

**CONSOLIDATED HOUSING & COMMUNITY DEVELOPMENT PLAN FOR
ALASKA 2006-2010: FY 2006 Annual Performance Report**

Attached is a copy of the FY 2006 Annual Performance Report. This FY 2006 APR was made available for public comment on September 12-27, 2006. No comments were received. The Annual Performance Report has three parts:

- Part 1 outlines the resources made available in the State during the past fiscal year as compared with the annual funding plan summary contained in the FY 2006 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 2 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 2006 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.

Consolidated Housing and Community Development Plan for the State of Alaska

**Consolidated Annual Performance and Evaluation Report (CAPER) for State of
Alaska Fiscal Year 2006 (July 1, 2005 through June 30, 2006)**

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OVERVIEW

In September 2004, the State of Alaska began the development of a new five year Consolidated Housing and Community Development (HCD) Plan for the State of Alaska, covering state fiscal years 2006 through 2010 (July 1, 2005 through June 30, 2010). This planning process was completed in April 2006, with the Alaska Housing Finance Corporation's (AHFC's) Board of Directors approval of the FY 2006-2010 HCD Plan. This Plan identified Alaska's overall housing and community development needs and outlined a strategy to address those needs. A series of one-year action plans implements the five-year strategy of general principles and priorities. The Fiscal Year 2006 (July 1, 2005 through June 30, 2006) Annual Action Plan is the first implementation plan of the five-year (FY 2006 through 2010) HCD Plan.

The Consolidated Annual Performance and Evaluation Report (CAPER) assesses progress made under the Annual Action Plans towards the five-year HCD goals. The geographic scope of the State of Alaska's HCD Plan is for all areas of Alaska outside of the Municipality of Anchorage (MOA) for the HOME Program, and all areas outside of the MOA and the City of Fairbanks for the Community Development Block Grant (CDBG) program. As entitlement jurisdictions, the MOA and City of Fairbanks receive their own direct allocations of federal housing and community development funds, and must prepare and maintain their own Consolidated Plans. The State of Alaska and the MOA cooperate and share information concerning their respective planning processes.

An Interagency Steering Committee directs the State of Alaska's Consolidated Plan. By designation of the Governor, AHFC is the lead agency in this process, with responsibility for project coordination, staffing and product distribution. The Interagency Steering Committee also includes the Alaska Department of Commerce, Community and Economic Development (DCCED), the Alaska Department of Health and Social Services (DHSS), the Workforce Investment Board (formerly known as the Alaska Human Resource Investment Council---AHRIC), the Alaska Mental Health Trust Authority (AMHTA) and the Alaska State Commission for Human Rights (ASCHR). Members of this Steering Committee provide input from their respective program and policy areas, and work to encourage public input into the HCD planning process.

Within 90 days of the close of the state fiscal year, the State is required to report to the public and to the federal government about the program made under the one-year Annual Action Plan. The Consolidated Annual Performance and Evaluation Report (CAPER) identifies the actual housing and community development resources available in the state during the program year, and assesses the use of these resources in comparison to activities outlined in the Annual Action Plan. It also recaps the number and characteristics of low income Alaskans benefiting from these resources. The CAPER

contains program-specific reports covering the CDBG, Home Investment Partnerships and Emergency Shelter Grant (ESG) Programs.

Many different entities provide input into the development of the CAPER. Participating in this effort are the State of Alaska, regional housing authorities, non-profit organizations, private housing developers, lenders, local governments, and federal agencies. With the close of state fiscal year 2006 on June 30, 2006, AHFC initiated a process to gather information from these many organizations detailing the number and characteristics of persons served, and actual funding levels realized during the year. The information received from this survey has been input into a database, which generated compilations of actual resources received and persons assisted with housing.

The public was provided an opportunity to comment on the draft FY 2006 APR, beginning on September 12, 2006 and ending on September 27, 2006. Notice of availability of the draft was advertised in the Anchorage Daily News, the Juneau Empire, Fairbanks News-Miner, Sitka Sentinel, Ketchikan Daily Mirror, Nome Nugget, Valdez Vanguard, Tundra Drums, Peninsula Clarion, and the Frontiersman. Notification was also sent to AHFC's Consolidated Planning mailing list. The draft APR was available for download from AHFC's web-site, <http://www.ahfc.state.ak.us>.

This CAPER has three parts:

- **Part 1** recounts the resources made available in the State during the past fiscal year as compared with the annual funding plan summary contained in the FY 2006 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 2** identifies 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 FY 2006 Annual Action Plan.
- **Part 3** of this 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 (HCD) 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.

The five-year HCD Plan (July 1, 2005 through June 30, 2010) identified eight general principles to guide the State's efforts to implement the above statutory goal. These principles are:

- 1. Use of federal housing and community development programs should be used in the most effective manner possible to emphasize benefit to low-income Alaskans.** Rationale---the amount of federal funds is limited and must be used effectively; the greatest needs are among the lowest income households.
- 2. Federal community development funds should support local efforts to address obstacles to economic growth by constructing, upgrading and reducing operating costs of essential community services and facilities.** Rationale---basic infrastructure is lacking in many of Alaska's poorest communities, and is a major barrier to economic self-sufficiency. Long-term affordability and sustainability of these essential community services is critical to the health and survival of these communities.
- 3. Weatherization and rehabilitation activities should be increasingly emphasized to protect and improve existing housing supply.** 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.
- 4. Allocation of homeless resources covered by this Consolidated Plan should be consistent with community based strategies addressing homelessness.** Rationale--the limited amount of federal homeless resources make the mobilization of mainstream and local generated resources a necessity to address homelessness. Community based strategies offer the best approach to generate and effectively apply such resources. Federal homeless resources under this Plan should support such local strategies.
- 5. State matching funds should be provided to leverage other resources for housing, services related to housing, and community development.** Rationale---matching funds give Alaskan applicants a competitive advantage in grant-seeking, and multiply

scarce federal resources.

- 6. The supply of affordable housing should be expanded for Alaskans with special needs, incorporating accessibility features and appropriate supportive services.** Rationale---the existing housing supply is inadequate to meet the current and projected need for this population, which has historically been under-served.
- 7. Housing and community development projects should incorporate appropriate arctic design and engineering, energy efficiency construction techniques and innovative technologies.** Rationale---the use of appropriate technologies ensures that improvements perform to expectations and are fully functional over the life of the project.
- 8. Through relevant and appropriate training and technical assistance, the statewide housing delivery system should be improved.** Rationale---lack of capacity and "gaps" in the housing delivery system has negatively impacted efforts to address the state's housing needs. Expanded and improved capacity will open new opportunities to attract capital for affordable and sustainable housing.

The primary focus of State of Alaska Consolidated Housing and Community Development Plan is upon the federal formula programs (CDBG, HOME, ESG) funded through the U.S. Department of Housing and Urban Development. A description of other housing and community development programs is also contained in the HCD Plan. Significant HCD resources are provided by U.S. Department of Agriculture programs. The State of Alaska also makes substantial contributions towards housing and community development. Much of this funding comes from the corporate earnings of the Alaska Housing Finance Corporation (AHFC), and funds appropriated by the Alaska Legislature. AHFC is also an important source of mortgage financing for housing, including a variety of below market rate lending products designed to expand affordable housing opportunities. AHFC has also funded improvements and deferred maintenance for public facilities throughout Alaska by issuing bonds.

Other housing and community development projects are funded from the state general fund, foundations, and private sector sources. It is important to note that not all of the resources that are available within the state are administered through the State government. Many competitive programs result in grants or loans directly to private applicants, including non-profit organizations.

HOUSING AND COMMUNITY DEVELOPMENT RESOURCES: AVAILABILITY AND UTILIZATION

In the SFY 2006 Annual Action Plan, the State of Alaska estimated the amount and type of housing and community development funding expected to be made available during state fiscal year 2006. This estimate, called the *Annual Funding Plan Summary*, projected that approximately \$1.748 billion would be available for a wide range of housing and community development activities. On page 10, the table titled ***Combined Annual Funding Plan Summary*** (July 1, 2005 through June 30, 2006), lists resources actually received or made available in non-metropolitan Alaska (all areas outside of Anchorage) during state fiscal year 2006. 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, 2006 will be reported in the 2007 CAPER. A total of approximately \$1.768 billion in housing and community development resources were actually committed to non-metropolitan areas of Alaska during SFY 2006.

The FY 2006 Annual Performance Report also includes two additional tables. The ***Annual Funding Plan for Housing*** details projected resources by program area for housing related activities on page 11. The ***Annual Funding Plan for Community Development*** does the same for community development activities on page 12. Both of these tables indicate the agencies responsible for administering each program, and the source of program funding. The tables titled ***Annual Funding Plan for Housing*** gives a more detailed breakdown by program area, in three categories---mortgages, grants, and rental assistance. Federal regulations require that the State indicate the number of units produced or rehabilitated meeting the definition 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. For non-metropolitan areas of Alaska, the total amount of resources projected for housing during SFY 2006 was approximately \$587 million. The actual amount housing resources committed during SFY 20063 was approximately \$591 million.

The table, ***Annual Funding Plan for Community Development***, identifies a wide range of resources that were projected to be available for community development activities during SFY 2006, and the actual amount secured. The total amount of community development resources estimated for SFY 2006, at the time of preparing the SFY 2006 Annual Action Plan, was approximately \$1.161 million. The actual funding for SFY 2006 community development activities totaled approximately \$1.177 billion.

HCD Plan Annual Action Plan
Combined Annual Funding Plan Summary
State of Alaska - Non Metropolitan Areas
Fiscal Year 2006 (July 1, 2005 - June 30, 2006)

Program Name	Type	Program Type	Anticipated Funding			Actual Funding		
			Federal	State	Total	Federal	State	Total
Housing	<u>Mortgages</u>	AHFC Mortgage Programs: Energy Rate Reduction, Multifamily/Special Needs, Rural Housing, Taxable & Tax Exempt, Veterans Program, Interest-Rate Reductions; HUD Programs: FHA Title I; USDA Section 502	122,429,182	301,172,718	423,601,900	138,004,181	293,104,706	431,108,887
	<u>Grants</u>	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, 5	102,580,058	28,527,772	131,107,830	96,873,177	34,938,910	131,812,087
	<u>Rental Assistance</u>	AHFC Public Housing Operating Subsidy; HUD Section 8 Project Based, Certifications and Vouchers; USDA Rental Assistance	32,200,760	0	32,200,760	28,480,467	0	28,480,467
	Total		\$ 257,210,000	\$ 329,700,490	\$ 586,910,490	\$ 263,357,825	\$ 328,043,615	\$ 591,401,441
Community Development	<u>Grants</u>	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, Denali Commission	786,730,766	374,947,888	1,161,678,654	861,744,717	314,925,771	1,176,670,488
Total			\$ 786,730,766	\$ 374,947,888	\$ 1,161,678,654	\$ 861,744,717	\$ 314,925,771	\$ 1,176,670,488
Community Development			\$ 1,043,940,766	\$ 704,648,378	\$ 1,748,589,144	\$ 1,125,102,542	\$ 642,969,386	\$ 1,768,071,929

HCD Plan Annual Action Plan

Annual Funding Plan For Housing

State of Alaska

Fiscal Year 2006 (July 1, 2005 - June 30, 2006)

Program Name	Lead Agency	Program Type	Anticipated Funding			Actual			Total Units	Sec. 215 Units
			Federal	State	Total	Federal	State	Total		
AHFC Energy Interest Rate Reduction	AHFC	Interest rate reduction for energy efficiency	0	5,681,996	5,681,996	0	4,421,740	4,421,740	607	106
AHFC IRRLIB Program	AHFC	Interest rate reduction for low-income borrowers	0	2,565,359	2,565,359	0	1,517,923	1,517,923	156	141
AHFC Multifamily Loan Program	AHFC	Multifamily, special needs, congregate & senior progs.	0	6,714,988	6,714,988	0	11,724,800	11,724,800	216	N/A
AHFC Rural Housing Program	AHFC	Mortgages for rural areas	0	106,076,653	106,076,653	0	117,508,242	117,508,242	602	125
AHFC Streamline Refinance Program	AHFC	FHA Refinancing	0	4,577,474	4,577,474	0	3,298,422	3,298,422	30	8
AHFC Taxable First-Time Buyer Program	AHFC	Conventional single-family mortgages for first-time buyer	0	47,815,969	47,815,969	0	37,319,459	37,319,459	186	20
AHFC Taxable Program	AHFC	Conventional single-family mortgages	0	56,132,086	56,132,086	0	54,754,158	54,754,158	249	39
AHFC Tax-Exempt First-Time Homebuyers Prg.	AHFC	First-time homebuyer mortgages	0	59,067,989	59,067,989	0	56,205,829	56,205,829	380	208
AHFC Veterans Mortgage Program	AHFC	Tax-exempt veterans loan program	0	5,585,535	5,585,535	0	5,639,133	5,639,133	21	2
Other AHFC Loan Programs	AHFC	Mobile Homes, Non-conforming, Seconds	0	6,954,669	6,954,669	0	715,000	715,000	3	0
FHA Loan Program	HUD	Home Loan Guarantee Program	88,249,297	0	88,249,297	88,249,296	0	88,249,296	N/A	N/A
FHA Title I Home Improvement	HUD	Home Improvement Program	4,466,935	0	4,466,935	4,466,935	0	4,466,935	N/A	N/A
Section 184 - Indian Loan Guarantee Program	HUD	Indian Home Loan Guarantee Program	5,090,450	0	5,090,450	5,090,450	0	5,090,450	N/A	N/A
USDA Section 502	RHD	Direct & Guaranteed Rural Single-Family Housing Loans	22,470,000	0	22,470,000	38,184,000	0	38,184,000	N/A	N/A
USDA Section 504	RHD	Rural Single-Family Housing Repair Loans	210,000	0	210,000	71,000	0	71,000	N/A	N/A
USDA Section 515	RHD	Rural Rental Multifamily Housing Loans	1,942,500	0	1,942,500	1,942,500	0	1,942,500	N/A	N/A
Total Mortgages:			122,429,182	301,172,718	423,601,900	138,004,181	293,104,706	431,108,887	5,362	467

AHFC Senior Citizens Housing Development Fund	AHFC	Housing for elderly	0	2,900,000	2,900,000	0	2,000,000	2,000,000	N/A	N/A
Federal and Other Competitive Grants	AHFC	Matching Funds	3,000,000	1,000,000	3,100,000	3,000,000	1,000,000	4,000,000	N/A	N/A
HOME American Downpayment Assistance Init.	AHFC	Downpayment Assistance for First-time buyers	57,955	0	57,955	28,919	0	28,919	1	1
HOME Program Income	AHFC	Program income received from HOME activity	104,000	26,000	130,000	150,000	0	150,000	N/A	N/A
HOME*	AHFC	Rehab, new const, rental and homebuyer assistance	3,000,000	750,000	3,750,000	3,001,389	0	3,001,389	N/A	N/A
Homeless Assistance Program	AHFC	One-time aid for emergency needs	0	1,000,000	1,000,000	0	1,000,000	1,000,000	N/A	N/A
Low Income Housing Tax Credits	AHFC	Acquisition, rehabilitation, new construction	1,556,250	0	1,556,250	1,556,250	0	1,556,250	N/A	N/A
Low Income Housing Weatherization	AHFC	Weatherization & retrofit of housing	1,268,852	2,819,672	4,088,524	1,298,616	2,164,360	3,462,976	417	390
Public Housing Capital Fund Program	AHFC	Rehab., management improvements of public housing	325,000	0	325,000	325,000	0	325,000	N/A	N/A
Public Housing Competitive Grants	AHFC	Matching funds	427,500	142,500	570,000	427,500	142,500	570,000	N/A	N/A
Energy Efficiency Monitoring/State Energy Prg.	AHFC	Energy Rating, Marketing, Tech. Asst., Special Projects	300,000	530,000	830,000	300,000	30,000	330,000	N/A	N/A
Teacher and Health Professional Housing	AHFC	Homeownership and Rental Housing for Teachers	0	4,000,000	4,000,000	0	4,000,000	4,000,000	18	N/A
AHFC Supplemental Housing Development Prg.	AHFC/H	Augments Indian housing development	0	4,300,000	4,300,000	0	4,300,000	4,300,000	57	N/A
Emergency Shelter Grant	DCED	Housing, supportive services	119,198	0	119,198	119,463	0	119,463	N/A	N/A
Beneficiary and Special Needs Housing	DHSS	Housing for people with disabilities	0	1,200,000	1,200,000	0	1,200,000	1,200,000	N/A	N/A
DHSS Community Mental Health Grants/Psych.Serv	DHSS	Supportive services for the severely mentally ill	0	10,579,600	10,579,600	0	18,772,050	18,772,050	N/A	N/A
MH Van/Vehicle/Home Modifications	DHSS	Accessibility modifications for people with disabilities	0	150,000	150,000	0	300,000	300,000	N/A	N/A
HUD Section 202 - Elderly Housing	HUD	Housing for elderly	928,700	0	928,700	928,700	0	928,700	5	5
HUD Section 811 - Persons with Disabilities	HUD	Housing for disabled	1,070,400	0	1,070,400	1,070,400	0	1,070,400	6	6
HUD Technical Assistance	HUD	HOME and Supported Housing Technical Assistance	90,000	30,000	120,000	90,000	30,000	120,000	N/A	N/A
Indian Housing Programs, NAHASDA	HUD	Community development, Housing, Sup. Services	89,053,756	0	89,053,756	83,143,493	0	83,143,493	N/A	N/A
Continuum of Care Homeless	Nonprof	Acq., rehab., new const., rental assist., supp. servs.	638,447	0	638,447	638,447	0	638,447	N/A	N/A
USDA Section 504	RHD	Rural Single-Family Housing Repair Grants	140,000	0	140,000	252,000	0	252,000	N/A	N/A
USDA Section 523	RHD	Self-Help Housing Grants	450,000	0	450,000	493,000	0	493,000	N/A	N/A
USDA Section 533	RHD	Housing Preservation Grants	50,000	0	50,000	50,000	0	50,000	N/A	N/A
Total Grants:			\$102,580,058	\$28,527,772	\$131,107,830	\$96,873,177	\$34,938,910	\$131,812,087	504	402

Public Housing Operating Subsidy	AHFC	Operating costs	9,013,250	0	9,013,250	8,348,763	0	8,348,763	768	768
Section 8 Housing Choice Vouchers Existing	AHFC	Rental assistance1	15,615,366	0	15,615,366	11,212,560	0	11,212,560	1,740	1,740
Section 8 Housing Choice Vouchers Incremental	AHFC	Rental assistance	0	0	0	0	0	0	0	0
Section 8 Project Based	HUD	Rental assistance	5,321,144	0	5,321,144	5,321,144	0	5,321,144	N/A	N/A
HUD 202/811 Rental Subsidy	HUD	Rental Subsidy for Elderly and People with Disabilities	401,000	0	401,000	401,000	0	401,000	N/A	N/A
USDA Section 515 Rental Assistance	RHD	Rental assistance for new/existing RHD projects	1,850,000	0	1,850,000	3,197,000	0	3,197,000	N/A	N/A
Total Rental Assistance:			\$32,200,760	\$0	\$32,200,760	\$28,480,467	\$0	\$28,480,467	2,508	2,508

** Up to \$250,000 of the of Senior Citizens Housing Development Fund (SCHDF) may be used to fund the Senior Access Program

1. Includes HAP, Admin, and Hard-to-House fee.

HCD Plan Annual Action Plan
Annual Funding Plan For Community Development
State of Alaska--Non-Metropolitan
Fiscal Year 2006 (July 1, 2005 - June 30, 2006)

Program Name	Lead Agency	Program Type	Anticipated Funding			Actual Funding		
			Federal	State	Total	Federal	State	Total
Alaska Native Tribal Health Consortium	ANTHC	Water/sewer development to support housing	102,500,000	68,400,000	170,900,000	115,300,000	61,300,000	176,600,000
CDBG	DCCED	Community development	2,817,522	0	2,817,522	2,548,827	0	2,548,827
Community Facility Loans and Grants	RHD	Loans and grants for com. facility construction	2,550,000	0	2,550,000	8,449,000	0	8,449,000
Community Facilities--Multi-Use	DCCED	Supplemental for comm fixed infrastructure	5,000,000		5,000,000	0	0	0
Denali Commission	Denali Com.	Rural utilities, infrastructure, health, safety, econ. dev.	100,000,000	0	100,000,000	111,100,000	0	111,100,000
Department of Transportation	DOT	Roads, Runways, Safety, Marine Highway	470,373,512	279,389,488	749,763,000	568,302,790	188,727,921	757,030,711
Indian Community Development Block Grant	HUD	Comm. development, Housing, Sup. Services	7,673,132	0	7,673,132	0	0	0
Municipal Match Grants	DEC	Water and wastewater infrastructure	4,413,900	6,621,600	11,035,500	4,413,900	5,757,350	10,171,250
Village Safe Water	DEC	Water and wastewater infrastructure	61,402,700	20,536,800	81,939,500	20,537,200	59,140,500	79,677,700
Village Water/Waste Disposal Grants	RHD	Construction of water and waste systems ¹	24,000,000	0	24,000,000	24,271,000	0	24,271,000
Water & Waste Grants	RHD	Water and waste disposal systems	2,100,000	0	2,100,000	6,822,000	0	6,822,000
Water & Waste Loans	RHD	Water and waste disposal systems	3,900,000	0	3,900,000	0	0	0
Total			\$786,730,766	\$374,947,888	\$1,161,678,654	\$861,744,717	\$314,925,771	\$1,176,670,488

N/A = Not Available

1. State match includes AHFC or ASLC Bonds

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. 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 state fiscal year 2006, 2,751 renter households were served, and 1,036 Alaskan homeowners received assistance from a variety of housing programs. The table below illustrates the distribution of households assisted across racial and ethnic categories, and a comparison to the general population. The table titled "Households and Persons Assisted with Housing" on page 14 includes renters, homeowners, homeless, and non-homeless special needs households, broken down by income levels and household size.

**State of Alaska---Non-Metropolitan Areas
Demographic Characteristics of Households Assisted vs. Population Composition**

Racial Group	<u>Households Assisted SFY 2006</u>		<u>2005 American Community Survey</u>	
	Number	Percent	Number	Percent
White	2,285	60.3 %	258,094	68.7 %
Black	111	2.9 %	5,556	1.5 %
Native	743	19.6 %	75,110	20.0 %
Asian/Pacific Islander	78	2.1 %	11,409	3.0 %
Other	570	15.1 %	25,374	6.8 %
Total	3,787	100.0 %	375,443	100.0 %
<i>Hispanic/Any Race</i>	69	1.8 %	12,259	3.3 %

The data for the Demographic Characteristics of Households Assisted table, as well as the Households and Persons Assisted with Housing table on page 14 was compiled from the results of a survey mailed out to housing providers serving areas of Alaska outside of Anchorage, and from AHFC data sources for Public Housing, Housing Choice Vouchers, Low Income Weatherization, AHFC Mortgages, and HOME funded programs. More information on HOME Program beneficiary data can be found in Appendices B-5, B-6, and B-7.

Alaska Housing Finance Corporation
Consolidated Housing and Community Development Plan
Households & Persons Assisted with Housing*
State of Alaska - Nonmetropolitan Areas
July 1, 2005 - June 30, 2006

Name of State: STATE OF ALASKA - Nonmetropolitan Areas												Fiscal Year: 2006		
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 Ext. Low-Income (0 to 30% of MFI)	278	463	237	685	1663	226	3	13	242	0	0	526	1905	1905
2 Very Low-Income (31 to 50% of MFI)	246	230	0	137	613	156	19	94	269	0	0	266	882	882
3 Other Low-Income (51 to 80% of MFI)	38	196	0	241	475	142	107	276	525	0	0	74	1000	
4 Total Low-Income (Lines 1+2+3)	562	889	237	1063	2751	524	129	383	1036	0	0	866	3787	2787

5	Racial/Ethnic Composition**		
	Total Low-Income		
Hispanic			
	1 Hispanic or Latino		69
	2 Not Hispanic or Latino		3,718
All Races			
	3 White		2,285
	4 Black		111
	5 Alaska Native or American Indian		743
	6 Asian		67
	7 Pacific Islander		11
	8 Other/Unidentified		570
	Total	-	3,787

Programs Included Are Highlighted:
Section 8 Vouchers (inc. Welfare to Work 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 (IRRLB/Energy Rate Red.)
HOME Owner-Occupied Rehabilitation
HOME Rental Development

*Data for period 07/01/05 - 06/30/06. Source: AHFC, Public Housing Division, Planning and Program Development.

**Primary Racial/Ethnic composition of households

NOTE: This table reflects all areas outside of Anchorage

STATE OF ALASKA
FY 2006 State Performance/Evaluation Report
PART II — Narrative Requirements
for FFY 2000, 2001, 2002, 2003, 2004, and 2005 Grants

A. Statutory Requirements of Section 104(e):

The overall mission of the State of Alaska Community Development Block Grant Program (CDBG) is to enhance the quality of life for low and moderate income residents, particularly in rural Alaska. The CDBG Program fulfills this mission by acting upon its defined goals and objectives.

The goals of the program are to ensure that the State's CDBG funds will be used to principally benefit low and moderate income persons; to provide financial resources to communities for public facilities, planning and special economic development activities which encourage community self-sufficiency; to reduce or eliminate conditions detrimental to the health and safety of local residents; and to provide capital to assist in the creation or retention of jobs that primarily benefit low and moderate income persons.

The following objectives guide distribution and use of funds:

- 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 eliminate clear and imminent threats to public health and safety.
- To support activities which demonstrate the potential for long-term positive impact.
- To support activities which encourage local community efforts to combine and coordinate CDBG funds with other available private and public resources whenever possible.
- To support activities which demonstrate strong local support as evidenced by inclusion in a community, economic development, or capital improvement plan.
- To support activities which have completed design, engineering, architectural, or feasibility plans as appropriate, or have included those activities in their application.

- To support economic development activities which will result in business development and job creation or retention which principally benefits low and moderate income persons.

As is indicated in the attached Part I of the Performance Evaluation Report, 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 State of Alaska 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.

We did modify the Annual Action Plan for FY 2003, FY 2004, and FY 2005 which impacted the way we administered CDBG funds. In particular those amendments allowed us to set-aside funds for specific activities which are consistent with the goals and objectives identified in the Housing and Community Development Plan but which we hoped would result in improved timeliness of expenditure of CDBG funds and more importantly, would better serve communities. These amendments contained the following language:

1. At the discretion of DCCED funds may be set-aside and designated to provide the cost share match for CDBG eligible communities/applicants for construction ready Denali Commission Health Care Projects. Construction-ready for a community/applicant under the Denali Commission Health Care Cost Share match is defined as having successfully completed the Denali Commission Rural Primary Care Facility Project Business Plan; having successfully completed the Denali Commission Site Plan Checklist which includes verification of the legal right to utilize the property for the proposed project; having successfully completed all planning, permitting, engineering, and architectural plans for the proposed project; and having applied for and received a commitment from the Denali Commission for construction funding
- Communities/applicants awarded funds under the Denali Commission Health Care Cost Share Match Program must meet all requirements for participation in the CDBG program including but not limited to Eligible Applicants; Eligible Activities; Public Hearing Requirements; National Objectives; Resolution with Certifications of Compliance; HUD Reform Act; Civil Rights; Environmental Review; and Federal Labor Standards and agree to execute a CDBG Grant Agreement with DCCED within the timeframes outlined by the Department at the time of award
- CDBG funds awarded under this Denali Commission Health Care Cost Share Match Program will not exceed \$500,000 per community/applicant
- CDBG funds may not be used for equipment or furnishings unless an integral part of the building

- CDBG funds may not be used as the cost share match for any part of a multi-use facility which is used for an activity which is ineligible for CDBG funding, i.e., facilities used for the general conduct of government or jails or for the costs associated with on-going governmental operations or any other ineligible CDBG activity
 - Communities/applicants awarded funds under the Denali Commission Health Care Cost Share Match Program will be expected to expend all CDBG funds within 18 to 24 months from the execution of the CDBG Grant Agreement unless otherwise approved by the Department
 - Eligible communities/applicants will be awarded funds on a first come-first served basis by the Department in the order referred by the Denali Commission. Both the Department and the Commission's assessment of the community/applicant's ability to complete the project in a timely manner will be considered if insufficient funds are available for all project referrals
 - If the amount of funds set-aside for the Denali Commission Health Care Cost Share Match Program in any given year exceeds the demand as of July 1st of the following year, any uncommitted funds may, at the discretion of the Department, be utilized through the CDBG Competitive Grant Program or other activities outlined in the FY 2003, FY 2004, and FY 2005 Annual Action Plans, as amended
2. At the discretion of DCCED, CDBG funds may be used by Alaska Housing Finance Corporation (AHFC) to make funding available to its Owner-Occupied Rehabilitation contractors. These funds will fill a gap that currently exists, addressing critical health, safety and accessibility rehabilitation improvements, that do not meet the criteria of other programs
- AHFC's existing contracts with its Owner-Occupied Rehabilitation Program (ORP) contractors would be amended to utilize these CDBG funds to conduct the activities described below in a timely manner. The ORP contractors would be responsible for securing the Cooperative Agreement with the eligible municipal government entity in which the rehabilitation/retrofit activity is to take place
 - The ORP contractors would be responsible for insuring verification that this program solely benefits low to moderate income households. The ORP contractors and the eligible municipal government entity will be responsible for compliance with all other applicable CDBG program requirements
 - Allowable activities under this program would include (but is not limited to) roof replacement, foundation repair or replacement, correction of structural deficiencies, accessibility modifications, sanitation repairs (well, septic, bathrooms, etc.), lead reduction, mold mitigation, heating system repairs and replacement, etc.
 - CDBG funds may not be used for equipment or furnishings unless an integral part of the building
 - A maximum of \$25,000 in CDBG funds per owner-occupied home would be allowed for these activities

- Communities/ORP contractors awarded funds under this housing rehabilitation program will be expended within 12 to 18 months from the Execution of the CDBG Grant Agreement unless otherwise approved by the Department
 - CDBG funds awarded under this Owner-Occupied Rehabilitation Program will not exceed \$500,000 per community/applicant
 - The 75% expenditure requirement under the Past Recipient provision of the FY 2003 and FY 2004 Annual Action Plans shall not apply to this ORP CDBG Program
 - The Department shall retain the right to consider Past Recipient performance in other administrative areas in determining threshold eligibility
3. At the discretion of DCCED, a portion of CDBG funds may be set-aside for CDBG eligible communities/applicants for construction ready homeless shelters and transitional housing, subject to the \$500,000 maximum funding per project/community
- After the close of the FY 2004 and FY 2005 competition for AHFC's Homeless Assistance Program, applicants will be reviewed for possible inclusion in this CDBG program component, hereinafter referred to as HAP CDBG
 - Applicants notified of eligibility for the HAP CDBG program will be responsible for securing the Cooperative Agreement with the eligible municipal government entity in which the rehabilitation or construction project is to take place
 - All projects must be construction ready, which is defined as providing a completed business plan for facility operation; providing a detailed construction budget, with a sources and uses statement; verification of commitments of all other required funding sources for the project; evidence of site control; and completion of all planning, design, engineering and architectural plans for the project
 - Communities/applicants awarded funds under HAP CDBG program must meet all of the requirements for participation in the CDBG program including but not limited to Eligible Applicants; Eligible Activities; Public Hearing Requirements; National Objectives; Resolutions with Certifications of Compliance; HUD Reform Act; Civil Rights; Environmental Review; and Federal labor Standards and agree to execute a CDBG Grant Agreement with DCCED within the timeframe outlined by the Department at the time of the award
 - CDBG funds may not be used for equipment or furnishings unless an integral part of the building
 - CDBG funds may not be used as the cost share match for any part of a multi-use facility which is used for an activity which is ineligible for CDBG funding, i.e. facilities used for the general conduct of government or jails or for the costs associated with on-going government operations or any other ineligible CDBG activity
 - Communities/applicants awarded funds under the HAP CDBG program will be expected to expend all CDBG funds within 18 to 24 months from the execution of the CDBG Grant Agreement unless otherwise approved by the Department
 - AHFC and DCCED shall execute an agreement outlining the specific roles and responsibilities of each under this HAP CDBG Program. If this agreement is not reached in a timely manner, as determined by DCCED, the Department reserves the

right to use these potential HAP CDBG funds in the CDBG Competitive Grant Program, or in other activities outlined in the FY 2003 and FY 2004 Annual Action Plans, as amended

4. The Department reserves the right to issue, under the CDBG Competitive Grant Program, an application exclusively for Planning Activities if it is determined to be in the best interest of the program to do so. The purpose of exercising this option would be to assist communities in preparing for potential future construction projects as well as meeting other community planning needs.
5. The Selection Process and Rating Criteria in each of the FY 2003, FY 2004, and FY 2005 Annual Action Plans was amended to read: "The application-selection process for the *CDBG Competitive Grant Program* consists of two stages---threshold review and project rating and selection." It is further amended to read: "It should be also noted that applicants which applied for and received CDBG funding for project design, engineering, feasibility, an/or planning within two years prior to the application for implementation, will receive priority consideration for funding *and may be awarded, at the discretion of the Department, up to 10 Bonus points under the Project Plan/Readiness category at Project Rating*".
6. The Reallocated, Recaptured, and Unobligated Funds section in the FY 2003, FY 2004, and FY 2005 Annual Action Plans is amended to read: "Recaptured funds are unspent funds which DCCED recovers from grantees when *it is clear an approved activity is no longer viable* or that the recapture will not preclude local ability to complete the approved activities or when the activities have been completed and funds remain in the grant agreement. Recaptured funds will either be reallocated to existing grantees who demonstrate a need for additional funds (not exceeding the cap of \$500,000 per competitive grant), reallocated to applicants between award cycles according to the criteria outlined above, or to other activities outlined in this Annual Action Plan, as amended." It further reads: "Unobligated funds are funds which have not been, or are no longer intended to be, distributed according to the method of distribution described herein. Unobligated funds will either be reallocated to existing grantees who demonstrate a need for additional funds (not exceeding the cap of \$500,000 per competitive grant), reallocated to applicants between award cycles according to the criteria outlined above, or to other activities outlined in this Annual Action Plan, as amended."
7. The FY 2004 and FY 2005 Annual Action Plans are amended to state that the competition for the federal fiscal year 2003 and 2004 funds will be held at a time determined appropriate by the Department.

8. The maximum grant amount for which an applicant may apply was increased from \$350,000 to \$500,000. This change was made to address the rising costs of construction and to bring the program in line with other funding sources.

When these amendments were initiated it was our belief that they would result in a positive impact on the low and moderate income residents of the State of Alaska as well as improve our CDBG expenditure rates. Although it takes time for these kinds of changes to have an impact, unfortunately, some of the amendments have not worked out as well as we had hoped.

Although we have worked continuously since April 2003 with representatives of the Denali Commission to identify Denali Commission clinic projects for which we can provide the cost share match, our efforts have not been successful. On April 23, 2004 we received a list of 11 potential projects. Unfortunately only 5 of those projects met all of the CDBG requirements (eligible applicant; benefit to low and moderate income; construction ready, etc). Those 5 projects included: City of Teller; City of Clarks Point; City of Manokotak; Lake & Peninsula Borough for Kokhanok; and Lake & Peninsula Borough for Chignik Lake. It was not until January 2006 that we finally received the information we needed in order to get these projects are under grant agreement despite over 2 years of effort. Through these agreements we had hoped to obligate \$1,276,000 in CDBG funds and have significant expenditures during 2003 and 2005. Obviously, despite our efforts, that did not happen.

One project has been awarded funds under AHFC's Owner Occupied Rehabilitation contractors. The Matanuska-Susitna Borough has agreed to accept and administer a grant on behalf of Alaska Community Development Corporation in the amount of \$500,000. That grant has been in effect since Fall 2004. It has taken more time than anticipated to work out the details of project management and disbursement of funds, but things are in full swing and we expect the project to be closed shortly. Because of the timely expenditures under this agreement, we awarded the Matanuska-Susitna Borough an additional \$500,000 for the Alaska Community Development Corporation's Owner Occupied Rehabilitation project in April 2006.

Two projects have been awarded funds to provide match for AHFC's Homeless Assistance Program. The City & Borough of Juneau received \$500,000 on behalf of St. Vincent de Paul Society's renovation of their transitional housing facility. The second project awarded funds went to Kids are People Too, which is administered by the Matanuska-Susitna Borough.

We obligated an additional \$77,800 to two on-going projects (City of Bethel and City of Eek) which identified a need between grant cycles.

We issued a second FFY 2003 CDBG Grant Application packet to all eligible communities in the state on March 15, 2003. Sixteen applications were received by the June 4th deadline; 14 passed initial threshold review and 4 awards were made in September 2004 for a total of \$6,651,284.00. In addition we issued our FFY 04 CDBG Application materials on September 1, 2004 and awarded \$10 applications at \$2,354,675.00.

The Department of Commerce Community & Economic Development solicited FFY 05 Community Development Block Grant Applications twice during SFY 2006. In March 2006, four projects were awarded a total of \$1,183,959 through our competitive grant process. These included the Aleutians East Borough for Regional Airport Terminal Construction in Cold Bay; City of Akutan for Replacement of Electrical Transformer; City of Hughes for construction of a Health Clinic; and City of Nome for design of a Public Safety Building.

The objective of each of the four projects described above is to Create a Suitable Living Environment for the residents of the communities. The intended result or outcome of each funded activity is Availability/Accessibility. Funding of each of the projects will ultimately result in making facilities available to local residents which were previously not available. It is estimated, based on DCCED 2005 certified population data that 5000 persons will benefit from these activities.

During SFY 06 the Department also funded, through set-aside provisions, an Owner Occupied Residential Rehabilitation project with the Matanuska-Susitna Borough for \$500,000. The project objective is to Create a Suitable Living Environment. The expected outcome of the project is Availability/Accessibility. It is anticipated that 20 owner occupied home will be improved with these funds.

In May 2006 we issued our second FFY 05 CDBG Application packet. A total of seven projects, all for construction of public facilities are being considered for funding. We expect to award approximately \$1.5 Million to three or four of these projects in October 2006. The objective of all seven proposed projects is to Create a Suitable Living Environment. The expected outcome of any funded project would be Availability/Accessibility, i.e., making facilities available to local residents which were previously not available. It is estimated, based on experience from prior years, that approximately 1500 persons will benefit from these additionally funded activities.

100% of the projects funded will serve low to moderate income persons.

B. Summary of Activities and Results from Technical Assistance Funding

The State has set aside and does intend to use 1% of its FFY 2000, 2001, 2002, 2003, 2004, and 2005 allocations to provide Technical Assistance to its grantees. Previously TA

funds were used to hire a team of experts to put together a *Grant Construction Manual* for use by those grantees constructing public facilities.

The manual was written for CDBG grantees and others involved in the building industry in rural Alaska: architects, engineers, material 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 was updated in 2000. The manual and subsequent updates have been well received by all and continues to be utilized.

Using technical assistance funds we also previously contracted with 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. This consultant generally 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 they needed help training the local labor force crews on basic construction techniques; in other cases they needed help with designing a building appropriate for their site or environment. In some cases the community needed all of the above. Our objective was to have 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. His over-site gave us the opportunity to avoid huge cost overruns on projects, which is not untypical for those inexperienced to construction. We avoided ordering inappropriate materials and the costs associated with returning those. Every crew member who attended the training indicated that 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. We felt this experiment exceeded our expectations by leaps and bounds. The consultant was excellent in working with grantees and this helped to get them behind the training concept. We expanded even more on this concept as time went on. To date, approximately 30–45 communities have received assistance through this means. However, in recent years, particularly grants funded in FFY 2000, 2001, 2002, and 2003, we have seen a marked decline in the demand for this type of training. Therefore we no longer have a standing agreement with AHFC to provide this service. We are hoping that our new Training Specialist can handle any requests for this type of assistance that we may receive.

In August 2004 we hired a temporary Training Specialist to work with the CDBG program. In February 2006 we made that position permanent. The Training Specialist works with applicants to improve project planning as well as grant applications.

She provided workshops on grant writing, planning, and implementation in Barrow, Dillingham, Nome, Juneau, Anchorage, and Kotzebue and Fairbanks to over 100 community representatives in September, October, and November 2004 and 2005. She also works individually with existing CDBG grantees who are experiencing difficulties getting projects moving. She helps them identify obstacles to implementing their projects and acts as a catalyst in resolving those obstacles. She develops developing training materials and manuals for use by grantees in understanding and meeting all program requirements. She also presented a Grant Administration workshop for all grantees in Anchorage in April 2005. She is currently preparing for another round of grant/application workshops in Fall 2006.

HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)
ANNUAL PERFORMANCE REPORT: July 1, 2005 - June 30, 2006

Program Accomplishments/Commitments

During the year, AHFC continued the successes of earlier years through the HOME Investment Partnership (HOME) Program. As proposed in the SFY 2006 Action Plan, HOME program funds were used for the following purpose: (1) develop affordable rental and homeownership housing (Greater Opportunities for Affordable Living Program), (2) rehabilitate single-family homes owned and occupied by lower-income families (Owner-Occupied Rehabilitation Program), (3) provide financial assistance to lower-income homebuyers (HOME Opportunity Program), and (4) fund a portion of the operating costs incurred by Alaska's Community Housing Development Organizations (CHDOs).

1) 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 Fund. 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. During this year's GOAL Program funding cycle, AHFC conducted regional application technical assistance workshops in Fairbanks and Kenai. Additionally, during the period of notice of funding availability the AHFC HOME Program Manager answers application questions by phone and reviews pro-forma worksheets for financial feasibility, that are submitted for review by the applicants.

Two new development projects were awarded funding located in the Matanuska-Susitna Valley and Homer. A project in Nikiski, a project initially funded in last years in GOAL round was awarded an additional, \$114,737. The three development projects received funding totaling \$1,335,697. These four HOME-funded projects are expected to leverage total development funds of approximately \$8.8 million. A total of 9 HOME units will be produced as affordable rental units will be developed as a result of these three projects, in addition to other State of Alaska set-aside affordable units (see chart below). All projects receiving HOME funds have mandatory State of Alaska set-aside that ensures that 40% of the units will be rented to households at or below 50% of the median. These set-aside units also must be rented in accordance with the HOME regulations. All of these projects are new construction and will have additional accessible units that exceed the minimum threshold.

Project	Location	HOME Units*	Additional State Set-Aside Units	# of 504 Accessible Units
Terrace View	Homer	3	1	4
Yenlo Square, Phase I	Matanuska-Susitna	3	4	7
Nikiski Senior Center	Nikiski	3	0	8

*Includes units funded with HOME State Matching Funds

Federal regulations require a minimum average of 15 percent of all HOME funds (\$450,000 annually) be allocated to Community Housing Development Organizations (CHDOs) to develop, sponsor, or own HOME assisted housing. Two of the HOME-funded GOAL projects are sponsored by a CHDO. These projects represent nine HOME units, and utilize \$887,460 in federal HOME funds and \$333,500 in State Matching Funds.

2) Owner-Occupied Rehabilitation Program (ORP)

Three non-profit organizations continue 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 homeowners to improve the homeowner's property condition and energy efficiency, eliminate life-safety hazards, and make accessibility improvements. These projects often leverage other funding sources such as the AHFC Weatherization Program funds, USDA home loans, State of Alaska Home Modification Program, and AHFC Senior Accessibility Program.

Twelve (12) ORP projects were completed during the program year, and an additional 18 were in process as of June 30, 2006. Appendix B-7 gives detailed information on the FY 2006 ORP completions, and the ORP projects underway at the end of SFY 2006.

3) HOME Opportunity Program (HOP)

The HOME Opportunity Program (HOP) saw its seventh year of activity during the program year. Under HOP, qualifying families may receive downpayment funding assistance equaling 2 percent of the purchase price (up to \$3,800), up to \$3,000 for loan closing costs, and, if necessary to achieve affordability, a soft second deed of trust of up to \$30,000. In accordance with the Department of Housing and Urban Development's guidance, the allocation of HOP funds to individual homebuyers must also include the cost of inspection by the subrecipient.

Three grants were awarded during the program year (FY 2006) to previous HOP subrecipients. These organizations included: Tlingit-Haida Regional Housing Authority, Fairbanks Neighborhood Housing Services, and Alaska Community Development Corporation. All three subrecipients continued service within the same geographic areas they had previously served. HOP continues to reflect a demand for homeownership assistance in Alaska. Twenty-one HOP loans were closed in SFY 2006.

Program-wide, households served consisted of a mix of single-parent, two-parent and single, and non-elderly households with one elderly household served as well. The majority of households served were Caucasian (65%), with Native American making up the second largest minority. These are similar ethnicity statistics as seen in last years' program analysis. The new HOME dashboards will assist AHFC in reviewing who is being underserved by the program. In the coming year, further efforts will be made to understand why certain minorities are not accessing this program more (especially Black, Hispanic and Asian families), and to try to serve them better. In one effort, the Notice of Funding Availability released during the previous program year included rating points based on the likelihood of success of the applicants' affirmative marketing efforts. Appendix B-6 contains more detailed information on the geographic distribution, and the beneficiary income and demographic/ethnic information for the HOP loans closed during SFY 2006.

The 2005 change in the HOME property standards by the Department of Housing and Urban Development required inspections by HOME subrecipients. This substantially slowed down the process of providing assistance eligible homebuyers. It now takes substantially longer timeframe for a HOP loan to close.

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

Over the past year, AHFC continued to assist four 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. Many CHDOs in Alaska are currently in their 5th or 6th year of assistance and will soon no longer be able to participate in the annual funding round. Therefore, in the near future AHFC will begin to examine other opportunities to assist these organizations. In 2006 Contracts totaling \$37,083 for OEA were executed during the time-period covered by this APR. 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.

Summary of Commitments

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 6/30/06
Rental Development:					
Valley Residential Services	4/1/06	\$ 212,460	Wasilla	34	Underway
Kenai Peninsula Hsg Initiatives *	4/1/06	\$ 675,000	Homer	4	Underway
Nikiski Seniors	7/1/05	\$ 408,072	Nikiski	8	Underway
					Underway
Owner Occupied Rehabilitation:					
Alaska Community Dev. Corp., Inc	NA	NA	Mat-Su		SFY 2006 Activities were funded from SFY 2005 commitments (IDIS Pan Year 2003) .
Interior Weatherization, Inc.	NA	NA	&Kenai Boro		
Rural AK. Comm. Action Program	NA	NA	Interior		
			Juneau		
HOME Opportunity Program:					
Fairbanks Neighborhd Hsg Serv, Inc.*	9/1/05	\$ 448,270	Interior	12	Underway
Tlingit-Haida Reg Housing Authority	9/1/05	\$ 199,771	Southeast Ak	5	Underway
Alaska Comm Development Corp., Inc.	9/1/05	\$ 304,723	Mat-Su/Kenai	15	Underway
		\$ 952,714			
CHDO Operating Expense Assistance:					
Borealis CLT*	10/1/05	\$ 5,000	Fairbanks	NA	
Juneau Housing Trust*	10/1/05	\$ 10,000	Juneau	NA	
Kenai Peninsula Housing Ini.*	7/1/05	\$ 17,083	Kenai Pen.	NA	
Valley Residential Services*	10/1/05	\$ 5,000	Mat Su	NA	
		\$ 37,083			

* Represents Community Housing Development Organization (CHDO)

** Includes AHFC Cash "Matching" Funds. Refer to Appendix B-4----Active HOME Projects, for information on unexpended funds from all fiscal years.

HOME Match

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 \$750,000.00, and contributions through other sources. Tax exempt bond proceeds from AHFC single family homebuyer loans and from multi-family mortgages is a significant source of match for AHFC. Matching contributions from tribal programs, State of Alaska programs, and nonprofit donations also commonly provide leverage for the HOME program. While the match liability for this year was \$461,560.18, AHFC logged \$257,255.05 in matching contributions during the year. Match liability is incurred whenever program funds are drawn from the federal treasury. The HOME match report is included in Appendix B-1, and identified an excess match of \$10,434,393.86 carried over from the prior federal fiscal year.

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 have changed the way HOME program components are administered with regards to lead-based paint. Subrecipients have been trained on the new regulations and are successfully implementing them. To date, most of the homes that have been impacted by the new lead regulations have been in Fairbanks and Southeast Alaska. Alaska's housing stock tends to be relatively new; therefore, few homes built before 1978 have been addressed by HOME funds. The implementation of these lead-based paint regulations commonly causes an increase of at least \$10,000 per ORP project.

Displacement/Relocation

There were no displacements or relocations to report during July 1, 2005 through June 30, 2006.

Program Monitoring

HUD HOME Program Monitoring

HUD HOME program monitoring during the FFY 2006 year consists of four types of compliance reviews. The first type of compliance review consists of a desk review of pre-disbursement/initial documents and reports prior to any HUD HOME and AHFC funds being paid to the project developers and subrecipients. The second type of compliance review consists of desk monitoring throughout the project development and grant period. The third type of compliance review involves once a year on-site visits to projects being developed and to subrecipients' offices during the project development and grant period. The fourth type of compliance review consists of post-project completion or "affordability compliance" review of rental housing development projects.

The first type of compliance review is accomplished by AHFC's Planning and Program Department staff reviewing the project developers and subrecipients' pre-disbursement/initial reports required of subrecipients and project developers of rental housing projects. AHFC staff verifies that all pre-disbursement/initial documents and reports are complete and accurate before any HUD HOME and AHFC funds are released to the project developers and subrecipients. The required pre-disbursement/initial documents and reports will depend on the type of project being funded. A complete list of all the different pre-disbursement/initial documents and reports follows:

- Evidence of business license and insurance requirements
- Evidence of Debarment and Suspension (24 CFR Part 92.357)
- Cost allocation plan
- Evidence of funding commitments
- Authorized signatories
- Project work plan
- Certification of Section 3 and Women's and Minority Business Enterprises (MBE/WBE) compliance

The reports include a written Section 3 and Women's and Minority Business Enterprises (MBE/WBE) work plans. The Section 3 work plan identifies how subrecipients' 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 that includes the Section 3 Clause in all solicitations and contracts. The Women's and Minority Business Enterprises work plan includes a description of subrecipients' planned outreach designed to inform women and minority business enterprises of contract opportunities.

The second type of compliance review is desk monitoring conducted by AHFC's Planning and Program Development Department staff throughout the project development and grant period. This type is accomplished by AHFC staff reviewing project developers and subrecipients monthly or quarterly invoices that sometimes includes supporting documents; and, quarterly and final financial and project status reports. Project status reports requirement vary depending on the type of projects funded. The following is a partial list of the different project status reports:

- Description of Section 3 and Women's and Minority Business Enterprises (MBE/WBE) compliance
- Description of job training activities
- Description of Affirmative Fair Housing Marketing compliance activities
- Certification of Title VI of the Civil Rights Act of 1964
- Certification of Conflict of Interest Provisions at 24 CFR Part 92.356
- Certification of Drug Free Work Place Act of 1988

- Certification of Debarment and Suspension (24 CFR Part 92.357)
- Certification of Flood Disaster Protection Act of 1973
- Certification of Lead-Based Paint Poisoning Prevention Act
- Project cost certification
- Copy of recorded federal, state and local building inspection reports (i.e. BEES, HQS, UPCS)
- Certification of Davis-Bacon Wage Act and Safety Standards Act if applicable
- Copy of proposed rental charges and low-income unit lease agreement
- Copy of executed deed restriction on the title to the land benefited by the project funding

The third type of compliance review involves once a year on-site visits to projects being developed and to subrecipients' offices during the project development and grant period. AHFC staff from the Planning and Program Development Department and the Research and Rural Development Department share the responsibility of on-site monitoring reviews. AHFC staff reviews project developers' and subrecipients' records for compliance with financial administration and management regulations, program policies and regulations, and property requirements. The project developers and subrecipients receive a formal written monitoring review report and are required to respond and correct any findings and questioned costs. In SFY 2006, the Planning and Program Development Department staff completed the following number of monitoring compliance reviews:

- Three of the three HOME HOP subrecipients
- Four of the four HOME ORP subrecipients
- Five of the five HOME OEA subrecipients
- Two HOME GOAL subrecipients

Additionally in SFY 2006 all HOME ORP subrecipients had a selection of rehabilitation housing projects were visited and inspected by the HOME Project Management staff from AHFC Department of Research and Rural Development for the HUD HOME rehabilitation property standards requirements.

The fourth type of review is conduct by AHFC's Internal Audit Department staff monitoring post-project completion or "affordability compliance" review of agencies with HOME funded rental housing development projects. Audit reviews are conducted throughout the year based on a schedule that meets with federal audit requirements for the different types of rental housing development projects. During SFY 2006, Internal Audit Department staff conducted 11 on-site audits and 22 desk audits of HOME funded rental housing development projects. The project developers receive a formal written audit review report and are required to respond and correct any findings and questioned costs.

In all of the four types of program monitoring, AHFC staff works with the project developers and subrecipients to ensure compliance with HUD HOME policies and

regulations. The formal written monitoring review reports clearly identify non-compliance findings and questioned costs, cite HUD HOME, OMB Circulars and AHFC regulations that support the findings; and, recommends corrective actions the subrecipients' should take to meet compliance requirements. In almost all non-compliance situations, the project developers and subrecipients show a willingness and ability to comply with program policies and regulations. Throughout the project development and grant period, AHFC staff provides technical assistance to project developers and subrecipients in order to preclude non-compliance findings and questioned costs during formal monitoring reviews.

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:

- Placement of an equal opportunity logo in all AHFC solicitations, including those of program administrators, for program activities as well as press releases;
- Display of fair housing and equal opportunity posters in prominent areas of AHFC and program administrator's offices;
- Inclusion of specific provisions within each grant, loan, or program administrator's contract addressing the responsibilities of the grantee, borrower or program administrator regarding fair housing and equal opportunity;
- Efforts to ensure that all HOME Programs participants with disabilities are aware that reasonable accommodations are available upon request;
- 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 (Fair Housing Conference this year;)
- Translation services paid through HOME administration costs for persons applying

for the program with Limited English Proficiency;

- 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;
- Participation in advisory committees regarding special needs groups and their specific housing needs and assistance requirements;
- 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. The ORP program criteria also 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., the elderly and families with small children;
- Both ORP Program administrators, and GOAL Program rental housing developers, are required to seek and encourage participation of minority and/or women-owned businesses for contracts of \$25,000 or more;
- Flexibility offered by the Native American Housing and Self-Determination Act (NAHASDA), allows AHFC to invite participation in the HOME program by Indian Housing Authorities and tribes, and work with those entities to ensure that all HOME funds result in housing units that are open to both native and non-native eligible households. Guidance from the US Department of Housing and Urban Development's Office of General Council, dated June 4, 2001, clarified combining funds and implications for fair housing in preferences related to housing occupancy. In some cases, use of NAHASDA funds in combination with HOME funds is not allowable, due to incompatible program requirements regarding hiring preferences; and
- 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-2.

The actions identified here have resulted in greater awareness and compliance with fair housing and related requirements, wider geographic disbursement of HOME funds in Alaska, and 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.

ALASKA'S CONTINUUM OF CARE FOR THE HOMELESS

Federal and state resources were used during FY 2006 to fund programs of homeless prevention and intervention for Alaskans living outside of the state's largest city, Anchorage. Local non-profit agencies are the critical link in this delivery system. The Alaska Coalition on Housing and Homelessness and Alaska Housing Finance Corporation worked closely together throughout FY 2006 to prepare for the HUD Continuum of Care competition announced in the third quarter of FY 2006. These activities under the State of Alaska Continuum of Care are described in a section following on page 35. The allocation of homeless resources covered by the HCD during FY 2006 was consistent with community based strategies addressing homelessness. (Guiding Principle # 4)

Emergency Shelter Grant Program

Grant #S-05-DC-02-00001

Annual Report PER FFY 05

Alaska's non-metro allocation of Emergency Shelter Funds is administered by DCCED; metro funds are granted by HUD directly to the Municipality of Anchorage. The state program received \$119,198.00 in federal fiscal year 2006 funds, which were distributed on a competitive basis. In addition, \$12,957.36 in FFY 04 recovered funds were obligated through the FFY 05 competition. Five agencies were awarded grants from the Emergency Shelter Grant program. The grants support three general categories of assistance: activities to prevent homelessness; direct emergency services such as food and transportation; and costs to operate shelter facilities, such as utilities and fuel oil.

The ESG funds were matched by the local providers with a total of \$60,000 in local funds, local non-cash resources, and other state and federal agency funds.

Summary of Grants made from FFY 05 Emergency Shelter Grant Funds

1. Catholic Social Services for Brother Francis Shelter in Kodiak:

Homeless Prevention Activities: \$7,929.00
Direct Emergency Services: \$0.00
Shelter Operations: \$17,182.00
Rehabilitation/Renovation: \$0.00
Administration: \$1320.00
Total: \$26,431.00

2. Sitkans Against Family Violence:

Homeless Prevention Activities: \$0.00
Direct Emergency Services: \$0.00
Shelter Operations: \$25,638.00
Rehabilitation/Renovation: \$0.00
Administration: \$1793.00
Total: \$26,431.00

3. Unalaskans Against Sexual Assault and Family Violence in Unalaska:

Homeless Prevention Activities: \$7,929.00
Direct Emergency Services: \$7,929.00
Shelter Operations: \$10,573.00
Rehabilitation/Renovation: \$0.00
Administration: \$0.00
Total: \$26,431.00

4. IAC for Non-Violent Living in Fairbanks

Homeless Prevention Activities: \$.00
Direct Emergency Services: \$.00
Shelter Operations: \$26,431.00
Rehabilitation/Renovation: \$0.00
Administration: \$0.00
Total: \$26,431.00

5. Aware Inc:

Homeless Prevention Activities: \$.00
Direct Emergency Services: \$5,431.00
Shelter Operations: \$21,000.00
Rehabilitation/Renovation: \$0.00
Administration: \$0.00
Total: \$26,431.00

Priority Activities Under Alaska's Continuum of Care

Continuum of Care Competition

On December 21, 2005, the U.S. Department of Housing and Urban Development announced the Homeless Assistance awards under the Federal Fiscal year 2005 Continuum of Care Competition. Under the State of Alaska Continuum of Care Associated Application, the following awards were made:

• State of Alaska (AHFC)	\$ 69,720.00
• Lee Shore Center (Kenai)	\$ 73,791.00
• Carmen House Transitional Program	\$ 32,824.00
• Yukon-Kuskokwim Health Corporation	\$ 50,966.00
• Behavioral Health Services of Mat-Su, Inc.	\$ 175,304.00

<i>State of Alaska Continuum of Care Total</i>	<i>\$ 402,605.00</i>
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Continuum of Care

Throughout FY2006, AHFC supported the Alaska Coalition on Housing and Homelessness by providing staff assistance and teleconference services. An average of 28 persons representing 9 communities throughout the state participated in the monthly Coalition meetings over the reporting period. AHFC continued its collaboration with the Coalition to facilitate Continuum of Care planning and project prioritization processes, as well as produce the “Balance-of-State” competitive funding application. AHFC also worked with the Coalition to develop a coordinated strategy for meeting common objectives outlined in various homeless plans, including local Continuums and the Governor’s Interagency Council.

Changes in the funding allocation for Continuum of Care “bonus” projects dramatically reduced the ability of the “Balance of State” Continuum of Care to meet the needs of homeless disabled persons in that geographic area. In FY2006, AHFC received notice of award for a new Shelter Plus Care project that will enable agencies on the Kenai Peninsula to provide rental assistance for least two chronic homeless individuals.

In terms of program outcomes, grantees in the Balance-of-State either met or exceeded the national HUD performance standards for permanent housing retention and placement. The chart below is an excerpt from the FY2006 Continuum of Care application which summarizes those results for this reporting period.

1. Participants in Permanent Housing		
<p>HUD will be assessing the percentage of all participants who remain in S+C or SHP permanent housing (PH) for more than six months. SHP projects include both SHP-PH and SHP-Safe Haven PH renewals. Complete the following chart utilizing data based on the <u>preceding operating year</u> from APR Question 12(a) and 12(b) for PH projects included on your CoC Priority Chart:</p>		
<input type="checkbox"/>	No applicable PH renewals are on the CoC Project Priorities Chart	APR Data
<input checked="" type="checkbox"/>	<u>All</u> PH renewal projects with APRs submitted are included in calculating the responses below	
a.	Number of participants who exited PH project(s)—APR Question 12(a)	3
b.	Number of participants who did not leave the project(s)—APR Question 12(b)	13
c.	Number who exited after staying 7 months or longer in PH—APR Question 12(a)	2
d.	Number who did not leave after staying 7 months or longer in PH—APR question 12(b)	10
e.	Percentage of all participants in PH projects staying 7 months or longer (c. + d. divided by a. + b. multiplied by 100 = e.)	75%
2. Participants in Transitional Housing (TH)		
<p>HUD will be assessing the percentage of all TH clients who moved to a permanent housing situation. TH projects include SHP-TH and SHP-Safe Haven/TH <i>not</i> identified as permanent housing. Complete the following chart utilizing data based on the <u>preceding operating year</u> from APR Question 14 for TH renewal projects included on your CoC Priorities Chart.</p>		
<input type="checkbox"/>	No applicable TH renewals are on the CoC Project Priorities Chart	APR Data
<input checked="" type="checkbox"/>	<u>All</u> TH renewal projects with APRs submitted are included in calculating the responses below	
a.	Number of participants who exited TH project(s)—including unknown destination	33
b.	Number of participants who moved to PH	23
c.	Percent of participants in TH projects who moved to PH (b. divided by a. multiplied by 100 = c.)	70%

CoC-W

One of the guiding principles of the Alaska Consolidated Plan goal is the allocation of homeless resources that are “consistent with community based strategies.” To foster development and maintenance of those local strategies, AHFC continued to use Coalition meetings as the vehicle to promote the use of HUD Technical Assistance (TA) funds to help with that local planning effort. In FY2006, the only community to actively produce a new homeless plan was the Juneau Homeless Coalition. Rather than seek HUD TA resources, they secured support from their local United Way office to produce “A Roof Over Every Head in Juneau” – a plan that contains both short- and long-term strategies for ending homelessness in their community. With a reduction in the demand for planning assistance, AHFC redirected TA resources to the 2006 Alaska Training Institute.

Grant Match Assistance

With authority from the Alaska Legislature, AHFC provides matching grants for several federal competitive grant programs. For FY2006, the Legislature authorized \$1,000,000 in corporate receipts for matching grant awards. During FY06 AHFC awarded approximately \$972,710 in current and recaptured Corporate funds to match 14 grant requests totaling \$2.3 million from HUD under the FFY05 Continuum of Care, Homeless Assistance program. Six of those grants were awarded to projects in the Balance-of-State Continuum. The same amount was committed for the FFY06 competition held in the spring of 2006. Results of this competition were still pending at the time of this report.

AHFC Homeless Assistance Program (HAP)

In the fall of 2005, AHFC announced another competition for funding under its Homeless Assistance Program (HAP). The Homeless Assistance Program is a joint-funded project of AHFC and the Alaska Mental Health Trust Authority. AHFC received 18 applications totaling \$1.8 million. After the applications were scored and ranked, AHFC attached the list of applicants, by rank order, to its funding authorization request to the Alaska Legislature. The Legislature authorized \$1,500,000 for the AHFC/AMHTA portion of the program. These combined resources resulted in the following awards to “Balance-of-State” recipients:

<u>Agency</u>	<u>Activity</u>	<u>HAP Award</u>
Tundra Women's Coalition - Bethel	Shelter Support	\$ 60,500
USAFV – Unalaska	Shelter Support	\$ 46,000
Kodiak Brother Frances Shltr	Homeless Prevention	\$ 113,770
Kenai Lee Shore Ctr	Shelter Upgrade	\$ 36,515
Share the Spirit – Homer	Homeless Prevention	\$ 48,000
Salvation Army – Kodiak	Transitional Housing	\$ 33,600
Salvation Army – Fairbanks	Prevention & Placement	\$ 50,675
Sitka Counseling & Prevention Svcs	Prevention & Placement	<u>\$ 258,155</u>
Total		\$ 647,215

Improving Information on Alaska's Homeless

In terms of Alaska's Homeless Management Information System, this past year could best be characterized as “two steps forward, one back.” After numerous meetings and verbal agreements between the Municipality of Anchorage (MOA) and Balance-of State CoC to have MOA host the statewide HMIS, the execution of the formal written cooperative agreement got bogged down in legal and administrative offices and was not signed until November 2005. In the meantime, technical upgrades continued and training on HUD's Data and Technical Standards was conducted for providers and system administrators in October. User training began on a “training site” in December.

The original HMIS plan called for a two-tiered approach for implementation. In January 2005, all domestic violence providers began submitting client level data to the system maintained by the AK Council on Domestic Violence and Sexual Assault (CDVSA). This system adopted the same software as the MOA/HMIS (Bowman-ServicePoint) with the intent of migrating enough data to the MOA/HMIS system for an annual unduplicated homeless count. The passage of the VAWA Act in January 2006 was a significant blow to this plan. Local DV providers were initially told by their “Network” that they were violating federal law even if they participated in the CDVSA system. After further dialogue, the network of providers agreed to resume entering client data to that system, but consultation with legal counsel is continuing with regard to data migration. It is hoped that a reasonable solution can be worked out in time for the January 2007 homeless count.

In the course of preparing other “non-DV” providers around the state to come on to the MOA/HMIS system, a number of physical and logistic barriers were discovered. One provider was still using Windows 95 on their computer. Others had connectivity problems related to the Internet services available in their locale. In other cases, it was discovered that workspaces would have to be reconfigured to meet the security standards to participate in the HMIS. Most lacked the necessary firewalls and encryption capabilities to protect the flow of information. All of these barriers have compelled the AK CoC implementers to develop a new agency list and connection timeline, based on the technical capabilities of their respective agency and location. Funding constraints have also cast doubt on the ability of these providers to contribute a fair share toward the licensing and support costs of this system. It also prompted AHFC to prepare and submit an application under the FY2006 Continuum of Care Supportive Housing Program for funding to correct some of these technical deficiencies and provide ongoing support.

As implementation of the “live” HMIS continued, AHFC continued to collect homeless data through a statewide enumeration that is conducted annually each January and July. The results of the Winter 2006 survey were incorporated in the chart on the following page.

Homeless Populations Chart

January 25, 2006

Part 1: Homeless Population	Sheltered		Unsheltered	Total
	Emergency	Transitional		
Number of Families with Children (Family Households):	62	44	31	135
1. Number of Persons in Families with Children:	125	112	106	343
2. Number of Single Individuals and Persons in Households without Children:	206	101	89	396
(Add Lines Numbered 1 & 2) Total Persons:	331	213	195	739
Part 2: Homeless Subpopulations	Sheltered		Unsheltered	Total
a. Chronically Homeless (For sheltered, list persons in emergency shelter <i>only</i>)	50		32	82
b. Severely Mentally Ill	105		* 45	150
c. Chronic Substance Abuse	141		* 38	179
d. Veterans	25		* 19	44
e. Persons with HIV/AIDS	1		* 0	1
f. Victims of Domestic Violence	163		* 47	210
g. Unaccompanied Youth (Under 18)	40		* 10	50
If applicable, complete the following section to the extent that the information is available. Be sure to indicate the source of the information by checking the appropriate box:				
Data Source: <input checked="" type="checkbox"/> Point-in-time count OR <input type="checkbox"/> Estimate				
Part 3: Hurricane Katrina Evacuees	Sheltered		Unsheltered	Total
Total number of Katrina evacuees	0		0	0
Of this total, enter the number of evacuees homeless prior to Katrina	0		0	0

*Optional for Unsheltered

CoC-K

Assisting Alaskans with Special Needs

Senior Citizen Housing Development Fund:

Senior Housing Accessibility Modifications Program - Senior Access

The Senior Housing Accessibility Modifications Program (Senior Access) continued during the program year with three (3) non-profit organizations (serving areas of Alaska outside of Anchorage) administering the program over a renewable two year funding cycle. All areas of the state were served, except the Aleutian/Bristol Bay region, as there were no applications received to cover that specific region.

Twenty percent of Senior Access program funds are reserved for small, state-certified assisted-living homes to make accessibility modifications for seniors residing therein. The remaining eighty percent of the funds are available to households to make accessibility modifications to benefit a senior member of that household. Grants to owner-occupied households are limited to \$10,000; renter households are limited to \$5,000, with a maximum of \$10,000 going towards any one assisted-living facility. The reservation for state-assisted living homes was rarely used, even though grantees made several targeted marketing attempts during the year.

During FY 2006, 24 senior households were assisted through the Senior Access program, with \$209,993.00 used for completed projects.

Housing Opportunities for Persons with AIDS (HOPWA)

In the spring of 2006, AHFC prepared and submitted a grant application to HUD for \$716,210 to continue funding a HOPWA program that has been operating since 1994 in the Southcentral region of the state, including the Mat-Su Borough, Kenai Peninsula and Kodiak. These funds are used to provide assistance with rental or short-term utility costs, as well as a wide array of supportive services. The final outcome of this renewal application is expected in the fall of 2006.

Special Needs Housing Grant Program

During FY 2005, Alaska Housing Finance Corporation continued to administer the Beneficiary and Special Needs Housing grant program. This program provides grants to agencies providing housing for special needs populations, such as mental health

beneficiaries and other persons with mental or physical disabilities. Examples of special needs housing include, but are not limited to congregate housing for persons with mental illness or developmental disabilities; supportive housing, including assisted living, for persons with mental illness, developmental disabilities, or multiple disorders; and transitional housing with support services for newly recovering alcoholics and addicts. One award was made in FY 2006 to an Anchorage project, and is not covered by this APR.

Other Special Needs Housing Programs

Throughout FY 2006, Alaska Housing Finance Corporation offered HUD funded technical assistance activities targeted at improving the capacity of sponsors to access special needs housing programs and to access “mainstream” housing resources for special needs populations. One important federal program in this area is the HUD 811 program. This program provides both capital funding and project rental assistance for very low income persons with disabilities who are at least 18 years old. Non-profit organizations are eligible to apply, and use HUD 811 funding to construct, rehabilitate, or acquire structures that may be developed into a variety of housing options. In FY 2006, one applicant did successfully compete for HUD 811 funds:

- The Sitka Counseling Agency received a capital advance of \$1,070,400 and five year rental subsidy of \$148,000 for six units. These funds will be used for the construction of a group home for six persons with physical and developmental disabilities.

Another important federal special needs housing resource is the HUD 202 program to assist the very low-income elderly. Under this program, in addition to funding the construction and rehabilitation of projects to create apartments, HUD grants will subsidize rents for five years so that senior residents pay only 30% of their adjusted incomes as rent. During FY 2006 Maniliq received a capital advance of \$928,700 and five-year rental assistance of \$118,500 to construct five units for very low-income elderly persons living in Kotzebue, Alaska.

Because of the limited amount of funding for HUD's Supportive Housing programs and other targeted special needs housing funding sources, accessing mainstream resources for housing and associated supportive services. Targeted direct technical assistance was given to non-profit housing organizations to access housing programs that benefit special needs populations. Two Community Housing Development Organizations (CHDOs)---Kenai Peninsula Housing Initiatives and Valley Residential Services (Mat-Su) received such direct technical assistance, and were successful in developing proposals to serve special needs populations. Other training workshops and forums conducted outreach to potential sponsors of special needs housing. These events included the GOAL (Greater

Opportunities for Affordable Housing) workshops conducted during the Fall of 2004, and direct technical assistance and training scholarships throughout FY 2006.

Oxford House of Alaska spent much of FY 2005 planning for funding, coordinating future projects with funders, and training support staff for opening new homes. Other than small \$4k loans available to the program, no funding was available for Oxford House during FY 2005. Despite the economic hardships, Oxford House opened its first home in Bethel on April 1st, 2005. Working closely with the therapeutic courts and the local treatments programs, a home for 7 men was opened and filled on the first day. Bethel serves 56 remote villages with its district court, health and substance abuse treatment facilities but lacked transitional housing for people in recovery. A need for two more Oxford Homes has been identified and should open during FY 2006. The planning and coordination process completed in FY05 has allowed Oxford House to find other funding sources and partnerships that started on July 1st, 2005 (FY06). One eight member home in Soldotna opened on 8/26/05 and one additional 8 man home will open in Anchorage on September 1st. Four additional Anchorage Oxford Homes have been funded in FY06 and will be open and running before June 30, 2005.

Teacher Housing

In FY 2006, AHFC administered the Teacher Housing and Health Professional's Grant Program. The program provides gap funding for rental or homeownership housing for health professional, teachers, and their support personnel. Acquisition, rehabilitation, and new construction are eligible activities. AHFC funded two grants this year in the program. Northwest Arctic School Borough received \$1.7 million for the construction of 18 units of teacher housing for homeownership. The Bering Strait School District received \$444,000 for the construction of 4 rental units for teachers in the Village of Savoonga. The projects were completed in FY 2005

The Alaska Housing Finance Corporation also administered the Denali Commission Teacher Housing Grant program in FY2005. The Traditional Village of Togiak received approximately \$3.5 million in Denali Commission Teacher Housing funds to construct 10 units of teacher housing in Togiak. The Lower-Yukon Kuskokwim School District received approximately \$1.9 million in Denali Commission teacher Housing Funds to construct 4 units of teacher housing in each of the villages of Cherfornak, Nightmute, and Tuntutliak. These projects are expected to be completed by the summer of 2005.

Efforts to Promote Accessible Housing

Throughout FY 2006, Alaska Housing Finance Corporation worked with the Alaska Mental Health Trust Authority and the Governor's Council on Disabilities and Special

Education to identify and access resources, and develop strategies to help persons with disabilities secure adequate housing. Specific actions during the fiscal year included:

1. The Home Modification Brokerage program, administered by the Alaska Department of Health and Social Services continued to help Alaska Mental Health Trust beneficiaries make accessibility modifications to their homes.
2. The Senior Accessibility Modification program was administered by AHFC during FY 2006 with 24 senior households assisted, and \$ 209,993 used for completed projects. A description of this program may be found on page 40 of this report.
3. In FY 2006, AHFC's GOAL rental development program provided funding for the development of 61 units of accessible housing. Thirty-six of those units are located in senior or special needs housing projects. In FY 2006, AHFC place a total of 35 accessible housing units into service.

Alaska's Fair Housing Plan

During FY 2006, the State of Alaska continued work to implement the update of its Analysis of Impediments (AI) to Fair Housing Choice. The following six impediments were identified, and incorporated into the FY 2006 Annual Action Plan:

1. **Lack of understanding of what types of discrimination are covered by Fair Housing laws is an impediment to fair housing choice.**
 - AHFC staff, throughout FY 2006, conducted outreach with representatives of organizations serving members of protected classes. The purpose of this outreach was to improve understanding of available housing resources, and how to access them. During FY 2006, AHFC continued to have specifically designated staff work with organizations serving members of protected classes, to assist them with better understanding how to access available housing resources.
 - AHFC conducted HOME CHOICE classes in approximately 40 communities throughout Alaska. HOME CHOICE is an eight hour class covered all aspects of homeownership and the home-buying process. These classes are well publicized throughout the state, and organizations representing members of protected classes are informed about the availability of these classes. In the areas of the Alaska covered by this Consolidated Plan, approximately 1500 individuals completed HOME CHOICE classes during FY 2006.

2. Low awareness of available fair housing enforcement mechanisms, and the lack of fair housing advocacy organizations, are identified as impediments.

- Limited progress was made in this area during FY 2005. In the fall of 2005, AHFC did give presentations on fair housing enforcement at the Annual AHFC Public Housing Training, and promoted the delivery of a one day Spectrum Fair Housing Training in October 2004.

3. Disabled Alaskans have limited housing opportunities because of financial barriers and the lack of accessible and appropriate housing stock.

- AHFC's Public Housing and Housing Choice Voucher programs represent a significant housing resource for the disabled in Alaska. A total of 629 persons with a disability were receiving assistance through AHFC's Public Housing and Section 8 programs in FY 2005.
- The Greater Opportunities for Affordable Living Program (GOAL) funded projects with 61 accessible units during FY 2004.
- Under the Senior Accessibility Modification program, 24 seniors were assisted with home accessibility modifications made to their homes.
- The Alaska Department of Health and Social Services administered \$91,105 in funding to assist 18 households make accessibility modifications to their homes during FY 2005.
- During FY 2005, AHFC administered a Housing Choice Voucher Homeownership Program that will provide eligible disabled Housing Choice Voucher households with the option of using their housing assistance toward the payment of a mortgage.

4. Various administrative policies, procedures and practices are impediments to fair housing choice for members of protected classes.

- AHFC Public Housing staff received fair housing training at its Fall 2004 Annual Training in Anchorage, with a presentation given on the State of Alaska's Fair Housing Plan and the implementation of the new Analysis of Impediments to Fair Housing Choice.
- AHFC promoted the delivery by Spectrum Inc. of a one day Fair Housing Training in October 2004 in Anchorage, and provided scholarship assistance for representatives of non-profit housing organizations to attend.

5. Members of protected classes continue to be disproportionately represented in Alaska's homeless population.

- During FY 2005, AHFC conducted two Homeless Service Providers Surveys---one in July of 2004, and a second one in January of 2005. Both of the surveys

indicated that members of protected classes continue to be disproportionately represented in Alaska's homeless population. Alaska Natives and the disabled are represented in far greater numbers in the state's homeless population than their representation in the overall population. The activities described throughout this Annual Performance Report describe mainstream housing and service resources for the homeless that help address this problem.

- During FY 2005, the Alaska Interagency Council on the Homeless, formed through an administrative order by Alaska's Governor, held six meetings and public hearings to gather information on homelessness and formulate strategies to address the problem.

6. The general lack of affordable and appropriate housing is an impediment to fair housing choice for members of protected classes.

- Throughout the FY 2005 Annual Performance Report, activities are described that expand the supply and availability of affordable housing in Alaska.

During FY 2005, Alaska Housing Finance Corporation continued the process to update and improve its Limited English Proficiency (LEP) policy and procedures. This LEP update will be completed in early FY 2006, and the State of Alaska will amend its HCD Citizen Participation Plan to reflect these changes in FY 2006.

Part 2: Other Housing and Community Development Actions

During FY 2005 (FFY 2006), a variety of other activities targeted Alaska's housing and community development needs.

Alaska Housing Finance Corporation---Public Housing Division

Alaska Housing Finance Corporation (AHFC) is the public housing authority for the State of Alaska, including the Municipality of Anchorage. Within the area covered by this Consolidated Plan (all areas of Alaska outside of Anchorage), AHFC administers 932 units of public housing (including Section 8 Multi-Family New), and administers the contracts for 658 project-based Section 8 units. AHFC administers an additional 1,783 Section 8 Housing Choice Vouchers subsidizing rent in private sector housing in twelve communities. Over the past decade, Congress has made no new additional funds available for expansion of public housing units.

Public Housing Division Resident Services

The Five-Year Public Housing Agency Plan (July 1, 2005 through June 30, 2010), was adopted by the AHFC Board of Directors in March 2005. The FY 2006 Annual Agency Plan was also recommended by the Board at that time. Among its objectives, several of the most important are outlined below.

- (1) AHFC will re-examine its 'homeless preference' criteria to determine what consequences arise from the differing definitions of "homelessness." Currently, the U.S. Department of Education and U.S. Department of Housing & Urban Development definitions are different. AHFC uses the HUD definition, which may exclude some families with children from qualifying.
- (2) AHFC will examine the implications for designing as elderly-only, developments that currently house both the elderly and single disabled individuals. This is a carry-over from the previous year. Because of complex fair housing issues that arise from the debate, AHFC is carefully mapping out a strategy that addresses the concerns of each of the cohorts.
- (3) AHFC will expand its Housing Choice Voucher homeownership program to include working families, and disabled and elderly families, the target population of the earlier pilot program.

For a more complete discussion of these issues, please view a copy of the Five Year and Annual Public Housing Agency Plan. They are available for review on the AHFC web page at www.ahfc.state.ak.us, under "Downloads."

“504” Self Assessment

The Public Housing Division completed its first phase of its 504 self assessment. Outcomes include a revised inventory of wheelchair accessible units, sight and sound accessible units, and those with partial modifications. The inventory is for all public housing and Section 8 New facilities, statewide. A process is in place to review all requests for reasonable accommodations and the out of those requests. At the annual staff training, one day was dedicated to fair housing issues. Additional training was made available to management staff who deal with accommodation requests. The Division is presently working with the HUD Office of Fair Housing to develop and distribute information to landlords about fair housing law and appropriate responses to requests for reasonable accommodations.

Impact of Federal Fiscal Year 2005 Funding Reductions

Certainly, the single greatest issue facing AHFC and housing authorities around the country is the Housing Choice Voucher funding mechanism adopted by Congress. Beginning in January 2005 the Congress began funding the voucher program like a block grant. Each housing authority had its yearly budget based upon the average Housing Assistance Payment (HAP) expense – the average subsidy paid to a landlord – during the months of May, June and July, 2004, adjusted by an inflation factor. That might have been O.K. because lease-up rates during that period were over 98%; however, Congress then rescinded a percentage of total funding to address unrelated budget issues. The net affect was a lower HAP budget than the previous year. Compounding that shortfall, the Congress eliminated the budget reserve mechanism. If rents increase, or family income decreases, the only way to adjust the budget is through attrition. AHFC can no longer turn to its reserve or what was formally known as the ‘central fund’ to cover increased costs that are beyond its control.

Almost immediately into the 2005 calendar year, AHFC began running a budget deficit due to HAP costs in excess of monthly revenue. To address the budget issue, AHFC did not issue any "new" vouchers from mid-February through the end of the fiscal year. Through attrition and various cost reduction measures, AHFC has recently achieved a break even point. The consequences for low income families are severe. Whereas in mid 2004 approximately 4,800 families were assisted statewide, as of this reporting period, fewer than 3,600 families are assisted, a 12% reduction in assisted households.

Public Housing Agency Plan Statement Regarding Project-Based Section 8 Units

The FY06 Agency Plan continues to indicate that AHFC may operate a pilot program using up to 100 vouchers to address the following goal.

- ✓ Maximize the number of affordable units developed or rehabilitated through the Greater Opportunities for Affordable Living (GOAL) program.

GOAL includes development subsidies such as Low Income Housing Tax Credits, HOME Investment Partnerships Program and the Senior Citizen Housing Development Fund.

HUD has yet to issue a final rule for project based vouchers. The 2005 Congressional appropriation for the voucher program is significantly less than previous years. This has compounded the issue of project basing vouchers for several reasons. The most significant being that AHFC was forced to issue a moratorium on issuance of any 'new' vouchers (those recycled through attrition) because of inadequate funding. Until AHFC learns more about the formula Congress intends to use for renewal funding, further action is unlikely.

Public Housing Agency Plan and Homeownership

With the adoption of the Five-Year and Annual Agency Plans, the AHFC Board of Directors approved an expansion Housing Choice Voucher homeownership program by fifty additional units. In addition to the original targeted audience of families whose head or spouse is a person with disabilities, the expanded program also includes working families. The program is available in all the service areas where the AHFC operates the voucher program. The following general guidelines are used to determine applicant eligibility:

1. At the time of application, the family must have received Section 8 assistance for a minimum of 12 months. Program participants must possess a history of full compliance with their lease and Section 8 program requirements.
2. The head of a household or spouse must meet the Disabled Family definition according to 24 CFR 5.403. Appropriate documentation is required.
3. Families who do not fall under the definition of a Disabled Family must be employed. Either the head or spouse must be employed full time (at least 30 hours per weeks and obtain earned income in excess of the Alaska minimum wage times 2000 hours).
4. Qualify as a "first-time homeowner" with a lender of their choice.
5. Complete an AHFC HomeChoice seminar.

During the reporting period, 14 families, all meeting the definition of a Disabled Family, entered into a sales agreement and closed on a house purchase.

Public Housing Division Grant Programs

With the cessation of the Public Housing Drug Elimination Program grants, virtually all of the resident initiatives that AHFC administers are funded by Corporate receipts. An exception is the Resident Opportunities and Self Sufficiency (ROSS) grant, which is matched by AHFC and pays for service coordination and heavy chore services in elderly/disabled development around the state. The following is a list of grantees and outcomes.

Boys & Girls of Tanana Valley – Fairbanks. Provides transportation for youth, ages 10-18, to attend Boys & Girls Club programs related to reducing drugs and drug-related crime. Approximately 30 hours of service is provided each week, reaching an average of 24 riders per program day.

Juneau Arts & Humanities - Juneau. Provides substance abuse prevention/youth development, through a year-round Creative Arts program to youth residing in public housing. The program serves an average of 25 children per site, attending a minimum of 5 sessions per month.

Camp Fire Boys & Girls – Fairbanks. Provides a year-round youth development program in Fairbanks. Serves approximately 40 youth per month during the year. Provides a minimum of ten field trips per year with an average attendance of 20 youth per trip. Provides a summer camp with an average of 40 participants.

Boys & Girls Club Southcentral Alaska – Juneau. Provides 10 hours per week of scheduled van service between three public housing developments and the club. Provides the “Skills Mastery and Resistance Training Moves” program and after school activities. Serves an average of 14 riders per program day.

Southeast Regional Resource Center – Juneau. Provides 16 hours per week of open computer lab services for adults and children. Serves a minimum of 25 residents per month in each of the developments.

Scholarship Funds – Statewide The Community Enrichment Scholarship provides financial assistance of up to \$500 per scholarship to ten public housing tenant or Housing Choice Voucher participants. The loss of HUD funding for Drug Elimination Program reduced the number of scholarships from 20 to the current 10.

Resident Opportunities and Self-Sufficiency Program (ROSS Grants)

The grant funds both service coordination in elderly/disabled developments and a heavy chore service program. Service coordination was expanded to include Juneau and Fairbanks developments. Additional funding was secured through a HUD ROSS grant to expand heavy chore services to frail elderly or disabled families. The communities covered by the grant include both public housing and Section 8 New properties, and include: Cordova, Juneau, Ketchikan, Seward, Sitka, and Wasilla. ROSS grants are three year grants, with the current grants expiring at the end of calendar year 2005.

The Fairbanks service coordinator averages 400 contacts per months among residents in three developments consisting of 156 units. The Juneau service coordinator averages 170 contacts per month from the 62 unit Mountain View development.

Among the developments receiving heavy chore services, an average of 95 tenants took advantage of the service during the reporting period.

Public Housing Resident Initiatives---Family Self-Sufficiency Program

Family self-sufficiency (FSS) is a voluntary program designed to promote economic self-sufficiency. Families living in public housing or those receiving assistance from a Housing Choice Voucher are eligible to apply. One of the benefits of enrollment is the escrow savings account. As family earnings increase, the family portion of rent is also likely to rise. In FSS, rent increases resulting from increases in earned income are diverted by AHFC into an interest bearing savings account. Upon successful completion of a FSS contract, the family is entitled to receive the escrow savings as lump sum payment. In FY 2006 the statewide average escrow payout was \$3,363.

Because of administrative constraints, AHFC currently offers this program in only Anchorage and Juneau. In Juneau, there are six public housing families enrolled in FSS; another 14 families receiving Housing Choice Voucher assistance are enrolled in the FSS program. During the reporting year, there were two public housing graduates and six Housing Choice Voucher graduates; all received their escrow savings upon graduation.

In FY06 AHFC is proposing an expansion of its FSS program to Kenai Peninsula. AHFC will grow the program using a model Anchorage collaboration with the Division of Public Assistance. The collaboration allows AHFC to reach a larger audience by targeting families who receive assistance through both the Housing Choice Voucher and the Alaska Temporary Assistance Program (ATAP). AHFC provides the escrow oversight and quality control procedures; DPA provides the case management and work experience opportunities. The partnership only works for mutually assisted households; however, it does enable AHFC to expand FSS to a larger number of

families who must complete their ATAP work obligations. The communities of Kenai, Soldotna and Homer would be affected by the program expansion.

Public Housing Construction Activities

Alaska Housing Finance Corporation's Public Housing Division had the following construction activities underway during FY 2006:

Outlying Areas (All Areas Outside of Anchorage): \$24,271,500

Bethel

- | | | |
|------------------|-----------------|--------|
| • Bethel Heights | Site assessment | 74,000 |
|------------------|-----------------|--------|

Cordova

- | | | |
|---------------|--------------------------------|-----------|
| • Eyak Manor | Parking lot paving, fence work | 120,000 |
| • Sunset View | Major renovation | 1,935,000 |

Fairbanks

- | | | |
|------------------|---------------------------|---------|
| • Birch Park I | Replace front entry doors | 124,000 |
| • Birch Park II | Replace front entry doors | 24,000 |
| • Golden Ages | Hot water storage | 6,000 |
| | Drainage at sidewalk | 6,000 |
| • Golden Towers | Site improvements | 5,000 |
| | Hot water storage | 26,000 |
| | | 10,000 |
| • Southall Manor | Energy audit | 7,500 |

Juneau

- | | | |
|--------------------|--|-----------|
| • Cedar Park Annex | Install two storage sheds and maintenance shed | 56,000 |
| | Install bike racks | 5,000 |
| • Geneva Woods | General renovation | 1,535,000 |
| • Riverbend | Install unit storage sheds | 198,000 |
| | Ventilation fans & HRV repairs | 272,000 |

Ketchikan

- | | | |
|--------------------|--------------------|-----------|
| • Sea View Terrace | General renovation | 3,508,000 |
|--------------------|--------------------|-----------|

Kodiak

- Pacific Terrace Demolition, replacement and renovation 6,667,000

Nome

- Beringvue Electrical upgrade and HRV replacement 121,000
 Playground Installation
 Level 34 foundations

Seward

- Glacier View Major renovation 1,860,000

Sitka

- Paxton Manor Phase II Demolition & Housing replacement project 6,466,000
- Swan Lake Terrace Interior/exterior renovations 1,100,000

Wrangell

- Etolin Heights Site improvements 146,000

Alaska Housing Finance Corporation's FY 2003 Capital Budget included a strategy to fund the deferred maintenance and major renovation of public housing facilities owned and operated by the Corporation. This strategy addressed the list of projects covered through AHFC's 10-Year Modernization Plan by combining Federal Funds and Corporate Receipts towards the issuance of tax exempt bonds. A total of approximately \$55 million in budget authority (covering the entire State, including Anchorage) was approved by the Legislature. The FY 2006 activities described above were funded through this strategy.

Developing Economic Initiatives for Low Income Families

During a previous fiscal year, FY 2003, Governor Murkowski determined that the state workforce investment system should be restructured to improve effectiveness, reduce costs, increase focus on performance and strengthen local employer commitment. The new system is more aligned with national goals focusing on integrating workforce investment efforts with local economic development. Alaska has implemented statewide administration and governance through the Alaska Workforce Investment Board (replacing the Alaska Human Resource Investment Council—AHRIC), to be advised by regional councils. This streamlines the administration of this multi-million dollar program, devoting more resources directly to Alaskans. The boards and councils are made up of business and industry leaders, educators, state and local government officials, and economic development leaders. The regional councils advise the board on where to invest training and educational resources to best support industry with local labor. The board crafts policy based on the recommendations. The state and grantees implement the programs according to the policies. With the Governor's issuance of Administrative Order 210, the Workforce Investment Board dissolved two local area boards collapsing their responsibilities into a single statewide board. This resulted in a streamlined and simple system that business and industry could more easily access. The effort also modified the State Unified Plan and implemented a statewide planning area in FY 2004. Services are delivered through grantees and the Alaska Department of Labor and Workforce Development One-Stop Job Centers. They are categorized as core, intensive and training levels of service. The programs serve adults, dislocated workers, and youth both in and out of school. On May 31, 2005, the Alaska Two Year State Plan for Title I of the Workforce Investment Act of 1998 was released. Improved service delivery to hard to serve populations was identified as a priority. Transportation and housing were identified as barriers to full inclusion for the disabled and welfare to work clients. A need was seen for transitional housing opportunities to support the expansion of employment opportunities.

Individual Development Accounts (IDAs) are another tool that can develop economic initiatives for low income families. IDAs combine financial literacy and personal skills training with a matched savings account. This enables lower income people to achieve lasting self sufficiency through the acquisition of productive assets, such as a home, a small business, or vocational or higher education. Savings deposits made by low-income persons are matched with contributions from private or public sources, and then used to acquire an asset. During FY 2004, the Asset Building Initiative of Alaska awarded four start-up grants for Individual Development Account programs. Three grants were awarded for IDA programs outside of Anchorage to:

- Bristol Bay Economic Development Corporation, a regional organization located in Dillingham that serves the Bristol Bay region. Their IDA program

will provide incentives for people to save for higher education. During FY 2005, four account holders were saving for their higher education.

- Child Care Connection, a child care resource and referral agency serving Southcentral Alaska. Their IDA program will focus on development of child care businesses and education for child care providers. During FY 2005, five account holders were saving for improvements to home child care businesses.
- Tlingit-Haida Regional Housing Authority's Juneau area IDA program will provide incentives for participants to save for a home, business or education. During FY 2005, two account holders were saving---one for a house, and one for a car. Three others were enrolled and will begin saving for houses in FY 2006.

The Asset Building Initiative of Alaska is a collaboration administered by the United Way of Anchorage, with major funding from the Rasmuson Foundation and the Alaska Mental Health Trust and additional funding from Wells Fargo.

Evaluating and Reducing Lead Based Paint Hazards

During FY 2006, the Interagency Steering Committee for the Consolidated Plan continued to work with the Alaska Department of Epidemiology to monitor blood lead levels in tested Alaskan children. In Alaska, health care providers and laboratories are required to report any blood lead test result greater than 10 micrograms of lead for deciliter of blood. Reports must be made to the Department of Epidemiology within 4 weeks of receiving the results. No significant elevated blood lead levels were detected in Alaskan children during FY 2006 (July 1, 2005 through June 30, 2006).

In September of 1999, HUD published new lead-based paint regulations that described procedures for all HOME-funded projects assisting housing built before 1978. These regulations impacted the Owner-Occupied Rehabilitation Program (ORP), and to a lesser degree, the HOME Opportunity Program (HOP) and the Rental Development Program. Throughout FY 2006, AHFC worked with its HOME grantees to ensure compliance with the lead based paint regulations.

ADDRESSING HOUSING AND COMMUNITY DEVELOPMENT BARRIERS

Improving Organizational Capacity

Throughout FY 2006, Alaska Housing Finance Corporation delivered a variety of workshops and direct technical assistance activities that focused upon improving HCD organizational capacity. At the end of FY 2005, AHFC began planning and implementation activities to deliver the Alaska Training Institute February 27-March 3, 2006. This training was presented in Anchorage with more than 250 participants from all areas of Alaska. The following training tracks provided practical and in-depth courses for staff and board members involved in housing and community development programs and projects:

1. Strategic and Business Planning
2. Project Feasibility
3. Construction and Rehabilitation Management
4. Asset Management
5. Supportive and Special Needs Housing
6. The Affordable Housing Development Process

Major funding for the Alaska Training Institute was provided by the U.S. Department of Housing and Urban Development, Alaska Housing Finance Corporation. Other sponsors included the Alaska Mental Health Trust Authority, Anchorage Neighborhood Housing Services, Cook Inlet Housing Authority, Federal Reserve Bank of San Francisco, First National Bank of Alaska, Key Bank, Municipality of Anchorage, Northrim Bank, USDA Rural Development and Wells Fargo Bank of Alaska.

Infrastructure for Housing and Community Development

Progress continued towards the goals of the Rural Sanitation 2005 Action Plan. This plan is meant to be a blueprint to ensure that all Alaskans have access to safe drinking water and a sanitary means of sewage disposal. During FY 2005, more than \$100 million in combined federal, state and local funding was directed towards this end. (Refer to Annual Funding Plan for Community Development on Page 12). Federal, state and local entities worked together to improve rural sanitation conditions, and to begin addressing issues of long term affordability and sustainability of these critical infrastructure systems.

During FY 2006, AHFC's Supplemental Housing Development Grant Fund was funded at \$3.5 million. This program provided funding to Regional Housing Authorities, which use the funds to supplement HUD Office of Native American Programs (ONAP) funded housing developments. The funds in AHFC's program are limited to 20% of HUD's Total

Development Cost per project, and can be used only for the cost of on-site sewer and water facilities, road construction to project sites, electrical distribution facilities, and energy efficient design features in the homes.

In 1998, the U.S. Congress passed the Denali Commission Act. This Act defined the following purposes for the Denali Commission:

1. To deliver the services of the Federal Government in the most cost effective manner possible by reducing administrative and overhead costs.
2. To provide job training and other economic development services in rural, particularly distressed communities.
3. To promote rural development, provide power generation and transmission facilities, modern communication systems, water and sewer systems, and other infrastructure needs.

The Denali Commission's FY 2005 Annual Work Plan emphasized funding for rural health clinics, upgrades and improvements to rural electrical systems, and bulk fuel storage upgrades and improvements. Sustainability and sound business planning are criteria for all Denali Commission projects.

The State of Alaska's Power Cost Equalization (PCE) provided approximately \$15 million in assistance, subsidizing the cost of electrical power to households in 190 communities, benefiting 76,000 persons.

Role of Local Governments

During FY 2004, the Alaska Municipal League conducted a Survey of Municipal Fiscal Conditions. This survey was conducted between February 22 and March 13, 2004, and was based on 76 responses from municipalities. Nearly half of the rural municipalities surveyed responded they do not have the financial resources necessary to provide minimum public services, or continue as a city or borough. Other concerns identified included:

- Accelerating state budget cuts are overburdening both urban and rural local tax structures.
- State cuts on top of serious local economic downturns in 75% of the municipalities surveyed have a severe dampening effect on local economic recovery.
- Rural problems hurt urban economics, with up to one third of Alaska's urban economies being fueled by commerce with rural Alaska.

These conditions identified in FY 2004, were aggravated during FY 2005 by increasing energy, insurance and other costs. Demographic and economic trends are negatively impacting many rural areas of Alaska. The pressure on local government finances makes many hesitant to assume additional responsibilities or promote initiatives to expand affordable housing opportunities. The communities with the greatest housing and community development needs generally face financial pressure with their municipal budgets, and are stretched in terms of staffing capacity to administer HCD projects. This is a growing challenge for all involved in HCD programs.

Targeting and Leveraging Resources

The State of Alaska's Five Year Consolidated Housing and Community (FY 2001 through FY 2005) identified unmet housing and community needs that far exceeded available resources available to programs governed by the HCD Plan. An objective of the FY 2005 Annual Action Plan was to effectively target and leverage available HCD resources with all other available resources. Both private and public funding is necessary to meet these needs, and in many cases a combination of funding sources is necessary to make a project viable. During FY 2005, Alaska Housing Finance Corporation (AHFC) continued to encourage the effective and coordinated use of available resources through the Greater Opportunities for Affordable Living (GOAL) program. The GOAL program incorporated funding from the HOME Rental Development Program, Low Income Housing Tax Credit Program, and the Senior Citizen Housing Development Program.

The funding provided to Tribally Designated Housing Entities (TDHEs) through the federally funded Indian Housing Block Grant (IHBG) Program provides significant affordable housing resources in Alaska. Statewide, approximately \$100 million is provided annually in this formula program, with approximately \$84 million going to areas covered by this Consolidated Plan. This funding has been used in conjunction with HOME funding, Low Income Housing Tax Credits, and AHFC mortgage financing to expand affordable housing opportunities. In 1996, the Native American Housing Assistance and Self-Determination Act (NAHASDA) gave the TDHEs greater flexibility and allowed for leveraging of private investment dollars.

Protecting and Improving Housing

During FY 2006, the preservation and improvement of existing housing stock continued to be an important component of the state's overall housing strategy. A previous section of this report details the rehabilitation activities undertaken by Alaska Housing Finance Corporation's Public Housing Division to improve its housing stock. AHFC also used its HOME Investment Partnership Program and its weatherization program to provide assistance to low-income households in improving the energy efficiency and safety of

their homes. Through the HOME funded Owner-Occupied Rehabilitation Program, \$1,847,091 was committed to improving the quality of housing, with 20 housing units actually rehabilitated during the fiscal year. The Low Income Weatherization Program received approximately \$3.43 million in funding, with 381 housing units being weatherized, resulting in lower operating expenses for heating fuel and electricity.

Input from Other Planning Efforts

During FY 2006, the Interagency Steering Committee for the Consolidated Plan continued to seek input from a variety of local, regional, and statewide in the area of housing and community development. Some of this input includes:

- Alaska Continuum of Care for the Homeless---*Homeless Strategy for All Areas Outside of Anchorage.*
- Alaska Housing Finance Corporation--*Public Housing Agency Plan*
- Alaska Department of Commerce, Community and Economic Development---*Rural Alaska Project Identification and Delivery System.*
- Alaska Department of Health and Social Services---*Comprehensive Integrated Mental Health Plan.*
- Alaska Department of Environmental Conservation---*Village Safe Water Program*
- Alaska Department of Transportation---*Statewide Transportation Improvement Program*
- Denali Commission---*Annual Work Plans (FY 2000, FY 2001, FY 2002, FY 2003, FY 2004, FY 2005)*
- Fairbanks North Star Borough---*Quarterly Community Research*
- General Accounting Office Report to Congress---*Alaska Native Villages*
- Kenai Peninsula Borough---*Quarterly Report of Key Economic Indicators*
- Matanuska-Susitna Borough---*First Annual Community Planning Survey (October 2000)*
- Rural Energy Action Council Findings and Action Recommendations for Governor Murkowski---April 15, 2005.
- Tribally Designated Housing Entities---*Indian Housing Plans and input from Alaska State HUD Field Office---Office of Native American Programs (ONAP).*

These inputs were also used in the development of the new five year Consolidated Plan for the State of Alaska covering state fiscal years 2006 through 2010, and in the development of the FY 2006 Annual Action Plan covering the period July 1, 2005 through June 30, 2006 .

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

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

- In FY 2005, a total of 11,009 reporting low-income households received assistance from federal, state, and other community development programs. Approximately 81% of these households met Section 215 goals (50% or less of median family income).
- In FY 2005, AHFC awarded rental development funds to 9 projects, which will produce 161 units of affordable housing, including 25 units for seniors, and 11 units for Mental Health Trust Beneficiaries. Of the 161 rental units, approximately 75 units will be restricted to households with incomes at or below 60% of area median income, and 41 to households with incomes at or below 50% of area median income. These projects were funded with \$1.7 million in HOME dollars, \$2.13 million in low income housing tax credits, and \$4.6 million in AHFC loan financing. These projects will leverage other development funds of more than \$25 million. HOME funds specifically funded the development of 29 units.
- In FY 2005, AHFC placed into service 185 units of affordable housing. Of these units, 107 will be restricted to households with incomes below 60% of area median income, with 20 units will be restricted to households at or below 50% of area median income.
- During FY 2005, the HOME Opportunity Program (HOP) offered down-payment and closing cost assistance to 50 families in the amount of \$709,922. Fifteen of these households were at or below 50% of area median income. Another HOME funded program, the Owner-Occupied Rehabilitation Program (ORP) provided 39 homeowners with rehabilitation assistance. Thirty two of these ORP assisted households were at or below 50% of area median income.
- In the non-metropolitan areas of Alaska (all areas outside of Anchorage), AHFC Public Housing provided low-rent housing to 829 families that were below 80% of median income. Of these families, 738 were at 50% or less of median income, falling within the Section 215 Goals category. During FY 2005, AHFC also provided Section 8 Housing Choice Vouchers to 1,776 households, with 1,669 households at or below 50% of median income. Project-based Section 8 Housing assisted over 658 households.
- In FY 2005, AHFC's Low-Income Weatherization program provided **statewide** weatherization assistance to 621 households below 80% of area median income, with 529 households meeting Section 215 goals of less than 50% of area median income. In the non-metropolitan areas of the State, 381 households received weatherization assistance with 319 households meeting Section 215 goals.

- In FY 2005, AHFC financed mortgages for 2,284 low-income households, with 1,437 of these households being first-time homebuyers. In addition, AHFC provided Interest Rate Reductions to 461 low-income households. In the non-metropolitan areas of Alaska, AHFC financed mortgages for 1,389 low-income households, with 696 of these households qualifying as first-time homebuyers. An additional 253 households received interest rate reductions, with 86 meeting Section 215 Goals.

2. Federal community development funds should support efforts addressing obstacles to local growth by constructing, upgrading and reducing operating costs of essential community services.

- The Community Development Block Grant Program made awards to projects in 18 different communities totaling \$4,054,000.
- More than \$50 million in federal Denali Commission funding was combined with approximately \$60 million in local and state funding for critical infrastructure, community facilities, and economic development projects. A strong emphasis was placed upon supporting projects and activities that conform to local community planing priorities, and are sustainable for the long term.

3. Existing housing supply, both owner-occupied and rentals, should be protected and improved through weatherization and rehabilitation activities.

- AHFC's HOME funded Owner-Occupied Rehabilitation Program committed approximately \$1.847 million to improving the quality of housing, with 20 housing units actually rehabilitated during the fiscal year.
- Statewide during FY 2005, AHFC's Low Income Weatherization program provided weatherization assistance to 621 households below 80% of median income, with 529 households meeting Section 215 goals. In the non-metropolitan areas of the State (all areas of Alaska outside of Anchorage), 381 households received assistance with 319 meeting Section 215 goals.

4. Allocation of homeless resources covered by this Consolidated Plan should be consistent with community based strategies addressing homelessness.

- During the fiscal year, \$638,447 in U.S. Department of Housing and Urban Development Continuum of Care funding was secured for five programs. These resources will be used in a manner that is consistent with their respective community based strategies addressing homelessness.
- Alaska' Emergency Shelter Grant (ESG) allocation of \$126,748 was awarded to six agencies that will apply these resources consistent with community based strategies addressing homelessness.
- Alaska Housing Finance Corporation continued to support the Alaska Coalition on Housing and Homelessness in its efforts to develop a framework and a plan to significantly and measurably reduce homelessness in Alaska. Representatives from 10 communities throughout Alaska consistently participated in the monthly Coalition meetings over the reporting period.

5. State matching funds should be provided to leverage other resources for housing, services related to housing, and community development.

- During FY 2005, Alaska Housing Finance Corporation provided \$12.8 million in corporate funds to leverage \$9.7 million in federal funds.
- The combined Annual Funding Plan Summary shows that for all housing and community development programs, state funding of \$439,821,232 leveraged \$1,443,038,814 in federal funding.

6. The supply of affordable housing should be expanded for Alaskans with special needs, incorporating appropriate supportive services and accessibility.

- All AHFC rental development projects must meet the minimum requirements of the Americans with Disabilities Act, the Fair Housing Amendments Act of 1988, Alaska Statute AS 18.80.240, and other local government ordinances as applicable.
- In FY 2005, AHFC's GOAL rental development program provided funding for the development of 61 units of accessible housing. Thirty-six of these units are located in senior or special needs housing projects. In FY 2005, AHFC placed a total of 35 accessible rental housing units into service.

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

- During FY 2005, AHFC continued to maintain 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 5,600 publications and video programs, as well as technical assistance and a referral line.
- In FY 2005, RIC provided information on AHFC programs and technical assistance by responding to 5,459 requests from 4,893 users. RIC developed and taught 53 presentations or classes for 952 home buyers, homebuilders, agencies, subcontractors, lenders, real estate agents and other interested parties.
- AHFC offered a mortgage incentive program for borrowers to increase the energy efficiency of both new and existing housing. During FY 2005, this program provided interest rate reduction benefits to 816 households. Of this total, benefits in energy interest rate reductions went to 207 households at or below 80% of the area median income. In non-metropolitan areas of the state, 190 low-income households benefited from this program.

8. Through relevant and appropriate training and technical assistance, the statewide housing delivery system should be improved.

- Throughout FY 2005, AHFC used HUD technical assistance (TA) resources to provide direct technical assistance to Community Housing Development Organizations (CHDOs), HOME grantees, and SHP grantees and to provide resources for these organizations to attend specialized and relevant training opportunities.

Looking to the Future

Progress was made during FY 2006 (July 1, 2005 through June 30, 2006) under each of the eight guiding principles of the State of Alaska's Consolidated Housing and Community Development Plan. This was the first Annual Action Plan and CAPER under the current five year HCD Plan (FY 2006--FY 2010). The FY 2007 Action Plan will build upon FY 2006 activities.

As the process to develop the new FY 2008 Annual Action Plan (July 1, 2007 through June 30, 2008) begins in October of 2006, the Interagency Steering Committee will

evaluate the findings of the FY 2006 CAPER for potential input. The Interagency Steering Committee for the State's HCD Plan will continue to incorporate input from a wide range of organizations, agencies, units of local/state/federal government, and individuals. When relevant and appropriate, information from other planning processes will be utilized.