

Andy Petroni : Good afternoon, everyone. My name's Andy Petroni. I'm joining the room with Daniel Delfino from Alaska housing. And this is the Fairbank's downtown parking garage special purpose goal around application teleconference.

We're here to talk about this, the special round.

Essentially we AHFC acquired a parking garage in downtown fair Banks from the University of Alaska Fairbanks, this past fall, and this, this funding round is our attempt to develop that into or redevelop the building into housing. Using some State and federal and tax credit resources.

Discussing those resources, we have the garage itself that will be Awarded to or transferred to the successful applicant, in some form another form or another, we have one million in annual low income housing tax credits. In the current market that could translate to about eight million inequity depending on numerous factors, and then we have one point five million in home investment partnerships. This is a mix of federal and state match funding and in the weeds, but one point five million at home.

Our timeline for this application round, we're currently at the February 25th teleconference. The Next and substantial deadline is March 13th. That's the intent to apply deadline. So anyone or any organization interested in participating needs to submit their intent to apply form, that's available on our website.

So two tentative dates.

Someone is in the lobby will let them in.

So in the next or first or second week of March, I'll expected to receive back a market study from Novogradac. So I can go into that a bit more later, but that'll provide more information on the project. Through the months of March and April we can schedule access to the building for development teams to inspect it and do their due diligence. That'll be coordinated through me or another Alaska housing staff.

I'm going to host and applicant training. That'll be probably early April. We haven't set the exact date yet because we're, once we have the known participants, we'll coordinate with them through a survey to find the best date but that'll be held in Fairbanks.

Whoever's interested in the applicant training for anyone registered. And then the application deadline is May fifteenth. So that's when everything will be due. Anything received after that will not count. So all applications need to be in by the deadline.

So I touched briefly on the market study. We've already contracted that with Novogradac and ordered it basically looking at general achievable Rents through our different income targeting levels. And vacancy rates, absorption rates, all the kind of general underwriting data we need to let's see if the project's feasible or not, so that would be available to all participants once we receive it.

And last but the news, we, the, we completed the HUD environmental assessment, so that should be. We should be sending the request release of funds to HUD next week, so far no comments are been received on that public comment, but that'll clear one hurdle for the use of those federal funds. Just having that release of funds from HUD for any, for that home money going into the project.

That's my update so I can open up to questions about the project. Or anything we have in mind. So anyone online you can read on feel free to unmute yourself. I muted you all cause you were talking, but unmute yourself and ask any questions.

4:41 : Seth Church : Andy a couple of questions. One, was this meeting supposed to be open to more than just our team or was this just for our team? I'm.

4:50 : Andy Petroni : From the publics. We have one other public in the room here with us. So if you want to give up any secrets to them, feel free. Okay. But.

4:58 : Seth Church : Who is the one other public? Charles betty's worth? Or Dave.

5:02 : Andy Petroni : No, not another developer from the rounds. I don't know if I can. Giveaway secrets and attendee list maybe available later. Okay.

5:11 : Seth Church : One of the questions I had is, are you envisioning this to, to start construction in 2027 or what do what do you guys envision?

5:20 : Charles Bettisworth : Yeah.

5:23 : Andy Petroni : Yes, or soon as feasible.

5:36 : Seth Church : Justin was asking, do you have the funds aligned already? I believe I've heard from you, but I'll let you tell the group.

5:45 : Andy Petroni : Funding and tax credit authority is set aside ready to go, so we have it in hand so to speak.

6:00 : Charles Bettisworth : Is there gonna be a pathlet that's gonna come out with all the criteria under which the proposals would be evaluated.

6:10 : Andy Petroni : So yes that's available now on our website, so it's in the the notice of funding availability. But in that document we spell out the, a rating and award criteria, so just how the, the projects will be assessed. And then all our underwriting criteria is to just how we look at the revenue expenses debt capacity. And then the applicant application materials are also online. So our underwriting workbook and pro forma standard format we use. So if anyone has. But links for all that are in, I think both this notice, the notice of this meeting and in the the notice so you can find that page on our website, you have trouble finding it, you can reach out to me directly, get you the link and all the documents.

7:21 : Seth Church : So do you have a minimum response rate? Do you need three responses in order to proceed or can you do it if only one developer is responsive?

7:32 : Andy Petroni : We only need one.

7:34 : Seth Church : Okay.

7:35 : Andy Petroni : We're happy to have competition and we'll work with whomever is interested.

7:40 : Seth Church : And the criteria like Charles you you've outlined that so we know how to get there. Any other questions Dave or Charles.

7:54 : Dave : Well I think I'm gonna spend some time on the, on online going through those details.

8:06 : Andy Petroni : So Daniel right. So let you know all the materials we've posted about the the site. So I've, attached basically all of UAF's maintenance records, a couple of old engineering reports, photos of the property, so there's a lot of history on the building, kind of help you with your assessment and.

8:28 : Andy Petroni : Yeah, and basic capital needs of the, the existing building.

8:34 : Andy Petroni : A fair bit of material available for, for that part of the assessment and then once we open up for site visits.

8:43 : Seth Church : Daniel.

8:45 : Seth Church : What about the neighbor? I know that that parking garage is like right on the property line. Is there any sort of agreements with, with the neighboring properties as far as, you know, what, what can be done there? Does it have to be always access.

9:02 : Seth Church : You know what I mean?

9:07 : Daniel Delfino : Hi, everyone, this is Daniel. The short answer to your question sir, is no, we don't have any existing agreements. I believe previously the parking garage was used for a couple of different things and I think there was a contract with the state for it to them to use property. Andy, I don't know if there's a Sublease or there was something going on with, I believe someone who was renting some space from a corner of it, but I don't know where that's at, but we don't have any other agreements beyond that that I'm aware of. Can you touch on where we're at with those, those reviews agreements that maybe we inherited? Yeah, so.

9:48 : Andy Petroni : Not aware of any user or conflicts with the neighbors or disputes along property lines or anything that that was not disclosed in the purchase and we're not aware of If it if it is and we are UAF initiated a a contract or legitimizing a use from ACS next door. So we're about to wrap up that contract process, but they're renting out about a parking space as worth to store their backup generator for their building. So there's an old nineteen fifties era generator on the second floor and one corner, but that's the only other kind of use agreement in the building.

10:29 : Seth Church : Is there any limitations for height, I guess on that without I guess you gotta go to steel because you're, you're dealing with fire engines and stuff for egress. What no. No, I mean, no issues for height. I mean that's a zoning question, but yeah, as far as my knowledge, there's no limitation. Go as high as you want.

10:49 : Seth Church : So, ok. It is a building code thing, right? Yeah and combustibles, but so they'll have to make sure it's like a steel structure because they're gonna be up more stories for sure pretty tall and heavy timber now. Okay. Yeah.

11:03 : Charles Bettisworth : Is there any any structural evaluation of the current facility or any facility condition survey?

11:11 : Andy Petroni : Just those older reports I believe we have engineering report from 2012 is the newest. I'm available on the site. Didn't show any major structural issues but. Again that would be through a due diligence process to confirm that what we were told that it's. Sound to support vertical construction is actually true or needs additional capital improvement.

11:37 : Charles Bettisworth : That building originally had a heating system in it. Is that still active, do you know? Okay.

11:43 : Andy Petroni : Present the yeah the steam heat from Aurora. Yeah.

11:48 : Charles Bettisworth : Or is it? It's connect.

11:49 : Andy Petroni : Did in large parts so there's like a mechanical rooms heated and it's still plumbed to heat the whole building, but that's been disconnected for some time and could be reconnected.

12:03 : Charles Bettisworth : At the university.

12:06 : Charles Bettisworth : One of the people, the facilities guy up there cameron Wilford would be appropriate to contact him.

12:16 : Andy Petroni : We could ask, I think he was present when we did our walkthrough over the summer and they provide all their records, but he could ask if he's available for questions through the university.

12:29 : Daniel Defino : Can we can reach out to the university to ask who their, who their preferred point of contact is. Any of you are up free to contact the university. It's just want to give them a heads up so they can manage that in case.

12:41 : Charles Bettisworth : To answer.

12:41 : Daniel Defino : Questions and they wanted to match the queue. But there's no prohibition on anyone talking to any of our products.

12:50 : Seth Church : CB there's there's a sprinkler system in there also and.

12:56 : Charles Bettisworth : From. So I assume it's all dry because that building is really not heated. I meaning system.

13:04 : Seth Church : Like hold it at thirty two degrees I don't know what it is.

13:07 : Charles Bettisworth : That is a lot more. Yeah, this was.

13:09 : Seth Church : But UAF, you know, Kyle Green along with Cameron, they they had to do a lot of work there at the end to secure it. So they might have some fresh knowledge.

13:31 : Daniel Delfino : For everyone's benefit, I believe Andy, correct me if i'm wrong, but due to some unwanted. Occupancy issues with the structure I believe all entrances but the first but the main door were welded shut. So it, it is a fairly closed off facility right now and that's why we, we have to schedule access because there's a front door that's conspicuously locked that we need to let you in through.

13:55 : Seth Church : And and and Andrew that or Daniel, that was all coordinated with the the fire Marshals office, so.

14:02 : Seth Church : Yeah. It's Kosher.

14:08 : Seth Church : So Andy so you're aware we've got Dave Long and Charles bet is worth on the phone. Dave Long is with Juli Isaac Charles bet is worth with betsworth North and we have our city building inspector here. Christophe yeah.

14:33 : Seth Church : Lay down space for a yard for construction. I don't think that No the roof is it. The the whole building takes up the whole property as I understand it. That's right on the back edge. Like right up to the building. Yeah, we would have to work out a deal with the current owner of the neighboring facility who I might happen to know.

14:53 : Seth Church : Well, what about the green building there? That's C. And then Josh, my brother has the fire station next to it. Yeah.

15:01 : Charles Bettisworth : Well, the other thing is, is the big parking lot across the street that does the have that.

15:07 : Seth Church : That's actually owned by, by Alaska commercial Properties manages it for the guy that you still own Cal Worthington Ford, it's the.

15:17 : Seth Church : That he owns the building next to it and that parking lot. I mean that's a great layout or Yeah, you wouldn't even have to take the whole and they do rent parking spaces, so that would be possible. Yeah. Yeah.

15:31 : Seth Church : Yeah, good point. Good point. We're looking at the building from my office right here.

15:37 : Andy Petroni : Yeah.

15:37 : Charles Bettisworth : Yeah window. Okay.

15:39 : Seth Church : Yeah.

15:41 : Seth Church : Seth is projecting his name already on the side of the building. Yes, we gotta.

15:46 : Seth Church : Yeah, anyway.

15:48 : Charles Bettisworth : We're gonna put a statue up.

15:51 : Seth Church : I think it called the betas worth North building.

15:55 : Charles Bettisworth : Oh, great.

15:59 : Charles Bettisworth : I actually have another question cause this came out of a bunch of meeting I had, will, is it gonna be multi use space.

16:09 : Charles Bettisworth : Andy.

16:11 : Andy Petroni : So multi use multi income.

16:14 : Andy Petroni : Or mixed use, mixed income, like I said the technical term for housing development, but, yeah, we're open to all ideas as long as they comply with the requirements that come with the funding sources.

16:28 : Seth Church : Andy, could you explain a little more after Charles may have had another another question, but a little more on the eight up to eight million inequity portion and how that happens, I know you you've talked before about that, but Dave wasn't on the call.

16:44 : Andy Petroni : Okay, so let me ask so.

16:46 : Charles Bettisworth : Real quick is we'll have to follow procurement rules, correct?

16:54 : Charles Bettisworth : Hudd.

16:54 : Andy Petroni : It Depends on a lot of those but low income housing tax credit 101 cliff notes. The short version. So. The one million or ten million in ten year credit authority is basically authority for a dollar for dollar. The credit is awarded to the developer who then turns and sells them on equities market right now those credits are getting about eighty cents on the dollar from tax credit investors. So that's where the eight million in equity comes from. So it's the the value of the tax credit on the current markets and that goes. For current round we saw between seventy five cents and eighty two cents. So it just depends. And the the because this the tax credit isn't actual like money from the government isn't grant funding, it's not subject to a lot of those grant regulations. So federal procurement Davis Bacon, Baba, the credit alone isn't subject to many of those regulations. The HOME money is. So if you, if you need that for a soft funding source, some of those requirements may come back in.

18:25 : Seth Church : So thank you for that explanation, Andy, any other questions.

18:31 : Seth Church : So this was just sort of the preliminary meeting and then you said the next one is March.

18:38 : Andy Petroni : Next deadline is our thirteenth for the registration.

18:44 : Andy Petroni : Just to.

18:45 : Seth Church : You've already registered your time to apply.

18:49 : Seth Church : Andy, we've already registered, correct? We're good.

18:53 : Andy Petroni : Yeah. There we have Seth's registration.

18:57 : Andy Petroni : And then the next actual deadline or the next date will be determined after the registration deadline, so we'll coordinate the applicant training and then we can schedule a walkthroughs, but those the training and then the actual application deadline are the only. Upcoming dates in April and then May 15th for the application deadline.

19:21 : Seth Church : And on that application deadline that you're not requiring thirty five percent drawings or concepts or anything like that or are you? I guess I need to read read through that a little better.

19:32 : Charles Bettisworth : Yeah.

19:34 : Daniel Delfino : So I can. Much like the engineering question, Andy and I couldn't tell you the difference between thirty four percent and thirty five percent drawings, and you wouldn't want to take our advice on how tall you could build a building. It's whatever, whatever sketches you are capable of putting together that you feel are an accurate representation of what you can build. Okay, so I

understand our friends in the building departments and inspection with fields and all these other things have different, different concepts but that's that's not our use. It's just enough of a picture to the review committee of perspective. On what you're gonna build.

20:13 : Seth Church : I in the same way we we rely on these experts and they tell us. So.

20:20 : Charles Bettisworth : Who's the review committee made up of.

20:25 : Andy Petroni : That's to be determined, but qualified reviewers.

20:31 : Seth Church : Five review select.

20:32 : Daniel Delfino : We generally don't, I don't want to say put a target, but we generally don't disclose who the review committee is until well after the the scores have been released and we're out of the process period. But it's yeah we can tell you it will not be Andy or I or anyone who is involved in the drafting of the request for proposal.

20:51 : Seth Church : Okay.

20:53 : Charles Bettisworth : And and and we can access this material on the AHFC website.

21:00 : Andy Petroni : Yes, it's best access through the links in the the notify the application notice. I think I it's in that email I sent to Seth. Notify him of the realm, but, and if you can't find it, and Seth has my email or whomevers I'll reach out to me directly I'll get you the link.

21:25 : Charles Bettisworth : I've got the meeting links, I don't see the link to the. Oh, there's some attachments here. Let me look at that. It's not happening.

21:41 : Seth Church : Getting done.

21:43 : Charles Bettisworth : Okay.

21:47 : Daniel Delfino : The person in the room, you're under no obligation to actually disclose who you are, but if you have any questions you'd like to come off the microphone, ask them, no, ok. We're not making this person up. Andy and I do not have an imaginary friend, there is a person in the room with us.

22:06 : Seth Church : This saw Daniel and then we saw Kyle that we didn't see anyone else. Okay, there's someone in the room. That's funny.

22:15 : Charles Bettisworth : And that's from Healthon.

22:17 : Dave : It's the Cisco AI guys.

22:26 : Seth Church : Well, any further questions? I mean, I mean, I've got some questions but they might be silly. That's fine. But, so. Who owns the, this building after it's developed? The developers will then be given the building or is HFC still gonna own the building or they're only gonna manage.

22:53 : Andy Petroni : Ownership will be transferred to the developer. So you'll own and operate.

23:02 : Seth Church : Yeah.

23:05 : Seth Church : And basically if we take this program, we're gonna be subject to section forty two or is that not for sure?

23:12 : Andy Petroni : So when it comes to the Thirty year use restriction. With the tax credits are complying with that program.

23:21 : Seth Church : There is section forty two has.

23:24 : Seth Church : Basically like raven, right? A weeksfield. Weeksfield. Yeah. Yeah.

23:30 : Daniel Delfino : Affordable units and if you do mixed use, it wouldn't apply to the commercial.

23:36 : Seth Church : Yeah, that's an excellent point. Was that Daniel? Yeah, excellent point.

23:40 : Charles Bettisworth : Hey.

23:43 : Seth Church : Can we show you a few images? We've already have of our thoughts, just joking.

23:49 : Charles Bettisworth : What was it?

23:57 : Seth Church : Well, I think that's all I have. That's all.

24:01 : Seth Church : Christophe has. Justin.

24:02 : Charles Bettisworth : Do you have your studio.

24:07 : Seth Church : Dave or CB, do you have anything more?

24:10 : Charles Bettisworth : No, I don't. I don't know what the.

24:13 : Dave : Oh, I'm good.

24:14 : Seth Church : Thank you guys so much. We really appreciate it, and I guess next up is gonna be next month or in April actually. Correct?

24:25 : Andy Petroni : We'll we'll reach out to all the the.

24:27 : Charles Bettisworth : Clustered.

24:27 : Andy Petroni : Against after the deadline, second half of March and. Get like the training and site visits all that on the calendar.

24:37 : Seth Church : Thank you.

24:39 : Andy Petroni : All right. Any other questions we can adjourn.

24:43 : Charles Bettisworth : Thank you.

24:45 : Andy Petroni : Everyone and appreciate the turnout.

24:48 : Charles Bettisworth : Thank you.

24:57 : Seth Church : What's the window.