Exhibit 16-4

Sponsor-Based Rental Assistance – Rights of Passage, Anchorage

Authority for this activity is contained in AHFC's Moving to Work Agreement with the U.S. Department of Housing and Urban Development through Attachment D, which provides for "broader uses of funds." Establishment of this sponsor-based rental assistance program was proposed through Moving to Work Activity 2018-2 and approved by the AHFC Board of Directors on October 25, 2017 with Resolution 2017-25.

This activity was consolidated under Moving to Work Activity 2011-4c Establish a Sponsor Based Rental Assistance Program in the Fiscal Year 2023 Moving to Work Plan.

The Sponsor-Based Rental Assistance Contract began on March 30, 2018 and is for three years. AHFC may agree to enter into successive three-year extensions of the contract prior to the expiration date of any contract period. Any extension may not exceed the AHFC Moving to Work Agreement with HUD which is scheduled to end June 30, 2038.

The initial Sponsor-Based Rental Assistance program contract was awarded for the Dena'ina House property located at 750 West 5th Avenue, Anchorage, AK 99501 for 25 units and began on March 30, 2018 and was successively extended through March 30, 2027.

Effective September 1, 2026, the Sponsor-Based Rental Assistance contract is transferred to a new property located at 707 A Street, Anchorage, AK 99501 and is now known as Rights of Passage. Transfer of the contract results in a permanent reduction of six contract units. Nineteen contract units remain available for Sponsor-Based Rental Assistance at Rights of Passage.

Rights of Passage serves homeless and at-risk youth ages 18 to 24 in Anchorage, Alaska. Covenant House Alaska operates the development and provides safe and secure housing along with services to further education, employment, and life skills.

1. Owner-Managed Functions

The owner of this property is Covenant House Alaska. There are 19 units at Rights of Passage receiving sponsor-based rental assistance. The owner, or contractor, accepts referrals from Anchorage Coordinated Entry, maintains the Coordinated Entry

correspondence, collects applications, determines eligibility, and calculates subsidy for an applicant. AFHC provides the owner with a Calculation Sheet to ensure proper income calculation, and the owner determines annual income using HUD regulations at 24 CFR 5.603.

- The minimum rent is set at $50
- Total assets less than $10,000 may be self-certified by the applicant
- Tenant rent is calculated at 28.5% with no deductions
- The Student Rule does not apply to this development
- At time of admission, a family must have gross income at or below 50 percent of area median income
- The lease is month to month
- Note: Rights of Passage may house youths prior to determining eligibility. Before receiving subsidy, all paperwork is received and reviewed

1.A Annual Examinations

Income examinations are conducted annually for every subsidized tenant.

1.B Interim Examinations

Interims are not required except in the following instances:

- An imminent change reported by a tenant/applicant
- To correct any calculation error

1.C Minimum Rent Exemption

The 1998 Quality Housing and Work Responsibility Act (QHWRA, in regulation at 24 CFR 5.630) required PHAs to establish:

- Minimum rents in an amount not more than $50, and
- Procedures to exempt families from paying minimum rents in cases of financial hardship.

Rights of Passage tenants are eligible to participate in this process (see Minimum Rent Exemption exhibit for process).

2. Eligibility

Individuals eligible to live at Rights of Passage are subject to standard AHFC screening criteria. Eligible applicants must meet one of the following definitions of homelessness:

1. HUD's category 1 of homelessness: staying in an emergency shelter or transitional housing, on the street, or in a place not meant for habitation;
2. HUD's category 2 of homelessness: imminent risk of homelessness;
3. HUD's category 4 of homelessness: fleeing from domestic violence or trafficking;

4. Youth coming out of foster care with unstable living situations (e.g., couch surfing) and a high risk of homelessness.

3. Inspections

The owner conducts each move-in inspection and an annual building inspection using the AHFC-supplied forms. The inspector must be certified as an NSPIRE HQS inspector.

Quality assurance (QA) inspections are conducted in accordance with NSPIRE by AHFC. The sampling of inspections is selected in accordance with procedures set forth in the Quality Assurance chapter.

4. Monthly Payments

A monthly invoice is submitted to AHFC for rental assistance payments by the 20th of the month using the AHFC-supplied form for the coming month.

- The PHD Central Office reviews each invoice for accuracy.
- The Public Housing Director or designee approves the reviewed invoice for payment.
- A copy of signed invoice goes to the following Support Services staff: Housing Management Specialist II (HCV), Housing Management Specialist IV, and the Support Services Manager.
- Payments are made to the owner on or about the second business day of each month.

5. Contract Rent Increases

Requests for an increase in the contract rent are submitted to the PHD Central Office for processing. The owner may request a rent increase annually. The increase request must be in writing at least 60 days prior to the annual anniversary (April 1). Rent reasonableness is completed by AHFC using three comparable units and a signed Rent Reasonableness Certification.

6. Quality Assurance Reviews

AHFC conducts Quality Assurance (QA) Reviews. The following processes are reviewed: Applicant and Coordinated Entry Process, Denied Applicants, Vacancy rates and efforts to maintain acceptable leasing rates, Tenant Files may include tenant ledgers, Owner's Policies, Procedures, and Forms, and Invoice submissions.

Discrepancies from the review process are discussed with the owner and any necessary corrections must be made.

7. NSPIRE Documentation

The sponsor-based contract, rent increase requests, initial building inspection, quality assurance inspections, rent reasonableness certifications, and comparables are kept in the office/second file cabinet of the Policy & Program Manager. The contracts and rent increases are posted on the AHFC Intranet under Public Housing → Resources → Contracts.

Numbered Memo

26-24 -12 Exhibits 16-24 Rights of Passage formerly Dena'ina House