

Consolidated Housing and Community Development Plan for the State of Alaska

Annual Performance Report For the Fiscal Year Ending June 30, 2000

In 1995, the State of Alaska prepared a detailed evaluation of the state's housing and community development needs. In the Consolidated Housing and Community Development Plan for the State of Alaska (HCD Plan), a five-year strategy of general principles and priorities is outlined. This five-year strategy is implemented by a series of one-year action plans. The Fiscal Year 2000 Action Plan, is the fifth of these one-year plans, covering the period from July 1, 1999, to June 30, 2000. The geographic scope of the State of Alaska's HCD Plan is for all areas of Alaska outside of the Municipality of Anchorage (MOA). As an entitlement jurisdiction, the Municipality receives its own direct allocations of federal housing and community development funds, and must prepare its own Consolidated Plan. The State of Alaska and the MOA closely cooperate on their respective planning processes. Housing and community development activities are coordinated between the two jurisdictions.

A coalition of state agencies prepare and maintain the HCD Plan, the Annual Action Plan, and Annual Performance Report. Alaska Housing Finance Corporation (AHFC) is the lead agency in this process, with responsibility for project coordination, staffing and product distribution. The interagency Steering Committee also includes the Department of Community and Economic Development (DCED), the Department of Health and Social Services (DHSS), the Alaska Human Resource Investment Council (AHRIC), and the Alaska Human Rights Commission (AHRC). The Interagency Committee members provide input from their respective program and policy areas, and work to encourage public input into the planning process.

At the close of each fiscal year, the State is required to report to the public and to the federal government about the progress made on the one year plan. The Annual Performance Report delineates the actual resources made available in the state over the past year, and compares that amount and how the resources were used with the Annual Action Plan. It also recaps the number and characteristics of low income Alaskans benefiting from these resources. The Annual Performance Report also contains program-specific reports covering the Community Development Block Grant (CDBG), HOME Investment Partnerships and Emergency Shelter Grant (ESG) programs.

Preparation of the Annual Performance Report is a collaborative effort of many separate entities, including the State of Alaska, regional housing authorities, non-profit organizations, private housing developers, lenders, local governments, and federal agencies. Commencing with the close of the state fiscal year on June 30, 2000, AHFC initiated a process to gather material from these many organizations detailing the number and characteristics of persons served, and funding levels realized during the year. The information received was entered into a statistical data base, which generated compilations of actual resources received and persons assisted with housing. The Annual Performance Report is, by federal regulation, subject to a minimum 15-day public

comment period. Notice of the report's availability was published in the *Anchorage Daily News* on August 30 and September 7, 2000. Notice of the Annual Performance Report's availability was also published in newspapers in Fairbanks, Juneau, Ketchikan, Sitka, Valdez, Bethel, and Kenai. Public comments were received until September 20, 2000 at 5:00 p.m. Five comments were received on the draft FY 2000 APR during the public comment period. These comments and the State's responses to the comments are included in Appendix C.

The Annual Performance Report has three parts: The first part recounts the resources made available in the State during the past fiscal year as compared with the annual funding plan summary contained in the 2000 Annual Action Plan, and describes the number and characteristics of Alaskans benefiting from the investment of those resources. This part also contains program-specific information on how the State has utilized its annual entitlements of CDBG, HOME and Emergency Shelter Grant funds. Part two recaps other actions taken by the State of Alaska to further the goals and principles of the HCD Plan, again compared to the specific actions outlined in the 2000 Annual Action Plan. The final part of the report assesses the progress the State has made in meeting its overall five-year HCD Plan priorities, and discusses any changes anticipated as a result of the findings of the one-year progress assessment.

Part 1: Resources and Beneficiaries

Consistent with the U.S. Housing Act of 1937, the overall goal of the *Housing and Community Development Plan for the State of Alaska* is to:

Provide decent housing, create suitable living environments, and expand economic opportunities for low-income Alaskans with incomes at or below 80% of median.

Eight principles expand on this goal and outline the philosophies guiding the State of Alaska's priorities in allocating assistance among various needs:

Use of federal housing and community development programs should emphasize benefit to low-income Alaskans. Rationale: The amount of federal funds is limited; greatest needs are among the lowest income households.

Use of federal community development funds should emphasize the creation of economic opportunity through development of infrastructure. Rationale: Basic infrastructure is lacking in many of Alaska's poorest communities, and is a major barrier to economic self-sufficiency.

Preserve and upgrade existing housing supply, both home-ownership and rentals, through weatherization and rehabilitation. Rationale: Because it is so expensive to develop new housing, every effort must be made to prolong the useful life and to lower operating costs of Alaska's existing housing.

Use of federal homeless assistance programs should emphasize activities that break the cycle of homelessness and promote household stability. Rationale: Very little funding is available for services to help the homeless move from dependence to independence; federal grants offer one of the most flexible sources for case management and supportive services.

Provide state matching funds to leverage other grants for housing, services connected to housing and community development. Rationale: matching funds give Alaskan applicants a competitive advantage in grant-seeking, and multiply scarce federal resources.

Expand the supply of affordable housing for Alaskans with special needs, incorporating appropriate supportive services. Rationale: Existing housing supply is inadequate to meet current and projected need for this population, which has historically been under-served.

Housing and community development projects should incorporate appropriate arctic design and engineering, energy-efficient construction techniques and innovative technologies. Rationale: Use of appropriate technologies ensures that improvements perform to expectations and fully functional over the long-term investment.

Expand the housing delivery system statewide, through formation of viable non-profit development organizations, and partnerships with local governments and the private sector. Rationale: Alaska's efforts to creatively respond to housing needs has been hampered by weakness in the housing delivery system. Expanded capacity will mean not only more new projects but also the opportunity to import new capital from private and philanthropic sources.

Although much of the focus in the HCD Plan is on funding available through the federal government, the State of Alaska makes substantial contributions towards housing and community development. Much of this funding comes from the corporate earnings of the Alaska Housing Finance Corporation, as well as from bonding. Other resources derive from the state general fund, foundations, and private sources. It is important to note that not all of the resources that are available within the state are funneled through the State government; many competitive programs result in grants or loans directly to private applicants, including non-profit organizations.

In its 2000 Annual Action Plan, which was published in August of 1999, the State of Alaska estimated the amount and types of funding expected to be made available during the coming state fiscal year. This estimate, called the *Annual Funding Plan Summary*, projected that approximately \$1,292,916,990 would be available for a wide range of housing and community development (HCD) activities. The table below, titled ***Combined Annual Funding Plan Summary*** (July 1, 1999 through June 30, 2000), lists HCD resources actually received in the state during state fiscal year 2000. Because the federal fiscal year does not close until September 30, funding decisions are still outstanding on several HUD programs. Funds awarded through these programs subsequent to June 30, 2000, will be reported in the 2001 Annual Performance Report.

HCD Plan Annual Performance Report

Combined Annual Funding Plan Summary

State of Alaska - Non Metropolitan Areas

Fiscal Year 2000 (July 1, 1999 - June 30, 2000)

Program Name	Type	Program Type	Anticipated Funding			Actual Funding		
			Federal	State	Total	Federal	State	Total
Housing	Mortgages	AHFC Mortgage Programs: Energy Rate Reduction, Multifamily/Special Needs, Rural Housing, Taxable & tax Exempt, Veterans Program, Interest-Rate Reductions; HUD: FHA Title I; USDA Section 502	\$24,614,126	\$551,666,688	\$576,280,814	\$173,231,643	\$339,521,137	\$512,752,780
	Grants	AHFC:Energy Programs, Comp Grants, HAP, LIHTC, Weatherization, Energy Conservation Retrofit, Deferred Maintenance, Supplemental Housing, Mental Health Housing, DHSS CSP, HUD Continuum of Care, ESG, HOME HOPWA, NAHASDA, 202, 811; USDA Section 505, 515, 533; Voc. Rehab Home Modifications.	\$91,957,633	\$32,800,199	\$124,757,832	\$94,837,041	\$33,519,609	\$128,356,650
	Rental Assistance	AHFC Public Housing Operating Subsidy; HUD Section 8 Project Based, Certifications and Vouchers; USDA Rental Assistance	\$24,726,231	\$0	\$24,726,231	\$25,112,609	\$0	\$25,112,609
	Total		\$141,297,990	\$584,466,887	\$725,764,877	\$293,181,293	\$373,040,746	\$666,222,039
Community Development	Grants	DEC Municipal Grant Matches, Village Safe Water; HUD CDBG; HUD Indian CDBG; HUD Economic Development; Alaska Native Tribal Health Consortium; USDA Village Water/Waste Grants; DOT Capital Projects	\$441,875,967	\$125,276,146	\$567,152,113	\$721,879,850	\$147,934,424	\$869,814,274
Total			\$441,875,967	\$125,276,146	\$567,152,113	\$721,879,850	\$147,934,424	\$869,814,274
Total Housing and Community Development			\$583,173,957	\$709,743,033	\$1,292,916,990	\$1,015,061,143	\$520,975,170	\$1,536,036,313

The table titled ***Annual Funding Plan for Housing*** gives a more detailed breakdown by program area. Federal regulations require that the State indicate the number of units produced or rehabilitated meeting the definitions of “affordable” under Section 215 of the National

Affordable Housing Act of 1990. For sake of simplicity, the State has elected to count only those units benefiting households with incomes below 50% of area median.

HCD Plan Annual Performance Report

Annual Funding Plan For Housing

State of Alaska - Nonmetropolitan Areas

Fiscal Year 2000 (July 1, 1999 - June 30, 2000)

Program Name	Lead Agency	Program Type	Anticipated Funding			Actual Funding			Total Units	Sec. 215 Units
			Federal	State	Total	Federal	State	Total		
AHFC Mortgages - Energy Rate Reduction	AHFC	Interest rate reduction for energy efficiency	0	12,829,721	12,829,721	0	8,850,365	8,850,365	956	13
AHFC Mortgages - IRRUB	AHFC	Interest rate reduction for low-income borrowers	0	9,139,457	9,139,457	0	9,167,550	9,167,550	566	37
AHFC Mortgages - Multifamily/Spec. Needs	AHFC	Multifamily, special needs, congregate & senior	0	27,208,598	27,208,598	0	21,039,537	21,039,537	25	N/A
AHFC Mortgages - Other Programs	AHFC	Mobile Homes/Non-conforming/Seconds	0	1,828,827	1,828,827	0	1,016,478	1,016,478	9	1
AHFC Mortgages - Rural Housing	AHFC	Mortgages for rural areas	0	175,000,000	175,000,000	0	109,677,292	109,677,292	710	6
AHFC Mortgages - Streamline Refinance Pgm	AHFC	FHA Refinancing	0	0	0	0	2,027,033	2,027,033	30	1
AHFC Mortgages - Tax-Exempt	AHFC	First-time homebuyer mortgages	0	84,410,851	84,410,851	0	75,606,076	75,606,076	748	31
AHFC Mortgages - Taxable	AHFC	Conventional single-family mortgages	0	199,014,448	199,014,448	0	77,148,201	77,148,201	467	6
AHFC Mortgages - Veterans Program	AHFC	Tax-exempt veterans loan program	0	42,234,786	42,234,786	0	34,988,605	34,988,605	215	1
FHA Title I	HUD	Home Improvement Program	3,738,000	0	3,738,000	3,778,971	0	3,778,971	209	N/A
HUD - FHA Title II	HUD	Loan Guarantee Program	0	0	0	131,633,153	0	131,633,153	1,029	N/A
HUD - Section 184	HUD	Indian Home Loan Guarantee Program	0	0	0	6,874,653	0	6,874,653	38	N/A
USDA Section 502	RHD	Direct & Guaranteed Rural Single-Family Hsg. Loans	20,876,126	0	20,876,126	30,944,866	0	30,944,866	N/A	N/A
Total Mortgages:			\$24,614,126	\$551,666,688	\$576,280,814	\$173,231,643	\$339,521,137	\$512,752,780	6,692	96
AHFC Energy Programs & Builder Education	AHFC	Energy Rating Marketing and Technical Assistance	0	0	0	0	0	0	N/A	N/A
AHFC Environmental Clean-up/Abatement	AHFC	Underground tank replacement	0	303,000	303,000	0	303,000	303,000	37	N/A
AHFC Federal and Other Competitive Grants	AHFC	Matching Funds	879,325	439,663	1,318,988	879,325	439,663	1,318,988	N/A	N/A
AHFC Homeless Assistance Program	AHFC	One-time aid for emergency needs	0	225,000	225,000	0	450,000	450,000	N/A	N/A
AHFC Low-Income Housing Tax Credits	AHFC	Acquisition, rehabilitation, new construction	767,500	0	767,500	543,400	0	543,400	28	N/A
AHFC Low-Income Weatherization & Enh Wx.	AHFC	Weatherization & retrofit of housing	658,000	47,000	705,000	658,000	470,000	1,128,000	617	426
AHFC PH Competitive Grants	AHFC	Matching funds	429,875	143,292	573,167	429,875	143,292	573,167	N/A	N/A
AHFC PH Energy Conservation Retrofit	AHFC	Energy Efficiency Modifications	0	0	0	0	0	0	0	N/A
AHFC PH Renovation	AHFC	Renovation of Public Housing	0	8,632,000	8,632,000	0	8,632,000	8,632,000	92	N/A
AHFC Public Housing Comprehensive Grant Prog.	AHFC	Rehab., management improvements of public housing	1,599,027	0	1,599,027	1,604,866	0	1,604,866	0	N/A
AHFC Senior Citizens Housing Development Fund	AHFC	Housing for elderly	0	0	0	0	278,000	278,000	N/A	N/A
AHFC Senior/Statewide Deferred Maint.	AHFC	Maintenance for senior and statewide units	291,552	985,444	1,276,996	105,740	1,267,942	1,373,682	N/A	N/A
AHFC Supplemental Housing Development Program	AHFC/HUD	Augments Indian housing development	0	3,868,000	3,868,000	0	3,868,000	3,868,000	N/A	N/A
AHFC/DHSS Beneficiary and Special Needs Housing	DHSS	Housing for people with disabilities	0	991,275	991,275	0	991,275	991,275	N/A	N/A
Continuum of Care Homeless	Nonprofits	Acq., rehab., new const., rental assist., supp. servs.	308,362	0	308,362	591,651	0	591,651	N/A	N/A
DHSS Community Support Program	DHSS	Supportive services for the severely mentally ill	0	16,269,749	16,269,749	1,050,085	15,659,937	16,710,022	0	N/A
Emergency Shelter Grant	DCRA	Housing, supportive services	112,000	0	112,000	112,000	0	112,000	0	N/A
HOME	AHFC	Rehab, new const, rental and homebuyer assistance	3,000,000	750,000	3,750,000	3,000,000	750,000	3,750,000	94	10
Accessibility Modification Brokerage Program	DHSS	Housing modifications for people with disabilities	0	145,776	145,776	0	216,500	216,500	N/A	N/A
Housing Op. for Persons w/ AIDS (HOPWA)	AHFC	Housing & supportive services	0	0	0	616,000	0	616,000	0	N/A
HUD - Drug Elimination	HUD	Crime prevention in public housing	1,124,352	0	1,124,352	264,259	0	264,259	0	N/A
HUD - Indian Housing Programs, NAHASDA*	HUD	Community development, Housing, Sup. Services	82,187,209	0	82,187,209	82,212,910	0	82,212,910	0	N/A
HUD - Technical Assistance	HUD	HOME and Supported Housing Technical Assistance	261,125	0	261,125	149,000	50,000	199,000	0	N/A
Section 202	HUD	Housing for elderly	0	0	0	698,100	0	698,100	5	N/A
Section 811	HUD	Housing for disabled	0	0	0	963,000	0	963,000	6	N/A
Shelter Plus Care	AHFC	Rental assistance & supp. services for the homeless	0	0	0	0	0	0	0	N/A
USDA Section 504	RHD	Rural Single-Family Housing Loans and Grants	309,369	0	309,369	158,830	0	158,830	0	N/A
USDA Section 515	RHD	Rural Rental Multifamily Housing Loans	0	0	0	750,000	0	750,000	0	N/A
USDA Section 533	RHD	Housing Preservation Grants	29,937	0	29,937	50,000	0	50,000	0	N/A
Total Grants:			\$91,957,633	\$32,800,199	\$124,757,832	\$94,837,041	\$33,519,609	\$128,356,650	879	496
AHFC PH Operating Subsidy	AHFC	Operating costs	4,087,865	0	4,087,865	4,146,881	0	4,146,881	797	617
Section 8 Project Based	HUD	Rental assistance	10,092,473	0	10,092,473	10,430,465	0	10,430,465	886	N/A
Section 8 Vouchers/Certificates Existing	AHFC	Rental assistance	6,205,086	0	6,205,086	6,214,002	0	6,214,002	1,096	896
Section 8 Vouchers/Certificates Incremental	AHFC	Rental assistance	4,340,807	0	4,340,807	1,803,681	0	1,803,681	294	249
USDA Rental Assistance	RHD	Rental assistance for new/existing RHD projects	0	0	0	2,517,580	0	2,517,580	N/A	N/A
Total Rental Assistance:			\$24,726,231	\$0	\$24,726,231	\$25,112,609	\$0	\$25,112,609	3,073	1,782

The Table below, titled *Annual Funding Plan for Community Development* , identifies the FY 2000 anticipated funding and the funding actually received for community development, infrastructure and transportation activities in non-metropolitan areas of Alaska.

HCD Plan Annual Performance Report

Annual Funding Plan For Community Development

State of Alaska - Nonmetropolitan Areas

Fiscal Year 2000 (July 1, 1999 - June 30, 2000)

Program Name	Lead Agency	Program Type	Anticipated Funding			Actual Funding		
			Federal	State	Total	Federal	State	Total
Alaska Native Tribal Health Consortium (Formally RHS)	ANTHC	Water/sewer development to support housing	21,000,000	0	21,000,000	21,000,000	0	21,000,000
CDBG	DCRA	Community development	3,167,000	0	3,167,000	0	0	0
DEC Municipal Match Grants	DEC	Water and wastewater infrastructure	0	16,664,200	16,664,200	27,229,196	48,013,128	75,242,324
DEC Village Safe Water	DEC	Water and wastewater infrastructure	25,427,106	33,151,018	58,578,124	23,497,096	28,759,346	52,256,442
Department of Transportation	DOT	Roads, Runways, Safety, Marine Highway	382,975,407	75,460,928	458,436,335	622,940,013	71,161,950	694,101,963
HUD - Economic Development	HUD	Community development, Hsg , Sup. Services	139,745	0	139,745	54,245	0	54,245
HUD - Indian Community Development Block Grant	HUD	Community development, Hsg , Sup. Services	5,495,709	0	5,495,709	5,504,400	0	5,504,400
USDA Village Water/Waste Disposal Grants	RHD	Construction of water and waste systems	0	0	0	17,990,025	0	17,990,025
USDA Water & Waste Grants	RHD	Water and waste disposal systems	1,150,000	0	1,150,000	3,664,875	0	3,664,875
USDA Water & Waste Loans	RHD	Water and waste disposal systems	2,521,000	0	2,521,000	0	0	0
Total Community Development:			\$441,875,967	\$125,276,146	\$567,152,113	\$721,879,850	\$147,934,424	\$869,814,274

The HCD Plan does not establish goals for the distribution of housing resources among the State's various regions and communities, nor does it favor one type of housing over another. Rather, it has been the policy of the State of Alaska, in the use of its housing resources, to emphasize local determination and responsiveness to demonstrated market demand. During fiscal year 2000, 3256 renter households were served, and 2884 Alaskan homeowners received assistance from a variety of housing programs. The table below illustrates the distribution of assistance across racial and ethnic categories. This table includes the renters, homeowners, homeless, and non-homeless special needs households from the table titles "Households & Persons Assisted with Housing.

Demographic Characteristics of Households Assisted vs Population Composition

Racial Group	Households Assisted—FY 2000		1999 Population Estimate*	
	Number	percent	Number	percent
White	2,960	47.9%	258,318	71.2%
Black	181	2.9%	8,590	2.4%

Native	2,865	46.3%	83,615	23.1%
Asian/Pacific Island.	150	2.4%	12,086	3.3%
Other	28	.5%	N/A	N/A
Total	6,184	100.0%	362,609	100.0%
Hispanic (any race)	132	2.1%	12,596	3.5%

The data for the Demographic Characteristics of Households Assisted table above, as well as the Households & Persons Assisted with Housing table on Page 7, was compiled from the results of a survey mailed out to assisted housing providers serving areas of Alaska outside of Anchorage. The data gathered for the Households Assisted Table reflects a high rate of participation in the Assisted Household Survey by the Regional Housing Authorities involved with the Indian Housing Programs. A low rate of participation by project based Section 8 housing providers further skews the demographic characteristics of the households assisted in FY 2000.

Alaska Housing Finance Corporation

Consolidated Housing and Community Development Plan

Households & Persons Assisted with Housing*

State of Alaska - Non-Metropolitan Areas

July 1, 1999 - June 30, 2000

Name of State: STATE OF ALASKA - Non Metropolitan Areas												Fiscal Year: 2000		
ASSISTANCE PROVIDED (by Income Group)	RENTERS					OWNERS				HOMELESS		Non-Homeless Special Needs*** (L)	Total Goals (M)	Total Section 215 Goals (N)
	Elderly 1&2 Member Household (A)	Small Related (2 to 4) (B)	Large Related (5 or more) (C)	All Other Other Houshds. (D)	Total Renters (E)	Existing Home- Owners (F)	First Time Buyers With Children (G)	All Others (H)	Total Home- Owners (I)	Individuals (J)	Families (K)			
1 Very Low-Income (0 to 30% of MFI)	97	480	110	346	1033	524	58	38	620	104	29	248	1653	1653
2 Very Low-Income (31 to 50% of MFI)	307	629	169	472	1577	710	128	39	958	313	100	391	2535	2535
3 Other Low-Income (51 to 80% of MFI)	117	354	107	68	646	587	356	183	1306	1	0	76	1952	
4 Total Low-Income (Lines 1+2+3)	521	1463	386	886	3256	1821	542	260	2884	418	129	715	6140	4188
5 Racial/Ethnic Composition** Total Low-Income														
Hispanic														
	1	Hispanic			132									
All Races														
	2	White			2960									
	3	Black			181									
	4	Native american			2865									
	5	Asian & Pacific Islander			150									
	6	Other/Unidentified			28									
	Total			6184										
Programs Included Are Highlighted:														
Section 8 Vouchers														
Section 8 Certificates														
AHFC Public Housing														
AHFC Tax Exempt Program														
AHFC Multifamily, Special Needs Housing														
AHFC Senior Citizens Housing Development														
Low-Income Housing Weatherization Program														
Other AHFC Mortgage Assistance (IRRLIB/Energy Rate Red.)														
HOME Owner-Occupied Rehabilitation														
HOME Rental Development														
Indian HOME														
Indian Low Rent & Mutual Help														

Programs Included Are Highlighted:

Section 8 Vouchers
Section 8 Certificates
AHFC Public Housing
AHFC Tax Exempt Program
AHFC Multifamily, Special Needs Housing
AHFC Senior Citizens Housing Development
Low-Income Housing Weatherization Program
Other AHFC Mortgage Assistance (IRRLIB/Energy Rate Red.)
HOME Owner-Occupied Rehabilitation
HOME Rental Development
Indian HOME
Indian Low Rent & Mutual Help
Hud-Subsidized Projects

*Data for period 07/01/99 - 06/30/00. Source: AHFC, Public Housing Division, Mortgage Dept., Planning and Program Development.

**Primary Racial/Ethnic composition of households

NOTE: This table reflects all areas outside of Anchorage

HOUSING RESOURCES: AVAILABILITY AND UTILIZATION

During state fiscal year 2000, covering the period July 1, 1999 through June 30, 2000, 6140 households received housing assistance from public resources. Households with incomes of

0 to 30% of the median family income accounted for 1653 of this total. Very low income households at 31 to 50% of the median family income (MFI) totaled 2535. Another 1952 low income families at 51-80% of MFI also received housing assistance. A total of 4188 households were identified as meeting Section 215 Goals. The table titled *Households & Persons Assisted with Housing* was compiled from original survey data from housing providers, AHFC and HUD data.

The table titled *Annual Funding Plan Summary* details funds anticipated at the time of preparing the Annual Action Plan, to be available during FY 2000. This table also summarizes the funding actually received during the fiscal year, the total households assisted, and the number of Section 215 units. The Fiscal Year 2000 Annual Action Plan estimated a total of \$725,764.877 in available funding would be available for a variety of grant, rental assistance and loan programs. A total of \$666,222,039 was actually received in the period. Part of this decrease can be attributed to the assumptions used projecting AHFC's FY 2000 mortgage lending activity. A total of \$551,666,691 was estimated to be the demand during FY 2000 for AHFC's mortgage programs at the time of preparing the Annual Action Plan. The actual volume of AHFC's loans during the period was \$339,521,137 (compared to a loan volume of \$304,189,880 during FY 1999). A total of 3955 Alaskan households (compared to 3783 in FY 1999) benefited from these AHFC mortgage programs during FY 2000, including 96 Section 215 households. Included in the FY 2000 Annual Performance report were \$131,633,153 in FHA Title II loans, that were not included in the FY 2000 Action Plan table. Some duplication with the AHFC loan figures exists, because the FHA program is a loan guarantee, not a funding source from mortgage investors. Some of AHFC's mortgages have FHA insurance, as do non-AHFC mortgages purchased by other investors.

The total amount of grants related to housing from all sources, including NAHASDA, were estimated to be \$124,757,832 in the FY 2000 Annual Action Plan. The actual amounts received during the fiscal year were \$128,356,650. Rental assistance was estimated to be \$24,726,231, at the time the FY 2000 Annual Action Plan was prepared. The actual amount realized during the fiscal year for all forms of rental assistance totaled \$25,112,609.

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

STATE OF ALASKA---FFY 1999 STATE PERFORMANCE/EVALUATION REPORT

PART II—NARRATIVE REQUIREMENTS FOR FFY 1994,1995,1996, 1997, 1998 and 1999 GRANTS

A. Statutory Requirements of Section 104(e)

The overall mission of the State of Alaska Community Development Block Grant Program is to enhance the quality of life for low and moderate income residents by expanding economic opportunities in the State. The CDBG program fulfills this mission by acting upon its defined goals and objectives. The objectives of the State of Alaska Community Development Block Grant Program are:

- To support local efforts toward solving public facility problems by constructing, upgrading, or reducing operational/maintenance costs of essential community facilities.
- To support activities which develop infrastructure in support of economic development projects.
- To support activities which provide a substantial or direct benefit to low and moderate income persons.
- To support activities which demonstrate the potential for long-term positive impact.
- To support economic development activities which will result in business development and job creation or retention which principally benefit low and moderate income persons.
- To support economic development activities which will promote import substitution or export development.
- To support activities which will encourage local community efforts to combine and coordinate CDBG funds with other available private and public resources whenever possible.

As is indicated in the attached Part I of the Performance Evaluation Report (Appendix A), all of the CDBG grants funded have supported at least one of the above objectives. All have met the objective of serving low and moderate income residents.

The above defined goals and objectives of the CDBG program strongly support and are consistent with the eight principals from the State's 1995-2000 base line Consolidated Housing and Community Development Plan. Specifically, under the CDBG program:

- Benefits are emphasized to low-income Alaskans (Principle # 1).

- Economic opportunity is emphasized through the development of infrastructure (Principle # 2).
- Activities are encouraged to preserve, maintain and upgrade important community resources that are prerequisite for sustainable housing (Principle #3).
- Economic development activities are encouraged that will offer job opportunities to promote household stability and help break the cycle of homelessness (Principle # 4).
- Communities are encouraged to leverage CDBG funds with other public and private resources (Principle #5).
- Through technical assistance activities, community development projects are assisted in the incorporation of appropriate design and engineering, energy-efficient construction techniques and innovative technologies (Principle #8).

The State of Alaska has not and does not anticipate significantly modifying the objectives of the CDBG program for the years included in this report. Through our Consolidated Planning process, our constituents have confirmed that our efforts to maintain and improve the quality of life for low and moderate income residents by focusing on infrastructure development, is a priority for use of CDBG funds.

It is clear that the CDBG Program has had a tremendous positive impact on the low and moderate income residents of the State of Alaska, as indicated in the attached Accomplishments section of this report.

B. Summary of Activities and Results from Technical Assistance Funding

The State has set aside and does intend to use 1% of its FFY 1994, 1995, 1996, 1997, 1998, and 1999 allocations to provide Technical Assistance to its grantees. Prior year TA funds were used to hire a team of experts to put together a *Grant Construction Manual* for use by grantees constructing public facilities. The manual was written for CDBG grantees and others involved in the building industry in rural Alaska---architects, engineers, materials suppliers, contractors, construction crews, municipal grant recipients, and permitting and regulatory agencies. It contains information on design considerations, construction, maintenance , energy efficiency standards by region of the state, mechanical systems, walls, roof, doors & windows, etc. The manual has been well received by all and the feedback we received is that it has been a very valuable tool for grantees who do not have extensive experience in building construction.

Using the FFY 1994, FFY 1995, and FFY 1996 technical assistance funds, the Alaska Department of Community and Economic Development (DCED) expanded upon this training concept by contracting with the Alaska Housing Finance Corporation to hire a

construction/energy/conservation consultant to provide assistance in a number of communities which were awarded CDBG construction grants. The consultant made at least three trips to each community selected. The initial visit was used to determine what type of assistance would be most appropriate for the grantee. In some cases, the grantee needed help in putting together materials lists for bids. In other cases, grantees needed help in training the local labor force crews on basic construction techniques. Some grantees needed help with designing a building appropriate for their site or environment. In certain cases, grantees required all of the above technical assistance. DCED wanted the consultant to provide whatever assistance he and the grantee determined to be most appropriate. The consultant followed each project through, making inspections at critical points. This oversight gave the opportunity to avoid huge cost overruns on projects, which are not unusual for those without experience in construction. The problem of ordering inappropriate materials was avoided, along with the costs associated with returning such materials. Every crew member who attended the training indicated it was extremely valuable for them. Most indicated that they rarely have the opportunity to receive on-site supervision and training. They learned a great deal about reducing energy costs through good construction techniques. DCED felt this Technical Assistance "experiment" greatly exceeded their expectations. The consultant was effective in working with grantees and helped to get them behind the training concept. DCED was originally concerned that there might be some resistance to having an "outsider" telling them how to do things, but this was not the case. Communities welcomed the help and used the opportunity to the fullest.

DCED expanded even more on this concept with FFY 1996 funds. DCED conducted extensive workshops during the Fall 1997, 1998 and 1999 solicitations and included construction training in those workshops. The consultant attended some of those workshops and provided an overview of issues communities should consider in planning a construction project. Design, site preparation, availability of local talent for construction crews, bidding materials, selecting the best value, conducting materials inventory, etc. The consultant helped the communities consider issues which they may not have considered or been aware of previously. This type of instruction greatly enhanced the quality of construction applications received in 1997, 1998, and 1999 CDBG funding cycles. Applicants were clearly more informed of what they were undertaking. Now that the FFY 1997, 1998, and 1999 awards have been made, the consultant is working individually with those communities who identified a need for assistance. To date, approximately 25 to 30 communities have received assistance. Some have received multiple on site visits. Other communities have received only plan reviews.

In addition to the individual assistance and the Fall application workshops, the consultant also participated in two Spring 1999 workshops for new grantees. One was held in Kotzebue and one in Anchorage. A total of 22 people representing 20 grantees attended the two workshops. The purpose of these workshops was to review the Grant Recipient Construction Manual requirements with new grantees and to cover quality building concepts, project planning, building budgets, project management, and negotiations with vendors. Again, DCED was very pleased with the comments and evaluations of the workshops. Everyone who attended reflected that the consultant's presentation was extremely valuable.

In addition to the construction training, DCED also provided more general training and assistance with meeting the requirements of the CDBG program at the workshops. Topics covered included general program information including the Grant Implementation Manual, the signatory authority form, insurance requirements and certifications, public hearing requirements, audits, complaint process, fair housing and equal opportunity employment, Section 3, environmental review, labor standards, and site control. DCED hopes to expand upon the workshops and present more of them in the coming year.

A three day training was conducted in December of 1999 on “The Economic Development Toolbox: A Practical Guide to Constructing Your Economic Development Programs.” This training was presented using HUD technical assistance funds, and was jointly sponsored by the Alaska Department of Community and Economic Development, the Municipality of Anchorage, and Alaska Housing Finance Corporation. Topics covered included economic development and your community; creating economic development strategies; economic development and the CDBG foundation; micro-business and small business development; job training and other public services; large scale commercial and industrial projects; neighborhood revitalization strategy areas; financing economic development projects; Section 108 loan guarantees; basic principles of underwriting; and program development and administration.

HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)

ANNUAL PERFORMANCE REPORT

July 1, 1999 - June 30, 2000

Program Accomplishments/Commitments

During the year, AHFC continued the successes of earlier years through the HOME Investment Partnership (HOME) Program. As proposed in the FY 20000 Action Plan, HOME program funds were used to (i) develop affordable rental housing (Greater Opportunities for Affordable Living Program), (ii) rehabilitate single-family homes owned and occupied by lower-income families (Owner-Occupied Rehabilitation Program), (iii) provide financial assistance to lower-income home buyers (HOME Opportunity Program), (iv) provide a developer subsidy to promote development of units for sale to low-income households, developed by Community Land Trusts, and (v) fund a portion of the operating costs incurred by the State's Community Housing Development Organizations (CHDOs).

(i) Rental Development – GOAL Program

Under the Greater Opportunities for Affordable Living (GOAL) Program, AHFC awards funding for affordable rental housing development, utilizing three funding sources - HOME funds, low income housing tax credits, and AHFC grant funds under the Senior Citizen's Housing Development Funds Program. By combining these three funding resources, the GOAL Program has reduced the application and development burden for housing developers, increased the rate in which GOAL funds are leveraged with other resources, and decreased development time frames. As part of this year's GOAL Program funding cycle, AHFC conducted regional application workshops in Juneau, Dillingham, Kenai, Fairbanks, and Anchorage. Workshops in Fairbanks and Juneau were held in conjunction with Affordable Housing Partnership meetings coordinated by Alaska Housing Finance Corporation through a HUD Technical Assistance grant. These workshops assisted potential developers better understand the GOAL Program and the application process.

Five rental development projects, located in Seward, Wasilla, Stebbins, Petersburg, and Juneau were awarded HOME funds totaling \$1,581,250 (including state match). These five HOME-funded projects are expected leverage other development funds totaling approximately \$11.9 million. A total of 66 affordable rental units will be developed as a result of all four projects (49 units are new construction, the remaining 17 are acquisition/ rehabilitation). The Juneau project, containing 25 units, was awarded to an organization whose CHDO certification is currently being reviewed. This potential CHDO project represents 20 percent of one year's HOME entitlement. Federal regulations require a minimum of 15 percent of all HOME funds be allocated to CHDOs to develop, sponsor, or own HOME assisted housing.

(ii) Owner-Occupied Rehabilitation Program (ORP)

Four non-profit organizations continued to administer AHFC's HOME-funded Owner-Occupied Rehabilitation Program (ORP). Through this program, non-profit program administrators, or "subrecipients", provide funding to lower-income home owners to improve the home owner's property condition and energy efficiency, eliminate life-safety hazards, and make accessibility improvements. Thirty-eight (38) ORP projects were completed during the program year, and an additional 36 were in process as of June 30, 2000. Areas served by the four subrecipients included the Matanuska-Susitna Borough, Kenai Peninsula Borough, Fairbanks North Star Borough, City and Borough of Juneau, and the Ketchikan Gateway Borough.

AHFC continues to encourage program coverage in areas of the state not currently served under this program. However, no new Notices of Funding Availability were offered during the program year, so no additional areas could be added. New Lead-Based Paint regulations, published on September 14, 1999, will make serving older homes through this program in more remote areas more costly. AHFC began to prepare for implementation of these new regulations during the program year (see page 17) and will continue these efforts into the next.

(iii) HOME Opportunity Program (HOP) – Homebuyer Assistance Component

The HOME Opportunity Program (HOP) saw its second year of activity during the year. Under HOP, qualifying families may receive down payment funding assistance equaling 2 percent of the purchase price, up to \$2,000 for loan closing costs, and if necessary to achieve affordability, a soft second deed of trust of up to \$25,000. In the early spring of 2000, a total of \$1,026,760 was awarded to three non-profit organizations to administer the homebuyer assistance component of the program in Fairbanks, Juneau, the Cook Inlet Region (excluding the Municipality of Anchorage) and, new this year, Sitka.

HOP continues to reflect a demand for homeownership assistance in the state. By the end of the program year, subrecipients had assisted 38 low-income households close on their new homes, with one additional loan in process. Half (19) of these closings were through the subrecipient serving the cook inlet region. After a slow start reported in last year's Annual Performance Report, this subrecipient completely committed both its old and new grants by June 30, 2000, ahead of schedule.

The subrecipient in Juneau expanded its activity to Sitka with the new Spring HOP grant. It reported a slightly slower pace than the previous year, but still robust. This subrecipient speculated that sales slowed in Juneau partly due to lack of affordable housing stock. In Sitka, the program is assisted by the availability of USDA Rural Loans, also available in some areas of the Cook Inlet region.

In Fairbanks, loans slowed during the second part of the year. It is unclear if this was due to the housing market (either lack of housing stock or lack of qualifying buyers), or because a temporary slow-down due to transitions internal to the organization administering the program. By June 30, no loans had been made from the new grant, and the old grant showed a small balance remaining.

(iv) HOME Opportunity Program (HOP) – Developer Subsidy

After a formal amendment to the FY 2000 Action Plan, a new component to the HOME program was introduced this year under the HOP program: the homeownership developer's subsidy. In the HOP Notice of Funding Availability issued in the Fall, \$204,000 was made available to Community Housing Development Organizations (CHDOs) who are also Community Land Trusts (CLTs). Eligible costs under the developer subsidy include the cost over appraised value of developing homes affordable to low-income households. This component was offered in response to comments in previous plans to assist support the development of Community Land Trusts, and to assist in expanding the stock of housing available to low income households in Alaska. In addition, Community Housing Development Organizations in Alaska have been seeking housing development options other than rental development to which to apply the required 15 percent CHDO set-aside.

One CLT applied for and was awarded the HOP developer subsidy. The subsidy was awarded to cover the costs over appraised value of developing nine modest homes for home ownership in the Fairbanks area. The environmental review for this project was completed in April, and the grant agreement initiated. By June, 2000, this project had not yet confirmed any pre-sales for homes and consequently, no construction was authorized. Lessons learned from this initial round of homeownership developer subsidy include that the type of project may fit more closely with the GOAL program, as it includes development activities and should undergo the same rigorous underwriting and market analysis as does a rental development project under GOAL.

(iv) Community Housing Development Organization (CHDO) Operating Expense Assistance (OEA)

Over the past year, AHFC continued to help Community Housing Development Organizations (CHDOs) through its CHDO Operating Expense Assistance (OEA) Program. OEA assists active CHDOs build capacity and meet operating expenses for a six-year period, with assistance diminishing over time. Contracts for OEA awarded the previous year were executed in the Fall, and in the late spring, new applications for OEA were accepted and \$129,168 was conditionally awarded for the coming year across the five applicants. OEA contracts encourage CHDOs to operate all AHFC programs in accordance with program rules: for every month a CHDO remains unresponsive to findings with AHFC for more than 30 days, the OEA grant is reduced by one twelfth.

Two new CHDOs applied for and received CHDO certification during the program year: Borealis Community Land Trust, Inc. and Valley Residential Services, Inc. All other CHDOs were asked to submit material for recertification, which was underway by June 30, 2000. A technical assistance teleconference was held in the spring which brought all eight CHDOs in the state (including two certified by the Municipality of Anchorage) together to discuss technical assistance and capacity building needs, and to share wisdom. AHFC distributed a technical assistance questionnaire along with the OEA application as a follow-up, and this information will help design technical assistance activities in the coming year.

The table below identifies HOME commitments made during the past fiscal year.

Program Component/ Sponsor	Commit Date	Commit. Amount*	Project Location	# of Units	Project Status
Rental Development: Tlingit-Haida Reg. Housing Auth. Wasilla Area Seniors, Inc. Bayview Limited Partnership Petersburg Senior Housing Nome Community Center	Pending 4/00 4/00 Pending 6/00	\$ 600,000 \$ 675,000 \$ 150,000 \$ 6,250 <u>\$ 150,000</u> \$1,581,250	Juneau Wasilla Seward Petersburg Stebbins	25 26 18 20 <u>5</u> 124	Pre-Dvlp Construction Pre-Dvlp Pre-Dvlp Pre-Dvlp
Owner Occupied Rehabilitation: Alaska Community Dvlp. Corp. Alaska Community Dvlp. Corp. Historic Ketchikan, Inc. Interior Weatherization, Inc. Rural AK. Comm. Action Program	8/99 8/99 8/99 8/99 8/99	\$ 830,450 \$ 218,018 \$ 108,312 \$ 713,773 <u>\$ 209,901</u> \$2,080,454	Southcentral Southeast Ketchikan Interior Juneau	(actual unit completions) 17 (inc. above) 1 9 <u>11</u> 38	All programs are in the rehab phase.
HOME Opportunity Program: Fairbanks Neighborhood Housing Borealis Community Land Trust Housing First Cook Inlet Housing Authority	2/00 6/00 2/00 2/00	\$ 468,600 \$ 204,000 \$ 440,000 <u>\$ 118,160</u> \$1,230,760	Fairbanks Fairbanks Juneau & Sitka Cook Inlet Region (excluding the Municipality of Anchorage)	(actual loan closings) 5 XX 10 <u>23</u> 38	In process. (Borealis CLT in Pre-Dvlp)
CHDO Operating Expense Assistance: Fairbanks Neighborhood Housing Housing First Tlingit Haida Reg. Housing Auth. Borealis Community Land Trust Valley Residential Services	6/00 6/00 pending 6/00 6/00	\$ 15,000 \$ 27,500 \$ 16,668 \$ 35,000 <u>\$ 35,000</u> \$ 129,168	Fairbanks Juneau Juneau Fairbanks Wasilla	N/A	In process.

* Includes AHFC Cash "Matching" Funds.

Matching requirements for all program components (except CHDO Operating Expense Assistance and Administration Expenses, both of which do not require match) are being met by AHFC's cash contribution of \$750,000 and contributions through other sources. During this year, AHFC performed an analysis of all match contributed to the program to HOME-assisted housing to date. Just under \$6 million in match eligible for current cumulative liabilities in the HOME program was logged through June 30, 2000. Of all match logged, more than half has

been contributed through the rental development projects, 21 percent through the HOME Opportunity Program, and 14 percent through the Owner Rehabilitation program. More than two thirds of all match counted to date is the result of non-federal cash investments in affordable housing, including the state's HOME match. The bulk of the remaining third is the result of loans made from proceeds from affordable housing bonds made through AHFC. The HOME Match Report is included in Appendix B-1.

Lead-Based Paint

In September of 1999, HUD published new Lead-Based Paint regulations that lays out procedures required for all HOME-funded projects assisting housing built before 1978. These regulations are expected to have a major impact on the Owner Occupied Rehabilitation Program and, to a lesser degree, the HOME Opportunity Program and Rental Development Program.

For all HOME-assisted activities where more than a diminuous amount of paint will be disturbed in housing built before 1978, a specially certified lead-based paint assessor must ascertain if lead exists in the home. This determination must be made using an XRF machine (which cost from \$15,000 to \$25,000) or lab-tested paint chips, or it must be assumed that all paint is lead-based. Any work involving lead-based paint must be accomplished under the direction of a lead-based paint certified supervisor, or by workers certified in safe work practices. Once work is complete, a lead-based paint assessor or clearance technician who was not involved in performing or supervising the work must clear the site. Until clearance is confirmed by a lab's analysis of dust collected on site, no household members are permitted to reside in the home. Regulations must be implemented by September 15, 2000.

AHFC staff conducted an analysis of existing information available on the prevalence of lead-based paint and lead poisoning in children in Alaska, and the cost of implementing new regulations. Because of the relatively new housing stock in this state, the presence of both lead-based paint and children with elevated blood levels in Alaska were well below the national average. Conversely, because of the very remote nature of the sites assisted through the HOME program and the lack of certified lead professionals, the cost of implementing new regulations in Alaska will be very high. For example, in the ORP program alone, staff estimated that if 50 units are assisted in one year (a generous estimate), approximately 10 would benefit from new lead-based paint controls and together would cost the ORP program approximately \$122,050 in one year, 12 percent of the total ORP budget.

Housing for rural, low-income households is consistently a high priority for the AHFC Board of Directors and in the Consolidated Plan. These new lead-based paint regulations are a great concern because they make serving older homes in these remote areas disproportionately more costly and cumbersome. AHFC addressed HUD's Office of Lead Hazard control in May with a letter outlining the specifics of staff's findings, and included a request for certain extensions and waivers for Alaska. This letter is included in full in Appendix B-2. As of June 30, 2000, AHFC had received no response from HUD. AHFC expects to host lead-based paint certification classes during the winter months of 2000/2001 and purchase XRF machines. In the mean time, in the absence of any HUD waiver or extensions, it will have to postpone new commitments for all housing built before 1978.

Displacement/Relocation

One rental development project this year involved rehabilitation of an existing structure: Bayview Apartments in Seward. AHFC has monitored notices provided to tenants and temporary relocation associated with this project and has found that, through June 30, 2000, all proper notices have been provided. While initially it looked as though two households would be over-income and have to be evicted, fortunately, by the time relocation was initiated, no evictions were necessary. One household had left the community voluntarily after having received all proper notification(s), and the second household had a baby resulting in the family's income falling below the higher income limit after all.

Program Monitoring

Program monitoring during the year consisted of two types of compliance review. The first involved project monitoring during the initial development period. This type of review consists of site visits to projects being developed and to subrecipient offices to ensure compliance with program policies and property requirements. It also consists of desk monitoring accomplished through review of financial data, quarterly and annual project status reports. Reviews of this nature were conducted throughout the year by program staff.

Among the Project Initiation Reports required of developers of rental housing are the Section 3 Work Plan and a written Women's and Minority Business Enterprises (MBE/WBE) workplan. The Section 3 Work Plan must identify how the subrecipient will notify Section 3 residents and contractors of training and job opportunities, facilitate the training and employment of Section 3 residents and the award of contracts to Section 3 businesses, and include the Section 3 Clause in all solicitations and contracts. The Women's and Minority Business Enterprises workplan must include a description of the subrecipient's planned outreach designed to inform women and minority business enterprises of present and future contract opportunities. Documentation of activity under both Section 3 and MBE/WBE is explicitly required as part of the Subrecipient's close-out documentation, required before the Subrecipient may receive its entire grant at the end of a project. All site visits during the construction period also inquire about Section 3 and MBE/WBE activity, in an effort to correct any deficiencies before the end of the project. Beginning with contracts executed during this program year, additional Section 3 and MBE/WBE reporting was required. New contracts require quarterly reports on MBE/WBE, Section 3 and Job Training activity, allowing AHFC to routinely do a desk review of appropriate activity during construction.

The second form of project monitoring consists of post-project completion review, or "affordability compliance" review. Monitoring reviews of this nature were conducted by AHFC's Internal Audit Department throughout the year based on a schedule consistent with federal requirements.

Monitoring showed some subrecipients were out of compliance for limited time periods. In cases where program requirements were not being met, AHFC took appropriate actions to ensure the subrecipient came into compliance as soon as possible. Such actions included providing

technical assistance, informing subrecipients they would be penalized in future funding rounds, requiring re-audits at the subrecipient's expense after problems were corrected, withholding grants and awards until current compliance issues were corrected, and reducing current grants where non-compliance continued. In most cases, through these actions project developers, owners and subrecipients showed a willingness and ability to meet program requirements.

Fair Housing and Related Issues

The HOME Program requires AHFC to comply with the Fair Housing Act and related issues of affirmative marketing and equal opportunity. In most cases, these requirements pass through to program subrecipients and to housing developers and owners who have received HOME funds.

It has been AHFC's practice to meet these requirements through a variety of actions including:

- X Placement of an equal opportunity logo in all AHFC solicitations, including those of program administrators, for program activities as well as press releases;
- X Display of fair housing and equal opportunity posters in prominent areas of AHFC and program administrator's offices;
- X Inclusion of specific provisions within each grant, loan, or program administrator's contract addressing the grantee's, borrowers or program administrator's fair housing and equal opportunity responsibilities. During this program year, the generic grant agreement for rental development projects was revised to include more explicit instructions on how to comply with affirmative marketing, Section 3 and MBE/WBE requirements;
- X Outreach efforts, including meetings and workshops sponsored, conducted or participated in by AHFC, which are designed to educate segments of the population which might otherwise be less informed regarding the availability of program funds and the requirements under the Fair Housing Act. For example, during program funding cycles, AHFC conducts application workshops that address, in part, Fair Housing issues and requirements. Successful applicants are required to attend a pre-award conference that addresses these issues at greater length.
- X AHFC's compliance and planning departments also regularly audit grantees and program administrators to ensure fair housing compliance and to further educate program participants regarding their fair housing responsibilities.
- X Participation in advisory committees regarding special needs groups and their specific housing needs and assistance requirements.
- X Focus program efforts toward areas and persons who might be considered least likely to apply for the assistance. For instance, the rating criteria utilized in the GOAL program targets projects in rural areas and those that will serve special needs groups.

Generally, because of the dynamics applicable to these preferences, persons ultimately served tend to be of lower-income, those with special needs, and those with higher concentrations of minority residents. ORP program criteria restricts program participation to families whose income does not exceed 60% of the area median income, and additionally targets families with special needs, i.e., elderly and families with small children.

- X ORP Program administrators and rental developers under the GOAL Program are required to outreach and to encourage the participation by businesses owned by minorities and women for contractual purposes in carrying out its rehabilitation activities.
- X With the new flexibility offered by the Native American Housing and Self-Determination Act (NAHASDA), AHFC continues to invite participation in the HOME program by Indian Housing Authorities and tribes, and to work with them to ensure that all HOME funds result in housing units that are open to both native and non-native eligible households.
- X Annually evaluate the success of the Affirmative Marketing efforts, and propose changes for the coming year. This assessment has been completed and is included in Appendix B-3.

The numerous actions identified above have caused greater awareness and compliance with fair housing and related requirements. This has resulted in greater geographic disbursement of HOME funds throughout the State and the effective delivery of housing to a greater number of minority and lower income populations. It is AHFC's intent to continue these actions in the future.

ASSISTING THE HOMELESS

The Continuum of Care strategy to address issues of homelessness in Alaskan communities over the past four years has contributed to comprehensive strategies that create coordinated, long-term approaches to address the needs of homeless individuals in a community. Five local continuums (Bethel, Fairbanks, Kenai, Juneau and Mat-Su) have been developed. Six more

communities (Ketchikan, Kodiak, Kotzebue, Nome, Sitka and Valdez) have been working towards the development of community based strategies addressing homelessness.

The results of the 1998 HUD Continuum competition was announced in early 1999, and Alaska (outside of Anchorage) fared very poorly in funding awards. Less than \$80,000 was awarded to two projects in Fairbanks and Juneau. HUD's formula funding approach uses geographic area codes and "pro rata need" as the basis for funding awards. If all of the balance of state geographic codes (all area of Alaska outside of Anchorage), Alaska would have been entitled to a minimum funding level of approximately \$300,000. The general consensus of those involved in Alaska's homeless programs was to pursue an "Alaska Statewide Continuum of Care Strategy", covering all geographic codes for Alaska outside of Anchorage.

During FY 1999, the first "Balance of State Continuum of Care" was developed, with the Alaska Coalition on Housing and Homelessness and Alaska Housing Finance Corporation acting as the lead entities. The Coalition served as the hub for the Balance of State Continuum of Care planning structure. Information on issues of homelessness was directed into the Coalition from a variety of sources including local inter-agency forums, advocacy groups for various homeless sub-populations, statewide commissions and task forces, community mental health centers, and homeless services clients. The Coalition collectively synthesizes the information and generates policy recommendations for both the Continuum of Care and the Consolidated Plan. Late in FY 1999, three projects from Fairbanks, Juneau and Kenai were submitted to HUD for the 1999 Continuum competition. In December of 1999, HUD announced the following awards:

• Fairbanks Resource Agency	\$300,000.00
• Women's Resource and Crisis Center (Kenai)	\$221,371.00
• Juneau Alliance for the Mentally Ill	\$ 70,280.00
Balance of State Total	\$591,651.00

Building upon the success seen in the FFY 1999 Continuum competition, Balance of State Continuum was refined and improved throughout FY 2000. At its April 18, 2000 statewide teleconferenced meeting, the Coalition participants prioritized projects for the FFY 2000 Continuum competition.

Eleven projects with a total requested funding level of \$912,381 were submitted to HUD in the FFY 2000 competition.

EMERGENCY SHELTER GRANTS

Annual Performance Report---FFY 1999---July 1, 1999 to June 30, 2000

Alaska's non-metro allocation of Emergency Shelter Funds is administered by the Alaska Department of Community and Economic Development (DCED); metro funds are granted by HUD directly to the Municipality of Anchorage. The state program received \$112,000 in federal

fiscal year 1999 funds, which were distributed on a competitive basis. Five agencies were awarded grants from this year's Emergency Shelter Grant program, at equal amounts of \$22,400.00 each. The grant supports three general categories of assistance: activities to prevent homelessness; direct emergency services such as food and transportation; and cost to operate shelter facilities, such as utilities and fuel oil.

The ESG funds were matched by the local providers with a total of \$360,025.00 in local funds, local non-cash resources, and other state and federal agency funds.

Summary of Grants made from FFY 99 Emergency Shelter Grant Funds

1. *St. Vincent de Paul serving Juneau:*

Homeless Prevention Activities:	\$6560.00
Direct Emergency Services:	\$6720.00
Shelter Operations:	\$8050.00
Rehabilitation/Renovation:	\$0.00
Administration:	\$1070.00
<i>Total:</i>	<i>\$22,400.00</i>

2. *Women's Resource and Crisis Center serving Kenai:*

Homeless Prevention Activities:	\$ 0.00
Direct Emergency Services:	\$4655.00
Shelter Operations:	\$15,155.00
Rehabilitation/Renovation:	\$1470.00
Administration:	\$1120.00
<i>Total:</i>	<i>\$22,400.00</i>

3. *Catholic Social Services serving Kodiak:*

Homeless Prevention Activities:	\$6700.00
Direct Emergency Services:	\$ 250.00
Shelter Operations:	\$14,330.00
Rehabilitation/Renovation:	\$0.00
Administration:	\$1120.00
<i>Total:</i>	<i>\$22,400.00</i>

4. *Juneau Cooperative Christian Ministry serving Juneau:*

Homeless Prevention Activities:	\$4000.00
Direct Emergency Services:	\$4500.00
Shelter Operations:	\$12,900.00
Rehabilitation/Renovation:	\$0.00
Administration:	\$1000.00
<i>Total:</i>	<i>\$22,400.00</i>

5. *Valley Women's Resource Shelter serving Matanuska-Susitna Borough*

Homeless Prevention Activities:	\$4401.00
Direct Emergency Services:	\$12,338.00
Shelter Operations:	\$ 4,561.00
Rehabilitation/Renovation:	\$0.00
Administration:	\$ 1100.00
<i>Total:</i>	<i>\$22,400.00</i>

OTHER INITIATIVES

Statewide Coordination

During FY 2000, the Alaska Coalition on Housing and Homelessness continued to increase its role in facilitating communications and networking among the housing and social service agencies assisting the homeless across Alaska. AHFC sponsored the Coalition's monthly statewide teleconference, providing meeting space in its offices, and paying the costs of linking six to ten sites statewide. AHFC also sponsored a student intern from the University of Alaska, who built a new web site for the organization. The Department of Community and Economic Development also supported the work of the Coalition through a Community Food and Nutrition grant. Over the past twelve months, official membership in the Coalition has nearly doubled. Participation in the monthly teleconferences has also increased substantially. The implementation of AHFC's Telecommunications and Information Infrastructure Assistance Program (TIIAP) Grant from the U.S. Department of Commerce appears to be a major contributing factor to this increase. This project supported the installation of computers, on-site training, and providing internet access for 19 homeless service agencies in twelve rural Alaska communities. In October of 1999, the Coalition held its annual state-wide meeting at the Brother Francis Shelter in Anchorage, with more than 50 participants from 12 communities.

AHFC Grant Match Program

With authority from the Alaska Legislature, AHFC provides matching grants for several federal competitive grant programs. In FY 1999, AHFC awarded \$40,000 in matching funds under the USDA Housing Preservation Grant Program to upgrade homes in some of the most remote parts of Alaska. Also during FY 1999, AHFC committed approximately \$418,540 in Corporate funds to match five grant requests totaling \$1.5 million from HUD under the FFY 2000 Continuum of Care, Homeless Assistance Program. Also in FY 2000, AHFC committed \$40,000 to match a \$140,000 HUD CPD Technical Assistance Grant; \$60,000 to match a Healthy Homes Initiative

request for \$618,058; and \$200,000 to meet the “dollar for dollar” match requirement for the Rural Community Development Initiative. To improve its competitive position in the FY 2000 HOPWA competition, AHFC also committed a \$350,000 Corporate match. Results of these competitions were still pending at the time of this report.

AHFC Homeless Assistance Program (HAP)

In the fall of 1999, AHFC announced another competition for funding under its Homeless Assistance Program (HAP). AHFC received 19 applications totaling \$1.7 million. After the applications were scored and ranked, AHFC attached the list of applicants, by rank and order, to its funding authorization request to the Alaska Legislature. Although the legislature continued to hold the line of AHFC’s authorization to \$250,000, they did authorize a supplemental contribution of \$200,000 from the Alaska Mental Health Trust Authority for this program.

These combined resources resulted in the following awards:

<u>Agency</u>	<u>Activity</u>	<u>Grant Award</u>
Kenai Women’s Crisis Center	Shelter Support	\$ 28,290
Advocates for Victims of Violence	Shelter Rehab	\$ 27,300
CSS—Brother Francis Shelter	Housing Placement	\$ 22,330
Kids Are People, Inc. (Mat-Su)	Facility Acquisition	\$ 372,080
<i>Total</i>		<i>\$ 450,000</i>

Technical Assistance to Bring More Resources into Alaska

Throughout FY 2000, Alaska Housing Finance Corporation played a lead role in coordinating and targeting technical assistance (TA) to help bring more resources into Alaska. In close cooperation the Department of Community and Economic Developments and the Municipality of Anchorage, AHFC was continued to implement the Technical Assistance Delivery Plan for the FFY 1998 HUD CPD TA award. AHFC was also notified in the spring of 2000 that its FFY 1999 competitive application received \$149,000 in U.S. Department of Housing and Urban Development technical assistance funding to address priorities and needs of the Community Development Block Grant Program, Community Housing Development Organizations, HOME Investment Partnerships, and Supportive Housing Programs. Activities funded through this HUD TA grant will be integrated with the FFY 1998 TA activities. In June of 2000, a new Technical Assistance Delivery Plan (TADP) was submitted to the Alaska State Field Office of HUD, linking and amending activities under the FFY 1998 TADP with the FFY 1999 TA funding. A flexible menu of TA resources and tools have been developed to address the wide range of TA needs and priorities in Alaska. The Section entitled “Expanding the Capacity of

Sponsors” on pages 28-30 describes some of the technical assistance activities undertaken during FY 2000 using HUD TA resources and the AHFC matching funds.

As mentioned previously in this Section, Alaska Housing Finance Corporation coordinated the development of a Balance of State Continuum of Care (for all areas outside of Anchorage) in the Spring of 1999. This effort was done to make Alaskan applicants more competitive in the national continuum of care competition, and to secure all possible funding under the pro rata need formula. The results are anticipated in mid FY 2000, and will be carefully reviewed to help shape future technical assistance strategies.

Improving Information on Alaska’s Homeless

In cooperation with the Alaska Coalition on Housing and Homelessness, AHFC administered “point-in-time” surveys on July 28, 1999 and January 26, 2000. The survey was administered to approximately 91 housing and social service agencies. For the July 28th survey, 68% of the surveys sent out were completed and returned. Seventy-six percent were returned for the January 26, 2000, survey. Twenty-seven communities were represented, comprising approximately 95% of the State’s total population. Outside of Anchorage, the communities of Fairbanks, Juneau, Ketchikan, and Kenai reported the greatest number of homeless.

These two surveys targeted the multiple needs of the homeless, gathering data on the prevalence of mental illness, physical disability, and developmental disabilities. Results from both surveys indicate that a disproportionate number of homeless continue to experience disabilities. Thirty to thirty-nine percent of the homeless surveyed reported having a physical, mental or developmental disability. In addition, a significant percentage of the respondents outside of Anchorage reported having a substance abuse problem---43% in the July 1999 survey and 49% in the January 2000 survey.

In both the Summer 1999 and Winter 2000 surveys, single adult males continue to be approximately 54% to 62% of the overall homeless population surveyed. Only 2 to 3% of the respondents were under the age of 18. In FY 2000, the average age of a homeless person was 37.

Both the July 28, 1999, and January 26, 2000 surveys gathered data on the mobility of the homeless population, asking participants about their length of residence in the community in which they were surveyed. Most of the homeless (63%---July 1999, 66%---January 2000) report long term residence in the urban communities of Anchorage, Fairbanks and Juneau. Outside of Anchorage, the homeless show a higher level of mobility.

The Alaska Housing Finance Corporation used data from the Homeless Surveys to help local communities develop their own Continuums of Care. Data gathered from the surveys was used

by AHFC to provide five communities with technical assistance. Throughout FY 2000, AHFC's Homeless Surveys served as the primary source of information for many communities. AHFC received and responded to for homeless data from various Alaskan communities.

Assisting Alaskans With Special Needs

Senior Citizen Housing Development Fund

The FY 2000 AHFC capital budget for the Senior Citizens Housing Development Fund (SCHDF) was \$278,000. From this funding, the following one legislatively designated grant was identified:

- Upper Susitna Valley Seniors---Talkeetna.

The Fall 1999 Greater Opportunities for Affordable Living (GOAL) competition resulted in the Petersburg Senior Housing project request for \$659,998 in SCHDF being included in the FY 2001 capital budget request. This funding was approved by the Legislature in the last quarter of FY 2000. The Petersburg Senior Housing project will have 20 units, and a total project cost of \$3,236,323. HOME funds totaling \$6,250 were also allocated to the Petersburg project.

Housing Opportunities for Persons with AIDS (HOPWA)

In December 1999, AHFC received notice from HUD of its successful application for \$616,000 to restore supportive housing services to persons with HIV/AIDS in Southeast and the northern interior of Alaska. By the end for FY 2000, the HOPWA program in these regions was again fully operational with approximately 23 active clients. In the spring of 2000, AHFC submitted another competitive application for \$572,600 to continue the HOPWA program that serves the southcentral and western regions of Alaska, including Anchorage. The outcome of this most recent competition is as yet undermined.

Alaska Mental Health Trust Authority

The Alaska Mental Health Trust Authority (the Trust) exists to serve the needs of Alaskans who experience mental illness, developmental disabilities, chronic alcoholism with psychosis, and Alzheimer's disease and related dementia (the beneficiaries). Throughout FY 2000, the Trust worked to identify means of making housing more accessible, more affordable, and more appropriate for Trust beneficiaries. The Trust, Alaska Housing Finance Corporation, and the Alaska Department of Health and Social Services were involved in several initiatives to expand housing options for Trust beneficiaries:

- Planning activities throughout FY 2000 have been working towards a demonstration housing project for 30 mentally ill individuals. The purpose of this project will be to divert individuals from the Alaska Psychiatric Institute or the corrections system. This planning effort was successful in securing \$1.7 million in FY 2000 capital funding, and in reserving \$226,000 in calendar year 2000 low income housing tax credits.
- The Trust was successful in increasing the FY 2000 appropriation for the Homeless Assistance Program from \$250,000 to \$450,000.
- The Trust worked closely with Alaska Housing Finance Corporation to create one new lending program (the Service Provider Interest Rate Reduction Program), and offered input as AHFC evaluated a number of other changes to its mortgage programs.
- The Trust, the Alaska Department of Health and Social Services, and AHFC continued their partnership in the Beneficiary and Special Needs Housing Grant Program in FY 2000. A detailed description of these activities follows in the next section.

Beneficiary and Special Needs Housing Grant Program

In FY 2000, \$1,700,000 was appropriated in AHFC's capital budget to fund a special needs housing grant program. Through a cooperative approach with the Alaska Department of Health and Social Services, Alaska Housing Finance Corporation, and the Alaska Mental Health Trust, this program provides funding to non-profit service providers to develop new or expand and improve existing housing throughout Alaska for adults and youth with special needs. One of the key goals of the Beneficiary and Special Needs Housing Grant Program is to help make the transition from State-owned institutional care towards community based supportive living opportunities for Alaskans with special needs. In the spring of 2000, a Notice of Funding Availability (NOFA) was announced under this program. Under this NOFA, all proposed projects were required to have a direct impact on the reduction of mental health beneficiary admissions to the Alaska Psychiatric Institute (API), youth or adult correctional facilities, and other institutions. A total of \$800,000 in FY 2000 funds was included in this NOFA. Another \$900,000 in FY 2000 funds set-aside for a demonstration project using a supportive housing model for developing housing for difficult to serve persons with mental illness. Subject to approval of this demonstration project in the FY 2001 budget by the Legislature, the NOFA stated this \$900,000 of FY 2000 funds would be used to fund projects considered under this competitive round.

Expanding the Capacity of Sponsors

A number of activities were undertaken during FY 2000 to expand the capacity of sponsors to access special needs housing programs:

- 1) Throughout FY 2000 technical assistance materials developed over the last four years were made available to expand the capacity of non-profit organizations to engage in housing development, and to effectively manage such developments. These materials included:
 - Evaluating Local Affordable Housing Needs in Alaska Workbook*
 - Affordable Housing Development Workbook*
 - “Getting Your House in Order”—Manual on Supportive Housing Operations and Management*
 - A Handbook on the Legal Obligations and Rights of Public and Assisted Housing Providers Under Federal and State Fair Housing Law for Applicants and Tenants With Disabilities*
 - “Alaska Building Homes to Build Communities” Video*
- 2) Generalized capacity development in supportive housing programs and operations was provided in FY 2000. In October of 2000, in conjunction with the annual conference of the Alaska Coalition on Housing and Homelessness, a one day training on supportive housing issues was conducted in Anchorage. Scholarships were provided to supportive housing providers to participate in the March 2000 Alaska Regional Training Institute. One key issue that emerged during FY 2000 concerned the lack of Alaska applications in the most recent

HUD 811 funding competition. Technical assistance activities have been designed to address this situation early in FY 2001.

- 3) Throughout FY 2000, HOME and CHDO technical assistance emphasized training that was of the greatest value and relevance. Building upon the evaluations and input from the 1999 Alaska Regional Training Institute, seven courses were selected for the March 2000 Alaska Regional Training Institute. These courses were:

- Project Feasibility Analysis
- Managing Funds From Multiple Sources
- How to Be An Effective Board Member
- Taking The Mystery Out Of Budgets And Finances
- Construction And Production Management
- Program Evaluation For Nonprofits
- Managing Your Nonprofit for Results

CHDO organizational assessments were updated in FY 2000, and a technical assistance survey of CHDO needs was conducted in the fourth quarter of 2000. Two new CHDOs were certified during FY 2000---Valley Residential Services in the Mat-Su Valley, and Borealis Community Land Trust in Fairbanks. Other CHDO TA activities undertaken during FY included the development of CHDO based housing counseling plans for Anchorage, Fairbanks, and Juneau. These housing counseling plans will be implemented during FY 2001. Additional HOME TA activities included the development of a multi-family energy efficiency construction manual, and a one day training in March 2000 on lead based paint regulations.

- 4) A three-day training was conducted in December of 1999 on "The Economic Development Toolbox : A Practical Guide to Constructing Your Economic Development Programs." This training was presented using HUD technical assistance funds, and was jointly sponsored by the Alaska Department of Community and Economic Development, the Municipality of Anchorage, and the Alaska Housing Finance Corporation. Topics covered included economic development and your community; creating economic development strategies; economic development and the CDBG foundation; micro-business and small business development; job training and other public services; large scale commercial and industrial projects; neighborhood revitalization strategy areas; financing economic development projects; Section 108 loan guarantees; basic principles of underwriting; and program development and administration.
- 5) The FY 2000 Annual Action Plan stated that "DHSS will continue to fund, from state resources, two full-time housing resource positions at the state's largest community mental-health centers." These positions were funded, but one of the mental health centers utilizes their position for activities other than housing. DHSS did fund a state position to assist non-profits, serving Alaskans with a mental illness or developmental disability, acquire housing with supportive services.

- 6) During FY 2000, AHFC applied for technical assistance funding under the FFY 2000 U.S. Department of Housing and Urban Development Community Planning and Development Programs. A total of \$120,000 in federal funding was requested, matched by \$40,000 in state matching funds. Under this competition, funding was available for Community Housing Development Organization TA, HOME TA, and McKinney Homeless Act Homeless Assistance TA. No CDGB TA funding was included in this competition. A decision is expected to be announced on this competition in mid-FY 2001.

Efforts to Promote Accessible Housing

Throughout FY 2000, the State continued its efforts to promote accessible housing. Accessible, available, and affordable housing options are fundamental to the independence and full participation of Alaskans with disabilities in their local community. Alaska Housing Finance Corporation (AHFC) administers the Low Income Housing Tax Credit Program (LIHTC), HOME Investment Partnerships (HOME), and the Senior Citizen's Housing Development Fund (SCHDF) programs, each of which require the following standards:

- Americans with Disabilities Act
- U.S. Fair Housing Amendments Act of 1989
- Alaska Statute AS 18.80.240
- Local Government Ordinances
- Section 504 of the Rehabilitation Act of 1973 (HOME Program only)

Over the past four years from the Beneficiary and Special Needs Housing Grant Program has funded housing accessibility modifications across Alaska. A total of more than \$1.5 million has been allocated towards this purpose in that period. In FY 2000, \$384,000 was allocated for the housing accessibility modifications program. More than 100 households have already received accessibility modifications under this program, and an estimated additional 70 households will receive accessibility modifications from funding approved but not yet expended.

Alaska's Fair Housing Plan

In FY 2000, the State of Alaska continued its work to promote fair housing choice, and affirmatively further fair housing. The Alaska Human Rights Law, passed in 1963, protects persons from discrimination on the basis of race, sex, color, national origin, religion, age, pregnancy, marital status, changes in marital status, and physical and mental disability. The Alaska State Commission for Human Rights for the enforcement of this law. In the Consolidated Housing and Community Development Plan (HCD Plan), equal and fair access is central to Alaska's overall housing and community development goals. As designated by the Governor, Alaska Housing Finance Corporation (AHFC) is the lead agency for the preparation and maintenance of the Consolidated Plan. The Alaska State Commission for Rights, the Alaska Human Resource Investment Council, the Department of Health and Social Services, the Department of Community and Economic Development (formerly the Department of

Community and Regional Affairs), and AHFC are all members of the Interagency Steering Committee directing the process to prepare the HCD Plan.

Progress was made in FY 2000 addressing the identified impediments to Fair Housing. The following actions were undertaken:

- 1) ***Housing options for the disabled have been very limited, due to lack of appropriate housing stock and because of financial barriers.***

In FY 2000, \$1,700,000 was appropriated for the Special Needs Housing Grant Program. This program provides funds for non-profit service providers to develop new or expand and improve existing housing for adults and youth with special needs. One of the key goals of this program is to help make the transition from State-owned institutional care towards community based supportive living opportunities for Alaskans with special needs. A Notice of Funding Availability was released in the spring of 2000 for these funds, and an announcement of awards will occur in early FY 2001.

- 2) ***In several Alaskan communities, negative reactions to proposed group homes have presented challenges to project sponsors.***

No specific cases relating to this impediment emerged during FY 2000. On-going education on this issue continued in a variety of forums, including the monthly teleconferences of the Alaska Coalition on Housing and Homelessness, TA training events, and direct TA contacts with individuals and organizations.

- 3) ***Lack of information hinders the ability of individuals in protected classes and organizations serving them to access available housing resources.***

Throughout FY 2000, Alaska Housing Finance Corporation worked closely with organizations and advocacy groups serving individuals in protected classes. The specific activities undertaken included AHFC's on going support of the monthly statewide teleconference of the Alaska Coalition on Housing and Homelessness. AHFC and the Coalition were successful in securing a U.S. Department of Commerce Telecommunications and Information Infrastructure Assistance Program (TIIAP) grant in the fall of 1998. Implementation activities under this grant continued throughout FY 2000. Nineteen rural Alaska service providers will be provided hardware and internet access, coupled with technical assistance to make use of the internet to access informational resources. Through this tool, these participating agencies will be better equipped to help individuals in protected classes access available housing resources. Other activities in FY 2000 to address this impediment include AHFC's HOME Choice and HOME Options classes offered throughout Alaska. This innovative classes offer potential homeowners the opportunity to learn the ins and outs of the home-buying process and the responsibilities of homeownership. Individuals completing the class receive a waiver of up to \$250 of the applicable AHFC commitment fee.

AHFC continued during FY 2000 to work closely with the Alaska Mental Health Trust Authority and the Boards representing the Trust beneficiaries to improve the availability of housing resource information. The goal of this effort is the expansion of Trust Beneficiary housing options, both for rentals and for homeownership. AHFC's technical assistance activities throughout the year addressed the "housing information gap" problem that organizations serving protected classes face. During FY 2000, AHFC's Mortgage Department also specifically designated a staff position to have the responsibility of working with organizations serving special needs populations to improve access to AHFC programs.

4) ***Lack of information of Fair Housing Laws, and all applicable accessibility standards, is another impediment.***

In December of 1999, The U.S. Department of Housing and Urban Development awarded the Alaska State Commission for Human Rights funding requested by the Commission to undertake a project entitled Fair Housing Education and Outreach in Alaska. Work began on this project in May 2000, immediately after signature of the grant documents. The project is designed to inform housing recipients (including their advocates and the agencies that serve them), as well as housing providers (including realtors, landlords, and property managers) of their respective rights and obligations under the Federal Fair Housing Act, State, and local laws.

Through training, outreach, and the distribution of materials in several languages regarding the Fair Housing Act and State and local fair housing laws, this project is expected to increase public awareness regarding the rights afforded Alaskans under the fair housing laws, as well as to inform them of the opportunity to seek redress for possible fair housing violations.

The project focuses upon the considerable fair housing needs of those Alaskans protected under the Fair Housing Act, and in particular, those populations that have been identified as under-served. These targeted protected groups include rural populations, new immigrants, persons with disabilities and the homeless. The Commission last received funding to conduct fair housing education and outreach in Alaska in 1991.

Commission staff will begin conducting workshops and outreach around the state in the fall of 2000. The project will run until August 31, 2001. Any fair housing issues identified by the Commission as a result of its education and outreach efforts will be made available for inclusion in the State's Fair Housing Plan as and when such information becomes available.

5) ***Individuals who receive Section 8 certificates or vouchers have experienced difficulty in leasing units because of tight market conditions, and because of the reluctance of landlords to participate in the program.***

During FY 2000, the passage of the Quality Housing and Work Responsibility Act

(QHWRA) of 1998 strongly influenced the priorities and activities of Alaska Housing Finance Corporation' Public Housing Division. One of the requirements of this legislation was the requirement that public housing agencies must develop public housing agency plans. A five year plan and an annual plan are required by QHWRA, and were successfully developed and approved during FY 2000. The agency plan must be consistent with the Consolidated Housing and Community Development Plan for the jurisdiction in which the agency is located. As part of fulfilling this requirement, the agency plan should be consistent with the Analysis of Impediments to Fair Housing Choice (AI), describing the barriers to fair housing choice, and the actions to be taken to address these impediments. The agency plan addresses admissions policies, rental policies, maintenance procedures, capital improvements strategies, and designation policies for senior and disabled housing. In AHFC's Public Housing Agency Plan FY 2000 it is stated that AHFC will re-address its marketing plan to increase participation in the Section 8 program, especially amongst the homeless and the disabled. AHFC will also focus on efforts to increase landlord participation, especially those renting outside areas of poverty, and to remind landlords of fair housing laws.

6) *Members of protected classes under the Fair Housing laws are disproportionately represented in Alaska's homeless population.*

During FY 2000, Alaska Housing Finance Corporation conducted two "point-in-time" surveys of homeless persons served by 96 housing and social service agencies in 27 Alaskan communities. These surveys, conducted on July 28, 1999, and January 26, 2000, continue to show that a disproportionate number of Alaska's homeless population have a physical, mental disability, or developmental disability (30%--July 1999; 39%--January 2000). The data from these homeless surveys was used by applicants in the 2000 HUD Continuum of Care competition for funding of homeless programs. One specific accomplishment was the development of a Balance of State Continuum of Care (all areas of Alaska outside of Anchorage) to improve the State's strategies addressing homelessness, and to increase the competitiveness of Alaskan project sponsors in the national competition.

PART 2: OTHER HOUSING AND COMMUNITY DEVELOPMENT ACTIONS

During FY 2000 (FFY 1999), a number of other activities targeted Alaska's housing and community development needs.

AHFC PUBLIC HOUSING

Alaska Housing Finance Corporation (AHFC) is the public housing authority for the State of Alaska, including the Municipality of Anchorage. Within the balance of state (all areas outside of Anchorage), AHFC administers 742 units of public housing, 180 units of Section 8 project based housing units, and 1,247 Section 8 Certificates or Vouchers subsidizing household rent in

private sector housing. The review of AHFC's Public Housing Activities will cover three areas--(1) Housing Operations, (2) Resident Services, and (3) Construction/Renovation Activities.

(1) HOUSING OPERATIONS

During FY 2000, the most significant changes to public and assisted housing resulted from the passage of the Quality Housing and Work Responsibility Act of 1998 (The Act). Areas that were addressed by AHFC in order to comply with this act included:

- *Development of an Agency Plan for Assisted Housing.* During FY 2000, AHFC developed a Five Year Plan and an Annual Plan, that addressed admissions policies, rental policies, maintenance procedures, capital improvement strategies, and designation policies for senior and disabled housing. The Five Year Plan adopted AHFC's seven goals supporting its mission to "provide Alaskans access to safe, quality, affordable housing. These goals are--- (a) Provide programs and services that are responsive to the diverse housing needs statewide; (b) Increase home-ownership; (c) Increase special needs housing; (d) Expand partnerships to strengthen program and service delivery; (e) Strengthen commitments to AHFC housing programs, functions and benefits; (f) Promote operational excellence; and (g) Manage assets to generate sufficient profit to meet AHFC's financial commitments. Concerning the Annual Plan, AHFC as a high performing public housing agency was eligible to submit a streamlined plan. This Plan addressed a statement of housing needs; financial resources; policies governing eligibility, selection, and admission; deconcentration and income mixing; rent; operations and management and grievance procedures; capital improvement needs; demolition and disposition; conversion of public housing to tenant based assistance; homeownership programs administered by the PHA; PHA community services and self-sufficiency programs; safety and crime prevention programs, and pet policy. The Agency Plan was developed in consultation with the public, a newly formed Resident Advisory Board, and AHFC's Board of Directors. *Both the Five Year Plan and the Annual Plan were certified as being consistent with the State of Alaska's Consolidated Housing and Community Development Plan.*
- *Income Targeting for Assisted Housing---Section 8.* The Act requires a significant revision in AHFC's admissions and occupancy policies as they relate to income targeting. For Section 8 tenant-based assistance, 70 percent of new families assisted by the program must have incomes at or below 30 percent of the area median. During FY 2000, AHFC sought a waiver from HUD to reduce the extremely low-income family quotas. The housing needs data did not show a sufficient proportion on the Section 8 wait list in this income strata to constitute a full 70 percent of all new admissions. AHFC continued efforts in its marketing plan to increase participation in the Section 8 program, especially amongst the homeless and disabled. The Corporation also focused efforts to increase landlord participation, especially those renting outside areas of poverty, and to remind landlords of fair housing laws. These efforts will continue into FY 2001.
- *Income Targeting---Public Housing.* The Act also required an income target of 30% of area median income for public housing. Only 40 percent of new public housing admissions must be reserved for this threshold. AHFC may rent the remainder of its public housing units to

families with incomes of up to 80% of the area median. The housing needs data showed that a waiver would not be necessary to meet the income targeting goals for public housing.

- *Deconcentration and Income Mixing.* In order to promote a mix of family income levels in public housing, the Agency Plan described steps that will be considered in order to provide a more balanced mix of family income in developments not set aside for seniors or families with disabilities. These steps include “skipping”, marketing, renovations and other steps. “Skipping” is the term used when a household at the top of the waiting list may be passed over to house a family lower down on the waiting list. Skipping will only be considered when a development has been determined to have a concentration of higher income residents, and skipping is employed in order to skip over a higher income household to house a lower income household. AHFC will not employ skipping to pass over a lower income household in order to house a higher income household. In the FFY 2000 Annual Plan, three developments were determined to merit steps towards deconcentration---Eyak Manor in Cordova (renovations, marketing), Bethel Heights in Bethel (skipping), and Beringvue in Nome (skipping).
- *Admissions and Preferences.* For both public housing and Section 8 programs, individuals with violent criminal acts will not be housed until 36 months after that person has been released from any period of incarceration. If the offense was sexual in nature, the exclusion from assistance will be extended to 60 months after that individual has been taken off the sex offender list. Admissions preferences maintained in both public housing and Section 8 admissions include---(a) Displacement due to domestic violence, natural disaster, family reunification—20 points; (b) Substandard housing to include homelessness—16 points; (c) Rent burden greater than 50% of income—14 points; (d) Terminally ill—4 points; (e) Working families and disabled receiving SSI because of inability to work—2 points; (f) Veteran—2 points. Applicants whose verified circumstances correspond to two or more of the local preference categories will receive the combined value of the preference point for which they are eligible.
- *Merging of the Section 8 Certificate and Voucher.* The Act merges the two types of Section 8 tenant-based housing assistance. This merger is anticipated to have minimal impact to the housing assistance customer. AHFC has been taking appropriate administrative steps to implement this merger.

(2) RESIDENT SERVICES

During FY 2000, Alaska Housing Finance Corporation continued to foster the goals of resident involvement and self-sufficiency through its Public Housing Division, Resident Services Section. Funding for resident-centered services are derived from three federal programs funded by the U.S. Department of Housing and Urban Development (HUD)---Public Housing Operating Funds, Comprehensive Grant Program, and :

- *Public Housing Division Operating Funds for Resident Councils.* Resident-centered programs made it possible for residents, with assistance from the housing authority, the community, State and local governments, and HUD to develop methods of improving their environment, managing their developments, and obtain training, employment and economic development opportunities. AHFC and residents work together through resident councils to encourage resident involvement. AHFC provides Public Housing operating dollars to fund dully elected resident council participation activities.
- *Comprehensive Grant Program (CGP) Resident Improvements.* CGP pays for modernization of public housing, but also contains a “management improvements” component used to foster economic development among residents. In FY 2000, AHFC executed contracts with local agencies to provide resident training. The Literacy Council of Alaska provided 1,248 hours of training to approximately 30 residents in employment preparation, grant writing, computer literacy, resume preparation, Internet literacy, and provided family story and activity time. Last year, the Comprehensive Grant Program assisted with funding for a part-time Service Coordinator in Fairbanks at the 116 units of Golden Tower and Golden Ages. AHFC was also successful in expanding the Family Self-Sufficiency (FSS) program to Juneau. Funding from the CGP was used to pay for Juneau’s part-time FSS coordinator. Juneau’s minimum program size is 15 Section 8 and 15 Low-rent participants.
- *HUD Competitive Grants---Public Housing Drug Elimination Program (PHDEP) Grant.* FY 1998 and FY 1999 PHDEP grants were active during FY 2000. The FY 1998 PHDEP grant provides after-school programs targeted to youths aged 6 to 17 through several partner agencies. Boys and Girls Club of the Tanana Valley in Fairbanks facilitates a best practice program, SMART Moves, of which 8 of the 21 participants were residents. Camp Fire Boys and Girls in Fairbanks provides a youth enrichment program, with over 146 residents served. Juneau Arts and Humanities Council in Juneau provides youth enrichment through art, and served over 70 youth residents in FY 2000. The FY 1999 PHDEP grant began in January 2000, with the objective of providing physical improvements to enhance safety and security, community-based security services, and drug prevention programs. Physical improvements include the installation of playground equipment in Kodiak (Pacific Terrace), security door viewers in Fairbanks (Birch Park I), fencing around developments in Fairbanks (Birch Park II), exterior lighting in Kodiak and Juneau (Pacific Terrace and Geneva Woods), and a security system in Juneau (Cedar Park). Approximately 670 residents will benefit from these physical improvements. During FY 2000, AHFC executed grant agreements with Alaska Document Services in Juneau to provide computer training at Geneva Woods (serving 106 residents in FY 2000), Boys and Girls Clubs of the Tanana Valley in Fairbanks to provide transportation for youth to prevention programs, and Volunteers in Policing in Fairbanks to provide transportation for youth to prevention programs, and Volunteers in Policing in Fairbanks to provide community based security services (serving an estimated 455 residents in FY 2000).
- *HUD Competitive Grants---Economic Development of Supportive Services (EDSS) Grant.* The FY 1998 EDSS grant funds the Juneau Service Coordination Program. The Service Coordination Program is operated in partnership with Catholic Community Services in

Juneau. The grant funds a half-time service coordinator who assists 62 elderly and disabled residents to remain independent or “age in place” in their own homes. These services were provided throughout FY 2000.

- **HUD Competitive Grants---Resident Opportunity and Self-Sufficiency (ROSS) Grant.** The purpose of the FY 1999 ROSS grant is to provide service-coordination to elderly and disabled residents at two Fairbanks housing sites (Golden Towers—96 residents, Golden Ages—20 residents) owned by AHFC. The goal of this program is to assist older and disabled residents remain independent and age “in place” in their own homes.

The Quality Housing and Work Responsibility Act of 1998 places greater emphasis upon the importance of housing assistance and welfare reform. To foster the “Work Responsibility” portion of the Act, AHFC has developed partnerships with Municipal, State and private non-profit agencies to promote economic independence among the very-low income households served by the Public Housing Division. Two AHFC Public Housing Division Programs addressed this important area during FY 2000:

1. **Family Self-Sufficiency (FSS) Program.** FSS is designed to help participating families set and fulfill interim and long-term goals of achieving economic self-sufficiency. FSS is a voluntary program allowing families to participate in education, job training, and counseling to increase their household earned income and decrease their dependency on welfare and housing assistance. During the contract period, as an FSS family’s rent portion increases due to increases in earned income, AHFC will credit a portion of the family’s rent to the FSS escrow account. When a participant’s FSS contract meets the HUD requirements, the client is eligible to receive the monies in the FSS escrow account. One of the goals identified in the FY 2000 Action Plan was to expand the FSS Program (previously only offered in Anchorage) into Juneau. This goal was accomplished, with 15 participants from public housing and 15 participants from the Section 8 voucher program in Juneau.
2. **Welfare to Work Housing Voucher Program.** In the FY 2000 Action Plan, an identified goal was for AHFC to apply for an additional \$4 million in additional Section 8 “welfare to work” housing vouchers. AHFC was successful in this effort, and in January of 2000 an additional \$4,000,000 in housing vouchers became available to assist 652 Alaskan families moving from welfare to work. Of this total, 340 vouchers are allocated to Anchorage. At the end of FY 2000, the non-metro vouchers are distributed and utilized as follows:

Fairbanks---100 allocated/58 obligated/42 available
Homer---10 allocated/9 obligated/1 available
Juneau---50 allocated/43 obligated/7 available
Ketchikan---12 allocated/12 obligated/0 available
Mat-Su---100 allocated/58 obligated/42 available
Soldotna---40 allocated/29 obligated/11 available

This program focuses upon the working poor and those looking for work. The goal is to use this housing assistance to take the participating families “over the hump” of job instability and into permanent participation in the work force. By linking with AHFC’s welfare to work voucher program, the Alaska Division of Public Assistance will better serve recipients with limited or no work histories, who are likely to enter the work force at minimum-wage jobs. Those who find employment will be rewarded.

(3) CONSTRUCTION/RENOVATION ACTIVITIES

Major Renovation

- **Juneau: Phase I-- Mt. View/ Mt. View Annex. Total Project: \$2,120,000.**
Phase I, funded in FY 1999, is nearly complete. Following architectural/engineering design, a construction contract was awarded to a Juneau contractor, North Pacific Erectors, for exterior work that included parking lot upgrades, site drainage improvements, accessible ramps with lighting in the front and rear, new exterior wall insulation, new siding, new windows, and landscaping.
- **Juneau: Phase II—Mt. View/Mt. View Annex. Total Project: \$3,917,000.**
Phase II interior architectural/engineering design was also funded in FY 1999. Phase II construction was funded in FY 2000. A contract has been awarded to F&W Construction for the interior renovation work. The senior citizens’ community center area and 20 Mt. View Annex apartments have been finished and are in use. Renovation includes upgrades of mechanical and electrical systems throughout the facility, as well as new floor coverings, kitchen and bathroom cabinets, appliances, window coverings, paint, doors, and fixtures. Public restrooms, laundry rooms, elevators, and the fire alarm system are being updated. Work on 21 apartments is underway. The final 21 will be finished next spring.
- **Fairbanks: Southall Manor. Total Project: \$4,715,000.**
A Fairbanks architectural firm, GDM, Inc., has been retained to provide a design for renovation of the 40-unit senior housing facility, based on a professional site assessment completed in 1997. The design will address remodeling of the original finishes to provide an up to date appearance that will be easier to maintain. Code compliance for mechanical and electrical systems, including ventilation and fire/smoke detection, will be updated to current standards. Accessibility to the building and within the building will be upgraded to meet current guidelines for the Americans with Disabilities Act and Section 504 of the Rehabilitation Act. New insulation and energy efficient windows will be installed to lower heating cost and increase comfort in the facility for residents during the cold winter months. The design work is expected to be complete by the late fall of 2000.

Improvements to Existing Projects

- **Riverbend Multi-Purpose Building. Total Project: \$500,000.**

The project includes the construction of a multipurpose building and additional parking and snow storage area for Riverbend, a 45 unit multifamily residential development in the Mendenhall Valley in Juneau. The multipurpose building will be a one-story structure matching the character of the Riverbend development and conforming to accessibility requirements. It will be approximately 1,600 square feet, and will have a community room with a kitchen, an office with a reception area, a maintenance shop, public toilets, and outside storage for lawn mowers, snow blowers, etc. Superior Builders of Juneau is now actively engaged in construction, which is progressing well and on schedule. Work is anticipated to be completed during fall, 2000. Funds left over from the construction of the 45 units were combined with Public Housing competitive grant authority to construct the multipurpose building.

Environmental Cleanup: Total Project: \$303,000

The FY 2000 Environmental Cleanup appropriation continues AHFC's corporate strategy to provide environmentally safe housing to public housing residents. The main priority in the project included the abatement of a known carcinogen, asbestos. The two projects included:

- Asbestos abatement at Vista View, Petersburg.
- Asbestos abatement at Geneva Woods, Juneau

Currently, Vista View is in the design stage and Geneva Woods is under contract. The two projects will be completed by the end of FY 2001.

Deferred Maintenance and Renovation: Total Project: \$2,190,500

- **Bethel: *Bethel Heights*. Site improvements; general physical upgrades.**
Cut in FY00; moved to FY01 request, where funding was received.
- **Fairbanks: *Birch Park I*. Needs assessment of its domestic hot water system.**
Task no longer needed.

- **Fairbanks: *Birch Park II. Site improvements (fence).***
Cut in FY00; request funded by federal drug elimination grant money. Work in progress
- **Fairbanks: *Spruce Park, Q Building. Building security and accessibility renovations and general physical upgrades.***
Cut.
- **Juneau: *Cedar Park. Building security and accessibility renovations.***
Cut in FY00 request; funded by federal drug elimination grant. Developing scope of work.
- **Juneau: *Cedar Park Annex. Site improvements.***
Work tasks include trash enclosures, covered walkways and retaining wall. Work in progress; thirty percent complete.
- **Ketchikan: *Sea View Terrace. General physical upgrades.***
Cut in FY00; funded by Housing Operations (HO).
- **Nome: *Beringvue. Building security and accessibility renovations.***
Bids exceeded the budget; project postponed until spring 2001.
- **Petersburg: *Vista View. Professional site assessment.***
Site assessment completed.
- **Seward: *Glacier View. Mechanical system upgrades, energy efficiency improvements and site improvements.***
Work tasks include booster pump/sprinkler system and window replacement. Sprinkler system is ninety-eight percent completed; new windows have been ordered and will be installed in August.
- **Sitka: *Paxton Manor. Energy efficiency improvements.***
Work task is no longer needed. Units are scheduled to be replaced in 2001.
- **Sitka: *Swan Lake Terrace. Building security and accessibility modifications and general physical upgrades.***
Work tasks include replacement of roof, walkways and windows and window coverings. Contract for construction has been awarded.
- **Wasilla: *Williwa Manor. Energy efficiency and site improvements.***
Cut in FY00; Funded in FY01.
- **Valdez: *Valdez Arms. Site improvements.***
Work task canceled; half of the units have been demolished and construction of replacement units is underway.

Comprehensive Grant Program (708)

- **Juneau: *Geneva Woods. Subfloor and floor covering; upgrade building water supply lines from water main to mechanical rooms.***
Work in progress.
- **Valdez: *Valdez Arms. Site improvements.***
Work task canceled; half of the units have been demolished and construction of replacement units is underway.

Evaluate and Reduce Lead-Based Paint Hazards

AHFC's Public Housing Division did not conduct any specific lead based paint abatement efforts in FY 2000. Upon receipt of funding in future fiscal years, lead abatement activities in the two remaining unabated projects will be concluded in coordination with construction and project replacement activities.

During FY 2000, all covered projects and activities under the HOME, CDBG, HOPWA, Public Housing and Section 8 programs were administered to conform to the applicable lead based paint regulations. In March of 2000, a one-day training was conducted on the lead based regulations for HOME program recipients.

Alaska Human Resources Investment Council

The Alaska Human Resource Investment Council (AHRIC) is the lead state planning and coordinating entity for federal, state, and local employment training and human resource programs. The council provides coordinated oversight of job training programs throughout the state to ensure effective and efficient training that leads to employment for Alaskans. AHRIC has worked with the Department of Health and Social Services (DHSS) on welfare reform implementation, and welfare to work activities.

The Work Force Investment Act (WIA) of 1998 reformed the nation's training and employment system. WIA restructured a multitude of workforce development programs into an integrated workforce investment system that can better respond to employment needs of its customers. As part of WIA implementation, the State of Alaska 5-Year Unified Plan was submitted to the U.S. Department of Labor on April 5, 2000. This initial plan was developed after public input during FY 2000, and represents the first step in a strategic planning effort that will continue through the initial years of WIA implementation.

Another area of activity by AHRIC during FY 2000 was in a planning effort called the Rural Economic Development Initiative (REDI), involving local, state and federal entities. REDI aims to better link rural infrastructure projects to jobs training and rural economic development. The Denali Commission, U.S. Department of Commerce, Alaska Department of Community and

Economic Development, and the U.S. Department of Agriculture—Rural Development Administration, and the Alaska Department of Environmental Conservation are participants in REDI.

Welfare Reform

As FY 2000 closed, Alaska's welfare reform effort completed its third year. The Alaska Temporary Assistance Program (ATAP) replaced the Aid to Families with Dependent Children (AFDC) program. ATAP changed the traditional focus of the state's assistance program for needy families from an entitlement to one that stresses family self-sufficiency through employment. Families must identify their self-sufficiency goals and the steps they will take to achieve their goals.

ATAP is designed to encourage work and make working families better off by increasing their income and reducing poverty. There is a five-year lifetime limit on benefits to most families, and those on welfare must work within two years in order to receive benefits. Welfare to work requirements mandate work-focused activities and increase incentives to work.

Some of the key indicators on the current status of welfare reform are:

1. The average caseload for FY 2000 was 34% below FY 1997, the year before welfare reform was implemented.
2. In FY 2000, the percent of Alaska's population on welfare declined to approximately 3.7%, down from 6.2 % in FY 1994.
3. In June of 2000, 40% of the adult Temporary Assistance caseload was working, with an additional 34% assigned to other activities leading to work.
4. The average wage for working Temporary Assistance clients has risen to \$8.74 per hour, up from \$8.28 per year in FY 1999.

Although welfare reform to date has demonstrated a number of indicators of success, serious challenges are on the horizon. Welfare recipients with serious barriers to employment such as mental illness, drug and alcohol abuse, learning disabilities and family violence remain, representing a higher proportion of the caseload. Contributing to the urgency is the fact that the five-year life-time limit is due to run out in July of 2002 for recipients who have been on assistance since welfare reform began.

The continued diversification and health of Alaska's economy will continue to be a key element in the success of welfare reform. Particularly in rural Alaska where few jobs exist, sustainable economic development holds the greatest hope for reducing welfare dependency.

Targeting and Leveraging Resources

The magnitude of Alaska's unmet housing and community development needs underscored the need to effectively target and leverage all available resources. In order for many projects to be viable, a combination of funding sources is necessary. During FY 2000, several specific examples of targeting and leveraging follow:

- 1) *Rural Business Outreach Program and Alaska Small Business Development Center*. This initiative was developed in FY 1998, and began operating in FY 1999. The Rural Business Outreach Program is a public-private partnership, with the goal of assisting small business development and job creation in rural Alaska. Public sector participants in this program in the University of Alaska Small Business Development Center, the Alaska Rural Development Council, and the U.S.D.A. Rural Development Agency. Private sector contributors to the program include the First National Bank of Anchorage, General Communications Inc. (GCI), and the Alyeska Pipeline Services Company. Through this outreach program, the Small Business Development Center in FY 2000 continued offering technical assistance to small businesses and entrepreneurs starting their own businesses in rural Alaska. During Fiscal Year 2000, 26 workshops were conducted, with 267 individuals participating. In addition, 173 clients received 315 hours of counseling. From the activities of the Rural Business Outreach Program, 15 jobs were created, 27 jobs were retained, and 6 new businesses were started. Another example of a public-private development partnership was the support of the National Bank of Alaska through providing free commercial office space in Fairbanks to the Alaska Small Business Development Center, and funding for the 1999 Buy Alaska Campaign.
- 2) *AHFC's GOAL Program*. During FY 2000, Alaska Housing Finance Corporation continued to encourage the effective and coordinated use of available funding resources. AHFC's GOAL Program (Greater Opportunities for Affordable Living) uses a single application and review process for several of the housing development programs it administers. The GOAL Program incorporates funding from the HOME Rental Development Program, Low-Income Housing Tax Credits, and the Senior Citizens Housing Development program (when funded by the Legislature). Through a "subsidy layering review", the funding provided is not more than necessary to result in a financially feasible development. This review includes other funding sources which have been committed to the development, and loan program funds which the development could reasonably be expected to support based on its projected revenue and expenses. AHFC's Multi-family, Special Needs & Congregate Housing Loan program is another key component in the layered financing packages that are typical of current multifamily developments. The 2000 GOAL Program awarded more than \$3.0 million in funding to seven projects in six different Alaskan communities. These seven projects totaled more than \$24.9 million in total development cost, producing a total of 294 units. The \$1.58 million of HOME funding in the 2000 GOAL was leveraged into five projects totaling 91 units, with approximately \$11.9 million in total development costs.
- 3) *AHFC Mortgage Programs*. Throughout FY 2000, AHFC's continued to make its mortgage lending programs more competitive and "user friendly" for borrowers, and for lenders participating in AHFC's programs. This process involved extensive input from the public

including the lending community, realtors, builders, non-profit service providers and advocacy groups for special needs populations. One of the important outcomes of this effort were recommendations concerning the use of AHFC's "arbitrage" funds. These funds result from AHFC's bonding activity, and have been used to provide below market interest rates in a number of AHFC's programs including the Interest Rate Reduction for Low Income Borrowers, the Energy Efficiency Interest Rate Reduction, Loans to Sponsors, the Rural Lending Pilot program, the Affordable Housing Enhanced Loan Program, and "soft seconds" on affordable multi-family developments.

- 4) *HOME CHOICE Homebuyer Education.* During FY 2000, AHFC continued to offer its HOME CHOICE workshops in communities across Alaska. HOME CHOICE is an eight to ten hour workshop designed to prepare prospective homeowners to better understand the home-buying process and the responsibilities of homeownership. 1900 students received Certificates of Completion in FY 2000.
- 5) *Housing for Self Determination.* First National Bank of Anchorage obtained a \$1.03 million dollar grant from the Federal Home Loan Bank of Seattle in 1998 to assist with making new construction more affordable in several rural villages in Alaska. The program is entitled "Housing for Self Determination". With this grant, the purchasers of 51 units of housing will each be receiving a grant of \$20,000 per unit towards closing cost and/or down payment. The units will be a mixture of owner-occupied single family homes and duplexes (which will be owned by tribes and rented). Targeted households include those earning below 80% of median income, with most of the rentals being provided to the elderly or homeless. In FY 2000, two single family homes were purchased by borrowers in Kwethluk, with each receiving a \$20,000 FHLB grant. In FY 2001, it is anticipated that 20-30 units will be completed in various rural villages in Alaska under this program. Construction was started on over 20 units in FY 2000. This project is a result of a number of number of different organizations coming together in a common cooperative effort to provide affordable housing in rural Alaskan villages. The partners in this effort include First National Bank of Anchorage, the Federal Home Loan Bank of Seattle, Alaska Housing Finance Corporation, tribally designated housing entities using NAHASDA funding, the U.S. Department of Housing and Urban Development, and the Rural Development Agency of the U.S. Department of Agriculture.
- 6) Continued cooperation and coordination between state and federal agencies, and the public, private and non-profit sectors was evident throughout FY 2000. Examples of this include the Alaska Affordable Housing Partnership, the Juneau Affordable Housing Partnership, the involvement of the State's major commercial banks in housing and community development issues through their Community Reinvestment Officers, and the strong working relationship between the Alaska State Office of HUD and AHFC. Another example of continued cooperation and coordination is the Interagency Steering Committee for the State's Consolidated Housing and Community Development Plan.
- 7) A number of activities during FY 2000 addressed the problem of informational barriers to accessing funding resources. AHFC's technical assistance activities addressed such barriers

concerning the CDBG, HOME and supportive housing programs. More than 350 participants representing a wide range of organizations participated in training activities to better understand the access to and effective use of these programs. The Department of Community and Regional Affairs conducted specific training workshops for the CDBG program, with a Fall 1999 application workshop, and a Spring 2000 new grantee workshop. AHFC also conducted lender workshops, builder workshops, and real estate agent workshops. Throughout FY 2000, AHFC continued working with the Alaska Association of Housing Authorities to expand the use of loan programs and other funding sources.

Protecting and Improving Housing

The preservation and improvement of existing housing stock continued to be an important component of the State's housing strategy in FY 2000. On pages 38 through 41 of this report, a detailed description of the activities undertaken by AHFC's Public Housing Division to preserve and improve its properties is given. AHFC's HOME –funded Owner Occupied Rehabilitation Program (ORP) targeted lower income homeowners to improve their property condition and energy efficiency, eliminate life safety hazards, and make accessibility improvement. Thirty-eight ORP projects were completed in FY 2000, and another 36 were in process as of the end of the fiscal year. AHFC's Low-Income Weatherization program benefited 617 households during the year.

Several mortgage lending programs provided resources for the rehabilitation and improvement of housing. The FHA Title I Home Improvement Loan Program is a streamlined program which allows rehabilitation and repairs up to \$25,000. During FY 2000, an estimated \$3.78 million in FHA Title I loans were made in non-metropolitan areas of Alaska, improving 209 properties. AHFC's energy efficiency interest rate reduction offered incentives during the year for homebuyers purchasing newly constructed homes exceeding current state energy standards. Homebuyers purchasing existing homes were offered incentives through the same program to undertake cost-effective energy upgrades after closing. During FY 2000, nearly \$8.85 million in funding provided energy efficient interest rate reductions for 956 households.

Infrastructure for Housing and Community Development

In the FY 99 capital budget, Alaska Housing Finance Corporation was authorized to issue up to \$195.2 million in bond debt for the purpose of funding projects for the University of Alaska, rural and small city school districts, port projects and state agency needs. As of the end of FY 2000, more than one third of these funds have been disbursed. One hundred and two projects will be funded through this program. During the 2000 Legislative Session, a second bill was passed, authorizing AHFC to issue \$169 million in bonds to finance further capital improvements. The bonds authorized in this legislation are unique, with more than half to be backed by revenues the State of Alaska will receive from tobacco litigation.

The Rural Sanitation 2005 Action Plan outlined a course of action for improving rural sanitation conditions and eliminating the honeybucket by 2005. The federal and state partnership continued in this effort in FY 2000, with more than \$145 million in combined federal and state funding allocated towards rural sanitation projects.

AHFC's Supplemental Housing Development Grant Fund Program provided capital funding to Regional Housing Authorities, which used the funds to supplement housing projects approved for development under the U.S. Department of Housing and Urban Development Programs. The funds in AHFC's program are limited to 20% of HUD's Total Development Cost per project. Allowable uses are the cost of on-site sewer and water facilities, road construction to project sites, electrical distribution facilities, and energy efficient designs in homes. AHFC's FY 2000 capital budget included \$3.86 million for the Supplemental Housing Development Grant Program.

Input from Other Planning Efforts

Throughout FY 2000, the Consolidated Planning Process sought input from a wide range of sources.

- One of the key changes during FY 1999 was the passage of the Quality Housing and Work Responsibility Act of 1998. This Act requires that public housing agencies develop a five year plan and an annual plan. The Agency Plan must be consistent with the Consolidated Plan for the jurisdiction in which the agency is located. During FY 2000, close coordination and cooperation occurred between the State's Interagency Steering Committee for the Consolidated Plan and AHFC's Public Housing Division. The resulting Public Housing Agency Plan was certified as being consistent with the State's Consolidated Housing and Community Development Plan.
- The on-going implementation of the Native American Housing and Self Determination Act has resulted in the development of more than 80 Tribally Designated Housing Entities with Indian Housing Plans. AHFC staff has been working with the HUD's Alaska State Office of the Office of Native American Programs to identify and access information to be used in the State's Consolidated Planning process.
- Input on an on-going basis has been incorporated from local planning efforts, including the City and Borough of Juneau, Fairbanks North Star Borough, and the Matanuska-Susitna Borough.
- Concerning issues of special needs housing, input was received from the Alaska Coalition on Housing and Homelessness, the Alaska Mental Health Board, the Alaska Mental Health Trust Authority, the Department of Health and Social Services, the Governor's Council on Disabilities and Special Education, and the State Independent Living Council.

- Community Housing Development Organizations (CHDO's) and other non-profit housing developers provided on-going input into the Consolidated Planning process on issues concerning affordable housing.
- Input concerning other infrastructure planning efforts was received from the Alaska Department of Environmental Conservation Village Safe Water Program; the Alaska Department of Transportation and Public Facilities—Vision 2020 Statewide Transportation Plan.

In addition to the input from the formalized planning efforts described above, every effort is made to secure input from the general public with an interest in housing and community development issues. The Citizen Participation Plan identifies a number of public opportunities for the access and input into the Consolidated Planning process. In addition to the more traditional public hearings and dissemination of printed information, greater use has been made of electronic teleconferencing and the internet.

PART 3: ASSESSMENT OF PROGRESS IN MEETING FIVE-YEAR HCD PLAN PRIORITIES

This Annual Performance Report of State Fiscal Year 2000 is a review of progress made in the fourth year of the five year *Consolidated Housing and Community Development Plan for the State of Alaska*. On-going economic and political challenges greatly impact the current environment underlying housing and community development issues and programs. Progress continues to be made, and effective interagency cooperation has contributed to mobilizing and leveraging new resources for housing and community development activities.

One continuing development in FY 2000, as mentioned earlier in this report, was the implementation of the Quality Housing and Work Responsibility Act of 1998. The development of a Public Housing Agency Plan by Alaska Housing Finance Corporation defined its long range goals, priorities and mission with respect to public housing and Section 8 rental assistance. As the State developed its new five year Consolidated Housing and Community Development Plan in the Fall of 1999 and Spring of 2000, strong linkages were maintained with AHFC's Agency Plan.

The implementation of the Native American Housing and Self Determination Act of 1996 (NAHASDA) continues to offer great opportunities and great challenges. With the emergence of more than 80 Tribally Designated Housing Entities (TDHEs), issues of capacity and technical assistance have come to the forefront. The Indian Housing Plans developed by the TDHEs are of a mixed quality with regards to incorporation into the State's Consolidated Planning.

In assessing the progress made during the first four years of the Consolidated Housing and Community Development Plan for the State of Alaska, the following accomplishments have been achieved in accordance with the Plan's eight guiding principles:

1. Use of federal housing and community development programs should emphasize benefit to low-income Alaskans.

The priorities of AHFC's GOAL Program (Greater Opportunities for Affordable Living--- includes Low-Income Housing Tax Credits, HOME Rental Development, Senior Housing Development Fund), the Community Development Block Grant Program (CDBG), and AHFC Public Housing Division resources have all emphasized benefit to low income Alaskans.

In FY 2000, 4188 reporting household reporting qualified as receiving assistance under Section 215 goals (50% or less of median income). More than 68% of the total number of households that were reported as receiving assistance met Section 215 goals.

In Fiscal Year 2000, AHFC's five awarded HOME rental development projects will result in 91 affordable rental units. Since 1995, HOME Rental Development funds have resulted in the development of 383 units, with 162 of those restricted for households at or below 50% of the area median income. The \$9,786,829 in HOME Rental Development funds used in those projects leveraged other development funds of more than \$42 million.

During FY 2000, the HOME Opportunity Program (HOP) offered down-payment and closing cost assistance to 35 families in the amount of \$693,085. Twenty six of these families were at or below 60% of median family income. Since its inception in November of 1998, the HOP program has provided assistance to 58 low income households in the amount of \$1.07 million. Thirty four of the households were at or below 60% of median family income.

In the non-metropolitan areas of the state, AHFC Public Housing Programs provided low rent housing to 761 families that were at or below 80% of median income. Of these families, 617 were at 50% or less of median income, falling within the Section 215 Goals category. In FY 2000, AHFC issued 1218 non-metro Section 8 certificates and vouchers, with 1001 of these certificates and vouchers meeting Section 215 goals. Project based Section 8 housing served 886 households, with all meeting Section 215 goals.

Statewide during FY 2000, AHFC's Low-Income Housing Weatherization Program (LIHWP) provided weatherization assistance to 918 households at or below 80% of median family income, and 683 of these households were at or below 50% of median family income. In non-metropolitan areas of the state, LIHWP provided assistance to 598 households at or below 80% of median family income. 426 of these households fell within Section 215 goals.

AHFC also financed mortgages for 1012 households at or below 80% of median family income, with 856 being first time homebuyers during FY 2000. 163 of those households met Section 215

goals. In the non-metropolitan areas of the state, AHFC financed 318 mortgages for households at or below 80% of median family income. First time homebuyers accounted for 243 of this number, and 46 of the 318 households fell within the Section 215 goals.

2. Use of federal community development funds should emphasize the creation of economic opportunity through development of infrastructure.

Over the past four years, the Community Development Block Grant Program (CDBG) has strongly emphasized the creation of economic opportunity through the development of infrastructure and essential public facilities. More than \$15 million in CDBG funding during the first five years of the HCD Plan have targeted the expansion of economic opportunity, infrastructure development, and critical community facilities. A combined federal-state partnership has been addressing the critical water and sewer needs of rural Alaskan communities. In the first five years of this HCD Plan, more than \$365 million in combined federal and state funding has gone to this effort. In FY 2000 alone, more than \$145 million in state and federal funding was targeted toward the development of water and wastewater infrastructure in rural Alaskan communities.

3. Preserve and upgrade existing housing supply, both homeownership and rentals, through weatherization and rehabilitation.

Alaska Housing Finance Corporation's Low-Income Housing Weatherization Program is responsible for weatherization upgrades on 5,013 owner-occupied and tenant households during FY 1996-2000 (statewide figures including Anchorage). Four thousand one hundred and sixty of those households met Section 215 goals. In the non-metropolitan areas the state, 2,980 households were assisted through this program, with 2,350 of these households meeting Section 215 goals. Since 1996, over \$27.2 million has been contributed to this program for the preservation and upgrade of Alaska's housing stock. It is estimated that approximately \$15 million of this total went for the preservation and upgrading of housing outside of Anchorage. In FY 2000, AHFC used federal HOME funds to complete rehab activities on 39 housing units through the Owner-Occupied Rehabilitation Program (ORP). Since 1995, the ORP program has assisted 330 households, with 164 meeting Section 215 goals.

4. Use of federal homeless programs should emphasize activities that break the cycle of homelessness and promote household stability.

The Continuum of Care strategy is an important component of using federal homeless programs to break the cycle of homelessness and promote household stability. In the first three years of the five year Consolidated Plan, five local continuums were developed (Bethel, Fairbanks, Kenai, Juneau, and Mat-Su), and three more local continuums are underway (Kodiak, Valdez and Ketchikan). In FY 2000, a Balance of State Continuum covering all areas of Alaska outside of Anchorage was enhanced to more effectively work towards the goal of this principle.

5. Provide state matching funds to leverage other grants for housing, services connected to housing, and community development.

During FY 2000, AHFC provided \$1.2 million in state matching funds to leverage \$4,381,469 in federal funds. Since 1995, AHFC's matching funds have leveraged more than \$13.8 million in federal funds into Alaska.

6. Expand the supply of affordable housing for Alaskans with special needs, incorporating appropriate supportive services.

Since 1995, AHFC rental development programs have expanded the supply of housing for special needs populations. Of the new housing units placed in service, 221 have been designated for senior housing, 83 have been designated for the homeless, and 105 for Alaskans with a mental or physical disability. In FY 2000, AHFC's GOAL program provided funding for the development of 51 units designated for seniors.

7. Expand the housing delivery system statewide, through the formation of viable non-profit housing development organizations, and through partnerships with local governments and the private sector.

Over the past five fiscal years, great efforts have been made to develop organizational capacity and expand the housing delivery system statewide. Through the support of technical assistance resources provided by the U.S. Department of Housing and Urban Development, public-private partnerships have been promoted, and viable non-profit housing development organizations have been created. In that period, six Community Housing Development Organizations (CHDOs) have been designated, with two new CHDOs being certified in FY 2000. Technical assistance provided by AHFC and other technical assistance providers has assisted in building organizational capacity. A measure of success in this area is demonstrated by the fact that in FY 1997, two of the four HOME awards totaling \$1,277,592 were made to CHDOs for the purpose of constructing 24 rental units. In FY 1998, AHFC awarded \$700,000 to a CHDO to develop 20 units of housing for households at or below 50% of the area median income. In FY 2000, AHFC awarded \$600,000 to a CHDO for the purpose of constructing 25 rental units, all restricted to households at or below 60% of median income. From 1995 to 1998, CHDOs placed 184 rental units in service benefiting lower income Alaskans. Sixty-four of these CHDO developed rental units are set aside to benefit households earning no more than 50% of the area's median income (adjusted for household size). One hundred and twenty of these 184 units were set aside for households at or below 60% of the area median income.

8. Housing and community development projects should incorporate appropriate arctic design and engineering, energy-efficient construction techniques and innovative technologies.

The State is committed to this principle, and actions taken in the five years of this Plan demonstrate this commitment. Alaska Housing Finance Corporation (AHFC) maintains a Research and Information Center (RIC), a full-service center offering information on state-of-the-art northern building science, innovative housing and residential energy efficiency. RIC maintains a library of more than 5600 publications and video programs, as well as technical assistance and a referral hotline. RIC received more than 3692 requests in FY 2000 from 2979 users in 67 communities in Alaska and throughout the world. Workshops are also conducted throughout the state to emphasize construction design and engineering techniques appropriate to the Alaskan environment. RIC developed and taught 41 presentations/classes for 1319 home buyer, home builders, housing agencies, subcontractors, lenders, real estate agents and general audiences on AHFC loan and energy programs.

Over the past two years, AHFC, in conjunction with the U.S. Department of Energy, created AkWarm, an innovative computer software for home energy modeling. This windows based home energy audit tool is designed to calculate energy consumption for new and existing buildings in Alaska. AkWarm is a weatherization and energy modeling program that not only identifies and projects the energy requirements for homes, but is also a design tool for making cost-effective energy improvements. AHFC also created a mortgage incentive program for borrowers to increase the energy efficiency of both new and existing housing. In FY 2000, this program provided an interest rate reduction benefits to 959 households. Of this total, benefits in energy efficiency interest rate reductions went to 103 households at or below 80% of median family income.

LOOKING TO THE FUTURE

With the conclusion of this FY 2000 Annual Performance Report, the Interagency Steering Committee turns its attention to the implementation of the new five year Consolidated Housing and Community Development Plan (HCD Plan) for the State of Alaska, 2000-2005. This process formally began in May of 1999, and build upon the planning inputs into and the data collected in conjunction with FY 1996, 1997, 1998, 1999 and 2000 Annual Action Plans. Activities pursuant to the amended Citizen Participation Plan began in the summer of 1999 and continued through the remainder of 1999 and into 2000. In March of 2000, Alaska Housing Finance Corporation's Board of Directors approved the new five year HCD Plan and the FY 2001 Annual Action Plan.

Concerns identified in this FY 2000 Annual Performance Report will be addressed in the process to develop the FY 2001 Annual Action Plan. The future considerations identified in last year's FY 1999 APR continue to require attention:

- The Consolidated Planning Process needs to continue to incorporate input from a wide range of organizations, agencies, units of state/local/ federal government, and individuals.

Linkages should be improved with other planning processes, and information from these planning process should be utilized when appropriate.

- The magnitude of unmet housing and community development needs across Alaska requires that private and public funding sources closely cooperate in leveraging and targeting resources.
- Effective and timely communication among those involved in housing and community development (HCD) activities is extremely important. Building upon what is currently working is the first priority. To fill in the “informational gaps”, new strategies and the use of new technologies will be required.
- Organizational capacity issues continue to be a great challenge to the State. Technical assistance resources awarded from HUD to AHFC in FY 1999 and FY 2000 will help address part of this need. Effective program and project administration require that organizations possess an adequate knowledge of management systems, the ability to implement these systems, and specific program expertise. With an ever increasing emphasis upon outcome measures and demonstrable results, technical assistance to assess a wide range of organizational capacity concerns must continue to be a high priority of the State.