

**ALASKA HOUSING FINANCE CORPORATION
BOARD OF DIRECTORS
REGULAR MEETING**

June 25, 2025

Anchorage

10:00 a.m.

- I. ROLL CALL
- II. APPROVAL OF AGENDA
- III. MINUTES: May 28, 2025
 - Next Resolution: #25-11
- IV. PUBLIC COMMENTS
- V. OLD BUSINESS: None
- VI. NEW BUSINESS:
 - A. Consideration of a Resolution to Approve the GOAL Program Rating and Award Criteria, Also Known as the Qualified Allocation Plan, For Use with the Greater Opportunities for Affordable Living (GOAL) Program. (2025-11)
 - B. Consideration of a Resolution Approving the FY2025 Vacated Tenant Accounts Receivables and Write Offs. (2025-12)
 - C. Consideration of a Resolution for Review and Approval of the FY2026 Operating Budget for the Low-Rent Asset Management. (2025-13)
- VII. REPORT OF THE CHAIR
- VIII. BOARD COMMITTEE REPORTS: None
- IX. REPORT OF THE EXECUTIVE DIRECTOR
- X. ANY OTHER MATTERS TO PROPERLY COME BEFORE THE BOARD: Monthly Reports and Meeting Schedules
- XI. EXECUTIVE SESSION: Corporation's operational and personnel matters that may have an impact on the Corporation's financial matters. Board action related to this matter, if any, will take place in the public session following the Executive Session.

**The Chair may announce changes in the Order of Business during the meeting



ALASKA HOUSING FINANCE CORPORATION BOARD OF DIRECTORS REGULAR MEETING MINUTES

May 28, 2025

Anchorage/Juneau/Fairbanks

10:00 a.m.

The Board of Directors of Alaska Housing Finance Corporation (AHFC) met May 28, 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	Chair Member of the Board
ALLEN HIPPLER	Member of the Board
HEIDI HEDBERG (telephonic)	Commissioner Department of Health Member of the Board
JULIE SANDE (telephonic)	Commissioner Department of Commerce, Community & Economic Development Member of the Board
PAM LEARY (telephonic)	Designee for Commissioner Department of Revenue 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. ALLEN HIPPLER **moved** to approve the agenda as presented. PAM LEARY **seconded**. Hearing no objections, the agenda was **approved as presented**.
- III. **APPROVAL OF MARCH 26, 2025 MEETING MINUTES:** CHAIR LEVALLEY asked for a motion to approve the minutes. ALLEN HIPPLER **moved** to approve the March 26, 2025 meeting minutes as presented. PAM LEARY **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 Approving the FY2026 Moving to Work Annual Plan and Capital Fund Program. (2025-09) – Bryan Butcher introduced the agenda item and Policy and Program Manager with the Public Housing Department Carrie Collins presented. Ms. Collins stated this plan introduces two new activities. First, AHFC seeks approval to absorb families from the Emergency Housing Voucher Program into its Housing Choice Voucher Program, ensuring continued housing support after HUD's funding obligation ended in March. Second, AHFC plans to partner with the Municipality of Anchorage to create a new voucher program for individuals experiencing chronic homelessness, supported by municipal funding and offering approximately 40 vouchers. After questions from board members and discussion, CHAIR LEVALLEY asked for a motion and second. ALLEN HIPPLER **moved** to approve Resolution 2025-09 for the FY2026 Moving to Work Annual Plan and Capital Fund Program. PAM LEARY **seconded**. Roll call vote was taken. **Motion passed (5-0).**

B. Consideration of a Resolution Authorizing the Issuance and Sale of a Not to Exceed \$7,600,000 Revenue Bond, 2025 (Ketchikan Permanent Supportive Housing Project); Authorizing a Loan Agreement; and Authorizing and Approving Related Matters. (2025-10) Bryan Butcher introduced the agenda item and Chief Financial Officer (CFO) Mike Strand stated this proposal seeks approval to issue up to \$7.6 million in Revenue Bond 2025 for the Ketchikan PSH project, a 28-unit low-income rental housing development. The project utilizes 4% low-income housing tax credits, which require 50% of costs to be funded through tax-exempt bonds—this issuance satisfies that condition. Mr. Strand explained the bond will be privately placed with Northrim Bank, the construction lender, which will fund a loan to AHFC, which will in turn lend to the project's developer, Ketchikan PSH 1LP (a partnership of CIHA, KIC, and R4 Capital). A regulatory agreement will ensure the project maintains tax-exempt status, and the borrower will be solely responsible for bond repayment. AHFC's role is administrative only, with no financial risk. CHAIR LEVALLEY asked for a motion and second. ALLEN HIPPLER **moved** to approve Resolution 2025-10 authorizing the issuance and sale of the Ketchikan PSH Project. COMMISSIONER HEDBERG **seconded**. Roll call vote was taken. **Motion passed (5-0).**

VII. REPORT OF THE CHAIR: CHAIR LEVALLEY stated he will give his report under the Audit Committee report.

VIII. BOARD COMMITTEE REPORTS: CHAIR LEVALLEY stated the Audit Committee met earlier today and approved several audit reports.

IX. REPORT OF THE EXECUTIVE DIRECTOR: Bryan Butcher shared the Alaska Legislature approved AHFC's operating and capital budgets, with a small reduction in funding to the operations of the Alaska Sustainable Energy Corporation (ASEC). AHFC is collaborating with the University of Alaska and other agencies to unlock land for housing and expects project progress by late 2025. Meetings with Anchorage's mayor focused on homelessness and downtown development. AHFC promoted investment opportunities at national events and presented a housing overview to the House Finance Committee. Retiring employee Lenore Wells was recognized for 13 years of service. The

next board meeting on June 25 will include ASEC's annual meeting and a workshop on both ASEC initiatives and board governance.

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.

ASEC Annual Board Meeting
AHFC Regular Board Meeting

Wednesday, June 25, 2025
Wednesday, June 25, 2025

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

XII. ADJOURNMENT. With no further business to discuss, CHAIR LEVALLEY asked for a motion to adjourn. ALLEN HIPPLER **moved** to adjourn the meeting. COMMISSIONER HEDBERG **seconded**.

CHAIR LEVALLEY adjourned the meeting at 10:45 a.m.

ATTESTED:

Brent LeValley
Board Chair

Bryan Butcher
CEO/Executive Director

ALASKA HOUSING FINANCE CORPORATION BOARD CONSIDERATION MEMORANDUM

Date: June 25, 2025

Staff: Daniel Delfino, Andy Petroni

Item: A Resolution Approving the GOAL Program Rating and Award Criteria

Background:

As an allocating agency under the Low Income Housing Tax Credit Program (LIHTC), AHFC is required to have a plan that outlines the process it will use to prioritize, evaluate and award applications for the LIHTC. On a periodic basis, this allocation plan (GOAL Program Rating and Award Criteria, or the "Plan") is reviewed to insure its consistency with planning documents and changes to the affordable housing market.

Since 1995, AHFC has also used this plan to allocate two other sources of funding: the HUD HOME Investment Partnerships Program and the Senior Citizens Housing Development Fund. Beginning in SFY 2017, the National Housing Trust Fund (NHTF) was added to the GOAL Program.

Basis for the Proposed Changes:

The proposed changes to the GOAL Program Rating and Award Criteria have been collectively developed in response to Public Comments received since implementation of the current Criteria in June of 2022, the observations of staff regarding the current criteria's clarity, efforts to standardize underwriting procedures, and AHFC's ongoing effort to incentivize cost-effective developments.

Summary of Recommended Changes:

The Rating and Award Criteria contain the same eight categories, are still evaluated according to a predominately objective standard, and total 231 possible points.

A change summary file is attached as a reference to this memo, and specific changes have been highlighted in the draft Rating and Award Criteria.

Public Notice and Public Comments:

The Public Comment periods ran from March 5, 2025 through April 7, 2025, May 1, 2025 through May 14, 2025, and June 2, 2025 through June 11, 2025. Public notice of the comment process was carried statewide in the major newspapers. Public hearings were held on March 20, 2025, May 21, 2025, June 10, 2025. E-mail notices of the comment periods and public hearings were sent out on March 5, 2025, May 1, 2025, and June 2, 2025 through AHFC's Public Notice listserv. Six (6) entities commented on the proposed changes to these criteria.

The transcript from the Public Hearings and the Public Comment and Response files are attached to this memo.



Recommendation:

Staff feels the proposed Rating and Award Criteria will benefit program performance and facilitate cost-efficient development practices across the State. Staff recommends adopting the rating and award criteria, version June 25, 2025, as attached to this memo.

Attachments:

- FY2026 QAP Change Summary
- FY2026 Public Comments and Responses
- Public Hearing Transcripts
- Proposed FY2026 GOAL Program Rating and Award Criteria

BOARD RESOLUTION OF ALASKA HOUSING FINANCE CORPORATION RESOLUTION 2025-11

RESOLUTION TO APPROVE THE GOAL PROGRAM RATING AND AWARD CRITERIA, ALSO KNOWN AS THE QUALIFIED ALLOCATION PLAN, FOR THE USE WITH THE GREATER OPPORTUNITIES FOR AFFORDABLE LIVING (GOAL) PROGRAM.

WHEREAS, the rating criteria for establishing relative project rankings is used under AHFC's GOAL Program; and

WHEREAS, the GOAL Program consists of development funding from four primary sources, including the Low Income Housing Tax Credit Program, HOME Investment Partnerships Program, the National Housing Trust Fund, and Senior Citizen's Housing Development Fund Program; and

WHEREAS, the GOAL Program provides funding for housing development which creates employment and job training opportunities throughout Alaska; and

WHEREAS, the proposed changes to the Rating and Award Criteria Plan are in response to public comments and staff evaluation of historical allocation information; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Alaska Housing Finance Corporation that: Pursuant to the foregoing findings, the Board of Directors hereby formally adopts the revised rating criteria for the GOAL Program Rating and Award Criteria Plan version dated June 25, 2025, as presented to the Board on this 25th day of June, 2025.

PASSED AND APPROVED by the Board of Alaska Housing Finance Corporation this 25th day of June, 2025.

Brent LeValley – Board Chair



Proposed GOAL Program Rating and Award Criteria – Change Summary

Definitions

Clarifying language and grammar corrections. No substantial changes

Set-Asides

Clarifying language. No substantial changes

Threshold Requirements

- 10. Change SREO requirement to projects completed in the last 10 years from 15 years.
- 14. Remove the requirement for locking medicine cabinets.
- 17. Update regulatory reference.

Pre-Application Review Process

Add - Penalty Point assessment details and revisions to process.

Edit – Project Team and Sponsor Capacity. Applicants must show that someone on the development and management teams have successfully built and managed multi-family housing with GOAL or similar resources.

Application Rating and Ranking Criteria

2. Project Characteristics

a. Energy Efficiency

* – Update cost area reference

iv – Change incentive for renovation proposals to be based on cost-effectiveness.

vi - Add provision allowing rehabilitation project to improve the energy efficiency of the existing building.

d. Rehabilitation Project

i – clarify

Add – “The following points in ii – iv are available only to rehabilitation projects meeting the minimum rehabilitation cost requirements in paragraph 7 of the Project Cost and Funding Limitations section below.”

iii – Change vacancy threshold from 10% or higher vacancy to a higher vacancy rate than the statewide average.

g. Project Based Rental Assistance

Clarifying Language added

3. Project Characteristics

- g. [Change] “Fair Market Rent” to “current AHFC Payment Standard” and other clarifying language.

4. Market Conditions

- a. Clarifying language

5. Underwriting

- a. ii. Expand types of projects eligible for hard debt offset points.
- c. [add] “land restrictions” and “or other rental subsidy sources” to categories eligible for offset points.

7. Project Team Characteristics

- a. [Change] Describe penalty point assessment and revise the correction process.

Project Cost and Funding Limitations

5. HOME Rental Development Funds

[Clarify] add language to clarify a requirement.

8. Limitations on National Housing Trust Fund awards

[Clarify] edited for clarity

9. Utility Allowance Restrictions

Update regulatory reference

[add] AHFC’s Public Housing utility schedule if available

[add] If these three methods are not available in a community, a project may use the consumption model to establish a utility schedule for a GOAL application and the first year’s operations. Multifamily Housing Utility Analysis is to be used thereafter.

Compliance Monitoring Plan for LIHTC Projects

- C. Add clarifying language, add xi. Violence Against Women Act, and xii. Application commitments
- D. Correct internal references
- F. Update the monitoring review procedures.
- G. Reduce 1st year tenant file review requirement. Update document requirement descriptions to match those to be submitted through IAD’s online system.

- H. Remove redundant language, Update UPCS to NSPIRE
- L. Extend health and safety correction deadline, update language
- M. Update language
- N. Changes to clarify and simplify requirements.

GOAL QAP 2025 Changes: Comments and Responses

Updated June 16, 2025

First Comment Period March 5 – April 7, 2025

1.) Current language does not include clean hydropower as an alternative energy source. Electricity generated through hydropower in Southeast and likely in Kodiak and other communities is clean, does not put any carbon in the atmosphere, is local, and does not in any way expose our communities to relying on energy sources from hostile nations. Having photovoltaic energy qualify for these points and not hydro generated energy unfairly discriminates against communities which have plentiful precipitation but little sun. Please include clean hydro power as an allowable energy source to qualify for alternative energy points.

The Cost Effective Renewable Energy scoring item incentivizes any form of renewable energy produced on site. Utility level energy production is not considered under this category.

2.) Having ground source heat pumps count towards alternative energy points but not air to air heat pumps. This scoring matrix puts smaller projects in an unfairly disadvantaged position. Air to air heat pumps provide clean energy, do not release carbon into the air, and are more economical to install. It is often not feasible to use ground source heat pumps on smaller grant funded projects, like most projects outside of road system communities, simply because the expense is disproportionate to the cost of the rest of the project. Air to air heat pumps should be allowed under energy points.

Heat pumps whether they are ground or air source are not sources of renewable energy. Heat pumps use electrical energy to transfer heat through the compression and expansion of a refrigerant. Heat pumps may be used under the Cost Effective Energy Efficiency scoring category to improve a building's energy efficiency.

3.) There are too many advantage points currently given to rehab projects vs. new construction. In many off road system communities, there is nothing to rehab and awarding so many points to rehab projects penalizes these communities. Additionally, here in Juneau, we have been noticing that the cost of rehab on many buildings is not sufficiently cheaper than new construction to make it worth it. Please consider making rehab points lessor perhaps consider eliminating these points all together.

Staff disagrees. Rehab projects often have a disadvantage under the scoring criteria because it would be too expensive to change the building's design characteristics in the pursuit of points. The Rehabilitation Project scoring criteria attempts to offset this disadvantage in areas where rehab projects are most needed. Language has been added to ensure these points are only available to projects rehabilitating existing buildings.

4.) Project Characteristics

We request that AHFC create a new scoring criteria that would award points to projects sponsored by a Tribal government, Tribally Designated Housing Entity ("TDHE"), or Tribal corporation under ANCSA for the purpose of serving Tribal members. Many of the scoring commitments provided by AHFC are in contradiction to the structure of Tribal tax credit transactions. We request that AHFC



recognize the unique complexities Tribal projects face and award specific points to those types of projects. We ask that there be a requirement under this new scoring category, if adopted, that the project is both Tribally sponsored and intended to serve Tribal members. However, we request that the category is site neutral. Meaning, we ask that AHFC recognize Tribal projects across trust land, fee land, and ANCSA held properties.

Staff requests more information and/or data to learn more about the “unique complexities Tribal projects face” to better understand this request.

5.) Extended Low-Income Project Use

In general, several scoring categories seem artificially low. Offering one (1) point for extended use seems like an incredibly low incentive for a commitment that preserves affordability for an additional 30 years. We request that committing to an extended use period earn a greater number of points. Tax credit developers are using a highly competitive and valuable resource. We believe that resources should be valued more, and those commitments made to earn that resource should stay in place as long as possible.

Staff disagrees. In the harsh environments of Alaska, properties tend to need significant repairs before the end of an extended use period. This is an opportunity for re-syndication or private investment.

6.) Preference in Occupancy for Homeless Families

We also believe that this is a category that has artificially low scoring. Housing homeless families is a primary goal of affordable housing. The scoring for this category should reflect the importance of meeting that goal. We hope AHFC will consider increasing the points in this category.

Providing affordable housing is the primary objective of the GOAL Program. Affordable housing operating budgets are tight. Homeless households often require additional services to stabilize. It is not the intent of the GOAL Program to over-incentivize developers to provide services their operating budgets cannot support.

7.) Market Conditions

This scoring category currently makes up almost 20% of the total points. Yet the requirements to receive points in this category are greatly outside of a developer’s control and disproportionately hurt Tribal projects. A private developer can seek project sites that score well in a specific market area and maximize scoring in this category. A Tribe simply cannot do that. A Tribe has a specific service area and land base. They do not have the capability to seek out fee land outside of that area to pick up market conditions points. Therefore, as a static developer, they are at a unique disadvantage under this category. We request that the number of points under this category be significantly reduced or that Tribal projects be given these points in full.

These scoring criteria are to help direct housing resources to where the need is greatest. The objective of the GOAL program is to build and preserve housing where it is needed, regardless of who sponsors the development.

8.) Underwriting – Hard Debt

Like Market Conditions, this scoring category has a large number of points and is problematic for Tribal projects. Tribal projects across the country are typically structured in the same way and are financed with only two sources: 1) A soft debt, cash-flow-only loan from LHDME, and 2) Investor equity from the sale of the tax credits. This scoring category pushes projects towards taking on real debt. The traditional soft debt structure allows Tribal entities to keep rents affordable for low-income Tribal members, which is the entire goal of Tribal developers. We request that the hard debt test be removed as a scoring consideration.

The GOAL Program is structured under the Gap Funding model. Projects are incentivized to fund the project through hard and soft debt as much as possible before requesting public funding. This allows the program to fund more projects and serve more families across the state.

9.) Underwriting – Net GOAL Funds

This category provides a preference for projects that underutilize the leveraging capability of LIHTC funding. While the intent here may be to spread more credits to more projects, it once again disproportionately hurts Tribal projects. Tribes tend to charge significantly less than tax credit market rent as housing is seen as a right and service and not intended to grow the wealth of the developer. A Tribe's goal with LIHTC is to leverage its limited funding as much as possible. A Tribe will likely never be able to support a 45% funding commitment in order to earn the full 10 points. In reality, a Tribe will almost always score 0 points in order to leverage their commitment. In other states, a 10% commitment of leveraged funds (see the New Mexico Mortgage Finance Authority) would earn full points. Here, a project is 20% away from earning just two (2) points. We request that this scoring category be reduced as a percentage requirement and reduced in overall points available.

AHFC's QAP offers a maximum of 24 point if 15% of the total development costs are supported by hard debt, 6% if the project is in a small community.

10.) We would also like to see an increase in the amount of credits a project can request. While we understand the number of credits AHFC receives annually is low and the intent is to spread units across more projects, Tribes are once again disproportionately hurt. The cost of construction in rural Alaska is astonishing. The current limitations for tax credits either make a project completely infeasible or require a Tribe to limit their project to fewer units.

AHFC limits LIHTC request to 1/3 the available credit advertised in the NOFA. This allows a modest minimum goal of 3 LIHTC projects per year statewide.

11.) Underwriting – Income Commitments

We request that AHFC refrain from requiring Tribal developers to alter their income commitments following the pre-application process. Travois is aware of two developments with Tribal sponsors that both were required to eliminate their 60% AMI units in favor of 50% AMI max incomes. This practice is not in line with any other state allocating agency that Travois is aware of. We believe that AHFC should establish its preferred scoring category for income commitments and allow developers to compete for points in the same way that they do with all other categories that are within the developer's control.

The GOAL Program tries to not publicly fund projects that would compete with the private rental market. Income targeting levels are reduced only when a unit size's 50% AMI LIHTC rent limits exceeds the Fair Market Rent.

12.) Property Management Experience

Since AHFC has requested input on the Property Management Experience requirements, Travois requests that the category be revised to recognize all affordable housing management, more than just LIHTC or HOME units. Tribes have decades of low-income property management experience through other federally funded housing programs. A majority of the projects developed by Tribes were done so under either the 1937 Housing Act or the Native American Housing Assistance and Self-Determination Act ("NAHASDA"). The rules and regulations governing both NAHASDA and the 1937 Housing Act, as they are applied to Indian Housing Authorities, are similar to the compliance rules governing Section 42. For example, every family occupying housing developed and managed by the Tribe must have its income certified prior to occupancy and annually thereafter. We ask that AHFC recognize Tribes' long-standing experience with managing affordable housing under other regulations similar to, and every bit as complex, as the LIHTC program and award points for managing low-income projects beyond specifically LIHTC.

Staff agrees. A wider range of property management experience will be considered when determining a development and management team's capacity to complete and operate their proposal.

13.) Project Team Characteristics

Travois would like to request that Tribes and TDHE be added as recognized tax-exempt organizations under the Project Team Characteristics category. The IRS regards the status of Tribes and Tribal entities under the Indian Tribal Governmental Tax Status Act, codified as Section 7871 of the Internal Revenue Code. Because of this, Tribes and Tribal entities are equivalent to non-profit corporations or institutions.

This scoring criteria requires only that a "tax-exempt organization or regional housing authority" is substantially involved in the project. If a TDHE is equivalent to a non-profit organization, they may be eligible for the point.

14.) Last year we were taken back by the high vacancy rate estimated by the State of Alaska for Ketchikan. The Novogradac market study for our Saxman Townhomes application was a lot more in line with what we believe the true vacancy rates were. Our Tongass Townhomes are leasing up within 30 days of completion. We have actual experience finding housing for our construction staff and the market is extremely tight for year round rentals. So tight we are hanging on to the two units we have under lease for our new project because housing is so hard to come by. There are units available for the winter months but it is because many of these units are short term rentals in the summer and not available for long term tenants. My understanding is the State sends out form letters to owners with no requirement for the identification of the properties or the name of the owners that are responding where Novogradac conducts interviews with the actual managers of the apartment projects which we believe is more accurate.

We would like to request that if there is a such an extreme difference between the State of Alaska estimates and the market studies for future applications AHFC would use the rates in the market studies.

The GOAL program must have a consistent method of determining vacancy rates across the state to fairly assess points. Novogradac market studies use a different methodology than the State's annual Rental Market Survey when calculating vacancy rates. It is understandable that each method would produce a different rate. Staff continues to study communities where the Rental Market Survey shows a vacancy rate inconsistent with the local experience.

15.) Project Characteristics

We request that AHFC create a new scoring criterion that awards points to projects sponsored by a Tribal government, Tribally Designated Housing Entity ("TDHE"), or Tribal corporation under ANCSA for the purpose of serving Tribal members. Many of the scoring commitments provided by AHFC are in contradiction to the structure of Tribal tax credit transactions. We request that AHFC recognize the unique complexities Tribal projects face and award specific points to those types of projects. We ask that there be a requirement under this new scoring category, if adopted, that the project is both Tribally sponsored and intended to serve Tribal members. We also ask that AHFC recognize Tribal projects across trust land, fee land, and ANCSA held properties.

See Response to comment # 4

16.) Extended Low-Income Project Use

In the current QAP, only one (1) point is awarded for an extended use commitment that preserves affordability for an additional 30 years. We request that committing to an extended use period earn a greater number of points. Given the number of resources that are committed to these projects, we request that this category earn more points so that the units can stay in place as long as possible.

See Response to comment # 5

17.) Preference in Occupancy for Homeless Families

In the current QAP, only one (1) point is awarded for this category. Housing for homeless families is a primary goal of affordable housing. The scoring for this category should reflect the importance of meeting that goal. We hope AHFC will consider increasing the points in this category. As we know homelessness definitions vary and include the current housing conditions for individuals and families. Here in Mountain Village we have a significant number of families and individuals, young and old, who although they may have roofs over their heads, it is not their own roof and they are, by definition, homeless.

See Response to comment #6

18.) Market Conditions

This scoring category currently makes up almost 20% of the total points. Yet the requirements to receive points in this category are greatly outside of a developer's control and disproportionately hurt Tribal projects. A private developer can seek project sites that score well in a specific market area and maximize scoring in this category. A Tribe simply cannot do that. We have a specific service area and land base. Therefore, we are at a unique disadvantage under this category. We request that the number of points under this category be significantly reduced or that Tribal projects be given these points in full.

See Response to comment #7

19.) Underwriting – Hard Debt

Like Market Conditions, this scoring category has a large number of points and is problematic for Tribal projects. Our projects are typically financed with only two sources: 1) A soft debt, cash-flow-only loan from the Tribe, and 2) Investor equity from the sale of the tax credits. This scoring category pushes projects towards taking on real debt. The traditional soft debt structure allows our Tribe to keep rents affordable for low-income Tribal members, which is our goal as a housing developer. We request that the hard debt test be removed as a scoring consideration.

See Response to comment #8

20.) Underwriting – Net GOAL Funds

This category provides a preference for projects that underutilize the leveraging capability of LIHTC funding and disproportionately hurts Tribal projects. Our Tribe's goal with LIHTC is to leverage its limited funding as much as possible. That strategy makes it almost impossible for us, and other Tribes, to score points in this category. We request that this scoring category be reduced as a percentage requirement and reduced in overall points available.

See Response to comment #9

21.) We would also like to see an increase in the amounts of credits a project can request. While we understand the number of credits AHFC receives annually is low and the intent is to spread units across more projects, Tribes are once again disproportionately hurt. The current limitations for tax credits either make a project completely infeasible or require us to limit our projects to fewer units.

See Response to comment #10

22.) Underwriting – Income Commitments

We request that AHFC refrain from requiring Tribal developers to alter their income commitments following the pre-application process. Because we are serving our Tribal members, we have existing waiting lists and projects are developed to meet the families on those lists. When AHFC requires us to change our AMI commitments, we are forced to change who we serve, which can alter the project significantly. We believe that AHFC should establish its preferred scoring category for income commitments and allow developers to compete for points in the same way that they do with all other categories that are within the developer's control.

See Response to comment #11

22.) Property Management Experience

Since AHFC has requested input on the Property Management Experience requirements, we request that the category be revised to recognize all affordable housing management, more than just LIHTC or HOME units. Tribes have decades of low-income property management experience through other federally funded housing programs. A majority of the projects developed by Tribes were done so under either the 1937 Housing Act or the Native American Housing Assistance and Self-Determination Act (“NAHASDA”). The rules and regulations governing both NAHASDA and the 1937 Housing Act, as they are applied to Indian Housing Authorities, are similar to the compliance rules governing Section 42. For example, every family occupying housing developed and managed by the Tribe must have its income certified prior to occupancy and annually thereafter. We ask that AHFC recognize Tribes’ long-standing experience with managing affordable housing under other regulations similar to, and every bit as complex, as the LIHTC program and award points for managing low-income projects beyond specifically LIHTC.

See Response to comment #12

23.) Project Team Characteristics

We would like to request that Tribes and TDHE be added as recognized tax-exempt organizations under the Project Team Characteristics category. The IRS regards the status of Tribes and Tribal entities under the Indian Tribal Governmental Tax Status Act, codified as Section 7871 of the Internal Revenue Code. Because of this, Tribes and Tribal entities are equivalent to non-profit corporations or institutions.

See Response to comment #13

24.) Cost Effective Energy Efficiency Improvements. The QAP incentivizes projects that incorporate energy efficiency into their design. Application rating criteria 2.a.vi. provides 6 points for projects that include energy improvements which take the property beyond a 5 Star Plus BEES rating and result in a minimum savings of \$40 per unit, per year.

This requirement makes sense in the context of new construction. However, for rehabilitation projects which were built over 15 years ago or older, it is not practically feasible, if not impossible, to achieve this standard. Projects constructed at that time met the 1995 BEES standard and were considered energy compliant at 4 Star Plus. The level of effort and cost to retrofit an existing building to achieve the current QAP criteria is nearly impossible given the number of rating steps required for an older building to even achieve 5 Star Plus, let alone incorporate additional rehabilitation that will result in an additional \$40 per unit, per year in savings beyond that rating.

We recommend AHFC modify the QAP to allow for \$40 per unit per year savings over the building's current rating or alternatively the BEES standard at the time of building construction. See

<https://www.ahfc.us/pros/builders/building-energy-efficiency-standard/bees-historica1-timeline> . This change will help level the competitive playing field for rehabilitation projects with new construction, although not completely as noted in our other comments in this letter.

Renewable energy criteria 2.a.v. similarly disadvantages rehabilitation projects as there may not be enough roof and/or exterior wall space to install the requisite number of panels to generate the necessary \$40 per unit, per year savings. These are not theoretical impacts. Both these issues arose in our recent Tyonek Terrace and Kenaitze Pointe rehabilitation applications.

AHFC agrees rehab projects have a disadvantage in the category. Scoring incentives will be changed so rehab projects may receive 5 points by increasing the property's BEES Star rating by one full Star. Cost Effective energy efficiency points will then be available for projects that cost effectively go beyond the one full star increase.

25.) Consider Reducing the Maximum Points for Debt Carrying Capability. The level to which a project supports hard debt currently earns an applicant up to a maximum of 24 points. This is the most points of any QAP category. This weight tends to favor a mid-scale family project with larger units and without elevators, allowing for relatively inexpensive construction costs, maximum equipped-units points, and maximum debt carrying capability points since multiple bedroom units allow for higher rents. To level the playing field, we suggest deemphasizing debt carrying capability and/or providing additional offsetting points for projects that do not generate sufficient income to carry debt such as affordable senior development, rehabilitation, or permanent supportive housing.

Debt is a crucial tool to permit the most efficient use of public funding to develop the most housing possible. The program will continue to reward projects that can effectively support more debt. Debt targets under this category have been adjusted to adapt to the ever-changing lending market.

26.) Continue Using the Project Leveraging Narrative at this Time in Lieu of Reinstating Project Cost Standards. Since 2020, we have experienced five years of regular inflation, augmented by ongoing impacts on construction costs due to the pandemic. We continue to see variability in project bids due to these factors plus ongoing labor force and supply chain issues, and now the Build America, Buy America Act and tariffs. We do not believe project costs have sufficiently stabilized to create a meaningful baseline upon which project costs can be compared and evaluated. AHFC's current narrative approach allows each applicant to describe the efforts it has taken to ensure total development costs are reasonable in light of the project's particular situation. Accordingly, we believe AHFC should postpone implementing any project cost standards at this time, and continue to utilize the current Project Leveraging methodology, at least until costs have sufficiently stabilized to support a meaningful baseline for comparison.

AHFC agrees. No changes to the Leverage scoring category are proposed.

27.) Consider Changes to Make Resyndication Projects More Competitive. As Alaska's affordable housing developments age, there is a need for capital investment necessary to keep this older housing stock safe and habitable. Currently, acquisition/rehabilitation projects are at a competitive disadvantage under the GOAL program. We recommend AHFC explore evaluative factors for prioritizing affordable housing preservation projects, such as risk of loss due to market conversion, physical condition, financial viability, etc. We are also concerned that the current funding source levels for acquisition/rehabilitation projects, which have not increased despite increases in development costs, encourage the displacement of existing tenants. This displacement risk is tied to the corresponding rent increase required to compete for hard debt points and support the increased development costs for more than minimal rehabilitation.

New construction projects are the priority at this time while there is a housing shortage across the state. Rehabilitation projects receive more points when in an area with higher vacancies and/or population decline. Non-competitive 4% tax credits are always available for rehabilitation projects.

28.) Remove Homeless Preference and Homeless Set-Asides in Regular GOAL Rounds. We recommend against requiring homeless preference and homeless set-asides in the standard GOAL round. While laudable on paper, CIHA and many other partners have observed over the past five years that the residents filling these set-aside units come with increasingly complex support needs without a corresponding operating subsidy, like vouchers, or consistently available service supports such as case management. The combination of complex needs and a lack of support subsidy raises the risk of eviction, which seriously impacts a household's ability to be successfully housed in the future. CIHA has also noticed a correlation between higher unit turn costs and set-aside units housing more vulnerable individuals. See comment 6 [29] below for our recommendation to acknowledge these challenges and improve better stability for both tenants and operators.

AHFC is interested in unintended consequences of scoring incentives. We will reach out for any data you can share on the added expense to projects due to homeless service incentives.

29.) Hold Special Rounds for Higher-Needs Tenants: LIHTC is not designed to address homelessness and housing poverty. We strongly recommend AHFC consider exploring special GOAL rounds for permanent supportive housing projects and projects with larger numbers of units at or below 30% AMI. This housing type simply does not support, and should not be encouraged to support, hard debt, which would be required to be competitive in a regular GOAL round. This dynamic negatively impacts long-term property sustainability and tenant and applicant success. This type of housing, despite the need, is not competitive in the regular GOAL round given income restrictions, higher operating costs, and hard debt that is not sustainable. As an alternative, providing additional points in the QAP for this type of project could address this inherent disadvantage.

AHFC agrees and has process in place to hold special funding rounds as needed. Frequency of these rounds depends on needs in the market and available funding. The NHTF may only fund housing for extremely low-income households. GOAL projects requesting NHTF must include 30% AMI units.

30.) [from teleconference] I'd like to comment briefly on the locking medicine cabinet requirement. I don't have any data to support this other than just our observations working through our portfolio on routine inspections and so on and what we find is that our residents are generally not using the blocking medicine cabinets. They in practice, you know, tend to. You know, keep medications with them or put them in different locations in their house, whether it's the bedroom or kitchen or whatever and they tell us that their locking file cabinets or locking medicine cabinets. Aren't really that attractive and they kind of wish that they weren't there, but I have yet to see, any residents use the locking medicine cabinets, believe it or not. They have some confusion with keys and they again they put their meds in different locations so from a practical point of view, I'm just wondering how effective they really are. I understand the you know perceived need for them but in practice we're not really seeing our residents utilize them.

Thank you for the information. AHFC is considering removing the locking medicine cabinet requirement.

31.) [from teleconference] Yeah, and I would say just from just to kind of piggy back on that, [from comment #30] because of the issue that we have with keys, even as it relates to. Unit doors and storage room doors that, because of that locking mechanism or requirement, we just simply, because of the anticipated maintenance and tenant kind of complaint issues, we just automatically just don't include them. Because we basically have just kind of done that process of having, you know, over the toilet or extra shelving. Or, you know, we've found other ways to provide more storage, if you will, in bathrooms to avoid it because we're just concerned about the subsequent maintenance. Of having locking cabinets, so for that reason, we've just avoided medicine cabinets. Whereas if they weren't, if their requirement weren't to have them be locking, we would install them. Cause we, we install them in other states basically where that's not a requirement. But in, in our Alaska projects, we just, we don't, we don't install cabinets.

See response to comment #30.

32.) [from teleconference in response to request for comment on development team experience requirements] Okay. Yeah, I know, you know, most, a lot of the states that we compete in, you know, typically kind of have it, often as either like a total number of projects, just a straight like objective number or what I've seen in certain states is that they'll be. Actually like points allocated for experience so you know like a sliding scale thing, right? So, you know, ten points possible, you know, ten points if you've done seven, you know, five points if you've done three, you know, one point if you've done one, kinda, you know, basically like a sliding scale. Is what I've observed in some of the other states that we work in. The where it might also behoove the agency, the solicit comments would be from, you know, syndicators and ambassadors, I, you know, I do know as this environment has, you know, giving a little more to you know too much of lately that from like a specific cater point of view, I know. Experience is a key issue, you know, in terms of who they're willing to write LOIs for, and, you know, deals that they want to cover. So that's, you know, that would be my only kind of comment. On, on that one is you know be interesting to get the perspective from or, you know, to make it maybe. As a scaled category to reward those developers with more experience but by the same time not making it being a barrier to entry, so to speak.

AHFC is not considering making prior development a scoring category. The intent of amending experience requirements is to lower barriers of entry and increase the number and diversity of organizations participating in the program.

33.) Yeah, with this back to, one of one of my questions, in the leverage category, you know, which I know in the last. Few years that used to be a, like a tiered objective category, whereas now, you know, I have seen in the last in the since the QAP changed to the. 2022 version versus the 2019 version that it's become a more subjective category right based on the write up. So is, are you considering any changes to. To that category, you know, having it kind of revert back to the way it was or is the thought to leave that leveraged category the way, the way that it is now?

No changes are proposed for the Leverage scoring categories.

34.) Okay. Yeah, I mean one thought on that would be is just to make it similar to the, you know, to the 6th point category would be just the consideration of. Making it in either or meaning, you know, eight points or zero points as opposed to tearing it by cost category because it, it would same that, you know,

and to be able to be five star plus in some of those construction considerations. I don't think are gonna vary significantly by cost area. That that would kind of be my comment on that one should basically treat it like the other sub portion of that, of that one. Although I do think that. The rehab option of just kind of giving the five points for the IEEC does make sense to maintain for rehabs just because in the event of a rehab you can't necessarily make it a Sites, Five Star + BEES.

AHFC believes regional construct cost differences are significant. It is more difficult for a rural project to achieve 5 Star + BEES than a project in Anchorage or elsewhere on the road system. More points are appropriate for the additional effort and expense.

35.) I do see in the QAP that there are a number of scoring advantages for rehabs but what I don't see in the QAP, are necessarily scoring advantages for new production. So has there been and I and I don't necessarily have a specific scoring category in mind, but I guess I'm, just wondering if there's been any thought in that direction. No, I guess what I'm thinking right is that if, if your rehab rate you have access to the 16 points or you know if it's a rehab of the existing stock that already has current rental assistance, right? There are there are certain scoring advantages in those tours, whereas in, you know, in some states right there are other scoring categories that do provide. That, basically you, if you are a rehab, you can't get certain points, right? Or there are scoring advantages or points associated with new production and I don't again necessarily see that in the QAP and I was just curious if, if there was any consideration around it. I mean I don't have specific ideas in mind.

See response to comment #3.

Second Comment Period May 1-14, 2025

1.) Project Characteristics

We request that AHFC create a new scoring criterion that would award points to projects sponsored by a Tribal government, Tribally Designated Housing Entity ("TDHE"), or Tribal corporation under ANCSA for the purpose of serving Tribal members. Many of the scoring commitments provided by AHFC are in contradiction to the structure of Tribal tax credit transactions. We request that AHFC recognize the unique complexities Tribal projects face and award specific points to those types of projects that support the Alaska Native population, a substantial portion of the state's inhabitants. We ask that there be a requirement under this new scoring category, if adopted, that the project is

both Tribally sponsored and intended to serve Tribal members. However, we request that the category is site neutral. Meaning, we ask that AHFC recognize Tribal projects across trust land, fee land, and ANCSA held properties.

The commenter submitted similar comment during the first comment period. They provided additional details requested by AHFC and these details (in blue text) are included in the comments and responses that appear in this section.

2.) Extended Low-Income Project Use

In general, several scoring categories seem artificially low. Offering one (1) point for extended use seems like an incredibly low incentive for a commitment that preserves affordability for an additional 30 years. We request that committing to an extended use period earn a greater number of points. Tax credit developers are using a highly competitive and valuable resource. We believe that resources should be valued more, and those commitments made to earn that resource should stay in place as long as possible.

In the harsh environments of Alaska, properties tend to need significant repairs before the end of an extended use period and may require substantial investment to maintain habitability that exceeds the leverage potential of affordable housing rents.

3.) Preference in Occupancy for Homeless Families

We also believe that this is a category that has artificially low scoring. Housing homeless families is a primary goal of affordable housing. The scoring for this category should reflect the importance of meeting that goal. We hope AHFC will consider increasing the points in this category.

Providing affordable housing is the primary goal of the GOAL Program. In practice, we have seen a relatively small number of homeless set-aside units proposed in GOAL facilities. Without dedicated set-aside units, rental assistance and service funding, the preference has a minimal impact on tenancy.

4.) Market Conditions

This scoring category currently makes up almost 20% of the total points. Yet the requirements to receive points in this category are greatly outside of a developer's control and disproportionately hurt Tribal projects. A private developer can seek project sites that score well in a specific market area and maximize scoring in this category. A Tribe simply cannot do that. A Tribe has a specific service area and land base. Tribes cannot seek out fee land outside of that area to pick up these large numbers of market conditions points. Therefore, as a static developer, they are at a unique disadvantage under this category. We request that the number of points under this category be significantly reduced or that Tribal projects be given these points in full.

Additional information Provided: Land & Location

Tribes in Alaska, as elsewhere in the United States, are limited to specific geographic areas typically referred to as Alaska Native villages or Tribal Reservations. These reservations are their Tribal homelands as designated in the Alaska Native Claims Settlement Act (ANCSA) with the U.S. federal government in 1971. In this agreement, Alaska Natives received 45 million acres of land (2.3% of the state's total land area) and had to give up over 360 million acres of land and were compensated for

less than \$3/acre. This land is shared among 229 federally recognized Tribes, the largest number of federally recognized Tribes in the U.S. These severely reduced geographic locations are now the foundation for Tribal culture and the basis of their communities. In many cases, they are also the only locations where housing development for Tribal communities can be located. Meaning, that Tribes cannot pick land that aligns better with the priorities of the LIHTC QAP, such as those in the Market Conditions scoring section. Tribes have to develop on the limited land that remained in their possession after the ANCSA.

The majority of Tribally owned land is in rural Alaska, primarily in Alaska's Southwest, Interior and Far North regions – far from major cities like Anchorage and Wasilla. This appears to be a significant challenge for receiving a LIHTC award in Alaska since 59% of the funded projects between 2020-2025 were located in Anchorage or Wasilla. Additionally, 31 of the 32 projects funded during that time frame were located in Alaska's Southcentral or Southeast region. Only one was in the Southwest region.

Alaska has the largest percentage of Native Americans and Alaska Natives living in any state, with 15.6% as of 2023, which is approximately 115,460 people. That number has increased by 5% since the 2020 census. Rural Alaska is home to approximately half of the Alaska Native population in the state. That is approximately 58,000 people who want to work and live alongside their family and friends on their ancestral lands in regions that have not received a LIHTC award in the last five years.

The remote nature of these locations makes construction significantly more costly and their construction season much shorter. The equipment and personnel required for construction are challenging, especially when access is limited to river transit and small aircraft. The required infrastructure is an enormous financial burden on its own. A Tribe that we have been working with has been quoted \$6 million in infrastructure costs for a 20-unit subdivision of duplex units. This number is a serious burden for small, rural, Tribal developers.

These scoring criteria are to help housing resources adjust with the changing needs. The GOAL program is a statewide housing resource to build and preserve housing where it is needed, regardless of who sponsors the development. The market conditions category is one aspect of the rating criteria that can be offset by scores in other areas. Historically, concentrations of developments ebb and flow with sponsor activity, capacity and housing need.

5.) Underwriting – Hard Debt

Like Market Conditions, this scoring category has a large percentage of points and is problematic for Tribal projects. Tribal projects across the country are typically structured in the same way and are financed with only two sources: 1) A soft debt, cash-flow-only loan from a Tribe or Tribal housing entity, and 2) Investor equity from the sale of the tax credits. This scoring category pushes projects towards taking on real debt. The traditional soft debt structure allows Tribal entities to keep rents affordable for low-income Tribal members, which is the entire goal of Tribal developers. We request that the hard debt test be removed as a scoring consideration or that soft debt be recognized within this scoring category.

Additional Financing

The unfortunate reality is that the status of Tribal Reservation land (held in trust by the Federal government)

effectively excludes Tribes from being able to access traditional financing products in the market.

First, trust

land cannot be mortgaged, alienated, or encumbered, so Tribes are unable to use the land as collateral - a key component of a traditional financial transaction. Second, the value of the physical units on reservations tends to decline rather than appreciate over time due to the inability to value the underlying land, further increasing banking institutions' wariness of lending on Tribal land. Third, truly flexible terms are critical. Tribal affordable housing projects generate very low rental revenue because they typically serve the lowest-income households in their service areas. Cashflow alone cannot pay down principal or interest. Because of this, Tribes are reliant on ever-shrinking federal grant programs to fill in project gaps.

The challenges faced by Tribes because of a lack of access to capital are exacerbated by the strong demand for physical units in the housing market on reservations. Tribal members want to live in their cultural homeland and near other members. But quality, affordable housing is a basic necessity preventing this. Because of the trust land factors mentioned above, there simply is no private market for housing. There are not outside developers entering the market and developing housing. Tribes are unable to build quality, affordable units at the pace necessary to even make a small dent in demand, as evidenced by Tribal waiting lists that frequently have hundreds of families waiting for housing. LIHTC funding would help close the key market gap for affordable housing that exists in remote, Tribal communities and benefit future affordable housing development.

Tribes do receive Native American Housing Assistance and Self-Determination Act (NAHASDA) Funding from

HUD each year, the primary source of construction of affordable housing for Alaska Natives, but those funds

barely cover maintenance costs. Alaska is a prime example of this. Current homes built during the oil boom of the 1960s and 1970s, were not designed to withstand the harsh Alaska climate. The current housing stock on Tribal reservations requires incredible amounts of maintenance that use up the strong majority of NAHASDA allocations.

Funding levels for NAHASDA have remained largely stagnant in recent decades. As HUD admits, the amount

appropriated for IHBG has declined in recent years, meaning "inflation has steadily eroded the buying power of the block grants, making new development less feasible." Public and Indian Housing, Native American Housing Block Grants, 2016 Summary Statement and Initiatives, Page 11-1 (Block Grant 2016 Summary). Until the 2024 fiscal year, inflation-adjusted dollars for NAHASDA's housing grant program remained below levels from fiscal year 2000. The result is that fewer houses have been built in the last 25 years, which again is why LIHTC funding is so critical for Tribes. This program allows them to leverage the few funds they do receive for housing into the development of actual new homes.

On May 7, 2025, a news article by KYUK noted two specific examples of how the reduced funding from HUD

impacts rural Tribes in Alaska: “That decline in available resources can be seen clearly in a coastal Inupiaq village north of Nunapitchuk. In Brevig Mission, a village outside of the hub community of Nome, the Native American Housing Assistance and Self-Determination Act funded 20 houses in the late 1990s, but in recent decades it has barely covered the construction of five homes....The Bering Straits Regional Housing Authority, headquartered in Nome, serves Brevig Mission, along with 17 other communities. The housing authority estimated in 2022 that Nome and its surrounding villages need about 400 new homes over the next 25 years. However, the housing authority only delivers about three new homes each year. Building one costs about \$780,000, said Jolene D. Lyon, president and CEO of the housing authority in the Bering Strait region.”

Projects that may not support hard debt due to “Land restrictions” has been added to the hard debt offset point eligibility of Underwriting paragraph a.ii and c.iii.

6.) Underwriting – Net GOAL Funds

This category provides a preference for projects that underutilize the leveraging capability of LIHTC funding. While the intent here may be to spread more credits to more projects, it once again disproportionally hurts Tribal projects. Tribes tend to charge significantly less than tax credit market rent as housing is seen as a right and service and not intended to grow the wealth of the developer. A Tribe’s goal with LIHTC is to leverage its limited funding as much as possible. A Tribe will likely never be able to support a 45% funding commitment in order to earn the full 10 points. In reality, a Tribe will almost always score 0 points in order to leverage their commitment. In other states, a 10% commitment of leveraged funds (see the New Mexico Mortgage Finance Authority) would earn full points. Here, a project is 20% away from earning just two (2) points. We request that this scoring category be reduced as a percentage requirement and reduced in overall points available.

AHFC’s QAP offers a maximum of 24 point if 15% of the total development costs are supported by hard debt, 6% if the project is in a small community.

7.) We would also like to see an increase in the number of credits a project can request. While we understand the number of credits AHFC receives annually is low and the intent is to spread units across more projects, Tribes are once again disproportionately hurt. The cost of construction in rural Alaska is astonishing. The current limitations for tax credits either make a project completely infeasible or require a Tribe to limit its project to fewer units.

Serving Community

Tribal developers are building homes for their Tribal members on their waiting list and they set rents accordingly, which are often very low because of the level of poverty in Alaska’s rural communities. The previously mentioned KYUK article states this accurately: “Indigenous people in Alaska experience poverty rates nearly triple that of white Alaskans, census data shows. And poverty is the highest in rural, predominantly- Native areas of the state: in the Western Alaska village of Alakanuk, nearly 40% of residents live below the poverty line. Public funding is therefore crucial for maintaining infrastructure and services in villages. Many residents rely upon affordable housing units to remain in their village.”

Living in poverty without homes, Tribal communities turn to each other for support. This results in homes that are severely overcrowded. HUD's 2017 Summary Statement on the NAHASDA program states "Overcrowding has negative effects on a family's health, especially children's health, and tends to exacerbate domestic violence, truancy, and poor performance in school. Homes suffer more wear and tear when they are overcrowded, and the use of appliances coupled with poor ventilation can lead to conditions that promote mold growth."

I hope this helps highlight the unique challenges that Tribal communities face when they are developing new housing units. In our work with Tribal communities across the country, Travois sees firsthand how often Tribes are required to overcome barriers that other, less rural developers simply do not face. In Alaska, these burdens are even more severe. Even modest projects - such as a 10-unit development to meet critical local need – are nearly impossible to finance under the current QAP framework and rarely score competitively against urban proposals. In addition, the limitation on the amount of LIHTC credits available to Tribes in Alaska further restricts what is already a very challenging development environment. We respectfully encourage AHFC to consider adjustments that would allow Tribal projects - particularly those in remote and high-need areas – to compete more equitably. Potential changes could include revisiting the rural scoring structure, reassessing credit allocation limits for Tribes, and incorporating mechanisms that better reflect the true cost and urgency of housing in these communities.

AHFC limits LIHTC request to 1/3 the available credit advertised in the NOFA. This allows a modest minimum goal of 3 LIHTC projects per year statewide.

8.) Underwriting – Income Commitments

We request that AHFC refrain from requiring Tribal developers to alter their income commitments following the pre-application process. Travois is aware of two developments with Tribal sponsors that both were required to eliminate their 60% AMI units in favor of 50% AMI max incomes. This practice is not in line with any other state allocating agency that Travois is aware of. We believe that AHFC should establish its preferred scoring category for income commitments and allow developers to compete for points in the same way that they do with all other categories that are within the developer's control.

The GOAL Program evaluates the price point that publicly funded projects that will operate at in relation to the private rental market. Income targeting levels are reduced only when the applicable income limits exceed the private market rents. The income limits in some communities have risen to the point where income qualified rental units could operate at a price point higher than private sector rentals.

9.) Project Team Characteristics

Travois would like to request that Tribes and TDHE be specifically added as recognized taxexempt organizations under the Project Team Characteristics category. The IRS regards the status of Tribes and Tribal entities under the Indian Tribal Governmental Tax Status Act, codified as Section 7871 of the Internal Revenue Code. Because of this, Tribes and Tribal entities are equivalent to non-profit corporations or institutions.

This scoring criteria requires only that a “tax-exempt organization or regional housing authority” is substantially involved in the project. If a TDHE is equivalent to a non-profit organization, they may be eligible for the point.

10.) Property Management Experience

We appreciate the changes that AHFC made to the Property Management Experience threshold requirement. Removing the year-based requirements and recognizing similar projects acknowledges the extensive experience Tribes have managing affordable housing under other regulations similar to, and every bit as complex, as the LIHTC program.

Agreed.

11.) This responds to AHFC’s proposed QAP revisions which address CIHA’s comment regarding Cost Effective Energy Efficiency Improvements for rehab projects. We appreciate you acknowledging the concern raised in our comment. Unfortunately, AHFC’s proposed revisions to 2(a)iv and 2(a)vi, while well-intentioned, do not address our concern and in fact would make it more difficult for rehab projects to receive these points.

With regard to provision 2.a.vi, we believe the current language is fine as-is and does not need modification. As currently written, the Project will ensure that any new components added as part of the rehab scope will meet the current 2018 IECC requirements. In the context of a rehab, it makes sense to have Projects commit to making each discrete improvement achieve this energy efficient certification in order for the Project to realize the benefit of this new work rather than requiring a wholistic building BEES rating approach, which is difficult for a rehab project to achieve with the more limited menu of cost effective energy efficient improvement options available. The provision as currently written recognizes that the nature of rehab work for existing buildings is different and more limiting than a new construction project. As described below, it is very difficult to increase an existing building’s BEES star rating through practical cost effective measures (let alone find an additional \$40/unit in annual savings on top of that). We believe this provision should remain unchanged.

Staff concurs that the proposed revision would be impracticable. The incentive for energy efficiency improvements on renovation proposals has been changed to emulate the cost-effective language from the other sections of the rating and award criteria. The incentive will follow a payback analysis with a threshold level of savings from a dollar amount that is consistent with other provisions in this plan.

12.) With regard to provision 2.a.iv, we should note that this QAP category is intended to promote cost effective measures and is not intended to push Projects to expend limited capital resources on measures simply for the sake of checking a box. There are a limited number of cost effective energy efficient improvements available in rehab projects. These predominately include space and water heating upgrades, and programmable thermostats. Other energy efficiency items that would be typical for new construction but are not cost effective for rehab projects include modifications to the building shell, like exterior wall and roof insulation (difficult for flat/hot roofs), foundation and sub-slab insulation, windows, etc. These latter items have a high cost versus limited energy efficiency benefit return and are not typically included in larger multifamily rehabs. Consequently, it is very

impracticable if not impossible to increase an existing multifamily property's BEES rating by one full star, or even a half star, only to then realize \$40/unit in annual savings as AHFC is proposing.

Further, in the case of air sealing, in order to satisfy true BEES requirements, a pre- and post-rehab blower door test would be required. It is very difficult to conduct a blower door test on an occupied building as it requires all interior doors to be open to allow for free airflow, all of the exterior doors and windows to be shut and locked, limiting the ability for occupants to enter or exit the building, and all the building's heating and ventilation systems to be disabled. The coordination and potential safety/security concerns raised in an occupied 53-unit multifamily style building that houses seniors make it impracticable to conduct these tests, even though some air sealing benefits will likely result due to rehab measures taken, like replacing main building entry doors.

In short, while we understand AHFC's proposed revisions to require a full step plus \$40/unit in annual savings is rooted in ensuring rehab projects push the envelope in implementing energy efficiency measures, in practice this bar is too high and would force rehab Projects to implement non-cost effective measures (if even possible). We have attached sample AKWarm pre/post ratings to demonstrate how a rehab project utilizing cost effective energy efficient options can achieve the \$40/year in annual savings (\$42/unit in our example) but cannot realize a step or even half step increase AND achieve this savings goal. Adding a step or even half-step requirement makes the additional \$40/unit in savings unattainable. We respectfully request that AHFC simply require the \$40/year in energy savings to a rehab building given the lack of cost effective measures available, and the challenges with the blower door testing for the rehab of an existing, occupied building.

Staff concurs. After consultation with property owners and the public through this comment process, the prior incentives are not practicable. A cost-effective framework has been included in the revised draft to address these concerns.

Third Comment Period June 2-11, 2025

No comments received.

WEBVTT

Teleconference #1 - March 20, 2025

1 "Call-in User_1" (1177156096)

00:00:00.000 --> 00:00:25.129

Hi, good afternoon, this is the date fiscal year 2026 quality day of Alaska qualified allocation plan revision teleconference. My name's Andy Petroni. I'm the housing development manager here at Alaska Housing Finance Corporation. I'm joined by.

2 "Call-in User_1" (1177156096)

00:00:25.129 --> 00:00:41.850

I'm a colleague Sarah Neushcwander, the goal program lead, where eliciting comments for this year's qualified plan revision. So 1st we've got.

3 "Call-in User_1" (1177156096)

00:00:41.850 --> 00:00:57.420

Sign in sheet. So, changes we're looking at internally or at least areas we're looking at modifying for the QAP this year, are the developer sponsor and property manager experience requirements?

4 "Call-in User_1" (1177156096)

00:00:57.420 --> 00:01:16.200

Reevaluate reevaluating of scoring weights and ranges used to assign points and penalty points, other changes to the rating and award criteria based on public comments or receive from staff and the public.

5 "Call-in User_1" (1177156096)

00:01:16.200 --> 00:01:36.200

And specifically we're requesting feedback, experiences and suggested improvements and any data folks may have regarding the locking medicine cabinet requirement as a threshold requirement in QAP and that for the same on the job.

6 "Call-in User_1" (1177156096)

00:01:36.200 --> 00:02:02.730

Training program, the scoring incentive that's been largely unchanged for a very long time in the program and curious to see how it's working for everyone. So that's what we're looking at this conference. We're not gonna give or go into much more detail what we're looking what we're looking at at this point. But this is an opportunity for the public to provide comments verbally and will also be.

7 "Call-in User_1" (1177156096)

00:02:02.730 --> 00:02:19.230

Accepting them written, best way to get those to us is by email. You can send them to me. My email is apetrone@ahfc.us. That's A P E T R O N I at a hFC.US and.

8 "Call-in User_1" (1177156096)

00:02:19.230 --> 00:02:46.326

Let me send them to Sarah Newshwander, which is a much longer spelling at S N E U S C H W A N D E R at ahFC.us. And I spell that right because I'm staring right at her name. Alright, this time I'll open it up to any comments folks have online.

9 "Call-in User_3" (2552887808)

00:02:46.326 --> 00:03:03.549

Okay, so so Andy, you said that you're, you know, taking a look at the experience requirements so what is it that you're contemplating on that?

10 "Call-in User_1" (1177156096)

00:03:03.549 --> 00:03:33.089

I'm looking at removing like the hard, like, years of experience over a certain period of time, the current requirement, and allow folks to kinda demonstrate capability, so make it more subjective, I guess. So just to allow more, make it easier for people to participate in the programs.

11 "Call-in User_3" (2552887808)

00:03:33.089 --> 00:04:00.650

Okay. Yeah, I know, you know, most, a lot of the states that we compete in, you know, typically kind of have it, often as either like a total number of projects, just a straight like objective number or what I've seen in certain states is that they'll be.

12 "Call-in User_3" (2552887808)

00:04:00.650 --> 00:04:25.230

Actually like points allocated for experience so you know like a sliding scale thing, right? So, you know, ten points possible, you know, ten points if you've done seven, you know, five points if you've done three, you know, one point if you've done one, kinda, you know, basically like a sliding scale.

13 "Call-in User_3" (2552887808)

00:04:25.230 --> 00:04:45.230

Is is what I've observed in some of the other states that we work in. The where it might also behoove the agency, the solicit comments would be from, you know, syndicators and a.

14 "Call-in User_3" (2552887808)

00:04:45.230 --> 00:05:05.909

Ambassadors, I, you know, I do know as this environment has, you know, giving a little more to you know too much of lately that from like a specific cator point of view, I know.

15 "Call-in User_3" (2552887808)

00:05:05.909 --> 00:05:25.079

Experience is a key issue, you know, in terms of who they're willing to write lois for, and, you know, deals that they want to cover. So that's, you know, that would be my only kind of comment.

16 "Call-in User_3" (2552887808)

00:05:25.079 --> 00:05:40.529

On, on that one is you know be interesting to get the perspective from or or, you know, to make it maybe.

17 "Call-in User_3" (2552887808)

00:05:40.529 --> 00:06:01.109

As a scaled category to reward those developers with more experience but by the same time not making it being a barrier to entry, so to speak.

18 "Call-in User_1" (1177156096)

00:06:01.109 --> 00:06:04.884

Hi, thanks. Yeah.

19 "Erinn Roos-Brown" (1974254080)

00:06:04.884 --> 00:06:21.329

Hi, Andy, this is Aaron from Trevoy. We would definitely support a change, as you're speaking about for the developer and property management experience, that would be valuable to the clients that we have and.

20 "Erinn Roos-Brown" (1974254080)

00:06:21.329 --> 00:06:40.147

Would allow clients who have affordable housing experience outside of lie tech to have more of a, a chance in meeting those categories. So we appreciate you considering that. And we will be submitting comments in writing to you by the deadline.

21 "Call-in User_1" (1177156096)

00:06:40.147 --> 00:07:10.805

Okay. Well, thanks for the reminder, and yes, the, the deadline to submit comments is end of business 7 April. So that's 05:00 Alaska, I guess we're in daylight savings time on the Friday. Sure. 7 April. Day of the week. Oh, that's a weird thing to do.

22 "Call-in User_3" (2552887808)

00:07:10.805 --> 00:07:28.079

Yeah, with this back to, one of one of my questions is is are in the leverage category, you know, which I know in the last.

23 "Call-in User_3" (2552887808)

00:07:28.079 --> 00:07:48.079

Few years that used to be a, like a tiered objective category, whereas now, you know, I have seen in the last in the since the QAP changed to the.

24 "Call-in User_3" (2552887808)

00:07:48.079 --> 00:08:12.629

2022 version versus the 2019 version that it's become a more subjective category right based on the write up. So is, are you considering any changes to.

25 "Call-in User_3" (2552887808)

00:08:12.629 --> 00:08:31.711

To that category, you know, having it kind of revert back to the way it was or is the thought to leave that leveraged category the way, the way that it is now?

26 "Call-in User_1" (1177156096)

00:08:31.711 --> 00:08:33.269

We're not.

27 "Call-in User_1" (1177156096)

00:08:33.269 --> 00:08:56.809

Specifically looking at those categories, we are accepting comments on them, so, Yeah if you're have suggested changes, we'll review them and consider it, but, not on our top of our list. Okay. Okay.

28 "Call-in User_3" (2552887808)

00:08:56.809 --> 00:09:22.709

And, ok, I guess one thought I have also is on the energy star, has there ever been a consideration of, kind of like in the energy.

29 "Call-in User_3" (2552887808)

00:09:22.709 --> 00:09:54.191

Alternative energy and or, you know, saving the above and beyond the 40 per unit. Has there been any consideration of making that category, you know, either an eight point or zero versus having it being scaled on the, based on the cost area?

30 "Call-in User_1" (1177156096)

00:09:54.191 --> 00:10:01.028

Not at this time. You're just talking to if a project commits to a five star plus bees.

31 "Call-in User_3" (2552887808)

00:10:01.028 --> 00:10:09.828

Yeah yeah and you know how it's four six or eight. Yeah. Yep.

32 "Call-in User_1" (1177156096)

00:10:09.828 --> 00:10:20.748

Yeah, not at, not currently, but again we'll receive comments on that category if you have suggestions.

33 "Call-in User_3" (2552887808)

00:10:20.748 --> 00:10:36.959

Okay. Yeah, I mean one thought on that would be is just to make it similar to the, you know, to the 6th point category would be just the consideration of.

34 "Call-in User_3" (2552887808)

00:10:36.959 --> 00:10:53.309

Making it in either or meaning, you know, eight points or zero points as opposed to tearing it by cost category because it, it would same that, you know, and.

35 "Call-in User_3" (2552887808)

00:10:53.309 --> 00:11:08.309

To be able to be five star plus in some of those construction considerations. I don't think are gonna vary significantly by cost area.

36 "Call-in User_3" (2552887808)

00:11:08.309 --> 00:11:25.259

That that would kind of be my comment on that one should basically treat it like the other sub portion of that, of that one. Although I do think that.

37 "Call-in User_3" (2552887808)

00:11:25.259 --> 00:11:41.759

The rehab option of just kind of giving the five points for the IEEC does make sense to maintain for rehabs just because in the event of a rehab you can't necessarily make it a.

38 "Call-in User_3" (2552887808)

00:11:41.759 --> 00:11:47.951

Sites, five star b's plus.

39 "Call-in User_1" (1177156096)

00:11:47.951 --> 00:11:53.988

Yep. Okay.

40 "Call-in User_3" (2552887808)

00:11:53.988 --> 00:12:07.799

I guess another question I'd have is, you know, and I know certainly from a personal point of view it's, it served as well. But you know, I do see in the.

41 "Call-in User_3" (2552887808)

00:12:07.799 --> 00:12:23.069

QAP that there are a number of scoring advantages for, for rehabs but what I don't see in the.

42 "Call-in User_3" (2552887808)

00:12:23.069 --> 00:12:40.349

QAP, are necessarily scoring advantages for new production. So has there been and I and I don't necessarily have a specific.

43 "Call-in User_3" (2552887808)

00:12:40.349 --> 00:12:59.210

Boring category nine, but I guess I'm, just wondering if there's been any thought in that direction.

44 "Call-in User_1" (1177156096)

00:12:59.210 --> 00:13:01.109

Are the.

45 "Call-in User_1" (1177156096)

00:13:01.109 --> 00:13:19.619

Yeah hasn't. I think that the categories you're looking at kinda were designed to give rehabs kind of an even playing field, where they're less competitive against new construction.

46 "Call-in User_1" (1177156096)

00:13:19.619 --> 00:13:30.832

For various reasons like are you looking at like the marking conditions and then the the rehab points based on like population and vacancy?

47 "Call-in User_3" (2552887808)

00:13:30.832 --> 00:13:55.169

No, I I guess what I'm thinking right is that if, if your rehab rate you have access to the 16 points or you know if it's a rehab of the existing stock that already has current rental assistance, right? There are.

48 "Call-in User_3" (2552887808)

00:13:55.169 --> 00:14:11.309

There are certain scoring advantages in those tours, whereas in, you know, in some states right there are other scoring categories that do provide.

49 "Call-in User_3" (2552887808)

00:14:11.309 --> 00:14:26.879

That, basically you, if you are a rehab, you can't get certain points, right? Or there are scoring advantages or points associated with new production and.

50 "Call-in User_3" (2552887808)

00:14:26.879 --> 00:14:44.388

I don't again necessarily see that in the QAP and I was just curious if, if there was any consideration around it. I mean I don't have specific ideas in mind. I was just kind of throwing the.

51 "Call-in User_1" (1177156096)

00:14:44.388 --> 00:14:55.330

Oh, we can have a look at it. Okay.

52 "Call-in User_3" (2552887808)

00:14:55.330 --> 00:15:17.819

I did have one, and this is more of a clarification question, but since you did kind of bring out up the market conditions question, for I I see where like under location trends where.

53 "Call-in User_3" (2552887808)

00:15:17.819 --> 00:15:34.409

For populations that are for communities that have a population less than 6500 so if I'm reading this right, so if.

54 "Call-in User_3" (2552887808)

00:15:34.409 --> 00:15:53.189

If the population trends are shown in a borough, right, for a specific community within that burrow, points one and two where it says the average growth rate for this specific community.

55 "Call-in User_3" (2552887808)

00:15:53.189 --> 00:16:09.089

And what it says lesser of either the average growth rate for the specific community and the average three year growth rate for the borough ascensus associated with the community is.

56 "Call-in User_3" (2552887808)

00:16:09.089 --> 00:16:25.379

That's an either or right? So, you know, so e.g. if if this specific community had a growth rate of, I don't know, 1 %, right? But the Bureau had.

57 "Call-in User_3" (2552887808)

00:16:25.379 --> 00:16:41.546

A growth rate of 3 %. If I'm reading this part of the QAP, it would default to the lower percent if that community were identified.

58 "Call-in User_1" (1177156096)

00:16:41.546 --> 00:16:50.690

Yes, if the, if either the city or the borough population is over 6500.

59 "Call-in User_3" (2552887808)

00:16:50.690 --> 00:16:53.187

No, if it's under.

60 "Call-in User_1" (1177156096)

00:16:53.187 --> 00:17:07.589

So that's under, I think you get the the minimum points at the like if you're a positive or if you have a positive population change, then you get the points listed there.

61 "Call-in User_3" (2552887808)

00:17:07.589 --> 00:17:35.789

But I, but I guess what I'm saying is though, I'm just picking like a hypothetical one. So, so if, if the specific community had a population growth rate between .5 % and one point ten five and would therefore earn ten points, but the borrow.

62 "Call-in User_3" (2552887808)

00:17:35.789 --> 00:18:08.732

They had a population growth of 4 %, right? So would therefore be entitled to earn the 15. If I'm reading this one correctly, you would get, you would get only the ten points because that specific community because it's under 6500 would get the lesser of which either point category that fell into, right?

63 "Call-in User_1" (1177156096)

00:18:08.732 --> 00:18:15.110

Yeah, I don't have it in front of me, but I can get back to you on how we're doing that. Okay.

64 "Call-in User_3" (2552887808)

00:18:15.110 --> 00:18:32.419

Okay, so I'll just send you a separate email on that. It was that was really more of a clarification.

65 "Call-in User_3" (2552887808)

00:18:32.419 --> 00:19:00.209

I didn't mean to monopolize monopolize the conversation here so I don't know if other folks have comments.

66 "Call-in User_1" (1177156096)

00:19:00.209 --> 00:19:10.049

Right, anyone else online has any comments?

67 "Call-in User_1" (1177156096)

00:19:10.049 --> 00:19:25.910

I will go ahead and pause the recording and we'll hang out for a few minutes. That's all the material we have for the teleconference, but if anyone's late to the show, we'll give them, we'll hang out for a little bit the folks can call in.

68 "Call-in User_3" (2552887808)

00:19:25.910 --> 00:19:52.150

Okay, do you know when if there are gonna be any changes to the QAP, you know, based on either staffs or public comments? Do you do you have kind of like a target date when you might be, issuing the QAP?

69 "Call-in User_1" (1177156096)

00:19:52.150 --> 00:20:02.849

Yeah, so yeah thanks for the reminder. So the the remain or the rest of the process for this revisions will receive.

70 "Call-in User_1" (1177156096)

00:20:02.849 --> 00:20:17.999

Initial comments up until 7 April we'll work on them for a week or so and then release a, any changes to the QAP for another comment period usually two weeks or so.

71 "Call-in User_1" (1177156096)

00:20:17.999 --> 00:20:41.171

And that's that's another opportunity for y'all to review the proposed changes and make additional comments based on that. Then we'll incorporate those or consider that second round of comments before taking the final version to HSC board directors for final approval, approval. Okay.

72 "Call-in User_3" (2552887808)

00:20:41.171 --> 00:21:15.252

And then do you anticipate that this round will follow sort of the same timeline as in previous years for you know the LOI in June, pre app in July, final app sort of end of November, beginning of December? Are you, are you envisioning a similar timeline?

73 "Call-in User_1" (1177156096)

00:21:15.252 --> 00:21:27.088

Yes, expect it to be kind of kind of on that time frame, though. Okay. Expect the announcements of the 2020 6th round in June.

74 "Call-in User_3" (2552887808)

00:21:27.088 --> 00:21:46.049

Okay. All right, just so that we can Subject to change. Okay, yeah. I've just seen a lot of states seem to be kind of changing their timing, so just trying to seen a couple of those for this year, so just trying to.

75 "Call-in User_3" (2552887808)

00:21:46.049 --> 00:22:02.279

Can we make sure that we're lined up to allocate resources and everything, but not the reason for the question and view and then for the same thing for the release of the Noafa?

76 "Call-in User_3" (2552887808)

00:22:02.279 --> 00:22:21.487

In terms of like a sense of how much, you know, home or national housing, trust fund funding, are you anticipating kind of similar timelines for that this year as well?

77 "Call-in User_1" (1177156096)

00:22:21.487 --> 00:22:27.610

Yes, and anything can happen.

78 "Call-in User_3" (2552887808)

00:22:27.610 --> 00:22:32.887

Yes, that's true. This is.

79 "Call-in User_1" (1177156096)

00:22:32.887 --> 00:22:42.509

What I read that I think this latest continuing resolution had had about flat funded, so I suspect it'll be about the same as last year.

80 "Call-in User_1" (1177156096)

00:22:42.509 --> 00:23:04.632

But things can change. So we'll, when we have numbers we'll announce those and you can watch the news and see what the small state minimum with all public what each state receives in home, national health and trust fund, and taxcard authority. So you'll know you can know as soon as we can.

81 "Call-in User_3" (2552887808)

00:23:04.632 --> 00:23:24.592

Okay that's right. I always forget that you're right. I was kind of relying on you guys to publish that, but that's but that's true. We do have some of the same access to that information as well.

82 "Call-in User_2" (2016016896)

00:23:24.592 --> 00:23:50.099

Hey Andy, this is. And, I'd like to comment briefly on the locking medicine cabinet requirement. I don't have any data to support this other than just our observations working through our portfolio on routine inspections and.

83 "Call-in User_2" (2016016896)

00:23:50.099 --> 00:24:07.199

So on and what we find is that our residents are are generally not using the blocking medicine cabinets. They they in practice, you know, tend to.

84 "Call-in User_2" (2016016896)

00:24:07.199 --> 00:24:27.199

You know, keep medications with them or put them in different locations in their house, whether it's the bedroom or kitchen or whatever and they they tell us that their locking file cabinets or locking medicine cabinets.

85 "Call-in User_2" (2016016896)

00:24:27.199 --> 00:24:44.339

Aren't really that attractive and they kind of wish that they weren't there, but I I have yet to see, any residents use the locking medicine cabinets, believe it or not. They.

86 "Call-in User_2" (2016016896)

00:24:44.339 --> 00:25:14.169

They have some confusion with keys and they again they put their meds in different locations so from a practical point of view, I'm just wondering how effective they really are. I understand the the the you know perceived need for them but in practice we're not really seeing our residents utilize them.

87 "Call-in User_1" (1177156096)

00:25:14.169 --> 00:25:16.411

Okay.

88 "Call-in User_3" (2552887808)

00:25:16.411 --> 00:25:32.879

Yeah, and I would say just from just to kind of piggy back on that, the because of the issue that we have with keys, even as it relates to.

89 "Call-in User_3" (2552887808)

00:25:32.879 --> 00:25:50.879

Unit doors and storage room doors that, be because of that locking mechanism or requirement, we just simply, because of the anticipated.

90 "Call-in User_3" (2552887808)

00:25:50.879 --> 00:26:10.469

Maintenance and tenant kind of complaint issues, we just automatically just don't include them because we, we basically have just kind of done that process of having, you know, over the toilet or extra shelving.

91 "Call-in User_3" (2552887808)

00:26:10.469 --> 00:26:30.469

Or, you know, just the So so we've found other ways to provide more storage, if you will, in bathrooms to avoid it because we're just concerned about the subsequent maintenance.

92 "Call-in User_3" (2552887808)

00:26:30.469 --> 00:26:49.349

Of having locking cabinets, so for that reason, we've just avoided medicine cabinets. Whereas if they weren't, if their requirement weren't to have them be locking, we would install them.

93 "Call-in User_3" (2552887808)

00:26:49.349 --> 00:27:05.982

Cause we, we install them in other states basically where that's not a requirement. But in, in our Alaska projects, we just, we don't, we don't install cabinets.

94 "Call-in User_1" (1177156096)

00:27:05.982 --> 00:27:18.964

Okay. Good to know. Yes.

95 "Call-in User_3" (2552887808)

00:27:18.964 --> 00:27:24.565

Okay.

96 "Call-in User_1" (1177156096)

00:27:24.565 --> 00:27:37.184

Yeah, if anyone else has any comments, give you a second and then I'll pause the recording and hang out for a few.

97 "Call-in User_2" (2016016896)

00:27:37.184 --> 00:27:43.764

Okay, great. Well, thank you, Andy and Sarah. We appreciate the opportunity to chime in on this stuff.

98 "Call-in User_1" (1177156096)

00:27:43.764 --> 00:27:47.381

Yeah, thanks for calling in. Okay.

99 "Call-in User_3" (2552887808)

00:27:47.381 --> 00:27:50.672

Thank you.

100 "Call-in User_1" (1177156096)

00:27:50.672 --> 00:28:08.508

Yeah, we're gonna call today so we'll stop the recording, but you still may make comments on or by email to Sarah or myself. All right, thank you all.

Teleconference #2 – May 14, 2025

WEBVTT

1 "Andy Petroni" (3500523264)

00:00:05.199 --> 00:00:19.499

After technical difficulties, this is 2nd teleconference of the sY2026 Alaska qualified allocation plan drafting and comment period.

2 "Andy Petroni" (3500523264)

00:00:19.499 --> 00:00:34.890

Really are the drafts are on our website available for review, so we're not gonna go over anything in the changes, so this is just opportunity for folks to call in and offer any or.

3 "Andy Petroni" (3500523264)

00:00:34.890 --> 00:00:52.830

Are any questions offer any comments on the phone or you may also give comments written comments by email to folks listed on the notices. I know we have one person in the room locally and one person online, both of which.

4 "Andy Petroni" (3500523264)

00:00:52.830 --> 00:01:12.830

Said they're just here to listen, I'm not gonna give much of a show, but if anyone does have comments, we'll stay online here for a while, and then probably close early I'm gonna go ahead and pause recording until.

5 "Andy Petroni" (3500523264)

00:01:13.620 --> 00:01:33.620

Anyone out there in the world a chance to, to call in and offer comments? If you want to stick around.

** The remainder of the teleconference was not recorded due to technical difficulties. No further comments were received.*

Teleconference #3 – June 10, 2025

WEBVTT

1 "Andy Petroni" (386775808)

00:00:05.606 --> 00:00:40.070

Afternoon, this is the 3rd teleconference for the qualified allocation plan revision process for state of Alaska's qualified allocation plan and governing disbursement of the low income housing tax credit and so the other associated other grant funds administered through the program. We'll be here to receive any public comments currently there's NO one online or in the room, but to read into the record one addition.

2 "Andy Petroni" (386775808)

00:00:40.070 --> 00:01:03.090

Into the draft that was not included in the the recent publication, adding a provision under scoring category two project design, sub paragraph six it's adding a provision for rehabilitation projects.

3 "Andy Petroni" (386775808)

00:01:03.090 --> 00:01:18.450

To allow them to pursue energy efficiency upgrade points by improving the efficiency of the building or energy savings for a benefit of \$40.

4 "Andy Petroni" (386775808)

00:01:18.450 --> 00:01:34.800

Per unit per year for the project. These are improvements to the existing baseline building. So you just have to improve the, the building as it is, as presented to a certain threshold to.

5 "Andy Petroni" (386775808)

00:01:34.800 --> 00:01:49.950

Two points in this category the updated draft will be published shortly. Until then, we'll pause, stick around for a few minutes to allow anyone to comment.

6 "Andy Petroni" (386775808)

00:01:49.950 --> 00:02:03.245

Afternoon, I just read in the introduction, but who do we have online?

7 "Call-in User_1" (252558080)

00:02:03.245 --> 00:02:10.866

Hey, Andy, it's, it's Mark Fineman. Cook Inlet Housing Authority.

8 "Andy Petroni" (386775808)

00:02:10.866 --> 00:02:19.505

I just read about the provision we're adding for rehabilitation projects, that'll go into the final draft.

9 "Call-in User_1" (252558080)

00:02:19.505 --> 00:02:25.325

It is it different from what you have in the draft language online?

10 "Andy Petroni" (386775808)

00:02:25.325 --> 00:03:01.101

So that language remains, so that's basically a change to the 2018 IECC, so doing cost improve cost effective improvements under that adding paragraph four, but then under the cost effective energy effici efficiency improvements, we're gonna add a provision for rehab projects to improve the existing building for an energy savings of \$40 per unit per year.

11 "Call-in User_1" (252558080)

00:03:01.101 --> 00:03:08.303

To go after those points. Okay, and not tied to the five star plus rating?

12 "Andy Petroni" (386775808)

00:03:08.303 --> 00:03:15.781

Correct. Yeah, that's the baseline, the baseline of the improvements is the existing building.

13 "Call-in User_1" (252558080)

00:03:15.781 --> 00:03:24.964

Gotcha. So, how is that different from four then or is it really the same?

14 "Andy Petroni" (386775808)

00:03:24.964 --> 00:03:38.344

Very similar, but this is four is more broad, so this could be saving a maintenance costs operating costs replacement, so any.

15 "Call-in User_1" (252558080)

00:03:38.344 --> 00:03:40.584

I mean, that's a much broader spectrum.

16 "Andy Petroni" (386775808)

00:03:40.584 --> 00:03:46.826

You can find out those savings, six is, only energy efficiency.

17 "Call-in User_1" (252558080)

00:03:46.826 --> 00:04:01.382

Gotcha, understand. Okay. Yeah, I think that that makes sense to, to me. Well, yeah. All right. Sounds, sounds good. Thank you.

18 "Andy Petroni" (386775808)

00:04:01.382 --> 00:04:03.301

Okay.

19 "Call-in User_1" (252558080)

00:04:03.301 --> 00:04:14.923

Yep, any other comments? Got them all? No, I I might just hang on the line in case there are other comments and just hear other feedback. I don't know if anyone else is on.

20 "Andy Petroni" (386775808)

00:04:14.923 --> 00:04:22.244

No one online or in the room, so I was gonna pause recording here in a sec and just hang out.

21 "Call-in User_1" (252558080)

00:04:22.244 --> 00:04:35.826

Yeah. Could you, I don't know if you're if you'd be willing to do this, but I know it's just a couple of sentences, but would you be willing to read, the new six just so I can hear it?

22 "Andy Petroni" (386775808)

00:04:35.826 --> 00:04:38.789

Yeah.

23 "Andy Petroni" (386775808)

00:04:38.789 --> 00:04:58.789

So, six is gonna be split into two sub paragraphs, one and two. One is addressing new construction, so that's the five star plus B is \$40 per new per year. No change there. Two is rehabilitation colon, the energy efficiency improvements must result in a minimum savings to the project of 40.

24 "Andy Petroni" (386775808)

00:04:58.789 --> 00:05:05.108

dollars per unit per year over the existing baseline end quote.

25 "Call-in User_1" (252558080)

00:05:05.108 --> 00:05:20.539

Gotcha. Okay yep, that sounds good. Well, thanks for listening to the and you know the feedback and, and appreciate that and yeah that's that's all I had, so.

26 "Call-in User_1" (252558080)

00:05:20.539 --> 00:05:29.883

I guess I might unless there's something else you're, you're gonna be reviewing or changing on the line, I might just sign off if that's ok.

27 "Andy Petroni" (386775808)

00:05:29.883 --> 00:05:38.489

Yeah, that's fine. Thank you have anything else we intend to talk about and we'll just hang up for any comments, but I don't expect any.

28 "Call-in User_1" (252558080)

00:05:38.489 --> 00:06:02.004

Yeah. Okay. And then, so after the public comment closes, I guess you'll release sort of this final revised NO fo or I'm sorry QAP for, for this year. And then any idea when pre apps might be due?

29 "Andy Petroni" (386775808)

00:06:02.004 --> 00:06:25.848

I don't have due dates yet yet, but, we'll be announcing the round, usually the Or once the state budget is final, then we can announce around and have all those dates but some probably mid late July projecting forward giving you six weeks to do pre apps, so.

30 "Call-in User_1" (252558080)

00:06:25.848 --> 00:06:40.267

Right. Okay. And, did you find any, goal bars or extra tax credits under pillows or same sort of general funding sources and amounts?

31 "Andy Petroni" (386775808)

00:06:40.267 --> 00:06:42.783

I did not, so.

32 "Call-in User_1" (252558080)

00:06:42.783 --> 00:06:43.686

Yeah.

33 "Andy Petroni" (386775808)

00:06:43.686 --> 00:07:16.708

We did like Hud did announce their or the home and trust fund so those numbers are out pretty much flat funded again, a little bit extra and trust fund but not much. And then we wait on the state budget for our state funds and then whatever happens then with the reconciliation bill, we'll could determine the tax credit amounts, but we don't hear about that till October. Could we change could be nothing.

34 "Call-in User_1" (252558080)

00:07:16.708 --> 00:07:26.665

All right. Fair enough. Well, thanks for thanks for the update and the information on the QAP revisions and once again appreciate it.

35 "Andy Petroni" (386775808)

00:07:26.665 --> 00:07:46.879

Yeah. Okay So we're back on the record. No one has showed in person or called in.

36 "Andy Petroni" (386775808)

00:07:46.879 --> 00:08:05.208

Since we went off the record, so we'll go ahead and close this teleconference out the comment period continues for another day, so we'll still receive comments by email or phone or however people want to contact us through the notice, right?

STATE OF ALASKA

ALASKA HOUSING FINANCE CORPORATION

GOAL PROGRAM

(Greater Opportunities for Affordable Living Program)

RATING AND AWARD CRITERIA PLAN

(Qualified Allocation Plan)

Version June 25 2025

Low-Income Housing Tax Credits (LIHTC)

HOME Investment Partnerships Program (HOME)

Senior Citizens Housing Development Fund (SCHDF)

National Housing Trust Fund (NHTF)

Alaska Housing Finance Corporation

4300 Boniface
Anchorage, Alaska 99504
(907) 330-8277



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PURPOSE

The rating and award criteria outlined herein has been prepared by the Alaska Housing Finance Corporation (AHFC) to establish the criteria which will be used to award Greater Opportunities for Affordable Living (GOAL) Program funds. This program contains four **primary** funding sources:

1. Low-Income Housing Tax Credits (LIHTC),
2. Home Investment Partnership Program (HOME) funds,
3. Senior Citizen's Housing Development Fund (SCHDF)*

*Additional capital development funds available for senior housing development, provided by AHFC's funding partners, will be synonymously treated as SCHDF requests for the purpose of this Qualified Allocation Plan.

4. National Housing Trust Fund (NHTF).**

**In years where a sub-grant is awarded to the Municipality of Anchorage from AHFC, NHTF awards made through the GOAL program will only be issued to proposals located outside of the Municipality of Anchorage.

5. Other sources that may become available through new programs or partner investments.

The rating and award criteria established herein, also referred to as the Qualified Allocation Plan (QAP), complies with the requirements of Title 26, U.S.C. Section 42 of the Internal Revenue Service Code, as amended ("Section 42").

OVERVIEW

AHFC's policy is to encourage the responsible development of housing for seniors, lower-income persons and families through the allocation of GOAL program funds. **A separate policy and procedures manual for the GOAL program is available from AHFC.** (See www.ahfc.us).

Additionally, AHFC's policy is to minimize any adverse impact on existing residents of buildings that will be acquired or rehabilitated with GOAL program funds. Where relocation of existing residents will occur as the result of GOAL program funding, **a relocation assistance plan will be required from all applicants.**

In determining the appropriate amount of GOAL program funds to be awarded, AHFC will consider the sources and availability of other funds, the reasonableness of development and operating costs, anticipated project operating revenue, and the expected proceeds from the sale of LIHTCs (if applicable).

Fair Housing and Civil Rights Statement

It is a requirement of receipt of any funding under the GOAL program that any owner/developer/borrower and any of its employees, agents or sub-contractors understands and agrees that it is the total responsibility of the owner to adhere to and comply with all Federal Civil Rights legislation inclusive of the Fair Housing Laws, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act as well as any state or local Civil Rights legislation along with any required related codes and Laws. Should AHFC not specify any requirements, such as design, it is none the less the owner's responsibility to be aware of and comply with all non-discrimination provisions relating to race, color, religion, sex, handicap, familial status, national origin and any other classes protected in Alaska. This includes design requirements for construction and rehabilitation, Equal Opportunity in regard to marketing and tenant selection (affirmative marketing procedures), and reasonable accommodation and modification for those tenants covered under the law.

Definitions

“Accessible unit” – a unit or property that is in compliance with the design requirements for all multi-family properties covered under the Fair Housing Act Amendments of 1989. Generally refers to the egress into a unit and the ability of a person in a wheelchair to maneuver within the unit.

“Community revitalization plan” – a local comprehensive planning document that specifically includes community revitalization as a priority or defines community revitalization efforts that are consistent with that comprehensive document. If no comprehensive planning document is prepared in a community, then a letter from the chief executive officer of the local government attesting to a proposed housing project’s role in achieving community revitalization will substitute. If the applicant asserts the project is part of a community revitalization effort, the applicant must show how the project moves the market towards market stability and health.

“Development Consultant” – A person or entity that otherwise performs the functions of a developer, but does not share a substantial risk in the project development. Substantial risk in the project development typically includes such items as: serving as a guarantor for construction financing, advancing funds for soft costs (i.e. market studies, etc.), and recognizing development fees are a “contingency of last resort” to maintain project viability.

“Difficult to Develop Area (DDA)” – a federally designated high-cost area that enables a LIHTC project to qualify for a basis boost of up to 130%.

“Discretionary Basis Boost” – Authorized under the Housing and Economic Recovery Act (HERA) of 2008, LIHTC projects not already in DDAs or QCTs may qualify for a basis boost of up to 130% if designated by the State housing credit agency as in need of the basis boost to ensure financial feasibility (see Section 42(d)(5)(B)(v) of the I.R.C.).

“Equipped unit” - all the requirements of an accessible unit have been satisfied plus the unit is equipped with grab bars, roll-under counters, bathrooms with roll-in or seated shower stalls or tubs, and other applicable equipment for persons with hearing or vision disabilities. Equipped units must comply with the design requirements noted in Section 504 of the Rehabilitation Act of 1973’s Uniform Federal Accessibility Standards (UFAS), regardless of whether or not Section 504 requirements are triggered by the funding source(s).

“Extremely-low income” – families at or below 30% of the area median income adjusted for family size.

“GOAL (Greater Opportunities for Affordable Living)” - a term used to describe a program combining (Low-Income Housing Tax Credits (LIHTCs), Home Investment Partnership Program (HOME) funds, National Housing Trust Fund (NHTF), the Senior Citizens Housing Development Fund (SCHDF), and any other funding sources into one application process.

“HOME (Home Investment Partnerships Program)” – a program of the U.S. Department of Housing and Urban Development (HUD) which provides grant funds administered by AHFC for the development of affordable low-income housing.

"Homeless" - Is defined in AS 18.56.090(f) means the state of an individual who lacks a fixed, regular, and adequate nighttime residence, and includes an individual who:

- a) Is sharing the housing of other individuals because of loss of housing, economic hardship, domestic violence, or a similar reason;
- b) Is living in a motel, hotel, trailer park, or camping ground because of the lack of alternative adequate accommodations;
- c) Is living in an emergency or transitional shelter;
- d) Is abandoned in a hospital;
- e) Is waiting for a foster care placement;
- f) Has a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings;
- g) Is living in a car, a park, a public space, an abandoned building, substandard housing, a bus or train station, or a similar setting;
- h) Is fleeing a domestic violence situation, does not have an alternative residence, and lacks the resources and support needed to obtain housing;
- i) Is being evicted within a week, does not have an alternative residence, and lacks the resources and support needed to obtain housing;
- j) Is being discharged within a week from an institution, including a mental health treatment facility, substance abuse treatment facility, or prison, in which the individual has been a

resident for more than 30 consecutive days, does not have an alternative residence, and lacks the resources and support needed to obtain housing.

“Leverage” – Sources of funds outside of the GOAL program used for project development. For the purpose of this QAP, leverage includes contributions such as: debt instruments, donated labor “sweat equity”, foregone taxes, donated land and / or building(s). To be considered leverage, sources and uses must balance. For example, if a \$300,000 parcel of land is entirely donated to the project, there must be a line item in the cost section of the development budget under land purchase for \$300,000, and an offsetting source line indicating \$300,000 in donated land.

“Low income” – families at or below 60% of the area median income adjusted for family size.

“Low-Income Housing Tax Credits (LIHTC)” – a program of the Internal Revenue Service administrated by AHFC which provides federal tax credits to owners of low-moderate income affordable housing.

“National Housing Trust Fund (NHTF)” - an affordable housing production program that complements existing Federal, state and local efforts by providing funds to increase the supply of decent, safe, and sanitary affordable housing for extremely low-income households, including homeless families.

“Operating reserve” – an amount of money included as part of the development budget to be used as a cushion against unforeseen changes in operating expenses and income for a project in future years.

“Qualified Census Tract” – a federally designated area that has a relatively high cost of housing development relative to the income of the residents. Enables a LIHTC project located in this area to receive a basis boost of up to 130%.

“Rental Development Analysis Workbook (aka GOAL Application Workbook)” - An electronic application tool used by AHFC to evaluate project proposals which illustrates:

- 1) all of the costs associated with the development of a project,
- 2) the sources of funds, and subsidy limits, that may be used to pay for the development,

- 3) the operating expenses (utilities, taxes, insurance, etc.) associated with managing and maintaining a rental property,
- 4) the anticipated revenue to be obtained from the property,
- 5) the capacity of the project to support debt instruments,
- 6) the project's performance throughout time under various assumptions,
- 7) additional factors as deemed relevant by AHFC.

“Replacement reserve” – also known as a reserve for capital replacement. An amount of money used to pay for major capital expenses that occur during the life of the project, such as boiler replacement, roof repairs, appliance replacement, etc.

“Residential Unit” – a proposed dwelling unit that will be available for rental. Where manager's units are proposed that will be income restricted, such manager's units will qualify as Residential Units; however, where manager's units will not be income restricted, such units will not qualify as Residential Units for the purposes of this Qualified Allocation Plan.

“Schedule of Real Estate Owned (SREO)” – is a detailed statement of operations for a developer or property manager's residential rental property portfolio as defined in the pre-application instructions.

“Senior Citizen” – households must meet the definition established in the Fair Housing Act Amendments of 1989.

“Senior Citizen's Housing Development Fund (SCHDF)” – An AHFC funded program approved in annual appropriations by the Alaska State Legislature. Program funds may only be granted to not-for-profit organizations for senior housing that meets the state definition of “senior household.”

“Small community” – defined under state statute as a community with a population of 6,500 or less that is not connected by road or rail to Anchorage or Fairbanks, or with a population of 1,600 or less that is connected by road or rail to Anchorage or Fairbanks and at least fifty (50) statute miles outside of Anchorage or twenty-five (25) statute miles outside of Fairbanks. In this definition, connected by road does not include a connection by the Alaska Marine Highway System.

“Special Needs Populations” – defined as households with persons with mental or physical disabilities, the homeless, and households with income at or below 30% of the median income for their area.

“Substantive Social Services” – Services provided to future households in proposed developments that are locked in through fully executed agreements by the anticipated project owner and the service provider. There must be evidence of delivery for Substantive Social Services involving person-to-person contact, beyond a simple referral system, and where appropriate, identified funding for provision of the Social Services.

“Third-party” - means a person or organization which is not related to the sponsor of the application or the project developer.

“U.S. Department of Agriculture- RD Section 515 program” – a federal program for low-income rental housing which provides low-interest financing and rental assistance to private for-profit or not-for-profit owners/developers.

“Very-low income” – families at or below 50% of the area median income adjusted for family size.

QAP CONSIDERATIONS:

Federal QAP Characteristic Factors:

26 U.S.C. Section 42 requires that AHFC consider the following project characteristics when selecting applications that receive LIHTCs:

- Housing Needs Characteristics;
- Sponsor Characteristics;
- Project Characteristics, including whether the project includes the use of existing housing as a part of a community revitalization plan;
- Tenant populations of households with children;
- Targeting of Individuals on Public Housing Waiting Lists;
- Targeting of Populations with Special Housing Needs;
- Project Location;

- Projects intended for eventual tenant ownership;
- The energy efficiency of the project;
- The historic character of the project.

Federal QAP Preference:

26 U.S.C. Section 42 (IRS Code) also establishes the following preferences for the LIHTC program:

- Projects that serve the lowest income tenants;
- Projects that are obligated to serve qualified tenants for the longest period of time.
- Projects that are located in a qualified census tract (as defined in subsection 42 (d)(5)(C)) and the development of which contributes to a concerted community revitalization plan.

These preferences and characteristics are consistent with AHFC's corporate mission and the State of Alaska's Housing and Community Development Plan (HCD Plan). They are incorporated as part of the entire GOAL program, including: LIHTC, HOME, SCHDF, and the NHTF.

AHFC will award points in the rating process to projects that commit to meeting these objectives.

State of Alaska Priorities:

State of Alaska priorities include projects that:

- Meet specific market criteria, as defined by AHFC;
- Are developed by applicants/sponsors who demonstrate the greatest capability to carry out the project;
- Maximize the use of GOAL program funds by having only the amount of subsidy necessary, over and above the amount of debt that can be supported, to make the project financially feasible (from both a developmental and operational viewpoint);
- Leverage GOAL program funds with other funding sources, including those which qualify as "match" under 24 CFR part 92 of the HUD regulations;
- Maximize the energy efficiency of the project
- Address the highest need in the local rental market for housing;

- Target “special needs populations” (i.e. persons who experience mental or physical disabilities, homeless persons, and families whose income does not exceed 30% of the area median income, adjusted for household size);
- Include larger units (i.e., greater number of bedrooms) for families;
- Are located in “small communities”, as defined by AHFC;
- Provide meaningful training and employment opportunities for Alaskans.

AHFC will award points in the rating process to projects that address these priorities.

SET-ASIDES

The award of LIHTC program funds is subject to the following set-asides:

1. Tax-Exempt Organizations:

There will be a set-aside of 10% of the available low income housing tax credit annual authority reserved for projects sponsored by eligible 501(c) (3) tax-exempt organizations who have as one of their tax-exempt purposes, the provision of low-income housing. This set-aside is mandated under 26 U.S.C. Section 42(i) (5), the Internal Revenue Service Code. If no projects qualify for this 10% set-aside, this amount will either be carried forward into the following year or returned to the national pool.

2. Other Purposes:

AHFC, at its discretion, may use the annual state tax credit cap and/or other program resources as deemed appropriate, or portion thereof, to engage in demonstration projects that fulfill the mission of AHFC and are consistent with this qualified allocation plan and the requirements of 26 U.S.C. Section 42 of the Internal Revenue Service Code and relevant regulations.

THRESHOLD REQUIREMENTS

To be considered for GOAL Program funding **all project proposals** must meet the following **minimum requirements**:

1. No supplemental funding request while prior year(s) awards are tied up in a project. This threshold will apply if a previously funded project encounters a funding gap beyond the

amount identified in a prior award review for feasibility and can no longer proceed with the equity available. In such cases, the applicant will be required to return all previously awarded funds to the GOAL program. The applicant will then be eligible to apply for the entire amount of funding necessary to result in a feasible project.

2. All new construction projects must be in compliance with 15 AAC 154.090 construction and thermal standards.
3. No T1-11, board and batten, or similar type of wood siding may be used on any exterior wall surfaces.
4. All low-income housing tax credit project proposals must have a completed and comprehensive Market Study documenting the demand and need for the proposed units. Non-LIHTC projects will be required to demonstrate need for the proposed development either through a Market Study or an alternative form of demonstrated demand and need approved by AHFC.
5. The project must demonstrate acceptable community support which must be evidenced by written letters of support from the local government, community council(s), etc.
6. All new construction projects with 5 or more units must provide a minimum of 5% of the total unit count (fractional units rounded up), specifically equipped for persons with physical disabilities. All projects with 5 or more units must provide a minimum of 2% of the total unit count (fractional units rounded up), equipped for persons with sensory impairments. Separate units must satisfy these threshold conditions. Consequently, in a six-unit project at least one unit will need to be equipped for physical disabilities and a separate unit will also need to be equipped for persons with sensory impairments.
7. For all projects with 20 or more units, 5% of total units (fractional units round down) must be set aside for a “special needs” population that is not required to be served as a condition of the funding source requested. Special needs populations for this section are defined as: households with persons with mental or physical disabilities, the homeless, and

persons earning less than 30% of the median income for their area. Note: Projects exclusively requesting SCHDF program funds may not satisfy this requirement by targeting persons earning 30% of the median income.

8. Units must be constructed or rehabilitated to the applicable standard as required by the specific program under which funds are requested and must meet the requirements of the funding program and any of the following applicable laws:
 - a. Americans with Disabilities Act
 - b. U.S. Fair Housing Amendments Act of 1989
 - c. Alaska Statute AS 18.80.240
 - d. Local Government Ordinances
 - e. Proposals funded through the NHTF are limited to new construction. No acquisition and / or renovation of properties will be funded through NHTF awards made through the GOAL program.
9. The application package must include the following material and all other materials required under the annual notice of funding availability, unless otherwise approved in writing by AHFC:
 - a. Completed application forms and all applicable certifications;
 - b. Submission of all required application material;
 - c. Payment of all applicable application fees and/or reimbursements due to AHFC;
 - d. Sufficient data, in AHFC's opinion, to determine the financial feasibility and long-term viability of the project.
 - e. Sufficient data & certifications, in AHFC's opinion, to determine that the applicant and project are eligible to receive the GOAL program funding source requested.
 - f. Applicant is considered to be a "responsible bidder."
10. Reasonableness of the project's development and operational data will be assessed based on the extent that application materials, and project performance data available to AHFC, support the project's developmental and operational numbers provided in the Rental Development Analysis Workbook. Key points that AHFC will look for in the application materials to make this assessment will include:

- a. Are cost estimates supported by a credible third-party bid(s) and/or estimate(s)? Examples include bids and/or cost estimates supplied by an architect, appraiser, materials supplier, etc.
- b. Is third-party support for the project's anticipated rents, vacancy rate, and operating expenses included?
- c. Does the third-party support comport with data available to AHFC regarding the achievable rents, occupancy rates and operating expenses for the community and / or building type?
- d. Each applicant must submit a Schedule of Real Estate Owned (SREO) within two (2) weeks of receiving their application decision letter. The schedule must be completed using form(s) provided by AHFC and is to include all LIHTC, HOME, SCHDF, and NHTF properties in Alaska built or acquired and rehabilitated with a placed in service date no earlier than ten years before the current funding year. If an applicant has not developed any affordable housing projects in Alaska, they must provide a list of all projects in their portfolio. If six or fewer properties are available for the SREO, properties managed by the project's proposed property manager may also be considered for the SREO.

The purpose of the schedule is to provide AHFC with the previous two calendar or fiscal year data for revenue, expenses, and before-tax cash flows in a developer's rental portfolio. These data will be used to help score and determine the feasibility of the application's proposed cash flows. AHFC will notify applicants if properties within their SREO will be excluded as comps prior to the application deadline.

- e. Have all funding sources been confirmed and / or substantiated with documentation? In assessing this item, AHFC will consider the following, listed in order of priority:
 - i. Whether written lending commitments have been provided;
 - ii. Whether tax credit proceeds (if applicable) accurately reflect current tax credit market sale rates;
 - iii. Whether a tax credit purchase commitment is provided;

- iv. Whether letters of interest from other proposed funding sources have been provided.
 - f. Does the project schedule and written development narrative demonstrate a clear understanding on the part of the applicant for successful housing development in the proposed site's market? Are development concepts and reasonable assurances that the project can be successfully implemented within the proposed time frame valid? Has the applicant demonstrated the ability to obligate funding, including NHTF, and complete the project in a timely manner?
11. Low-income Housing Tax Credit projects: Under the Federal Internal Revenue Service (IRS) Regulations 1.42-17, AHFC must evaluate the financial feasibility of a project at three separate phases during the development of the project. The three stages are:
- 1. Application;
 - 2. Allocation (carryover or issuance of 8609);
 - 3. Placed in service date.

The final evaluation for the issuance of the IRS Form 8609, "Low Income Housing Credit Allocation Certification," must occur after the placed in service date.

Under IRS Regulation 1.42-17, owners must certify to all sources and uses of funds and the total financing planned for the project. Section 1.42-17 also specifies the type of information that must be provided by the owner and reviewed by AHFC as part of the evaluation. For purposes of the evaluation done at allocation (carryover and 8609), the schedule of costs prepared by the owner must also include a Certified Public Accountant's audit report on the schedule. The CPA's audit must be conducted in accordance with generally accepted auditing standards. The audit report must be unqualified.

This requirement also pertains to all tax-exempt bond-financed projects that are seeking credit under the provisions of this allocation plan.

12. Projects Eligible for the Discretionary Basis Boost, as defined in this Qualified Allocation Plan: LIHTC projects that will not receive project-based operating subsidy may request an application of the Discretionary Basis Boost, subject to AHFC's approval after evaluating the proposal's financial feasibility and need, if all of the following conditions are satisfied:
- a. Mixed Income Projects
 - i. In developments where at least 20% of the units do not contain income restrictions, AHFC will apply the discretionary basis boost if (i) the boost is necessary after a subsidy layer review and (ii) the property does not already qualify for a basis boost through another provision.
13. Energy Star Appliances: Where Energy Star Appliances may be incorporated into the project designs, GOAL funded projects will be required to exclusively use certified Energy Star appliances.
14. Projects with units accessible through common hallways must have secured entryways.
15. Unless otherwise waived by AHFC, all projects with eight (8) or more units, serving families with children must have a recreation area on-site for children which is designed and equipped with age-appropriate equipment. The play area and its associated access route(s) must be compliant with the Americans with Disabilities Act.
- This will not apply to renovation projects where the property footprint does not change. Projects serving families with children are defined as any building or complex that contains units with three bedrooms or more.
16. All new construction and rehabilitation projects containing HOME or NHTF must include broadband infrastructure, as defined by the Federal Communications Commission and HUD. See 24 CFR Part 92.251 and Part 93.301.
17. Income averaging will not be allowed for LIHTC projects. LIHTC projects must comply with either the 20-50 or 40-60 rules.

PRE-APPLICATION REVIEW PROCESS

In late Spring, AHFC announces a pre-application round for the GOAL program funds. Only successful pre-applicants that have been invited to apply in the full competition will be eligible for GOAL program funding in the full application process. During the pre-application process, AHFC will evaluate the following and determine whether or not a project proposal should be invited forward into the full competition:

- All proposals for 9% LIHTCs that involve acquisition and renovation, or renovation, of an existing property will be evaluated at the pre-application stage to see if, in AHFC's sole opinion, the property may be rehabilitated using 4% LIHTCs. If in AHFC's sole opinion the property can be renovated using 4% LIHTCs, the proposal will not be invited to apply for 9% LIHTCs in the GOAL round.
- Market Feasibility: Is there sufficient need and / or demand for the proposed project? What is the impact of the proposed project size relative to the market while considering market saturation rates and overall size? Will the proposed project have an adverse effect on the private rental market?
- Whether city, borough or census area population data will be used to determine the point values for the proposed project under Sections 4(b)-(c) of the Rating Criteria.
- Whether or not changes to the project design, scope, and / or funding mix are necessary and / or appropriate (as determined by AHFC).
- Whether or not the proposal can reasonably be expected to be constructed with the proposed funding mix and development team.
- Penalty points review and assessment will be completed. Penalty points are assessed under the criteria listed in Rating and Ranking Criteria, Paragraph 7(b) below. Applicants will have until the date 45 days prior to the full application deadline to correct the issues for which penalty points were assessed. More details are provided in paragraph 7(b).
- Project Team and Sponsor Capacity: Pre-applicants must demonstrate that the development and property management teams have sufficient capacity to successfully develop and operate the proposed project. Demonstration of the following will be required to clear threshold during the pre-application review:

Development Team Member	Threshold Level: <u>Proposals will not be invited forward into the full application unless the following capacity thresholds are demonstrated</u>
Developer / Development Consultant	At least one member of the development team must show experience within the last 10-years of developing successful multi-family housing projects with the GOAL funding being requested or projects funded with sufficiently similar resources, in AHFC's sole determination, to the project being proposed.
Project Sponsor	Two Years of Audited or un-Audited Financial Statements. If the project Sponsor is a newly formed entity, other materials such as prior year Tax Returns, evidence of guarantor capacity, etc. of principals deemed sufficient, in AHFC's sole determination, may be accepted in lieu of Financial Statements.
Property Management Team	At least one member of the property management team must have successfully managed a multi-family property under the regulations of the GOAL funding being requested or a project sufficiently similar, in AHFC's sole determination, to the project being proposed.

Successful pre-applications will be invited forward into the full GOAL competition. Necessary changes to the project identified in the pre-application review, and reasons why unsuccessful pre-applicants were not invited forward into the full application process will be communicated at the close of the pre-application round.

At the Pre-Application stage, project sponsors will be required to designate the applicant entity. This entity may partner or contract with other entities to satisfy the capacity requirements, but the named entity will be the entity that controls any subsequent award of GOAL funding in the event that partners or contracted staff decouple from the proposal. Any substitution or change in partners or contract staff used to satisfy the capacity requirements will require AHFC's approval, in advance and in writing, and will be subject to the responsible bidder and penalty point review process.

FULL APPLICATION EVALUATION REVIEW PROCESS

Each application received by AHFC will be reviewed by staff to determine whether the minimum application requirements have been satisfied by the applicant ("**threshold evaluation**"). If the applicant fails to submit the required application materials by the deadline established by AHFC, the application may be denied any further review or consideration.

FULL APPLICATION EVALUATION

Applications that pass the threshold evaluation will be evaluated according to the objective review criteria defined in this Qualified Allocation Plan (QAP).

Application Review Process

Funding Considerations

The CEO may use considerations other than the point ranking to make the final funding awards. These considerations are:

1. Minimum levels of funding necessary, in AHFC's opinion, to result in a financially feasible project, including a recommendation of no funding if sufficient debt can be supported;
2. The maximum legal and AHFC annual programmatic funding limits;
3. Distribution of GOAL funds in such a manner to maximize the number of financially feasible projects which receive funding, even though this may result in the award of funds or tax credits outside of actual application rankings established by the rating process.
4. Increasing the spread of projects by geographic location.
5. A different amount of GOAL program funds for a project than requested by the applicant may be recommended in order to: avoid over subsidizing, to maximize the leverage of all GOAL program resources, and to satisfy the requirements of award review assumptions made by AHFC in the feasibility review.

6. "Responsible bidder" AHFC reserves the right to reject or assess negative points to any application or request for funding from any applicant who has failed to perform or is partnered with a person or organization which:
- a. failed to perform any previous grant or contract with AHFC, or has previously failed to perform properly or to complete on time contracts of a similar nature;
 - b. qualifies or changes terms and conditions of the Notice of Funding Availability (NOFA), applicable restrictive covenants or loans in such a manner that is not responsive to the purpose sought by AHFC in issuing the NOFA, covenants or loans;
 - c. submits an application that contains faulty specifications or insufficient information that, in the opinion of AHFC, makes an application non-responsive to the NOFA;
 - d. submits a late application;
 - e. has not signed the application;
 - f. is not in a position to perform the work proposed in the application;
 - g. habitually and without just cause neglected the payment of bills or otherwise disregarded its obligations to subcontractors, material suppliers, or employees;
 - h. has shown a consistent practice of non-compliance with State and federal rules that govern housing development programs;
 - i. who has unpaid taxes due to the State of Alaska or the U.S. government;
 - j. has a conflict of interest with the applicant and board member or employee of AHFC;
 - k. AHFC determines that the application is not in AHFC's best interest.

In instances where the funding decision approved by AHFC's Executive Director/Chief Executive officer varies from that requested by the applicant, the applicant will be given notice of AHFC's intent to award the alternative funding reservation and/or award, and will be allowed to accept or reject the offered funding package. If the applicant rejects the funding package offered, no additional consideration will be given to the applicant during the funding cycle, and the declined GOAL program funds may be offered to another qualifying applicant(s). An applicant may have the right to appeal this decision under 15 AAC 151.830 and 15 AAC 150.220.

For any allocation of LIHTC that is made outside the priorities and selection criteria established by AHFC in this allocation plan, a written explanation will be made available to the general public, upon request.

AHFC reserves the right to deny GOAL funds to any applicant, regardless of that applicant's point ranking if, in AHFC's sole determination, the applicant's proposed development or operational plan for the development is not financially feasible or viable.

Additionally, GOAL funds may be awarded out of the ranking order established by the points earned. In such cases, this recommendation shall be based on the amount of GOAL funds requested, relative to the amount of funding available, as well as other selection criteria identified within the rating criteria plan.

Application Award Process

Each applicant will receive an "Intent to Award" for the proposed GOAL program funding awards upon AHFC's executive director/chief executive officer's approval (or amendment) of the recommendations made by staff after the objective scoring has been completed and the projects have been ranked. Applicants may appeal the funding decision in accordance with AHFC regulations (15 AAC 151.830, 15 AAC 151.220 or 15 AAC 154.060, as applicable). Subsequent to any appeals processes, AHFC will issue a notice of award to successful applicants.

Application Rating and Ranking Criteria

The following criteria and associated points will be utilized to rate and rank applications received for GOAL program funds:

1. Project Location (Up to 21 Points)

- a. Project is located in an area qualifying as a "small community," as defined in this Qualified Allocation Plan (20 Points)

- b. Project is located in a Qualified Census Tract (as defined by HUD, under 42(d)(5)(c)) **and** is considered to contribute to a community revitalization plan (see definition of “community revitalization plan”) (1 Point)

2. Project Design (Maximum 52 points)

a. Energy Efficiency (14 Points)

Applicants requesting points under subsections (i) through (vi) of these Energy Efficiency Criteria will be required to provide AHFC copies of annual financial statements for their proposal(s), if funded. If audited financials are unavailable for a given year, project owners may satisfy this requirement by submitting unaudited financial statements. Additionally, applicants will be required to respond to reasonable inquiries from AHFC regarding energy consumption at their properties. These requirements will apply throughout the term of the restrictive covenants recorded for the property, if funded.

- i. Project commits to achieving an energy efficiency rating of 5 Star Plus and meet BEES located in a moderate cost area* (4 points)
- ii. Project commits to achieving an energy efficiency rating of 5 Star Plus and meet BEES located in an intermediate cost area* (6 points)
- iii. Project commits to achieving an energy efficiency rating of 5 Star Plus and meet BEES located in a high-cost area* (8 points)
- iv. Cost Effective Building Improvements (Rehab Projects Only). Project will include improvements to the building being renovated that reduce the cost of operations. These improvements may reduce energy used, reduce maintenance costs, and / or extend the useful life of functional systems. The renovations must provide a minimum cost savings of \$40 per unit per year. (5 points)

*Categories (i), (ii), (iii), and (iv) above are either/or categories. Points may be awarded under only one category for (i), (ii), (iii), or (iv). Please see the Project Cost and Funding Limitations section for the Moderate, Intermediate and High-Cost areas definitions.

- v. ****Cost Effective Renewable Energy** will be incorporated into the project design and operations. For the purpose of this section, renewable energy is defined as any on-site energy source (i.e. solar, etc.). The Renewable Energy system must, at minimum, be projected to generate a benefit to the project of \$40 per unit, per year. (6 points)
- vi. ****Cost Effective energy efficiency improvements** (6 points):
 1. New construction: improvements that must exceed the 5 Star Plus BEES requirements. For the purposes of this section, qualifying energy efficiency improvements are those that take the property beyond a 5 Star Plus BEES rating and result in a minimum savings to the project of \$40 per unit, per year.
 2. Rehabilitation: the energy efficiency improvements must result in a minimum savings to the project of \$40 per unit, per year, over the existing baseline.

****For the purpose of (iv, v, and vi), cost effectiveness is established where the cumulative benefit(s) delivered by the respective renewable energy source(s), efficiency improvements, or cost reduction(s) exceeds the initial cost of the system. The cumulative benefit will include any proceeds / rebates from the system installation that are paid by unrelated parties, and then be calculated using the current year energy price, forecast energy production (or savings), and / or maintenance costs. The payback analysis will be limited to the lesser of 30 years or the projected system(s) life. The energy value and / or baseline maintenance costs will be escalated at 3% per year. The cost effectiveness analysis will be provided on forms, and supported by analysis, prescribed by AHFC.**

Note: sections (v) and (vi) are either or categories. Applicants may receive points for one category, but not both.

- b. **Availability of Larger Units for Households with Children (Maximum 2 Points)**
Points will be awarded to applications based on the percentage of residential units in the project with three or more bedrooms, according to the following rating scale:

Calculation:

$$\text{Points} = \frac{\text{Number of Residential Units with 3 bedrooms or more}}{\text{Total Number of Residential Units}} \times 2$$

(Total Number Units in Property x 0.4)

Example: A 10-unit project, with no manager's unit, where 1 of the project's units contains three bedrooms and the remaining units were efficiencies or one-bedroom units would receive 0.5 points:

$$(1 \times 2) / (10 \times 0.4) = 2/4 = 0.5 = 0.5 \text{ points}$$

- c. Number of Units Equipped for Persons with Physical Disabilities and Sensory Impairments (8 Points)

Number of "equipped units" as defined within this Rating and Award Criteria. For senior developments, full points will be awarded if 100% of units are "equipped units." For non-senior developments, full points will be awarded if 25% of units are "equipped units."

Calculation: Senior Development

$$\text{Points} = \frac{\text{Number of 'Equipped Units' } \times 8}{\text{Total Number of Units in Property}}$$

Calculation: Non-senior Development

$$\text{Points} = \frac{\text{Number of 'Equipped Units' } \times 8}{(\text{Total Number of Units in Property} \times 0.25)}$$

All projects must meet the requirements of the following laws:

- Americans with Disabilities Act
- U.S. Fair Housing Amendments Act of 1989
- Alaska Statute AS 18.80.240
- Local Government Ordinances

- d. Rehabilitation Project (Maximum 16 points)
- i. Two points will be awarded to all projects involving rehabilitation. For the purpose of this section, rehabilitation, at minimum, must consist of some sort of building

renovation and / or demolition and reconstruction where a building is currently located at the project site. If AHFC, in its sole discretion, finds that a de minimus amount of demolition took, or is scheduled to take, place at the project site to qualify for points under this section, no points will be awarded.

NOTE: If a property has been acquired for the purposes of a GOAL project, and demolition of the existing structure(s) has already taken place, applicants will qualify for the 2-point minimum IF, and only if, the demolition occurred within 3 calendar years of the GOAL application deadline. However, in such cases, applicants will still be required to document the costs of the demolition, as well as the funding used for the demolition, in the development budgets submitted with their applications.

The following points in ii – iv are available only to rehabilitation projects meeting the minimum rehabilitation cost requirements in paragraph 7 of the Project Cost and Funding Limitations section below.

- ii. The property is in an area with a three-year average population growth rate less than zero*. (4 points)
- iii. The property located in an area where the vacancy rate is higher than the statewide average vacancy rate*. (4 points)
- iv. The project will convert a non-affordable property to affordable housing or a non-senior property to senior housing. (6 points)

* The same data sources used to assign points under the Location Trends and Rental Market Strength categories will be used to evaluate points in these categories.

- e. Storage Facilities (1 point) - All residential units will be provided with assigned tenant storage facilities. Units with attached garages will automatically qualify for this point.
- f. Service enriched housing, which incorporates substantive social services for homeless and / or disabled Alaskans, on an ongoing basis – (3 points). Points are only available if households with physical and / or mental disabilities, or homeless persons will be

served by the proposed project through hard set-aside units. Services must be tailored toward the populations served by the special needs set-aside units. Costs and the funding for these services must be included in the operating budget.

- g. Project Based Rental Assistance (8 points) – Developments that will receive project-based rental assistance through a federal source for at least 25% of the total residential units will receive eight (8) points. The term of the rental assistance, subject to federal appropriations, must be for at least 15 years. Use of GOAL sources of rental subsidy does not qualify for points under this category.

3. Project Characteristics (Maximum 38 Points)

Points will be awarded to applications that exhibit certain desired characteristics in accordance with the following:

- a. Project Serves the Lowest Income Tenants (Maximum 12 Points)

Points will be awarded for setting aside more than 10% of a project's units, up to 60% of the project's units, for households at or below 50% of the area median income. Sponsors may propose more than 60% of the units for households at or below 50% AMI, however the maximum scoring will be obtained once 60% of the total units has been achieved.

Points are calculated as Follows

A = Number of 50% AMI set-aside units in project.

B = Number of residential units in project (does not count manager's units if unrestricted) x 10%

C = The number of residential units in the project (does not count manager's units if unrestricted) x 50%

(A - B) x 12 = Score, (12 points Maximum, 0 points minimum)

(C)

Example: a 97-unit proposal will set-aside 47 units at 60% AMI and 50 units at 50% AMI. Points would be calculated as:

$$\frac{(50 - 9.7)}{(48.5)} \times 12 = 9.97 \text{ Points}$$

i. **Exemptions for Senior Citizens Housing Development Fund (SCHDF) Requests**

Senior project applications which exclusively request SCHDF program funds will be rated in accordance with the rating criteria plan, excluding this criteria. Senior organizations must establish rental policies, i.e., affordable unit (restricted income and rent) versus market rate units, in accordance with the need in their area and their organizational principles.

b. **Extended Low-Income Project Use (1 Point)**

- i. One (1) point will be awarded to applications that commit the project to an extended low-income use equaling 30 years. An extended use agreement or other similar agreement, as determined to be appropriate by AHFC, is required. LIHTC project sponsors that elect points under this category will forfeit their ability to pursue termination of the extended use period through a qualified contract.

ii. **Exemptions for Senior Citizens Housing Development Fund (SCHDF) Requests**

Senior project applications which exclusively request SCHDF program funds will be rated in accordance with the rating criteria plan, excluding this criteria.

c. **Projects which Serve Special Needs Populations (8 Points Maximum)**

Points will be awarded for projects committing additional units (up to 50% of the residential units in the project) to special needs populations (defined below) above those commitments already required by their funding sources and the GOAL program.

Calculation:

Points = (# of special needs units not already required by the GOAL Program to satisfy the Special Needs threshold x 8) / (# of Residential Units in Project x 50%)

A "Special Needs" person or family consists of one or more of the following:

- Persons with a mental or physical disability;
- Persons/families whose annual income does not exceed 30% of the area median income, as determined by HUD, adjusted for family size. Note: Projects exclusively requesting SCHDF program funds will be excluded from earning points under this section for targeting households at or below 30% of area median income;
- Homeless persons (may include persons "overcrowded" as defined by AHFC).

d. Project Mix (12 Points Maximum)

- i. Projects located in a census tract where 51% or more of the households have income greater than the Area Median Gross Income (defined by HUD)

Points	2	4	6	8
Percentage of Units = Low Income	65%	70%	75%	80%

- ii. Projects located in a census tract where 40% or more of the households, but less than 51% of the households, have income greater than the Area Median Gross Income (defined by HUD)

Points	1	2	3	4
Percentage of Units = Low Income	65%	70%	75%	80%

- iii. Projects located in a census tract where at least 20% of the households have income less than 30% of the Area Median Gross Income (defined by HUD)

Points	5	6	7	8
Percentage of Units = at or above Market Rate	20%	40%	60%	80%

- iv. Project Mix Bonus: Regardless of the census tract income: if at least 20% of the units are unrestricted by income and the remainder are income restricted **OR** if at least 20% of the units are restricted by income and the remainder are unrestricted by income (Four points).

Please Note: Census tract data will be determined during the pre-application with a required market study. Applicants will be notified in their application invitation if their project is located within a census tract qualifying for points under the three categories listed above.

e. Projects Intended for Eventual Tenant Ownership (1 Point)

For any project that is designed and operated so that the units will be eventually sold to the tenants, one (1) point will be awarded. In order to receive the point in this category, applicants must provide documentation showing a comprehensive plan for tenant home ownership counseling which includes maintenance techniques for the home. In addition, the sponsor will agree to place resale restrictions on the units, as determined to be appropriate by AHFC.

f. Preference in Occupancy for Homeless Families (1 Point)

One (1) point will be awarded to any applicant that commits to giving a preference to homeless families (including single individuals) in the tenant selection process for a GOAL funded project. "Homeless" is defined in the Definitions section of this Plan.

g. Public Housing Waiting Lists (1 Point)

One (1) point will be awarded to applications that contain a **written commitment** to give priority to households on waiting lists for subsidized housing. For projects located outside of Anchorage that are served through AHFC's public housing office, this subsidized housing preference MUST include Tenant Based Rental Assistance Coupons referred through AHFC's Public Housing Department. A commitment means establishing gross rents below the current "AHFC Payment Standard AND establishing a referral relationship to a local office of AHFC and / or a local Indian Housing Authority. If AHFC has not published a Payment Standard for the project's community, rents must be below the current HUD "Fair Market Rent". Applicants must describe how a referral relationship will be achieved. If no AHFC office or Indian Housing Authority is available to effectively provide referrals to the project, no point will be awarded under this section.

LIHTC, HOME, and NHTF funded projects may not refuse to lease to a holder of a certificate of family participation under the Section 8 Existing Voucher Program (Housing Choice Voucher) or to a holder of a comparable document evidencing participation in a HUD tenant-based assistance program because of the status of the prospective tenant as a holder of such certificate, voucher, or comparable HUD tenant-based assistance document.

h. Senior Housing Offset (8 Points)

Eight (8) points will be awarded to projects primarily devoted to providing housing to qualifying Senior households, as defined in the NOFA. If funding with income restrictions encumbers more than 20% of the project units, no points will be awarded under this category.

i. Veterans Housing Preference (2 Points)

Two (2) points will be awarded to projects that contain a written commitment to giving a preference in the tenant selection criteria to households containing a veteran.

4. Market Conditions (Up to 45 Points)

a. Opportunity: (up to 15 Points):

- i. Unemployment exceeds the statewide rate by more than 5%: 0 points
- ii. Unemployment is no more than 5% above the statewide rate: 4 points
- iii. Unemployment is no more than 3 % above the statewide rate: 8 points
- iv. Unemployment is no more than 1% above the statewide rate: 10 points
- v. Unemployment at least equal to the statewide rate: 12 points
- vi. Unemployment is 2.5% or more below the statewide rate: 15 points

Developments will be scored using the annual unemployment rate reported by the State of Alaska Department of Labor and Workforce development for the most recent year for the borough or census area in which the project will be located.

- b. Rental Market Strength (up to 15 Points) – Project must be located in a city, borough or census area covered by the Department of Labor Survey used to generate the Rental Market Indicators. If the proposed project is not located in a city, borough or

- census area covered by the Department of Labor Survey, the vacancy rate will need to be determined through a market study using the same methodology employed by the Department of Labor in their survey.
- i. Project is located in a survey area with vacancy rates exceeding 12% – 0 points
 - ii. Project is located in a survey area with vacancy rates of at least 9%, but no more than 12% – 2 points
 - iii. Project is located in a survey area with vacancy rates of at least 7%, but less than 9% – 6 points
 - iv. Project is located in a survey area with vacancy rates of at least 6%, but less than 7% – 10 points
 - v. Project is located in a survey area with vacancy rates of at least 4%, but less than 6% – 13 points
 - vi. Project is located in a survey area with vacancy rates lower than 4% – 15 points
- c. Location Trends (up to 15 Points) - Points will be awarded based on the average growth rates over the most recent three-year period using *City and Census Designated Place data*. These data are reported on the State of Alaska's Department of Labor and Workforce Development website.

Points will be awarded based on the average of three-year growth rates for communities with populations of 6,500 or more. In cases where the community population is less than 6,500, points awarded will be based on the lesser of (1) the average growth rate for the specific community and (2) the average three-year growth rate for the borough or census area associated with the community. In cases where the population for the borough or census area associated with the community is less than 6,500, eight (8) points will be awarded IF the average three-year growth rate for the community is above 0%.

For proposals located in Palmer or Wasilla, the proposal will receive points based on the combined populations for those two communities, and their collective growth rates.

Using the above parameters, points will be assigned as follows:

- i. Population growth in the city, borough or census area over the past three years is greater than or equal to 2.0%: 15 points
- ii. Population growth in the city, borough or census area over the past three years is at least 1.25% but less than 2.0%: 12 points
- iii. Population growth in the city, borough or census area over the past three years is at least 0.5% but less than 1.25%: 10 points
- iv. Borough or census area population is less than 6,500, but the population growth over the past three years is greater than 0%: 8 points
- v. Population growth in the city, borough or census area over the past three years is greater than 0% but less than 0.5%: 6 points
- vi. Population growth in the city, borough or census area over the past three years is less than or equal to zero, but greater than -0.5%: 4 points

5. Underwriting (40 points)

An application must receive at least 8 of the total possible points in this category to receive any funding under the GOAL program. Points will be awarded based on the following subcategories:

a. Pro Forma Analysis (30 Points)

- i. Level to which project supports hard debt. To earn points under this section, hard debt means financing with scheduled payments, which cannot be deferred, beginning in the first year of the project operation.
 - 1. 4% or more, up to 6% of Total Development Costs (TDC) supported by hard debt (6 points)
 - 2. More than 6% but less than 9% of TDC supported by hard debt (10 points)
 - 3. 9% or more, but less than 12% of TDC supported by hard debt (16 points)
 - 4. 12% to 15% of TDC supported by hard debt (20 points)
 - 5. More than 15% of TDC supported by hard debt (24 points)

Remote Community Provision for (i): In projects not connected by road or rail to Anchorage or Fairbanks, where the location also meets the Small Community definition, the percentages of development costs supported by hard debt will be

scored by using forty percent 40% of the target percentages above. For example, in a qualifying community, the project would receive 24 points if more than 6% of the development costs were supported by hard debt.

- ii. Projects which are prohibited by rules associated with their land restrictions, operations, and/or supplemental funding sources which provide project-based operating assistance (i.e., HUD 811, and Section 202) from servicing debt throughout the project operations will automatically receive 14 points to offset their competitive disadvantage under Underwriting Category (a)(i).
- iii. Line items for the following have been correctly set in the Rental Development Analysis Workbook (RDAW) submitted in the application to amounts at or below their respective limits: Developer Fee, Construction Contingency, Contractor Overhead / Profit, and General Requirements. (1 point)
- iv. All line items in RDAW have been clearly described (5 points). Each time **any** line items exist for positive dollar amounts identified as only “other” or any similarly lacking description, two (2) points will be subtracted from the five points available under this category until points are no longer available under 3(a)(iii). The point floor for this category will be zero (0).
- v. Penalty: RDAW Discrepancy (minus 5 points maximum). A one (1) point penalty, up to a maximum total penalty of five (5) points, will apply for each instance of the below circumstances noted in the RDAW:
 - 1. Costs that AHFC determines will be incurred as part of the project development or operations are not included in the budget (i.e. allocation fees for an LIHTC project are not included in the budget)
 - 2. Sources and expenses identified in the application materials are not fully accounted for in the RDAW
 - 3. Known sources do not equal (within \$1,000) known uses in the RDAW; for example, donated land shows up as a source but no offsetting cost is identified in the development budget. A penalty will not apply in this case if the gap between sources and uses is created by assumptions AHFC makes during the award review.

b. Developer Fee (2 Points)

- i. Developer fee separately identifies developer overhead and developer fee in excess of overhead in separate line items (1 points)

*For the purposes of this section, Developer Overhead is defined as the costs of business for the Developer attributable to the project (i.e. time, insurance, business expense, etc.). Developer Fee in Excess of Overhead is simply the difference between the Total Developer Fee and the Developer Overhead.

- ii. No deferred developer fee is listed at or above 30% of the total developer fee (1 point)
- iii. Penalty: If the developer is not the project owner and the deferred developer fee is not repayable within 12 years **based on trending analysis** in the Rental Development Workbook (minus 2 points).

c. Debt Coverage Ratio (8 Points)

In the first year of operation a DCR:

- i. At or above 1.40 (in year 1) for hard debt service (8 points) – points only available if hard debt is issued for project development and this debt represents at least 4% of the Total Development Costs.
- ii. At or above 1.30, but below 1.40, (in year 1) for hard debt service (3 points) – points only available if hard debt is issued for project development and this debt represents at least 4% of the Total Development Costs.
- iii. Projects which are prohibited by rules associated with their supplemental funding sources which provide project-based operating assistance (i.e. HUD 811, Section 202, land restrictions, or other rental subsidy sources) from servicing debt throughout the project operations will automatically receive 8 points to offset their competitive disadvantage under Underwriting Categories (c)(i)-(c)(ii).

6. Project Leveraging (Maximum 28 Points)

Project leveraging will be evaluated by a review committee of no fewer than three members. Applicants must provide a narrative describing how the project will address these criteria. (6 pages maximum)

- a. The appropriateness of the project's total development cost (TDC) per unit in the context of location and relative difficulty to develop. (20 points)

- b. The amount of GOAL funding requested relative to the TDC and amount of non-GOAL funding in the project. (8 points)

7. Project Team Characteristics (1 Point)

- a. A tax-exempt organization or Regional Housing Authority is involved in the project on a regular, continuous, and substantial basis in both the development and operation of the project (must be recognized as a tax-exempt organization by the IRS) (1 Point).
- b. Points will be deducted from the applicant's score in cases where a principal of the development, management or ownership entity identified in the application or subsequently used on the project, has been determined through monitoring reviews by AHFC to be in violation of program criteria, rules or regulations. Performance of the developer, owner, investor, property management firm, and all entities related by common ownership to the development team will be reviewed.

The penalty point review will be conducted during the registration review as part of the “pre-application” process Staff will review all the project sponsor and development team's participation in grant/loan programs of AHFC and the Low-Income Housing Tax Credit Program. Project sponsors will be notified of any penalty points after the end of the registration period. Applicants must correct any noncompliance noted in the penalty point letters within 45 days of the full application deadline to negate assessed penalty points. At that date, 45 days prior to the full application deadline, penalty points will be final and assessed against the applicant's full application score. An applicant may have the right to appeal this decision under 15 AAC 151.830 and 15 AAC 150.220.

AHFC retains the right to amend the point penalties based on extenuating circumstances due to natural disasters, events outside the control of the sponsor/owner, or based on the best interests of AHFC or the management of these programs. For the purpose of assessing penalty points, the following criteria will be used:

- i. Late progress reports during the performance period of a grant (submitted 15 days after due date) will receive zero penalty points for the first occurrence, and 1 penalty point for each subsequent occurrence.
- ii. One point will be subtracted for each month that an AHFC mortgage payment is 30-days past-due (five points maximum) as of the pre-application registration deadline. Penalty points for mortgage performance will be assessed against all members of the project ownership.
- iii. Projects monitored by AHFC's Internal Audit Department for which the following items are older than 3 months and uncorrected by the pre-application registration deadline: Filing of an IRS Form 8823, property compliance review closed as "non-compliant", or audit findings on grant programs. (3 penalty points for each project or grant fitting this description).
- iv. Unapproved (by AHFC), and uncorrected changes in the design or scope of a prior development from the original application scope that was proposed will result in the greater of (1) a 3 point per instance point reduction, or (2) a point penalty equal to the number of points originally awarded for the commitment that was not honored. Once this penalty has been assessed in a competition, the same penalty will not be assessed in perpetuity on future applications (i.e. if assessed in year 1 competition, same penalty will not be assessed in year 2's competition for the same event that merited year 1's penalty points).

8. Job Training Program (Maximum 6 Points)

Up to six (6) points may be awarded to an applicant committing to operate a job-training program that targets low and moderate-income families, during the construction of the project. The trainees must be prepared for meaningful employment opportunities after the program is completed. The training opportunities qualifying for points under this category must be related to the project development. Apprenticeship training in a recognized trade union is one example. If an applicant receives points in this category, but fails to implement the training program, AHFC may recapture any reservation or funding commitment made from GOAL program funds.

- a. Applicants must provide letters of financial commitment for program operation, and signed memorandums of agreement between the project owner, the contractor, the training organization, and any other parties involved. **No points** will be awarded under this category without firm written commitments, and a detailed summary of the program which specifies the goals and objectives for the program, the number of training positions, the target group of people, how the program will be funded, the skills learned by the trainees, the duration of the training and what future employment opportunities will be available to trainees.
- b. Applicants will earn one (1) point for each individual being provided on-the-job-training during the project development. An additional two points will be earned for classroom training that includes at least 20 hours of instruction for at least two individuals. Classroom training must be delivered to the persons who will receive the on-the-job training. (maximum of 6 points).

9. Geographic Distribution, Sponsor Award Limits, and Tie-Break Provisions

- a. Project sponsors, including their subsidiaries and parent organizations, will be limited to the lesser of 50% of the total GOAL Program Resources or two (2) GOAL projects in any given year's GOAL program statewide funding round.
- b. No more than 1/3 one third of the LIHTC authority may be requested by a single development.
- c. No more than 1/2 one half of the available SCHDF grant funding may be requested by a single project.
- d. Tie-break: In the event that a tie in project scoring occurs, the following order of tie-break provisions will be used
 - i. The tie-will be broken in favor of the project whose community has gone the longest without a GOAL program funded development; if still tied, then
 - ii. The tie will be broken by the development with the lowest total development cost per unit

PROJECT CHANGES AND NON-COMPLIANCE WITH RATING CRITERIA AFTER AWARD

AHFC will not approve any project changes pertaining to rating criteria that would modify the order in which applications were ranked during the rating process. AHFC will consider requested changes only if there is substantive reason, in AHFC's opinion to believe that in not approving the change, the financial feasibility of the project will be compromised.

All project characteristics proposed by the applicant become part of the extended use agreement (LIHTC program) or deed restriction (HOME, NHTF, and SCHDF programs) which are recorded on a funded project. Failure to meet any of these requirements which are incorporated in to the extended use agreement or deed restriction is considered a violation of this award plan (Qualified Allocation Plan for LIHTC). Such violations are considered reportable to the IRS (LIHTC program) as non-compliance, or in the case of HOME, NHTF, and SCHDF program funds (and not corrected in a timely manner), are events which may cause AHFC to demand repayment of the HOME, NHTF, and/or SCHDF program funds.

RATING AND RANKING CRITERIA SUMMARY Evaluation Criteria		Maximum Points
1. Project Location	i. Small Community – 20 points ii. QCT w/ Community Revitalization – 1 point	21
2. Project Design	i. Energy Efficiency – 14 points ii. Larger Units – 2 points iii. Equipped Units – 8 points iv. Rehab – 16 points v. Storage facilities – 1 point vi. Service enriched housing – 3 points vii. Project Based Rental Assistance – 8 points	52
3. Project Characteristics	i. Project Serves lowest income tenants – 12 points ii. Extended low-income use – 1 point iii. Special needs targeting – 8 points iv. Project Mix – 12 points v. Tenant ownership – 1 points vi. Homeless preference – 1 points vii. Public Housing Waiting List Preference – 1 point viii. Veterans Preference – 2 points ix. Senior Housing Offset – 8 points	38
4. Market Conditions	i. Opportunity – 15 points ii. Rental Market Strength – 15 points iii. Location Trends – 15 points	45
5. Underwriting – 8 point threshold	i. Pro forma – 30 points ii. Developer Fee – 2 points iii. Debt coverage ratio – 8 points	40
6. Leverage	i. Appropriateness of TDC - 20 points ii. GOAL funds relative to TDC and other funding – 8 points	28
7. Project Team Characteristics	i. Non-profit participation – 1 point ii. Penalty points – no max	1
8. Job Training Program		6

PROJECT COST AND FUNDING LIMITATIONS

The following cost limitations shall apply in determining a project's eligible basis, and the resulting amount of GOAL program funds that may be awarded. These cost limits shall not be exceeded unless substantive evidence, acceptable to AHFC, is supplied by the applicant to justify higher cost limitations.

1. Developer/General Contractor Fees and Costs:

The maximum gross developer and contractor fee/overhead charged to the development may not exceed the amounts specified in the following table. Where an identity of interest exists among the developer, contractor, consultants or any other party to the development, the maximum developer and/or contractor fee may be further reduced to an amount determined to be appropriate by AHFC. AHFC may also reduce any fee that, in AHFC's opinion is higher than is justified for the project. Exceptions will be considered only if significant evidence is provided which suggests that the project is of a nature that warrants such higher fees.

At the time of the GOAL application, the maximum cash developer fee that may be proposed is 80% of the maximum allowed developer fee, the remaining 20% may be deferred. If the project comes in under budget or receives additional funding, the proposed deferral can be reduced up to the programmatic limit.

Development Type	Maximum Gross Developer Fee* <u>Cash Fee May Never Exceed \$2M</u>	Maximum Development Consultant Fee	Maximum Gross Contractor Fee/Overhead**	General Requirements**	Maximum Contingency***
New Construction	5% of Acquisition Costs 15% TDC less Acquisition	5%	10%	10%	5% of construction costs
Acquisition with Rehabilitation or rehabilitation Only	5% of Acquisition Costs and 15% of Rehabilitation Costs	5%	10% of Rehabilitation Cost	10% of Rehabilitation Cost	10% of construction costs
Acquisition Only (HOME & SCHDF Programs only)	5% of Acquisition Cost	5%	0%	0%	

4% Tax Exempt Bond LIHTC Projects (Only)	5% of Acquisition Costs 15% TDC less Acquisition	5%	10%	10%	10%
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*The maximum fee/overhead must be calculated against the total development cost of the project, net any payments to the developer or related parties. Construction management services performed by a party related to the developer and / or applicant are considered development overhead charges and must be included in the maximum allowed developer fee.

** The maximum fee/overhead and general requirements is calculated against total construction cost, less the costs of the general requirements and contractor overhead and profit.

*** The maximum construction contingency is calculated against total construction cost (excluding the contingency line item).

Please refer to the program policy and procedures guide for the definitions of general requirements, and builder/contractor profit and overhead.

2. The annual amount of eligible basis, the applicable **Consultant Fees and Cost of Intermediaries**

All payments made to consultants or other intermediaries who are performing tasks normally performed by a developer, are considered development overhead charges and must be included in the maximum 15% allowable for the developer fee and overhead.

3. Operating Reserves

Operating reserves that are funded with proceeds from the GOAL program are limited to an amount up to one year of the projects' total operating expenses, not including replacement reserves. This limitation may be waived at AHFC's discretion if it is considered to be in the best interests of the project or the GOAL program.

4. Replacement Reserves

All projects funded with GOAL funds will be required to maintain a minimum of \$400 per unit/per year replacement reserves for capital expenses (roof repair, boiler replacement, etc.). The replacement reserve account must be jointly controlled by the project owner and AHFC or some other secondary lender. This requirement will be subordinate to any terms or conditions placed on loan or grant financing associated with the project.

5. HOME Rental Development Funds

In addition to the federal requirements for HOME funding, for projects with five or more HOME assisted units to receive HOME rental development funds through the GOAL program, a minimum of 20% of the residential rental units, rounded up to the next full unit, in the development must be set-aside for families at or below 50% of the median income, adjusted for family size.

If HOME funds are proposed for activities that will demolish existing rental properties and / or reduce the number of housing units in a community, AHFC will evaluate the proposal in the context of the one-for-one replacement requirements under the HOME program. If AHFC determines that one-for-one replacement of housing units is appropriate, under the HOME Program Rules, then funding consideration will be conditioned on the proposal's adherence to the one-for-one replacement requirement.

6. Limitations on SCHDF Project Funding

For grant requests over \$500,000, the underwriting analysis performed by AHFC for determining the recommended amount of senior housing grant funds will be based on analysis of the debt carrying capacity of the project. AHFC will use the underwriting criteria for its multi-family loan program to determine the potential amount of debt the project could support. Project income will be estimated by using the HUD established Fair Market Rent for the geographic location. The maximum SCHDF award will be the difference between the estimated debt capacity (loan amount) and total development costs.

7. Minimum Rehabilitation Costs

Under the LIHTC program, there is a minimum rehabilitation cost. The rehabilitation costs must be the greater of \$25,000 per unit or 10% of the "adjusted basis" of the building and must consist of work items that are more than just cosmetic in nature and include only physical items. Soft costs and financing costs may not be used to calculate the minimum rehabilitation cost.

8. Limitations on National Housing Trust Fund (NHTF) awards

Per Unit Limits - NHTF awards will be limited to 120% of the applicable project cost standards. Funding limits will apply to the specific units funded through the NHTF award. Refinancing Limits – NHTF awards may not be used to refinance existing debt. NHTF awards may be used to fund renovations in projects with a debt restructure, but the NHTF dollars may not be used to restructure and / or refinance the debt itself.

The Project Cost Standards will not be used to evaluate points. These remain in the QAP to calculate NHTF subsidy limits and are referenced by other programs.

Moderate Cost Area: Defined as communities connected by road or rail to Anchorage or Fairbanks (within the State boundaries)

<u>Project Cost Standard – Moderate Area</u>		
One bedroom and Smaller	Two Bedroom Units	Larger than Two Bedroom
\$270,890 per unit	\$299,215 per unit	\$320,330 per unit

Intermediate Cost Area: Defined as communities not connected by road or rail to Anchorage or Fairbanks (within State boundaries) that do not meet the Small Community definition outlined in the Rating and Award Criteria.

<u>Project Cost Standard – Intermediate Area</u>		
One Bedroom and Smaller	Two Bedroom Units	Larger than Two Bedroom
\$303,335 per unit	\$334,750 per unit	\$358,440 per unit

High Cost Area: Defined as communities not connected by road or rail to Anchorage or Fairbanks (within State boundaries) that also meet the Small Community Definition outlined in the Rating and Award Criteria

<u>Project Cost Standard – High Cost Area</u>		
One Bedroom and Smaller	Two Bedroom Units	Larger than Two Bedroom
\$399,640	\$444,960	\$479,980

9. Utility Allowance Restrictions

HOME and NHTF projects:

Units funded through these programs will be underwritten and monitored in compliance with 24 CFR 92.252 and any HOME Final Rules. AHFC will accept the HUD Utility Schedule Model, AHFC's Public Housing utility schedule if available, or the actual per unit costs using the Multifamily Housing Utility Analysis process. If these three methods are not available in a community, a project may use the Consumption Model to establish a utility schedule for a GOAL application and the first year's operations. Multifamily Housing Utility Analysis is to be used thereafter.

LIHTC Properties:

AHFC's Public Housing utility schedule may be used if available.

Energy Consumption Models will not be allowed for developments located in communities where a public housing utility allowance is available.

Properties located in communities without a public housing utility allowance may use Energy Consumption Models if, and only if, the consumption model is approved by the GOAL Program Manager.

USDA-RD Properties:

Properties operated through the USDA RD 515 program will be underwritten using the USDA's utility allowance for the property.

ALLOCATION OF TAX CREDITS TO PROJECTS FINANCED WITH TAX-EXEMPT BONDS EXCEEDING 50% OF TOTAL PROJECT COSTS

Applicants may apply to AHFC for LIHTCs that are obtained automatically with the use of tax-exempt bond financing on a project. To be eligible for these "non-competitive" credits, more than 50% of the project costs must be financed with bonds that are exempt from taxes under the IRS Code (tax-exempt bond issue). The bonds must be issued subject to Alaska's private activity bond volume cap. Additionally, the project must be considered eligible for LIHTCs under Alaska's Qualified Allocation Plan (Rating and Award Criteria), including the minimum threshold requirements and points criteria.

All requirements of the competitive tax credit program pertain to the non-competitive program, including all application, processing and monitoring fees and the requirements regarding feasibility and viability.

If the only GOAL funding requested is the non-competitive LIHTC, new construction proposals may not exceed the applicable Project Cost Standard by any more than 20%.

COMPLIANCE MONITORING FOR LIHTC, SCHDF, NHTF, AND HOME PROJECTS

The following Safe Harbor Provision will apply during AHFC's compliance monitoring process, excepting programmatic rules that may not be waived by AHFC from the funding sources themselves. If the underlying facts and circumstances in the past five years of AHFC reviews have not resulted in non-compliance, those same underlying facts and circumstances will not be used in subsequent audits to issue a report of noncompliance.

The SCHDF, NHTF, and HOME program have separate monitoring requirements that are not required under IRS statutes to be incorporated into this allocation plan. The compliance requirements for these programs are detailed in the policy and procedures manual for the GOAL program and in a compliance manual available from AHFC.

For all properties that receive energy efficiency points (LIHTC, HOME, NHTF, SCHDF): Sponsors will be required to provide AHFC with audited or un-audited financial statements that document the financial performance of the property (calendar or fiscal year, as appropriate). Property with renewable energy systems such as solar photovoltaic will be required to document and demonstrate to their monitoring process for the system's performance.

Special Note on HOME Funded Projects:

- a) Proposals including 10 or more Federally HOME-Assisted units will be required to annual provide AHFC with financial statements for the property (audited or unaudited).

- b) All HOME and NHTF projects will be required to provide rents and the applicable utility allowance(s) to AHFC's compliance department. Project owners may charge up to the maximum HOME or NHTF rents for any of the HOME or NHTF units, based on the set-asides noted in the application. Any rents found in compliance with the HOME and NHTF program rent limits will be approved by AHFC. Please note: this approval does not imply any consent or liability for the business implications to the project owner from raising, lowering or keeping rents the same. These remain business decisions that must be made independently by the project owner.

COMPLIANCE MONITORING PLAN FOR LIHTC PROJECTS

The following Safe Harbor Provision will apply during AHFC's compliance monitoring process, excepting programmatic rules that may not be waived by AHFC from the funding sources themselves. If the underlying facts and circumstances in the past five years of AHFC's reviews have not resulted in non-compliance, those same underlying facts and circumstances will not be used in subsequent audits to issue a report of noncompliance.

- (A) **Monitoring Authority** - All projects -placed in service- since the 1986 enactment of the Low-Income Housing Tax Credit Program, are subject to monitoring for compliance with the rules and regulations of 26 U.S.C. Section 42.
- (B) Compliance monitoring of all tax credit projects will be conducted by the AHFC Internal Audit Department, in accordance with the procedures outlined below. The Corporation's obligation to monitor for compliance with the requirements of Section 42 does not make the Corporation liable for an owner's noncompliance.
- (C) The areas to be reviewed for compliance shall include, but are not limited to:
 - i. Tenant income qualifications, calculations and appropriate supporting documentation.
 - ii. Gross rent payments and any components of the gross rent figure (including utility allowances, optional and non-optional charges).

- iii. The project rental history of the applicable fraction claimed for the property and compliance with habitability standards.
- iv. Affirmative marketing efforts
- v. Fair housing compliance
- vi. Occupancy rules contained in Section 42
- vii. Building code violation reports
- viii. Replacement Reserves
- ix. Vacancy rates
- x. Property management certification
- xi. Violence Against Women Act compliance
- xii. Application commitments

(D) **Record Keeping** - The owner of a project receiving a credit allocation shall maintain project records (–i - xviii, below) for six years past the due date (with extensions) for filing the federal income tax return for that year. **The records for the first year of the credit period must be retained for at least six years beyond the due date (with extensions) for filing the federal income tax return for the last year of the compliance period of the building.**

The records must include, but are not limited to, the following:

- i. The total number of residential rental units in the project (including the number of bedrooms and square footage of each residential rental unit);
- ii. The percentage of residential rental units in the building that are low-income units;
- iii. The rent charged on each unit in the project, including the utility allowance amount used and the method of calculation;
- iv. The project rental history of all units and information that shows when and to whom the next available units were rented;
- v. Annual income certifications (as applicable) for each low-income tenant and sufficient documentation to prove that annual income was calculated in a manner consistent with the requirements of Section 8 of the U.S. Housing Act of 1937;

- vi. The character and use of the non-residential portion of the building(s) within the project (common areas, etc.) if included in eligible basis;
- vii. The number of occupants in each low-income unit;
- viii. The eligible basis and qualified basis of the building at the end of the first year of the credit period; and if in the following years the project has received additional federal funds reducing the eligible basis of the building(s);
- ix. Evidence that supports any of the project characteristics the owner may have certified to, in his/her application for tax credits, to receive points in the ranking process;
- x. Evidence supporting that the project Affirmative Marketing efforts are on going and directed towards the appropriate tenant population;
- xi. Evidence supporting that the project complies with the Fair Housing Act and does not discriminate in the provision of housing;
- xii. Evidence that the project has in place procedures to ensure compliance with the occupancy rules regarding full time students under the LIHTC program; and
- xiii. Documentation detailing all building code violations and corrections noted within the prior 12-month period of time.
- xiv. Reserve Funds and any expenditures allowed under the reserve requirements.
- xv. Annual accounting of Property Tenant Unit Vacancies
- xvi. Optional and Non-optional Charges to tenants.
- xvii. Household demographic characteristics (HUD Form # 40097 or similar).
- xviii. Other Documents and data as required.

(E) **Corporation Record Retention** - The Corporation must retain the records and certifications used to review the projects for compliance, for three years after the end of the calendar year in which it receives them. If non-compliance is found, records and certifications related to that specific compliance review must be retained for 6 years beyond the filing of the IRS Form 8823.

(F) **Monitoring Review Procedures** - Upon request from the Corporation, the owner of the subject project shall submit project information required by the Corporation, through AHFC's designated system, to complete a monitoring review. The required

information is detailed in section (C), above. After receipt of the information described in section (C), the Corporation will review the documentation for compliance with 26 U.S.C. Section 42. The corporation shall notify the owner after the initial review of the information provided or after the physical inspection is completed (if applicable) of any discrepancies identified. The owner must then respond in writing to AHFC within 30 days of receipt of the request providing additional clarification or documentation substantiating corrective action. The correction period may be extended for a period of up to six (6) months. Extensions will be based on a determination by AHFC that this is good cause for granting the extension. Failure to respond will be considered non-compliance with program criteria and will be reported to the IRS.

(G) Monitoring Review Schedule – In the first year of the credit period, 50%-100% of the tenant files and 20% of all units in the project will be reviewed during an on-site visit. Every third year thereafter, a minimum of 20% of all units in the project will be reviewed during an on-site visit. Annually, a compliance documentation review will take place. The following items will be submitted to the Internal Audit department for review:

- i. Owners Certificate of Compliance (LIHTC, HOME and/or NSP)
- ii.
- iii. Unit History Data submitted through AHFC's designated system
- iv. Tenant Data submitted through AHFC's designated system
- v. Utility Allowances
 - a. Annual utility allowance update may be completed with the actual usage utilizing AHFC's "Utility Allowance Workbook" available on the AHFC website, submitting the current Public Housing or USDA published allowances, or completing the HUD Utility Schedule Model for the building.
- vi. Affirmative Marketing Plan and Marketing Materials
- vii. AHFC's Building Report Certification, including building inspection and building violations LIHTC Allocation Certificates (IRS Forms 8586, 8609, and 8609A)
- viii. Student Household Statement
- ix. Household Characteristics Form (HUD Form 40097 or similar)
- x. AHFC's Vacancy Summary Report

- xi. Optional and Non-optional tenant charges
- xii. Common area description
- xiii. Replacement Reserve Fund (if applicable)

AHFC reserves the right to visit any project on an annual basis if the prior year's performance was determined to be less than satisfactory.

(H) **Inspections** - The Corporation has the right to perform audits which may include site inspections on any tax credit project during the full term of the agreed-upon extended use period or thirty (30) years, whichever is greater. The extended-use period is established in an agreement, which is recorded as a restrictive covenant when the project is placed in service.

- i. For New Buildings – physical inspections will be conducted, in accordance with NSPIRE protocol, on at least 20% of the property's LIHTC-eligible units, all building exteriors, building systems, the property site and common areas.
- ii. For Existing Buildings – physical inspections will be conducted on at least 20% of the property's LIHTC-eligible units every three years, all building exteriors, building systems, the property site and common areas.

(I) **Required Certifications** - In addition to the required information referred to in sub-section (D) above, owners of tax credit projects shall submit annual certifications attesting to compliance with the requirements of Section 42, under penalty of perjury. The owner shall also certify that the residents of the low-income facilities were informed of the Corporation's right and intent to review tenant income certifications for compliance with Section 42 and the procedures of this section.

(J) **Calculating Family Income** - All families living in the designated low-income units of a building receiving tax credits must be income qualified. Owners of tax credit projects shall use the guidelines established by the IRS for projecting annual family income.

- (K) **Notification of Non-Compliance** - If the Corporation does not receive the required certifications, is denied access to income certification forms, support documents, or rent records for any tenant family or unit, or finds general non-compliance with the requirements of Section 42, the owner will be immediately notified of the violation, in writing, and the time period for correcting it.
- (L) **Correction Periods** - An owner shall have thirty (30) days from the date of the notice of non-compliance to correct the observations. For non-compliance found regarding health and safety issues, an owner shall have no more than 72 hours from the hour of observation to correct the deficiency.
- (M) **IRS Notification** - The Corporation will notify the IRS of an observation of non-compliance within 45 days of the end of the correction period, regardless if the observation was corrected.
- (N) **Monitoring Fees** - An annual fee will be charged to all LIHTC, NHTF, and HOME projects for compliance monitoring. The monitoring fee shall be established by the Corporation and reviewed on a yearly basis to ensure it adequately covers the administrative cost of monitoring.

Please note: The compliance monitoring fee for HOME units will only apply to low-income units in HOME projects funded after the May 14, 2014. No compliance monitoring fee will be charged or assessed for HOME units funded prior to April 14, 2014.

- i. The monitoring fee will be the greater of \$50 per tax credit, NHTF, or HOME unit per project or a minimum of \$250. Per unit LIHTC, NHTF, or HOME fee of \$50 applies to on-site reviews which include a physical inspection. The maximum compliance monitoring fee for each project will be \$3,500 per project. Please note: No compliance monitoring fee will be assessed for manager's units which are not income restricted; however, in cases where a manager's unit will be income restricted, a compliance monitoring fee will be assessed. On-site reviews are

required every 3rd year. Reviews may occur more often at AHFC's discretion due to poor compliance performance found at the development. During off-site administrative documentation reviews (desk reviews), the monitoring fee will be 50% of the on-site review fee. For projects that continue to exhibit poor performance, AHFC reserves the right to charge the actual cost to AHFC for conducting an annual compliance review.

- ii. The monitoring fee for the first year of the credit period shall be payable upon issuance of the IRS Form 8609. For the following years, the monitoring fee shall be payable upon request of the annual compliance review documentation.
- iii. Failure to pay monitoring fees when due will constitute a violation of the terms of the extended-use agreement under which a credit allocation is made. The annual compliance monitoring review will be closed as 'Out of Compliance' due to lack of response. In addition, the project owners may be barred from receiving any future credit reservation and the Corporation will reserve the right to pursue legal action and/or the recapture of the credit allocation to the fullest extent permissible by state and federal law.
- iv. Monitoring Office Contact - All information specified under this section shall be submitted to:

Alaska Housing Finance Corporation
P.O. Box 101020
Anchorage, Alaska 99510
Attn: Internal Audit Department

ALASKA HOUSING FINANCE CORPORATION BOARD CONSIDERATION MEMORANDUM

Date: June 25, 2025

Staff: Catherine Stone

Item: Consideration of a Resolution Approving FY2025 Vacated Tenant Accounts Receivable Inactivation

Background:

The Public Housing Department submits tenant accounts receivable activity each year to the Board for its Public Housing, Section 8 New Multifamily, and Affordable Housing programs. This activity is necessary, as HUD aims to minimize and manage accounts receivables balances for families. Although PHD removes these accounts from its active accounts receivables, staff continues to take an aggressive stance on collection of these accounts.

PHD pursues two methods of collection:

- Garnishing the Permanent Fund Dividend, and
- Turning over delinquent accounts throughout the fiscal year to a collection agency.

Collection activities have resulted in the following amounts recovered during this fiscal year:

	Voucher	Multifamily	Public	Unassisted	Totals
Collection	\$590.94	\$1,574.49	\$15,872.47	\$162.20	\$18,200.10
PFD	\$0.00	\$1,451.15	\$11,524.58	\$0.00	\$12,975.73
AHFC	\$1,639.00	\$843.46	\$12,036.82	\$0.00	\$14,519.28
Totals	\$2,229.94	\$3,869.10	\$39,433.87	\$162.20	\$45,695.11

The current accounts receivable balance includes the debts of clients that have vacated in the current fiscal year and previous fiscal years. In order to protect the privacy of our clients and their account information, the following summary information is presented to the Board.

Program	FY2025	
Public Housing	119	\$682,689.21
Multifamily Housing	5	\$4,098.67
Unassisted Housing	5	\$75,774.00
Total	129	\$762,561.88

Recommendation:

Staff recommends Board approval of the attached resolution that approves vacated tenant accounts receivable inactivation.



BOARD RESOLUTION OF ALASKA HOUSING FINANCE CORPORATION RESOLUTION 2025-12

RESOLUTION APPROVING FY2025 VACATED TENANT ACCOUNTS RECEIVABLE INACTIVATION

WHEREAS, certain delinquent accounts receivable of tenants who have vacated Public, S8N Multifamily, and Affordable Housing developments statewide are reported each year to HUD; and

WHEREAS, Public Housing Department staff has employed all reasonable means to locate tenants and collect on these debts; and

WHEREAS, the inactivation process does not end the collection process, and any monies subsequently received will be recorded and credited to the proper accounts; and

WHEREAS, in many cases, court judgments and Permanent Fund Dividend assignments have been obtained; and

WHEREAS, 129 accounts totaling \$762,561.88 are proposed to be inactivated.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Alaska Housing Finance Corporation that the following 129 delinquent vacated tenant accounts totaling \$762,561.88 are approved for inactivation as of June 25, 2025:

1. Public Housing – 119 accounts totaling \$682,689.21; and
2. S8N Multifamily Housing – 5 accounts totaling \$4,098.67; and
3. Affordable Housing – 5 accounts totaling \$75,774.00.

This resolution shall take effect immediately.

PASSED AND APPROVED by the Board of Alaska Housing Finance Corporation this 25th day of June, 2025.

Brent LeValley – Board Chair



ALASKA HOUSING FINANCE CORPORATION BOARD CONSIDERATION MEMORANDUM

Date: June 25, 2025

Staff: James Wiedle

Item: Consideration of a Resolution for review and approval of the FY2026 Operating Budget for the Low-Rent Asset Management Developments (AMPs) and the Central Office Cost Center (COCC)

Background:

The Department of Housing and Urban Development (HUD) requires AHFC Board Approval of the Low Rent Asset Management (AMP) and Central Office Cost Center (COCC) Operating Budgets prior to the July 1st start date of the new operating budget year. The FY2026 budgets under consideration were approved by the AHFC Board of Directors last October, the Alaska Legislature in May, and the Governor in June.

Issue:

AHFC's proposed FY2026 Low Rent and the FY2026 Central Office Cost Center operating budgets include the 3.0% cost of living increment authorized through the passage of SB 259 in the 2024 Legislative Session. The Low Rent budget for FY2026 is \$23.2 million and the Central Office Cost Center budget is \$8.1 million. Both budgets comply with HUD's Asset Management rules and contain sufficient revenue to cover all expected costs.

Recommendation:

Staff recommends approval of the ***Resolution for review and approval of the FY2026 Operating Budget Details for the Low-Rent Asset Management Developments (AMPs) and the Central Office Cost Center (COCC)***. Upon approval, staff will submit the resolution to the Department of Housing and Urban Development.



PHA Board Resolution
Approving Operating Budget

**U.S. Department of Housing and
Urban Development**
Office of Public and Indian Housing

OMB Approval No. 2577-0029 (exp. 04/30/2027)

Public reporting burden for this collection of information is estimated to average 136.2 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering, and maintaining the data needed, completing the operating budget and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information including suggestions for reducing this burden, to the Reports Management Officer, QDAM, Department of Housing and Urban Development, 451 7th Street, SW, Room 4176, Washington, DC 20410. When providing comments, please refer to OMB Approval No. 2577-0029. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required by Section 6(c)(4) of the U.S. Housing Act of 1937. The information is the operating budget for the low-income public housing program and provides a summary of the proposed and budgeted receipts and expenditures, approval of budgeted receipts and expenditures, and justification of certain specified amounts. HUD reviews the information to determine if the operating budget adopted by the public housing agency (PHA) and the amounts are reasonable, and that the PHA complies with HUD prescribed procedures. PHA boards must approve the operating budget and HUD requires boards to certify their approval through this form. Responses are required to obtain benefits. This information does not lend itself to confidentiality.

PHA Name: **Alaska Housing Finance Corporation** PHA Code: **AK001**

PHA Fiscal Year Beginning **July 1, 2025** Board Resolution Number: **25- 13**

Acting on behalf of the Board of Commissioners of the above-named PHA as its Chairperson, I make the following certifications and agreement to the Department of Housing and Urban Development (HUD) regarding the Board's approval of (check one or more as applicable):

- | | <u>DATE</u> |
|---|-------------------|
| ☒ Operating Budget approved by Board resolution on: | 06/25/2025 |
| ☐ Operating Budget submitted to HUD, if applicable, on: | |
| ☐ Operating Budget revision approved by Board resolution on: | |
| ☐ Operating Budget revision submitted to HUD, if applicable, on: | |

I certify on behalf of the above-named PHA that:

1. All statutory and regulatory requirements have been met;
2. The PHA has sufficient operating reserves to meet the working capital needs of its developments;
3. Proposed budget expenditure are necessary in the efficient and economical operation of the housing for the purpose of serving low-income residents;
4. The budget indicates a source of funds adequate to cover all proposed expenditures;
5. The PHA will comply with the wage rate requirement under 24 CFR 968.110(c) and (f); and
6. The PHA will comply with the requirements for access to records and audits under 24 CFR 968.110(i).

I/We, the undersigned, certify under penalty of perjury that the information provided above is true and correct.

WARNING: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §3729, 3802).

Print Board Chairperson's Name: Brent LeValley	Signature:	Date: 06/25/2025
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Alaska Housing Finance Corporation
Central Office Cost Center Budget
Program Summary Draft

FY2026
June 25, 2025

Housing Operations	Budget
Contractual	\$19,116
Salary and Benefits	\$2,978,043
Supplies	\$184,536
Travel and Training	\$54,501
Total:	\$3,236,196

Facilities Management (inc. \$3.0 mil. In Corporate Special Projects)

Capital Outlay	\$1,971,455
Contractual	\$1,558,635
Salary and Benefits	\$1,247,556
Supplies	\$64,491
Travel and Training	\$20,000
Total:	\$4,862,136

Total Central Office Cost Center

Capital Outlay	\$1,971,455
Contractual	\$1,577,751
Salary and Benefits	\$4,225,599
Supplies	\$249,027
Travel and Training	\$74,501
Grand Total	\$8,098,332

Alaska Housing Finance Corporation
Low Rent AMP Projects
Income vs. Expense
July 1, 2025 Through June 30, 2026

	Public Housing Project (AMP)						
	Totals Low-Rent	Anchorage Central 247	Anchorage East 271	Anchorage South 274	Bethel 257	Cordova 216	Fairbanks 275
A. Starting Reserve Balance (7/1/2025)	(\$17,565,204)	(\$1,572,194)	(\$2,399,452)	(\$1,519,762)	(\$2,925,078)	(\$390,252)	(\$2,094,052)
B. AMP Reserve Fungibility¹	\$0	(\$340,000)	(\$15,000)	(\$1,190,000)	\$865,000	\$119,000	\$890,000
1. Transfer In	(\$3,209,000)	(340,000)	(15,000)	(1,190,000)	0	0	0
2. Transfer Out	\$3,209,000	0	0	0	865,000	119,000	890,000
C. FY2025 Forecasted Income	(\$17,477,825)	(\$1,378,667)	(\$2,362,265)	(\$2,365,008)	(\$2,137,838)	(\$311,123)	(\$2,248,798)
1. Dwelling	(8,024,340)	(478,000)	(1,183,301)	(1,145,840)	(1,150,206)	(155,821)	(931,355)
2. MTW Revenue (CFP Transfers)	(475,000)	0	0	0	0	0	0
3. Non-Dwelling Income	(8,374,729)	(836,461)	(1,104,203)	(1,116,189)	(937,062)	(144,402)	(1,239,229)
4. Operating Subsidy (HUD)	(603,756)	(64,206)	(74,760)	(102,979)	(50,570)	(10,901)	(78,214)
5. Other	0	0	0	0	0	0	0
D. FY2025 Forecasted Expense	\$23,193,686	\$2,255,532	\$3,267,237	\$3,472,073	\$2,877,427	\$398,209	\$2,361,968
1. Capital Outlay	841,037	5,000	64,889	148,932	388,011	5,001	19,468
2. Commodities	1,334,664	230,217	154,628	301,554	127,719	8,757	94,703
3. Grants	50,264	0	17,939	9,396	5,160	0	9,195
4. Management Fees	1,375,000	133,387	196,746	208,973	130,053	17,785	183,407
5. Salary and Benefits	8,923,870	1,007,000	1,723,752	1,562,313	719,945	187,199	800,074
6. Services	10,575,969	879,928	1,109,283	1,240,905	1,497,724	176,749	1,218,240
7. Travel and Training	92,882	0	0	0	8,816	2,718	36,880
E. Ending Reserve Balance (6/30/2025)	(\$11,849,343)	(\$1,035,329)	(\$1,509,479)	(\$1,602,697)	(\$1,320,489)	(\$184,167)	(\$1,090,882)
F. Average Monthly Expense	\$1,932,807	\$187,961	\$272,270	\$289,339	\$239,786	\$33,184	\$196,831
G. Total Units	1,242	120	177	193	117	16	165
H. Avg. Monthly Cost Per Unit	\$1,556	\$1,566	\$1,538	\$1,499	\$2,049	\$2,074	\$1,193
I. Total Reserve Months	6	6	6	6	6	6	6
J. Reserves Sufficient for HUD Standard?	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Notes:

1. Per HUD rules, a PHA may transfer excess revenue between AMPs as long as revenue is sufficient to cover at least one month's operating expense. Transfers estimated to occur by end of FY2025

Alaska Housing Finance Corporation
Low Rent AMP Projects
Income vs. Expense
July 1, 2025 Through June 30, 2026

	Public Housing Project (AMP)							
	Juneau 277	Ketchikan 279	Kodiak 265	Nome 260	Sitka 280	Valdez 263	Wasilla 244	Wrangell 213
A. Starting Reserve Balance (7/1/2025)	(\$1,666,417)	(\$650,066)	(\$772,350)	(\$747,472)	(\$757,783)	(\$262,801)	(\$412,929)	(\$340,905)
B. AMP Reserve Fungibility¹	(\$1,644,000)	\$322,000	\$115,000	\$270,000	\$306,000	\$297,000	\$25,000	(\$20,000)
1. Transfer In	(1,644,000)	0	0	0	0	0	0	(20,000)
2. Transfer Out	0	322,000	115,000	270,000	306,000	297,000	25,000	0
C. FY2025 Forecasted Income	(\$2,922,495)	(\$931,020)	(\$519,246)	(\$530,679)	(\$696,603)	(\$220,675)	(\$508,713)	(\$344,696)
1. Dwelling	(1,206,301)	(411,993)	(299,007)	(337,900)	(284,713)	(111,381)	(200,206)	(128,317)
2. MTW Revenue (CFP Transfers)	(475,000)	0	0	0	0	0	0	0
3. Non-Dwelling Income	(1,173,303)	(481,661)	(206,046)	(172,030)	(390,210)	(96,415)	(290,839)	(186,680)
4. Operating Subsidy (HUD)	(67,891)	(37,366)	(14,193)	(20,750)	(21,680)	(12,878)	(17,668)	(29,700)
5. Other	0	0	0	0	0	0	0	0
D. FY2025 Forecasted Expense	\$4,189,751	\$862,158	\$806,490	\$690,472	\$787,200	\$127,566	\$613,453	\$484,151
1. Capital Outlay	162,947	5,000	5,000	10,325	1,691	5,000	14,774	5,000
2. Commodities	149,278	78,811	12,556	26,572	44,879	8,515	52,332	44,145
3. Grants	3,308	807	4,460	0	0	0	0	0
4. Management Fees	228,981	81,144	44,462	36,681	47,797	7,781	35,570	22,231
5. Salary and Benefits	1,261,593	237,534	262,030	276,471	364,029	39,307	261,087	221,538
6. Services	2,355,620	448,622	476,608	339,897	327,178	66,004	249,691	189,521
7. Travel and Training	28,025	10,240	1,374	526	1,626	960	0	1,717
E. Ending Reserve Balance (6/30/2025)	(\$2,043,161)	(\$396,928)	(\$370,106)	(\$317,679)	(\$361,186)	(\$58,910)	(\$283,188)	(\$221,450)
F. Average Monthly Expense	\$349,146	\$71,846	\$67,208	\$57,539	\$65,600	\$10,630	\$51,121	\$40,346
G. Total Units	206	73	40	33	43	7	32	20
H. Avg. Monthly Cost Per Unit	\$1,695	\$984	\$1,680	\$1,744	\$1,526	\$1,519	\$1,598	\$2,017
I. Total Reserve Months	6	6	6	6	6	6	6	5
J. Reserves Sufficient for HUD Standard?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Notes:

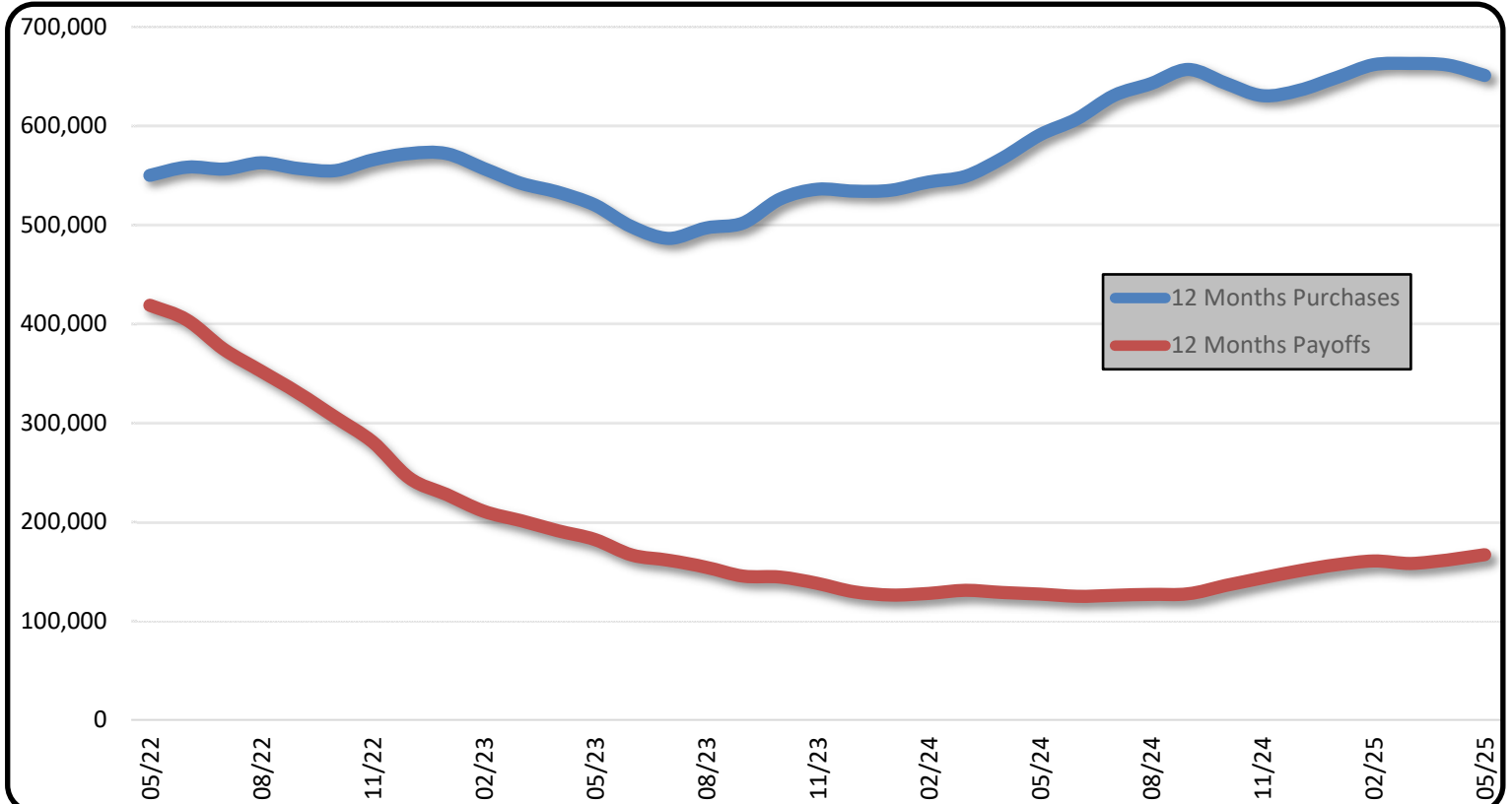
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ALASKA HOUSING FINANCE CORPORATION

Finance Board Report - June 2025

PORTFOLIO/ACTIVITY: (\$ in Thousands)	Current	1 Month Ago		1 Year Ago		3 Years Ago	
	05/31/25	04/30/25	Change	05/31/24	Change	05/31/22	Change
Total Mortgage Portfolio	3,937,823	3,929,725	0%	3,592,637	10%	3,028,488	30%
Total Bonds Outstanding	2,782,630	2,782,630	0%	2,599,715	7%	2,249,745	24%
Mortgage/Bond Ratio	1.42	1.41	0%	1.38	2%	1.35	5%
Mortgage Purchases (12 Months)	651,092	661,494	(2%)	590,767	10%	550,031	18%
Mortgage Payoffs (12 Months)	167,026	161,597	3%	127,073	31%	418,920	(60%)
Purchase/Payoff Variance	484,066	499,897	(3%)	463,695	4%	131,111	269%
Bond Issuances (12 Months)	312,100	312,100	0%	393,015	(21%)	122,795	154%
Special Redemptions (12 Months)	77,845	77,845	0%	74,950	4%	126,460	(38%)
Issuance/Redemption Variance	234,255	234,255	0%	318,065	(26%)	(3,665)	6492%
Mortgage Average Rate	4.77%	4.76%	0%	4.51%	6%	4.00%	19%
Fixed Bond Average Rate	4.06%	4.06%	0%	3.97%	2%	3.61%	13%
Mortgage/Fixed Bond Spread	0.71%	0.70%	1%	0.54%	31%	0.39%	82%
Current Cash Investment Rate	4.48%	4.68%	(4%)	5.41%	(17%)	0.86%	421%
Current Floating Bond Rate	4.21%	4.30%	(2%)	5.23%	(20%)	1.03%	309%
Investment/Float Bond Spread	0.27%	0.38%	(29%)	0.18%	50%	(0.17%)	259%
Delinquent % of \$ (30 Days)	1.36%	1.28%	6%	1.36%	0%	1.66%	(18%)
Delinquent % of \$ (60+ Days)	1.00%	1.12%	(11%)	1.10%	(9%)	1.97%	(49%)
Delinquent % of \$ (30+ Days)	2.36%	2.40%	(2%)	2.46%	(4%)	3.63%	(35%)

Annual Mortgage Purchase/Payoff Rolling Averages by Month (\$ in Thousands)



ALASKA HOUSING FINANCE CORPORATION

Finance Board Report - June 2025

STATE CAPITAL PROJECT BONDS II 2025 SERIES A

SOURCES & USES

Sources	Total
Par Amount	133,000,000
Bond Premium	11,374,380
Total Sources	144,374,380

Uses	Total
Economic Refunding	25,655,000
Current Refunding	90,115,000
Reimbursed Expenses	28,023,890
UWD/Costs Of Issuance	580,490
Total Uses (Tax Purposes)	144,374,380

New Mortgages 118,138,890

BOND STATISTICS

Bond Type	GO Credit
Interest Type	Fixed Rate
Tax Status	Tax-Exempt
Credit Ratings	AA+/Aa1
Sale Date	06/02/25
Issuance Date	07/01/25
Maturity Date	12/01/33
Bond Yield	3.25%
Use of Funds	Refund/Reimburse
Senior Underwriter	RBC
Average Spread	0.30%
NPV Refund Savings	\$750,000

BOND ORDERS

Seller	Amount
RBC (Senior Manager)	270,500,000
Bank of America (Co-Manager)	28,050,000
Ramirez (Co-Manager)	17,000,000
Morgan Stanley (Co-Manager)	15,000,000
Raymond James (Co-Manager)	15,000,000
Jefferies (Co-Manager)	14,000,000
Fidelity (Selling Group)	645,000
Total Bond Orders	360,195,000

Alaska Retail 12,300,000

Institutional 45,000,000

LARGEST INVESTORS

Buyer	Amount
J.P. Morgan Investment	133,000,000
Stock Orders	89,000,000
Breckinridge Capital	74,000,000
Appleton Investors	24,000,000
Clark Capital	11,000,000
PNC Bank	9,000,000
Nuveen Advisory	8,500,000
Invesco Capital	7,500,000
Chilton Investment	3,500,000
Total Largest Investors	359,500,000

SCP BOND HISTORY SINCE 1999:

SCPB I Bonds Issued	720,190,000
SCPB II Bonds Issued	2,397,410,000

CURRENT SCP BOND PORTFOLIO:

Bonds Outstanding (w/ SC25A)	1,334,655,000
Non-Qualified Mortgages (w/ SC25A)	1,555,930,000

State Capital Project Bonds 2025 - Projected Cash Flows (\$ in Millions)



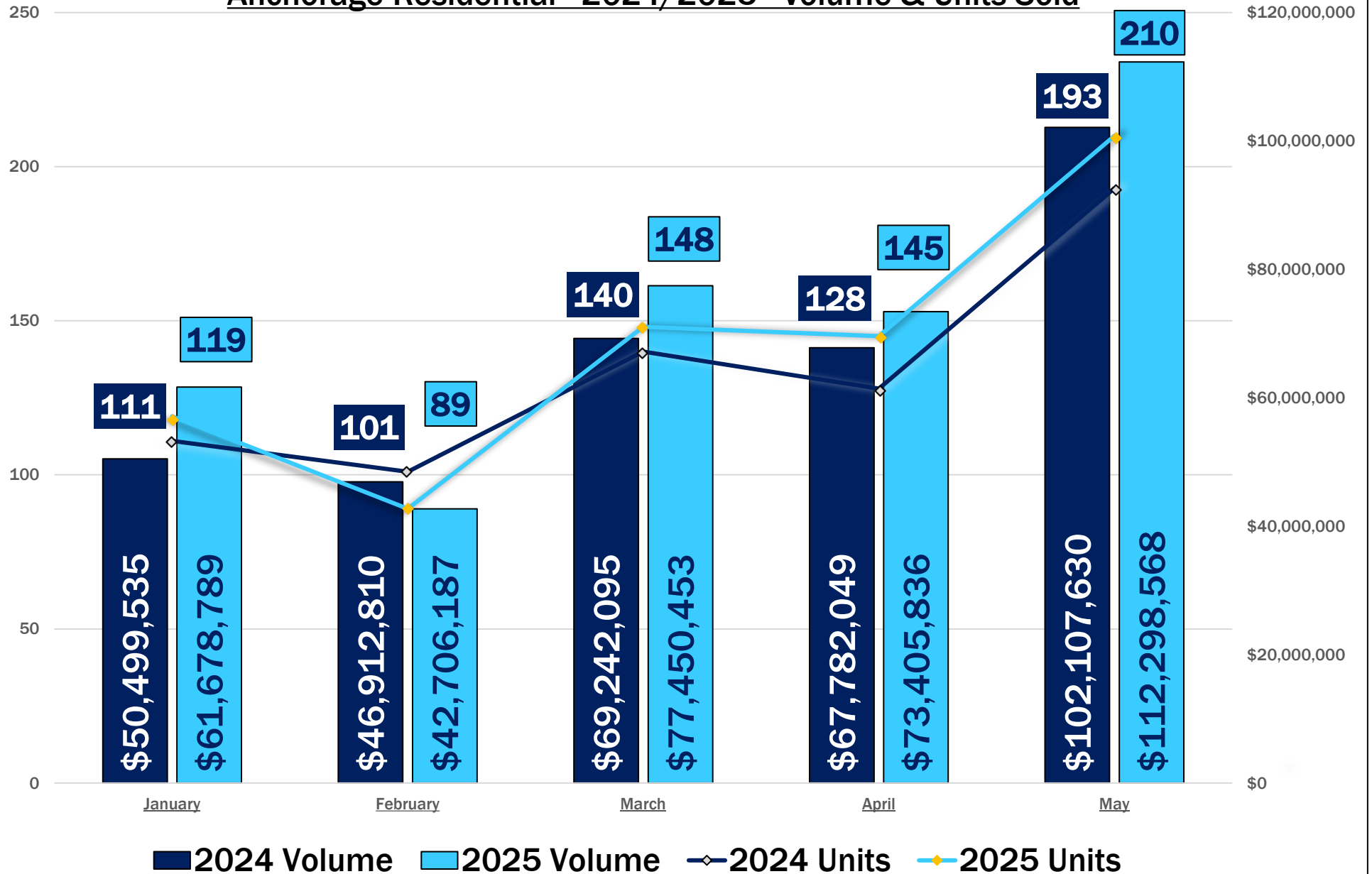
Mortgage Operations

MORTGAGE ACTIVITY SUMMARY LOANS PURCHASED BY PROGRAM

LOAN PROGRAM	May 2025		May 2024		FY 2025 Thru 05/31/2025		FY 2024 Thru 05/31/2024	
	# of Loans	Total Dollar Volume	# of Loans	Total Dollar Volume	# of Loans	Total Dollar Volume	# of Loans	Total Dollar Volume
First Home	34	13,120,308	21	7,842,386	351	133,464,764	365	129,916,747
First Home Limited	21	5,201,387	40	11,314,460	427	116,922,245	391	101,823,472
Military Facility Zone	0	0	0	0	0	0	2	575,150
My Home	20	9,839,615	46	19,530,488	435	192,028,044	539	215,648,057
Rural Loan Program	5	1,545,453	7	2,407,700	127	44,943,143	84	27,493,891
Second Mortgage Program	1	169,000	0	0	11	2,333,360	8	1,104,550
Uniquely Alaskan	0	0	0	0	1	156,100	1	236,000
Veterans Mortgage Program	17	8,054,746	17	7,784,686	212	98,761,417	171	72,381,916
Residential Loan Program Totals	98	37,930,509	131	48,879,720	1,564	588,609,073	1,561	549,179,783
Condominium Association Loans	0	0	1	235,100	1	95,645	3	819,500
Multi-Family AHFC Originated	0	0	0	0	0	0	1	160,000
Multi-Family Lender Originated	0	0	0	0	6	5,766,800	6	4,302,500
Multi-Family Special Needs	1	782,750	0	0	6	5,155,850	4	2,515,600
Multi-Family Loan Program Totals	1	782,750	1	235,100	13	11,018,295	14	7,797,600
Total Loans Purchased	99	38,713,259	132	49,114,820	1,577	599,627,368	1,575	556,977,383
LOAN PROGRAM OPTIONS (Included in Total Loans Purchased)								
Energy Efficiency Interest Rate Reduction	7	2,635,079	10	4,052,292	51	22,256,124	77	30,609,120
Interest Rate Reduction Low Income Borrowers	0	0	0	0	17	3,492,094	16	2,833,235
Renovation Options	2	461,243	2	378,745	34	11,155,693	44	12,988,543
Streamline Refinances	0	0	0	0	3	964,449	0	0

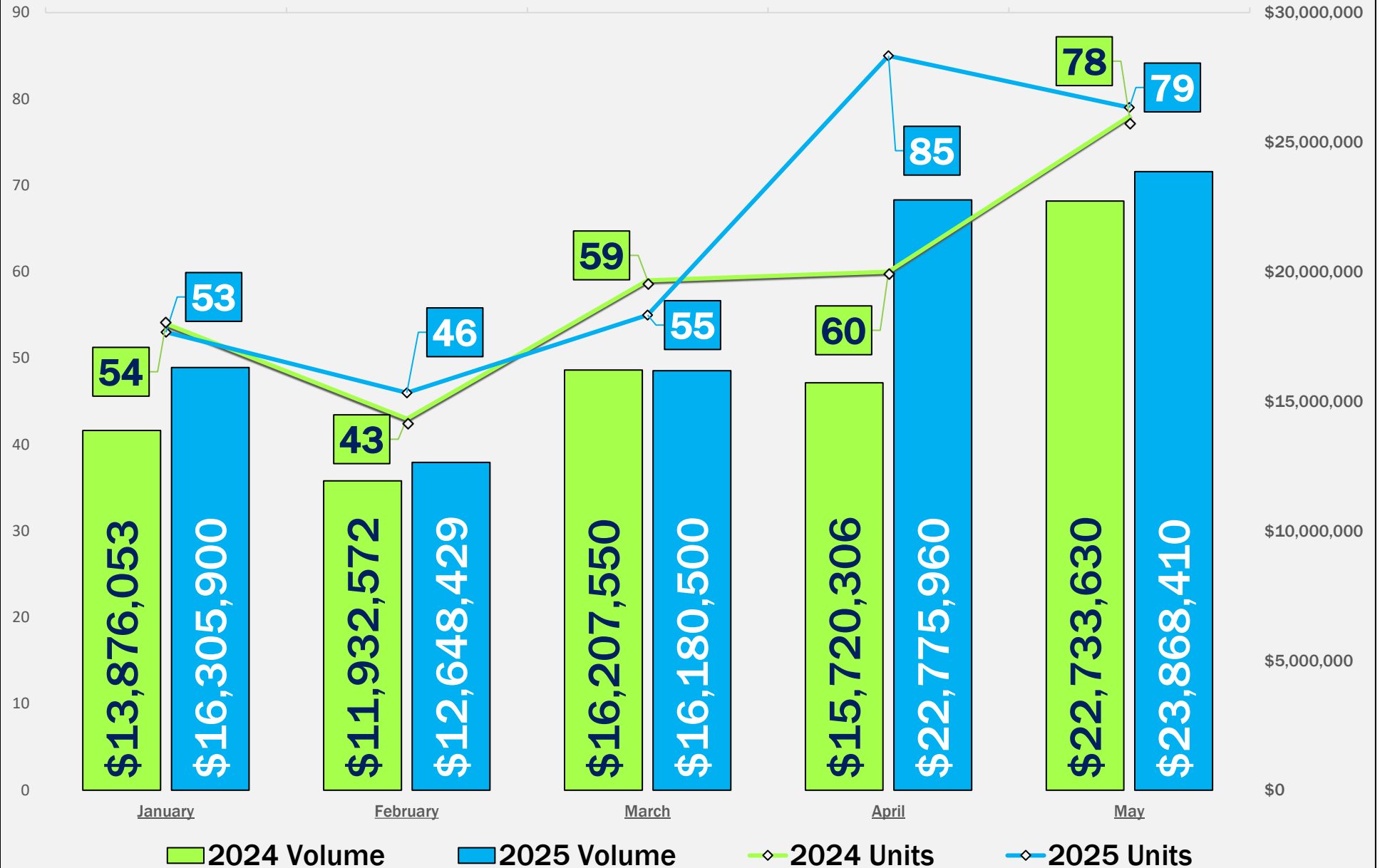
Mortgage Operations

Anchorage Residential - 2024/2025 - Volume & Units Sold



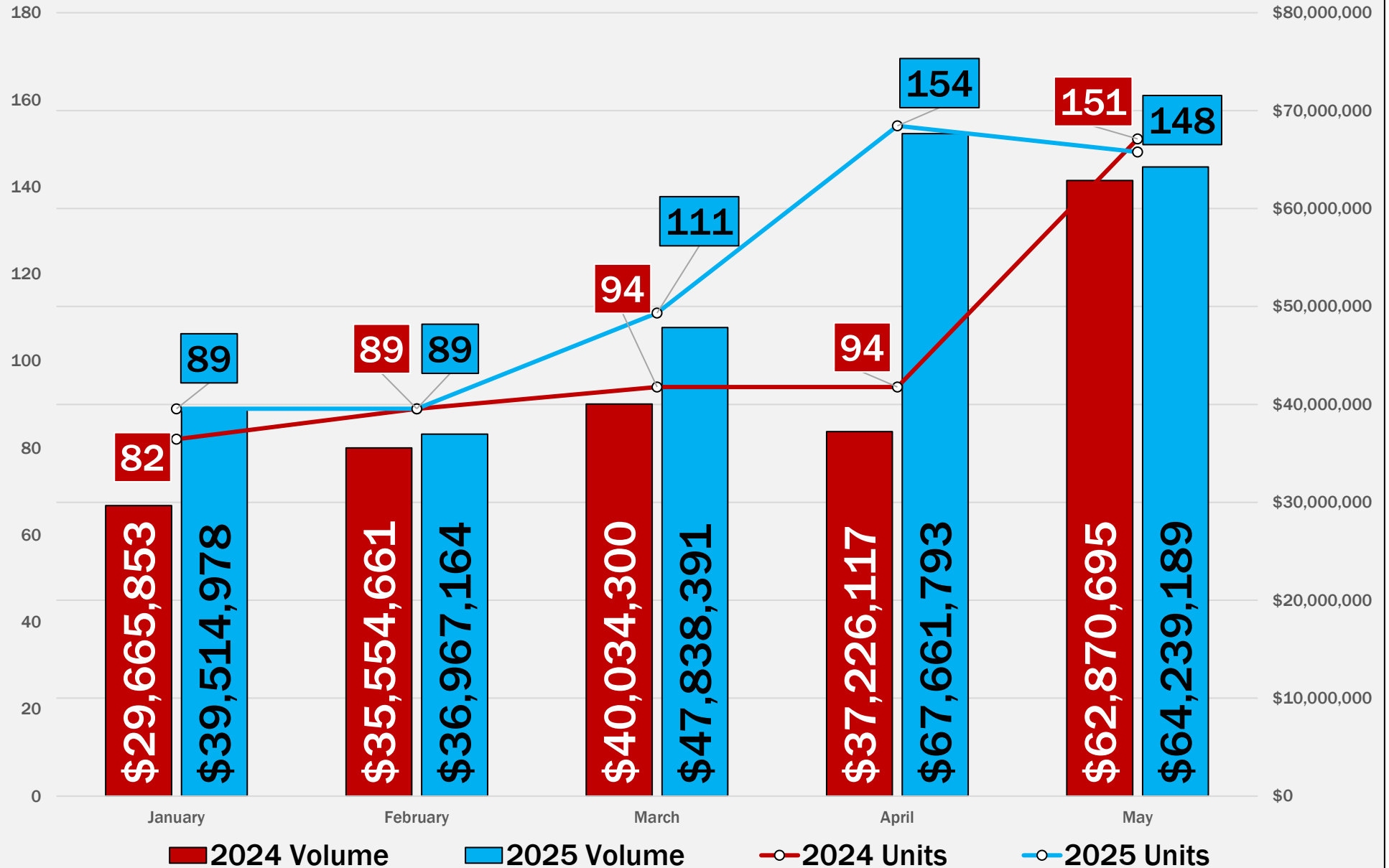
Mortgage Operations

Anchorage Condominium - 2024/2025 - Volume & Units Sold



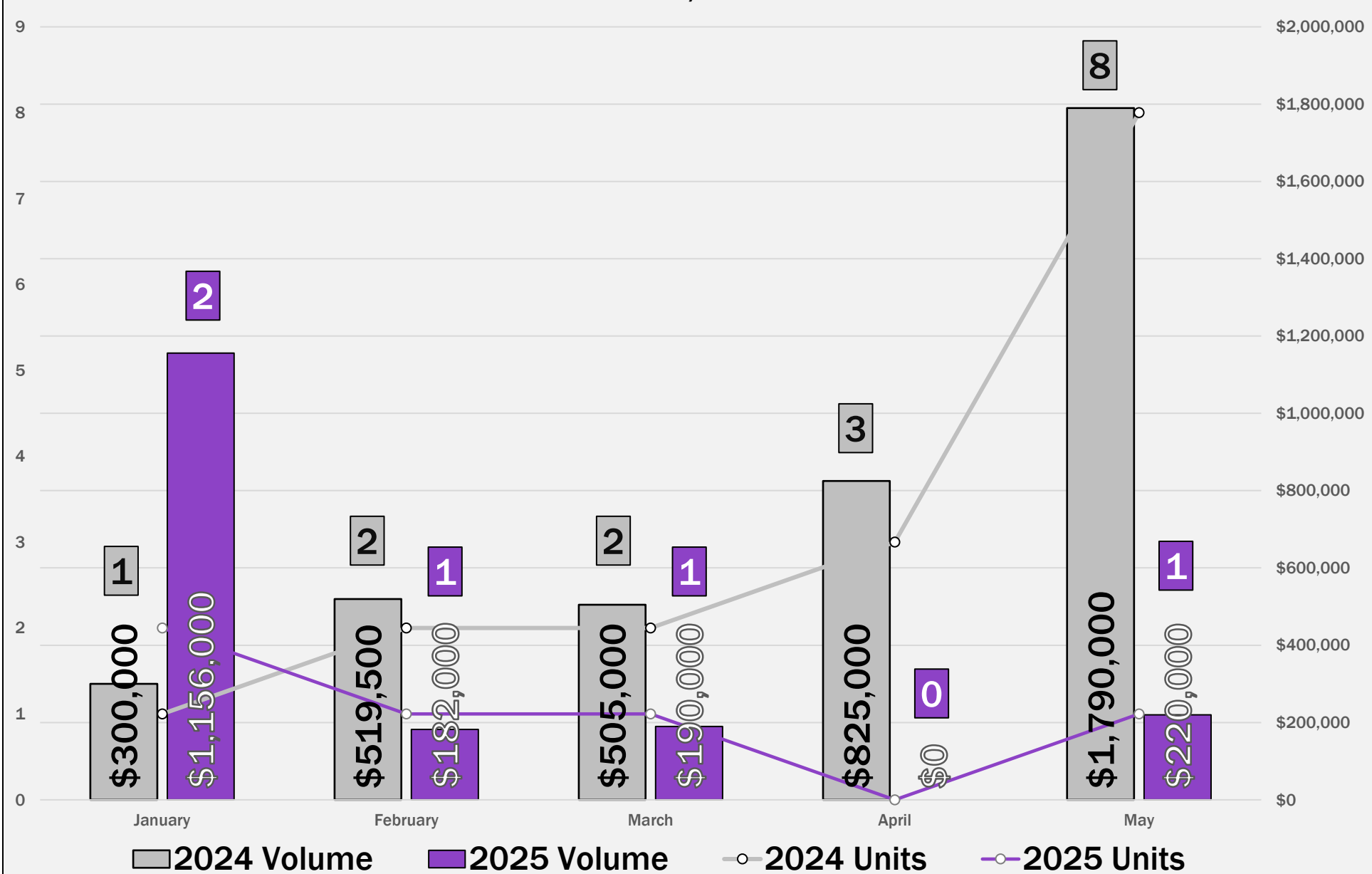
Mortgage Operations

Mat-Su Residential - 2024/2025 - Volume & Units Sold



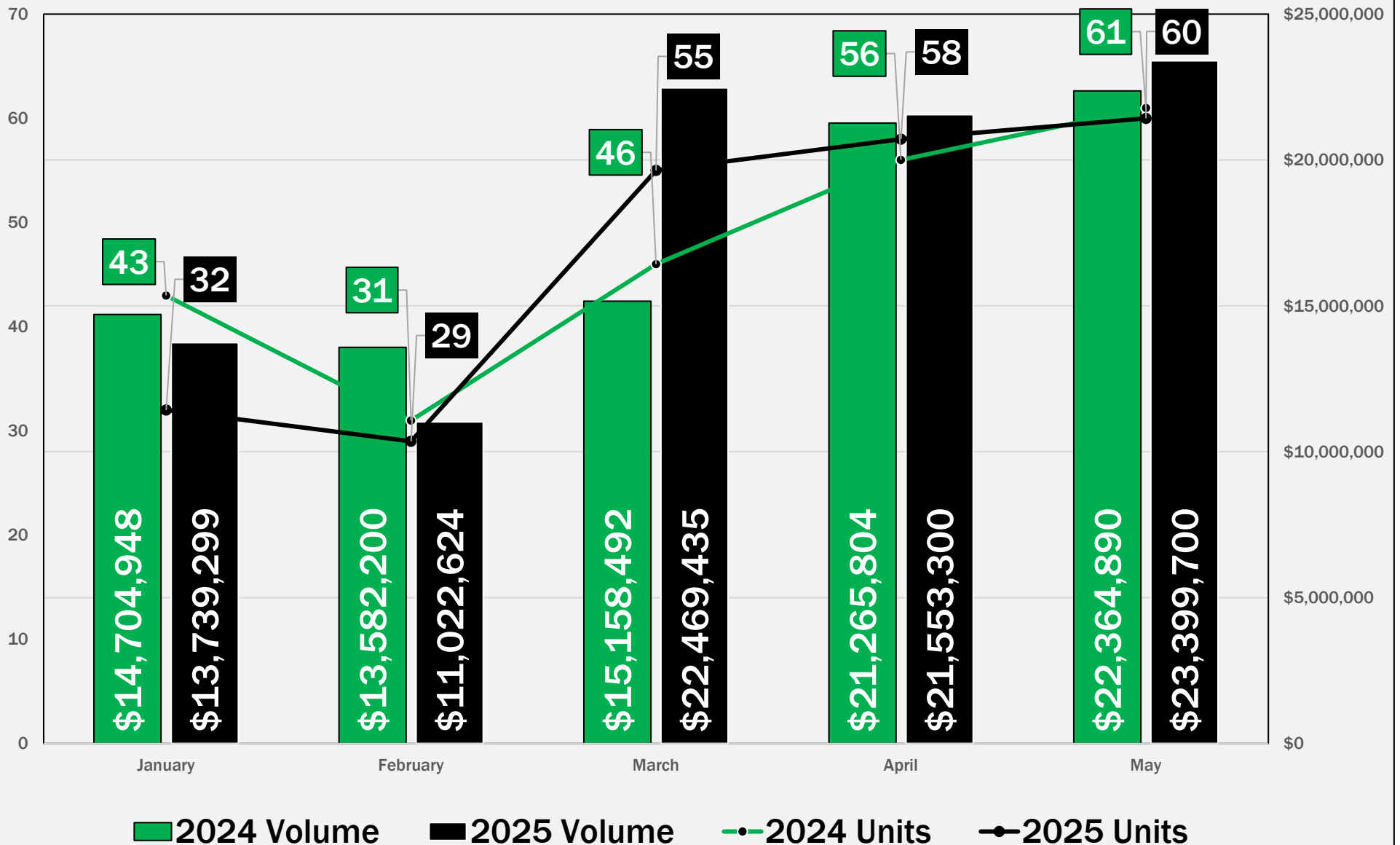
Mortgage Operations

Mat-Su Condominium - 2024/2025 - Volume & Units Sold



Mortgage Operations

Kenai Peninsula Residential - 2024/2025 - Volume & Units Sold



Public Housing Operations Update

May 2025 Public Housing Overview



Operations Updates:

- The Anchorage housing choice voucher program opened its waiting list for the month of April and received 4,400 applications. Families will be notified in early June of their random number placement and we will begin housing off the new waiting list in July.
- Began our annual summer student program in several communities. These students contribute significantly to maintaining and enhancing the appearance of public housing properties. Tasks include mowing lawns, washing windows, painting, and other general maintenance tasks. This program provides valuable work experience to youth in their community and the extra hands they provide can help address maintenance needs that have built up over the winter months.

Facilities Management Updates:

- **Anchorage** – Chugach View & Manor backup generators in service, attempting to close project with MOA. Central AMP shop water heater replacement complete.
- **Wasilla** – Parking lot and head bolt heater repairs complete.
- **Bethel** – Foundation leveling phase III awarded.
- **Cordova** – Sunset View fire system upgrades underway.
- **Fairbanks** - Golden Ages roof replacement underway. Birch Park II roof replacement awarded.
- **Juneau** – Mountain View siding and window replacement nearing completion. Mountain View and Cedar Park security camera upgrades underway. Multi-site pump replacement complete. Mountain View bath fan replacement complete.
- **Ketchikan** – Schoenbar Park Siding Replacement complete. Schoenbar Park Repave awarded.
- **Kodiak** – Pacific Terrace siding and window replacement nearing completion.
- **Nome** - Foundation leveling phase III awarded.



- **Seward** – Glacier View window blinds replacement purchase complete and drywall repairs underway.
- **Sitka** – Swan Lake and Paxton Manor security camera upgrades complete.
- **Corporate** – David Gonzalez Training Center at 700 Bragaw, Boiler Control Training scheduled, May 2025; Training Center Build-out ongoing.
- **Statewide** – Lead and Asbestos certification review underway. Lead HVAC technician statewide site visits underway.

Research and Rural Development Department

June 25, 2025 Board Report

Research and Rural Development Department staff promote a sustainable built environment so that Alaskans have access to safe, quality and affordable housing. Staff accomplish this mission through management of a variety of programs, services, education, technical assistance, and resources.

The Cold Climate Housing Research Center (CCHRC) has been a beneficiary of AHFC's investment in cold climate housing construction, energy-efficient building practices, and education of these construction techniques and building best-practices. CCHRC has pivoted in the last few years from an organization primarily focused on housing research to education and outreach.

CCHRC's YouTube channel (<https://www.youtube.com/@ColdClimateHousing>) and the educational content posted there have been a critical component of educational outreach for the past 15 years. CCHRC hosts 325 videos on their YouTube page divided into 24 playlists coverings topics ranging from Cabin Energy Improvements and Creating a Tight Home in Northern Climate, Building Science Research, Permafrost Technology Foundations, Integrated Trusses, Geopolymers, and DOE Energy Efficiency Projects.

Within the last year, there has been significant growth in interest in the videos that detail specific building techniques for homeowners and builders, attracting more than 100,000 views, and gaining an additional 2,000 subscribers. Narrated by CCHRC Arctic Construction Manager, Ilya Benesch, and produced by local talent, Tom Moran, the 15 latest videos focus on cold climate building-insulation techniques, cabin energy improvements, weatherization tips, vapor barrier installation, and much more. The videos in this channel have a reputation of being easily understood, clearly taught, and tailored content relative to Alaska's unique building environment.

@ColdClimateHousing YouTube Channel (as of May 13, 2025)

Videos:	325
Subscribers:	13.6k
Total Views:	2,463,491



This investment in CCHRC's video education series contributes to AHFC's mission to provide access to safe, quality, affordable housing by making sure all Alaskan's have access to properly vetted and easy to understand building science principles that are specific to their region and climate.

Planning and Program Development June 25, 2025 Board Report

Fast Facts

- Managing 20 Active Housing Programs
- Managing 222 Active Grant Agreements, Tax Credit Awards and Contracts
- Quick Program Updates
 - o GOAL Program –finalized award criteria review and public comment process.
 - o Evaluation of site options for statewide housing development and Phase II of the Last Frontier Housing Initiative.

Homeless Assistance and Special Needs Housing Grant Programs: These data report the number of Alaskans served during the entire month of April

- Emergency Shelter: 1,056
- Transitional Housing: 391
- Prevention Programs: 233 – these numbers exclude the Federal COVID Housing Relief
- Permanent Supportive Housing Units: 332

AHFC Funded Homeless and Support Service Programs

Homeless Assistance, Special Needs Housing and SAFE-T Program Awards	Active Awards	Annualized Awards
Services - Adult General	32	\$5,656,639
Service - Permanent Supportive Housing	13	\$3,002,720
Service - Prevention	6	\$1,082,120
Service - Shelter	13	\$1,571,799
Services - Domestic Violence	9	\$793,783
Service - Permanent Supportive Housing	1	\$133,162
Service - Prevention	4	\$219,022
Service - Shelter	4	\$441,599
Services - Family	6	\$2,647,849
Service - Permanent Supportive Housing	1	\$197,816
Service - Prevention	2	\$717,383
Service - Shelter	3	\$1,732,650
Services - Youth	4	\$910,402
Service - Shelter	4	\$910,402
Grand Total	51	\$10,008,673



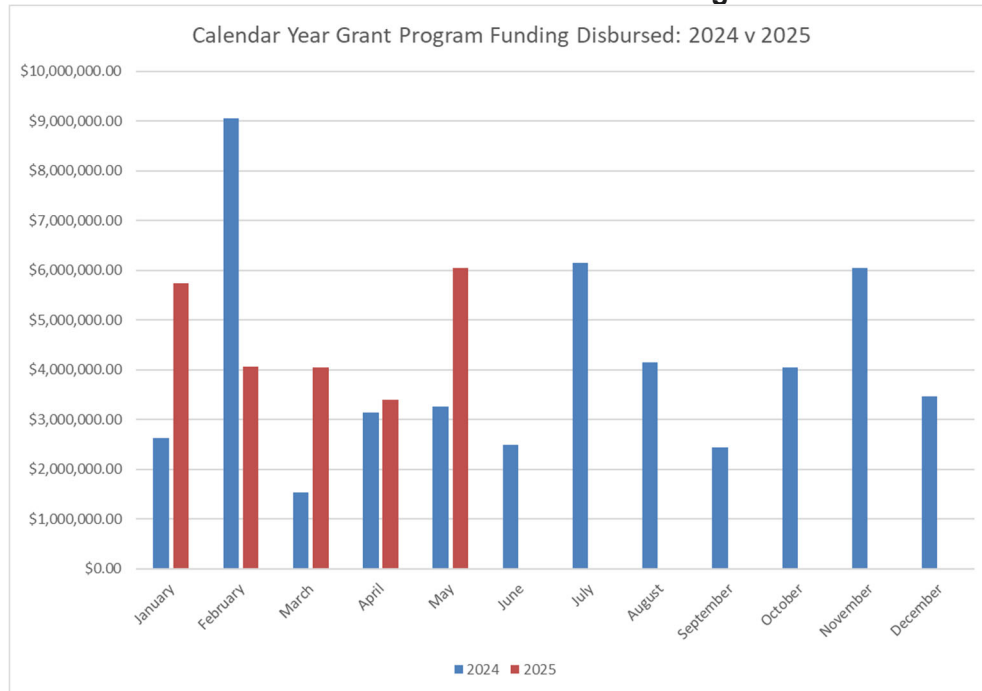
Development Programs Activity

Active Developments by Housing Type	Number of Active Awards Managed	Housing Units Being Built	Total Development Costs
Families	23	477	\$207,460,078.00
Rural Professionals	44	154	\$65,196,946.00
Senior Housing	5	121	\$40,364,569.00
Supportive Housing	6	191	\$59,733,157.22
Grand Total	79	964	\$372,754,750.22

Development Program Notes:

- 53 distinct development partners are currently building in 48 distinct communities
- 36 of 48 communities with active developments meet AHFC's small community definition

Disbursement Trends across All Programs



Disbursement Activity Notes:

- One hundred eight (108) disbursements were processed during the month of May. Historically, between 24 to 135 disbursements are paid out each month.
 - o In calendar year 2024, \$48.4M in total funding was disbursed to grantees
 - o In calendar year 2023, \$58.2M in total funding was disbursed to grantees
 - o In calendar year 2022, \$113.5M in total funding was disbursed to grantees
 - o In calendar year 2021, \$225.9M in total funding was disbursed to grantees

AHFC 2025 BOARD MEETING SCHEDULE

January 29, 2025 - ~~ASEC Organizational Meeting & AHFC Regular~~

February 26, 2025 - ~~AHFC Regular~~ - Cancelled

March 26, 2025 – ~~AHFC Regular Board Meeting~~

April 30, 2025 - ~~AHFC Regular~~ - Cancelled

May 28, 2025 – ~~Audit Committee, AHCC Annual Board & AHFC Regular~~

June 25, 2025 - AHFC Regular Board Meeting

July 30, 2025 - ASEC Annual Board & AHFC Regular

August 27, 2025 - AHFC Annual Board Meeting- TBD

(NCSHA Annual Conference 2025 October 4-October 7, New Orleans, LA)

October 22, 2025 - Audit Committee & AHFC Regular

November 19, 2025 - NTSC Annual Board & AHFC Regular

Please note that all dates/locations may be subject to change

Last updated June 13, 2025

