

**CONSOLIDATED HOUSING AND COMMUNITY DEVELOPMENT PLAN  
FOR ALASKA 2006-2010:  
SFY 2010 (FFY2009) Consolidated Annual Performance and Evaluation Report**

Attached is a copy of the SFY 2010 Consolidated Annual Performance and Evaluation Report (CAPER). The SFY 2010 CAPER was made available for public comment on September 10th-September 24, 2010. The CAPER 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 SFY 2010 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 SFY 2010 Annual Action Plan.
- Part 3 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  
State of Alaska**

**Consolidated Annual Performance and Evaluation Report (CAPER) for State of Alaska Fiscal  
Year 2010 (July 1, 2009 through June 30, 2010)**

**TABLE OF CONTENTS**

<b>OVERVIEW</b> .....	3
Part 1: Resources and Beneficiaries.....	6
<b>Community Development Block Grant Program</b> .....	11
<b>HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)</b> .....	16
<b>HOME Match</b> .....	21
<b>ALASKA'S CONTINUUM OF CARE FOR THE HOMELESS</b> .....	26
Emergency Shelter Grant Program .....	26
Priority Activities under Alaska's Continuum of Care .....	28
American Recovery and Reinvestment Act of 2009 (ARRA).....	29
SHP Grant Match Assistance.....	29
Housing Opportunities for Persons with AIDS (HOPWA) .....	31
Other Special Needs Housing Programs.....	31
Other Affordable Housing .....	34
Alaska's Fair Housing Plan.....	35
Limited English Proficiency .....	37
<b>Part 2: Other Housing and Community Development Actions</b> .....	39
Moving to Work (MTW) Program Designation .....	39
Construction Activities .....	41
Evaluating and Reducing Lead Based Paint Hazards .....	43
<b>ADDRESSING HOUSING AND COMMUNITY DEVELOPMENT BARRIERS</b> .....	44
Role of Local Governments .....	46
Protecting and Improving Housing.....	47
<b>PART 3: ASSESSMENT OF PROGRESS IN MEETING FIVE-YEAR HCD PLAN PRIORITIES</b> .....	50
Looking to the Future.....	53

## 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 State Fiscal Year 2010 (July 1, 2009 through June 30, 2010) Consolidated Annual Performance and Evaluation Report is the fifth implementation plan of the five-year (FY 2006 through 2010) HCD Plan. In SFY2010 (FFY2009) the HUD mandated Outcome Performance Measurement System was utilized. In addition to measuring what was actually achieved against what was projected, the performance measurement system includes the determination of an objective and selection of an outcome for each activity, based on the type of activity and its purpose. The HCD was amended to include information on the Outcome Performance Measurement System. The three objective categories are:

**Suitable Living Environment:** In general, this objective relates to activities that are designed to benefit communities, families, or individuals by addressing issues in their living environment.

**Decent Housing:** The activities that typically would be found under this objective are designed to cover the wide range of housing possible under the HOME, CDBG or ESG programs. This objective focuses on housing programs where the purpose of the program is to meet individual family or community needs and not programs where housing is an element of a larger effort, since such programs would be more appropriately reported under Suitable Living Environment.

**Creating Economic Opportunities:** This objective applies to the types of activities related to economic development, commercial revitalization, or job creation.

The three outcome categories are:

**Availability/Accessibility.** This outcome category applies to activities that make services, infrastructure, public services, public facilities, housing, or shelter available or accessible to low and moderate income people, including people with disabilities. In this category, accessibility does not refer only to physical barriers, but also to making the affordable basics of daily living available and accessible to low and moderate income people where they live.

**Affordability.** This outcome category applies to activities that provide affordability in a variety of ways in the lives of low-and moderate-income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.

**Sustainability: Promoting Livable or Viable Communities.** This outcome applies to projects where the activity or activities are focused upon improving communities or neighborhoods, helping to make them livable or viable by providing benefits to persons of low- and moderate-income or by removing or

eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

<b>OUTCOME STATEMENT MATRIX</b>			
	<b>Outcome 1:</b> Availability or Accessibility	<b>Outcome 2:</b> Affordability	<b>Outcome 3:</b> Sustainability
<b>Objective 1:</b> Suitable Living Environment	Enhance Suitable Living Environment through Improved Accessibility	Enhance Suitable Living Environment through Improved or New Affordability	Enhance Suitable Living Environment through Improved or New Sustainability
<b>Objective 2:</b> Decent Housing	Create Decent Housing with Improved or New Availability	Create Decent Housing with Improved or New Affordability	Create Decent Housing With Improved or New Sustainability
<b>Objective 3:</b> Economic Opportunities	Provide Economic Opportunity through Improved or New Accessibility	Provide Economic Opportunity through Improved or New Affordability	Provide Economic Opportunity through Improved or New Sustainability

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 Investment Partnerships (HOME) Program, the Community Development Block Grant (CDBG) program and the Emergency Shelter Grant (ESG) program. As an entitlement jurisdiction, the MOA receives its own direct allocation of federal housing and community development funds, and must prepare and maintain its 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), and the Alaska Mental Health Trust Authority (AMHTA). 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 undertaken according to 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 as well as tables that illustrate accomplishments which are found in Appendix B-8.

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 2010 on June 30, 2010, 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 public was provided an opportunity to comment on the draft FY 2010 CAPER, beginning on September 11, 2010 and ending on September 27, 2010. Notice of availability of the draft was advertised in the Anchorage Daily News, and in newspaper publications in Juneau, Fairbanks, Sitka, Ketchikan, Kodiak, Nome, Valdez, Soldotna and Bethel. Notification was also sent to several of AHFC's e-mail group lists and the draft CAPER was available for download from AHFC's web-site, <http://www.ahfc.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 SFY 2010 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 SFY 2010 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 income.

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.

THIS AREA INTENTIONALLY LEFT BLANK

The Annual Funding Plan for Housing details projected resources for areas outside the Municipality of Anchorage (Balance of State) by program area for housing related activities. This table provides a breakdown by program area, in three categories; mortgages, grants and rental assistance.

**HCD Plan Annual Performance Report**

Annual Funding Plan For Housing  
Rest of State (Outside Anchorage)  
Fiscal Year 2010 (July 1, 2009 - June 30, 2010)

Program Name	Program Type	Anticipated Funding			Actual Funding			Total Units	Sec. 215 Units
		Federal	State	Total	Federal	State	Total		
AHFC Energy Interest Rate Reduction	Interest rate reduction for energy efficiency	0	1,000,000	1,000,000	0	2,249,630	2,249,630	230	15
AHFC IRRLIB Program	Interest rate reduction for low-income borrowers	0	250,000	250,000	0	196,400	196,400	25	3
AHFC Multifamily Loan Program	Multifamily, special needs, congregate & senior progs.	0	0	0	0	4,376,600	4,376,600	N/A	N/A
AHFC Rural Housing Program	Mortgages for rural areas	0	25,000,000	25,000,000	0	20,299,372	20,299,372	91	1
AHFC Streamline Refinance Program	FHA Refinancing	0	1,000,000	1,000,000	0	12,647,071	12,647,071	63	6
AHFC Taxable First-Time Buyer Program	Conventional single-family mortgages for first-time buyer	0	9,000,000	9,000,000	0	27,983,254	27,983,254	130	2
AHFC Taxable Program	Conventional single-family mortgages	0	14,000,000	14,000,000	0	22,157,720	22,157,720	86	4
AHFC Tax-Exempt First-Time Homebuyers Prg.	First-time homebuyer mortgages	0	21,000,000	21,000,000	0	46,363,332	46,363,332	266	11
AHFC Veterans Mortgage Program	Tax-exempt veterans loan program	0	22,000,000	22,000,000	0	37,292,318	37,292,318	131	1
Other AHFC Loan Programs	Mobile Homes, Non-conforming, Seconds	0	750,000	750,000	0	9,443,573	9,443,573	54	2
<b>Total Mortgages:</b>		<b>0</b>	<b>94,000,000</b>	<b>94,000,000</b>	<b>0</b>	<b>183,009,270</b>	<b>183,009,270</b>	<b>1,076</b>	<b>27</b>
Denali Commission Projects	Matching funds for AHFC Teacher & Senior Hsg Progs.	5,000,000	0	5,000,000	2,305,000	0	2,305,000	14	N/A
Public Housing Fire Protection Systems - Phase I	Evaluation and Repair of Fire Systems	0	1,966,500	1,966,500	0	1,254,000	1,254,000	N/A	N/A
Public Housing Security System Upgrades	Upgrade of existing security and door access systems	0	750,000	750,000	0	300,000	300,000	N/A	N/A
Public Housing Building Systems Replacement	Replacement of maintenance items in Juneau	0	1,425,000	1,425,000	0	500,000	500,000	N/A	N/A
Public Housing Statewide Energy Improvements	Energy Audits and Modifications in Public Housing Units	0	2,850,000	2,850,000	0	0	0	0	0
Public Housing Project Improvements	Accessibility Improvements in Public Housing	0	1,710,000	1,710,000	0	1,140,000	1,140,000	N/A	N/A
Public Housing Birch Park Reconstruction	Reconstruct public housing 4plex in Fairbanks	640,000	800,000	1,440,000	640,000	0	640,000	N/A	N/A
Emergency Assistance Grants	Housing Assistance for Mental Health Trust Beneficiaries	0	70,000	70,000	0	70,000	70,000	1	1
Senior Access Program**	Accessibility modifications for people with disabilities	0	500,000	500,000	0	107,264	107,264	N/A	N/A
Senior Citizens Housing Development Fund	Housing for elderly	0	8,000,000	8,000,000	0	1,216,386	1,216,386	10	2
Federal and Other Competitive Grants	Matching Funds	1,770,000	885,000	2,655,000	1,770,000	885,000	2,655,000	N/A	N/A
HOME American Downpayment Assistance Init.	Downpayment Assistance for First-time buyers	11,684	0	11,684	0	0	0	0	0
HOME Program Income	Program income received from HOME activity	111,617	0	111,617	231,227	0	231,227	2	2
HOME	Rehab, new const, rental and homebuyer assistance	3,000,000	750,000	3,750,000	3,000,000	750,000	3,750,000	46	25
Homeless Assistance Program	One-time aid for emergency needs	1,400,000	2,100,000	3,500,000	1,070,143	1,115,605	2,185,748	N/A	N/A
Housing Op. for Persons w/AIDS (HOPWA)	Housing & supportive services	737,123	100,000	837,123	737,123	100,000	837,123	0	0
Low-Income Housing Tax Credits	Acquisition, rehabilitation, new construction	1,865,000	0	1,865,000	933,202	0	933,202	110	N/A
Low-Income Housing Weatherization	Weatherization & retrofit of housing	1,506,600	0	1,506,600	1,958,580	0	1,958,580	N/A	N/A
Public Housing Capital Fund Program	Rehab, management improvements of public housing	1,824,000	0	1,824,000	1,824,000	0	1,824,000	N/A	N/A
Public Housing Competitive Grants	Matching funds for public housing grants	427,500	142,500	570,000	427,500	142,500	570,000	N/A	N/A
Energy Efficiency Monitoring/State Energy Prg.	Energy Rating, Marketing, Tech, Asst., Special Projects	88,500	1,268,500	1,357,000	88,500	619,500	708,000	N/A	N/A
Teacher, Health Professional and Public Safety Ho	Homeownership and Rental Housing for Teachers	0	8,000,000	8,000,000	0	6,800,000	6,800,000	31	N/A
Supplemental Housing Development Prg.	Augments Indian housing development	0	10,000,000	10,000,000	0	6,000,000	6,000,000	42	N/A
Community Development Block Grant	Community Development Activities	3,128,431	0	3,128,431	3,128,431	0	3,128,431	N/A	N/A
Emergency Shelter Grant	Homeless Shelter Assistance	125,846	0	125,846	125,846	0	125,846	N/A	N/A
Beneficiary and Special Needs Housing	Housing for people with disabilities	0	750,000	750,000	0	1,439,382	1,439,382	10	10
<b>Total Grants:</b>		<b>\$21,636,301</b>	<b>\$42,067,500</b>	<b>\$63,703,801</b>	<b>\$18,239,552</b>	<b>\$22,439,637</b>	<b>\$40,679,189</b>	<b>266</b>	<b>40</b>
Public Housing Operating Subsidy	Operating costs	24,460,791	0	24,460,791	9,613,151	0	9,613,151	756	756
Section 8 Housing Choice Vouchers	Rental assistance	15,691,748	0	15,691,748	13,238,564	0	13,238,564	1,901	1,901
<b>Total Rental Assistance:</b>		<b>\$40,152,539</b>	<b>\$0</b>	<b>\$40,152,539</b>	<b>\$22,851,715</b>	<b>\$0</b>	<b>\$22,851,715</b>	<b>2,657</b>	<b>2,657</b>

\*\* Up to \$500,000 of the of Senior Citizens Housing Development Fund (SCHDF) may be used to fund the Senior Access Program

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. 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 12 includes renters, homeowners, homeless, and non-homeless special needs households, broken down by income levels and household size.

<b>State of Alaska - Non-Metropolitan Areas</b>				
<b>Demographic Characteristics of Households Assisted vs. Population Composition</b>				
<b>Racial Group</b>	<b><u>Households Assisted</u></b>		<b><u>2008 American Community Survey</u></b>	
	<b><u>SFY2010</u></b>			
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
White	1,973	48.28%	272,599	67.7%
Black	118	2.89%	6,137	1.5%
Native	616	15.07%	76,306	19.0%
Asian/Pac. Islander	92	2.25%	14,134	3.5%
Other/Unidentified	1,260	30.83%	33,343	8.3%
Total	4,087	100.00%	402,519	100.0%
Hispanic/Any Race	87	2.13%	17,242	4.3%

The data for the Demographic Characteristics of Households Assisted table, as well as the Households and Persons Assisted with Housing table on page 10, below, was compiled from AHFC data sources for Public Housing, Housing Choice Vouchers, Low Income Weatherization, AHFC Mortgages, and HOME funded programs.

**Alaska Housing Finance Corporation  
Consolidated Housing and Community Development Plan  
Households & Persons Assisted with Housing\***

State of Alaska - Non Metropolitan Areas  
July 1, 2009 - June 30, 2010

Name of State: <b>STATE OF ALASKA - Nonmetropolitan Areas</b>	Fiscal Year: <b>2010</b>
--	-----------------------------

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 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)	375	736	146	834	2,091	13	1	5	19	0	0	919	2,110	2,110
2 Very Low-Income (31 to 50% of MFI)	589	338	69	210	1,206	13	17	27	57	0	0	431	1,263	1,263
3 Other Low-Income (51 to 80% of MFI)	114	195	66	120	495	19	59	141	219	0	0	73	714	
4 Total Low-Income (Lines 1+2+3)	<b>1,078</b>	<b>1,269</b>	<b>281</b>	<b>1,164</b>	<b>3,792</b>	<b>45</b>	<b>77</b>	<b>173</b>	<b>295</b>	<b>0</b>	<b>0</b>	<b>1,423</b>	<b>4,087</b>	<b>3,373</b>

5 Racial/Ethnic Composition** Total Low-Income	
<b>Hispanic</b>	
1 Hispanic or Latino	87
2 Not Hispanic or Latino	4,009
<b>All Races</b>	
3 White	1,973
4 Black	118
5 Alaska Native or American Indian	616
6 Asian	92
7 Pacific Islander	28
8 Other/Unidentified	1,260
<b>Total</b>	<b>4,087</b>

<b>Programs Included Are Highlighted:</b>
Housing Choice Voucher
AHFC Public Housing (Inc. Section 8 New, Alpine Terrace)
AHFC Tax Exempt Program
AHFC Multifamily, Special Needs Housing
AHFC Senior Citizens Housing Development
Low-Income Housing Weatherization Program
Other AHFC Mortgage Assistance (IRRLB/EEIRR)
HOME Owner-Occupied Rehabilitation/Home Ownership
HOME Rental Development

\*Data for period 07/01/09 - 06/30/10. Source: AHFC, Planning and Program Development.  
\*\*Primary Racial/Ethnic composition of households

**NOTE: This table reflects all areas outside Anchorage.**

THIS AREA INTENTIONALLY LEFT BLANK

**STATE OF ALASKA**  
**FY 2010 State Performance/Evaluation Report**  
**Community Development Block Grant Program**  
**PART II — Narrative Requirements for**  
**FFY 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008**  
**and 2009 Grants**

**A. Statutory Requirements of Section 104(e):**

The overall mission of the State of Alaska Community Development Block Grant Program is to enhance the quality of life for low and moderate income residents, 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; to reduce the costs of essential community services; 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 activities which provide a substantial or direct benefit to low- and moderate-income persons;
- To support activities which eliminate clear and imminent threats to public health and safety;
- 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 demonstrate strong local support as evidenced by inclusion in a local community, economic, or capital improvement plan;
- To support activities which demonstrate potential for long-term positive impact;
- To support activities which complement the Owner-Occupied Housing Rehabilitation (ORP) component of AHFC's HOME Investment Partnership Program;
- To support activities which encourage local community efforts to combine and coordinate CDBG funds with other public and private resources whenever possible;
- To support economic-development activities which will result in business development and job creation or retention which principally benefit low-and moderate-income persons; and

- To support activities which either include, as part of the application, or have completed, design, engineering, architectural, or feasibility plans as appropriate.

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

Between FY 2003 - FY 2007, the Annual Action Plans were modified in an effort to add or improve program procedures. This impacted the way CDBG funds were administered in several ways. In particular the amendments allowed for set-aside funds for specific activities which are consistent with the goals and objectives identified in the Housing and Community Development Plan and which it was hoped would improve expenditure rate for CDBG funds. More importantly, it was anticipated that these changes would result in better service to Alaskan communities. The following narrative provides a summary of these amendments.

With the FY 2003 Annual Action Plan an option was added to set aside funds to provide the cost share match for Denali Commission Health Care Projects. Eventually five grants for health clinics were awarded. Grantees included the City of Teller; City of Clarks Point; City of Manokotak; Lake & Peninsula Borough for Kokhanok; and Lake & Peninsula Borough for Chignik Lake. As of June 30, 2009 all five projects were successfully completed. With the FY 2007 Annual Action Plan this option was no longer available for funding. There was little demand for use of this option after the initial projects were funded.

The FY 2003 Annual Action Plan also added an option to use CDBG funds for use by AHFC's Owner-Occupied Rehabilitation contractors for housing rehabilitation or accessibility activities. The focus is on funding emergency rehabilitation activities which compliment HOME Program activities and fill a gap that addresses critical health, safety and accessibility rehabilitation improvements not currently being met through HOME or other programs. One project was initially awarded funding for use under this option. The Matanuska-Susitna Borough agreed to accept and administer a grant on behalf of Alaska Community Development Corporation in the amount of \$500,000. That grant took effect in the Fall 2004 and was fully expended. A second award of \$500,000 was made in January 2006 and was also successfully completed. A third award of \$500,000 was made in January 2008 and is currently underway. It initially took more time than anticipated to work out the details of project management and disbursement of funds, but these housing rehabilitation activities have been very successful.

In January of 2007, the state worked with the Fairbanks North Star Borough and Interior Weatherization Inc. to finalize an Owner Occupied Rehabilitation grant within the Fairbanks North Star Borough. The state made \$500,000 available. Because of the complexity of the CDBG program it took a great deal of time to attempt to work out all of the details and get the program implemented. In the end, the borough was unable to sign the program assurances and the project fell through.

Another option made available through the FY 2003 Annual Action Plan was to use funds by CDBG eligible applicants for construction-ready homeless shelters and transitional housing through AHFC's competitive Homeless Assistance Program (HAP) application process. Applicants awarded funds under the HAP - CDBG process must meet all of the requirements for participation in the CDBG program within the timeframe outlined by the Department.

Four projects have been awarded funds through this process. The City & Borough of Juneau received \$500,000 on behalf of St. Vincent de Paul Society's renovation of their transitional housing facility and a project was awarded to make renovations at four shelters in Juneau. The Matanuska-Susitna Borough received funds on behalf of Kids are People Too for renovation of their facility. A project was awarded to the City of Soldotna for \$500,000 for construction of a new facility for Love Inc. Family Hope Center. This project was unable to get underway and the funds were eventually recaptured.

The FY 2004 and FY 2005 Annual Action Plans were amended to state that the competition for the federal fiscal year 2003 and 2004 funds would be held at times determined appropriate by the Department.

The Department reserved 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.

The Department reserved the right to accept applications for CDBG funding outside the annual competitive grant cycle if extenuating circumstances, as determined by the Department, warrant such action. Any application accepted outside the annual CDBG competitive grant cycle would be evaluated using the same rating factors as identified under the annual CDBG competitive grant cycle. A project was awarded to the City of Hooper Bay after a fire in the community. Grant funds are being used for bulk fuel tanks and distribution lines.

A second application for distributing funds was issued for both the FFY 2003 and FFY 2005 CDBG program year funds. These application cycles were held to award available funds when the initial funding cycles did not result in awarding projects for the full amount of available funds.

The Selection Process and Rating Criteria in the Annual Action Plans were amended to clarify that the application-selection process for the *CDBG Competitive Grant Program* consists of two stages--- threshold review and project rating and selection. It further amended the process to read 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.*

Also amended was the wording related to reallocated, recaptured, and unobligated funds to clarify what the funds are and when they can be used. These changes have allowed flexibility to use funds in ways to better serve community needs. Additional funds were obligated to two on-going projects, one in the City of Bethel, the other in the City of Eek, which identified a need between grant cycles. Additional funds were also awarded to the City and Borough of Juneau for the Juneau Homeless Coalition and

additional funds to the City of Kwethluk for construction of their Public Safety Building. The City of Aleknagik received additional funds to finish their health clinic and the City of Klawock received more funding for their community plan. The City of Akutan received additional funds for their electrical transformer replacement project. Most recently, the City of Kobuk received additional funds for their Back-up Generator project. All of these projects are instances when CDBG funding was able to help complete projects by using the more flexible funding options and to provide much needed community improvements. These projects were provided funds in part from communities who were able to complete their projects under budget. The Cities of Noorvik, Diomed and Dillingham returned unused funds once their projects were finalized.

The maximum grant amount for which an applicant may apply was increased initially from \$200,000 to \$350,000 then from \$350,000 to \$500,000 and finally in FY 2006 to a total of \$850,000. These changes were made to address the rising costs of construction and to bring the program in line with other funding sources.

The State believes these amendments will continue to result in positive impacts. It is clear that the CDBG Program has had a tremendous impact on the low and moderate income residents of the State of Alaska, as indicated in the attached Accomplishments section of this report.

### **1. Summary of CDBG-R Activities**

The American Recovery and Reinvestment Act of 2009 ("Recovery Act") was signed into law by President Obama on February 17, 2009. The Recovery Act awards \$1 billion in CDBG Recovery (CDBG-R) funds to be distributed to cities, counties, insular areas and states. The State of Alaska was awarded a total of \$747,372 for the CDBG-R Program.

Funding available under the Recovery Act has clear purposes – to stimulate the economy through measures that modernize the Nation’s infrastructure, improve energy efficiency, and expand educational opportunities and access to health care. The State followed HUD’s suggestion to use CDBG-R funds for hard development costs associated with infrastructure activities that provide basic services to residents or activities that promote energy efficiency and conservation through rehabilitation or retrofitting of existing buildings. The full range of CDBG activities is available to grantees, however, the State incorporated consideration of the public perception of the intent of the Recovery Act in identifying and selecting projects for CDBG-R funding.

Initially, these funds were awarded to the City of Marshal for the completion of the City’s Community Multi-Use Facility. Construction for this facility began in August 2004, however the project experienced management difficulties and construction was halted in December 2004. It is estimated that the project is 60% complete. The City had continued to pursue funding to complete the project since that time. As of June 2009, it appeared that the project had the financial support in place to complete the project, however, the funding to complete the project was not secured and the project fell through.

The CDBG-R funds were then reallocated to the City of Fairbanks for the purpose of Sidewalks and Storm Drains on 23<sup>rd</sup> Avenue. It is estimated that a total of 35 temporary positions will be created during the construction phase of this project. This project was given preference for CDBG-R funding because it can be started and completed by late fall 2010.

## **B. Summary of Activities and Results from Technical Assistance Funding**

The State has set aside, used or intends to use 1% of its FFY 2000 – FFY 2009 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.

Technical assistance funds were also used to contract 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.

In August 2004 the state hired a temporary Training Specialist to work with the CDBG program. In February 2006 the position was made permanent. The Training Specialist worked with applicants to improve project planning as well as grant applications. Workshop curriculum is now established and is updated as needed. In October 2008 the incumbent in this position received a promotion to a Grants Administrator position. While her tasks now include grants administration in some programs, she maintains her duties to improve project planning and grant applications with CDBG applicants. She works individually with existing CDBG grantees that 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 and updates training materials and manuals for use by grantees in understanding and meeting all program requirements.

She provided workshops on grant writing, planning, and implementation in Barrow, Nome, Anchorage, and Fairbanks to over 100 community representatives in the fall of 2006. In 2007 workshops were provided in the communities of Bethel, Nome, Fairbanks and Juneau. In 2008 these workshops were held in Nome, Kotzebue and Anchorage. In 2009 workshops were held in Nome, Bethel, Anchorage, and Kotzebue. Workshops are currently planned for Fall of 2010 to be held in Nome, Fairbanks, and either Juneau or Anchorage.

These workshops are considered to be one of the most successful activities. During the last day of the workshop participants are asked to complete an evaluation. This workshop routinely earns an “Excellent” overall rating. Comments by participants included the statement that this workshop not only helps you fill out an application but it helps attendees to understand the importance of participation in on-going projects in the community. This statement is a good example of the value of the workshops to Alaskan communities.

A Grant Administration workshop was also developed for communities who are awarded CDBG funds. These workshops contain more focused materials on implementing CDBG projects. Grant Administration workshops for all grantees were presented in Anchorage in years 2006 through 2010. These workshops have proven to be successful ways to provide program information to grantees that carry out grant funded projects.

**HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)**  
**July 1, 2009- June 30, 2010**  
**Administered by Alaska Housing Finance Corporation (AHFC)**

**Program Accomplishments/Commitments**

During the year, Alaska Housing Development Corporation (AHFC) continued the successes of earlier years through the HOME Investment Partnership (HOME) Program. In the SFY 2010 Action Plan, HOME program funds were allocated for the following purposes: (1) develop affordable rental housing (Greater Opportunities for Affordable Living Program), (2) develop affordable homeownership housing (Homeownership Development Program) (3) rehabilitate single-family homes owned and occupied by lower-income families (Owner-Occupied Rehabilitation Program), (4) provide financial assistance to lower-income homebuyers (HOME Opportunity Program), (5) provide tenant based rental assistance to special needs populations (6) fund a portion of the operating costs incurred by AHFC’s Community Housing Development Organizations (CHDOs), and (7) fund a portion of the rental and homeownership housing development pre-development activities.

**1) Rental Development -GOAL Program**

Under the Greater Opportunities for Affordable Living (GOAL) program, AHFC awards funding for affordable rental housing development utilizing five funding sources: federal and state HOME funds, Low-Income Housing Tax Credits (LIHTC), AHFC grant funds under the Senior Citizen’s Housing Development Funds (SCHDF), and the Denali Commission Elder Housing (DCEH) program. By combining these five funding resources, the GOAL program has reduced the application and development burden for housing developers, increased the rate at which GOAL funds are leveraged with other resources, and decreased development timeframes. During the period of notice of funding availability, AHFC staff answers application questions by phone and reviews pro-forma workbooks (submitted for review by the applicants) for financial feasibility. During SFY 2010, three projects receiving LIHTC allocations through the GOAL program also received funding through the Tax Credit Assistance Program (TCAP) authorized under the American Recovery and Reinvestment Act (ARRA) of 2009: Weeks Field Estates Phase II, Eklutna Estates, and the Christenson RD Portfolio.

AHFC committed funds through executed grant agreements to two HOME projects in SFY2010; these projects are located in Soldotna and Homer. A summary of these projects is provided below:

Project	Location	TOTAL # of Units	HOME-Assisted Units	Additional HOME Set-Asides	# of 504 Accessible Units
Hillcrest Manor	Soldotna	5	5	0	2
Swatzell Terrace	Homer	4	2	0	4



All projects receiving HOME funds have mandatory State of Alaska set-asides to ensure that 40% of the units in the property will be rented to households at or below 50% of the area median gross income (AMGI). Additional set-aside units must be rented in accordance with the HOME or LIHTC regulations.

Federal regulations require a minimum average of 15% of all HOME funds, \$450,500 in SFY2010, be allocated to Community Housing Development Organizations (CHDOs) to develop, sponsor, or own HOME assisted housing. Hillcrest Manor project developer Kenai Peninsula Housing Initiatives (KPHI) is an AHFC certified CHDO; \$755,176 in CHDO Reserve funds were committed to KPHI through an executed grant agreement in SFY2010.

**2) Homeownership Housing Development Program (HDP)**

Alaska Community Development Corporation (ACDC) was awarded homeownership development funds in SFY2010. The project sponsor is a participant in the USDA’s 523 self-help homeownership program. The project will produce eight (8) single family homes. Housing is restricted to persons/families whose annual income does not exceed eighty percent (80%) of the area median income; this program meets the HUD objective of providing decent housing with improved affordability. The project utilizes \$209,000 in HOME funds for land acquisition and site work. Although funds were awarded in SFY2010, it is anticipated that the funds will be committed during the first part of SFY2011.

Project	Location	HOME Units	# of 504 Accessible Units
Mat-Su Self Help Housing #7 (Alaska CDC)	Palmer	8	0

During SFY2010, Rural Alaska Community Action Program (RurAL CAP) completed a previously funded Homeownership Development Program project. Utilizing self-help construction methods, nine (9) single family units were constructed on the Kenai Peninsula for low-income families. Appendix B-6 gives detailed information regarding household demographics and characteristics.

**3) Owner-Occupied Rehabilitation Program (ORP)**

In SFY2010, ORP activity continued but the number of overall households served declined. Long time ORP grantee, Alaska Community Development Corporation (AKCDC), reports that an influx in AHFC Weatherization Program funds has impacted ORP production. AKCDC anticipates an increase in ORP activity in SFY2011. A new ORP grantee, Fairbanks Neighborhood Housing Services (FNHS) successfully completed their first ORP activity.

Through the ORP, 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.

Eleven (11) ORP projects were completed during the program year, and an additional eight (8) were in process as of June 30, 2010. Ten (10) ORP units are owned by seniors. Appendix B-7 gives detailed information on the SFY 2010 ORP completions, and the ORP projects underway at the end of SFY 2010. All these projects meet the HUD objective of providing decent housing with improved sustainability.

#### **4) HOME Opportunity Program (HOP)**

The HOME Opportunity Program (HOP) saw its tenth year of activity during the program year. The program meets the HUD objective of providing decent affordable housing with improved availability. Under HOP, qualifying families may receive down payment 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 (3) HOP grants continued throughout program year (FFY 2009) to HOP subrecipients. These organizations included: Housing First, Fairbanks Neighborhood Housing Services, and Alaska Community Development Corporation. The service and target areas for the three active subrecipients include: Kenai Peninsula Borough, Matanuska- Susitna Borough, Fairbanks North Star Borough and the Juneau City and Borough. HOP continues to reflect a demand for homeownership assistance in Alaska. HOP awards included monies allocated to AHFC from the American Dream Down payment Initiative (ADDI). A per family limit of the greater of \$10,000 or six percent of the purchase price was applied to the maximum assistance allowed for ADDI funds. Sixty HOP loans closed in SFY 2010.

Program-wide, households served consisted of a mix of single-parent, two-parent, single, and non-elderly households with two elderly household served as well. The majority of households served were Caucasian (72%). Appendix B-5 contains more detailed information on the geographic distribution, and the beneficiary income and demographic/ethnic information for the HOP loans closed during SFY 2010.

#### **5) Tenant Based Rental Assistance (TBRA)**

In SFY2010, AHFC administered a TBRA program in partnership with the State of Alaska's Department of Corrections. TBRA serves eligible households that are at or below 60% of the area median income and targets individuals with disabilities who are transitioning from State supervision into permanent housing. During SFY2010, TBRA served two individual households; a summary of these outcomes is provided in the table below.

Household	HOME Monthly Rental Assistance	HOME Security Deposit Provided	% of Med	Hispanic	Race	Size	Type	City
CW	\$560	\$900	0-30	N	White	1	single, non elderly	Fairbanks
TE	\$422	\$875	30-50	N	Black/African American	1	single, non elderly	Fairbanks

**6) Community Housing Development Organization (CHDO) Operating Expense Assistance (OEA)**

Over the past year, AHFC assisted four Community Housing Development Organizations (CHDOs) through its CHDO Operating Expense Assistance (OEA) Program. OEA assists active CHDOs to build capacity and meet operating expenses. In SFY2010, four contracts totaling \$150,000 were executed for CHDOs.

**7) Rental and Homeownership Housing Predevelopment Program**

Sitka Community Development Corporation is working with The Foraker Group to assess their capacity to reapply for CHDO certification. Three other agencies are working with The Foraker Group to assess CHDO capacity. During the SFY2010 Pre-Development cycle, \$42,000 in AHFC HOME Corporate funds were made available through a Notice of Funding Availability (NOFA) for the Predevelopment Program; with one HOME applicant funded. The SFY2010 Predevelopment cycle generated more interest by applicants for housing development projects for Teacher/Health Professional/Public Safety Officer housing. Applicants also applied for Senior and Special Needs housing projects. A total of \$197,400 was awarded in pre-development funds, to nine project sponsors, in the SFY2010 Pre-Development competition. With a healthy interest from agencies statewide in obtaining CHDO certification, AHFC will ensure that interested parties are informed of the availability of predevelopment funding in SFY2011.

## Summary of Commitments

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

Program Component/ Sponsor	Commit Date	Commit. Amount**	Project Location	Total # of Units to be Completed	Project Status 6/30/10
<b>Rental Development:</b>					
Kenai Peninsula Housing Initiatives	6/28/10	\$755,176	Soldotna	5	Underway
Homer Senior Citizens	6/11/10	\$343,068	Homer	4	Underway
<b>Homeownership Development:</b>					
Alaska CDC	TBD	\$209,000	Palmer	8	ERR Complete
<b>Owner Occupied Rehabilitation:</b>					
Alaska Community Development Corporation	4/27/10	\$ 708,000	Mat-Su, Gulf Coast, SE Region	15*	Underway
<b>HOME Opportunity Program:</b>					
Alaska Community Development Corporation	10/5/09	\$730,541	Kenai/Matsu	28*	Underway
Fairbanks Neighborhood Housing Services	10/5/09	\$336,685	Fairbanks NSB	17*	Underway
Housing First	10/5/09	\$402,840	Juneau City/Borough	13*	Underway
<b>Operating Expense Assistance (OEA) for CHDOs:</b>					
CDI-Alaska, Inc.	10/12/09	\$37,500	N/A	N/A	Underway
Housing First, Inc.	10/12/09	\$37,500	N/A	N/A	Underway
Valley Residential Services, Inc.	10/1/09	\$37,500	N/A	N/A	Underway
Kenai Peninsula Housing Initiatives	10/15/09	\$37,500	N/A	N/A	Underway

\* Projected number of units to be completed.

\*\*Total AHFC Commitment; includes non-HOME funds. Refer to Appendix B-4----Active HOME Projects, for information ongoing HOME projects 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. The Senior Citizens Housing Development Fund and 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. The match liability for this year was \$826,100.23. Match credit from bond financing for SFY2010 is \$3,588,158; AHFC is limited to crediting only \$206,525.06 of bond proceeds towards the match liability for this year. Match liability is incurred whenever program funds are drawn from the federal treasury. The HOME match report is included in Appendix B-1.

AHFC has a total of \$24,055,391.88 in match that will be carried over to the next State fiscal year; this total amount includes both restricted and unrestricted match.

## **Evaluating and Reducing Lead Based Paint Hazards**

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 SFY 2009, AHFC worked with its HOME grantees to ensure compliance with the lead based paint regulations. No elevated blood lead levels were detected in Alaskan children that were attributed to lead-based paint during SFY 2010 (July 1, 2009 through June 30, 2010). More information is available at <http://www.epa.gov/lead/pubs/renovation.htm> regarding new regulations related to lead-based paint remediation that affect all contractors that perform renovations on houses, child care facilities, and schools built before 1978. In SFY2011, AHFC plans to coordinate a coalition with the Department of Health and Human Services, the Environmental Protection Agency and the Municipality of Anchorage to develop a current study of the state's inventory of residential buildings that have a potential for lead-based paint.

## **Displacement/Relocation**

There were sixteen (16) households displaced or relocated in HOME-funded projects during the report period.

## **Program Monitoring**

### **HUD HOME Program Monitoring**

HUD HOME program monitoring during the SFY 2010 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 site visits to housing rehabilitation and rental housing projects 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 and HOP loans.

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

These reports include a written Section 3 and Women's and Minority Business Enterprises (MBE/WBE) work plan. 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 include 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 include supporting documents; quarterly and final financial and project status reports; and HOP/ORP Project Set-Up forms. Project status reports requirements 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
- HOP/ ORP Project Set-Up and Project Close-Out forms

The third type of compliance review involves on-site visits to housing rehabilitation and rental housing projects 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 2010, the Planning and Program Development Department staff completed the following number of monitoring compliance reviews:

Programmatic and financial monitoring compliance reviews:

- Three of the three HOME HOP subrecipients
- Two of the two HOME ORP subrecipients
- One of the one HOME HDP subrecipients
- Two of the four HOME OEA subrecipients
- Two of the six HOME GOAL subrecipients

In SFY 2010, ten of the HOME ORP subrecipients had a selection of rehabilitation housing projects visited and inspected by the HOME Project Management staff from AHFC Department of Research and Rural Development.

The fourth type of review is conducted by AHFC's Internal Audit Department and the AHFC Planning Department. AHFC Internal Audit Department staff monitors post-project completion, or "affordability compliance," and reviews 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 2010, the Internal Audit Department staff conducted 49 audits of HOME funded rental housing development projects. The project developers received a formal written audit review report and were required to respond and correct any findings or questioned costs. The AHFC Planning Department conducted a monitoring review of all HOP households to ensure compliance with the primary residence requirement during the AHFC/ HOME imposed affordability period.

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, recommend 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.

### **Minority Business Enterprises / Women Business Enterprises**

Section 281 of the National Housing Affordability Act requires HOME Participating Jurisdictions to establish and oversee procedures for program outreach to minority and women-owned businesses. AHFC requires that subrecipients develop an initial plan for outreach to minority and women-owned businesses and report quarterly on executed contracts and subcontracts. During SFY10, HOME subrecipients contracted a total of \$15,429,697 worth of services. No contracts were awarded to registered minority business enterprises, no contracts were awarded to registered women business enterprises. However, \$1,388,000 worth of contracts went to non-registered women-owned businesses.

### **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. 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 administrators' 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 Program 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;
- 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;
- ORP, HDP and GOAL program administrators, 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 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**  
**Administered by Alaska Housing Finance Corporation (AHFC)**

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

Federal and state resources were used during SFY 2010 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 and were the primary recipients of funding addressed in this report. The allocation of homeless resources covered by this Consolidated Plan during SFY 2010 was consistent with community based strategies addressing homelessness (Guiding Principle # 4) and with the objective of creating a suitable living environment with improved availability and accessibility.

The Alaska Coalition on Housing and Homelessness and Alaska Housing Finance Corporation worked closely together throughout SFY 2010 to prepare for the HUD Continuum of Care competition which had not yet been announced at the close of this reporting year. The Alaska Council on the Homeless, appointed by the Governor, also met to better coordinate the use of state and federal resources to achieve objectives identified in the state's 10-Year Plan to End Long-Term Homelessness.

**Emergency Shelter Grant Program**

**Grant #S-09-DC-02-0001**

**Annual Report PER FFY 09**

Administration of Alaska's non-metro allocation of Emergency Shelter Grant (ESG) funds was transferred to AHFC effective this fiscal year. (Metro funds are granted by HUD directly to the Municipality of Anchorage.) The state program received \$122,640 in federal fiscal year 2009. Due to delays related to the transfer of administration and the simultaneous award of ARRA-HPRP funds, AHFC requested and received a waiver from HUD which resulted in a modified timeline for the award of ESG funds. As a result of this waiver, the competition for and award of ESG funds occurred later in SFY2010 than is customary. Five agencies were awarded grants from the Emergency Shelter Grant program. The grants support four general categories of assistance: activities to prevent homelessness; direct emergency services; costs to operate shelter facilities, and administrative costs.

**Summary of Grants made from FFY 09 Emergency Shelter Grant Funds**

Gastineau Human Services (joint w/AWARE & the Glory Hole) in Juneau:

Homeless Prevention Activities:	\$0
Essential Services:	\$0
Shelter/Transitional Operations:	\$33,525
Rehabilitation/Renovation:	\$0
Administration:	\$1,675
<b>TOTAL:</b>	<b>\$35,000</b>

2. Interior Alaska Center for Non-Violent Living in Fairbanks (IAC)

Homeless Prevention Activities:	\$0
Essential Services:	\$0
Shelter/Transitional Operations:	\$25,000
Rehabilitation/Renovation:	\$0
Administration:	\$0
<b>TOTAL:</b>	<b>\$25,000</b>

Brother Francis Shelter in Kodiak:

Homeless Prevention Activities:	\$0
Essential Services:	\$0
Shelter/Transitional Operations:	\$22,845
Rehabilitation/Renovation:	\$0
Administration:	\$1,000
<b>TOTAL:</b>	<b>\$23,845</b>

4. The LeeShore Center ~ Kenai/Soldotna:

Homeless Prevention Activities:	\$0
Essential Services:	\$0
Shelter/Transitional Operations:	\$4,545
Rehabilitation/Renovation:	\$14,050
Administration:	\$0
<b>TOTAL:</b>	<b>\$18,595</b>

5. Tundra Women's Coalition ~ Bethel:

Homeless Prevention Activities:	\$0
Essential Services:	\$0
Shelter/Transitional Operations:	\$20,000
Rehabilitation/Renovation:	\$0
Administration:	\$0
<b>TOTAL:</b>	<b>\$20,000</b>

At the end of SFY10 (6/30/2010), the ESG funds matched by the recipients totaled \$224,994 in local funds, local non-cash resources, and other state and federal agency funds.

## Priority Activities under Alaska's Continuum of Care

Throughout SFY2010, AHFC supported the Alaska Coalition on Housing and Homelessness by providing staff assistance and teleconference services. Consistent with Guiding Principle #4, the Coalition changed their meeting schedule to “every other month” to provide more time for local planning and coordination. An average of 30 persons representing 10 communities throughout the state participated in Coalition meetings over the reporting period. In October 2009, with support from AHFC, the Alaska Coalition hosted its annual meeting and workshops. The event featured presentations from the Region X Representative of the U.S. Interagency Council on Homelessness and the operator of a nationally recognized housing program for chronic homeless persons in Seattle, Washington.

SFY2010 marked the first implementation year for Alaska’s 10-Year Plan to End Long Term Homelessness. The plan was developed by the Alaska Council for the Homeless, an interagency council appointed by the Governor. Most of the activity this year centered on the development of tracking tools to measure progress and realignment of some of the funding sources identified in the Plan to target the measurable goals.

AHFC continued its collaboration with the Coalition to facilitate the preparation and submission of the FFY09 Alaska Balance-of-State Continuum of Care (CoC) application. All projects requesting renewal funding in the FFY09 competition were funded.

In terms of program outcomes, grantees in the Balance-of-State CoC experienced some setbacks in SFY2010, due to a variety of factors. Alaska’s CoC pro rata share is so small, there has been no opportunity to develop any additional beds for chronic homeless persons. Some that were developed previously using state resources changed their designation this year to assisted living beds to qualify for a more stable means of operating support. Lack of supply of housing vouchers and a homeless clientele that presented with more serious behavioral health needs also contributed to lower retention and placement rates among the CoC programs.

Objective	Prior Level	Projected in 10	Actual Level
1. Create new PSH beds f/chronic homeless	36 Beds	41 Beds	24 Beds
2. Exceed nat'l 7-month retention goal of 77%	78%	80%	72%
3. Increase placement rate f/TH to PH to 65%	86%	75%	74%

Sources: January 2010 Point-in-Time Housing Inventory Survey (1); Annual Performance Reports (2&3).

**American Recovery and Reinvestment Act of 2009 (ARRA)**

Homelessness Prevention and Rapid Re-Housing Program (HPRP)

In March 2009, the U.S. Department of Housing and Urban Development (HUD) released the Notice of Allocations, Application Procedures, and Requirements for Homelessness Prevention and Rapid Re-Housing Program (HPRP) Grantees. Under HPRP the State of Alaska received an allocation of \$1,143,986 to provide financial assistance and services to either prevent individuals and families from becoming homeless or to help those experiencing homelessness to be quickly re-housed and stabilized. The Grant Agreement between AHFC and HUD was executed July 16, 2009.

AHFC fully met HUD’s requirement to obligate HPRP funds by September 30, 2009. A summary of the HPRP recipients and amounts awarded are listed below:

<b>Recipient</b>	<b>Community</b>	<b>Funded Activities</b>	<b>Amount*</b>
Family Promise	Mat-Su Borough	Financial Assistance; Services; Data Collection	\$120,700
The Salvation Army	Fairbanks	Financial Assistance; Services; Data Collection	\$119,430
The Salvation Army	Sitka	Financial Assistance; Services; Data Collection	\$141,450
Gastineau Human Services	Juneau	Financial Assistance; Services; Data Collection	\$181,880
Love INC-Gateway	Ketchikan	Financial Assistance; Services; Data Collection	\$115,750
Brother Francis Shelter	Kodiak	Financial Assistance; Services; Data Collection	\$145,250
Love INC-Kenai Pen.	Kenai/Soldotna	Financial Assistance; Services; Data Collection	\$127,935
Kenai Peninsula Housing Initiatives	Homer	Financial Assistance; Services; Data Collection	\$72,200
Tundra Women’s Coalition	Bethel	Financial Assistance; Services	\$54,000
USAFV	Aleutians	Financial Assistance; Services	\$24,325
Municipality of Anchorage	Balance of State	Data Collection	\$27,300
<i>AHFC</i>	<i>Balance of State</i>	<i>Administration</i>	<i>\$13,766</i>
<b>Total</b>			<b>\$1,143,986</b>

\*Recipient amounts include a share of administration funds within the 5% allowable limit.

**SHP Grant Match Assistance**

With authority from the Alaska Legislature, AHFC provides matching grants for several federal competitive grant programs. During FY10 AHFC awarded approximately \$1,382,060 in current and

recaptured corporate funds to match 17 grant requests totaling \$2.4 million from HUD under the FFY2009 Continuum of Care, Supportive Housing Program (CoC-SHP). Six of those grants were awarded to projects in the Balance-of-State Continuum. CoC-SHP grantees report that these AHFC funds are critical to the continuity of these projects due to the stagnation of HUD amounts for renewals.

**Assisting Alaskans with Special Needs**

Senior Housing

The Senior Accessibility Modification program continued during FY 2010. Fifty-three (53) households were served and AHFC committed an additional \$666,060 in grants for this purpose during SFY2010.

AHFC’s Senior Housing Accessibility Modifications Program (Senior Access) continued during the program year with three (3) non-profit organizations administering the program. Communities from all areas of the state were served, except the Fairbanks North Star Borough, Aleutian/Bristol Bay region and the North Slope Borough because no organizations from these regions applied.

Approximately \$2.83 million in funding from AHFC’s Senior Citizen Housing Development Fund (SCHDF), \$770 thousand in Denali Commission Elder Housing funds, and \$450 thousand in HOME funds was awarded to develop new senior housing in Anchorage, Soldotna and Homer.

AHFC worked with the Denali Commission to provide federally funded grants to housing authorities, local governments, and non-profit organizations through the Denali Commission Elder Housing Program (DCEH) to plan, construct and rehabilitate housing so that Alaskan seniors may continue to live independently in their home communities. During SFY 2010, the Denali Commission awarded AHFC approximately \$770 thousand for this purpose.

Combined funding from the SCHDF, HOME and DCEH made possible the following projects:

<b>Grantee</b>	<b>Project Type</b>	<b>Community</b>	<b>Grant Amount</b>	<b>Total Units</b>	<b>Activity Type</b>
<b>Kenai Peninsula Housing Initiatives</b>	<b>Independent Senior Living</b>	<b>Soldotna</b>	<b>\$1,252,805</b>	<b>6</b>	<b>New Construction</b>
<b>CDI-Alaska, Inc.</b>	<b>Independent Senior Living</b>	<b>Anchorage</b>	<b>\$1,780,000</b>	<b>20</b>	<b>New Construction</b>
<b>Homer Senior Citizens Services</b>	<b>Independent Senior Living</b>	<b>Homer</b>	<b>\$1,018,063</b>	<b>4</b>	<b>New Construction</b>

## **Housing Opportunities for Persons with AIDS (HOPWA)**

AHFC continued to administer HOPWA grants to support two programs operating in Southeast and South Central Alaska. In addition to Anchorage, the service area of the South Central project includes 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 for persons living with HIV/AIDS. Both projects operate on a calendar year. For the period ending 12/31/09, 74 households were assisted with HOPWA funds. Approximately 42 households with rental assistance, 44 households with short-term assistance to prevent homelessness and 168 individuals with case management and linkages to health care and other supportive services benefited from these services.

## **Beneficiary and Special Needs Housing Grant Program**

During SFY2010, the Beneficiary and Special Needs Housing Grant (SNHG) program produced the following accomplishments:

- Two capital development SNHG awards were made in March of 2010. Information for these projects is provided in the below table:

### **Other Special Needs Housing Programs**

<b>Recipient</b>	<b>SNHG Award</b>	<b># of Units</b>
<b>RuralCAP – Karluk Manor</b>	<b>\$1,950,075</b>	<b>48</b>
<b>Kenai Peninsula Housing Initiatives - MainTree</b>	<b>\$1,345,000</b>	<b>10</b>

### **Other Special Needs Housing Programs**

Throughout SFY 2010, 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.

AHFC Technical Assistance funds sponsored a Kenai Peninsula Housing Summit with the goal of planning for the delivery of service to individuals who are homeless across the Kenai Peninsula Borough on April 23, 2010.

Scholarship opportunities were provided to the National Alliance to End Homeless (NAEH) Annual Conference in July of 2009 and to the NAEH Family Homeless Conference in February of 2010.

Scholarship opportunities were provided to providers to access the on-line “Ready to Rent” Curriculum which trains attendees on how to train class participants to become better tenants. Tenants who then take the class receive a certificate that may be used in lieu of a rental reference with some landlords.

One homeless provider attended the National Network for Youth Symposium to participate in executive leadership training to gain expertise in addressing the issue of at-risk youth aging out of foster care.

Scholarships were also provided for HPRP staff to attend HMIS training in January of 2010.

Scholarships were provided to community HPRP Coordinators to attend Project Homeless Connect in Anchorage in order to gain experience in expertise to bring the program to other communities in the state.

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 SFY 2009, Bristol Bay Housing Authority received a HUD 202 award for construction of senior housing in Togiak. As of the end of SFY2010, closing on the construction loan had not yet occurred, but was imminent for the beginning of SFY2011 and the project was 50% complete.

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. Other training workshops and forums conducted outreach to potential sponsors of special needs housing. These events were assisted by the direct technical assistance and training scholarships throughout SFY2010.

### **Self Help Group Recovery Homes**

The Alaska Mental Health Trust (AMHT) has, in previous years, focused on assistance for the Oxford House model. Oxford House is a group recovery home model where the residents share expenses and chores. The homes have an absolute no alcohol or drug use policy and offer support for their sobriety by the other house residents. There are 6 Oxford Homes in Alaska (3-Anchorage, 3-Fairbanks). Serving approximately 50 clients during SFY2010 AMHT broadened the scope of their outreach to include sober housing for discharge from treatment. To that end they awarded one grant for a program in Wasilla and, at the close of the SFY2010, were considering award of a second similar grant.

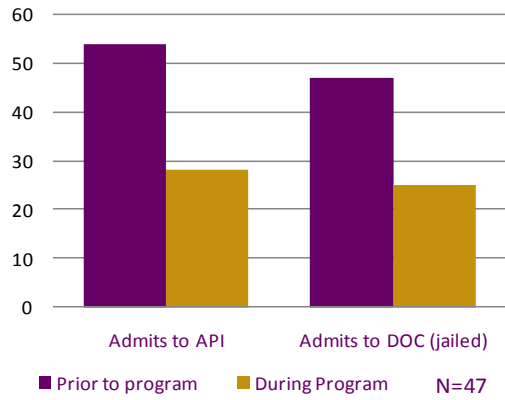
### **Bridge Home Program (supportive, independent living)**

The Bridge Home is a supportive housing program for people with Mental Health disabilities. The program is designed to provide affordable housing and on-site supportive services and skills training to participants, while they are waiting on the AHFC Housing Choice Voucher Waiting List. Since many of the participants have poor rental and credit histories, many with criminal records, they are often not immediately eligible for the Housing Choice Voucher Program. This program gives them time in their own apartment while they learn the skills needed to maintain residency and demonstrate their capacity by the time they rise to the top of the AHFC Waiting List. The participants each have long histories of stays in the State mental hospital and corrections and often homelessness.

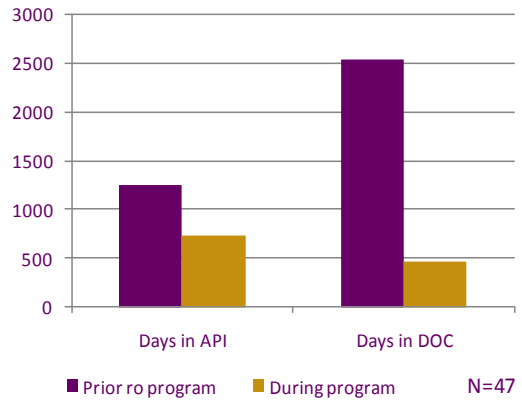


Bridge Home program outcomes for admissions and days spent in the Department of Corrections and Alaska Psychiatric Institute

**API\* & DOC\*\* Admits**



**Days in API\* & DOC\*\***



THIS SPACE INTENTIONALLY LEFT BLANK

## Other Affordable Housing

### Teacher, Health Professional and Public Safety Housing Grant Program

In the overall housing picture for the State of Alaska, one important component that serves rural Alaska in particular is the Teacher, Health Professional and Public Safety Housing Grant Program. Attracting and maintaining a pool of qualified teachers, health professionals, and public safety officials in rural Alaska is a goal of the State of Alaska. Housing must be available, affordable and of a quality that encourages these professionals to locate in rural settings. Under the Teacher, Health Professional and Public Safety Housing Grant Program, funding is available for the rehabilitation and development of teacher, health professional, and public safety housing in rural Alaska.

In SFY2010, AHFC awarded \$8.4 million in AHFC Corporate Funding and \$1.5 million in Denali Commission Funding for seven rural teacher, health professional and public safety housing grants. A list of awards is provided below:

<b>Project</b>	<b>Applicant</b>	<b>Denali Commission Funding</b>	<b>AHFC Funding</b>
*Napaskiak New Construction, 8 Units	Lower Kuskokwim School District	\$1,500,000	\$949,770
Koyuk New Construction, 2 Units	Bering Strait School District	\$0	\$601,052
Mountain Village New Construction, 8 Units	Lower Yukon School District	\$0	\$1,443,627
Noatak Rehabilitation, 4 Units	Northwest Arctic Borough School District	\$0	\$709,731
Tanana Rehabilitation, 2 Units	City of Tanana	\$0	\$201,762
Teller New Construction, 4 Units	Bering Strait School District	\$0	\$776,128
Unalaska New Construction, 6 Units	City of Unalaska	\$0	\$3,764,678
<b>Total</b>		<b>\$1,500,000</b>	<b>\$8,400,000</b>

Since program inception in SFY 2004, the Teacher, Health Professional and Public Safety Grant Program has developed 280 units of housing totaling \$88 million in total project cost. Two-hundred one of these units are in service.

## **Efforts to Promote Accessible Housing**

Throughout SFY2010, 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. The program made available \$1.4 million for non-profit organizations for housing modification projects.
2. The Senior Accessibility Modification program continued during FY 2010. Fifty-three (53) households were served and AHFC committed an additional \$666,060 in grants for this purpose during SFY2010.
3. In SFY 2010, awards were made to projects that will provide 76 units (52 units outside of Anchorage) that are equipped for both sensory and mobility impairments. Of the six projects awarded funds under the GOAL program, three are projects designated for seniors (two located outside of Anchorage); HOME funds were awarded to two projects (both located outside of Anchorage), and Low-Income Housing Tax Credits were awarded to three projects (one located outside of Anchorage).

## **Alaska's Fair Housing Plan**

During February-March of 2010, AHFC conducted a statewide Fair Housing Survey to formally update the "Analysis of Impediments to Fair Housing Choice" (AI). The following impediments were identified, and incorporated into the SFY 2011 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.**
  - The results of the 2010 Dittman Research Fair Housing Survey showed that majorities of respondents in all surveyed groups demonstrated an increased awareness of the types of discrimination that is illegal as compared to the previous Fair Housing Survey completed in August of 2003. Respondents continue to identify groups that are not covered under the Fair Housing Act and not all respondents could identify all protected groups. During 2010, AHFC continues to have specifically designated staff persons work with organizations serving members of protected classes, to assist them to better understand how to access available housing resources. The AHFC Public Housing Division has a designated Section 504/Fair Housing Coordinator to ensure full compliance with the law.

- In SFY2010, AHFC conducted 178 HOME CHOICE classes in 25 communities throughout Alaska. HOME CHOICE staff issued 2002 Certificates of completion. Also 448 participants obtained up to a \$250 waiver. 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.
- On July 12, 2010, AHFC sponsored a one-day Section 504/Fair Housing training in Anchorage with a presentation given by a representative of Spectrum Seminars. This training was available to AHFC grantees, HUD grantees, and opened up to members of the general public. Over 100 individuals attended this training.

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

- On July 12, 2010, AHFC sponsored a one-day Section 504/Fair Housing training in Anchorage with a presentation given by a representative of Spectrum Seminars.
- AHFC has continued to provide information regarding fair housing and encourages potential fair housing program sponsors to apply for HUD Fair Housing Funding. Slots were made available to agencies that were mandated to attend Fair Housing Training through a Voluntary Compliance Agreement at the annual fair housing training.

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

- AHFC continues to explore mechanisms for project-basing Housing Choice Vouchers to assist severely disabled individuals through the Special Needs Housing Program. “Medicaid” waiver vouchers, “VASH” vouchers and “CMI” vouchers continue to be used by special needs populations. AHFC recycles the set-aside vouchers to qualified persons with disabilities as vouchers are returned through attrition.
- AHFC’s GOAL Program Rating and Award Criteria Plan established the criteria for the award of Low Income Housing Tax Credits, HOME Rental Development funds and Senior Citizens Housing Development Funds. This Plan will continue to award points for the number of units to be develop which are in excess of the minimum required by federal fair housing law, state or local law, or specific program requirements. In addition the GOAL Rating and Award Criteria Plan will award points for projects that primarily serve special needs populations.
- The AHFC Housing Choice Voucher Homeownership program continues to serve disabled individuals through the use of a housing choice voucher for homeownership. Using a housing voucher to offset a portion of the monthly mortgage payment allows individuals who experience permanent disability access to housing that is both affordable and meets the family’s need for special housing features for accessibility. Historically, over 80% of the individuals served through this program experienced permanent disabilities.

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

- AHFC previously developed a Limited English Proficiency Plan (LEP), including a contract for 24/7 telephonic translation services.
- AHFC is working with the State of Alaska's Department of Law to revise a portion of the Landlord Tenant Act clarifying language related to a landlord's approval of tenants under a sub-lease. A request for a legislative fix has been made to the Attorney General's Office and was introduced in April of 2009 legislative session but did not pass in the 2010 session. A similar bill is anticipated to be reintroduced during the next legislative session.

**5. Members of protected classes are disproportionately represented in Alaska's homeless population.**

- During SFY2010, AHFC conducted the Annual Point-in-Time homeless survey on January 2010. The survey indicated that members of protected classes continue to disproportionately represented in Alaska's homeless population. Alaska Natives and the disabled are represented in far greater number 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.

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

- Throughout the SFY 2010 Annual Performance Report, activities are described that expand the supply and availability of affordable housing in Alaska. AHFC continues to work to expand affordable housing opportunities throughout Alaska, both for homeownership and for rentals, leveraging and targeting a wide range of resources.

### **Limited English Proficiency**

As part of the process to develop the State of Alaska's five-year Consolidated Housing and Community Development Plan, an assessment was done of Limited English Proficiency (LEP) individuals and households in areas covered by this Plan. Persons who do not speak English as their primary language and who have a limited ability to read, write speak or understand English can be LEP. They are entitled to language assistance with respect to a particular type of service, benefit, or encounter. The Americans with Disabilities Act of July 26, 1990 in its Title II prohibits discrimination against qualified individuals with disability in all programs, activities, and services of public entities. It applies to all state and local governments, their departments and agencies.

A public entity must ensure that individuals with disabilities are not excluded from services, programs, and activities because buildings are inaccessible. AHFC's programs, when viewed in their entirety, must be readily accessible to and usable by individuals with disabilities. This standard, known as "program accessibility," applies to facilities of a public entity that existed on January 26, 1992. These populations include, but are not limited to:

- Persons who are seeking housing assistance from a public housing agency or assisted housing providers or are currently tenants in such housing;
- Persons seeking assistance from a state or local government for a rehabilitation grant for their home;
- Persons who are attempting to file a housing discrimination complaint with a local Fair Housing Assistance program grantee;
- Persons who are seeking supportive services to become first-time homebuyers;
- Persons seeking housing related social services, training, or any other assistance from HUD recipients; and
- Parents and family members of the above.

In keeping with this guidance, in SFY2010, AHFC established accessibility to language interpretation through a third party. Interpretation service into over 240 different languages is now possible. Appropriate links will soon be included on the AHFC website <http://www.ahfc.us> front page that will link all ADA users to the third party contractor providing the interpretation. This will assure that AHFC beneficiaries will have access to information and other services thus complying with ADA stipulations.

THIS SPACE INTENTIONALLY LEFT BLANK.

## **Part 2: Other Housing and Community Development Actions**

### **Alaska Housing Finance Corporation, Public Housing Division (AHFC)**

#### **Moving to Work (MTW) Program Designation**

Moving to Work (MTW) is a demonstration program authorized under the Omnibus Consolidated Rescissions and Appropriations Act of 1996. A MTW designation provides a public housing authority the opportunity to adopt exemptions from the 1937 Housing Act, subsequent amendments and regulations. Free of ‘one size fits all’ regulatory constraints, MTW sites have implemented innovative housing and self-sufficiency strategies that address housing needs in locally-determined ways.

In June of 2008, AHFC signed an MTW Agreement with HUD after public hearing and approval by the AHFC Board of Directors. AHFC is now one of 30 existing MTW sites across the country. For AHFC, a key component of the designation is the opportunity to combine operating assistance, capital funds, and tenant-based voucher funds into a single Division-wide funding source. The pooling of funds allows for more flexible spending – one consequence being a greater opportunity to repair or expand AHFC’s affordable housing stock through mixed-finance options or other locally determined means.

AHFC closed out its first year activities as of June 30, 2010. An annual report is due to HUD by September 30, 2010 outlining accomplishments. In July 2010, HUD approved the corporation’s second MTW Annual Plan, which is available for review on the AHFC web page: [http://www.ahfc.state.ak.us/iceimages/reference/mtw annual plan fy2011.pdf](http://www.ahfc.state.ak.us/iceimages/reference/mtw%20annual%20plan%20fy2011.pdf).

In addition to the fourteen action items contained in the 2009 plan, the new version addresses several additional MTW activities, most importantly dealing with project based rental assistance. Waivers were granted by HUD enabling AHFC to project base units at properties owned by AHFC; waivers also were granted to exceed the 25% restriction that usually applies to project based vouchers in family housing.

#### **Public Housing Financial Resources**

Rental subsidy for both public housing and the Housing Choice Voucher is derived entirely from Congressional appropriations made through the U.S. Department of Housing & Urban Development (HUD). Tenants pay for part of the operation costs of public housing through rent this is generally 30% of adjusted family income. In FY10, AHFC received \$5,950,778 in subsidy for rental properties outside of Anchorage; tenant rent during that period totaled \$3,246,139.

During this planning cycle, the Resident Opportunities and Self Sufficiency (ROSS) grant to support a Juneau partnership with Southeast Regional Resource Center came to a close. AHFC is presently in negotiation with SERRC to fund a smaller scale program using grant funds and corporate match, and the use of AmeriCorps volunteers as trainers in an after school program located at Cedar Park development.

## **Public Housing Division Grant Programs**

The majority of the resident initiatives that AHFC administers are funded through corporate receipts. The two exceptions are the Resident Opportunities and Self Sufficiency (ROSS) Neighborhood Network grant in Juneau and the recently awarded ROSS Family/Homeownership grant for the Gateway Learning Center in Anchorage. The ROSS Neighborhood Network grant is described below under the Southeast Regional Resource Center heading.

*Juneau Arts & Humanities - Juneau.* This grantee provides substance abuse prevention/youth development, through a year-round creative arts program for youth residing in public housing in Cedar Park and Geneva Woods housing sites. The program served an average of 62 youth, and hosted monthly community activities for youth residents and their families each year, and provides supervised after-school activities year-round at the public housing sites. This grant will continue to serve Juneau residents in State Fiscal Year 2010.

*Camp Fire Boys & Girls – Fairbanks.* This Grantee provides a year-round supervised youth development program in Fairbanks at the Spruce Park and Birch Park housing sites. The program served an unduplicated count of 123 youth during the performance period with an average daily attendance of 30 individuals. Services through this grant will continue in SFY10.

*Boys & Girls Club Southcentral Alaska – Juneau & Fairbanks.* The Juneau grant was not renewed in SFY08 and only the Fairbanks transportation program was funded. Due to reduced use and funding constraints, the Fairbanks contract was allowed to lapse. AHFC is exploring the potential of making scholarships available, on a statewide basis, for youth who reside in public housing to attend summer camps sponsored by the Boys and Girls Club and other similar agencies. Subject to funding, this activity would commence in the summer of 2010.

*Southeast Regional Resource Center – Juneau.* This Grantee provides approximately 35 hours per week of open computer lab services for adults and children. In early 2007, AHFC was awarded a HUD Neighborhood Networks grant to expand services to include computer instruction, tutoring, job search and GED completion services, and parental initiatives for both Public Housing and Housing Choice Voucher participants. The Neighborhood Networks grant funded a comprehensive upgrade of the lab at two sites and allowed the program to expand hours of operation. The HUD grant provides \$199,905 of funding for three years, with AHFC matching the HUD grant with corporate receipts of \$152,955. There were fifty nine (59) literacy training enrollments with an impressive percentage of fifty nine (59) participants completing. The GED program has ten (10) enrollments and two (2) participants obtained their GED certification/diploma. SERRC's Life/Personal Skills Resident Development Training enrollments measure estimated twenty nine (29) persons, a total of one hundred fourteen (114) enrollment and completions were realized.

*Scholarship Funds – Statewide* The Community Enrichment Scholarship provides financial assistance of up to \$1,000 to both public housing tenants and Housing Choice Voucher participants. Funding for this program is based entirely on corporate dividends appropriated by the legislature. In SFY09, AHFC awarded ten scholarships statewide, with seven awarded to individuals in Bethel, Ketchikan, Juneau (2), Petersburg and Fairbanks (2).



## **Elderly/Disabled Service Coordination**

AHFC continues to support the service coordination programs in Anchorage, Fairbanks and Juneau. The service targets elderly and disabled individuals who reside in either an AHFC public housing unit or a Section 8 New project-based development to enable the tenants to remain independent. Corporate grant match funding and the Capital Fund are the primary resources that support these programs. Resident contacts remain the same as in the previous reporting period. The Fairbanks service coordinator averages approximately 400 contacts per months from residents in three developments totaling 156 units. The Juneau service coordinator averages approximately 170 contacts per month from the 62-unit Mountain View development.

## **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. 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 SFY 2010 the statewide average escrow payout was approximately \$4,000 per participant.

Because of administrative constraints, AHFC has worked closely with the Alaska Division of Public Assistance to devise a program that targets families receiving both voucher assistance and Alaska Temporary Assistance Program benefits. Named YES for 'Your Earnings Saved,' the partnership has enabled AHFC to expand its program beyond the original Anchorage and Juneau sites and now includes all communities with Housing Choice Voucher assistance, including all of Southeast, the Kenai Peninsula, Fairbanks, Kodiak, and the Mat-Su Borough.

## **Construction Activities**

The table below outlines the various construction activities that are occurring statewide. AHFC uses a combination of corporate dividends approved by the legislative appropriations, bond proceeds and federal receipts to support its statewide modernization efforts.

The use of a statewide approach to renovations is related to the Asset Management model adopted by AHFC in response to Congressional and HUD mandates. In addition to the approximately \$2.5 million that AHFC receives annually through the Public Housing Capital Fund Program, AHFC received an additional \$3.3 million from the American Recovery and Reinvestment Act (ARRA) to address a backlog of items identified by the annual Physical Needs Assessment (PNA). That sum was formula driven.

Outlying Areas (All Areas Outside of Anchorage):

**Bethel**

Bethel Heights	Replace furnaces & HRVs	In Progress	450,000
Flooring, windows Cordova	Completed		230,000
Eyak Manor	Energy audit		10,000
Sunset View	Fire alarm/Elevator repairs		15,625

**Fairbanks**

Birch Park I	Boiler Replacement	Completed	300,000
Site improvements	Completed		30,000
Birch Park II	Rebuild B building	In Progress*	1,400,000
Site improvements	Completed		30,000
Golden Ages	Replace boiler	Completed	50,000
Golden Towers	Replace roofing	Completed	350,000
Southall Manor			
Spruce Park	Siding Replacement	Completed	600,000
Area wide	Sidewalk repairs	Completed	229,000

**Juneau**

Cedar Park	Siding repairs	Completed	750,000
Fire sprinkler repairs	In Progress		125,000
Energy audit			7,500
Geneva Woods			
Mt. View/Annex	Fire sprinkler repairs	In Progress	250,000
Riverbend	Energy audit		7,500

**Kodiak**

Pacific Terrace

**Ketchikan**

Sea View Terrace	Entry upgrades	In Progress*	100,000
Schoenbar Park	Renovation	Complete	1,400,000

**Nome**

Beringvue	Repair arctic entryways	In Progress*	20,000
	Energy audit		10,000

**Seward**

Glacier View	Fire alarm/elevator repairs		15,625
--------------	-----------------------------	--	--------

**Sitka**

Paxton Manor			
Swan Lake	Fire alarms/elevator repairs		15,625

### Wasilla

Williwa Manor

### Wrangell

Etolin Heights	Replace metal roofing	Completed	500,000
	Boiler conversion	Completed	450,000

### Valdez

Valdez Arms	Roof repairs		10,000
-------------	--------------	--	--------

\*Denotes use of ARRA Funds

## **Developing Economic Initiatives for Low Income Families**

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. Building upon the accomplishments of the 2005 plan, Governor Palin's administration released a new Two-Year plan which spans July 1, 2007 through June 30, 2011. In addition to maintaining the one-stop Job Centers and the role of the Workforce Investment Board, the new plan identifies four priorities. They are:

- Alaska's youth will be job ready when they complete high school.
- Alaska will have a world class workforce ready to meet the needs of Alaska's high skill, high demand jobs.
- Alaska's post-secondary vocational and technical training facilities and professional education system will provide world class training, using state-of-the-art equipment and technology.
- Alaska's businesses will have the support and resources to compete in the global market.

The entire plan can be accessed at <http://www.labor.gov/awib> .

## **Evaluating and Reducing Lead Based Paint Hazards**

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 SFY 2010, AHFC worked with its HOME grantees to ensure compliance with the lead based paint regulations.

Common renovation activities like sanding, cutting, and demolition can create hazardous lead dust and chips by disturbing lead-based paint, which can be harmful to adults and children. To protect against

this risk, on April 22, 2008, EPA issued a rule requiring the use of lead-safe practices and other actions aimed at preventing lead poisoning. Under the rule, beginning April 22, 2010, contractors performing renovation, repair and painting projects that disturb lead-based paint in homes, child care facilities, and schools built before 1978 must be certified and must follow specific work practices to prevent lead contamination.

EPA requires that firms performing renovation, repair, and painting projects that disturb lead-based paint in pre-1978 homes, child care facilities and schools be certified by EPA and that they use certified renovators who are trained by EPA-approved training providers to follow lead-safe work practices. Individuals can become certified renovators by taking an eight-hour training course from an EPA-approved training provider. Learn about the EPA-Lead-safe Certification Program: <http://www.epa.gov/opptintr/lead/pubs/toolkits.htm>

No elevated blood lead levels were detected in Alaskan children that were attributed to lead-based paint during SFY 2010 (July 1, 2009 through June 30, 2010)

## **ADDRESSING HOUSING AND COMMUNITY DEVELOPMENT BARRIERS**

In addition to the actual task of building housing or matching available housing to clients in need there are many other issues that surround the topic of housing and that of community development. For example, clients must meet criteria for particular housing programs in order to qualify. Structures must be properly maintained and inspected, long term sustainability for organizations providing housing and attendant services is an important issue. There are other areas outside actual housing units that merit consideration as well. Discussion on these items follows.

### **Improving Organizational Capacity**

Throughout SFY 2010, Alaska Housing Finance Corporation delivered a variety of workshops and direct technical assistance activities that focused upon improving agency organizational capacity. During SFY 2010, AHFC delivered training or provided training scholarships for participants to attend trainings on HOME Rental Compliance/HOME Income Calculation, Advanced Inspector, Indoor Air Quality, and planned for the Section 504/Fair Housing Training in July. Additional training opportunities were made available through training and travel scholarships to NeighborWorks®America Training Institutes and other viable training opportunities.

### **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. Federal, state and local entities worked together to improve rural sanitation conditions, and to continue addressing issues of long term affordability and sustainability of these critical infrastructure systems. The State of Alaska's Village Safe Water (VSW) program provides technical and financial support to Alaska's smallest communities to design and construct water and wastewater systems. VSW

works directly with community officials. In some cases, funding is awarded by VSW through the Alaska Native Tribal Health Consortium, who in turn assist communities in design and construct of sanitation projects.

From 1988 to 1998 state and federal capital appropriations totaled \$561.9 million. During this same time period, the State made appropriations of over \$37 million for VSW operating costs and other support services. The Village Safe Water Program implements multiyear ongoing projects. A total of \$30 million were designated during the SFY2010 for the continuation of such projects.

Appropriations through EPA and USDA coupled with state funding have resulted in substantial improvements in the health, safety, and well-being of thousands of Alaskans. In 1994 only 37% of rural Alaska households had adequate sanitation facilities. Today, more than 77% of rural Alaskan homes have running water and flush toilets. With federal and state support, the percentage of rural households with basic sanitation services has increased by more than 30% over the past decade. Similarly, there has been a significant increase in the number of trained rural utility operators, clerks, and managers.

During SFY2010, AHFC's Supplemental Housing Development Grant Fund was funded at \$10 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. Eleven Supplemental Housing Program grants were awarded to 8 regional housing authorities. The grants awarded were for new construction or rehabilitation of 76 single-family homes, 134 multifamily and rehab work on 463 units potentially providing safe, decent, affordable housing for residents in rural and urban Alaska.

A total of \$10,022,181 in grant funds was distributed for development in these categories:

- \$6,603,698 Energy Efficiency Design features
- \$1,397,213 for Onsite Water and Sewer systems
- \$1,409,918 for Access Roads to houses in project sites
- \$611,352 for Electrical Distribution to houses in project sites

These funds leveraged \$50,110,905 in federal funds (Native American Housing Assistance and Self-Determination Act and related HUD funds).

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 FFY2009 (SFY2010) priorities emphasized funding for rural health clinics, upgrades and improvements to rural electrical systems and water systems, bulk fuel storage upgrades and improvements, transportation funding, and funding for elder supportive housing. Sustainability and sound business planning are criteria for all Denali Commission projects.

## **Role of Local Governments**

Local Governments in Alaska can be categorized in two ways: those that are well established and have large enough population bases to enjoy their own revenue sources and viable market structures and those that are so small that they do not have revenue streams or viable markets.

During SFY 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 SFY 2004, continued to be aggravated during SFY 2008 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 continues to make many local governments 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.

During SFY 2009 there was a significant downturn in the economy that resulted in full blown recession and necessitated the passage of the Economic Recovery and Stimulus Programs, many of which have been referenced at other points in this CAPER. The challenges faced by local governments to provide affordable housing and administer related programs remain and, in some instances, have been exacerbated. Governments recognize this and are making efforts to overcome the issues.

The role of local governments in providing for affordable housing is three fold. First, local governments can commit revenue, if they are among those large enough to have their own revenue streams. Most local governments that can commit funding are very willing to do it and are instrumental in the leveraging of all resources. Second, local governments can seek outside funding sources. This requires that they build capacity to the point where they have the staff with the expertise to remain abreast of the federal funding resources and who can responsibly administer federal funding once it is obtained. This can be a sizable job in itself. The third, and possibly the most realistic aspect of the role of local government, is to support the efforts of developers and not-for-profit organizations that are engaged in

construction of affordable housing and the provision of related services. This can be accomplished by constant review of the policies and processes of the local government to ensure they do not create unnecessary barriers to development and service provision. Review and amendment of zoning and permitting and other municipal ordinances and regulations as well as creating appropriate preferences and incentives for rental development are examples of this type of support. Constant analysis of fee structures can also be of assistance. A good example of work done by a local government to assist with the development of affordable housing is the creation of the Juneau Affordable Land Trust.

### **Targeting and Leveraging Resources**

The State of Alaska's Five Year Consolidated Housing and Community Development Plan (SFY 2006 through SFY 2010) identified unmet housing and community needs that far exceeded resources available to programs governed by the HCD Plan. An objective of the SFY2010 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 SFY 2010, 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, the Denali Commission Elder Housing Program and the Senior Citizen Housing Development Program.

At the outset of this CAPER year (SFY2010), the HUD 202 (affordable housing for the elderly) program was underutilized in the state. AHFC began encouraging potential HUD 202 recipients to apply to the program and provided HUD 202 training in conjunction with HUD. The GOAL 2010 competition awarded funding to a rural project also funded by HUD 202 monies.

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. 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 SFY 2010, 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, \$708,000 was committed during fiscal year SFY 2009 for improving the quality of housing, with 15 housing units actually rehabilitated using this funding during SFY 2010. The Low Income

Weatherization Program assisted individuals in weatherizing their homes resulting in lower operating expenses for heating fuel and electricity. (For Weatherization Program details, refer to page 46, above.)

In the spring of 2008, the Alaska State Legislature approved the allocation of \$200 million dollars for a Weatherization program and \$160 million for the Home Energy Rebate program. Of those Energy Rebate funds, approximately \$61 million were utilized around the state by June 30, 2010. The Weatherization Program is available to Alaskan owners and renters with moderate household income. Under the program, qualified participants receive weatherization upgrades at no cost. The Home Energy Rebate Program is open to all homeowners who do not participate in the Weatherization Program. Participating homeowners, regardless of income, may be eligible for up to a \$10,000 rebate for energy-efficiency improvements. Additionally Alaskans with disabilities are eligible to participate in the Alaska Housing Finance Corporation's Appliance Rebate program, designed to save energy by encouraging appliance replacement with energy-efficient products. Eligible participants also are able to report appliance rebates as price reductions instead of income for tax purposes according to the Internal Revenue Service.

## **Input from Other Planning Efforts**

During SFY2010, 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 council on the Homeless --- *10-Year Plan to End Long-Term Homelessness in Alaska*
- Juneau Homeless Coalition --- *A roof Over Every Head in Juneau*
- Alaska Mental Health Board/Advisory Board on Alcoholism & Drug Abuse --- *Making It Work*
- Alaska Department of Corrections --- *Discussions on housing options for persons with disabilities*
- Alaska Housing Finance Corporation--*Public Housing Agency Plan & Moving to Work Plan*
- Alaska Department of 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 ( FFY2008, FFY 2009)*
- 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---*The Matanuska-Susitna Borough Community Survey, 2006*
- 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).*



- Alaska Strategic Two-Year State Plan for Title 1 of the Workforce Investment Act of 1998 and the Wagner-Peyser Act, July 1, 2007 to June 30, 2009

These resources were also used in the development of the SFY 2010 Annual Action Plan covering the period July 1, 2009 through June 30, 2010.

## **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 SFY 2010, AHFC committed (through grant agreement) rental development funds to two new HOME projects, which will produce 7 units of affordable housing, including six 504 accessible units. These projects were funded with a combined total of \$ 1,098,244 in Federal HOME dollars.
- Two homeownership development grants remained active during SFY 2010. These grants, totaling \$377,000 in HOME funds, will produce sixteen (16) newly constructed, single family homes for low-income families.
- During SFY 2010, the HOME Opportunity Program (HOP) offered down-payment and closing cost assistance to sixty (60) families in the amount of \$1,315,522.31. Sixteen (16) of these households were at or below 50% of area median income with another fourteen (14) at 50-60% of the median income. Another HOME funded program, the Owner-Occupied Rehabilitation Program (ORP) provided eleven (11) homeowners with rehabilitation assistance. Nine (9) of these ORP assisted households were at or below 50% of area median income; no households were at 50-60% of median income (ORP data based on projects completed during the reporting period).
- In SFY2010, AHFC made available 4412 Housing Choice Vouchers for rental assistance. These vouchers supplemented the 1322 AHFC owned public housing units. Benefited households include seniors or persons with disabilities. AHFC pays approximately \$29,763,848 million a year to private landlords for rental assistance for Alaskans who earn less than 50 percent of the median income. The ability to reissue vouchers permits some additional users to benefit from the program.
- In SFY2010, AHFC completed weatherization upgrades benefiting 2430 households, 829 of which were served using DOE funds (DOE Eligible.)
- In SFY 2010, AHFC financed mortgages approximately for 547 new first-time homebuyers for a total of \$93.8 million. In addition, AHFC provided Interest Rate Reductions to 112 low-income households totaling \$14.7 million among 14 other loan programs implemented by AHFC.

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

- During SFY2010, more than \$59 million in federal Denali Commission funding was made available for critical infrastructure, community facilities, and economic development projects. Since its inception, the Commission has funded projects in over 100 Alaska communities. A strong emphasis was placed upon supporting projects and activities that conform to local community planning priorities, and are sustainable for the long term.
- Approximately \$2.7 million in CDBG funds were awarded during FY2010 to communities throughout Alaska to assist with a variety of projects all of which would enable or assist communities with meeting the needs of their citizens.

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

- The Owner-Occupied Rehabilitation Program (ORP) provided eleven (11) homeowners with rehabilitation assistance. Nine (9) of these ORP assisted households were at or below 50% of area median income and none of the households were at at 50-60% of median income (ORP data based on projects completed during the reporting period).
- In SFY2010, AHFC completed weatherization upgrades to households consisting of:
  - 82.84% Owner Occupied Units-2013 Units
  - 33.62% Elderly Households-817 Units
  - 17.24% Disabled Households-419 Units
  - 38.93% Native Households-946 Units
  - 24.4% Households with Young Children-593 Units
- In SFY2010, AHFC completed weatherization upgrades benefiting 2430 homes, 829 of which were served using DOE funds (DOE Eligible.)
- \$360 million was appropriated by the State Legislature in the spring of 2008 to develop and administer a statewide Weatherization and a Home Energy Rebate program that continued to be utilized through SFY2010 and will continue to be utilized until it is all spent.

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

- With authority from the Alaska Legislature, AHFC provides matching grants for several federal competitive grant programs. During SFY2010 AHFC awarded approximately \$1,382,060 in current and recaptured corporate funds to match 17 grant requests totaling \$2.4 million from HUD under the FFY09 Continuum of Care, Supportive Housing Program (CoC-SHP). Six of those grants were awarded to projects in the Balance-of-State Continuum. CoC-SHP grantees report that these AHFC funds are critical to the continuity of these projects due to the stagnation of HUD amounts for renewals.
- Alaska' Emergency Shelter Grant (ESG) allocation (FFY 2009) of \$122,640 million was awarded to five agencies that will apply these resources consistent with community based strategies addressing homelessness.
- In March 2009, the U.S. Department of Housing and Urban Development (HUD) released the Notice of Allocations, Application Procedures, and Requirements for Homelessness Prevention and Rapid Re-Housing Program (HPRP) Grantees. Under HPRP the State of Alaska received an allocation of \$1,143,986 to provide financial assistance and services to either prevent individuals and families from becoming homeless or to help those experiencing homelessness to be quickly re-housed and stabilized. The Grant Agreement between AHFC and HUD was executed July 16, 2009.
- 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. Approximately 30 representatives from 9 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 SFY 2009, Alaska Housing Finance Corporation provided corporate funds to leverage federal funds for rental development in the amount of approximately \$5,754,200.
- During SFY 2009 AHFC provided corporate funds to leverage federal dollars for services related to housing in the amount of \$289,585.

**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 SFY 2010, AHFC's GOAL rental development program provided HOME funding for the development of accessible housing in senior or special needs housing projects; 101 units were developed between three projects.

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

- The number of WEB hits for the Research Information Center (RIC) page has increased to 115,251 plus 15,300 calls, and 880 office visits to AHFC's Energy Program in FY2010.during SFY2010.
- The Research Information Center (RIC) responded to 12,036 information requests on energy efficiency & housing construction. AHFC presentations and classes on energy-efficiency totaled 135 to some 1877 individuals, homeowners and housing and energy professionals.
- There were 91 webinars/meetings in the RIC library in SFY2010.
- The RIC online library was searched 1,410 times. In April 2009, the RIC began offering "How to Read an Energy Rating" classes. In 2010 there were 104 read Your Rating classes offered with 994 participants. This was in addition to 24 Home Choice energy presentations and 5 additional presentations. The RIC was used 57 times for Web/AV/TC events. Usage has dramatically increased for webinars and other web-based meetings. The RIC provided information to approximately 57 communities throughout the state.
- Additional usage of the RIC includes numerous presentations. The Alaska Craftsman Home Program is also under contract with AHFC to provide consumer classes for energy efficiency retrofits.
- AHFC has partnered with the Cold Climate Research Center in Fairbanks, providing funding for monitoring and research programs in the areas of energy efficiency.
- AHFC provides \$150,000.00 annually for the Alaska Building Science Network. Builders and energy raters are schooled in energy efficiency measures and new technologies with the goal being more energy efficient and overall healthier homes particularly in rural Alaska.
- AHFC grant agreements now include language encouraging the use of Energy Star rated appliances.

- GOAL applicants can achieve additional points in the competitive grant process by committing to exclusively use Energy Star Appliances in their projects and by committing to achieve a 5 Star Plus rating under the State of Alaska Building and Energy Efficiency Standards (BEES).
8. **Through relevant and appropriate training and technical assistance, the statewide housing delivery system should be improved.**

Throughout SFY 2010 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 SFY2010 (July 1, 2009 through June 30, 2010) under each of the eight guiding principles of the State of Alaska's Consolidated Housing and Community Development Plan. This was the fifth Annual Action Plan and CAPER under the previous five-year HCD Plan (FY 2006--FY 2010).

As the process of developing the next Annual Action Plan (SFY2012 for the period of July 1, 2010 through June 30, 2011) begins in October of 2009, the Interagency Steering Committee will evaluate the findings of the SFY2010 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.