

**CONSOLIDATED HOUSING AND COMMUNITY
DEVELOPMENT PLAN
FOR THE STATE OF ALASKA**

**SUBSTANTIAL AMENDMENT TO
ANNUAL ACTION PLAN**

**AMENDMENT 2 TO THE
HOME-ARP ALLOCATION PLAN**

**State Fiscal Years 2022
(Federal Fiscal Years 2021)**

January 31, 2023

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Award Amount

The State of Alaska will receive \$4,983,462 in HOME-American Rescue Plan (ARP) funding. These funds are to be distributed in accordance with this Allocation Plan.

Consultation

Consultation Process Summary:

AHFC requested consultation from thirteen organizations across the state. Consultation invitees were selected based on their organization’s specialty and their participation in existing programs that serve HOME-ARP qualified populations. AHFC provided these invitees a summary of the HOME-ARP materials. They were invited to attend a meeting to provide their recommendations via webex or to submit feedback in writing. Representatives from five of these organizations attended the consultation meeting. The online meeting facilitated a good discussion on general areas where the HOME-ARP funds may be effective. Specific recommendations for projects or programs were not received through the consultation process.

References to “rural Alaska” or “rural communities” are based on the State of Alaska’s definition of rural/small communities. “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, connected by road does not include a connection by the Alaska Marine Highway System.”

The following table is a summary of the organizations consulted and feedback received.

Agency/Org	Type of Agency/Org	Method of Consultation	Feedback
Nome Community Center	Nonprofit	Email Request	None
Association of Alaska Housing Authorities	Regional Housing Authority consolidation, fair housing organization	Email Request Online Meeting	<ul style="list-style-type: none"> - Consider needs of off the road system communities. - Include Tribes and RHAs as eligible entities in plan. - AAHA members – many different innovative things in various regions. Don’t rush process and recommends to take time to strategize for different regions.
Anchorage Coalition to End Homelessness	Local Government	Email Request	None
Providence Foundation	Health Care Provider	Email Request	None
Dept of Veterans Affairs	Federal Government	Email Request Online Meeting	None
Alaska Dept of Behavioral Health	State Government	Email Request	None
Alaska Mental Health Trust Authority	State Government	Email Request Online Meeting	Regional planning grants could be awarded and then award project grants after a regional planning process.

Cook Inlet Housing Authority	Regional Housing Authority	Email Request	None
Alaska Public Housing Authority	State Government, PHA, Fair Housing	Email Request Online Meeting	Use of funds may be coordinated with housing voucher programs.
Alaska Coalition on Housing and Homelessness	Nonprofit, fair housing, / CoC org.	Email Request Online Meeting	<ul style="list-style-type: none"> - Equitable distribution of resources, particularly to rural areas. - Include overcrowded areas in need assessment even though HUD doesn't consider these as homeless population. - Supplement/Offset needs from SNHG grants. - Parallel funding... CoC pays for intervention...goal of this can help current underfunded projects. Look at opportunities identified by CoCs. Embed CoCs in decision-making process. CoCs are currently in a competitive funding process. These funds could help match CoC projects. - Rural communities take longer to apply for funds; give enough time for rural applicants to apply. - Prevent siloes - require referrals to go through CoCs coordinated entry process. Recommends a coordinated entry requirement for these funds.
Alaska Human Rights Commission	State Government, Civil Rights	Email Request	None
Bethel Community Services Foundation	Nonprofit, Homeless & Domestic Violence	Email Request	None
Governor's Council on Disabilities and Special Education	State Government, Fair housing, Disabled advocacy	Email Request	None

Public Participation

Public participation process summary:

The draft plan was published according to the State's public participation process. This includes publication of a notice in statewide newspapers, distribution of the notice over AHFC's email list serve with over 1,000 recipients, and publishing the plan to the AHFC website. All published notices direct recipients to view the plan on the website, www.ahfc.us, and provide a link.

Public Comment Period. The plan Amendment was published for comment on August 30, 2022. The public comment period ran from August 31, 2022 through September 15, 2022.



Public Hearing. AHFC hosted a public hearing on September 8, 2022 from 3:00 to 5:00 PM. Access to the hearing was online or by phone.

Efforts to Broaden Outreach.

AHFC shared the public notice in its social media accounts.

Summary of comments and recommendations received through the public participation process.

No public comment received.

Summary of comment or recommendations not accepted by AHFC and reasoning why.

No public comment received.

Needs Assessment and Gap Analysis

Needs Assessment Summary Tables

Homeless										
	Current Inventory				Homeless Population				Gap Analysis	
	Family		Adults Only	Vets	Family HH (at least 1 child)	Adult HH	Vets	Victims of DV	Family	Adults Only
	# of Beds	# of Units	# of Beds	# of Beds					# of Beds	# of Beds
Emergency Shelter	272	87	499	8	725	8,728	461	1,783	204	7,819
Transitional Housing	125	36	145	0						
Permanent Supportive Housing	124	47	265	119						

Source – Homeless Inventory Count 2021, HMIS SFY 2021 report

Non-Homeless Subsidized Rental Properties and ACS Renter Households				
	Current Inventory		Level of Need	Gap Analysis
	# of Units		# of Households	# of Households
Total Rental Units	3,159		47,947	9.2% vacancy rate
30% AMI Rental Units	250		Not available	5.1% vacancy rate
50% AMI Rental Units	1,246		Not available	8.1% vacancy rate

Source – AHFC Affordable Housing Database, America Community Survey (ACS)

Size and demographic composition of qualifying populations in the Balance of State.

The Homeless Assistance Program (HAP) funded homeless service providers across the state report serving 4,800 individuals in SFY2021 (July 1, 2020 – June 30, 2021). This is a very diverse population, both ethnically and geographically. 92% of these individuals were in non-rural communities. The balance of State 2021 point in time (PIT) count reported 66 households with at least one adult and one child. 47 of these households were in emergency



shelters and the remaining 19 were in transitional housing. The PIT reports 10 unaccompanied children, 7 in emergency shelters and 3 in transitional housing. Finally, the PIT reports 380 adults without children, 278 in emergency shelters and 102 in transitional housing. AHFC expects the 2021 PIT not to have captured many of the current homeless population. Because of Covid-19 considerations, only persons in shelters or transitional housing were counted. All those living outside would not have been included in the 2021 PIT. For this reason, we will rely more on the HAP service provider count for our gap analysis. HAP grantees report that 5513 individuals received services at their facilities in SFY 2021. Of these, 3593 were single adults and 1920 were members of families with minors. 807 reported domestic violence and 194 of those reported to be actively fleeing domestic violence. 366 clients report being U.S. military veterans. See Appendix 3 Data and Tables for greater detail.

Unmet housing and service needs of qualifying populations.

- **Sheltered and unsheltered homeless populations** – Across the Balance of State there are never enough shelter beds for every unsheltered person, every night. For sheltered persons, there is a severe lack of supportive transitional or permanent supportive housing to help them transition away from homelessness, especially in rural communities.
- **Currently housed and at risk of homelessness** – Increasing housing costs continue to strain households at risk of homelessness. In parts of the Balance of State, vacancy rates have increased, and market rent rates are flat. This may ease the pressure in those areas. In rural communities, severe overcrowding and a total lack of quality housing options is the primary issue.
- **Households requiring services or housing assistance to prevent homelessness** – Access to rental assistance whether it be a voucher, subsidized rental, or affordable mortgage. Others may require short-term assistance due to an unexpected expense to get back on their feet. Access to accessible housing may be necessary to keep persons with disabilities safely housed.
- **Households at greatest risk of housing instability or in unstable housing situations.** – Overcrowded or rent overburdened households require safe, affordable housing options.

Resources currently available to assist qualifying populations

- **Congregate and non-congregate shelter units** – There are currently 1447 year round shelter beds with an additional 54 seasonal beds across the Balance of State. Shelters are fairly well distributed with at least some shelter space in nearly all boroughs across the state.
- **Supportive services** – Many homeless service providers are active throughout the state. These providers have no lack of HOME-ARP qualifying clients requiring services. Funding and staffing shortfalls continue to be the limiting factor to providing the needed supportive services.
- **TBRA** – AHFC administers 5,601 Housing Choice Vouchers (HCV), 2,582 of which are in the balance of state. 18% of the HCVs are in rural communities. Several new sources of HCV or similar voucher funding may soon come online. Once active, these HCV/ housing voucher program will greatly expand its reach and effectiveness. There are currently 220 VASH vouchers available statewide through AHFC and its partners.
- **Affordable rental housing** – There are 3,159 subsidized rental units in the Balance of State with a recent vacancy rate of 9.6%. 17% of these units are in rural communities.
- **Permanent supportive housing (PSH)** – There are 159 PSH units in the Balance of State. All PSH units are fully utilized. None of these PSH units are in rural communities.
- **Victims of Domestic Violence (category 3)** – In the balance of State, there are 329 emergency shelter beds, 17 PSH beds, and 75 transitional housing beds dedicated to category 3 populations. These resources are distributed across 11 boroughs in the balance of state. 36.5% of all available year-round shelter beds are dedicated to category 3 populations who make up about 15% of the HAP population.

Gaps within the current shelter and housing inventory and the service delivery system.

Shelter space and capacity has recently increased in several key rural hub communities. These shelters remain insufficient to shelter the entire homeless populations in these areas. These communities are also experiencing a severe shortage of rental housing to the point of severe overcrowding in the existing housing. There is also zero transitional housing.

Priority needs for qualified populations

An assessment of available data show some level of need across all parts of the Balance of State. The gap in resources that could best be addressed with the limited HOME-ARP funds is PSH in rural communities. Our consultation process did not yield any specific needs nor any pending projects that require additional funding. HOME-ARP funds alone are insufficient to develop even a single meaningful PSH project on its own. AHFC will roll HOME-ARP funding into the current SFY 2022 Special Purpose Round of the Greater Opportunities for Affordable Living Program (GOAL). The special purposes of this round are to build new affordable rental housing in Rural Alaska, preserve existing affordable housing, and build new PSH. In this round, AHFC will be able to leverage the Low Income Housing Tax Credit, National Housing Trust Fund, HOME Investment Partnership funds, Senior Citizen Housing Development Fund, Neighborhood Stabilization Program funds, and Sponsor Based Rental Assistance vouchers with the HOME-ARP funding to maximize housing production.

In the spirit of the America Rescue Plan, AHFC will commit funding in a matter of months. Getting the highest risk Alaskans help they’ve needed for a long time. HOME-ARP funding will be made available to PSH projects in rural communities as part of the SFY 2022 Special Purpose GOAL round.

How the level of need and gaps in shelter and housing inventory and service delivery systems are based on the data presented in this plan.

The data show needs across the balance of state. Every community could use HOME-ARP funding to fill gaps in services and resources required by qualified populations. HOME-ARP funding is very limited. Therefore, funding should be directed to where HOME-ARP is the best resource and other available resources fall short. The data show communities such as Bethel and Nome have some service capacity, increasing qualifying populations, insufficient housing, and zero PSH.

HOME-ARP Activities

Method for soliciting applications for funding and/or selecting developers, service providers, sub-recipients, and/or contractors and whether AHFC will administer eligible activities directly.

AHFC’s HOME-ARP needs assessment determined the best use of funds is to build PSH in rural Alaska. In June 2021, AHFC announced a Special Purpose Round for the GOAL Program. The special purposes of this round are to build new affordable rental housing in Rural Alaska, preserve existing affordable housing, and build new PSH. Several PSH projects in rural communities submitted pre-applications. HOME-ARP is the perfect resource to supplement funding to construct these PSH projects and ensure financial viability throughout their period of performance. AHFC intends to include HOME-APR funds as a resource in this GOAL round. HOME-ARP funds will be available for PSH proposals in rural communities. SFY 2022 GOAL application will be reviewed and awarded according to Appendix 4 – SFY 2022 Special Purpose GOAL Rating and Award Criteria.

Use of HOME-ARP Funding

	Funding Amount	Percent of the Grant	Statutory Limit
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Development of Affordable Rental Housing (PSH)	\$4,983,462	100%	
Admin and Planning	\$0	0%	15%
Total HOME-ARP Allocation	\$4,983,462	100%	

How the characteristics of the shelter and housing inventory, service delivery system, and the needs identified in the gap analysis provided a rationale for the plan to fund eligible activities.

Review of the shelter, housing, service delivery resource data available, combined with institutional knowledge, provides insights into gaps in need. More services and resources for qualifying populations are needed in all communities in the Balance of State. HOME-ARP is a very limited resource. Other funding sources are coming online or are more easily used in non-rural communities. HOME-ARP is a powerful tool to expand housing opportunities in rural communities. The data show that some rural hub communities have some shelter and supportive service capacity but lack affordable housing and PSH. Integrating HOME-ARP into the SFY 2022 Special Purpose GOAL round is the only viable way to utilize the unique capabilities of these funds to produce PSH in multiple rural communities. This will provide meaningful services and stable housing to a critically underserved cohort of Alaska’s qualifying populations.

HOME-ARP Production Goals

Number of affordable rental housing units for qualifying populations that the State will produce or support with its HOME-ARP allocation. How will this goal address the priority needs.

AHFC expects to produce 40 HOME-ARP assisted permanent supportive housing units in rural Alaska. This is only possible with the inclusion of Low Income Housing Tax Credit, National Housing Trust Fund, HOME Investment Partnership funds, Senior Citizen Housing Development Fund, Neighborhood Stabilization Program funds, and Sponsor Based Rental Assistance vouchers made available through the SFY 2022 Special Purpose GOAL Round. These funds will not be available to supplement HOME-ARP in the future. The State’s allocation of HOME-ARP is insufficient to fund a single PSH development in rural Alaska. The State’s priority need is permanent supportive housing in Rural Alaska. The production of these units directly addresses this need for the communities that are successful the current Special Purpose GOAL Round.

Preferences

The SFY 2022 Special Purpose GOAL Round provides three scoring incentives for projects that elect to set a preference in their tenant selection process and one scoring item that offsets disadvantages for certain senior housing projects. These scoring incentives may affect HOME-ARP eligible populations.

One point is available to projects that commit to giving a selection preference to households that meet the definition of “homeless”, as defined in the SFY 2022 Special Purpose GOAL NOFA. The GOAL homeless definition is slightly more restrictive than that of HOME-ARP.



Two points are available to projects that commit to giving a selection preference to households that contain a U.S. Military Veteran. The definition of veteran is consistent between the programs.

One point is available to projects that set up a written agreement to give priority to households on waiting lists for subsidized housing. This agreement is with the project's local AHFC Public Housing Office or regional housing authority. Limited geographic distribution of applicable subsidized housing and waiting list selection criteria may restrict access to HOME-ARP eligible populations.

Eight points are available for senior housing projects where no more than 20% of the total units are income restricted. It is possible that a HOME-ARP PSH project will be eligible for these points. In that situation, a preference would be established for senior households among the HOME-ARP eligible populations.

The State's assessment of need and gap analysis determined that all HOME-ARP eligible populations need supportive and/or transitional housing in most parts of the State. The SFY 2022 Special Purpose GOAL round pools eight different funding sources to address four separate housing priorities across the State of Alaska. The homeless and veteran preference scoring criteria are designed to increase housing opportunities for homeless households and veterans among the more generic affordable housing portfolio. The Public Housing Wait List criteria is intended to reduce those waiting lists by providing access to alternative affordable housing options. The Senior Housing Offset point reduce a scoring disadvantage of senior housing proposals without rent restricted units. HOME-ARP funding is available only to rural PSH projects that may serve any or all HOME-ARP eligible populations. A HOME-ARP applicant may choose to commit their project to giving a selection preference under one or more these scoring criteria. This selection preference does not deny the remaining HOME-ARP populations access to the facility but may reduce the availability of units.

The tenant selection preference scoring criteria does not deny access to HOME-ARP funded facilities to populations not included in these scoring criteria. The State will fund new construction of PSH in rural Alaska. HOME-ARP funding levels are insufficient to address additional gaps in services to eligible populations.

Both projects awarded HOME-ARP funding committed to serving persons experiencing homelessness, and those at risk of homelessness. This have effectively created a selection preference for HOME-ARP funded units. The Bethel Housing First project will only serve Qualifying Populations 1. Homeless. Home Plate Apartments in Nome will accept households from all Qualifying Populations and will mostly serve 1. Homeless and 2. At Risk of Homelessness.

HOME-ARP Refinancing Guidelines

The State does not intend to allow refinancing existing debt with HOME-ARP funds.