ALASKA HOUSING FINANCE CORPORATION
BOARD OF DIRECTORS

BOARD OF DIRECTORS REGULAR MEETING

January 29, 2025 | 10:00 a.m.

Anchorage/Juneau/Fairbanks

The Board of Directors of Alaska Housing Finance Corporation (AHFC) met January 29, 2025, in the AHFC Board Room, 4300 Boniface Parkway in Anchorage, Alaska, at 10:00 a.m. Board members present in the room and via teleconference were:

BRENT LEVALLEY (telephonic)	Chair **Member of the Board**
JESS HALL	Vice Chairman **Member of the Board**
ALLEN HIPPLER	**Member of the Board**
DAVID PRUHS	**Member of the Board**
FADIL LIMANI (telephonic)	Designee for Commissioner Department of Revenue **Member of the Board**
HEIDI HEDBERG (telephonic)	Commissioner Department of Health **Member of the Board**
SANDRA MOLLER (telephonic)	Designee for Commissioner Department of Commerce, Community & Economic Development **Member of the Board**

I. **ROLL CALL:** CHAIR LEVALLEY called the meeting to order. A quorum was declared present, and the meeting was duly and properly convened for the transaction of business.

II. **APPROVAL OF AGENDA:** CHAIR LEVALLEY asked if there were any changes to the agenda. There were none. JESS HALL moved to approve the agenda as presented. DAVID PRUHS seconded. Hearing no objections, the agenda was approved as presented.

III. **APPROVAL OF NOVEMBER 20, 2024, MEETING MINUTES:** CHAIR LEVALLEY asked for a motion to approve the minutes. JESS HALL moved to approve the November 20, 2024 meeting minutes as presented. DAVID PRUHS seconded. Hearing no objections, the meeting minutes were approved as presented.

IV. **PUBLIC COMMENTS:** There were no public comments.

V. **OLD BUSINESS:** There was no old business to come before the board.

VI. **NEW BUSINESS:**

A. **Consideration of a Resolution Authorizing the Final Adoption of Proposed Amendments to 15 AAC 151.020 Loan Terms (Special Mortgage Loan Program). (2025-01)**

B. **Consideration of a Resolution Authorizing the Final Adoption of Proposed Amendments to 15 AAC 151.650 REO Financing Program. (2025-02)**

C. **Consideration of a Resolution Authorizing the Final Adoption of Proposed Amendments to 15 AAC 151.660 Condominium Stabilization Program. (2025-03)** Bryan Butcher introduced agenda items A, B, C and Stephanie Eddy, Underwriting Manager, presented since they all pertained to the mortgage department and mortgage programs. Ms. Eddy stated the public hearing held on November 21, 2024 focused on amending Articles 1 and 7, which govern the special mortgage loan and REO financing programs. The proposed change removes the 95% loan-to-value cap, aligning with Alaska statutes, and sets the new cap at 97%. Public feedback included support from lending partners, as the change will help homebuyers with down payments. Staff recommends board approval for the regulation changes, with ongoing monitoring of the loan option. Mr. Butcher added that the changes were driven by a need for greater competitiveness with Fannie Mae and Freddie Mac in Alaska. A governor's bill, introduced and signed into law last summer, addressed these issues to improve opportunities for Alaskans. Seeing and hearing for further questions, CHAIR LEVALLEY asked for a motion to approve resolution 25-01.25-02, and 25-03.

Resolution 25-01 JESS HALL moved to approve Item A, the Resolution Authorizing the Final Adoption of Proposed Amendments to 15 AAC 151.020 Loan Terms (Special Mortgage Loan Program). DAVID PRUHS seconded. Roll call vote was taken. Motion passed (6-0)

Resolution 2025-02 JESS HALL moved to approve Item B, the Resolution Authorizing the Final Adoption of Proposed Amendments to 15 AAC 151.650 REO Financing Program. DAVID PRUHS seconded. Roll call vote was taken. Motion passed (6-0)

Resolution 2025-03 JESS HALL moved to approve Item C, the Resolution Authorizing the Final Adoption of Proposed Amendments to 15 AAC 151.660

Condominium Stabilization Program. DAVID PRUHS seconded. Roll call vote was taken. Motion passed (6-0)

D. **Consideration of a Resolution Approving the Transfer of Funds to the Alaska Corporation for Affordable Housing in Accordance with the FY2024 Moving to Work Annual Plan. (2025-04)** Bryan Butcher introduced the item and Cathy Stone, Public Housing Director, presented on the transfer of funds to the Alaska Corporation for Affordable Housing (ACAH), in accordance with the FY24 Moving to Work annual plan. Ms. Stone explained the Moving to Work agreement with HUD provides broader fund use authority, enabling the creation of a sponsor-based rental assistance program and a development partnership with ACAH. Established in 2011, ACAH focuses on affordable housing development, management, and operation. Ms. Stone stated this resolution requests a transfer of $8 million from AHFC Moving to Work reserves to ACAH for the development of 20 affordable housing units in Valdez, Alaska. Staff recommends board approval of the resolution. After questions from board members and a discussion, CHAIR LEVALLEY asked for a motion and second. JESS HALL moved to approve Resolution 2025-04 to transfer funds to ACAH in accordance with the FY2024 Moving to Work Annual Plan. DAVID PRUHS seconded. Roll call vote was taken. Motion passed (7-0)

E. **Consideration of a Resolution Approving an Extension to the Public Housing Department Moving to Work Agreement. (2025-05)** Bryan Butcher introduced the item and Cathy Stone presented. Ms. Stone explained that this resolution requests approval to extend the Moving to Work agreement with HUD, which allows flexibility to design programs for Alaskan housing needs. Notable programs include STEP, Classic, Jumpstart, and the Landlord Appreciation Program. The Alaska Corporation for Affordable Housing has created 266 new units. HUD has authorized an extension through 2038, and staff recommends board approval. JESS HALL moved to approve. DAVID PRUHS seconded. Roll call vote was taken. Motion passed (7-0)

VII. **REPORT OF THE CHAIR:** CHAIR LEVALLEY requested Mr. Butcher to schedule a work session for the board to better understand Green Bank issues and discuss board governance topics, including fiduciary responsibilities, investments, and RFPs, as covered in a document shared last fall. The goal is to find a date that allows all board members to attend in person for a more effective session.

VIII. **BOARD COMMITTEE REPORTS:** There were no board committee reports to come before the board.

IX. **REPORT OF THE EXECUTIVE DIRECTOR:** Bryan Butcher shared that a recent memo from the federal Office of Management and Budget (OMB) caused uncertainty regarding the pausing of federal programs and grants, including housing-related programs. A judge issued a temporary stay, and just before the board meeting, the OMB memo was rescinded. While the pause appears resolved for now, the challenge remains in determining which programs might be affected in the future. He stated federal funds are critical to the corporation, comprising two-thirds of the operating budget and funding about 50% of staff salaries. The legislature has begun its session, with budget discussions underway. It's anticipated to be a lean year with fewer program additions. The board had previously approved the formation of a Building Code Advisory Council, which held its first meeting in December 2024 and will meet again in March. Mr. Butcher is also involved with Housing Alaskans, a public-private partnership focused on unmet housing needs, and recently rejoined the Foraker Group's board to collaborate with nonprofits. A meeting is planned with Eklutna, Inc. regarding housing development in Eagle River. Additionally, annual rating agency meetings with Moody's, S&P, and Fitch are scheduled for next week in New York City. The next board meeting is set for February 26, 2025.

X. **ANY OTHER MATTERS TO COME BEFORE THE BOARD:**

1. Monthly Reports. Directors of Finance and Mortgage Departments presented their monthly reports for discussion and review by board members.

2. Meeting Schedules.
AHFC Board Meeting Wednesday, February 26, 2025

XI. **EXECUTIVE SESSION.** There was no need for an executive session.

XII. **ADJOURNMENT.** With no other matters to come before the board, CHAIR LEVALLEY asked for a motion to adjourn the meeting. DAVID PRUHS moved to adjourn the meeting. JESS HALL seconded.

Chair LeValley adjourned the meeting at 10:45 a.m.

ATTESTED:

Brent LeValley
Board Chair

Bryan Butcher
CEO/Executive Director