

Lands to Housing Catalyst Round

Answers to Questions Submitted

As of June 10, 2026

Please see the questions and answers listed below that have been processed to date during the Lands to Housing Catalyst Application Round.

Question #1: Is there additional information about how each of the scoring criteria will be evaluated? What is required to earn maximum points?

A copy of the review committee instructions will be provided to all applicants.

Question #2: If someone were to make a full-price offer of what you paid for the land, would AHFC still require the 50% AMI? If it were not, would I understand correctly, trying to read between the lines, that a full price offer, without meeting the 50% caveat, based on the current scoring sheet, would be scored lower than someone offering \$1 but meeting the caveat and thus end up in the organization not getting the land?

AHFC could remove the 50% AMI restrictions if a property is purchased for an amount at least equal to the amount of ERA-2 funding used to purchase the property initially. Applications will be evaluated on their ability to develop housing on each parcel. The terms of the ownership transfer are only one part of the overall development plan.

Question #3: LIHTC and the program's terms (as they pertain to 50% AMI) are specifically mentioned in the NOFA. Do you currently expect that someone would most likely apply for LIHTC as part of this, since the requirement is for the housing to be permanent (which I assume means 30 years)? I am trying to think creatively if, for example, Section 8 could realistically work as well.



Treasury's guidance for rental development with ERA-2 funding allows these units to comply with the affordability regulations of one of several federal housing programs. The LIHTC program is the least restrictive of these programs. There is no expectation or requirement that LIHTCs be part of an applicant's development plan.

Question #4: Is soil testing required to be done before the application deadline? If no, will AHFC be flexible after awards if the result of soil tests shows that the proposed plan is no longer feasible?

Soil tests are not required or expected to be included in the initial proposals. If the result of tests makes the initial proposal infeasible, AHFC will work with the developer to adjust the scope of the project. A hard limit to this is the minimum number of 50% AMI rental units that need to be built on the parcel to meet federal requirements.

Question #5: How may the HOME and/or SCHDF fund be awarded to a successful applicant?

AHFC may award capital funding to successful applicants in a way that works best for the financial structure of the project. Grants may be made directly to non-profit developers or to nonprofit partners of for-profit developers.

Common methods of transferring funds are: grants to nonprofit partners who build directly or who form a joint venture with for-profit developers, or 0% interest loans to for-profit partners. The loan may be forgivable at the end of a successful compliance period. Terms of these agreements can be flexible to accommodate the tax planning of the development team.

Question #6: General questions have been raised over how to set the number of housing units in the proposals. The applications are being prepared before a complete set of information on development constraints is available to the development team. Consequently, any development teams attempting to maximize the number of housing units must estimate probabilities for infrastructure, permitting and site conditions. If developers attempt to maximize the number of housing units, they risk not being able to deliver if factors beyond their control limit the amount of housing that may be produced (i.e. subsequent tests indicate infrastructure can support a smaller number of units). Conversely, if they propose a conservative estimate for the number of housing units that can be built, teams have expressed concern they may risk

being penalized for setting more reliable and realistic expectations. AHFC was asked to provide clarification on how the number of units being proposed will be evaluated.

The rating criteria do not assign points to a specific unit count in the ranking process. Applicants are given deliberate flexibility in crafting their development plans. Applicants may propose their plans in absolute terms, in phases, or in order of priority with associated contingencies. If primary plans are found impracticable after subsequent analysis that was disclosed as part of the plan in the application, applicants would be consistent with their proposed plan to move towards their tier plans.

All proposals received for each site will receive site specific scores. The review committee will review all plans from all development teams for each site. Applicants are empowered to provide the review committee with relevant information and context that will help them evaluate the reasonableness and viability of their proposals.

Question #7: The Notice of Funding Availability (NOFA) states that the development teams must issue a notice to proceed to a contractor by June 30, 2027 or the property will revert to Alaska Housing Finance Corporation. Given the scale of construction, finance and necessary approvals involved with some of the larger sites, this requirement has raised concern. AHFC was asked if termination of the award on July 1, 2027 was an absolute parameter if a notice to proceed has not been issued by this date.

In the NOFA, Section D outlines three expected performance milestones. The last milestone is issuing a Notice to Proceed to the contractor by June 30, 2027. In Section E, there is language regarding reversion triggers. Specifically, the language states the award will be revoked if substantial progress is not made towards the June 30, 2027 notice to proceed milestone.

The only automatic termination condition that is noted in the NOFA is on July 1, 2027. On that date, if a Notice to Proceed has not been issued, the award will terminate if, and only if, AHFC has not approved a later date in writing.

Given the dynamic nature of development and the diversity of development factors across the sites, a provision was deliberately included in the NOFA to allow sponsors and AHFC to continue beyond June 30, 2027 if the Notice to Proceed had not been issued. If the June 30, 2027 Notice to Proceed

date is an anticipated concern for the development team, applicants are encouraged to address these concerns in their projected timelines and disclose back-up dates in their proposals that they can commit to if the June 30, 2027 date becomes impractical.