



Economic Recovery Funds to Add Affordable Housing in Alaska

ANCHORAGE, Tuesday, May 12, 2009 – Nine affordable housing providers in Alaska are sharing more than \$16 million in federal funds made available to the state under the federal Housing and Economic Recovery Act of 2008.

Called the Neighborhood Stabilization Program (NSP), the federal grant program is designed to assist states in redeveloping abandoned and foreclosed homes. Because Alaska has a low rate of foreclosures compared to a number of other states in the Lower 48, it received the minimum allocation of the \$3.2 billion Congress made available nationwide.

Alaska Housing Finance Corporation is responsible for administering the NSP funds in Alaska. Earlier this year, AHFC conducted a competitive Request for Qualifications application process across the state. Nine applicants were selected:

Community Development, Inc. will use \$4.3 million in NSP funds to augment the redevelopment of Fairview Manor in Fairbanks. Fairview Manor has been identified by the City of Fairbanks as blighted. The NSP funds will assist with the acquisition, demolition, and redevelopment of this 13-acre site in the heart of the city. A portion of the funds will be used for the Raven Landing senior campus. CDI estimates that a minimum of 94 units of affordable housing will be developed for individuals at or below 80 percent of area median income. This project will be augmented by funding from the Rasmuson Foundation, the Low-Income Housing Tax Credit program, the HOME program, the Senior Citizens Housing Development Fund, the Denali Commission, and the Fairbanks North Star Borough.

Rural Alaska Community Action Program in the Kenai area will use its \$578,000 NSP allocation to redevelop properties into affordable homeownership opportunities for eight families. RurAL Cap will work in conjunction with the Kenai office of USDA/Rural Housing Service to develop a self-help homeownership program. Any program income generated may provide funds for additional NSP activities.

Cook Inlet Housing Authority will use \$4.8 million in NSP funds to develop 16 units of affordable rental housing to serve individuals at or below 80 percent of area median income in the Mountain View area of the Municipality of Anchorage. A portion of the allocation will be used to acquire foreclosed properties. This project will be augmented by other federal funding.

Juneau Housing Trust, Inc. will use \$559,000 to acquire and renovate three foreclosed homes to offer affordable homeownership opportunities to families in the Juneau area. The Trust plans to serve one family at 50 percent or below area median income, one family at 80 percent or below area median income, and one family at or below 120 percent area median income.

Rural Alaska Community Action Program in Anchorage will use \$1.2 million in NSP funds to acquire two residential properties in the Fairview area to develop seven units of affordable housing for individuals with special needs. Individuals served are anticipated to have income at or below 50 percent of area median income.

Kenai Peninsula Housing Initiatives, Inc. proposes to use \$1.3 million to acquire and renovate five residential properties for affordable housing rental units. Properties will be

acquired in areas that HUD has identified as areas of greatest need. Home Depot's Framing Hope Program has committed to contribute \$50,000 toward this NSP project.

NeighborWorks Anchorage will acquire properties with \$2.3 million in NSP funds to develop additional affordable housing units. NWA plans to focus on special-needs housing and work with direct service providers and other affordable housing providers in Anchorage. NWA will use the NSP funds for acquisition and utilize other funds for redevelopment. NWA estimates it will develop 60 units of affordable housing over the next four years.

Habitat for Humanity in Anchorage proposes to use \$453,000 to redevelop a vacant property into affordable homeownership opportunities for seven families at or below 80 percent of area median income. These families will provide a significant amount of "sweat equity" by assisting in the building of their homes. Any program income generated may provide funds for additional NSP activities.

Fairbanks Neighborhood Housing Services, Inc. will use \$470,000 to purchase three foreclosed homes to renovate and resell to individuals at or below 50 percent of area median income. As homes are sold, the income generated may allow FNHS to purchase and renovate additional homes.

This initial NSP award announced by AHFC totals more than \$16 million and will provide more than 200 affordable housing units in locations across the state. According to the corporation's CEO Dan Fauske, "While Alaska may not have an urgent need like other states to redevelop foreclosed properties, we do have a significant need for more affordable housing. The NSP funding is helping us to meet that need."

AHFC is a self-supporting public corporation with offices in 16 Alaska communities. It provides statewide financing for multi-family complexes, congregate facilities and single-family homes with special loans for first-time home buyers, low- and moderate-income borrowers, veterans, teachers, nurses and Alaskans living in rural areas of the state. AHFC provides rental assistance to low-income families and administers the state weatherization and energy rebate programs.

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