFC Regular) (WebEx meeting due to COVID-19)~~

~~July 29, 2020 BOD (Audit Committee & AHFC Regular) (WebEx meeting
due to COVID-19)~~

~~August 26, 2020 (AHFC Annual) (WebEx meeting due to COVID-19)~~

~~(NCSHA Annual Virtual Conference - Due to COVID-19, Oct. 24-27,
2020)~~

~~October 21, 2020 (Audit Committee, ACAH Annual Membership &
Board and AHFC Regular) (WebEx meeting due to COVID-19)~~

~~November 18, 2020 (NTSC Annual Membership & Board, and AHFC
Regular) (WebEx meeting due to COVID-19)~~



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)