

O p e n i n g D o o r s f o r A l a s k a n s



OUR MISSION

To provide Alaskans access to
safe, quality, affordable housing

Alaska Housing Finance Corporation (AHFC) is a self-supporting public corporation with offices in 16 communities statewide. AHFC provides statewide financing for multi-family complexes and single-family homes, with loan options for low- to moderate-income borrowers, veterans, teachers, nurses, public safety officers, and those living in rural areas of the state. AHFC also provides energy and weatherization programs, low-income rental assistance in 17 communities, and programs for the homeless and those seeking to become self-sufficient. Since 1986, AHFC has contributed close to \$2 billion to Alaska’s state budget revenues through cash transfers, capital projects and debt-service payments. As of the end of 2012, AHFC assets totaled \$4.073 billion.

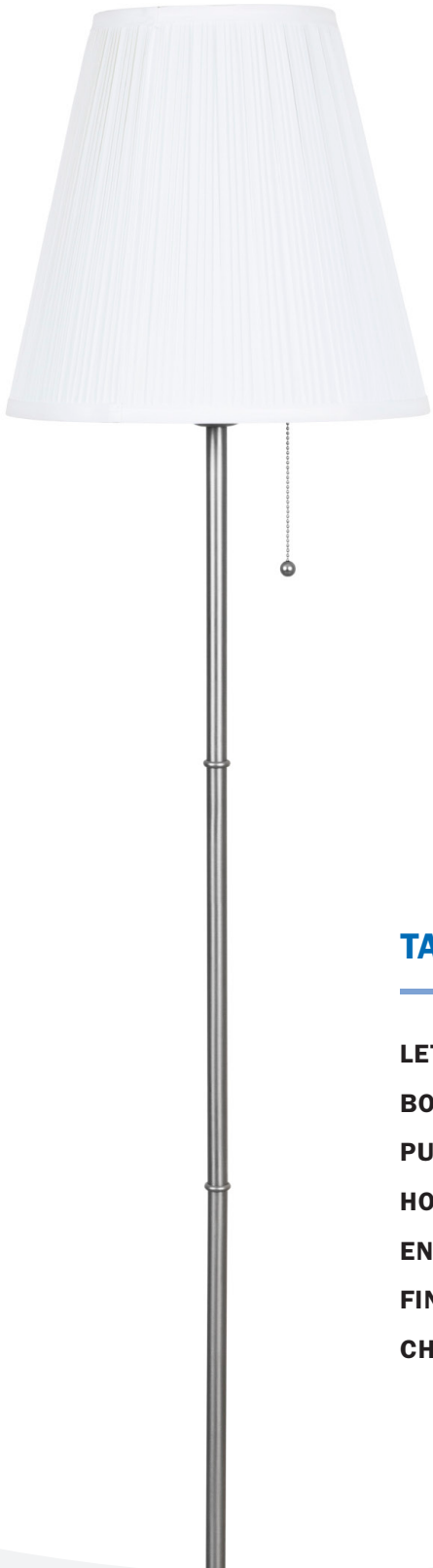


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The Honorable Sean Parnell
Governor, State of Alaska
Juneau, Alaska

Dear Governor Parnell:

For more than 40 years, Alaska Housing Finance Corporation (AHFC) has been opening doors for Alaskans, giving residents of the state access to safe, quality, affordable housing.

In FY 2012 AHFC financed \$416.2 million in mortgages for more than 1,800 Alaska families, including \$115.4 million in low interest market rate loans to first-time homebuyers, \$107.1 million under the Rural Loan Program and \$25.9 million through the Veterans Mortgage Program.

National market conditions and historically low mortgage interest rates continue to work against AHFC. For the third consecutive year, we are reporting a net loss. For FY 2012, the loss is \$30.5 million, up from \$12.9 million in FY 2011 and \$9.8 million in FY 2010.

AHFC's ability to generate sizable amounts of revenue is directly linked to our ability to issue bonds at low interest rates and earn a return on the home mortgages it purchases. With short-term treasury yields continuing near zero percent, AHFC's investment interest income has decreased from a high of nearly \$80 million in 2007 to \$6.8 million in FY 2012. Because Alaskans are taking advantage of extremely low rates for re-financing their homes, AHFC's loan portfolio has decreased by 8.5 percent to \$2.53 billion.

Rather than wait for a turnaround in the market, last year AHFC evaluated acceptable risk programs that have the potential to increase revenue in FY 2013 and beyond. AHFC remains among the strongest housing finance agencies in the country according to Standard & Poor's (S&P) Ratings Service, which continues to maintain its strong AA+ rating for AHFC.

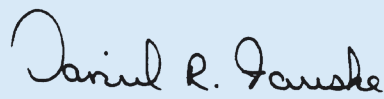
In FY 2012, AHFC's commitment to the State of Alaska manifested itself through a \$9.2 million contribution, bringing the cumulative contributions to the state since 1986 close to \$2.0 billion.

The impact of AHFC's activities on the Alaska economy continues to be strong, creating jobs and strengthening the economy. The Home Energy Rebate Program, funded by the state, has, since its inception in 2008 to June 30, 2012, generated 1,644 new jobs on its own, based on the Institute of Social and Economic Research (ISER) Input-Output model.

AHFC is proud to serve all Alaskans and their need for affordable housing. We value the support given to the corporation by the Alaska Legislature and look forward to working together to make Alaska an even better place to live.



Franklin C. Roppel
Chair



Daniel R. Fauske
CEO, Executive Director

ALASKA HOUSING FINANCE CORPORATION BOARD OF DIRECTORS & CEO

The AHFC Board of Directors comprises commissioners of the Departments of Revenue; Commerce, Community & Economic Development; and Health & Social Services. Four public members are appointed by the governor to serve two-year terms.



FRANK ROPPEL
Chair



CLAI PORTER JR.
Vice Chair, NCP Design/Build Ltd., President



BRENT LEVALLEY
Denali State Bank, Senior Vice President, Construction Loan Officer



MARTY SHURAVLOFF
Kodiak Island Housing Authority, Executive Director



BRYAN BUTCHER
Department of Revenue, Commissioner



BILL STREUR
Department of Health & Social Services, Commissioner



SUSAN BELL
Department of Commerce, Community & Economic Development, Commissioner



DAN FAUSKE
Alaska Housing Finance Corporation, CEO, Executive Director



Marialice and her son, John, visit at Sunset View Apartments in Cordova.

PUBLIC HOUSING

Cooking Keeps Things Warm in Cordova

There are few things as pleasant as the smell of a pie coming out of the oven or the aroma of simmering stew on the stove. To many of us, it is what makes where we live feel like home. For Marialice McClean and her son, John, cooking and eating is a connection they have shared for more than 75 years. The two live in separate one-bedroom flats in Sunset View Apartments in Cordova that are managed by AHFC.

Growing up, John watched his mom run the kitchen for his family. Today, at 82 years old, he does the cooking for the evening meal, and it makes his mother, who is a few months shy of 102 years young, smile. “John was always a good cook, right at my side in the kitchen early on. My other son wasn’t interested and my daughter was a terrible cook,” Marialice says.

“Mom taught me to love food,” John says as he chuckles and looks at his waist, “and as you can see, it is an affair that has lasted.” He says his mom makes a great leg of lamb and wonderful Chinese food, especially chop suey. “She does it all and does it well,” he says.

“They are a big part of our family here,” says Anica Estes, AHFC’s asset supervisor for the property, as another resident pops in to take a “fun size” Snickers bar from her candy jar. She continues, “It gives me a sense of pride that after John moved here, he felt it would be a good place for his mom.”

Anica, with the help of AHFC maintenance person Martin Faulkner, manages the day-to-day needs of the 22-unit property that is low-income housing for seniors and Alaskans with disabilities. “The AHFC facilities here have provided stability and have grounded our community,” says Anica. “People who want to stay in Cordova now have more of an opportunity.”

For people like John and Marialice, Sunset View and Cordova are now simply home. The two go out to lunch together every day. The Cordova Medical Center has a nice restaurant with discounted meals for senior citizens. Marialice reminisces about riding horses in California and Wyoming or the beauty shops she ran in Alaska, and John listens, smiles and finds ways to coax more memories from her.

John moved to Sunset View about three years ago, and liked it so much, he decided to go get his mom and have her live with him in Cordova. “New Mexico was too hot for her, she was lonely and I missed her,

plus this place feels like family to me. So I packed up and went and got her.” Marialice was a little surprised when John came to bring her to Cordova, but she was ready to be close to family. “He gave me a big bear hug and said, ‘Mom, come on, we are going home.’”

A home where AHFC is part of the family.

Lottery Aims to Improve Housing Choice Voucher Program

During FY 2012, AHFC began work to revamp the Housing Choice Voucher Program and to transition from a points-based preference system to a lottery system similar to those used in the Lower 48.

Before 1998, housing agencies across the country were mandated by the federal government to use a points-based system when providing housing assistance. When the requirement was dropped, Alaska maintained

the preference system. The system offered points for 11 different categories, ranging from preferences for veterans to those displaced from housing because of domestic violence. It proved through the years to be very complex, too expensive to administer and above all, a system that created false expectations for applicants.

AHFC’s Public Housing Division administers more than 4,300 Housing Choice Vouchers and operates in 13 locations across Alaska. Voucher recipients enter the private housing market and rent a unit; families pay 30 percent of their adjusted income in rent and AHFC subsidizes the balance with federal funding.

By switching to a lottery system, AHFC is hoping to not only give applicants on the waiting list a much better idea of when housing will be available but to also lower administrative costs. The new system went into effect July 1, 2012.

AHFC Public Housing Division No. 1 in the Nation

The Center on Budget and Policy Priorities gave top honors in the nation to AHFC’s Public Housing Division, which distributed 99 percent of the HUD subsidized voucher funds to low-income families in 13 communities statewide during 2010.

The 74-year-old program that is part of the original 1937 U.S. Housing Act and is the only one in Alaska, issues about 4,300 Housing Choice Vouchers that directly funnel \$2.5 million a month into 13 local economies: Anchorage, Juneau, Fairbanks, Ketchikan, Homer, Petersburg, Wrangell, Valdez, Kodiak, Sitka, Barrow, and the Kenai-Soldotna and Matanuska-Susitna Valley areas. The \$30 million HUD-funded Alaska program helps low-income residents pay for a portion of their monthly rent.



New Subsidiary Clears Way for More Affordable Housing



To develop and expand affordable housing, AHFC formed a new subsidiary —Alaska Corporation for Affordable Housing (ACAH). The primary purpose of this subsidiary is to allow AHFC to take advantage of a variety of financing options. Creation of the subsidiary corporation enables AHFC to access federal funding, such as bond financing and the non-competitive Low-Income Housing Tax Credit program that are not currently being fully utilized.

In May 2011, Gov. Parnell signed into law House Bill 119 that includes language allowing AHFC the ability to acquire, develop, manage and operate affordable housing.

Public housing authorities nationwide are successfully involved in developing affordable housing through subsidiary entities such as ACAH. San Roberto, a redevelopment of an existing public housing site in east Anchorage, could be the first to take advantage of the new subsidiary corporation.



Support for Homeless

During 2012, AHFC continued its efforts to address homelessness in Alaska. An annual appropriation of \$6.35 million in state funding helped AHFC to leverage another \$5.9 million in federal funds to target assistance for the homeless. Through a statewide network of non-profit partners, including Catholic Social Services and The Salvation Army, AHFC provided rental assistance and homeless prevention services to more than 15,000 people in 5,600 households.

Much Needed Help for Veterans

To address homelessness among veterans, AHFC partnered with the Alaska VA Healthcare System (AVAHS) to administer Veterans Affairs Supportive Housing (VASH) vouchers. Through this effort AHFC offered assistance to 195 veterans and their families.

Rural Housing a Priority

The housing needs of Alaska are as vast as its geographic reach. AHFC continues to support development of new rental units, and it funded 195 new units of housing for low-income families, seniors, people with disabilities and priority professions in rural Alaska through the Greater Opportunities for



Akiak's new VPSO housing

Affordable Living (GOAL) program and the Teacher, Health Professional and Village Public Safety Officer (VPSO) program. Funded through the VPSO program, Akiak, population 346, held an open house on January 3, 2012, to celebrate its new VPSO house in negative 30-degree weather.

Access Crucial for Seniors



AHFC CEO and executive director Dan Fauske visits seniors and other residents at AHFC's Chugach Manor.

Sometimes homeownership is only a down payment away for families. In 2012, AHFC assisted 60 families make the move from renting to homeownership by offering assistance through the federal HOME program. For seniors, the dream of homeownership takes on new meaning as they strive to live longer in their own home. Through the Senior Access program, AHFC helped 60 elderly households with accessibility modifications. The Senior Access program provides ramps, wider doorways, bathroom and kitchen modifications, and other renovations that seniors might need to continue to live independently.

Fresh Start for Former Prisoners

Participation in the state's Prisoner Re-Entry Task Force led AHFC to team with the Department of Corrections (DOC) in developing a Tenant-Based Rental Assistance



Public Housing Programs

HOME TBRA
In Partnership with the Department of Corrections

Rental assistance gets you to a better place



(TBRA) program for newly released prisoners. By year-end, the program was well on its way to serving 70 people. The program is a partnership between the AHFC departments of Planning and Public Housing and



Ribbon-cutting ceremony of new energy-efficient office at Bethel Heights in Bethel



Construction of four-plex on E. Ninth Ave. in Anchorage



the DOC. The TBRA program has been so successful that planning efforts are underway to expand to other populations.

Family Self Sufficiency Expands

The Family Self Sufficiency (FSS) program aims to improve the lives of its participants by offering educational classes, counseling and other services and resources. Participants set specific goals to achieve in a five-year period, and progress is monitored and rewarded. In FY 2012, 18 participants graduated from the FSS program. A total of 201 participants were enrolled as of June 30, 2012. Renewal grant funding made it possible to expand the FSS program to Juneau and Southeast.

Other Highlights

- Received greater flexibility in the use of MTW block grant funds, Attachment D to the Moving to Work (MTW) Agreement.
- Provided funding equivalent to 35 project-based vouchers to the “Housing First” development, Karluk Manor, in Anchorage. Karluk Manor serves chronically homeless individuals with disabilities or substance abuse issues.

- Successfully expended 100 percent of the Department of Energy/American Recovery and Reinvestment Act funding available to AHFC Public Housing by the March 2012 deadline.
- Began construction of a new four-plex at 1248 E. Ninth Ave. in Anchorage.
- Replaced an old, energy-inefficient and inadequate maintenance facility with a new efficient office/shop at Bethel Heights in Bethel.
- Provided 60 units of project-based voucher assistance at Loussac Place in Anchorage as part of the redevelopment of the former public housing complex, Loussac Manor.
- Public Housing and multi-family properties now accept payment with check or money order, instead of cash, to protect the safety of all employees.
- Six housing clients received \$2,500 scholarships each to various universities and secondary schools throughout the state.
- Families from public housing or assisted by Housing Choice Vouchers received scholarships for 109 children to participate for the second year of Youth Summer Camp.
- AHFC purchased two office buildings, AHFC’s headquarters at 4300 Boniface Pkwy. and the Anchorage Family Investment Center (AFIC) building

at 440 Benson Blvd., both in Anchorage. Gateway Learning Center, offering training to improve the lives of those living in public housing, has relocated to the new AFIC building.

- AHFC’s main data storage and data protection systems were replaced, resulting in an increase in processing power and storage capacity. The new system allows for future growth and faster server response.
- Yardi, a property management software system for multi-family, affordable and senior housing, was deployed for the Public Housing Division. Among the benefits of Yardi are acceptance of online housing applications and quicker payment to landlords.

A New Place Called Home

The last week of June 2012 was a big day at Loussac Place in Anchorage.

After almost four years of planning and construction, the first tenants moved into a brand new, mixed-income development with 120 units.

Faailoa and Tui Taliauli and their six children were among the first lucky tenants.

“We used to live in a complex that consisted of four different apartments. We had to share a stairway with another family and a walkway with three other families. We did not have a garage, but instead parked one car under a carport and another in visitor parking.”

With young, active children the Taliauli family wanted a place to call their own. The family originally moved to Anchorage from Hawaii to see what Alaska had to offer in terms of employment, better education and financial stability. When they looked for a home with rental assistance for low-income families, the Taliaulis came across an ad for Loussac Place and decided to apply. It fit every requirement the family wanted and more.

“We chose to live at Loussac Place because it was being offered by two well-known associations—Alaska Housing Finance Corporation and Cook Inlet Housing Authority. Besides being new, Loussac Place offered rental assistance for low-income families, but the best part is, the homes are designed to have a sense of community.”

That sense of community has been Faailoa’s favorite part of living at Loussac Place. “Loussac Place has a program called Camp Fire that they offer for the children,” she says. “My children go to Camp Fire after school. The program offers a safe and fun learning environment for our kids. And, it’s being offered right at Loussac, not at another location. Loussac Place has really made it possible for us to have a place that feels much more like a home of our own.”

Dear AHFC,
Thank you for giving
me the Scholarship
to Campfire Kids Camp
at APU! I had lots
of fun and I learned
Archery, canoeing,
Kayaking and lots more!
I will always remember
this Summer!
Thank you very much!

Sincerely,
Ainsley



HOMEOWNERSHIP

Living the Dream in Homer

When Jared Baker signed up for AHFC's HomeChoice™ class, he didn't realize he'd be in for a big surprise.

“I walked in with my nose up a little. I felt like I was really informed about the home-buying process, but it turns out that I wasn't.”

Jared, an office and accounting manager, originally hails from Michigan but moved to Homer in 2006 to attend Alaska Bible Institute. Homer quickly became home so he made the big decision to put down some more permanent roots. Jared purchased a piece of land with the intent of building a home for his new wife, Becky, a Licensed Practical Nurse (LPN). When a friend mentioned the AHFC HomeChoice™ class and the \$250 Commitment Fee Credit he could earn, Jared felt that it might be worth his time to attend.

“When I walked into the room with a bunch of strangers, I was worried that I would be bored and would just be waiting for the evening to end. But my instructor, Maude, was so open, clear and descriptive that she drew me right in and I was excited to ask questions and learn more.”

Jared learned about buying a home but was also informed about AHFC as an organization and its relationship with homeowners: “They have very few foreclosures because they go to great lengths to make sure the houses stay with their owners. I felt like I could trust AHFC and that they wouldn't just take my money.”



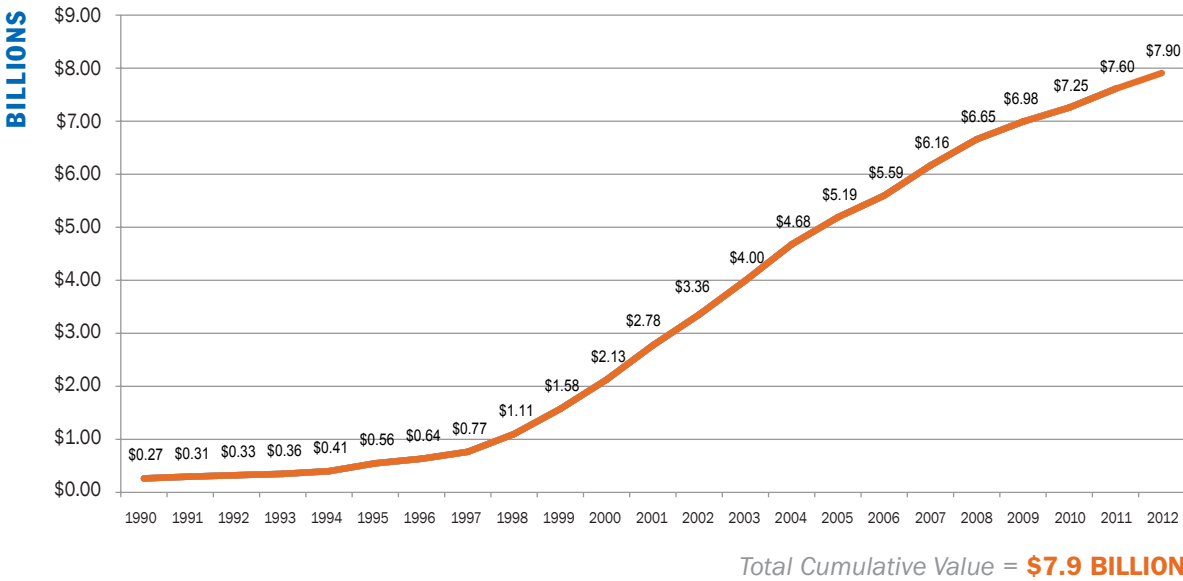
Jared Baker and his wife, Becky, enjoy the view from their new, AHFC-backed home in Homer.

That feeling of trust, combined with the interest rate reductions and low monthly mortgage payments, was what convinced Jared to opt for a first-time homebuyer loan through AHFC. He worked with his bank, and not only was the process much faster than he thought imaginable, he never went through it blindly, especially now that he and Maude are Facebook friends.

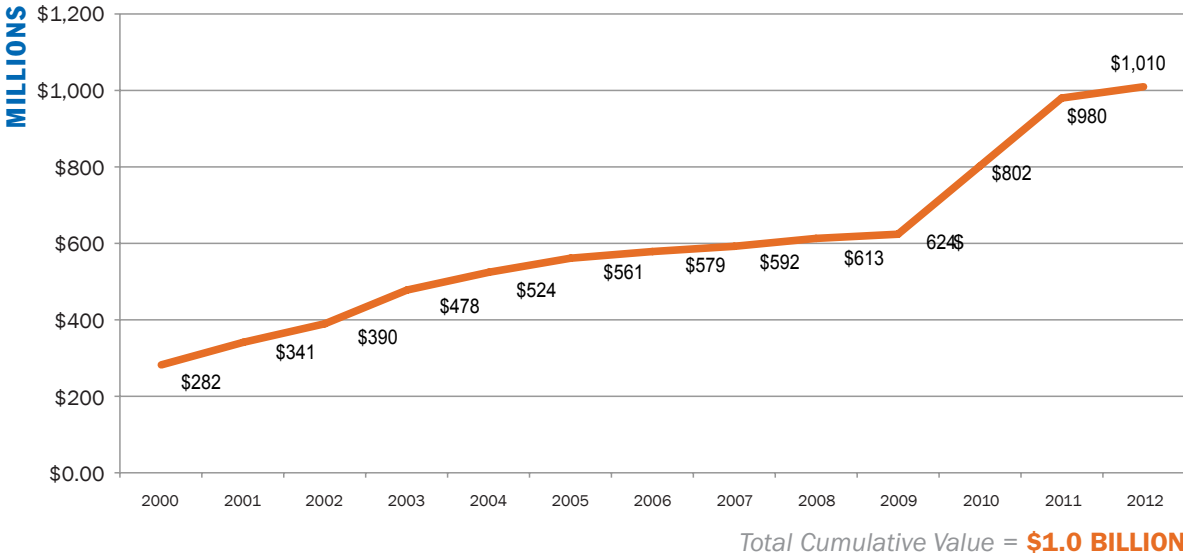
Today Jared says he and his wife are “living the dream” in their two-story house with its vaulted ceilings and large windows that overlook Kachemak Bay.

“We never lay awake at night worried about how things will turn out. I wouldn't be as excited about our home if it wasn't for AHFC. They educated me enough to where I felt confident in my decision to own my first home,” says Jared, who together with Becky, joined 722 other Alaskans in becoming first-time homebuyers with AHFC in FY 2012.

AHFC SFR* Loan Volume Cumulative



AHFC MF** Loan Volume Cumulative



*Activity from all AHFC single-family loan programs. Does not include Streamline Refinances.

** Activity from all AHFC multi-family loan programs.



Busy School Year for HomeChoice™

AHFC conducted 174 HomeChoice™ classes in 28 communities throughout Alaska in FY 2012. HomeChoice™ staff issued 1,693 certificates of completion to Alaskans who left the free class with a \$250 credit toward closing costs with an AHFC loan product.

HomeChoice™ is an eight-hour class that covers all aspects of homeownership and prepares Alaskans for the often intimidating and sometimes overwhelming home-buying process. AHFC also conducted HomeChoice™ Home Study classes in 22 communities to better meet the needs of students, and 56 certificates were issued.

Additionally, seven “More Than a Mortgage Loan” classes, two in Fairbanks and one in both Anchorage and Barrow, were taught. Certificates were issued to 104 Alaskans.

HomeChoice™ instructor Maude Morse was joined by two new hires, Michelle Graves and Maria Celli.

Jen and Matt Drive People to HomeChoice™

In March 2012, AHFC introduced Jen and Matt to Alaska as part of its mortgage marketing campaign. This fictional couple embodied the characteristics of young Alaskans—they were fun, active and had

recently purchased their first home with the guidance of AHFC’s free HomeChoice™ class.



Jen and Matt recently bought their first home in Anchorage after attending AHFC’s HomeChoice™ class.

The characters were created by advertising agency Northwest Strategies to educate the public about the benefits of engaging with AHFC during the home-buying process. The campaign’s principal goal was to expand the roster of HomeChoice™ attendees with the objective that increased participation would not only help to educate Alaska homebuyers, but also provide a way for AHFC to talk about the benefits of AHFC-backed loans.

Throughout the year, Jen and Matt hosted a barbeque, picked a pet, watched football, enjoyed the Olympic games, and even attended an ugly sweater Christmas party. They were featured on television, radio, Facebook, and online digital display ads. The result was a 70 percent increase in HomeChoice™ sign ups year-over-year.

Other Highlights, Single- and Multi-Family Programs

- Contributed more than \$9.49 million in fees to Alaska lenders.
- Maintained a low level of foreclosure activity with 91 loans, or 0.5 percent of the portfolio foreclosed.
- Automated interest rate lock-in, commitment and purchasing/funding confirmation processes, allowing for easier access and more user-friendliness.
- Placed loan program guidelines in AllRegs, a central location where all investor guides reside for ease-of use and access by lenders.
- Consolidated second mortgage programs and provided a streamlined evaluation process for loans up to \$100,000.
- Changed guidelines to increase the maximum amount of an escrow for completion from \$30,000 to \$50,000, offering more flexibility to Alaskans seeking to renovate their homes.
- Reduced approval fees and the pre-sale requirement,

from 70 percent to 50 percent of units in a condominium project, to make more units available throughout Alaska for AHFC financing.

- Reduced the interest rate on tax-exempt and Veterans Mortgage Program (VMP) refinances by a quarter of a percent in July 2011.
- Improved streamline refinancing by waiving the commitment fee by one-eighth to three-eighths of a percent depending on loan amount and length of commitment.
- Adopted new regulations and created guidelines for the Nonconforming Housing Program, allowing AHFC to purchase loans (including condominiums) without a PUR 101 and 102.
- Established a hotline, (907) 330-8400 or 888-854-3884 (outside Anchorage), to offer better service for lender and real estate professionals.
- Purchased/originated 53 multi-family loans in nine communities totaling \$43.9 million (569 units).
- Introduced balloon payment options for lender-originated loans, offering lower interest rates to investors.





Tom McCoy stands before his recently weatherized home in Selawik.

ENERGY

Weatherization Improves Lives

The 30-year-old Weatherization Program has benefitted thousands of low- to moderate-income families with up to 100 percent of the median income across the state. The free program offers up to \$30,000 in energy efficiency improvements and applies to owner-occupied homes, condos, rentals and mobile homes.

A Warmer Winter in Selawik

Every year many Alaskans are forced to choose between heating their homes and buying groceries. Tom McCoy was making that choice every year.

“We used about a drum-and-a-half of fuel oil last year. That’s 53 gallons,” Tom said.

Last year, a drum of oil in Selawik cost \$367.29. That means to heat his home for just one winter, McCoy spent \$550.94. But, all that money and fuel still wasn’t cutting it.

“It was 50-below last year for about a month straight. We had cold spots on the walls and ceilings. The walls would frost up on the inside of the house.”

When his mother-in-law urged him to sign up for AHFC’s Weatherization Program, he figured any little

bit could help. The program was created to help retrofit homes in a manner more consistent with Alaska’s extreme climate and in turn, reduce energy costs. The outcomes range from tuning up boilers and furnaces to completely reinsulating homes and replacing heating units. The work on Tom’s house included adding insulation to the walls and installing two heating stoves into the house.

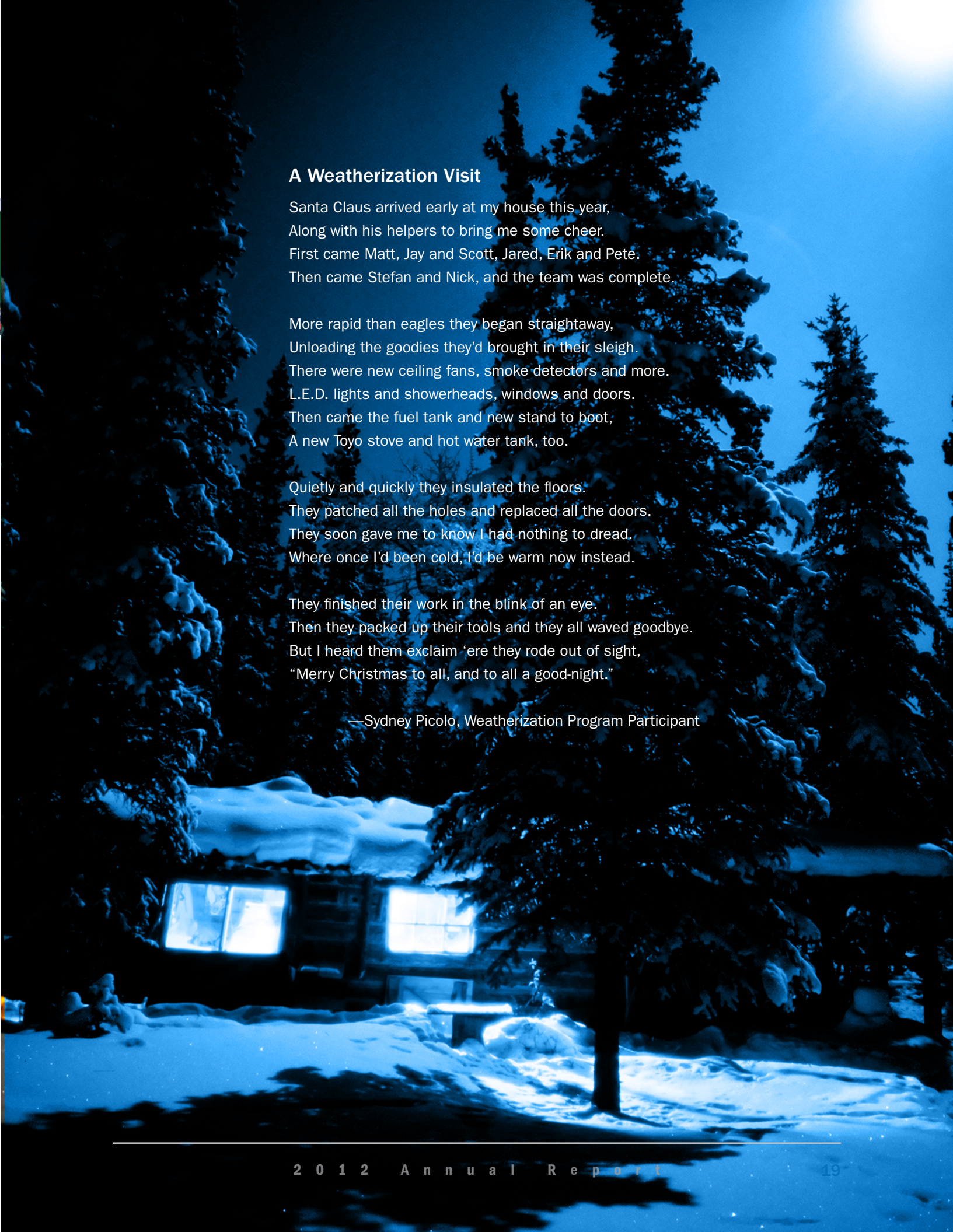
“I’m so glad we decided to sign up. The work, done by RurAL CAP, was extensive and I think it’s going to be really warm this year. We are really happy with all the work.”

Alaska winters are cold, but AHFC is working hard to make each home just a little bit warmer.

Weatherization Statistics

- Legislative appropriation received from State of Alaska in spring 2012: \$30 million
- Appropriation received from U.S. Department of Energy: \$1.5 million
- Total dollars expended since 2008: \$179.6 million
- Households/homes completed since 2008: 7,820
- Projected total households/homes completed by March 31, 2013: 10,500

A comprehensive program outcomes report by the Cold Climate Housing Research Center (CCHRC) can be found at: http://www.ahfc.us/iceimages/energy/wx_assistance_prog_outcomes.pdf



A Weatherization Visit

Santa Claus arrived early at my house this year,
Along with his helpers to bring me some cheer.
First came Matt, Jay and Scott, Jared, Erik and Pete.
Then came Stefan and Nick, and the team was complete.

More rapid than eagles they began straightaway,
Unloading the goodies they’d brought in their sleigh.
There were new ceiling fans, smoke detectors and more.
L.E.D. lights and showerheads, windows and doors.
Then came the fuel tank and new stand to boot,
A new Toyo stove and hot water tank, too.

Quietly and quickly they insulated the floors.
They patched all the holes and replaced all the doors.
They soon gave me to know I had nothing to dread.
Where once I’d been cold, I’d be warm now instead.

They finished their work in the blink of an eye.
Then they packed up their tools and they all waved goodbye.
But I heard them exclaim ‘ere they rode out of sight,
“Merry Christmas to all, and to all a good-night.”

—Sydney Picolo, Weatherization Program Participant



Home Energy Rebate Program:
A Success Story

The Home Energy Rebate Program helps Alaska homeowners lower the costs of heating their homes. It provides homeowners with reimbursements up to \$10,000 for specific energy efficiency improvements.

The popularity of the Home Energy Rebate during the last several years has resulted in significant energy savings, approximately 30 percent, for those participating. This year, AHFC contracted with the Cold Climate Housing Research Center (CCHRC) to produce a program-specific report that details successes, including program participation and completion, family income, average rebate paid, change in energy consumption, home improvements, job creation and more. Appendices provide a breakdown of the program impact by house district. The report was published in March and can be viewed at: http://www.ahfc.us/iceimages/energy/herp_outcomes_062612.pdf

AHFC commissioned another study about the program that was more like a “program snapshot.” It was completed in May by the Institute of Social and Economic Research (ISER) in partnership with CCHRC. The report is available at: http://www.iser.uaa.alaska.edu/Publications/2012_05_16-HERP.pdf

	Running Total in Dollars	Running Total of Rebates
2008		
September	309,914.15	49
December	1,481,443.87	241

2009		
March	3,240,364.40	539
June	5,489,643.92	906
September	9,797,139.57	1,605
December	17,547,836.57	2,851

2010		
March	29,024,209.27	4,659
June	42,973,261.90	6,885
September	55,703,186.63	8,898
December	68,254,588.20	10,865

2011		
March	81,531,391.86	12,888
June	92,784,678.98	14,604

2012		
March	104,554,995.00	16,386
June	106,592,633.00	16,701

Home Energy Rebate Statistics

- Legislative appropriation received from State of Alaska in spring 2012: \$20 million
- Total dollars received from Legislature as of FY 2012: \$217.5 million
- Total rebates paid as of FY 2012: 16,701
- Total as-is energy ratings paid: 30,168
- Average rebate: \$6,382
- Total spent including administrative costs: \$137,216,529.11 (includes 5 Star Plus)
- Households on waitlists:
 - Anchorage: 277
 - Fairbanks: 79
 - Juneau: 22
 - Statewide: 712

5 Star Plus Homes

The 5 Star Plus New Home Rebate is part of the Home Energy Rebate Program. It offers \$7,500 if a newly built home meets 5 Star Plus criteria. To qualify for the rebate, the home must be owner-occupied and must be the primary residence of the owner.

5 Star Plus Home Statistics

- Rebates paid as of June 30, 2012: 1,550
- Total rebate dollars paid: \$11,625,000

Strong Demand for ENERGY STAR Appliances

The Appliance Rebate Program came to a close during this fiscal year. The American Recovery and Rehabilitation Act (ARRA)-funded project was awarded \$658,000 and provided rebates to Alaskans with disabilities and seniors older than 60 years old. Rebate amounts ranged from \$300 to \$1,000 depending on appliances purchased and applicant location. A total of \$643,011.36 was provided in rebates that amounted to 1,356 new ENERGY STAR appliances.

“The new ENERGY STAR appliances have served us well and saved us money on our electrical use. It’s nice to not hear the freezer and refrigerator running all the time.”

— Sandy Lanning, Fairbanks, AK

“The program really helped Alaskans buy ENERGY STAR appliances. Without it, they probably would not have bought the more efficient appliances. I envision them going home and getting their first electric bill and saying – ‘Wow, I’m so glad we did this!’”

— Kathy Sloan, employee with Dan’s TV & Appliance, Kenai, AK

Energy Education Draws Nearly 3,000 Alaskans

Energy education served 2,947 homeowners/ consumers, general contractors, weatherization assessors and crews, energy raters, real estate professionals and appraisers. AHFC produced, thanks to a number of capable contractors, a generous field of curricula targeted specifically to audience needs.

Energy Efficiency for the Classroom

Using ARRA funds, AHFC worked with the Alaska Center for Energy and Power (ACEP) to develop an energy efficiency curriculum for Alaska’s K-12 students, called AKEnergySmart. For the overall project, ACEP was tasked with developing the curriculum, marketing it

and training teachers to implement it in classrooms. Lessons are designed so teachers at all grade levels can choose individual lessons to introduce into their classrooms, or they can utilize the entire set of lessons developed appropriately for students' ages. Teachers received the curriculum during summer 2012 with the intent of delivering the content during the 2012/13 school year.

Energy Data for 23 Percent of Housing Stock Captured

AHFC's energy consumption tracking database, Alaska Retrofit Information System (ARIS), now contains information about more than 65,000 home energy usage records and data from about 1,200 public facility buildings. Of the 307,000 houses in the state, according to 2010 census, that's almost 23 percent of total housing stock. This information is used to track the impact of AHFC's Home Energy Rebate, Weatherization and energy efficiency loan programs, among many others.



Energy Improvements in Public Buildings

AHFC has finalized a two-year project that audited 327 public use facilities across the state including schools, municipal- and state-owned buildings. The audits were all completed using AHFC's AkWarm Commerical, an energy modeling software specifically designed for mapping larger and more complex buildings. These buildings, as well as others owned by such entities, are eligible for AHFC's \$250 million revolving loan fund established by the Legislature to fund energy efficiency improvements in public facilities.

Supplemental Housing Grants Fund 304 New Units

- In FY 2012, the Supplemental Housing Development Grant (SHDG) program received \$11.341 million from the Legislature, and 13 grants were awarded to 11 regional housing authorities. The grants were awarded for new construction of 304 units (114 single-family homes, 190 multi-family units) and rehab work on 74 units (48 single-family and 26 multi-family) to provide safer, decent and affordable housing for residents in rural and urban Alaska.
- \$9,665,444 total grant funds leveraged \$48,327,220 in federal funds (Native American Housing Assistance and Self-Determination Act and related HUD funds) and were distributed for development in the following categories:
 - \$7,160,655 for energy efficiency design features
 - \$1,203,770 for onsite water and sewer systems
 - \$1,047,459 for access roads to development project sites
 - \$253,560 for electrical distribution to houses in project sites
- Housing authorities have increased local hire on rural housing construction projects to nearly 95 percent through ongoing training and apprenticeship programs in skilled crafts.

FINANCIALS

2012 FINANCIAL HIGHLIGHTS

AHFC issued \$229.1 million of long-term debt during FY 2012 to continue its ongoing lending programs. As of June 30, \$2.41 billion of long-term debt was outstanding, net of associated discounts and premiums. The table below presents the long-term debt issued by the Corporation in FY 2012.

BOND ISSUE TITLE & AMOUNT	RATINGS: S&P MOODY'S FITCH	DATE ISSUED	PROGRAM PURPOSE	TAX STATUS
\$128,750,000 Mortgage Revenue Bonds, 2009 Series A-2	AAA Aaa AAA	November 22, 2011	Single-Family	Tax-Exempt
\$28,945,000 Mortgage Revenue Bonds, 2011 Series A	AAA Aaa AAA	November 22, 2011	Refunding	Taxable
\$56,890,000 Mortgage Revenue Bonds, 2011 Series B-1	AAA Aaa AAA	November 22, 2011	Refunding	Tax-Exempt
\$14,470,000 Mortgage Revenue Bonds, 2011 Series B-2	AAA Aaa AAA	November 22, 2011	Refunding	Tax-Exempt

AHFC is among the strongest housing finance agencies in the country according to Standard & Poor's (S&P) Ratings Service, an independent provider of credit ratings and a leader in providing financial market intelligence and investment research. AHFC's general obligation credit continued to maintain its strong AA+ rating through FY 2012.



AHFC's newly purchased building is now home to the Anchorage Family Investment Center (AFIC).

AHFC Scores Yet Another Top Bond Ranking

AHFC continues to be in good standing with the financial market. At the end of 2011, the rating agencies Fitch, Moody's and Standard & Poor's once again confirmed AHFC's AAA rating, the highest possible, for bonds issued and converted under its Mortgage Revenue Bond (MRB) program. The top rating reflects the quality of the mortgage loans pledged to bonds and additional security provided by a dedicated debt-service reserve and special reserve funds. Such bonds are also supported by AHFC's general obligation pledge.

For investors in and outside Alaska, the rating shows that AHFC has a strong ability to meet its MRB-related financial obligations and possesses little risk of

defaulting on bonds issued under its MRB indenture. For would-be Alaska homeowners, these ratings result in lower borrowing costs and allow AHFC to offer more affordable mortgages.

AHFC Reports Reduced Operating Income in FY 2012

AHFC posted an operating loss of \$30.5 million for FY 2012, compared to \$12.9 million in FY 2011. As of June 30, 2012, AHFC assets exceeded its liabilities by \$1.55 billion. During FY 2012, the corporation's mortgage loan portfolio decreased 8.5 percent to \$2.53 billion, while investments decreased 9.6 percent to \$1.23 billion. Long-term debt decreased 11.5 percent to \$2.41 billion.



AHFC presents checks to Access Alaska and Children's Meal Mission from funds raised by the Mulligan Masters Charity Golf Tournament.

CHARITY

Mulligan Masters Raises \$100,000

AHFC raised more than \$15,000 at the 2012 Mulligan Masters Charity Golf Tournament held on June 21 at Eagleleglen Golf Course. Proceeds were gifted to two statewide charities—Access Alaska and Children's Meal Mission. Both organizations provide critical services throughout the state. Access Alaska promotes independence for Alaska seniors and individuals with disabilities, and Children's Meal Mission provides meals for hungry youth.

The event was planned and managed by a team of AHFC employees and numerous volunteers. The major sponsors of the tournament were Alaska USA Commercial Lending, GK Baum, Raymond James/Morgan Keegan, and Northwest Strategies.

Funds raised brought AHFC's total tournament contributions to statewide charities to more than \$100,000 since 2005.





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