ALASKA HOUSING FINANCE CORPORATION
BOARD OF DIRECTORS
REGULAR BOD MEETING IN ANCHORAGE

July 27, 2016 10:00 a.m.

Anchorage/Fairbanks/Juneau

I. ROLL CALL
II. APPROVAL OF AGENDA
III. MINUTES: June 29, 2016
Next Resolution: #16-19
IV. PUBLIC COMMENTS
V. OLD BUSINESS:
VI. NEW BUSINESS:

A. Consideration of a term loan request in the amount of $647,600 for the long term financing of a proposed 23 unit affordable multifamily housing project to be known as "Safe Harbor Muldoon" and located in Anchorage, Alaska.

B. Consideration of a term loan request in the amount of $2,753,900 for the long term financing of a proposed 49 unit elderly affordable multifamily housing project to be known as "Trillium Landing" and located in Juneau, Alaska.

C. Consideration of a term loan request in the amount of $1,596,000 for the long term financing for the acquisition of a 30 unit multifamily housing project known as "Hillcrest Apartments" and located in Anchorage, Alaska.

D. Consideration of a request for authorization to hold public hearings for proposed amendments to 15 AAC 151.535 FEE SCHEDULE AND COMMITMENT PERIODS.

E. Consideration of a resolution to approve the adoption of the amended SFY2016-2020 Consolidated Plan (Con Plan) to include the National Housing Trust Fund.

F. Consideration of a resolution of the Alaska Housing Finance Corporation authorizing the issuance of up to $125 million General Mortgage Revenue Bonds II, 2016 Series A.

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
X. Monthly Reports – Finance, Mortgage, R2D2, PHD, and Meeting Schedules
XI. EXECUTIVE SESSION: Corporation's operational 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

June 29, 2016 10:00 a.m.
Anchorage/Juneau/Fairbanks

The Board of Directors of Alaska Housing Finance Corporation met June 29, 2016 in the AHFC board room, 4300 Boniface Parkway in Anchorage, AK at 10:00 a.m. Board members present were:

BRENT LEVALLEY Anchorage	BOARD CHAIR Member of the Board
MARTY SHURAVLOFF Via teleconference	BOARD VICE CHAIR Member of the Board
ALAN WILSON Anchorage	Member of the Board
CAROL GORE Anchorage	Member of the Board
TARA HORTON Anchorage	Designee for Commissioner Department of Health & Social Services Member of the Board
PAM LEARY Via teleconference	Designee for Commissioner Department of Revenue Member of the Board

I. ROLL CALL. A quorum was declared present and the meeting was duly and properly convened for the transaction of business.

II. APPROVAL OF AGENDA. CHAIR LEVALLEY proposed the agenda be amended to delete the Executive Session as there was nothing to discuss. Hearing no objection the agenda was approved as amended.

III. MINUTES OF MAY 25, 2016. CHAIR LEVALLEY asked for revisions or acceptance of the minutes. Seeing and hearing no objection, the minutes were approved as presented.

IV. PUBLIC COMMENTS. In Anchorage: no public were present. In Fairbanks: no public were present. In Juneau: no public were present.

V. OLD BUSINESS. No Old Business to discuss with the Board.

VI. A. CONSIDERATION OF A TERM LOAN IN THE AMOUNT OF $4,560,000 FOR THE LONG TERM FINANCING OF A NEWLY CONSTRUCTED 32 UNIT MULTIFAMILY APARTMENT COMPLEX TO BE KNOWN AS "BELLA TERRA APARTMENTS" AND LOCATED IN ANCHORAGE, ALASKA. BRYAN BUTCHER introduced the item and ERIC HAVELOCK presented. Mr. Havelock stated that Anchorage Pacific Associates, LLC, have requested term financing for the development of a 32 unit multi-family apartment complex to be located at 7421 East 4th Avenue in Anchorage Alaska. The request comes from Northrim Bank on behalf of the borrower. Staff recommends approval of this loan based upon: The subject's excellent cash flow at 1.40 debt coverage; loan to value of 80%; and subject to the conditions noted. Discussion followed. CAROL GORE made a motion to approve Resolution 2016-13. ALAN WILSON seconded the motion. The resolution was unanimously approved. (6-0)

RESOLUTION #2016-13

RESOLUTION APPROVING A MODIFICATION TO THE TERM FINANCING FOR A MULTI-FAMILY HOUSING PROJECT TO ANCHORAGE PACIFIC ASSOCIATES, LLC.

VI. B. CONSIDERATION OF A TERM LOAN IN THE AMOUNT OF $2,907,750 FOR THE LONG TERM FINANCING FOR THE ACQUISITION AND REHABILITATION OF A 65 UNIT MIXED-USE MULTIFAMILY APARTMENT COMPLEX TO BE KNOWN AS "JUNEAU SUPER 8" AND LOCATED IN JUNEAU, ALASKA. BRYAN BUTCHER introduced the item and ERIC HAVELOCK presented. Mr. Havelock stated that Alaska Joint Venture Partners LLC has presented the corporation with a unique opportunity to provide safe and needed affordable housing in Juneau. The request falls within the parameters of the Multi-Family Housing Lending Program; it is reasonable to expect that the loan will be repaid; and it is considered to be an acceptable risk; therefore, staff recommends approval of the request subject to the conditions noted. Discussion followed. TARA HORTON made a motion to approve Resolution 2016-14. CAROL GORE seconded the motion. The resolution was unanimously approved. (6-0)

RESOLUTION #2016-14

RESOLUTION APPROVING TERM FINANCING FOR AN AFFORDABLE MIXED-USE MULTIFAMILY HOUSING PROJECT FOR ALASKA JOINT VENTURE PARTNERS, LLC.

VI. C. CCONSIDERATION OF A TERM LOAN IN THE AMOUNT OF $3,294,000 FOR THE LONG TERM FINANCING FOR THE ACQUISITION OF A 51 UNIT AFFORDABLE MULTIFAMILY APARTMENT COMPLEX KNOWN AS "PARKWOOD APARTMENTS" AND LOCATED IN ANCHORAGE, ALASKA. BRYAN BUTCHER introduced the item and ERIC HAVELOCK presented. Mr. Havelock stated that Parkwood Inn Apartments LLC has requested term loan financing for the acquisition and rehabilitation of an affordable multifamily project containing 51 units and known as "Parkwood Apartments" located at 4455 Juneau Street in Anchorage, Alaska. They have presented the corporation with a unique opportunity to provide safe and needed affordable housing in Anchorage. The request falls within the parameters of the Multi-Family Housing Lending Program; it is reasonable to expect that the loan will be repaid; and it is considered to be an acceptable risk; therefore, staff recommends approval of the request subject to the conditions noted. Discussion followed. CAROL GORE made a motion to approve Resolution 2016-15. TARA HORTON seconded the motion. The resolution was approved. (6-0)

RESOLUTION #2016-15

RESOLUTION APPROVING FUNDS FOR THE TERM FINANCING OF A MULTI-FAMILY HOUSING PROJECT FOR PARKWOOD INN APARTMENTS LLC.

VI. D. CONSIDERATION OF A RESOLUTION OF THE ALASKA HOUSING FINANCE CORPORATION AUTHORIZING THE ISSUANCE OF UP TO $60 MILLION COLLATERALIZED BONDS (VETERANS MORTGAGE PROGRAM), 2016 SERIES. BRYAN BUTCHER introduced the item and GERARD DETA presented. Mr. Deta stated that staff is proposing the issuance and sale of not to exceed $55 million Collateralized Bonds (Veterans Mortgage Program), 2016 Series, to refund commercial paper that previously refunded the Collateralized Bonds (Veterans Mortgage Program), 2006 Series, and to provide additional proceeds for qualified borrowers under our veteran's loan program. The proposed transaction will be issued in one or more series as fixed rate tax-exempt bonds and be awarded using a competitive bidding system to the bank whose bid meets the bond specifications and results in the lowest true interest cost to the Corporation. The refunding portion of the bonds will save over $6.0

million (NPV) in debt service payments at current market spreads, or 19% of refunded bonds. The new money portion of the bonds will provide financing for veteran's mortgage program loans for approximately one year. Discussion followed. CAROL GORE made a motion to approve Resolution 2016-16. TARA HORTON seconded the motion. The resolution was unanimously approved. (6-0)

RESOLUTION #2016-16

RESOLUTION OF THE ALASKA HOUSING FINANCE CORPORATION AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED $55,000,000 COLLATERALIZED BONDS, (VETERANS MORTGAGE PROGRAM) OF THE CORPORATION, IN ONE OR MORE SERIES AND APPROVING THE FORM OF THE PRELIMINARY OFFICIAL STATEMENT WITH RESPECT TO THE BONDS AND AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT AND THE SALE OF THE BONDS TO THE SUCCESSFUL BIDDER; AND AUTHORIZING AND APPROVING RELATED MATTERS

VI. E. REVIEW AND APPROVAL OF THE FY2017 OPERATING BUDGET DETAILS FOR THE LOW-RENT ASSET MANAGEMENT DEVELOPMENTS (AMPS) AND THE CENTRAL OFFICE COST CENTER (COCC). BRYAN BUTCHER introduced the item and LES CAMPBELL presented. Mr. Campbell gave an overview of the highlights and changes being presented for the FY2017 Operating Budgets. Discussion followed. ALAN WILSON made a motion to approve Resolution 2016-17. CAROL GORE seconded the motion. The resolution was unanimously approved. (6-0)

RESOLUTION #2016-17

PHA BOARD RESOLUTION APPROVING OPERATING BUDGET.

VI. F. C APPROVAL TO MOVE THE APPROPRIATED FUNDING OUT OF THE PROJECT RESERVES AND INTO THE ASSOCIATED CAPITAL PROJECT PROGRAM ACCOUNTS FOR THE FACILITY MANAGEMENT PROGRAM. BRYAN BUTCHER introduced the item and LES

CAMPBELL presented. Mr. Campbell gave an overview of the proposed funding for the Facility Management Program. This proposal will move up to $5,000,000 out of the Low Rent and Section 8 New Construction's combined "Operating Reserve" and transfer them to other funds already setup for the Facility Management Program, and will remain there until AHFC exhausts these funds over the next few years. Mr. Campbell stated that this action will have no effect on the Corporation's Profit & Loss Statement for the current year, but will cleanup and help staff to manage and protect the PHD program's critical funding mechanisms. Staff recommends the Board approve this transfer of funds and direct and authorize the Accounting Department to book the above mentioned transfers prior to FY2016 yearend, June 30, 2016. Discussion followed. CAROL GORE made a motion to approve Resolution 2016-18. ALAN WILSON seconded the motion. The resolution was unanimously approved. (6-0)

RESOLUTION #2016-18

RESOLUTION OF THE BOARD OF DIRECTORS OF THE ALASKA HOUSING FINANCE CORPORATION APPROVING THE TRANSFER AND BOOKING OF CERTAIN PROGRAM OPERATING RESERVES INTO THE ASSOCIATED CAPITAL IMPROVEMENT PROGRAM (CIP) ACCOUNTS FOR THE FACILITY MANAGEMENT PROGRAM

VI. G. C A REPORT FROM THE RESIDENT ADVISORY BOARD TO THE AHFC BOARD OF DIRECTORS. BRYAN BUTCHER introduced the item and CATHY STONE presented. Ms. Stone gave an overview of the Resident Advisory Board of Directors meeting that was held recently. Discussion followed. No action was requested nor required of the Board.

VII. REPORT OF THE CHAIR. CHAIR LEVALLEY stated that the next AHFC Board of Directors meeting will be July 27, 2016 in Anchorage.

VIII. BOARD COMMITTEE REPORTS. KEVIN TUNE gave an over view of the Audit Committee Meeting that was held at 8:30am today.

IX. REPORT OF THE EXECUTIVE DIRECTOR. BRYAN BUTCHER reported on: 1.) Legislative Budget update; 2.) AO281 update; 3.) Deputy Assistant HUD Secretary Lourdes Castro Ramirez visit Mon 7/20-Wed 6/22; 4.) Housing Summit follow up meeting Thurs 6/23; 5.) Rasmuson Foundation Open House Tue 6/28; 6.) AHFC Employee funded picnic Sat 6/18; 7.) Cary Bolling retires after 28 years with the State of Alaska Thurs 6/30.

X. OTHER MATTERS. CHAIR LEVALLEY asked if there were any other matters to properly come before the board.

1. **Monthly Loan Reports**. Finance, Mortgage, R2D2 and Public Housing reports were presented for discussion and review.

2. **Schedule of Board Meetings:**

AHFC Regular BOD Meeting	July 27, 2016	10:00am	Anchorage

X. OTHER MATTERS. CHAIR LEVALLEY asked if there were any other matters to properly come before the board. ALAN WILSON made a motion to adjourn. Seeing and hearing no objections, the meeting was adjourned at 11:17 a.m.

ATTESTED:

Brent LeValley
Board Chair

Bryan Butcher
CEO/Executive Director

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Alaska Housing
FINANCE CORPORATION

BOARD CONSIDERATION MEMORANDUM

Date: July 27, 2016 **Staff: Michelle Graves**
Item: Multi-family Loan Request

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BORROWER: Muldoon Garden Limited Partnership

PURPOSE: Term loan financing for the development of a low-income multifamily apartment complex consisting of 23 units named "Safe Harbor Muldoon" and is located at 207 Muldoon Road in Anchorage, Alaska.

PROPOSAL OVERVIEW:

Loan Amount:	$647,600
Project's Restricted Market Value:	$1,050,000 "As Complete and Stabilized"
Appraised by:	Brandon Pokrywka and Brad E. Weinberg, MAI of Novogradac & Company, LLP. See Appendix I.
Loan-to-Value Ratio:	62%
Loan Terms:	30 years amortizing fixed monthly payments.
Interest Rate:	5.375%*

*Rate is determined at the time of underwriting based on what AHFC believes would be the cost of a thirty (30) year tax-exempt bond plus administrative and anticipated servicing costs, if it sold bonds at that time.

Debt Service Coverage Ratio:	1.70

(A debt service coverage ratio is the net income available after paying expenses divided by the loan payment and is used as a profitability indicator for the project)

Development Costs:	See Appendix II for detailed breakdown.
Total Costs:	$8,872,270
Sources:	
Tax Credits (Cash)	$2,639,001
HOME Funds	$3,479,000
AHFC's 1st DOT	$ 647,600
Rasmuson PRI 2nd DOT	$ 550,579
RurAL CAP Land Loan 3rd DOT	$ 500,000
Deferred Development Loan 4th DOT	$ 534,090
Rasmuson Grant	$ 375,000
Wells Fargo Grant	$ 100,000
Energy Credit	$ 47,000
Total Sources	$8,872,270

STRUCTURING OF PROJECT FUNDING:

It is expected that the interim lender, Wells Fargo Bank, will provide construction financing and an affiliate of WNC & Associates, Inc. as the tax credit investor will provide $2,639,001 from the purchase of tax credits based on an anticipated price of $1.05 on the dollar. The municipality of Anchorage is providing HOME funds of $3,479,000. There will be a loan from the Rasmuson Foundation of $550,579 that will be secured in a second position. The RC land loan of $500,000 will be secured in third position. The developer is deferring $534,090 from the developer's fee that will be secured in fourth position. Rasmuson Foundation is granting $375,000 and Wells Fargo is granting $100,000 to the project. The project will also receive an energy credit of $47,000.

Recourse to General or Limited Partner: No

Non-recourse to the limited partnership is requested in consideration of the following:

For an investor the attractiveness of investing/purchasing tax credits is twofold; in that, they receive benefits over a ten-year period from tax credit deductions against their tax liability, and they also receive benefit of taxable losses in excess of their actual investment. If a loan is non-recourse, the investor is allowed to deduct taxable losses in excess of their actual investment. On the other hand, a taxable loss to a partner, which is attributable to recourse financing, will not be allowed unless that partner is obligated to contribute additional capital. To an investor the tax credit is obviously much more attractive and beneficial to them, if the transaction is without recourse, as they receive additional taxable losses without being obligated to make capital contributions. If any of the partners of the limited partnership are obligated on a recourse basis, it could potentially cause a reallocation of taxable losses and the tax credits. Non-recourse financing provides the degree of certainty that is necessary to satisfy the concerns of prospective tax credit investors regarding partnership allocations. With this in mind, tax credit investors are particular in selecting the tax credits they purchase. Historically, permanent financing has been available on a non-recourse basis.

CORPORATE STRUCTURE:

An entity that owns a project that has been funded, all or in part, by tax credit proceeds is generally structured as a limited partnership or a limited liability company (LLC) where two entities complement each other in achieving their objective. The partnership or LLC consists of a limited partner and a general partner. The limited partner's role is limited to the purchase of the tax credits, which provide cash for the project. The general partner, on the other hand, is usually the facilitator of the project and oversees the project's daily activities on behalf of the partnership. Additionally, the general partner, if qualified, may function as the developer during the project's development.

Principals:
The tax credit limited partnership is Muldoon Garden Limited Partnership. Rural Alaska Community Action Program, Inc is the managing general partner, and RC Muldoon Road, LLC will be the initial limited partner, which will be replaced by an affiliate of WNC & Associates as the tax credit limited partner prior to closing the construction loan.

General Partner:
Rural Alaska Community Action Program, Inc. (RurAL CAP) is an Alaskan non-profit corporation formed in 1965 to fulfill the mission "to empower low-income Alaskans through advocacy, education, affordable housing and direct services that respect our unique values and cultures". RurAL CAP is a private, statewide, nonprofit organization promoting self-sufficiency in Alaska. For over 50 years, RurAL CAP has a history of effectively utilizing grant based funding and has an annual budget of typically $35 to $40 million that is spread across 100+ grants. RurAL CAP is governed by a 24-member Board of Directors representing the public sector, the private sector, and the different regions of rural Alaska. The acting Executive Director and Deputy Director is Sarah Scanlan. RurAL CAP has successfully administered hundreds of federal, state, and foundation grants while implementing projects throughout Alaska, and has demonstrated the ability to provide sound programmatic and fiscal oversight to these projects. RurAL CAP is also a leader in preserving and managing multi-family rental housing in Anchorage for occupancy by low-income and special needs households. Since 1999, RurAL CAP has acquired and/or rehabilitated, and now manages 17 buildings in Anchorage that provide a total of 230 units of permanent or transitional housing to individuals in need.

Limited Partner:
RC Muldoon Road, LLC is an Alaska limited liability company solely owned by RurAL CAP.

Developer:
Rural Alaska Community Action Program, Inc. (RurAL CAP) will be the developer. Trapline, LLC, which is owned by Glenn Gellert and Hugh Gellert, and V2, LLC, which is wholly owned by John McGrew, will be consultants to RurAL CAP on this project. The project architect will be McCool Carson Green and the general contractor will be Unit Company. Staff concludes the development team has sufficient experience to successfully develop the subject project. See Appendix III.

Financial:
The tax credit limited partnership's purpose is to own and operate the apartments. As such, the primary asset will be the project. The project's restricted value is $1,050,000 and there will be approximately $2,232,269 in debt against it, which consists of AHFC's first deed of trust, Rasmuson's second deed of trust, RurAL CAP land loan's third deed of trust and the deferred developer fee as the fourth deed of trust.

Credit:
As a newly developed limited partnership, Muldoon Garden Limited Partnership, the borrower does not have a record of credit. A recent credit report for Rural Alaska Community Action Program, Inc., the general partner, reflects an acceptable credit history. RurAL CAP has seven loans with AHFC totaling $1,578,737 that are current and paying as agreed.

PROJECT CHARACTERISTICS:

Location and Site Description:
The subject site is located approximately five miles northeast of the Anchorage central business district. The general neighborhood is a mixture of residential uses including single-family homes and garden style apartments. There are commercial uses along the main arterials. The subject site will be approximately 41,648 square feet and the shape is generally rectangular and is level to street grade. The subject site will have access from Peck Avenue, a two-lane east-west neighborhood road, and Muldoon Road, a five-lane north-south arterial road. The site is served by all available public utilities which include; water, sewer, natural gas, electric, street lights and telephone. See Appendix IV.

Project Overview:
The proposed improvement will consist of 23 units in a three-story building with the main entrance at street level. The building will be wood-framed construction with a concrete foundation and covered with vinyl siding and the roof will be a flat membrane covered roof. The subject will have a secured access with an intercom system and video surveillance. The building will have an elevator with interior stairwells and each unit will have individual interior access from a common hallway. The interior walls will be finished with painted, textured sheetrock and the floor coverings will be carpet and vinyl. Each unit will have the normal assortment of appliances and include cable and internet services. There will be 17 one-bedroom, one bath units ranging from 582 square feet to 586 square feet that will rent for $925 per unit, per month. The remaining six units will be two-bedroom, one bath units containing 639 square feet and will rent for $1,050 per unit, per month. Two of the 23 units will be accessible units. There will be a common laundry facility centrally located on the first floor and the subject will have a community room and playground. The landlord will provide all utilities including electricity, gas, water/sewer, and trash removal. The electric will be supported by solar panels. The gross building area of the subject is 18,396 square feet. Parking will be provided by 37 open, paved parking spaces which is considered to be adequate for a project of this size and intended use. When the project is complete, it will be a legal conforming use of the site with an economic life, as estimated by the appraiser, of 60 years. See Appendix V.

Soil Conditions:
A soil report, and evidence that the project was built to accommodate any identified soil deficiencies, is being made a condition of this commitment.

Environmental Assessments:
An Environmental Assessment report acceptable to AHFC will be will be made a condition of this commitment, as one was not provided as part of the goal application.

Health and Safety Inspection Report:
As this is new construction, a health & safety inspection report was not provided. It will be made a condition of this commitment that the project receive an unconditional certificate of occupancy issued by the Municipality of Anchorage, and that the Home Energy Rating Certificate (HERC) indicate a five star or better rating.

PROJECT OPERATIONS:

Pro-Forma Statement:
Staff reviewed the application and the appraisal in developing the pro-forma operating budget and believes it fairly depicts the expected performance of the project. Based on data provided by the appraiser and the borrower it is anticipated that this property will maintain a high occupancy rate due to the desirable building location and the lack of affordable housing. Staff concurs with this assessment noting the high demand for low-income units in the Anchorage area. The Appraiser utilized a 5% vacancy and credit loss factor which was adjusted by staff to 7% for underwriting purposes. See Appendix VI.

Debt Service Coverage Ratio:
The debt service coverage ratio has been established at 1.70, which allows for flexibility with regards to income, expenses, and vacancies. In addition to the 7% vacancy factor, income could fall by 12% or expenses could increase by 18% or some combination of both and there would still be sufficient funds to continue to pay the mortgage. Stated another way, the project would break even at a 19% vacancy rate. The ratio, by industry standards, is considered to be an excellent ratio.

Unit Set-Asides:
Borrower will restrict the occupancy of all the units for residents earning 60% of the area median income or less. Anticipated rents are set out in the pro-forma.

Market Study Report:
Novogradac & Company completed a combined market study report and appraisal on April 1, 2016, which supported the development of the proposed Safe Harbor Muldoon apartment project, noting the need for affordable housing in the Anchorage area. Staff agrees with the identified need to provide affordable housing to the Anchorage area noting that all the other low income housing tax

credit properties in the surrounding area report low vacancy as well as quick absorption of the recently constructed LIHTC competition. See Appendix VII.

Rent-Up Reserve:
Considering that there is time involved for marketing and move-in, a rent-up reserve of $92,414 will be established. The appraiser noted a one to five month rent-up period. Staff's review of the tax credit application and appraisal determined that the proposed rent-up reserve funds are adequate to support a 12 month rent-up period noting that the limited partnership agreement requires the project to be at sustained occupancy before the borrower can close the term loan, thus shifting the rent-up period to the development phase prior to AHFC funding the loan. In addition, an $115,441 operating reserve will be established. Staff considers this amount to be acceptable in consideration of the lease-up period being completed before AHFC's term loan funding.

Property Management:
RurAL CAP will be acting as the property manager and they will contract with a firm to provide compliance oversight for lease-up, training client staff, and file audits. The contracted firm will be selected through a competitive bidding process. The subject property will be supported by RurAL CAP's Supportive Housing Division staff. Additionally, RurAL CAP owns and manages the adjacent building, which is a transitional housing facility and is staffed 24/7. These staff members can respond to emergencies as needed. Staff concurs that RurAL CAP's qualifications are adequate to manage the subject project as proposed. Further assurance is provided in the Deed of Trust which allows AHFC to replace the property manager if needed. See Appendix VIII.

RECOMMENDATION:
Muldoon Garden Limited Partnership has presented the corporation with an opportunity to assist in the development of the subject property allowing them to provide safe and needed affordable housing in the Anchorage area.

The request falls within the parameters of the Multi-Family Housing Loan Program; it is reasonable to expect that the loan will be repaid; and it is considered to be an acceptable risk; therefore, Staff recommends approval of the request subject to the conditions noted below.

COMMITMENT CONDITIONS:

1. Alaska Housing Finance Corporation (AHFC) to provide long term financing in an amount not to exceed $647,600, secured in first lien position subject only to the LIHTC DCCR;

2. A security position in the appropriate personal property, fixtures, furniture, and contracts, etc. will be taken;

3. Borrower to be Muldoon Garden Limited Partnership;

4. Commitment to expire July 27, 2018;

5. A loan prepayment limitation will be imposed in accordance with AHFC's financing requirements;

6. Loan Agreement to include covenants which require the Borrower, at a minimum, to restrict the rental of all 23 units for residents earning 60% of area median income or less as determined by the Department of Housing and Urban Development;

7. Acceptance by AHFC of the following:

    a. project developer;

    b. project general contractor;

    c. project architect;

    d. project engineer; and

    e. the property management entity;

8. Receipt and acceptance by AHFC of the following:

    a. evidence that the project was properly constructed to compensate for any soil deficiencies pursuant to the geotechnical report that is required for funding;

    b. the general contractor's warranty which at a minimum is for one (1) year for all work performed and materials provided as part of the construction contract;

    c. an executed "Summary of Building Inspection" (AHFC PUR-102) or an unconditional Certificate of Occupancy from the Municipality of Anchorage unless otherwise approved by AHFC;

    d. evidence that the construction of the project was in compliance with the thermal and lighting energy standards as required by AS 46.11.040 and the building and energy efficiency standards of AHFC's regulations delineated in 15 AAC 155.010 – 155.030; in the form of a duly completed Home Energy Rating Certificate (HERC) (AHFC Form PUR-101);

    e. a final appraisal inspection and certification that the project was built substantially in accordance with the accepted plans and specifications as identified in the original appraisal report, subject to any AHFC approved change orders, including lot size and parking;

    f. a certification by the project architect which states that:

(i) the project was constructed substantially in accordance with the accepted plans, specifications and approved change orders;
(ii) that the project was constructed in accordance with applicable building codes and regulations; and
(iii) the project is suitable for occupancy;

g. a detailed breakdown of final development costs as adjusted by change orders;

h. an accountant's (or another source acceptable to AHFC) written certification verifying the final total development cost of the project;

i. ALTA title policy with applicable endorsements, including a zoning endorsement;

j. an as-built survey;

k. all required certificates and/or binders of insurance to be no less than $3,000,000 aggregate liability coverage with a deductible not to exceed $10,000;

l. a letter of opinion from the borrower's legal counsel verifying such matters as their legal entity, ability to enter into closing documentation, zoning compliance, permitting and licensing requirements, etc;

9. The establishment of a rent-up reserve in the amount of $92,414; to be jointly controlled by AHFC and the borrower and funded at closing;

10. The establishment of an operating reserve in the amount of $115,441; to be jointly controlled by AHFC and the borrower and funded at closing;

11. Monthly loan payment to include funds, as determined by AHFC, for (i) principal and interest, (ii) reserves for real property taxes, (iii) reserves for insurance, and property replacement reserves of $575 per month;

12. Borrower to pay appropriate costs associated with the loan, including but not limited to recording, title insurance, escrow closing fee, loan fee, and legal fee for documentation preparation and review;

13. The payment of a $6,476 loan fee payable at closing or upon expiration of the commitment;

14. A commitment fee of $3,238 will be required upon acceptance of the commitment with said amount being credited against the loan fee at the time of closing. Payment of the commitment fee must be made within 30 days from the date of the commitment letter; and

15. Other conditions that may arise as determined by AHFC.

Reviewed and accepted by senior staff as substantively stated in this memorandum, subject to Board Approval:

telephonic approval		
Bryan D. Butcher	Mark Romick	Michael S. Strand
CEO/Executive Director	Deputy Executive Director	Chief Financial Officer
Date: 7-19-16	Date: 7/19/16	Date: 7/19/16

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ALASKA HOUSING FINANCE CORPORATION
RESOLUTION NO. 2016-19

RESOLUTION APPROVING TERM FINANCING FOR A MULTI-FAMILY HOUSING PROJECT TO MULDOON GARDEN LIMITED PARTNERSHIP

BE IT RESOLVED by the Board of Directors of the Alaska Housing Finance Corporation as follows:

I. Findings:

A. There is need to provide affordable, safe, quality and accessible housing;

B. Muldoon Garden Limited Partnership, through Rural Alaska Community Action Program, Inc. has applied to Alaska Housing Finance Corporation to receive funds under its Multi-Family Housing Loan Program for term financing of a multi-family project, located in Anchorage, Alaska;

C. The purpose of the financing is to provide additional affordable housing opportunities for persons of lower income;

D. The proposed financing falls within the established program regulations; and,

E. The proposed financing is found to be an acceptable risk to the Alaska Housing Finance Corporation.

II. Conclusion:

Pursuant to the foregoing findings, the Board hereby approves the request substantively as stated in the July 27, 2016 Board Consideration Memorandum prepared in support of the application.

This resolution shall take effect immediately.

DATED THIS 27th Day of July, 2016

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Brent LeValley
Chair

ALASKA HOUSING FINANCE CORPORATION

RESOLUTION NO. 2016-20

RESOLUTION OF THE ALASKA HOUSING FINANCE CORPORATION EXPRESSING OFFICIAL INTENT TO ISSUE BONDS TO FINANCE THE FACILITIES DESCRIBED HEREIN AND DETERMINING RELATED MATTERS.

BE IT RESOLVED BY THE ALASKA HOUSING FINANCE CORPORATION AS FOLLOWS:

Section 1. Identification of Borrower and Project. The Alaska Housing Finance Corporation (the "Corporation") is adopting this Resolution with respect to the project described in Exhibit A (the "Project") at the request of the individual or entity described in Exhibit A (the "Borrower").

Section 2. Official Intent. The Corporation is adopting this Resolution to satisfy the "official intent" requirements of Section 1.150-2 of the regulations adopted under the authority of the Internal Revenue Code of 1986, as amended, (the "Code") with respect to the Project. For this purpose, Exhibit A includes a general description of the Project and a statement of the maximum principal amount of bonds the Corporation reasonably expects to issue to finance costs of the Project (the "Bonds"). The Corporation intends to use the proceeds of the Bonds to make a loan (or to reimburse the Corporation for making a loan) to finance costs of the Project, and certain other costs, which are eligible under the Code for financing with proceeds of tax-exempt bonds (the "Eligible Costs"). This Resolution is adopted on the date set forth below, and the Eligible Costs incurred up to 60 days before that date will be eligible for reimbursement with proceeds of the Bonds. As of the date set forth below, the Corporation reasonably expects that it will issue the Bonds and use the proceeds of the Bonds as described in this section.

DATED at Anchorage, Alaska, this 27th day of July, 2016.

ALASKA HOUSING FINANCE CORPORATION

_____

Brent LeValley
Board Chair

EXHIBIT A

PROJECT DESCRIPTION

PROJECT DESCRIPTION:	The development of a 23-unit Multi-Family Housing Project designed to address the housing needs of low-income individuals. The project is located at 207 Muldoon Road in Anchorage, Alaska.
BORROWER:	Muldoon Garden Limited Partnership. The borrower is a limited partnership organized under the laws of the State of Alaska.

MAXIMUM PRINCIPAL AMOUNT OF BONDS EXPECTED TO BE ISSUED: $5,000,000.

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NOVOGRADAC
& COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

May 12, 2016

Landell S. Froerer
Wells Fargo Retechs
299 S. Main Street
6th Floor
Salt Lake City, UT 84111

Re: Appraisal of Muldoon Safe Harbor
207 Muldoon Road,
Anchorage, AK 99504

Dear Mr. Froerer:

We are pleased to present our findings with respect to the value of the above-referenced property, Muldoon Safe Harbor ("Subject"). We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. As requested we provided several value estimates of both tangible and intangible assets, described and defined below:

- As Is Market Value.
- Land Value as if Vacant.
- Prospective As-Proposed Restricted Value (LIHTC Rents) "As Completed and Stabilized."
- Prospective As-Proposed Restricted Value (LIHTC Rents) "As Complete."
- Hypothetical As-Proposed Unrestricted Value "As Complete and Stabilized."
- Hypothetical As-Proposed Unrestricted Value "As Complete."
- Value of the Low Income Housing Tax Credits
- Prospective As-Proposed Restricted Value "As Complete and Stabilized, all Tangible and Intangible Components"
- Prospective As-Proposed Restricted Value "As Complete, all Tangible and Intangible Components"
- Insurable Replacement Cost

4520 EAST-WEST HIGHWAY • SUITE 615 • BETHESDA, MARYLAND 20814 • (240) 235-1701• FAX (240) 235-1702
NOVOCO.COM

Market value is defined as:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and acting in what they consider their best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and,
5. The price represents normal considerations for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.[1]

This report complies with FIRREA (1989) regulations. It also complies with Wells Fargo and Appraisal Institute guidelines.

The Subject's estimated land value "As If Vacant" market value of the fee simple interest, free and clear of financing, as of April 1, 2016, is:

SEVEN HUNDRED THOUSAND DOLLARS
($700,000)

The Subject's estimated "As Is" market value of the fee simple interest of the Subject free and clear of financing, as of April 1, 2016 is:

FIVE HUNDRED THOUSAND DOLLARS
($500,000)

Prospective Restricted LIHTC Scenario – "As Complete and Stabilized"
The Subject's prospective market value "As Complete and Stabilized" assuming LIHTC, of the leased fee interest in the Subject, free and clear of financing, as of April 1, 2016 is:

ONE MILLION FIFTY THOUSAND DOLLARS
($1,050,000)

Prospective Restricted LIHTC Scenario – "As Complete"
The Subject's prospective market value "As Complete" assuming LIHTC, of the leased fee interest in the Subject, free and clear of financing, as of April 1, 2016 is:

ONE MILLION TWENTY THOUSAND DOLLARS
($1,020,000)

---

1 1 12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990.

Hypothetical Unrestricted Scenario – "As Complete and Stabilized"
The Subject's hypothetical market value "As Complete and Stabilized" assuming market rents, of the leased fee interest in the Subject, free and clear of financing, as of April 1, 2016 is:

ONE MILLION EIGHT HUNDRED FIFTY THOUSAND DOLLARS
($1,850,000)

Hypothetical Unrestricted Scenario – "As Complete"
The Subject's hypothetical market value "As Complete" of the leased fee interest assuming market rents, free and clear of financing, as of April 1, 2016 is:

ONE MILLION EIGHT HUNDRED THOUSAND DOLLARS
($1,800,000)

Prospective Restricted Scenario – "As Complete and Stabilized" Restricted, All Tangible & Intangible Components
The Subject's prospective market value "As Complete and Stabilized", assuming LIHTC, of the leased fee interest in the Subject, as of April 1, 2016 is:

FOUR MILLION TWO HUNDRED THOUSAND DOLLARS
($4,200,000)

Prospective Restricted Scenario – "As Complete" Restricted, All Tangible & Intangible Components
The Subject's prospective market value "As Complete" assuming LIHTC, and less the cost of stabilization, of the leased fee interest in the Subject, as of April 1, 2016 is:

FOUR MILLION TWO HUNDRED THOUSAND DOLLARS
($4,200,000)

The value of the LIHTC credits, as of April 1, 2016, is:

TWO MILLION SIX HUNDRED THOUSAND DOLLARS
($2,600,000)

The Subject's hypothetical insurable replacement cost, via the cost approach, as of April 1, 2016, is:

FOUR MILLION SIX HUNDRED THOUSAND DOLLARS
($4,600,000)

Please refer to the assumptions and limiting conditions regarding the valuation and hypothetical value conclusions.

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SAFE HARBOR MULDOON APARTMENTS
23 UNITS - PROPOSED DEVELOPMENT COSTS

TOTAL DEVELOPMENT COSTS:

Land Acquisition:	$ 500,000
Construction Costs:	$ 6,142,500
Construction Financing:	$ 217,000
Term Loan Closing Costs:	$ 93,257
Related Soft Costs:	$ 554,658
Developer Fees:	$ 1,157,000
Operating Reserves	$ 115,441
Rent-up Reserves	$ 92,414
Total Costs	**$ 8,872,270**

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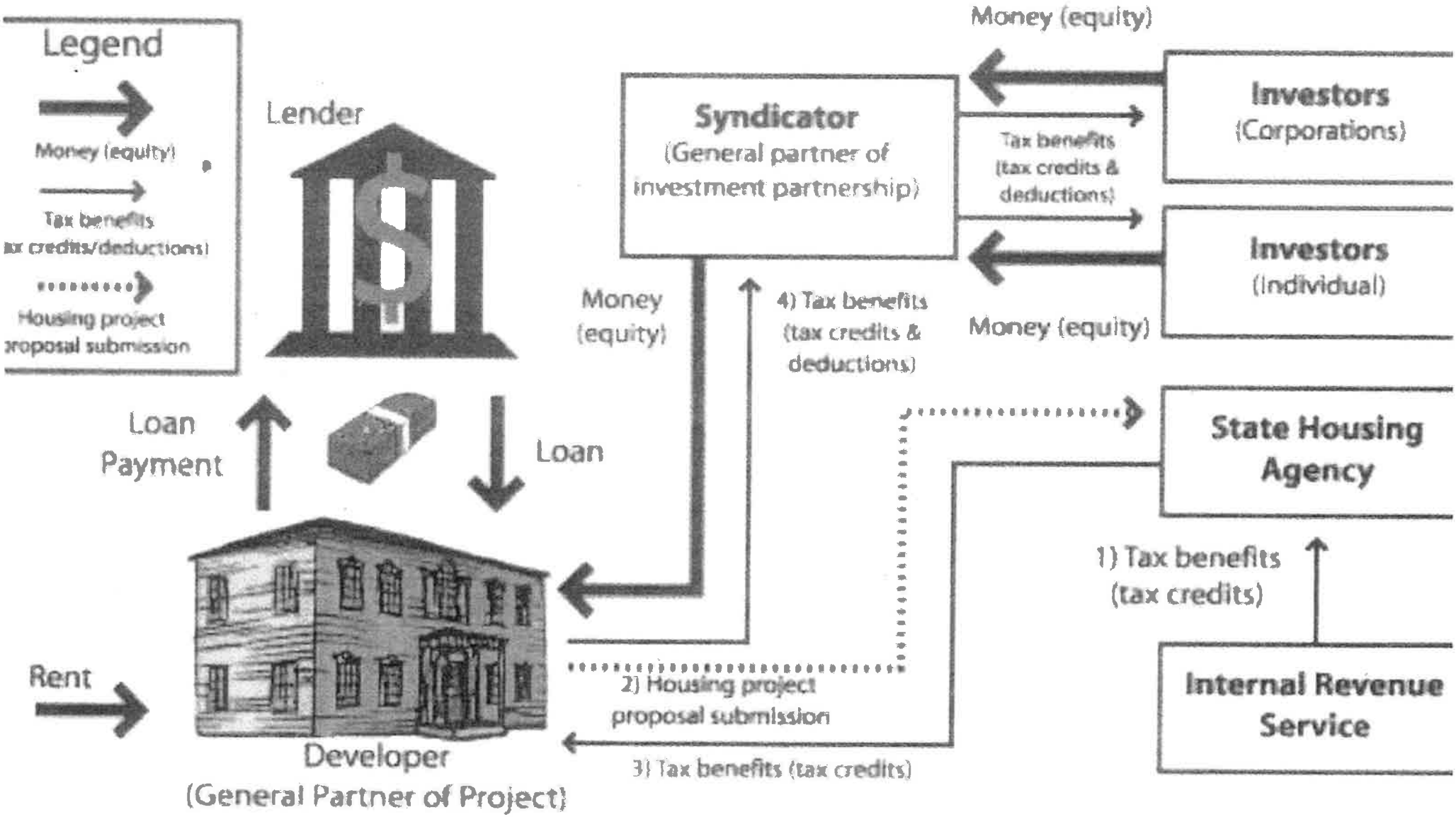
Mechanics of LIHTC Allocation



3: Source: Adapted from U.S. General Accounting Office, Tax Credits.

Organizational Capacity and Experience

Since 1965, Rural Alaska Community Action Program, Inc. (RurAL CAP) has been fulfilling the mission—*to empower low-income Alaskans through advocacy, education, affordable housing and direct services that respect our unique values and cultures.* RurAL CAP is a private, statewide, 501(c)(3) nonprofit organization on the leading edge of promoting self-sufficiency in Alaska. RurAL CAP's programs find positive, culturally responsive solutions to local problems by focusing on measurable results and actively engaging community members while promoting the vision of *Healthy People, Sustainable Communities, Vibrant Cultures*. Through programs and services in housing, energy and environment, health, early childhood education, weatherization, and youth leadership, RurAL CAP addresses and works to alleviate the root causes of poverty. For 50 years, RurAL CAP has a history of effectively utilizing grant based funding and has an annual budget of typically $35-$40 million spread across 100+ grants.

RurAL CAP is governed by a 24-member Board of Directors representing the public sector, the private sector, and the different regions of rural Alaska, and is organized into four divisions: Planning & Construction provides home weatherization and rehabilitation services in Anchorage, Juneau, northern/northwestern, and western Alaska, development and construction of new housing for low-income people, community planning assistance, and capacity building; Supportive Housing provides affordable housing opportunities to low-income individuals, families, and people with disabilities, while addressing adult chronic homelessness, alcoholism, and employment for the homeless in Anchorage; Community Development manages AmeriCorps and VISTA (Volunteers in Service to America) volunteers in rural communities throughout Alaska, and energy, environmental, and wellness programs; Child Development operates Head Start and Early Head Start Centers both in rural and urban communities and associated early childhood education programs, such as statewide PAT (Parents as Teachers) programming and a Child Development Center in Anchorage.

Having successfully administered hundreds of federal, state, and foundation grants while implementing projects throughout Alaska, RurAL CAP has demonstrated ability to provide sound programmatic and fiscal oversight and has mastered the art of long-distance service delivery and program management. The agency has received several U.S. Housing and Urban Development grants, as well as grants from the federal Departments of Education, Energy, Health & Human Services, Agriculture, Environmental Protection Agency, and the Corporation for National and Community Service. RurAL CAP enjoys a longstanding partnership with the State of Alaska, and receives funding through AHFC and the Departments of Commerce, Community and Economic Development, Education and Early Development, Health and Social Services, and Labor and Workforce Development. RurAL CAP holds an annual audit for each fiscal year ending on September 30th. Consolidated Financial Statements and Schedules with an Independent Auditor's Report, in accordance with OMB Circular A-133, and a State Financial Assistance Reports audit are presented to the Board of Directors for approval and acceptance during the first quarter following the audited year.

Planning and Construction operates a Self-Help Owner-Built homeownership project on the Kenai Peninsula, specifically serving low-income families in the central Kenai Peninsula area – a series of small communities along the road system from Cooper Landing to Kasilof, which includes the communities of Cooper Landing, Sterling, Kenai, Soldotna, Kalifornsky, Cohoe and Nikiski. It remains RurAL CAP's goal to eventually expand the program to larger communities in regions beyond the Kenai Peninsula.

RurAL CAP is also as a leader in preserving and managing multi-family rental housing in Anchorage for occupancy by low-income and special needs households. Since 1999, RurAL CAP has acquired and/or rehabilitated, and now manages 17 buildings in Anchorage that provide a total of 230 units of permanent or transitional housing to individuals in need.

McCool Carlson Green (MCG) Architects is the design partner for the 23-plex. MCG is an Alaskan-owned firm providing planning and design services in Alaska and beyond for more than 40 years. The firm focus is the design of high-quality civic, public, educational, and healthcare facilities that flourish in complex Alaskan environments and reflect the unique spirit of our state. MCG has accomplished some of Alaska's largest and most significant projects, including the Ted Stevens Anchorage International Airport C Terminal Expansion; the Nesbett Courthouse in Anchorage; and the new Alaska Airlines Center at University of Alaska Anchorage. Numerous MCG projects have been recognized with state, national, and/or international design awards, often noted for their thoughtful design and community engagement.

Key Staff (resumes attached):

Acting Executive Director and Deputy Director, **Sarah Scanlan**, has been at RurAL CAP since 2008. As Acting Executive Director, she provides her extensive administrative management and data-driven strategic planning and evaluation experience to RurAL CAP's executive leadership team. As Deputy Director, she supervises the Communications, Development, IT, Administrative Services, and HR departments.

Finance Director, **Diane Mathisen**, oversees the 7 FTE Accounting Department. Ms. Mathisen has a Master's of Business Administration and has been at RurAL CAP since 1987, serving as the chief financial officer since 1991.

Corrine O'Neill has nearly 15 years of experience working on the issues of affordable housing and homelessness in Anchorage. She has three years experience in Clinical Management of homeless and Housing First programs at Anchorage Community Mental Health Services (ACMHS). Ms. O'Neill supervised the HUD Housing Programs and Substance Abuse and Mental Health Services Administration (SAMSHA) Projects for Assistance in Transition from Homelessness (PATH) funding for ACMHS. Ms. O'Neill was the ACMHS Cooperative Agreement to Benefit Homeless Individuals (CABHI) Supervisor from July 2012-2014. She joined the RurAL CAP team in May of 2014 as the Supportive Housing Division Director. She has trainings and certifications in Integrated Dual Diagnosis Treatment (IDDT), Motivational Interviewing, Seeking Safety, Housing First, and Harm Reduction. She also has extensive experience training direct line/case management staff.

Kenny Scollan is the Supportive Housing Division Manager. With over 28 years in the construction and housing industry, he has extensive experience with rehabilitation and construction projects, property acquisition, housing and facility financing, and managing ongoing maintenance and repair needs for rental housing. He has worked for RurAL CAP since 1994 in a variety of positions including the Weatherization Superintendent, Self Help Project Manager, Operations Manager for Homeward Bound, and is now the Property Manager for Affordable Housing.

Budget Coordinator, **Debbie Green**, manages budgets and financial reporting for the Supportive Housing Division. Ms. Green has been the Budget Coordinator for the Supportive Housing Division since 2009 and has 21 years of experience with state and Federal grants, financial management, and reporting, including past funding from DHSS and DBH.

RurAL CAP Capital Projects

2000 – 2015

Below is a comprehensive list of capital projects which have been successfully developed by RurAL CAP in Alaska since 2000. A list of projects since RurAL CAP began operations in Alaska in 1965 can be made available upon request.

Sarah Scanlan

11775 Wilderness Drive, Anchorage, AK 99516
H (907) 345-6793, C (907) 250-5486

Objective: To contribute my extensive management, leadership, administrative and training experiences that result in improvements to the quality of life for Alaska's people.

SUMMARY OF QUALIFICATIONS

- Strong leadership, management, and administrative skills
- Deep understanding of the issues facing Alaska's Native people and well-informed of the data available to guide strategic planning
- Skilled in developing and implementing measurable outcome based organizational results with a team building approach
- Successfully facilitated numerous Native organization strategic and long-range planning processes
- Skilled in problem solving and building departments into systems
- Strong oral and written communications skills and comfortable working with and presenting to elected officials, national/state, village/region, organizational gatherings
- Experienced in human resource management, operations management, budgeting/financial statements, proposal development, new project development and implementation, development of administrative systems
- Comfortable working with Alaska's Native and non-Native leaders and communities
- Native Village of Kotzebue Tribal member, NANA Shareholder

Work Experience
February, 2008 to present
Deputy Director, Rural Alaska Community Action Program, Inc.
Member of Leadership Team, responsible for strategic planning processes, oversight of Human Resources, Information Technology, Development, Communications, and Administrative Services Departments

January, 2001 to December, 2007
Deputy Director, First Alaskans Institute, Anchorage, AK
Develop organizational policies in accordance with board directives
Strategic planning with senior management team for overall organization objectives, financial management, staffing, and programs
Budget development and management
Human resources management (policies, recruitment, hiring, and training)
Board support, reporting, and relations
Coordinate operations between departments and establish responsibilities and procedures for attaining objectives
Design and implement procedures and policies for new outcomes and results based programs
Start ups for Education Summits, Leadership Development, Elders and Youth Conference, and Community Investments
Extensive community outreach

January, 1999-June, 2000
Consultant
1999-2002 Consultant, Various Organizations, including:
Education Consultant for First Alaskans Institute
Member-planning and organizing teams for major conferences, including the Native Education Summit

Facilitated and organized annual meetings for two major non-profit organizations, and the 2001 special conferences on Substance Abuse/Suicide Prevention and Park Service/Tribes Consultation
Developed Career Pathways 5-year Plan in Health Careers for regional non-profit
Facilitated strategic planning sessions for two Native Regional Corporations and Village IRA Council

1976-1999
NANA Regional Corporation and NANA Development Corporation
Anchorage, AK
Manager and Vice President, NANA Regional Corporation
Served in a variety of positions at NANA including:
1995-1999: Vice President, Corporate Affairs
1987-1995: Vice President, Human Resources
Member, Red Dog Employment Committee
1982-1986: Manager, Kotzebue Operations
1977-1981: Manager, Shareholder Relations
1976-1977: Operations Manager, Purcell Security (Pipeline Construction)
Served as a member of the senior management team and participated in strategic planning sessions, developed and presented Board reports, developed department policies and procedures, supervised department staff, developed and monitored annual budgets, planned and executed informal and annual shareholder meetings, prepared communications to internal and external customers, member of executive team for the development of the Red Dog Mine, extensive travel to villages.

Education
Kotzebue High School, Honors Graduate of Lathrop High School (Boarding Home Program), Fairbanks
Stanford University, Palo Alto, CA
University of Alaska, Fairbanks, Bachelor of Business Administration
Numerous professional development sessions in employee and organizational management, strategic planning, workforce development, leadership, business/resource development, communications

Community Service Current:
Best Beginnings Early Learning Council
Alaska Native Heritage Center Board, Vice Chair
Homeward Bound Advisory Council

Previous:
Advisor to Alaska Native Cultural Charter School in Anchorage
United Way Community Action Team
Business Education Compact, Past Chair
Get Out the Native Vote, Past Chair
Youth Success Working Group (RurAL CAP)
UAA College of Education Advisory Committee
Career and Technical Education Council
ANCSA Education Consortium, Ad Hoc Member
Alaska Human Resources Investment Board, Past Chair
Anchorage Chamber of Commerce Education Committee
Anchorage Women's Political Caucus
YWCA, Anchorage
State Board of Game
World Eskimo Indian Olympics Board
Tundra Times Board
Alaska Society for Human Res. Mgrs

REFERENCES
Byron Mallott, (907) 321-1429
Greta Goto, GLG Consulting, (907) 317-1407
Gia Hanna, (907) 306-7992

Glenn P. Gellert

1113 W. Fireweed Lane, #202, Anchorage, Alaska 99503
(907) 277-2663
Gellert@ak.net

Personal Profile

Married to Wendy with two Children, Carlie (14) and Molly (12)

Born and Raised in Alaska

Education

MIDDLEBURY COLLEGE – Middlebury, Vermont, BA, 1986

UNIVERSITY OF OREGON – Eugene, Oregon, MBA, 1990

Development Experience

Multi-family Housing

- Creekside at Alyeska, Girdwood, Alaska: 30 family units, $3 million, completed 2001
- Ridgecrest Park, Wasilla, Alaska: 42 family units, $6 million, completed 2003
- The Birches at Haley Hills, Wasilla, Alaska: 32 senior units, $4 million, completed 2003
- River Point Village, Fairbanks, Alaska: 26 family units, $4 million, completed 2004
- Aurora Vista Apartments, Kenai, Alaska: 48 family units, R.D. rehab, $6.5 million, completed 2005
- Timber Ridge Condominiums, Mat-Su Borough, Alaska: 20 units, $3.8 million, completed 2006
- Creekwood Park, Mat-Su Borough, Alaska: 48 family units, $7 million, completed 2007
- The Birches II, Wasilla, Alaska: 28 senior units, $4 million, completed 2008
- Weeks Field Estates, Fairbanks, Alaska: 74 family units, $16 million, completed 2009
- Raven Landing, Fairbanks, Alaska: 20 senior units, $5.5 million, completed 2010
- Weeks Field Estates II, Fairbanks, Alaska: 56 family units, $14.5 million, completed 2011
- The Terraces at Northpointe Bluff, Anchorage Alaska: 12 units, $4 million, completed 2011
- Lumen Park, Anchorage, Alaska: 20 senior units, $5.5 million, completed 2011
- Raven Landing Phase II, Fairbanks, Alaska: 20 senior units, $6 million, completed 2012
- Trailside Heights, Anchorage, Alaska: 66 family units, $19 million, under construction
- Raven Landing Phase III, Fairbanks, Alaska: 20 senior units, $6 million, under construction

Glenn P. Gellert

Land

- W.A. Long Subdivision, Girdwood, Alaska: 5 lots, completed 2000
- Larkspur Subdivision, Mat-Su Borough, Alaska: 10 lots, completed 2003
- Aspen Ridge Subdivision, Mat-Su Borough, Alaska: 70 lots, completed 2005
- Timber Ridge Subdivision, Mat-Su Borough, Alaska: 5 lots, completed 2010
- Lumen Park Subdivision, Anchorage, Alaska: 3 lots, completed 2010

Commercial

- 4th Avenue Theater Remodel, Anchorage, Alaska, completed 1992
- Alaska Railroad Building, Anchorage, Alaska completed 1992
- Chevron Building, Anchorage, Alaska, rehab, completed 2012
- Raven Landing Community Center, Fairbanks, under construction
- Petco Building, Soldotna, Alaska, under construction
- West Marine Addition, Anchorage, Alaska, under construction

Finance Experience

- Buy Notes and Deeds of Trust and manage a $3 million portfolio
- Raised more than $90 million in equity from the sale of Low Income Housing Tax Credits
- Controller for Iditarod Properties 1992-1995
- Credit Officer for Key Bank, 1986-1988

Real Estate Investment/Property Management Experience

- Licensed Real Estate Broker in Alaska, 1990 to present
- Own and Manage 75 residential rental units
- Own and Manage a Kenai Warehouse

Recent Civic Work

- Governors Housing Steering Committee Member
- Anchorage Housing and Neighborhood Development Commissioner
- Alaska Ski Education Foundation Board Member
- Youth Alpine Ski Coach.

1113 W. Fireweed Lane, #202 ◆ Anchorage, AK. 99503 ◆ (907) 277-2663 ◆ Gellert@ak.net

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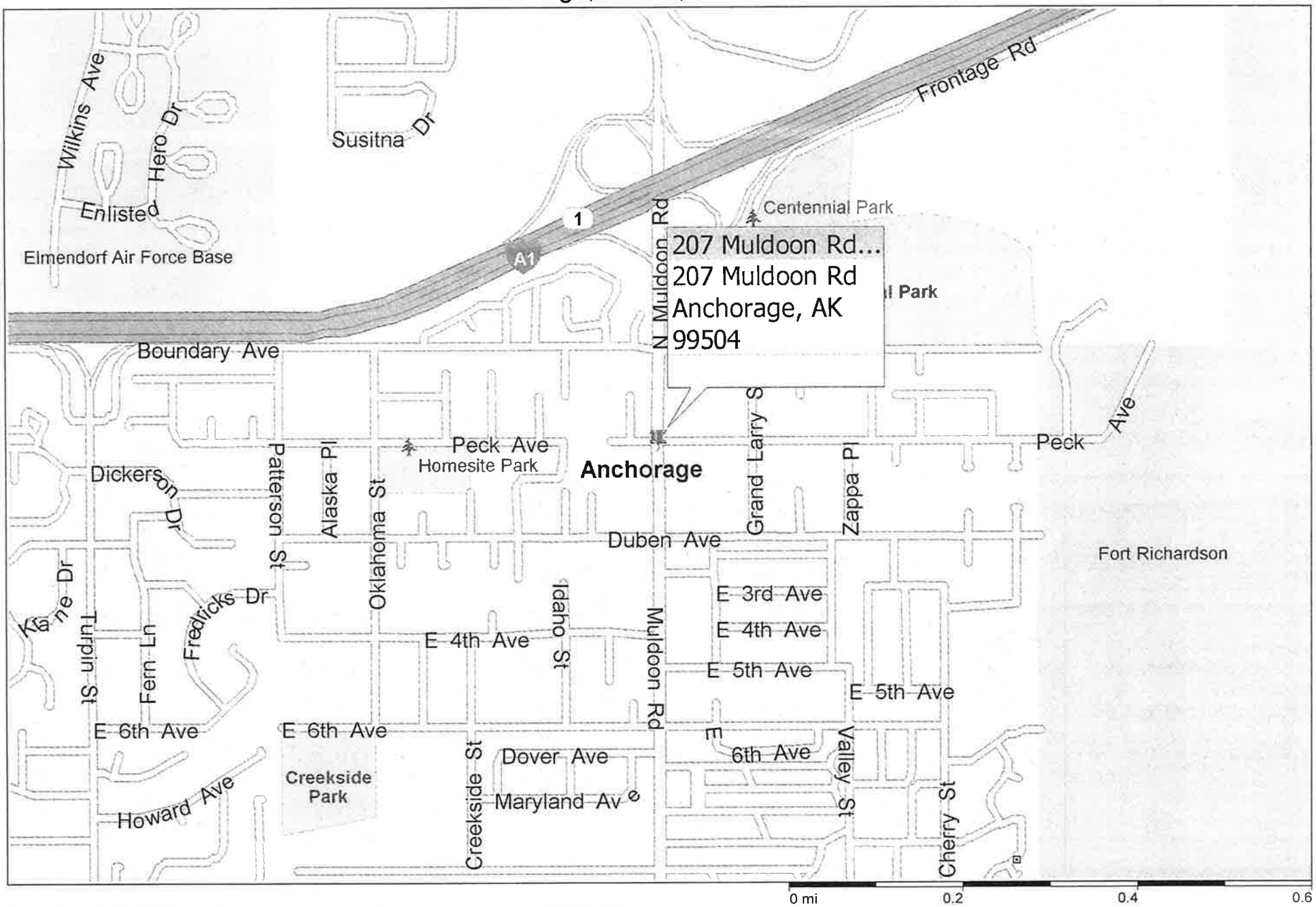
Anchorage, Alaska, United States



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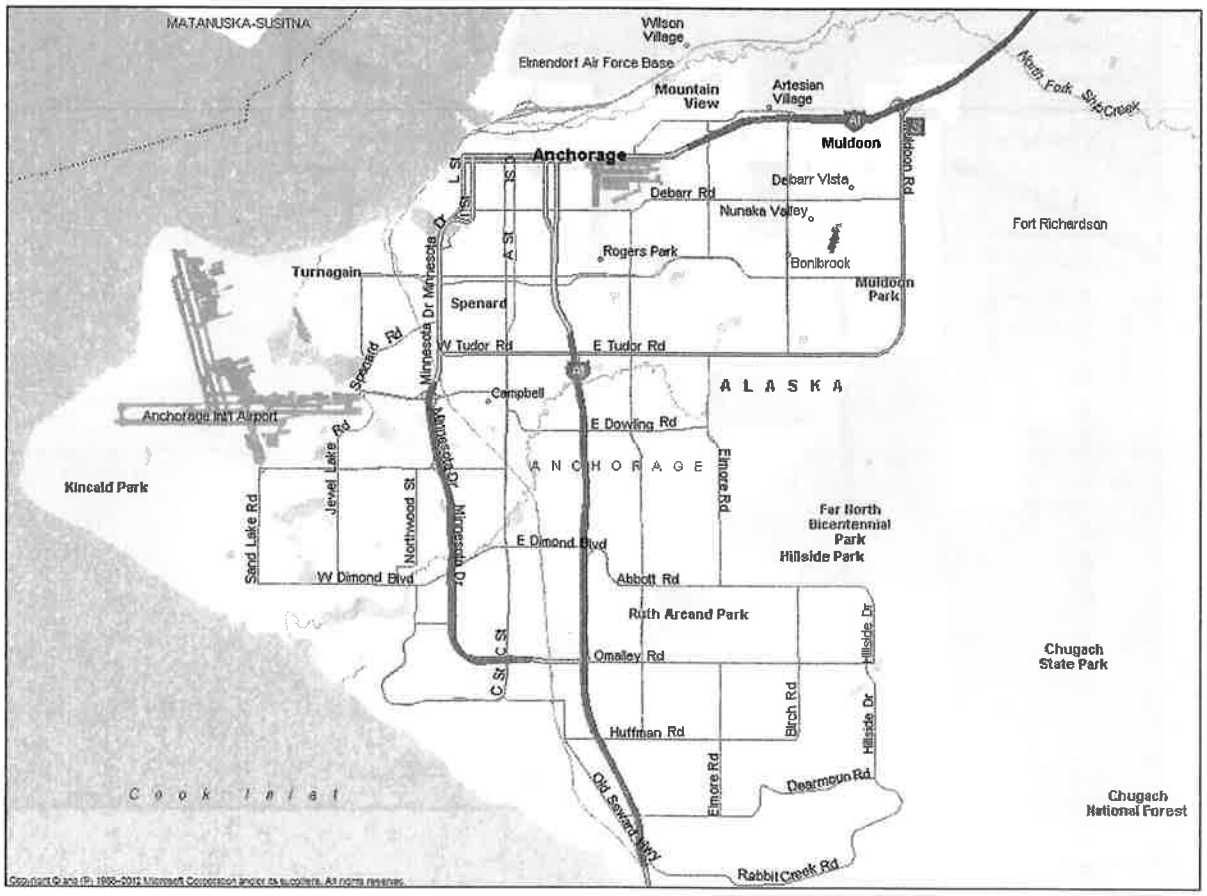
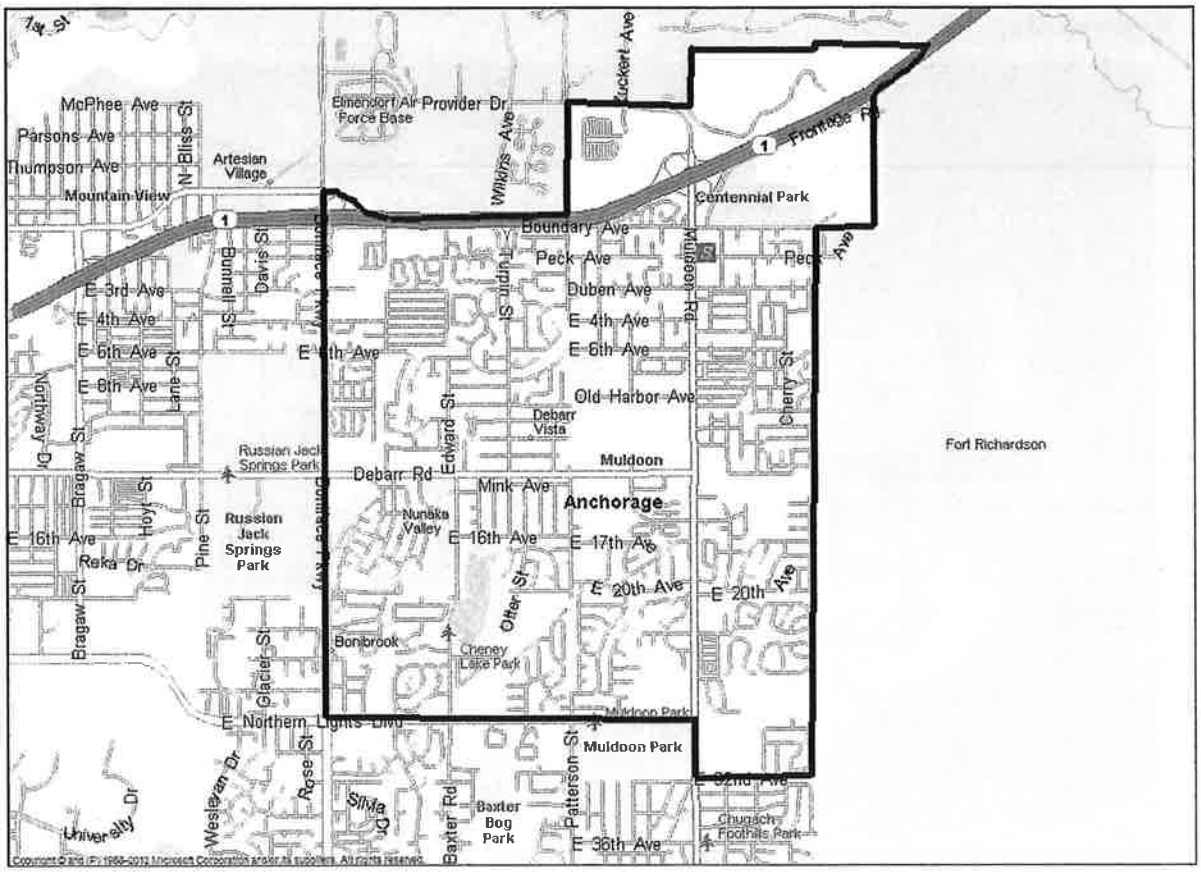
REGIONAL AND LOCAL AREA ANALYSIS

Regional Map



Local Map (Northeast Anchorage Neighborhood)



Overview

The city of Anchorage is located within the Anchorage, AK MSA. As of the 2010 census, the population of the MSA is 380,818. The city of Anchorage had a 2010 population of 291,826. The following section includes data on the MSA and the PMA, which is defined later in this report.

Location and Proximity to Metropolitan Areas

The city of Anchorage is located in south-central Alaska. The following table illustrates distances to surrounding metropolitan areas.

PROXIMITY TO MAJOR CITIES

Location	Miles
Fairbanks	359
Juneau	849
Ketchikan	1,675

Transportation

Highway: The Subject will be located approximately 0.2 miles south of Alaska Route 1 (Glenn Highway). AK Route 1 provides access to Wasilla northbound, Homer southbound, and is the only major highway in Anchorage. AK Route 1 connects to Walter J. Hickel Parkway approximately 13 miles southwest of the Subject. Walter J. Hickel Parkway provides access to many neighborhoods in western Anchorage as well as the Ted Stevens Anchorage Airport.

Transit: The Anchorage Public Transportation People Mover bus system has a fleet of 52 buses with 14 regular transit routes throughout the greater Anchorage area. The closest bus stop is on the 3-Northern Light Line at the intersection of Duben and Muldoon. The 3-Northern Lights Line provides access to the Prestige Care and Rehab Center of Anchorage eastbound and the Anchorage 5th Avenue Mall westbound. A regular fare is $2 and a half fare for seniors, youth, and Medicare holders is $1.

Air: Ted Stevens Anchorage International Airport (ANC), located 11.2 miles west of the Subject site, is served by 15 airlines and serves as a hub for domestic and international travel. In 2015, 5.4 million domestic and international passengers traveled through ANC, which equates to approximately 14,794 passengers on a daily basis.

Commuting Patterns
The chart below details the travel time to work for the PMA according to ESRI Business Data.

COMMUTING PATTERNS

2000 Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	1,426	2.75%
Travel Time 5-9 min	6,810	13.14%
Travel Time 10-14 min	12,617	24.35%
Travel Time 15-19 min	14,067	27.15%
Travel Time 20-24 min	8,639	16.67%
Travel Time 25-29 min	1,782	3.44%
Travel Time 30-34 min	3,364	6.49%
Travel Time 35-39 min	281	0.54%
Travel Time 40-44 min	427	0.82%
Travel Time 45-59 min	767	1.48%
Travel Time 60-89 min	721	1.39%
Travel Time 90+ min	919	1.77%
Average Travel Time	**18 Minutes**	-

Source: US Census 2000, Novogradac & Company, LLP, January 2016

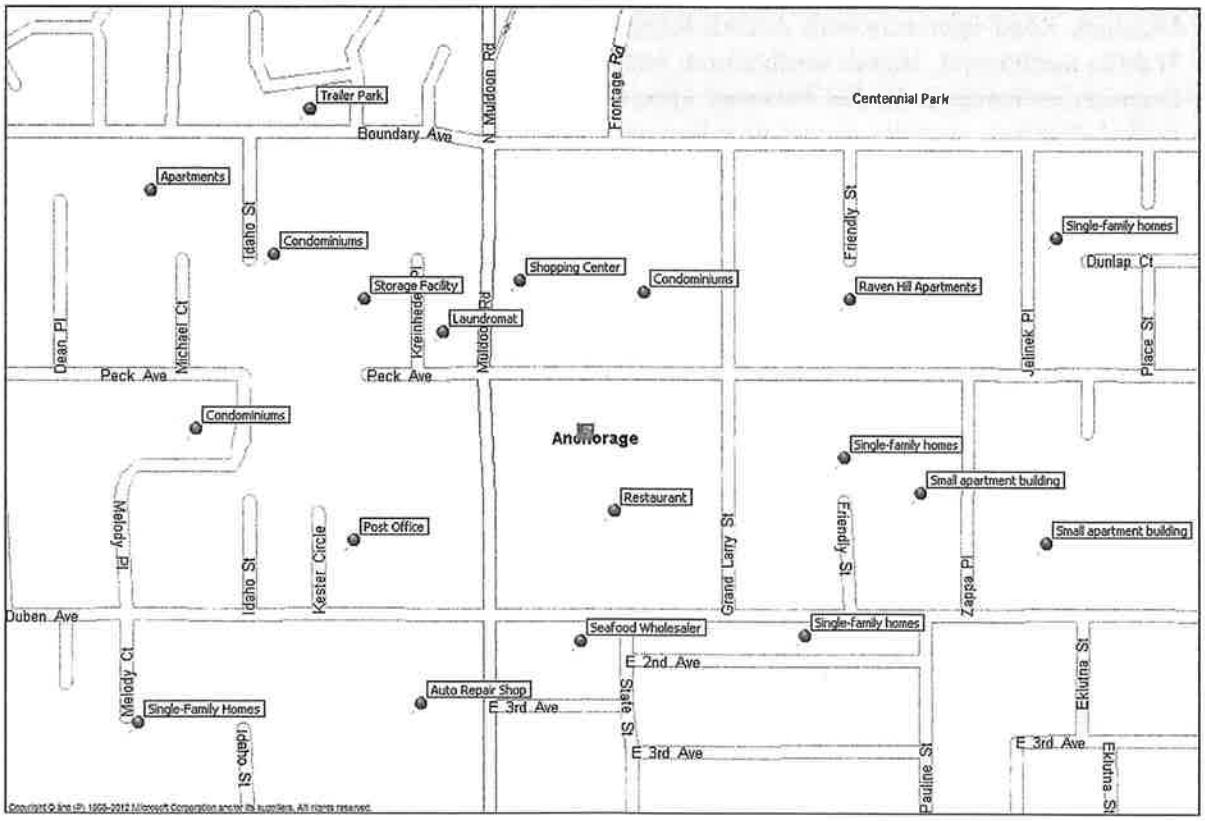
As shown above, the average travel time for individuals in the PMA is 18 minutes. Approximately 67.4 percent of the workforce in the PMA has a commute time of less than 19 minutes. This demonstrates that the majority of the individuals are working within Anchorage and not commuting outside of the city.

Healthcare
The Subject is located in close proximity to several hospitals located in Anchorage. Joint Base Elmendorf-Richardson is a 55-bed and eight operating room military hospital which is approximately one mile north of the Subject. Providence Alaska Medical Center is a 371-bed hospital that had 17,322 admissions in 2015 which is approximately 5.7 miles southwest of the Subject. Alaska Regional Hospital is a 132-bed general medical and surgical hospital located 4.5 miles west of the Subject site.

Higher Education
The Anchorage area is home to University of Alaska-Anchorage (UAA), a four-year public university with approximately 20,000 students. UAA offers many bachelors, masters, and doctoral programs. Additionally, UAA offers a partnership with University of Washington School of Law and Willamette University College of Law in Salem, Oregon which offers an accelerated six year program to receive both a bachelor's degree and a law degree.

NEIGHBORHOOD ANALYSIS

Neighborhood Map



Introduction

The neighborhood analysis provides a bridge between the area analysis and the study of the Subject. The goal of the neighborhood analysis is to determine how the operations of social, economic, governmental and environmental factors influence the marketability of real estate. In the neighborhood analysis, we focus on how these factors interact in the immediate vicinity of the Subject. The neighborhood surrounding a rental community often impacts the property's status, image, class, and style of operation, and sometimes its ability to attract and properly serve a particular market segment. This section investigates the property's neighborhood and evaluates any pertinent location factors that could affect its rent, its occupancy, and overall profitability.

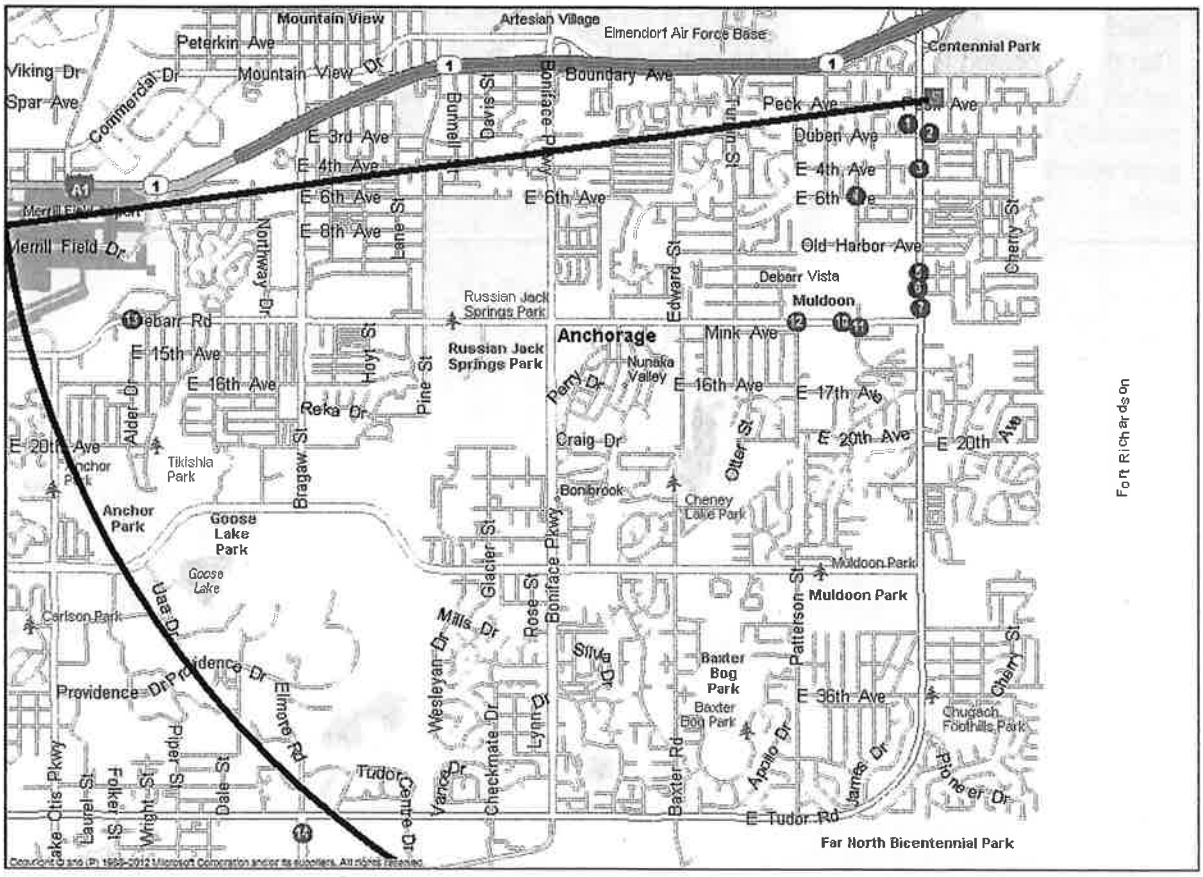
Neighborhood Overview

The Subject is located in the Northeast neighborhood of Anchorage. This portion of Anchorage is mostly residential in nature with commercial uses along Muldoon Road. Two big-box retail centers are located in close proximity to the Subject at Debarr Road and Muldoon Road, and at N Muldoon Road and Zucker Avenue. Elmendorf Air Force Base is located in close proximity to this neighborhood.

Access and Traffic Flow
The Subject site will have access from Peck Avenue, a two-lane east-west neighborhood road, and Muldoon Road, a five-lane north-south arterial road. Approximately 0.2 miles north of the Subject, Muldoon Road intersects with Alaska Route 1 (Glenn Highway). AK Route 1 provides access to Wasilla northbound, Homer southbound, and is the only major highway in Anchorage. AK Route 1 connects to Walter J. Hickel Parkway approximately 13 miles southwest of the Subject. Walter J. Hickel Parkway provides access to many neighborhoods in western Anchorage as well as the Ted Stevens Anchorage Airport. Overall, access and traffic flow at the Subject is considered good.

Predominant Land Uses
Surrounding land uses nearby the Subject site at the intersection of Peck Avenue and Muldoon Road consist of single-family homes and the Grand Larry Condominiums to the east, a shopping center with various in-line retailers and a liquor store on the outparcel site, a laundromat, U-Haul rental center, self-storage facility, and various other retailers to the west, and a hardware store, gas station, and fast-food restaurant to the south. The average commercial vacancy in Subject's neighborhood was approximately five percent. The transitional housing facility will be adjacent to the south of the Subject's building and will be connected. This property was renovated in 2014 and is in good condition. The facility offers housing for homeless families with children. As an LIHTC property we do not believe this will have an impact on the marketability of the Subject, however we believe it may have an impact in the hypothetical market rate scenario.

Proximity to Local Services
The following table and map illustrate the Subject's proximity to necessary services. Map numbers correspond with the *Locational Amenities Map*, presented below.



LOCATIONAL AMENITIES

Map Number	Service or Amenity	Type of Service	Miles from Subject
1	Post Office	Post Office	0.1 miles
2	Bus Stop	Bus Stop	0.1 miles
3	Chevron	Gas Station	0.2 miles
4	Creekside Park Elementary School	Elementary School	0.6 miles
5	Sam's Club	Grocery Store	0.6 miles
6	First National Bank Alaska	Bank	0.7 miles
7	Anchorage Public Library - Muldoon Library	Library	0.8 miles
8	Bartlett High School	High School	0.9 miles
9	Target Pharmacy	Pharmacy	1.1 miles
10	Walmart Super Center	Department Store	1.1 miles
11	Nicholas J. Begich Middle School	Middle School	1.2 miles
12	Muldoon Fire Department	Fire Department	1.4 miles
13	Alaska Regional Hospital	Hospital	4.0 miles
14	Anchorage Police Department	Police Station	5.4 miles

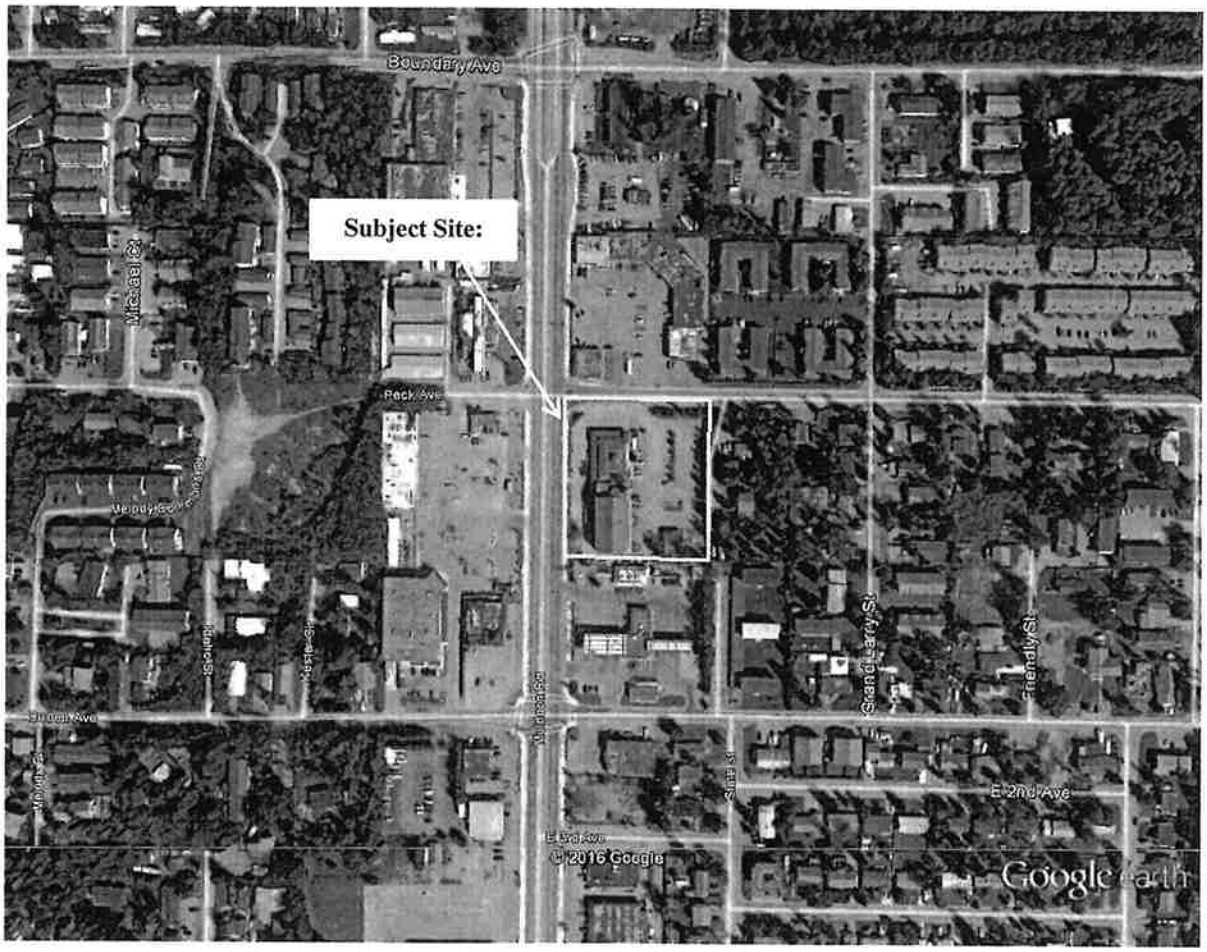
The Subject will be located in close proximity to many services, including retail and public transportation. The Subject will be a compatible use within the neighborhood.

Conclusion

The site is located in a neighborhood with a mix of retail and residential uses including single-family homes and garden style apartments in average condition. Overall the Subject's construction will positively impact the neighborhood, which is well-suited for this type of housing. The Subject has good access to locational amenities including public transit, retail, medical facilities, and educational uses.

DESCRIPTION OF THE SITE

The location of a multifamily property can have a substantial negative or positive impact upon the performance, safety and appeal of the project. The site description will discuss the physical features of the site, as well as layout, access issues, and traffic flow.



Size: The Subject site totals approximately 83,296 square feet, or 1.9122 acres. The Subject will be subdivided from the larger site and transitional housing facility as a condominium upon closing; however the exact square footage of the subdivided land is unknown. We have assumed that the since the Subject's building will be one half of the total building area on the site, that the Subject's portion of the land will be one half of the land or 41,648 square feet or 0.956 acres.

Shape: The sites are generally rectangular.

Frontage: The Subject sites have frontage on the south side of Peck Avenue and the east side of Muldoon Road.

Topography: The Subject site is generally level.

Utilities: All utilities are provided to the site.

Visibility/Views: Views from the Subject site at the intersection of Peck Avenue and Muldoon Road consist of single-family homes and the Grand Larry Condominiums to the east, a shopping center with various in-line retailers and a liquor store on the outparcel site to the north, a laundromat, U-Haul rental center, self-storage facility, and various other retailers to the west, and a hardware store, gas station, and fast-food restaurant to the south.

Overall, views are considered fair to average.

Access and Traffic Flow: The Subject site will have access from Peck Avenue, a two-lane east-west neighborhood road, and Muldoon Road, a five-lane north-south arterial road. Approximately 0.2 miles north of the Subject, Muldoon Road intersects with Alaska Route 1 (Glenn Highway). AK Route 1 provides access to Wasilla northbound, Homer southbound, and is the only major highway in Anchorage. AK Route 1 connects to Walter J. Hickel Parkway approximately 13 miles southwest of the Subject. Walter J. Hickel Parkway provides access to many neighborhoods in western Anchorage as well as the Ted Stevens Anchorage Airport. Overall, access and traffic flow at the Subject is considered good.

Environmental, Soil and Subsoil Conditions and Drainage: Novogradac was not provided with an environmental report or geotechnical study. We assume the Subject site is suitable for the proposed improvements. We are not experts in these fields and assume the site is adequate for development.

Flood Plain: According to FEMA Flood Insurance Rate Map Community Number 020005 and Panel Number 0780D, dated September 25, 2009, the Subject site is located within Flood Zone X, an area outside of the 100-year and 500-year floodplain. A more detailed analysis of this is outside our area of expertise and our scope of work.

Detrimental Influences: The transitional housing facility will be adjacent to the south of the Subject's building and will be connected. This property was renovated in 2014 and is in good condition. The facility offers housing for homeless families with children. As an LIHTC property we do not believe this will have an impact on the marketability of the Subject, however we believe it may have an impact in the hypothetical market rate scenario. There were no other detrimental influences identified in the general vicinity of the Subject.

Conclusion: The Subject's building sites are considered functional for multifamily development. There were no detrimental influences identified in the general vicinity of the Subject. Overall, the Subject will be an improvement to the current neighborhood.

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DESCRIPTION OF THE IMPROVEMENTS

Unit Layout: Based upon our review of the architectural plans, completed by McCool Carlson Green, the unit floor plans appear to be functional and market-oriented. The Subject will offer one and two-bedroom units, which is typical for a family property.

Construction Schedule: The Subject improvements are scheduled to begin construction in July 2016 with completion expected in August 2017.

NLA: Approximately 13,770 square feet. The following table details the unit mix and net rentable unit sizes for the Subject.

UNIT MIX AND SQUARE FOOTAGE

Unit Type	Number of Units	Unit Size (SF)	Gross Area
1BR/1BA	9	586	5,274
1BR/1BA	6	583	3,498
1BR/1BA	2	582	1,164
2BR/2BA	6	639	3,834
Total	**23**		**13,770**

The Subject will offer two handicapped units, which were included in the above table.

GBA (gross building area): The gross building area is 18,396 square feet which was provided by the developer.

Number of Stories: The Subject will consist of a three-story elevator-serviced building.

Parking: The Subject will have 37 surface parking spaces, which is approximately 1.6 spaces per unit. This amount of parking is adequate for a family apartment property. The Anchorage Public Transportation People Mover bus system offers a bus stop for the 3-Northern Light Line at the intersection of Duben and Muldoon as well.

Utility Structure: The landlord will provide all utilities including central A/C, electric cooking, gas water heat, gas apartment heat, cold water/sewer, and trash removal. The comparable properties' utility structures are illustrated in the respective property summaries and are adjusted appropriately to account for differences relative to the Subject. Following is the utility allowance breakdown for the Subject.

UTILITY AND SOURCE	Paid By	1BR	2BR
Heating- Gas	Landlord	$68	$83
Cooking-Electric	Landlord	$12	$16
Other Electric	Landlord	$43	$53
Air Conditioning- None	N/A	-	-
Water Heating- Gas	Landlord	$21	$27
Water & Sewer	Landlord	$92	$92
Trash	Landlord	$15	$15
TOTAL- Paid by Tenant		**$0**	**$0**
TOTAL- Paid By Subject		**$251**	**$286**
TOTAL- Paid By Tenant Provided by Developer		**$0**	**$0**

Source: Anchorage Housing Authority, October 2015

The utility allowance estimates are based upon the Anchorage Housing Authority utility allowance schedule dated October 2015, which is the most recent available. It should be noted that Subject will have solar panels, therefore the utility expenses will likely be lower at the Subject than the properties used to derive the utility allowance, which are typically older Section 8 properties.

Americans With Disabilities Act of 1990:

We assume the property will not have any violations of the Americans with Disabilities Act of 1990.

Quality of Construction, Condition and Deferred Maintenance:

We assume the Subject will be constructed in a timely manner consistent with the information provided, using average-quality materials in a professional manner. As a newly constructed property, we assume the Subject will have no deferred maintenance and be in good condition upon completion of the construction.

Remaining Economic Life:

The economic life of new multifamily properties is typically 60 years. The Subject will be a newly constructed multifamily property, therefore the effective age of the Subject property will be zero years, and the property will have an estimated remaining life of 60 years.

Functional Utility:

Based upon our review of the architectural plans completed by McCool Carlson Green, the unit floor plans appear to be functional and market-oriented. These plans have been included in the Addenda of this report.

Conclusion:

Upon completion, the Subject will be a newly constructed low rise property that will offer 23 one and two -bedroom rental units. The Subject's units will be functional and market-

oriented. The Subject should compete well for available, incoming and existing demand.

PROPERTY PROFILE REPORT

Safe Harbor Muldoon

Effective Rent Date	**3/25/2016**
Location	207 Muldoon Road Anchorage, AK 99504 Anchorage County
Distance	N/A
Units	23
Vacant Units	N/A
Vacancy Rate	N/A
Type	Lowrise (3 stories)
Year Built/Renovated	N/A / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	N/A
Contact Name	N/A
Phone	N/A

Market Information

Program	@60%
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	N/A
Annual Chg. in Rent	N/A
Concession	N/A

Utilities

A/C	included -- central
Cooking	included -- electric
Water Heat	included -- gas
Heat	included -- gas
Other Electric	included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Lowrise (3 stories)	17	584	$925	$0	@60%	N/A	N/A	N/A	N/A	None
2	1	Lowrise (3 stories)	6	639	$1,050	$0	@60%	N/A	N/A	N/A	N/A	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	$925	$0	$925	$0	$925
2BR / 1BA	$1,050	$0	$1,050	$0	$1,050

Amenities

In-Unit

Blinds
Carpeting
Oven
Cable/Satellite/Internet
Coat Closet
Refrigerator

Security

Intercom (Buzzer)
Limited Access
Video Surveillance

Services

None

Property

Clubhouse/Meeting
Central Laundry
Off-Street Parking
Elevators
Neighborhood Network
Playground

Premium

None

Other

None

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Safe Harbor Muldoon, continued

Comments

The adjoining transitional housing building was constructed in 1983.

The one-bedroom units range from 583-586 square feet.

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Safe Harbor Muldoon, continued

Photos

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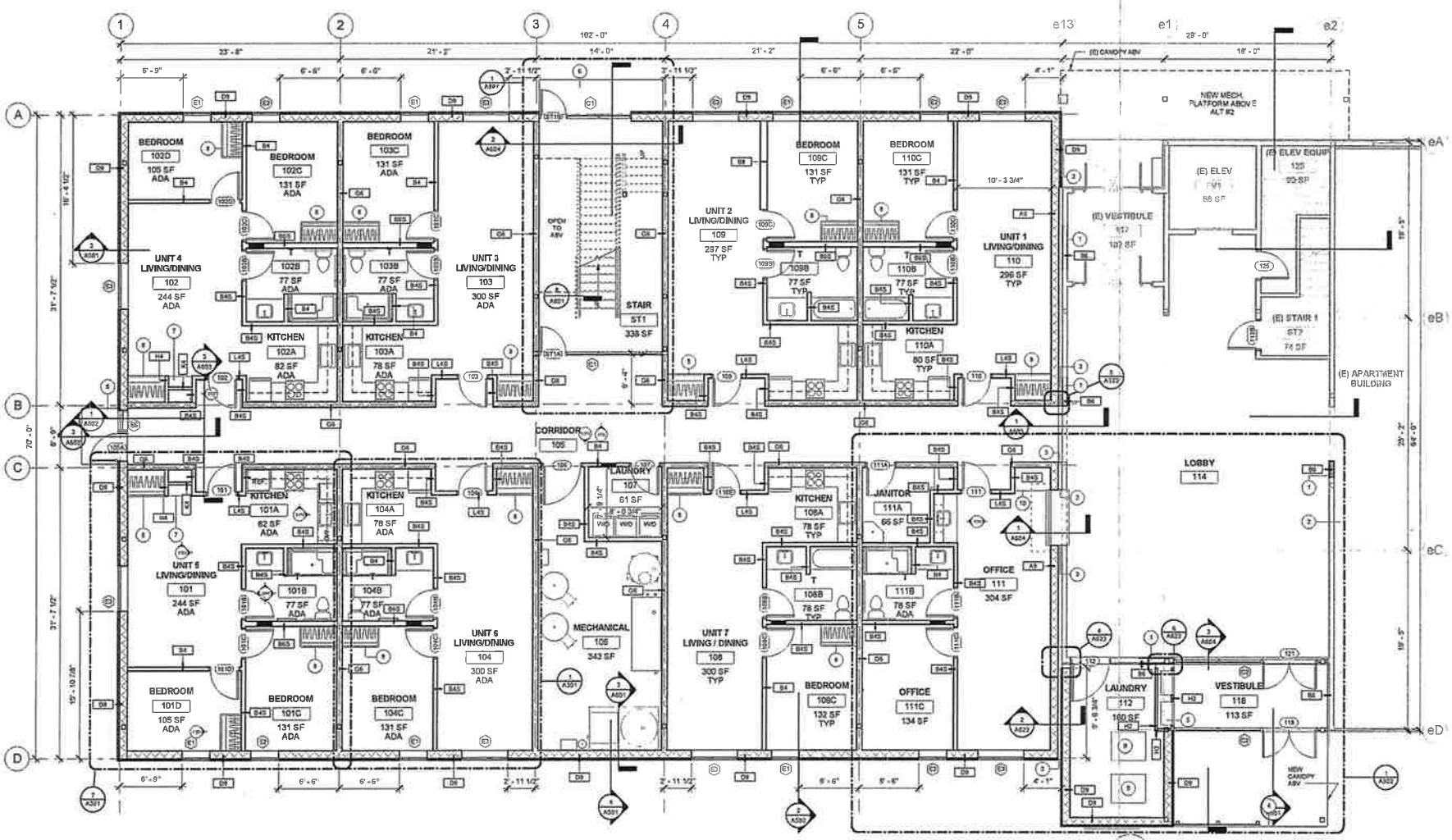
Unit Amenities
The Subject will offer an in-unit amenity package that will include blinds, cable/satellite/internet, carpeting, coat closets, oven, and refrigerator. Several of the comparable properties offer a balcony, dishwasher, garbage disposal, walk-in closets, and/or wash/dryer, none of which will be offered by the Subject. The majority of the comparable properties do not offer a cable/satellite/internet which will be offered by the Subject. Overall, the Subject will be slightly inferior to Conifer Grove and Legacy Apartments and inferior to the balance of the comparable properties.

Common Area Amenities
The Subject will have a clubhouse, elevators, central laundry, neighborhood network, and a playground. The Subject will share some of these amenities with the transitional housing facility. The majority of the comparable properties offer a garage and on-site management, neither of which will be offered by the Subject. Several of the comparable properties do not offer a community room, elevators, central laundry, neighborhood network or a playground, all of which will be offered by the Subject. Overall, the Subject is similar to most properties with regard to common area amenities.

Security Features
The Subject will offer an intercom, limited access, and video surveillance. The majority of the comparable properties including the garden-style offer at least some security features. Overall, the Subject appears slightly superior in security features and we believe this is a marketing advantage when compared to the comparables.

Parking
The Subject will provide off-street parking. In addition to off-street parking a majority of the comparable properties will offer garage parking for no additional fee. The Subject will have 37 surface parking spaces, which is approximately 1.60 spaces per unit. This amount of parking is adequate for a family apartment property. The Anchorage Public Transportation People Mover bus system offers a bus stop for the 3-Northern Light Line at the intersection of Duben and Muldoon as well. The Subject will be considered inferior to the comparables offering garage parking and similar to the comparables offering only off-street parking.



1 A201 FLOOR PLAN - LEVEL 1
3/16" = 1'-0"

GENERAL NOTES

1. COORDINATE WORK OF ALL TRADES TO MINIMIZE DAMAGE AND DISRUPTION TO THE EXISTING FACILITY; REPAIR OR REPLACE ITEMS DAMAGED DURING CONSTRUCTION TO MATCH EXISTING
2. PATCH REPAIR AND PAINT ALL INTERIOR SURFACES DAMAGED BY CONSTRUCTION TO MATCH EXISTING
3. DIMENSIONS ARE APPROXIMATE; CONTRACTOR SHALL VERIFY CRITICAL DIMENSIONS
4. REFER TO DETAILS FOR TYPICAL APARTMENT UNIT FLOOR PLAN INFORMATION

SHEET NOTES

1. WALL CONSTRUCTION, INFILL TO MATCH EXISTING, FINISH PER ELEVATIONS
2. PATCH AND PAINT GAP BELOW EXISTING FIRE ALARM PANEL
3. SEISMIC EXPANSION JOINT - C/S MODEL SF500 OR APPROVED
4. PRIVACY SCREEN, SEE DETAILS ON 2/A402
5. TENANT MAILBOXES, PROVIDED AND INSTALLED BY CONTRACTOR
6. CANOPY ABOVE
7. SHELVING
8. CASEWORK CLOSET PER DETAILS ON A301
9. REINSTALL SALVAGED LAUNDRY EQUIPMENT REFERENCE MECH. AND ELEC.
10. 30" COUNTER: SOLID SURFACE

22X34 SHEET 3/16" = 1'-0"
11X17 SHEET 3/32" = 1'-0"

FLOOR PLAN LEGEND

- SHEET NOTES
- DOOR TAG - REFER TO SHEET A702
- WINDOW TAG - REFER TO SHEET A703
- WALL TAG - REFER TO SHEET A060 FOR WALL TYPES
- ELEVATION OF FINISH FLOOR
- DOOR
- EXISTING - NOT IN CONTRACT

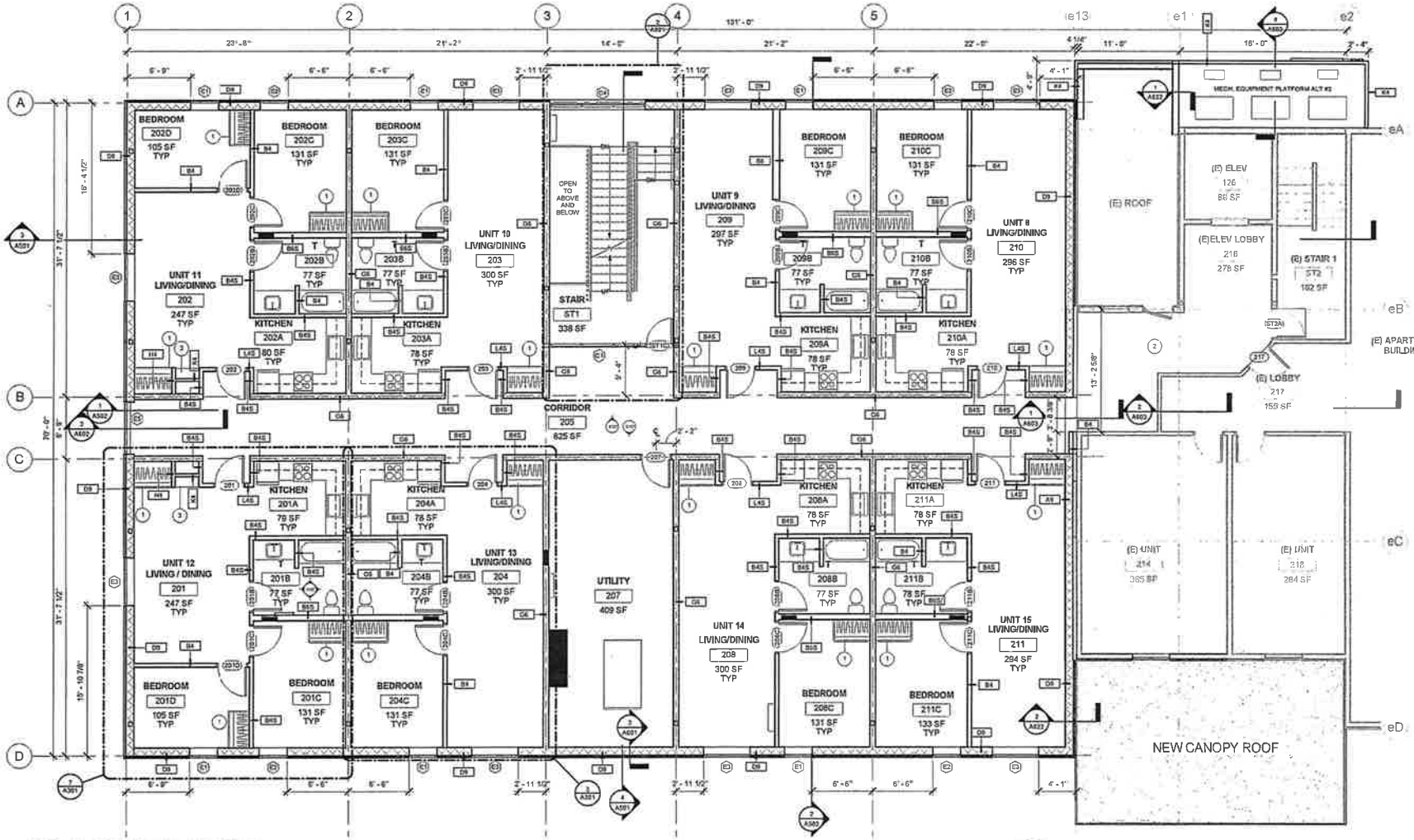
BID DOCUMENTS

SHEET NO. A201

MULDOON SAFE HARBOR VILLAGE
207 MULDOON ROAD
RURAL ALASKA COMMUNITY ACTION PROGRAM, INC
FLOOR PLAN - LEVEL 1

McCOOL CARLSON GREEN
HISTORIC ANCHORAGE TRAIN DEPOT
421 W. 1ST AVENUE • SUITE 300
ANCHORAGE, AK 99501
PH 907.563.3470
FAX 907.646.4072
MCGAK.ARCA.COM

PROJ. NO. 2014038
DATE 01.13.15
DRAWN AMS
CHECKED AMS
DATE 03.01.2016
REVISIONS
REVIEWED BY: John T. Weir



1 FLOOR PLAN - LEVEL 2
A202 3/16" = 1'-0"

22X34 SHEET 3/16" = 1'-0"
11X17 SHEET 3/32" = 1'-0"

GENERAL NOTES

1. COORDINATE WORK OF ALL TRADES TO MINIMIZE DAMAGE AND DISRUPTION TO THE EXISTING FACILITY; REPAIR OR REPLACE ITEMS DAMAGED DURING CONSTRUCTION TO MATCH EXISTING
2. PATCH REPAIR AND PAINT ALL INTERIOR SURFACES DAMAGED BY CONSTRUCTION TO MATCH EXISTING
3. DIMENSIONS ARE APPROXIMATE, CONTRACTOR SHALL VERIFY CRITICAL DIMENSIONS
4. REFER TO DETAILS FOR TYPICAL APARTMENT UNIT FLOOR PLAN INFORMATION

SHEET NOTES

1. CASEWORK CLOSET PER DETAILS ON A301
2. REMOVE AND REPLACE CARPET, BASE TRIM, AND REPAINT GWB
3. SHELVING

FLOOR PLAN LEGEND

- SHEET NOTES
- DOOR TAG - REFER TO SHEET A702
- WINDOW TAG - REFER TO SHEET A703
- WALL TAG - REFER TO SHEET A050 FOR WALL TYPES
- ELEVATION OF FINISH FLOOR
- DOOR
- EXISTING - NOT IN CONTRACT

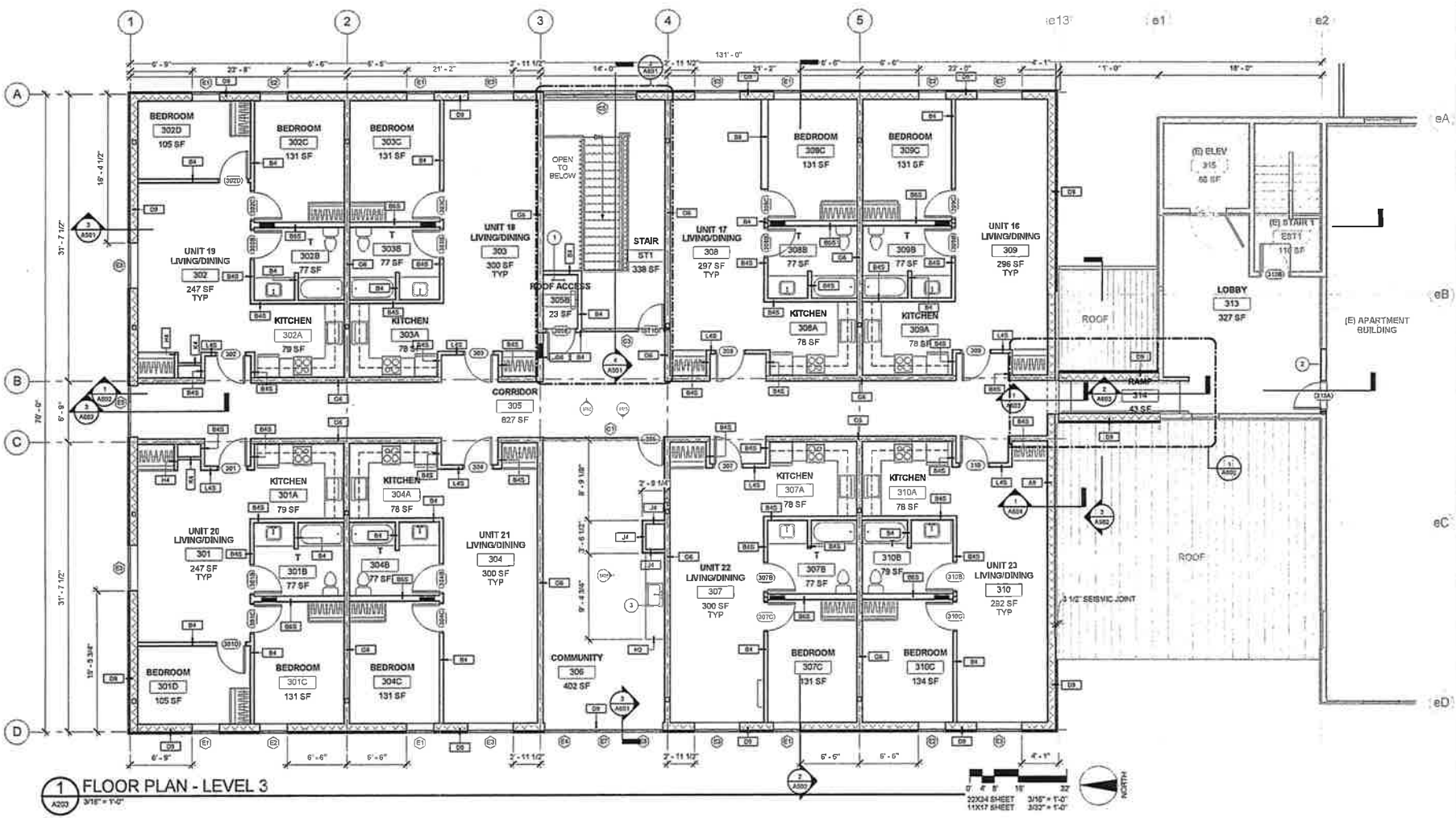
BID DOCUMENTS

SHEET NO. A202

MULDOON SAFE HARBOR VILLAGE
207 MULDOON ROAD
RURAL ALASKA COMMUNITY ACTION PROGRAM, INC
FLOOR PLAN - LEVEL 2

McCOOL CARLSON GREEN
HISTORIC ANCHORAGE TRAIN DEPOT
420 W. 1ST AVENUE • SUITE 300
ANCHORAGE, AK 99501
PH 907.563.8175
FAX 907.563.4972
WWW.MCCLA.COM

JOB NO. 2014.036
DRAWN BY: JAG
REVIEW BY: JAG
REVISION: 0000
DATE: 03.01.2016
REVISIONS:
REVIEWED BY: John T. Winter



1 FLOOR PLAN - LEVEL 3
A203 3/16" = 1'-0"

GENERAL NOTES

1. COORDINATE WORK OF ALL TRADES TO MINIMIZE DAMAGE AND DISRUPTION TO THE EXISTING FACILITY; REPAIR OR REPLACE ITEMS DAMAGED DURING CONSTRUCTION TO MATCH EXISTING
2. PATCH REPAIR AND PAINT ALL INTERIOR SURFACES DAMAGED BY CONSTRUCTION TO MATCH EXISTING
3. DIMENSIONS ARE APPROXIMATE, CONTRACTOR SHALL VERIFY CRITICAL DIMENSIONS
4. REFER TO DETAILS FOR TYPICAL APARTMENT UNIT FLOOR PLAN INFORMATION

SHEET NOTES

1. ROOF ACCESS LADDER
2. INFILL OPENING WITH PARTITION AND DOOR
3. ADA BATHROOM FIXTURES

FLOOR PLAN LEGEND

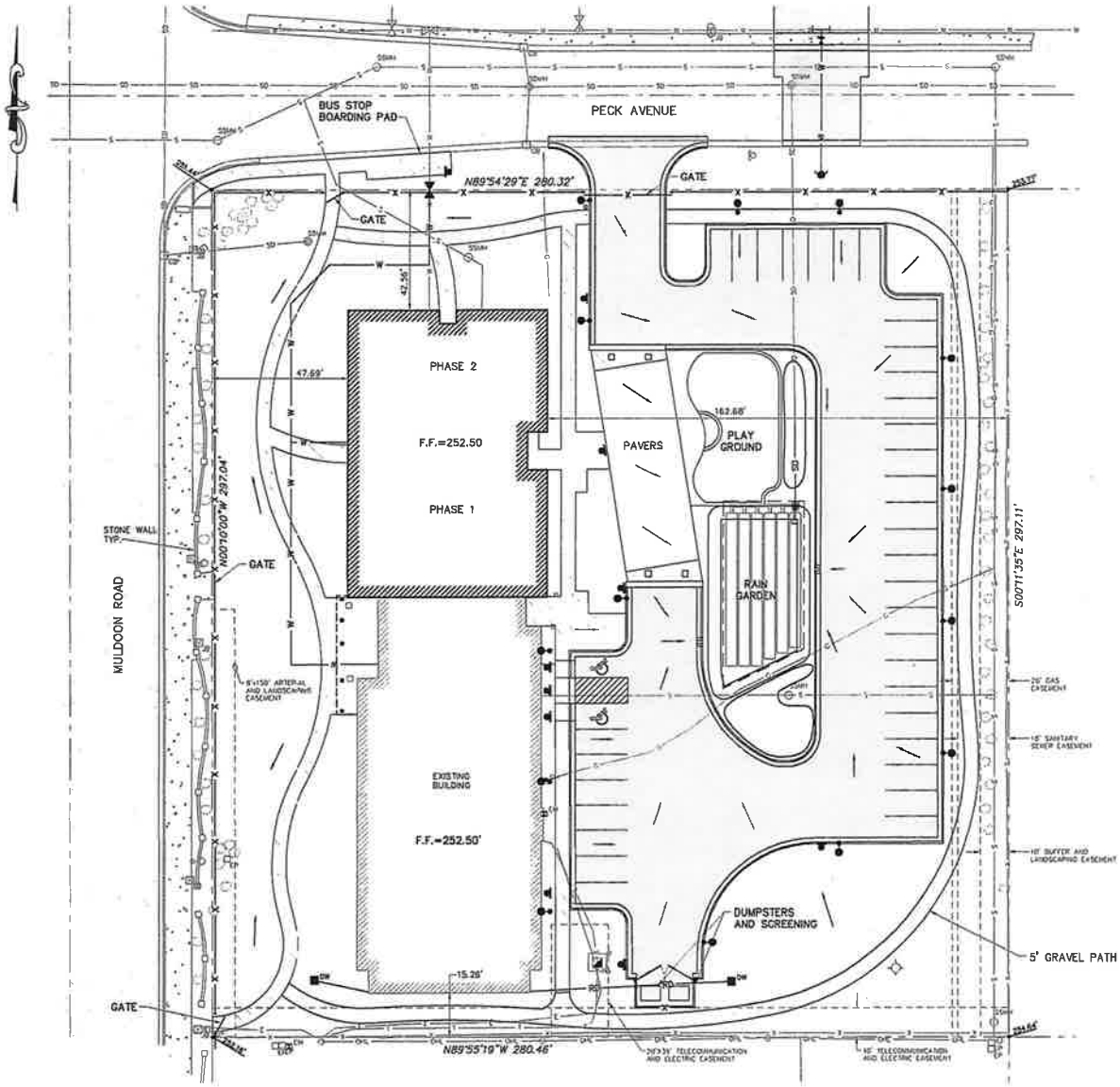
- SHEET NOTES
- DOOR TAG - REFER TO SHEET A702
- WINDOW TAG - REFER TO SHEET A703
- WALL TAG - REFER TO SHEET A060 FOR WALL TYPES
- ELEVATION OF FINISH FLOOR
- DOOR
- EXISTING - NOT IN CONTRACT

BID DOCUMENTS

SHEET NO. A203

MULDOON SAFE HARBOR VILLAGE
307 MULDOON ROAD
RURAL ALASKA COMMUNITY ACTION PROGRAM, INC
FLOOR PLAN - LEVEL 3

McCOOL CARLSON GREEN
HISTORIC ANCHORAGE TRAIN DEPOT
421 W. 1ST AVENUE • SUITE 300
ANCHORAGE, AK 99501
PH: 907.865.6.404
FAX: 907.865.6072
MCGA@ALASKA.COM



LEGAL: HOW-HOW SUBDIVISION
ADDITION NO. 1
LOT 40E

ADDRESS: 207 MULDOON ROAD
ANCHORAGE, ALASKA
99504-1501

LEGEND

EXISTING	NEW	DESCRIPTION
		BUILDING
		ASPHALT CONCRETE
		CONCRETE
		GRAVEL PATH
		BUILDING OVERHANG
		CENTERLINE
		CURB/GUTTER
		EASEMENT
E		ELECTRIC
X	X	FENCE
G		GAS
OHL		OVERHEAD LINE
		PROPERTY LINE
	RD	ROOF DRAIN
S		SEWER LINE
SD	SD	STORM DRAIN
W	W	WATER LINE
		BOLLARD
CB		CATCH BASIN
		DRAINAGE ARROW
	DW	DRY WELL
EM		ELECTRICAL METER
EP		ELECTRICAL PEDESTAL
GM		GAS METER
		HYDRANT
JB		JUNCTION BOX
		LIGHT POLE
		POWER POLE
		REMOVABLE BOLLARD
SSMH		SANITARY SEWER MANHOLE
		SIGN
	1	SIGN CALLOUT
	242.8'	SPOT ELEVATION
SDMH		STORM DRAIN MANHOLE
TP		TELEPHONE PEDESTAL
TF		TRANSFORMER
		TREE/BUSH
		VALVE
		WELL

RPKA
Anthony P. Kinney Associates, Inc.
ENGINEERING • PLANNING • SURVEYING

JOB NO. 1768
PROJ. MGR. BPR
DRAWN BY: GSR
DATE: 07/14/2015
REVISIONS:

REVIEWED BY:
Anthony P. Kinney, P.E.

McCOOL CARLSON GREEN
HISTORIC ANCHORAGE TRAIN DEPOT
421 W. 1ST AVENUE · SUITE 300
ANCHORAGE, AK 99501
PH (907) 563.8474
FAX (907) 563.6572
MCCOALASKA.COM

95% REVIEW SET

SHEET NO.
C001

RURAL CAP- SAFE HARBOR VILLAGE
207 MULDOON ROAD
ANCHORAGE, ALASKA 99504-1501
PLOT PLAN

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Muldoon Garden Limited Patnership

Pro Forma

Rental In.	From Bedrooms	Sq.Ft.	# of Units Units	Unit Rent	Gross Annual
60% AMI	1	582	2	$925.00	$ 22,200.00
60% AMI	1	583	6	$925.00	$ 66,600.00
60% AMI	1	586	9	$925.00	$ 99,900.00
60% AMI	2	639	6	$1,050.00	$ 75,600.00

Common Area		4,626		
Total Square Footage		18,396		
Total Rental Income			23	$ 264,300.00
				$ 264,300.00
Less Vacancy & Credit Loss			7.0%	$ 18,501.00
Effective Gross Income				$ 245,799.00
Total Adjusted Income				$ 245,799.00
EXPENSES				
Management/Payroll		$47,936	19.50%	%EGI
Administration		$12,650	5.15%	per unit
Insurance		$11,500	$ 500.00	per unit
Taxes		$13,524	$588.00	per unit
Utilities		$51,750	$2.81	per square foot
Maintenance & Repairs		$27,600	11.23%	%EGI
Replacement Reserves		$6,900	$ 300.00	per unit
Total Expenses		$171,860	$7,472.17	per unit
% of EGI		69.92%		
Net Operating Income	$	73,939.00		
Mortgage		$43,516	$647,600 @ 5.375% over 30 years	

DSCR	1.70
Net Cash Flow	$30,423
Income Decrease=	12.38%
Expense Increase=	17.70%
Vacancy Increase=	18.51%

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PENETRATION ANALYSIS

We performed a penetration rate analysis for the Subject's units as seen in the following table.

PENETRATION RATE - Methodology Two (Market Focus - NCHMA)	
Number of Proposed Competitive *LIHTC* Units in the PMA	208
	+
Number of Existing Competitive Family *LIHTC* Units in the PMA	**873**
	+
Number of Proposed *LIHTC* Units at the Subject	23
	=
Total	1,104
	/
Income Eligible Households - All AMI Levels	4,792
	=
Overall Penetration Rate - Market Focus (NCHMA)	**23.0%**

The LIHTC Penetration Rate is calculated by subtracting out existing LIHTC units and proposed LIHTC units in the primary market area and then dividing the Subject's total number of units by the remaining demand after competition. According to LIHTC HUD User there are approximately 873 existing LIHTC units in the Subject's PMA. Based on recent Alaska LIHTC allocation lists, we have determined that 208 affordable units are planned and/or under construction in the Subject's PMA. The overall penetration rate for the Subject's units is 23 percent, which is considered excellent.

Conclusion

The demand analysis illustrates demand for the Subject based on capture rates of income-eligible renter households. The Subject's capture rate when adjusted for leakage is 0.61 percent.

This capture rate is considered excellent and is supported when taking into account the other indications of demand such as low vacancy in the market, as well as the quick absorption of the recently constructed LIHTC competition. Our penetration rate analysis indicates an overall market penetration rate of 23 which is considered reasonable.

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Provide the Management Plan for the proposed project:

Management Plan

Project will be managed by a professional management firm? ☐ Yes ☒ No

If yes, name of professional management firm (if known): _____

Attach a copy of the management firm's corporate resume.

RurAL CAP will be managing the property. However, RurAL CAP will be contracting with a firm to provide compliance oversight for lease-up, training client staff, and file audits. The contracted firm will be selected through a competitive bidding process.

Will the Management of the Project include an on-site Resident Manager? ☐ Yes ☒ No

Staffing (a full staffing plan may be required for projects which require a high degree of management and/or staffing):

Days/hours staff will be available for general tenant/homeowner questions?

The Muldoon 23-plex will be supported by RurAL CAP's Supportive Housing Division staff. RurAL CAP's leasing office is staffed Monday-Friday during standard business hours. Tenants will be able to contact the Leasing Office by phone or email with questions/concerns. Additionally, RurAL CAP owns and manages the adjacent building, Safe Harbor Muldoon, which has 24/7 staffing. These staff members can respond to emergencies as needed.

Days/hours staff will be available for maintenance issues?

Maintenance staff are available Monday through Friday during normal business hours. There is an on-call rotation maintenance list for emergencies.

Describe Your Maintenance and Repair Plan (i.e., maintenance/inspection schedules, budgeting, etc.):

Long and Short Term Maintenance and Repairs:

RurAL CAP has extensive experience planning for and overseeing both short-term and long-term housing maintenance and repairs. This management best-practice utilized at RurAL CAP's 17 other Anchorage-based Affordable Housing facilities will be used at the 23-plex on Muldoon in the following ways:

- Ken Scollan, Supportive Housing Division Manager, has been with RurAL CAP since 1994 and oversees the short- and long-term maintenance and repair team for all of RurAL CAP's Anchorage-based properties.
    - RurAL CAP operates a reserve account for rental units to ensure funding is available to handle repair and maintenance costs.
    - The Facilities Maintenance team works on a rotating basis to cover the ongoing and regular repair and maintenance needs of multiple properties.
- Rob Marx, Housing Supervisor for the 23-plex at Muldoon, oversees the day-to-day property management functions including notice, evictions, rent payments, damage assessment and repair, etc.

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BOARD CONSIDERATION MEMORANDUM

Date: July 27, 2016 **Staff: Eric A. Havelock**
Item: Multi-family Loan Request

****

BORROWER: Juneau Senior Housing Partners Limited Partnership

PURPOSE: Term loan financing of a proposed elderly affordable multifamily apartment complex consisting of 49 units named "Trillium Landing" and to be located on Clinton Drive in Juneau, Alaska.

PROPOSAL OVERVIEW:

Loan Amount:

First Deed of Trust:	$ 1,850,000
Second Deed of Trust:	$ 903,900
Total	$ 2,753,900

Project's Restricted Market Value: $3,200,000 Appraised by Brian Z. Bethard, MAI of Black-Smith, Bethard & Carlson. See Appendix I.

Loan-to-Value Ratio:

First Deed of Trust:	58%
First & Second Combined:	86%

Loan Terms:

First Deed of Trust:	30 years amortizing fixed monthly payments.
Second Deed of Trust:	Soft Second 30 years (please see secondary financing section).

Interest Rate:

First Deed of Trust:	6.25%*
Second Deed of Trust:	3.50%**

*Rate is determined at the time of underwriting based on what AHFC believes would be the cost of thirty (30) year taxable bond plus administrative and anticipated servicing costs, if it sold bonds at that time.

**Please see secondary financing section on page 7 for more detail

Debt Service Coverage Ratio:

First Deed of Trust:	1.63	
First & Second:	1.20	(See Secondary Financing Section)

(A debt service coverage ratio is the net income available after paying expenses divided by the loan payment and is used as a profitability indicator for the project)

Development Costs: **See Appendix II for detailed breakdown.**

Total Costs:	$ 12,472,923
Sources:	
LIHTC Proceeds (cash)	$ 8,850,466
AHFC's First DOT:	$ 1,850,000
AHFC's Second DOT:	$ 903,900
Solar Energy Tax Credit:	$ 68,012
Deferred Developer fee:	$ 326,055
NOI during stabilization:	$ 74,490
Rasmuson Grant:	$ 400,000
Total	$ 12,472,923

STRUCTURING OF PROJECT FUNDING:

It is expected that the interim lender, First National Bank Alaska, will provide construction financing and an affiliate of WNC & Associates, Inc. as the tax credit investor will provide $8,850,466 from the purchase of tax credits based on an anticipated price of 95.5 cents on the dollar. The Rasmuson Foundation is providing a $400,000 grant to the developer that will then be contributed to the borrower and secured in third position. The developer is deferring $326,055 from the developer's fee that will be secured in fourth position. The project anticipates receiving the benefit of a $68,012 solar tax credit for the use of solar voltaic technology, and $74,490 from the net operating income (NOI) of the project during lease-up. Should the project not generate sufficient NOI, this amount will be paid from the developer's fee.

Recourse to General or Limited Partner: **No**

Non-recourse to the limited partnership is requested in consideration of the following:

For an investor the attractiveness of investing/purchasing tax credits is two-fold in that they receive benefits over a ten-year period from tax credit deductions against their tax liability, and they also receive the benefit of taxable losses in excess of their actual investment. If a loan is non-recourse, the investor is allowed to deduct taxable losses in excess of their actual investment. On the other hand, a taxable loss to a partner, which is attributable to recourse financing, will not be allowed unless that partner is obligated to contribute additional capital. To an investor the tax credit is

obviously much more attractive and beneficial to them, if the transaction is without recourse, as they receive additional taxable losses without being obligated to make capital contributions. If any of the partners of the limited partnership are obligated on a recourse basis, it could potentially cause a reallocation of taxable losses and the tax credits. Non-recourse financing provides the degree of certainty that is necessary to satisfy the concerns of prospective tax credit investors regarding partnership allocations. With this in mind, tax credit investors are particular in selecting the tax credits they purchase. Historically, permanent financing has been available for tax credit projects on a non-recourse basis.

CORPORATE STRUCTURE:

An entity that owns a project that has been funded, all or in part, by tax credit proceeds is generally structured as a limited partnership or a limited liability company (LLC) where two entities complement each other in achieving their objective. The partnership or LLC consists of a limited partner and a general partner. The limited partner's role is limited to the purchase of the tax credits, which provide cash for the project. The general partner, on the other hand, is usually the facilitator of the project and oversees the project's daily activities on behalf of the partnership. Additionally, the general partner, if qualified, may function as the developer during the project's development.

Principals:
The tax credit limited partnership is Juneau Senior Housing Limited Partnership. AK JSH GMD LLC is the general partner, and Broadacre Holdings, LLC will be the initial limited partner, which will be replaced by an affiliate of WNC & Associates as the tax credit limited partner prior to closing the construction loan.

General Partner:
AK JSH GMD LLC is an Alaska Limited Liability Company created on November 24, 2015 for the purpose of being the managing general partner of Juneau Senior Housing Limited Partnership. The LLC is wholly owned by GMD Development, LLC and is managed by Gregory Dunfield.

Initial Limited Partner:
Broadacre Holdings, LLC is a Washington limited liability company solely owned by Gregory Dunfield. An amended and restated partnership agreement will be executed at the closing of the construction loan which will replace Broadacre Holdings, LLC with the tax credit investor, an affiliate of WNC & Associates.

Developer:
GMD Development LLC (GMD) will be the developer. GMD has been active in the development of affordable housing since 2011, and has developed over 33 affordable projects in Alaska, Arizona, California, Georgia, Idaho, Indiana, Montana, Nevada, Oregon and Washington. Emily Breidenbach will be the senior project manager. The general contractor for the project will be Dawson Construction and the architect is Northwind Architects. Staff is of the opinion that the development

team as assembled has the necessary skills and experience to successfully develop the subject project. See Appendix III.

Financial:
The tax credit limited partnership's purpose is to own and operate the apartments. As such, the primary asset will be the project. The project's restricted value is $3,200,000 and there will be approximately $3,079,955 in debt against it, which consists of AHFC's first and second deeds of trust and the deferred developer fee. While the Rasmuson grant will be secured against the project in third position, no payments are required unless there is a default in the grant conditions.

Credit:
As a newly developed limited partnership and general partner, neither the borrower nor managing general partner have any record of credit. A recent credit report for GMD Development, LLC reflects acceptable credit with no derogatory references. Neither the tax credit limited partnership nor the managing general partner have any loans with AHFC. The co-general partner, AK HR GMD LLC, does not have any loans with AHFC.

PROJECT CHARACTERISTICS:

Location and Site Description:
The subject is located approximately ten miles northwest of the Juneau central business district near the Juneau International Airport. The area is comprised of mixed uses including commercial retail, office, and residential multifamily development. Primary access is from Clinton Drive, a paved, publicly maintained roadway. The developer has consolidated the six lots into one lot, which abuts the Mendenhall River and is level and cleared, and contains a total of 43,560 square feet. The subject site is served by all available public utilities including water, sewer, and electricity. See Appendix IV.

Project Overview:
The proposed improvement will consist of one, four-story building containing a total of 49 residential units. The building will be wood-framed construction with a concrete foundation and covered with vinyl siding designed to withstand the wet climate, and a flat membrane-covered roof. The building will have an elevator, interior stairwells, a secure entrance accessed via card readers, and will be fully sprinklered. Each unit will have individual interior access from a common hallway, and will be finished with painted, textured gypsum board and carpet/vinyl floor coverings. The normal assortment of appliances will be offered including dishwashers. Laundry facilities will be provided by in-unit washer-dryers, as well as a common laundry area on the first floor. Unit configuration will be five efficiency units each containing 473 square feet and renting for $708 per month; 35, one-bedroom, one-bath units each containing between 615 and 875 square feet and renting between $734 and $1,200 per unit, per month; and, nine, two-bedroom, one-bath units each containing between 740 and 1,100 square feet and each renting between $1,033 and $1,500 per month. Five of the units will be equipped for sensory and mobility impaired tenants. Heating will be provided by electric radiant heaters with common area electric being supported by a 120 KW solar panel, and unit hot water being provided from an air-source heat pump system. Individual unit access is

through a common hallway on each floor. Building amenities include residential storage, community meeting room and office space on the first floor with a patio overlooking the greenbelt. Parking will be provided by 62 open, paved parking spaces which is considered to be adequate for a project of this size and intended use. When the project is complete, it will be a legal conforming use of the site with an economic life, as estimated by the appraiser, of 50 years. See Appendix V.

Note: The project will be structured as a two-unit condominium development with one unit containing the 41 affordable units and the second unit containing the eight market rate units. This development structure is proposed to allow the affordable units to receive the benefit of the LIHTC valuation for the purposes of determining real property taxes. The eight market units will be taxed as market units.

Soil Conditions:
No soil deficiencies were noted by the appraiser who noted that existing development in the area indicated that the soils are adequate for the project. Evidence that the project was properly constructed to incorporate the recommendations of the geotechnical report acceptable to AHFC will be made a condition of the commitment.

Environmental Assessments:
A phase one environmental assessment report was completed by Carson Dorn, Inc in February, 2016 indicating there was no evidence of recognized environmental conditions and that the site was free of any hazardous material. Staff does not recommend further investigation noting the project will be on public water and sewer.

Health and Safety Inspection Report:
As new construction, an unconditional certificate of occupancy issued by the City and Borough of Juneau is being made a condition of this commitment. Additionally, the project will be developed to achieve a five star energy rating. The subject project will be monitored annually by AHFC's internal audit as a tax credit project. Based on the aforementioned, staff determined a health and safety inspection report was not required.

PROJECT OPERATIONS:

Pro-Forma Statement: Staff reviewed the application, the market study, and the appraisal in developing the pro-forma operating budget and believes it fairly depicts the expected performance of the project. The Appraiser utilized a 3% vacancy and credit loss factor for the residential space which was adjusted by staff to 7% for underwriting purposes. Based on data provided by the appraiser and the borrower it is anticipated that this property will maintain a high occupancy rate due to the lack of other elderly housing options. Staff concurs with this assessment noting the high demand for affordable units in the Juneau area. See Appendix VI.

Debt Service Coverage Ratio:
The 1.63 debt service coverage ratio on the repayment of the first deed of trust loan indicates that in addition to the 7% residential vacancy factor, income could fall by 18% or expenses could

increase by 33% or some combination of both and there would still be sufficient funds to continue to pay the first mortgage. Stated another way, the project would break-even at a 24% vacancy rate. The ratio, by industry standards, is considered to be an excellent ratio.

Unit Set-Asides:
Borrower will restrict the occupancy of the units for residents meeting the federal definition of elderly under the Fair Housing Act utilizing the 62 and older option. The borrower further proposes that rents will be restricted on 25 of the 49 units for tenants earning 50% of the area median income or less; and, rents will be restricted on 16 of the 49 unit for tenants earning 60% of the area median income or less. The remaining eight units are unrestricted and will be rented at market rents. Anticipated rents are set out in the pro-forma.

Market Study Report:
Novogradac & Company completed a market study report in August 21, 2014 which supported the development of the proposed Home Run senior apartment project, noting the need for affordable senior housing in the Juneau area. The Home Run senior housing project did not proceed to development with the LIHTC allocation being transferred to the subject project. An updated market study was not requested based on conversations with the original analyst indicating the conclusions would not be impacted by the change in location. Staff agrees with the identified need to provide affordable elderly housing to the Juneau area noting that all the other low income housing tax credit properties in the surrounding area report high occupancy levels, extensive waiting lists, and that there has been no senior housing inventory added to the market in the last 20 years. See Appendix VII.

Rent-Up Reserve:
Considering that there is a time involved for marketing and move-in, a rent-up reserve of $12,669 will be established. The market study projected a ten-month rent-up period, and the appraisal projected a five-month rent-up period. Staff's review of the tax credit application, appraisal, and the market report determined that the proposed rent-up reserve funds are adequate to support a one-month rent-up period noting that the limited partnership agreement requires the project to be at sustained occupancy before the borrower can close the term loan, thus shifting the rent-up period to the development phase prior to AHFC funding. In addition, a $222,332 operating reserve will be established. Staff considers this amount to be acceptable in consideration of the lease-up period being completed before AHFC's term loan funding.

SECONDARY FINANCING STRUCTURING:

Second Deed of Trust:

a. Amount: $903,900

b. Interest Rate: 3.50% calculated on a simple interest basis.

c. Payments to be made annually based on the lesser of a $49,146.25 scheduled annual installment; or, 80% of the available cash flow after consideration of all expenses, as approved by AHFC, including required reserves, payment of the first mortgage, and payment of scheduled arrears. Should the scheduled payment not be made, interest will continue to accrue and be due with the next scheduled installment;

d. Payments to be applied first to outstanding fees, any accrued interest and then to principal.

e. Final payment of principal and interest, if any, due on the same date as the final payment on the loan secured by the first deed of trust.

Note: A second deed of trust loan is necessary in consideration that if the total requested debt of $2,753,900 was structured as one loan at a taxable rate of 6.25% and amortized over a 30 year period, the forecasted debt service ratio becomes 1.10 which reflects an annual cash flow of $19,995 indicating that the income minus the expenses would not leave sufficient funds to make scheduled payments on the deferred developer fee. This proposal provides a blended interest rate of 5.347%.

Note: The combined debt service coverage ratio of 1.20 reflects the scheduled payments under the second deed of trust note. Should the project not produce sufficient net income to make the scheduled annual payment of $49,146.25, the required payment will be based on 80% of the project's available cash flow.

PROPERTY MANAGEMENT:
The property will be managed by Quantum Management Services, Inc. They oversee 5,500 existing units spread between 48 projects located in Washington, Oregon and Alaska. Staff concludes that they have sufficient experience to successfully manage the subject property, noting they manage other LIHTC projects financed by AHFC in the Juneau area. Further assurance is contained in the Deed of Trust which allows AHFC to replace the property manager if necessary. See Appendix XIII.

RECOMMENDATION:
Juneau Senior Housing Partners Limited Partnership has presented the corporation with an opportunity to assist in the development of the subject property allowing them to provide additional safe and needed affordable elderly housing in the Juneau area.

The request falls within the parameters of the Multi-Family Housing Loan Program; it is reasonable to expect that the loans will be repaid; and it is considered to be an acceptable risk; therefore, staff recommends approval of the request subject to the conditions noted below.

COMMITMENT CONDITIONS:

1. Alaska Housing Finance Corporation (AHFC) to provide long term financing in an amount not to exceed $2,753,900, distributed as follows:

a. First deed of trust in the amount of $1,850,000 amortized over thirty (30) years with fixed monthly payments. Interest to be 6.25% at AHFC's thirty 30 year taxable cost of funds including administrative and servicing costs;

b. Second deed of trust in the amount of $903,900. The term shall be thirty (30) years at a simple interest rate of 3.50% with repayment on the second to be the lesser of a $49,146.25 scheduled annual installments; or, 80% of the available cash flow after consideration of all expenses, as approved by AHFC, including required reserves, payment of the first mortgage, and payment of scheduled arrears. Should the scheduled payment not be made, interest will continue to accrue and will be due with the next scheduled installment;

2. A security position in the appropriate personal property, fixtures, furniture, and contracts, etc. will be taken;

   a. If the costs, (as determined and certified by a qualified preparer), including the rent-up are less than projected, at the discretion of AHFC, the reduction in costs will be applied to reduce the second deed of trust loan. The qualified preparer and the form of the cost certification must be acceptable to AHFC;

   b. If the tax credit proceeds exceed the projected amount, at the discretion of AHFC, they may be applied first to any unanticipated development expenses; or to reduce the second deed of trust loan; or a combination of the aforementioned;

3. Borrower to be Juneau Senior Housing Partners Limited Partnership;

4. Commitment to expire July 27, 2018;

5. A loan prepayment limitation will be imposed in accordance with AHFC's financing requirements;

6. Loan Agreement to include covenants which require the Borrower, at a minimum, to restrict the occupancy of 49 of the 49 units for residents meeting the federal definition of elderly under the Fair Housing Act utilizing the 62 and older option. The borrower further proposes that rents will be restricted on 25 of the 49 units for tenants earning 50% of the area median income or less; and, rents will be restricted on 16 of the 49 unit for tenants earning 60% of the area median income or less. The remaining eight units are unrestricted and will be rented at market rents;

7. Acceptance by AHFC of the following:

   a. project developer;

   b. project general contractor;

c. project architect;

d. project engineer; and

e. the property management entity;

8. Receipt and acceptance by AHFC of the following:

a. evidence that the project was properly constructed to compensate for any soil deficiencies pursuant to the geotechnical report dated February, 2016;

b. the general contractor's warranty which at a minimum is for one (1) year for all work performed and materials provided as part of the construction contract;

c. an executed "Summary of Building Inspection" (AHFC Form PUR-102) or an unconditional Certificate of Occupancy from the City and Borough of Juneau unless otherwise approved by AHFC;

d. evidence that the construction of the project was in compliance with the thermal and lighting energy standards as required by AS 46.11.040 and the building and energy efficiency standards of AHFC's regulations delineated in 15 AAC 155.010 - 155.030; in the form of a duly completed Home Energy Rating Certificate (HERC) (AHFC Form PUR-101);

e. a final appraisal inspection and certification that the project was built substantially in accordance with the accepted plans and specifications as identified in the original appraisal report, subject to any AHFC approved change orders;

f. a certification by the project architect which states that:

(i) the project was constructed substantially in accordance with the accepted plans, specifications and approved change orders;

(ii) that the project was constructed in accordance with applicable building codes and regulations; and

(iii) the project is suitable for occupancy.

g. a detailed breakdown of final development costs as adjusted by change orders;

h. an accountant's (or another source acceptable to AHFC) written certification verifying the final total development cost of the project;

i. ALTA title policy with applicable endorsements;

j. an as-built survey;

k. all required certificates and/or binders of insurance to be no less than $3,000,000 aggregate liability coverage with a deductible not to exceed $10,000;

l. a letter of opinion from the borrower's legal counsel verifying such matters as their legal entity, ability to enter into closing documentation, zoning compliance, permitting and licensing requirements, etc.

9. The establishment of a rent-up reserve in the amount of $12,669; to be jointly controlled by AHFC and the borrower and funded at closing;

10. The establishment of an operating reserve in the amount of $222,332; to be jointly controlled by AHFC and the borrower and funded at closing;

12. Monthly loan payment to include funds, as determined by AHFC, for (i) principal and interest, (ii) reserves for real property taxes, (iii) reserves for insurance, and property replacement reserves of $1,225 per month;

13. Borrower to pay appropriate cost associated with the loan, including but not limited to recording, title insurance, escrow closing fee, loan fee, and legal fee for documentation preparation and review;

14. The payment of a $23,154.25 loan fee payable at closing or upon the expiration of the commitment;

15. A commitment fee of $11,577.13 will be required upon acceptance of the commitment with said amount being credited against the loan fee at the time of closing. Payment of the commitment fee must be made within 30 days from the date of the commitment letter; and

16. Other conditions that may arise as determined by AHFC.

Reviewed and accepted by senior staff as substantively stated in this memorandum, subject to Board Approval:

_____	_____	_____
Bryan D. Butcher	Mark Romick	Michael S. Strand
CEO/Executive Director	Deputy Executive Director	Chief Financial Officer
Date:_____	Date:_____	Date:_____

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ALASKA HOUSING FINANCE CORPORATION
RESOLUTION NO. 2016-21

RESOLUTION APPROVING TERM FINANCING FOR A MULTI-FAMILY HOUSING PROJECT TO JUNEAU SENIOR HOUSING PARTNERS LIMITED PARTNERSHIP

BE IT RESOLVED by the Board of Directors of the Alaska Housing Finance Corporation as follows:

I. Findings:

A. There is need to provide affordable, safe, quality and accessible housing;

B. Juneau Senior Housing Partners Limited Partnership, through GMD Development, LLC an Alaska limited liability company has applied to Alaska Housing Finance Corporation to receive funds under its Multi-Family Housing Loan Program for term financing of a multi-family project, located in Juneau, Alaska.

C. The purpose of the financing is to provide additional affordable housing opportunities for elderly persons of lower income;

D. The proposed financing falls within the established program regulations; and,

E. The proposed financing is found to be an acceptable risk to the Alaska Housing Finance Corporation.

II. Conclusion:

Pursuant to the foregoing findings, the Board hereby approves the request substantively as stated in the July 27, 2016 Board Consideration Memorandum prepared in support of the application.

This resolution shall take effect immediately.

DATED THIS 27th Day of July, 2016

_____

Brent LeValley
Chair

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Alaska Housing
FINANCE CORPORATION

BOARD CONSIDERATION MEMORANDUM

Date: July 27, 2016 **Staff: Eric A. Havelock**
Item: Multi-family Loan Request

****

BORROWER: Juneau Senior Housing Partners Limited Partnership

PURPOSE: Term loan financing of a proposed elderly affordable multifamily apartment complex consisting of 49 units named "Trillium Landing" and to be located on Clinton Drive in Juneau, Alaska.

PROPOSAL OVERVIEW:

Loan Amount:

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Total	$ 2,753,900

Project's Restricted Market Value: $3,200,000 Appraised by Brian Z. Bethard, MAI of Black-Smith, Bethard & Carlson. See Appendix I.

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Development Costs: See Appendix II for detailed breakdown.

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The proposed improvement will consist of one, four-story building containing a total of 49 residential units. The building will be wood-framed construction with a concrete foundation and covered with vinyl siding designed to withstand the wet climate, and a flat membrane-covered roof. The building will have an elevator, interior stairwells, a secure entrance accessed via card readers, and will be fully sprinklered. Each unit will have individual interior access from a common hallway, and will be finished with painted, textured gypsum board and carpet/vinyl floor coverings. The normal assortment of appliances will be offered including dishwashers. Laundry facilities will be provided by in-unit washer-dryers, as well as a common laundry area on the first floor. Unit configuration will be five efficiency units each containing 473 square feet and renting for $708 per month; 35, one-bedroom, one-bath units each containing between 615 and 875 square feet and renting between $734 and $1,200 per unit, per month; and, nine, two-bedroom, one-bath units each containing between 740 and 1,100 square feet and each renting between $1,033 and $1,500 per month. Five of the units will be equipped for sensory and mobility impaired tenants. Heating will be provided by electric radiant heaters with common area electric being supported by a 120 KW solar panel, and unit hot water being provided from an air-source heat pump system. Individual unit access is

through a common hallway on each floor. Building amenities include residential storage, community meeting room and office space on the first floor with a patio overlooking the greenbelt. Parking will be provided by 62 open, paved parking spaces which is considered to be adequate for a project of this size and intended use. When the project is complete, it will be a legal conforming use of the site with an economic life, as estimated by the appraiser, of 50 years. See Appendix V.

Note: The project will be structured as a two-unit condominium development with one unit containing the 41 affordable units and the second unit containing the eight market rate units. This development structure is proposed to allow the affordable units to receive the benefit of the LIHTC valuation for the purposes of determining real property taxes. The eight market units will be taxed as market units.

Soil Conditions:
No soil deficiencies were noted by the appraiser who noted that existing development in the area indicated that the soils are adequate for the project. Evidence that the project was properly constructed to incorporate the recommendations of the geotechnical report acceptable to AHFC will be made a condition of the commitment.

Environmental Assessments:
A phase one environmental assessment report was completed by Carson Dorn, Inc in February, 2016 indicating there was no evidence of recognized environmental conditions and that the site was free of any hazardous material. Staff does not recommend further investigation noting the project will be on public water and sewer.

Health and Safety Inspection Report:
As new construction, an unconditional certificate of occupancy issued by the City and Borough of Juneau is being made a condition of this commitment. Additionally, the project will be developed to achieve a five star energy rating. The subject project will be monitored annually by AHFC's internal audit as a tax credit project. Based on the aforementioned, staff determined a health and safety inspection report was not required.

PROJECT OPERATIONS:

Pro-Forma Statement: Staff reviewed the application, the market study, and the appraisal in developing the pro-forma operating budget and believes it fairly depicts the expected performance of the project. The Appraiser utilized a 3% vacancy and credit loss factor for the residential space which was adjusted by staff to 7% for underwriting purposes. Based on data provided by the appraiser and the borrower it is anticipated that this property will maintain a high occupancy rate due to the lack of other elderly housing options. Staff concurs with this assessment noting the high demand for affordable units in the Juneau area. See Appendix VI.

Debt Service Coverage Ratio:
The 1.63 debt service coverage ratio on the repayment of the first deed of trust loan indicates that in addition to the 7% residential vacancy factor, income could fall by 18% or expenses could

increase by 33% or some combination of both and there would still be sufficient funds to continue to pay the first mortgage. Stated another way, the project would break-even at a 24% vacancy rate. The ratio, by industry standards, is considered to be an excellent ratio.

Unit Set-Asides:
Borrower will restrict the occupancy of the units for residents meeting the federal definition of elderly under the Fair Housing Act utilizing the 62 and older option. The borrower further proposes that rents will be restricted on 25 of the 49 units for tenants earning 50% of the area median income or less; and, rents will be restricted on 16 of the 49 unit for tenants earning 60% of the area median income or less. The remaining eight units are unrestricted and will be rented at market rents. Anticipated rents are set out in the pro-forma.

Market Study Report:
Novogradac & Company completed a market study report in August 21, 2014 which supported the development of the proposed Home Run senior apartment project, noting the need for affordable senior housing in the Juneau area. The Home Run senior housing project did not proceed to development with the LIHTC allocation being transferred to the subject project. An updated market study was not requested based on conversations with the original analyst indicating the conclusions would not be impacted by the change in location. Staff agrees with the identified need to provide affordable elderly housing to the Juneau area noting that all the other low income housing tax credit properties in the surrounding area report high occupancy levels, extensive waiting lists, and that there has been no senior housing inventory added to the market in the last 20 years. See Appendix VII.

Rent-Up Reserve:
Considering that there is a time involved for marketing and move-in, a rent-up reserve of $12,669 will be established. The market study projected a ten-month rent-up period, and the appraisal projected a five-month rent-up period. Staff's review of the tax credit application, appraisal, and the market report determined that the proposed rent-up reserve funds are adequate to support a one-month rent-up period noting that the limited partnership agreement requires the project to be at sustained occupancy before the borrower can close the term loan, thus shifting the rent-up period to the development phase prior to AHFC funding. In addition, a $222,332 operating reserve will be established. Staff considers this amount to be acceptable in consideration of the lease-up period being completed before AHFC's term loan funding.

SECONDARY FINANCING STRUCTURING:

Second Deed of Trust:

a. Amount: $903,900

b. Interest Rate: 3.50% calculated on a simple interest basis.

c. Payments to be made annually based on the lesser of a $49,146.25 scheduled annual installment; or, 80% of the available cash flow after consideration of all expenses, as approved by AHFC, including required reserves, payment of the first mortgage, and payment of scheduled arrears. Should the scheduled payment not be made, interest will continue to accrue and be due with the next scheduled installment;

d. Payments to be applied first to outstanding fees, any accrued interest and then to principal.

e. Final payment of principal and interest, if any, due on the same date as the final payment on the loan secured by the first deed of trust.

Note: A second deed of trust loan is necessary in consideration that if the total requested debt of $2,753,900 was structured as one loan at a taxable rate of 6.25% and amortized over a 30 year period, the forecasted debt service ratio becomes 1.10 which reflects an annual cash flow of $19,995 indicating that the income minus the expenses would not leave sufficient funds to make scheduled payments on the deferred developer fee. This proposal provides a blended interest rate of 5.347%.

Note: The combined debt service coverage ratio of 1.20 reflects the scheduled payments under the second deed of trust note. Should the project not produce sufficient net income to make the scheduled annual payment of $49,146.25, the required payment will be based on 80% of the project's available cash flow.

PROPERTY MANAGEMENT:

The property will be managed by Quantum Management Services, Inc. They oversee 5,500 existing units spread between 48 projects located in Washington, Oregon and Alaska. Staff concludes that they have sufficient experience to successfully manage the subject property, noting they manage other LIHTC projects financed by AHFC in the Juneau area. Further assurance is contained in the Deed of Trust which allows AHFC to replace the property manager if necessary. See Appendix XIII.

RECOMMENDATION:

Juneau Senior Housing Partners Limited Partnership has presented the corporation with an opportunity to assist in the development of the subject property allowing them to provide additional safe and needed affordable elderly housing in the Juneau area.

The request falls within the parameters of the Multi-Family Housing Loan Program; it is reasonable to expect that the loans will be repaid; and it is considered to be an acceptable risk; therefore, staff recommends approval of the request subject to the conditions noted below.

COMMITMENT CONDITIONS:

1. Alaska Housing Finance Corporation (AHFC) to provide long term financing in an amount not to exceed $2,753,900, distributed as follows:

a. First deed of trust in the amount of $1,850,000 amortized over thirty (30) years with fixed monthly payments. Interest to be 6.25% at AHFC's thirty 30 year taxable cost of funds including administrative and servicing costs;

b. Second deed of trust in the amount of $903,900. The term shall be thirty (30) years at a simple interest rate of 3.50% with repayment on the second to be the lesser of a $49,146.25 scheduled annual installments; or, 80% of the available cash flow after consideration of all expenses, as approved by AHFC, including required reserves, payment of the first mortgage, and payment of scheduled arrears. Should the scheduled payment not be made, interest will continue to accrue and will be due with the next scheduled installment;

2. A security position in the appropriate personal property, fixtures, furniture, and contracts, etc. will be taken;

   a. If the costs, (as determined and certified by a qualified preparer), including the rent-up are less than projected, at the discretion of AHFC, the reduction in costs will be applied to reduce the second deed of trust loan. The qualified preparer and the form of the cost certification must be acceptable to AHFC;

   b. If the tax credit proceeds exceed the projected amount, at the discretion of AHFC, they may be applied first to any unanticipated development expenses; or to reduce the second deed of trust loan; or a combination of the aforementioned;

3. Borrower to be Juneau Senior Housing Partners Limited Partnership;

4. Commitment to expire July 27, 2018;

5. A loan prepayment limitation will be imposed in accordance with AHFC's financing requirements;

6. Loan Agreement to include covenants which require the Borrower, at a minimum, to restrict the occupancy of 49 of the 49 units for residents meeting the federal definition of elderly under the Fair Housing Act utilizing the 62 and older option. The borrower further proposes that rents will be restricted on 25 of the 49 units for tenants earning 50% of the area median income or less; and, rents will be restricted on 16 of the 49 unit for tenants earning 60% of the area median income or less. The remaining eight units are unrestricted and will be rented at market rents;

7. Acceptance by AHFC of the following:

   a. project developer;

   b. project general contractor;

c. project architect;

d. project engineer; and

e. the property management entity;

8. Receipt and acceptance by AHFC of the following:

a. evidence that the project was properly constructed to compensate for any soil deficiencies pursuant to the geotechnical report dated February, 2016;

b. the general contractor's warranty which at a minimum is for one (1) year for all work performed and materials provided as part of the construction contract;

c. an executed "Summary of Building Inspection" (AHFC Form PUR-102) or an unconditional Certificate of Occupancy from the City and Borough of Juneau unless otherwise approved by AHFC;

d. evidence that the construction of the project was in compliance with the thermal and lighting energy standards as required by AS 46.11.040 and the building and energy efficiency standards of AHFC's regulations delineated in 15 AAC 155.010 - 155.030; in the form of a duly completed Home Energy Rating Certificate (HERC) (AHFC Form PUR-101);

e. a final appraisal inspection and certification that the project was built substantially in accordance with the accepted plans and specifications as identified in the original appraisal report, subject to any AHFC approved change orders;

f. a certification by the project architect which states that:

(i) the project was constructed substantially in accordance with the accepted plans, specifications and approved change orders;

(ii) that the project was constructed in accordance with applicable building codes and regulations; and

(iii) the project is suitable for occupancy.

g. a detailed breakdown of final development costs as adjusted by change orders;

h. an accountant's (or another source acceptable to AHFC) written certification verifying the final total development cost of the project;

i. ALTA title policy with applicable endorsements;

j. an as-built survey;

k. all required certificates and/or binders of insurance to be no less than $3,000,000 aggregate liability coverage with a deductible not to exceed $10,000;

l. a letter of opinion from the borrower's legal counsel verifying such matters as their legal entity, ability to enter into closing documentation, zoning compliance, permitting and licensing requirements, etc.

9. The establishment of a rent-up reserve in the amount of $12,669; to be jointly controlled by AHFC and the borrower and funded at closing;

10. The establishment of an operating reserve in the amount of $222,332; to be jointly controlled by AHFC and the borrower and funded at closing;

12. Monthly loan payment to include funds, as determined by AHFC, for (i) principal and interest, (ii) reserves for real property taxes, (iii) reserves for insurance, and property replacement reserves of $1,225 per month;

13. Borrower to pay appropriate cost associated with the loan, including but not limited to recording, title insurance, escrow closing fee, loan fee, and legal fee for documentation preparation and review;

14. The payment of a $23,154.25 loan fee payable at closing or upon the expiration of the commitment;

15. A commitment fee of $11,577.13 will be required upon acceptance of the commitment with said amount being credited against the loan fee at the time of closing. Payment of the commitment fee must be made within 30 days from the date of the commitment letter; and

16. Other conditions that may arise as determined by AHFC.

Reviewed and accepted by senior staff as substantively stated in this memorandum, subject to Board Approval:

Bryan D. Butcher	Mark Romich	Michael S. Strand
CEO/Executive Director	Deputy Executive Director	Chief Financial Officer
Date: 7-15-16	Date: 7-15-16	Date: 7/15/16

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ALASKA HOUSING FINANCE CORPORATION
RESOLUTION NO. 2016-

Resolution Approving Term Financing for a
Multi-Family Housing Project to
Juneau Senior Housing Partners Limited Partnership

BE IT RESOLVED by the Board of Directors of the Alaska Housing Finance Corporation as follows:

I. Findings:

A. There is need to provide affordable, safe, quality and accessible housing;

B. Juneau Senior Housing Partners Limited Partnership, through GMD Development, LLC an Alaska limited liability company has applied to Alaska Housing Finance Corporation to receive funds under its Multi-Family Housing Loan Program for term financing of a multi-family project, located in Juneau, Alaska.

C. The purpose of the financing is to provide additional affordable housing opportunities for elderly persons of lower income;

D. The proposed financing falls within the established program regulations; and,

E. The proposed financing is found to be an acceptable risk to the Alaska Housing Finance Corporation.

II. Conclusion:

Pursuant to the foregoing findings, the Board hereby approves the request substantively as stated in the July 27, 2016 Board Consideration Memorandum prepared in support of the application.

This resolution shall take effect immediately.

DATED THIS 27th Day of July, 2016

_____

Brent LeValley
Chair

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Appraisers
1199 Dimond Blvd, Suite 200
Anchorage, Alaska 99515
Phone: 907-274-4654
Fax: 907-274-0889
E-mail: bsr@ak.net

BLACK-SMITH, BETHARD & CARLSON, LLC

June 7, 2016

Client: First National Bank Alaska
101 W 36th Avenue, Suite 216
P.O. Box 100720
Anchorage, AK 99510-0720

Attn: Mr. Anson Renshaw

RE: Trillium Landing Apartments
A Proposed 49-Unit Age and Income Restricted/Market Apartment Project
Located at the southwest corner of Teal Street and Alpine Avenue,
in Juneau, Alaska

Dear Mr. Renshaw:

In fulfillment of our agreement as outlined in the letter of engagement dated March 20, 2015, we submit our *appraisal report* of the estimated market value of the fee simple estate in the above referenced property. As instructed, we have appraised the property "As Complete" and "At Stabilized Occupancy". The appraisal process includes an appraisal of the property "At Stabilized Occupancy" by each relevant approach. An analysis and conclusion of value for the subject "As Complete" and "As Is" is included at the end of the report.

Based on an inspection of the property and the investigation and analyses undertaken, we have formed the opinion, subject to the definitions, certifications, and limiting conditions set forth in the attached report, that the property appraised has the following market values:

Prospective Market Value "At Market Rent" [1]	**Date of Value**	**Value Conclusion**
"At Stabilized Occupancy"	May 1, 2018	**$5,900,000**
Prospective Market Value		
"At Completion"	September 1, 2017	**$5,668,000**
Market Value "As Is"		
'As Is'	June 6, 2016	**$697,000**
Prospective Market Value "Encumbered by LIHTC Restrictions"		
Total Market Value "At Stabilized Occupancy"	May 1, 2018	**$3,200,000**
Prospective Market Value "Encumbered by LIHTC Restrictions"		
Total Market Value "At Completion"	September 1, 2017	**$3,048,000**

[1] Based on the Hypothetical Condition that the property is unencumbered and at market rent.

The subject's ownership structure is to be legally divided into two condominiums. One unit would include 8 market rate apartments on the 1st floor. The other unit is comprised of the rest of the building and all of the restricted apartments. The purpose of the legal division and condo structure is to assist the local tax authority to differentiate between the LIHTC units and market rate units for real estate taxes. Regardless, the property functions as a single project. As instructed by the client and intended users, the property is appraised as one apartment building. There is no measurable impact on the value conclusion of this report due to the condo structure (see Page 83 – *Impact of Condo Structure*).

This report was prepared for and our professional fee was billed to First National Bank Alaska. It is intended for use by your internal management, your auditor and appropriate regulatory authorities.

There are several extraordinary assumptions and limiting conditions that may impact the value conclusions in this appraisal. We specifically call your attention to Page 15 in this report.

The narrative appraisal report that follows sets forth the identification of the property, the assumptions and limiting conditions, pertinent facts about the area and the subject property, comparable data, the results of the investigation and analyses, and the reasoning leading to the conclusions reached. This report was prepared in accordance with the standards and regulations as set forth in USPAP AND FIRREA.

Sincerely,
BLACK-SMITH, BETHARD & CARLSON, LLC.

Brian Z. Bethard, MAI
General Real Estate Appraiser (Cert #281)

Michael A. Forsland, Appraiser

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TRILLIUM APARTMENTS 49
49 UNITS - PROPOSED DEVELOPMENT COSTS

TOTAL DEVELOPMENT COSTS:

Land Acquisition	$ 726,960
Construction Costs	$ 9,278,170
Construction Financing	$ 402,126
Term Loan Closing Costs	$ 68,154
Related Soft Costs**	$ 675,717
Developer Fees	$ 1,086,795
Operating Reserves	$ 222,332
Rent-up Reserve***	$ 12,669
Total Costs	**$ 12,472,923**

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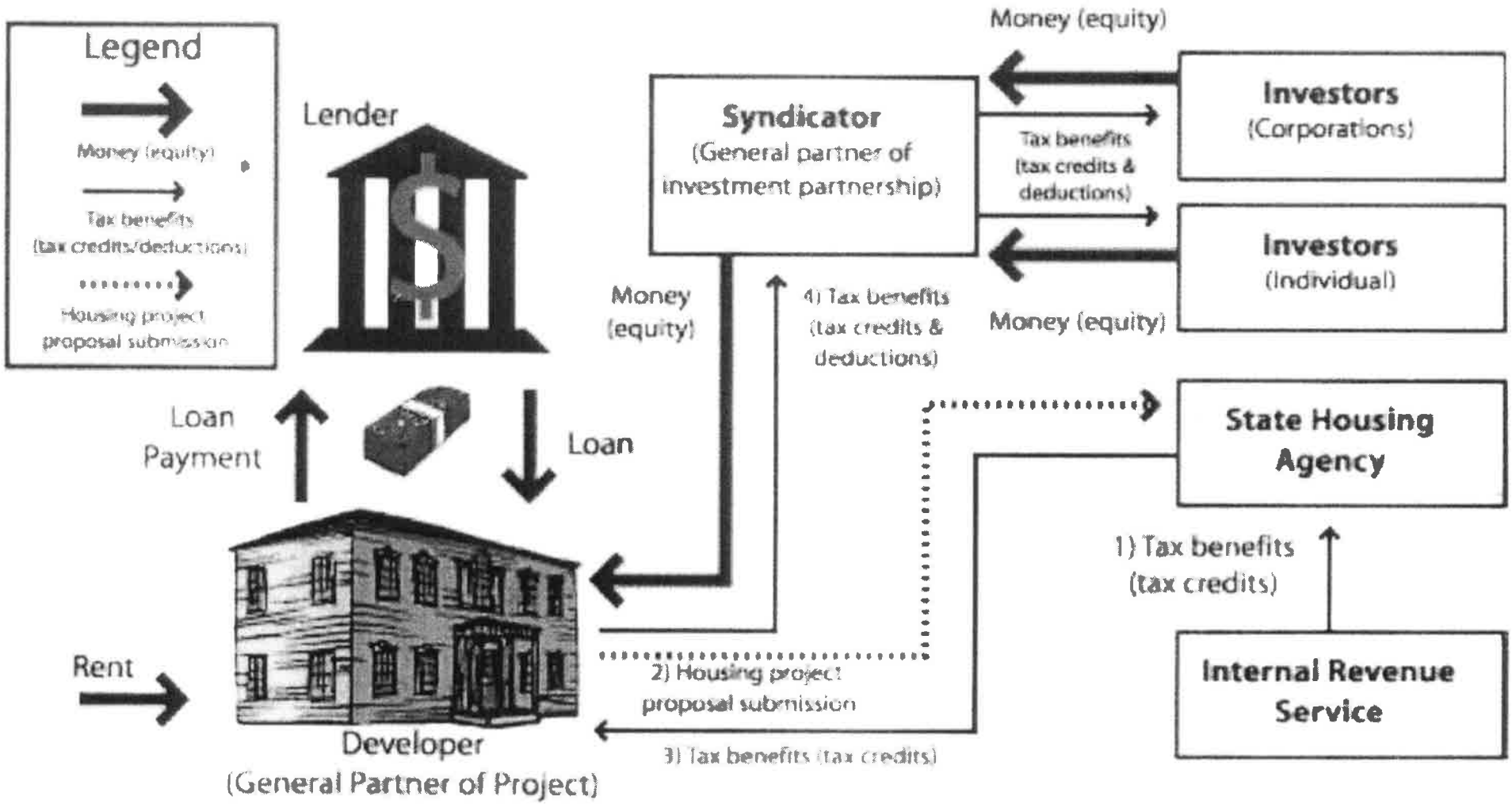
Mechanics of LIHTC Allocation



Notes: Source: Adapted from U.S. General Accounting Office, Tax Credits.

GMD
DEVELOPMENT

GMD Development LLC

Sustainable Affordable Housing For Change

Mission
To create eco-conscious affordable housing solutions in underserved markets by combining appropriate green and sustainable features with cost effective building techniques to produce a positive lasting impact on the communities we serve.

Goal
To create development fee and stabilized long term cash flow income from the acquisition/development of two to three new projects per year.

Experience
Gregory Dunfield, the Key Principal brings to the company over 17 years of affordable housing development experience with direct management over 33 properties and 3,300 units in AK, AZ, CA, GA, ID, IN, MT, NE, NV, OR and WA. These development transactions represent over $350 million in total development costs. Of this total, 1,300 units were new construction and 1,900 units of preservation, all utilizing a combination of the low income housing, historic and energy tax credits, tax exempt bonds, HOME, weatherization and other grant programs. Loan programs include HUD, RD, Freddie Mac, FNMA and private conventional sources.

Strategy
Acting as owner/developer, to develop new and rehabilitate existing affordable housing utilizing low income housing tax credits, energy tax credits, tax exempt bonds, weatherization and other government financing available for GMD Development's mission. By leveraging GMD Development's Key Principal finance, development and program experience in the affordable housing industry the company will seek opportunities by combining the programs available to create new financing, development and ownership plans for each acquisition. Effort is focused equally on acquisition of existing affordable housing with rental assistance (a preservation transaction) and new construction of affordable housing.

Target Markets
Company is headquartered in Seattle, WA with primary focus of developing properties in the western US, including AK, CA, ID, MT, OR, WA and WY. Opportunities in other locations will be considered on a case by case basis but will be dependent upon size, profile and strong market for affordable housing.

Team
At this time, in addition to Mr. Dunfield, GMD Development employs three development staff and an administrative support staffperson. Capacity is expected to grow to meet the needs of new projects along with leveraging strategic relationships. A local CPA firm provides also provides financial accounting services to the Company, which are supplemented by CohenReznick Group.

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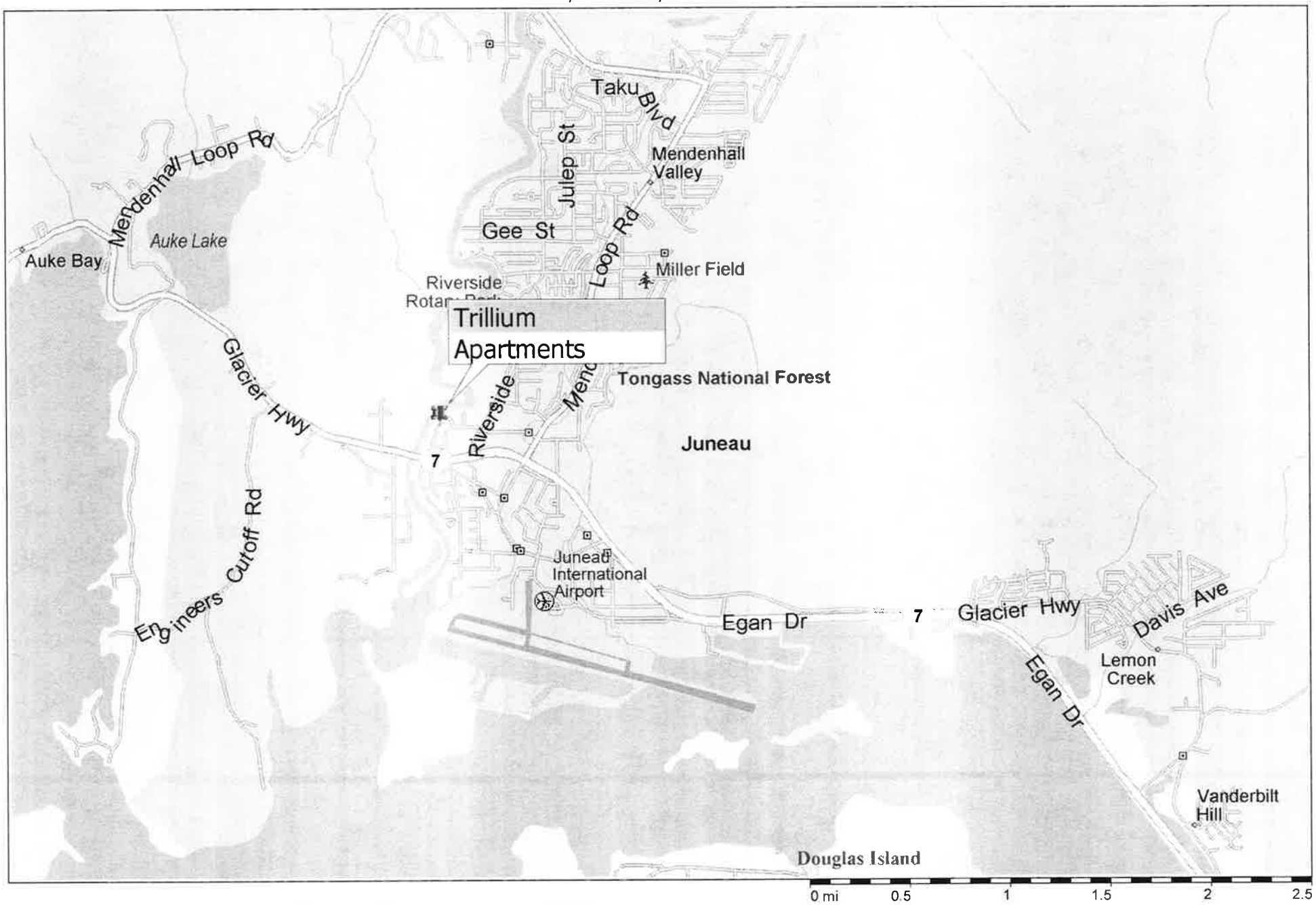
Juneau, Alaska, United States



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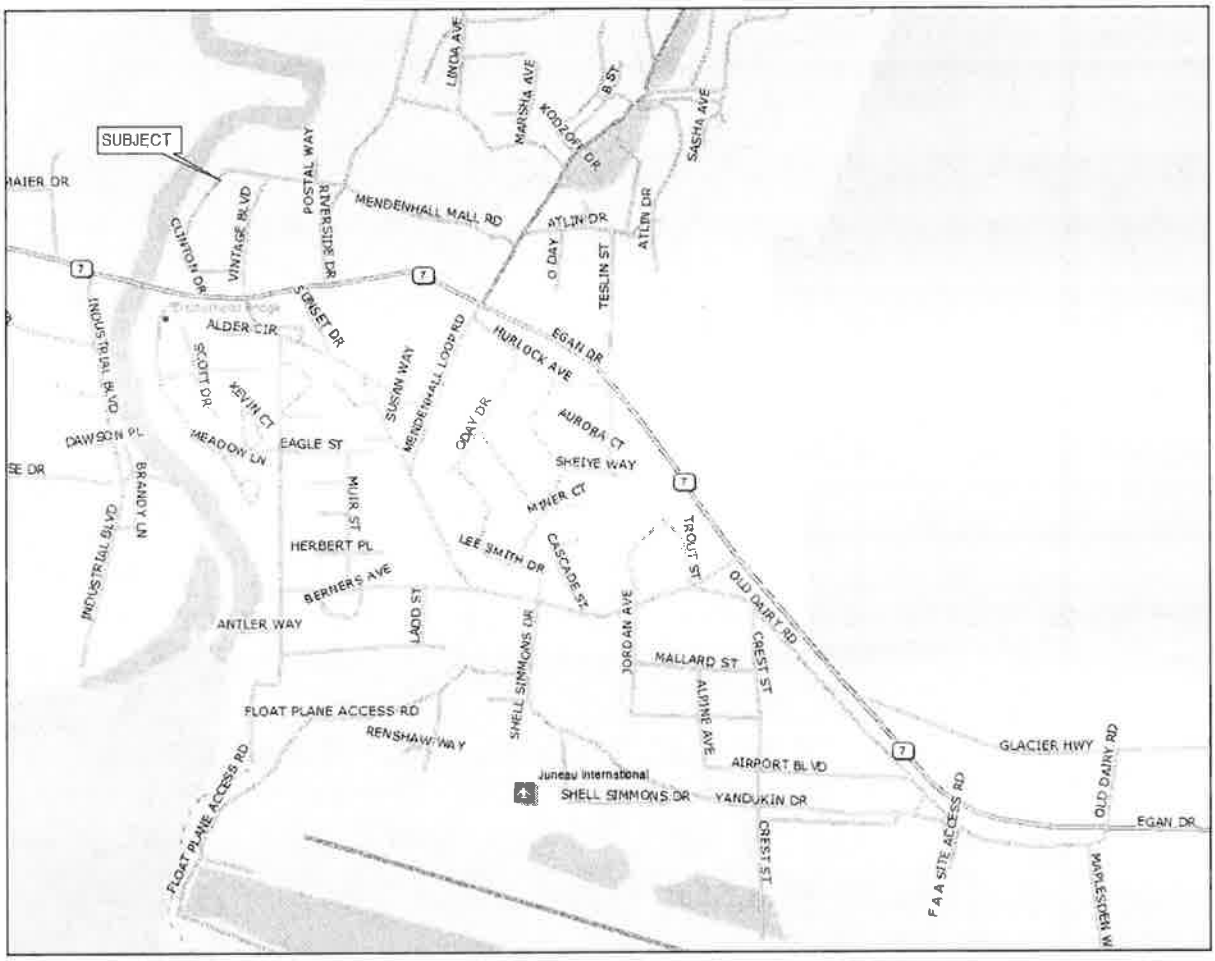
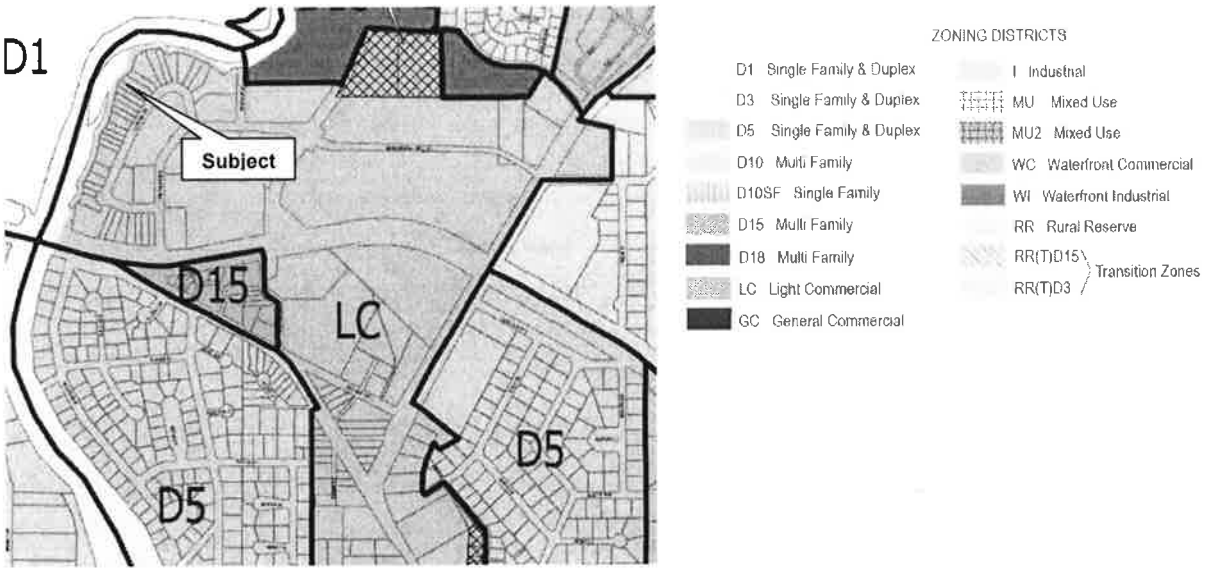
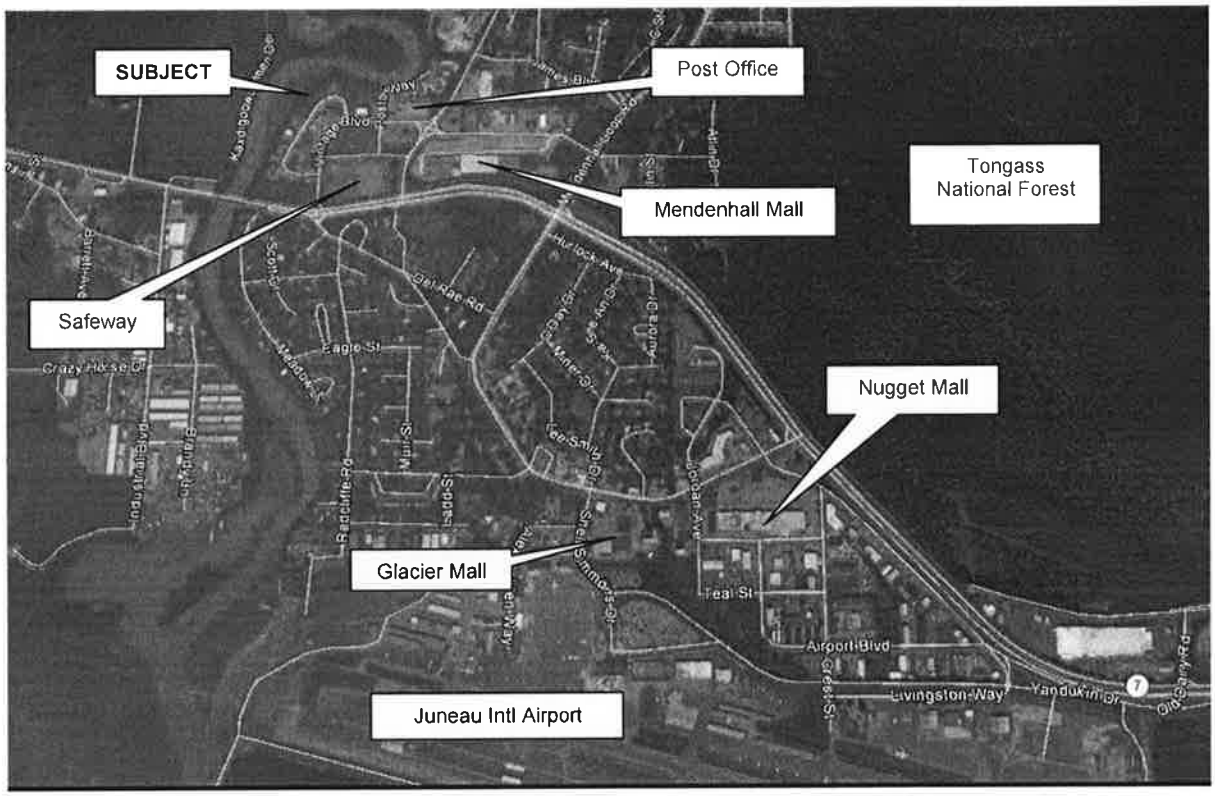


The *general neighborhood* is the international airport / Mendenhall Valley area of Juneau. This is the eastern border of the Mendenhall Valley which is bordered by the Mendenhall River and Gastineau Channel to the west and south, the Glacier Highway / Egan Drive to the east and Mendenhall Mall Road to the north, of the subject.

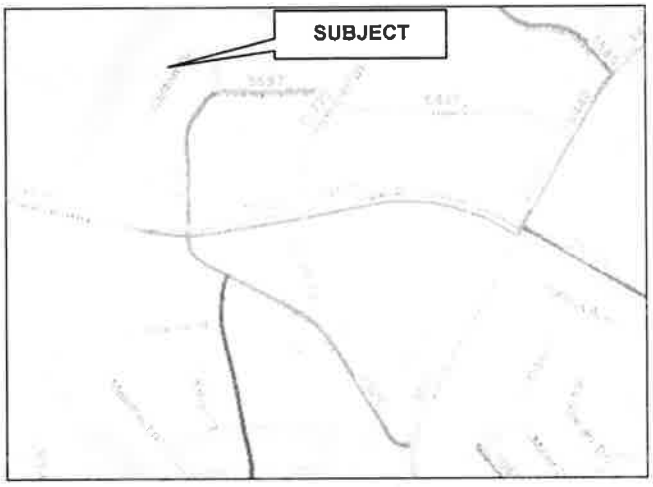
The site is located north of the airport on Clinton Drive, in a primarily commercial neighborhood, mixed with commercial office and retail with multi-family residential uses setback. Clinton Drive is a minor roadway that connects with Vintage Boulevard off Mendenhall Mall Road, leading from Mendenhall Loop Road.





The area is accessed via minor roadways off of Mendenhall Loop Road. Mendenhall Loop Road is an arterial roadway which loops through Mendenhall Valley, connecting it to the Glacier Highway.

All areas of Juneau are accessible from Glacier Highway / Egan Drive and access to the subject is considered adequate for intended uses.



Utilities include water, sewer, electricity, and telephone.

The Alaska Department of Transportation reported the 2013 average daily traffic (ADT) count to be between 2,135 and 5,597 along Vintage Boulevard in the immediate area of the subject.

This is the peripheral airport district of Juneau, which serves state political, business and tourist uses in the area. The area is situated approximately 7 miles northwest of the downtown Juneau CBD, State Capitol building, Cruise Ships and tourist areas and is accessible from Auke Bay, Mendenhall Valley, Lemon Creek and other areas of Juneau.

Properties in the area are generally suitable for both users and investors.

Location

The subject consists of a (6) lot assembled site, located on Clinton Drive, fronting the Mendenhall River, in Juneau, Alaska.

Site Area and Dimensions

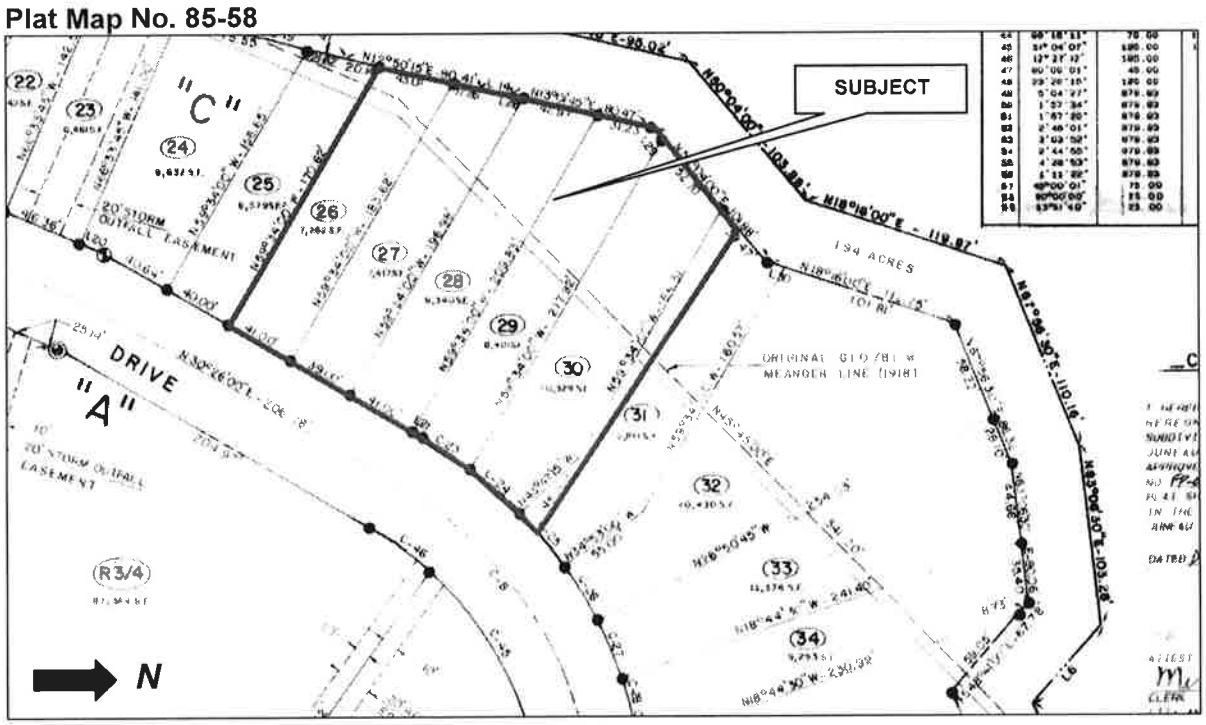
A summary table of the subject property is as follows:

* CBJ Tax ID #	Legal	Gross SF
5B1601440260	Lot 26, Block C, Vintage II Subd.	7,262 SF
5B1601440270	Lot 27, Block C, Vintage II Subd.	7,417 SF
5B1601440280	Lot 28, Block C, Vintage II Subd.	8,340 SF
5B1601440290	Lot 29, Block C, Vintage II Subd.	8,401 SF
5B1601440300	Lot 30, Block C, Vintage II Subd.	10,329 SF
5B1601440310	** Portion of Lot 31, Block C, Vintage II Subd.	** 1,471 SF
TOTAL		**43,560 SF (±1.00AC)**

* The City and Borough of Juneau (CBJ)
** Lot 31, Block C, Vintage II Subd. is 9,811 SF. Per the Purchase and Sale Agreement provided, the subject property is legally described as Lots 26 – 30, plus a portion of Lot 31, equaling 43,560 SF.

The assembled site is irregular.

Plat Map No. 85-58



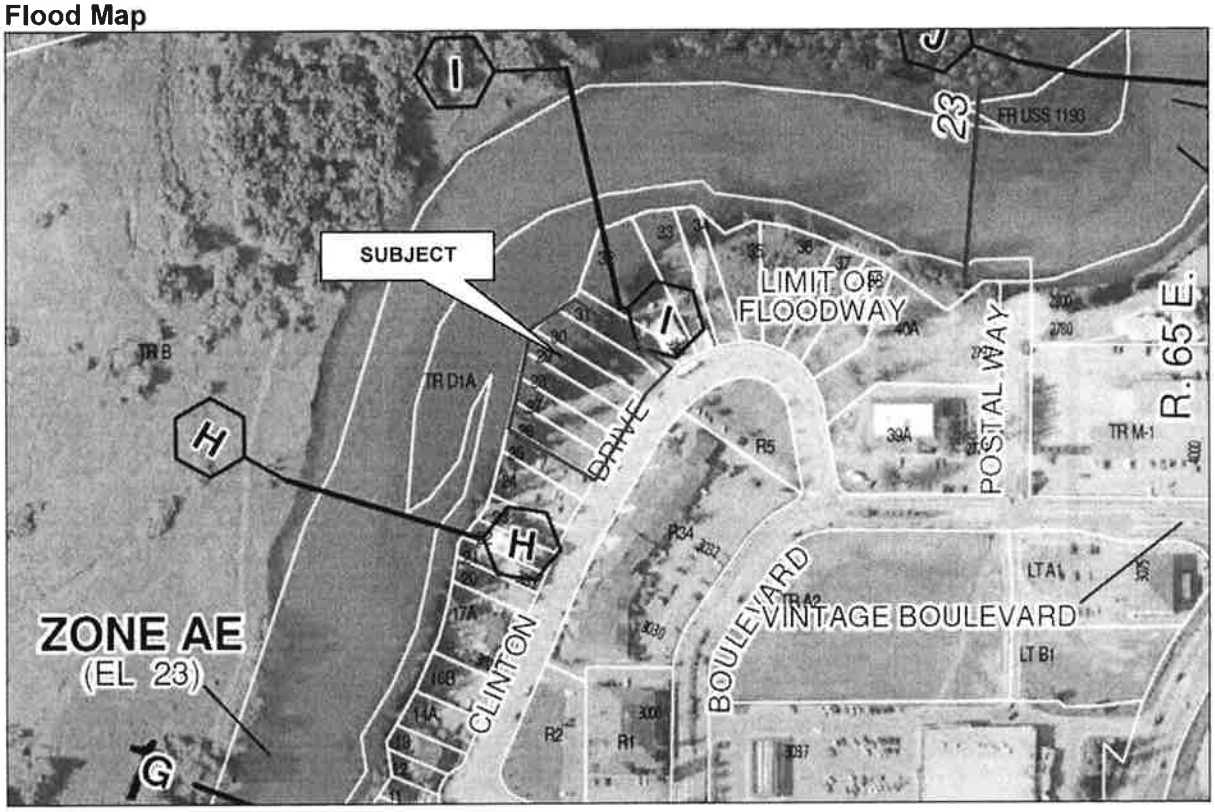
Utilities

All public utilities are available, including electric, water and sewer. Oil or electric is used for heating in the area.

Topography and Soils

The site is a partially cleared, generally level bench overlooking Mendenhall River, near road grade. Mendenhall River runs along the east lot lines. The property is located outside designated wetlands[18], but the east portions are located within Flood Zone AE – areas of 1% annual chance floodplains.[19] The level bench is elevated ±10 to ±15 feet above the floodplain.

Flood Map



A soils report was not provided, and it is assumed that the soils are adequate to support development as evidenced by existing improvements in the area.

Access and Frontage

The site has ±200' of frontage along Clinton Drive, a two-lane, asphalt paved, surfaced roadway. Overall, access is considered adequate.

---

18 Juneau Wetlands Management Plan, May 1994, page 7.

19 Zone AE is the flood insurance risk zone that corresponds to the 1-percent-annual-chance floodplains that are determined in the FIS by detailed methods. In most instances, whole-foot BFEs derived from the detailed hydraulic analyses are shown at selected intervals within this zone – 2013 FEMA Flood Overlay Map – Mendenhall Valley; Flood Insurance Study, August 19, 2013.

Environmental

We were not provided with an environmental report. We developed our opinion of value according to the extraordinary assumption that the site is not affected by environmental issues and is considered to be clean.

Easements

A title report was not provided.

The plat map reports the following easements:

- An additional setback may be required on Lots 12-41, Block C, which will not exceed 20-feet in addition to Tract D. The setback will be determined on a building-by-building basis as required by city and borough of Juneau ordinance 84-34 and approved by the city and borough of Juneau Planning Department.

No easements are noted on the site plan.

The easements are contained to the peripheral of the assembled site. Based on the site plan 'as proposed', the existing easements can be incorporated into a site plan without limiting utility.

Zoning

The property is zoned LC *(Light Commercial District)* which is "intended to accommodate commercial development that is less intensive than that permitted in the general commercial district. Light commercial districts are primarily located adjacent to existing residential areas. Although many of the uses allowed in this district are also allowed in the GC, general commercial district, they are listed as conditional uses in this district and therefore require commission review to determine compatibility with surrounding land uses. A lower level of intensity of development is also achieved by stringent height and setback restrictions. Residential development is allowed in mixed- and single-use developments in the light commercial district."

The proposed use is a conforming, permitted use in regards to the current zoning regulations.

Suitability of the Site

The subject contains a total site area of 43,560 SF, or ±1.00 acres. It is generally level, partially cleared and near grade of surrounding streets. Access is adequate and all utilities are available. Overall, the subject site and neighborhood is suited for multi-family residential development. It is noted that the site is located in a mixed use area where commercial / industrial uses transition to multi-family use. Based on the existing multi-family housing in the area, there does not appear to be a negative impact on occupancy.

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As-Proposed

As proposed, the subject will be constructed as a 49-unit, 4-story, senior housing (62+ age) apartment building consisting of (5) studios, (35) one-bedroom units, and (9) two-bedroom units, with a gross building area (GBA) of 45,758 SF.[20] The net rentable area (NRA) is reported at 32,090 SF.[21]

A set of building plans was provided. The area calculations are presented as follows:

Component	No. Units	Unit Summary	Other Rooms	GBA
1st Floor	**8**	(7) 1BR/1BA (1) 2BR/1BA	Common area entrance/ hallways, community living room, mechanical, lobby, offices, storage, laundry	12,057 SF
2nd Floor	**14**	(1) studio (10) 1BR/1BA (3) 2BR/1BA	Common hallway, stairs, elevator, storage	11,937 SF
3rd Floor	**14**	(2) studios (9) 1BR/1BA (3) 2BR/1BA	Common hallway, stairs, elevator, storage	11,295 SF
4th Floor	**13**	(2) studios (9) 1BR/1BA (2) 2BR/1BA	Common hallway, stairs, elevator, storage	10,469 SF
TOTALGBA	**49**			**45,758 SF**

Unit Mix	Units	SF / Unit		NRA
Studio/1 BA	3	479		1,437 SF
Studio/1BA	2	476		952 SF
1BR/1BA	1	751		751 SF
1BR/1BA	2	835		1,670 SF
1BR/1BA	1	841		841 SF
1BR/1BA	30	616	(3) ADA	18,480 SF
1BR/1BA	1	624		624 SF
2BR/1BA	6	797		4,782 SF
2BR/1BA	2	750		1,500 SF
2BR/1BA	1	1,053		1,053 SF
TOTAL NRA	**49**	---		**32,090 SF**

TOTAL Common Area	**±30%**	Total GBA – Total NRA	**13,668 SF**

Construction Features

The following building description is based on building plans and information provided by the developer. The building description is presented as an overview of the basic construction features.

Per the developer: The overall project design is intended to provide well-designed, compact urban-like spaces for seniors. The building intentionally orients towards the Mendenhall River, and there will be a common room with an outdoor patio overlooking the area. The

[20] Per Statistics from Northwind Architects, LLC.

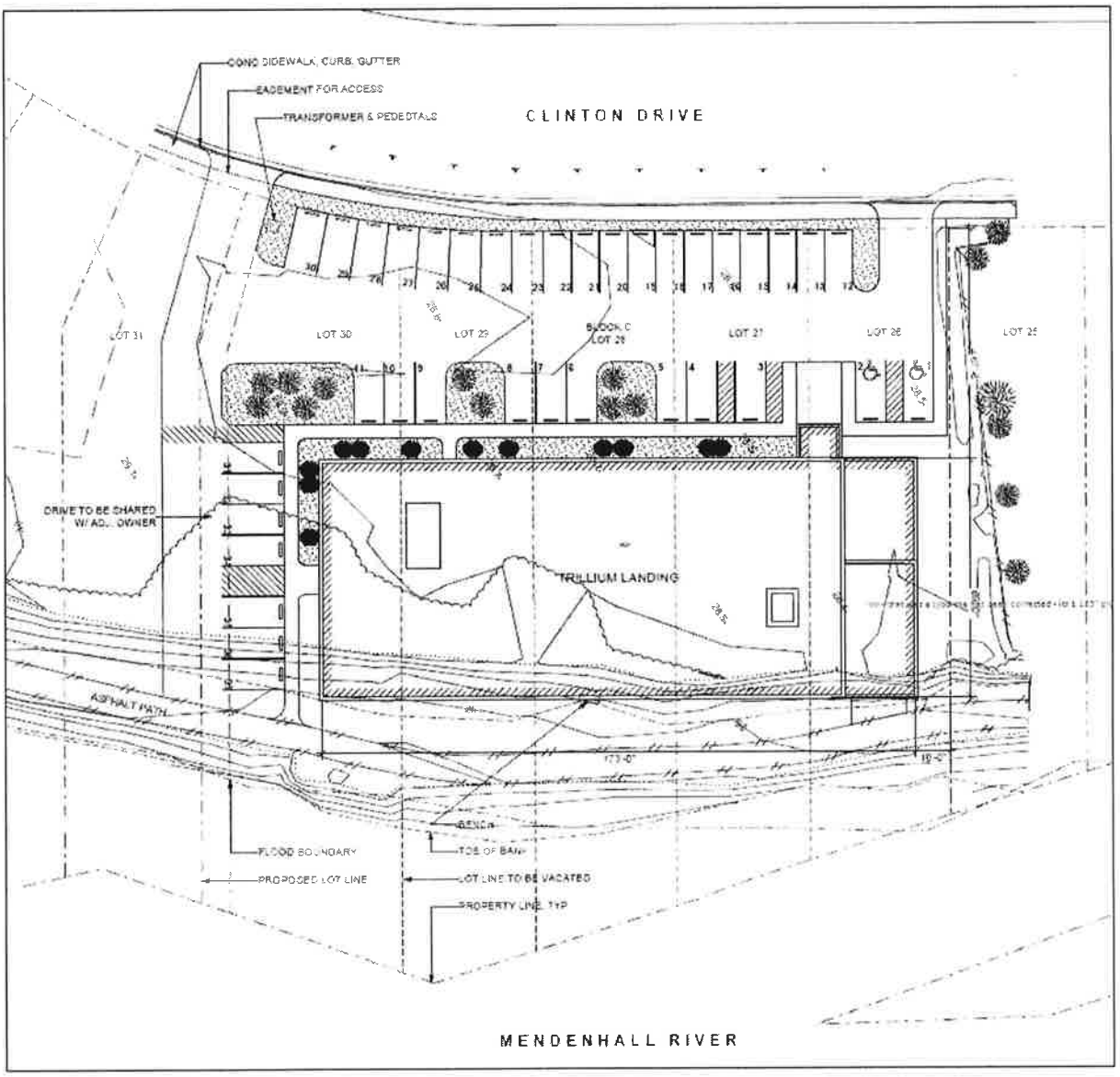
[21] Unit rentable areas; excludes common areas.

units are open concept. All units have ample storage, both internal and external. Elevator served, the building finishes will be durable sustainable materials, designed to withstand the wet Juneau climate.

The building has ±30% common area which is high for multi-family housing, but adequate for a senior housing community.

A detailed set of building plans is located in the addenda. A site plan is as follows:

Site Plan



Foundation
The foundation will be concrete.

Framing
The subject will consist of (1) four-story, wood-framed building totaling 49 units. Exterior walls will be covered with durable sustainable materials, designed to withstand the wet Juneau climate. Interior ceilings are ±9 feet. Windows are double panel, vinyl.

Floors
Floors are wood joist, which will be finished with plywood sheeting and average grade carpeting and pad, with tile or vinyl in wet areas.

Roof
Roofs will be a flat, membrane type.

Interior Finish
Walls and ceilings are to be sheet rocked, taped, textured and painted. Flooring will be carpet and vinyl/tile, with wood or rubber base. In general, the interiors will be average-plus to good-quality finishes with quality workmanship.

Insulation
All insulation is assumed to be adequate.

Mechanical, Plumbing, and Electrical
Each unit will be heated by electric radiant heaters mounted on the wall for space utilization. The building will utilize an air source system to provide common hot water. The building will also feature a 120 KW solar panel array for additional energy production, to offset common electric use. Electrical and plumbing are assumed to be adequate and commensurate with the overall quality and condition of the project. Kitchens consist of a double sink, refrigerator, dishwasher, and oven. All bathrooms consist of a sink and vanity, shower/tub, and toilet. The first floor has (1) 2-fixture common bathroom. The building will have an elevator with double loaded corridors. The building will be sprinklered.

Appliances
The units will have full sized refrigerators, four burner stoves, and dishwashers. All units have in-unit stacked washer and dryers.

Amenities
All units have interior dedicated storage units. The first floor has a community room, and Arctic entrance, and lobby area. The community room will offer free wifi and have an outdoor patio overlooking the river and greenbelt. The ground floor will have a common laundry room for resident use should any tenant's individual unit(s) break. Each additional floor has a lobby area and locker storage room(s).

Site Improvements

The site will be improved with asphalt paving/concrete area striped for 37 spaces; 2 of which are handicapped. The site plan indicates 36 spaces required per City Code for a senior multi-family parking.[22] On-site parking is considered adequate.

Other site improvements will consist of typical landscaping, paved walks, signage and building mounted exterior lighting. An asphalt pathway will be located along the Mendenhall River.

Americans with Disabilities Amendment

The subject will be constructed to current building code and will have three ADA compliant units.

Condition and Effective Age

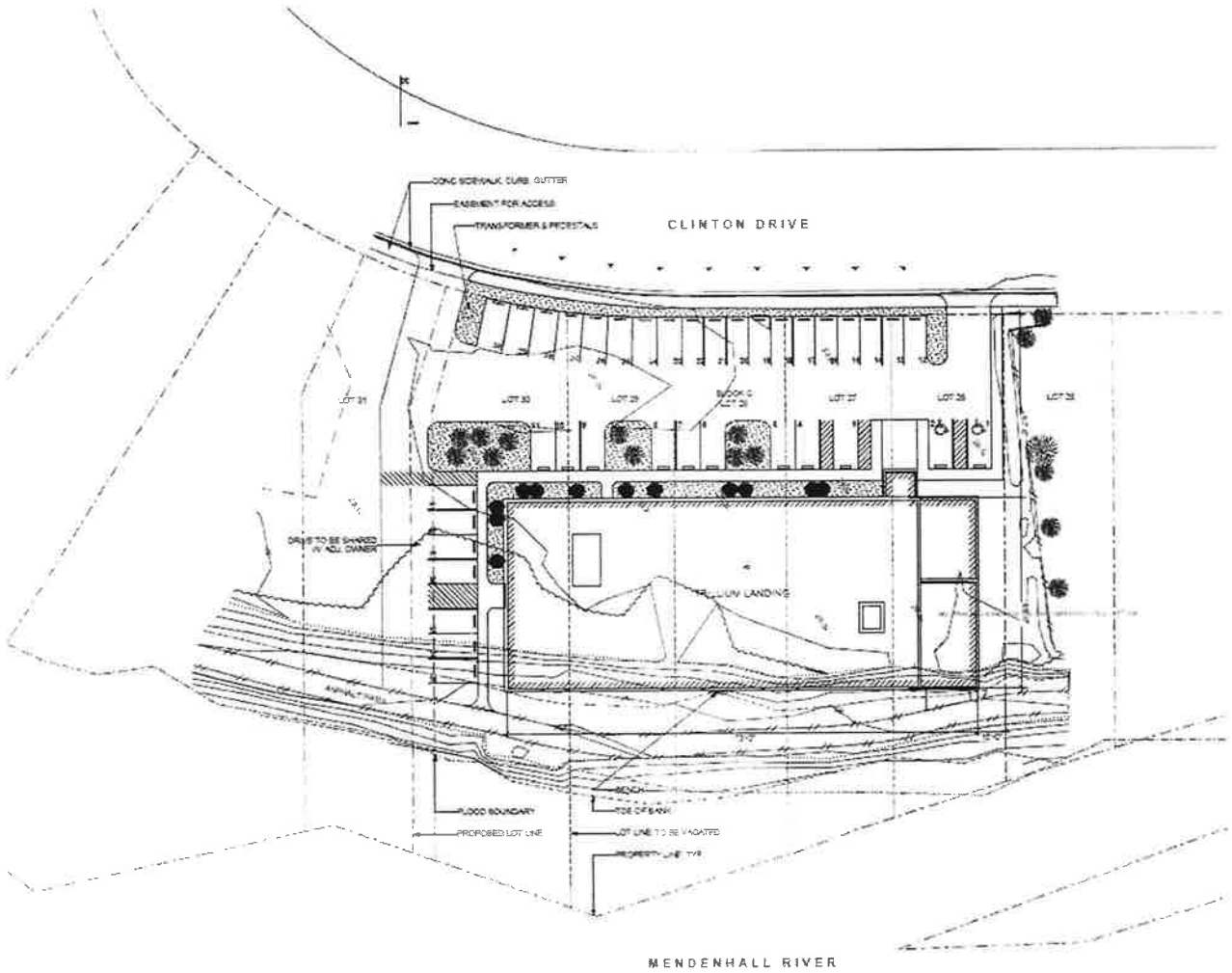
The subject will be in new condition when complete, with an effective age of zero. The estimated economic life is 50 years.

Overall Suitability

As proposed, the subject will be new and well designed for independent living senior housing. The near term trend is for stable occupancies and the subject should be well positioned to capture at least, its prorated share of demand.

---

22 Ms. Emily Breidenbach of GMD Development reported that the revised parking code (36 spaces) for this project was approved by the CBJ Assembly Meeting on May 2, 2016. It was an actual change to city code for a senior multi-family parking ratio.



1 ARCHITECTURAL SITE PLAN

PLAN NORTH

ZONING

49.25.300 TABLE OF PERMISSABLE USES
MU 1 300 Multifamily Dwellings. Allowed with note 3

Note 3: Conditional use permit requires planning commission approval.

49.25.400 TABLE OF DIMENSIONAL STANDARDS
Height
MU Unlimited

Maximum lot coverage permissable conditional use
MU None

Front Setback
MU 0

Side Setback
MU 0

Rear Setback
MU 0

49.25.500 DENSITY
MU Unlimited

49.40.210 PARKING
PROPOSED REVISED SENIOR PARKING ZONING CHANGE
6 parking spaces per resident
1 visitor parking space per 10 residents
1 parking space for each staff
41 required

49.50.300 MINIMUM VEGETATIVE COVER
MU 5%

PROPOSED CHANGES

TITLE 49
2.4 SPACES PER UNIT
10 - VISITOR PARKING SPACE - 10 UNITS
1 - PARKING SPACE PER EMPLOYEE
36 SPACES REQUIRED

49.50.300 VEGETATION
MINIMUM COVERAGE 5% OF LOT in MU

49.70.1050 WETLANDS
NOT CLARIFIED AS WE WETLAND ON C&N MAPS

BUILDING SIZE BY FLOOR

FLOOR	SQ. FT.
FIRST	[illegible]
SECOND	[illegible]
THIRD	[illegible]
FOURTH	[illegible]
TOTAL	[illegible]

APARTMENT TYPE KEY

UNIT TYPE	QTY	SQ.FT.
1 BR	[illegible]	[illegible]
1 BR	[illegible]	[illegible]
1 BR	[illegible]	[illegible]
1 BR	[illegible]	[illegible]
1 BR STANDARD	[illegible]	[illegible]
1 BR ACCESSIBLE	[illegible]	[illegible]
1 BR CORNER	[illegible]	[illegible]
STUDIO	[illegible]	[illegible]
STUDIO CORNER	[illegible]	[illegible]
2 BR CORNER	[illegible]	[illegible]
2 BR CORNER ALT	[illegible]	[illegible]
TOTAL	[illegible]	

NorthWind Architects LLC
126 Seward St.
Juneau, AK 99801
Ph +907.586.6160
www.northwindarch.com

TRILLIUM LANDING

NWA-1560
3041 CLINTON DRIVE
JUNEAU, ALASKA

ARCHITECTURAL SITE PLAN

DRAWN BY: KX
CHECKED: KX

G0.3

PLOT DATE: 4/11/2016
ISSUE DATE: 01/22/2016

Black-Smith, Bethard and Carlson LLC.

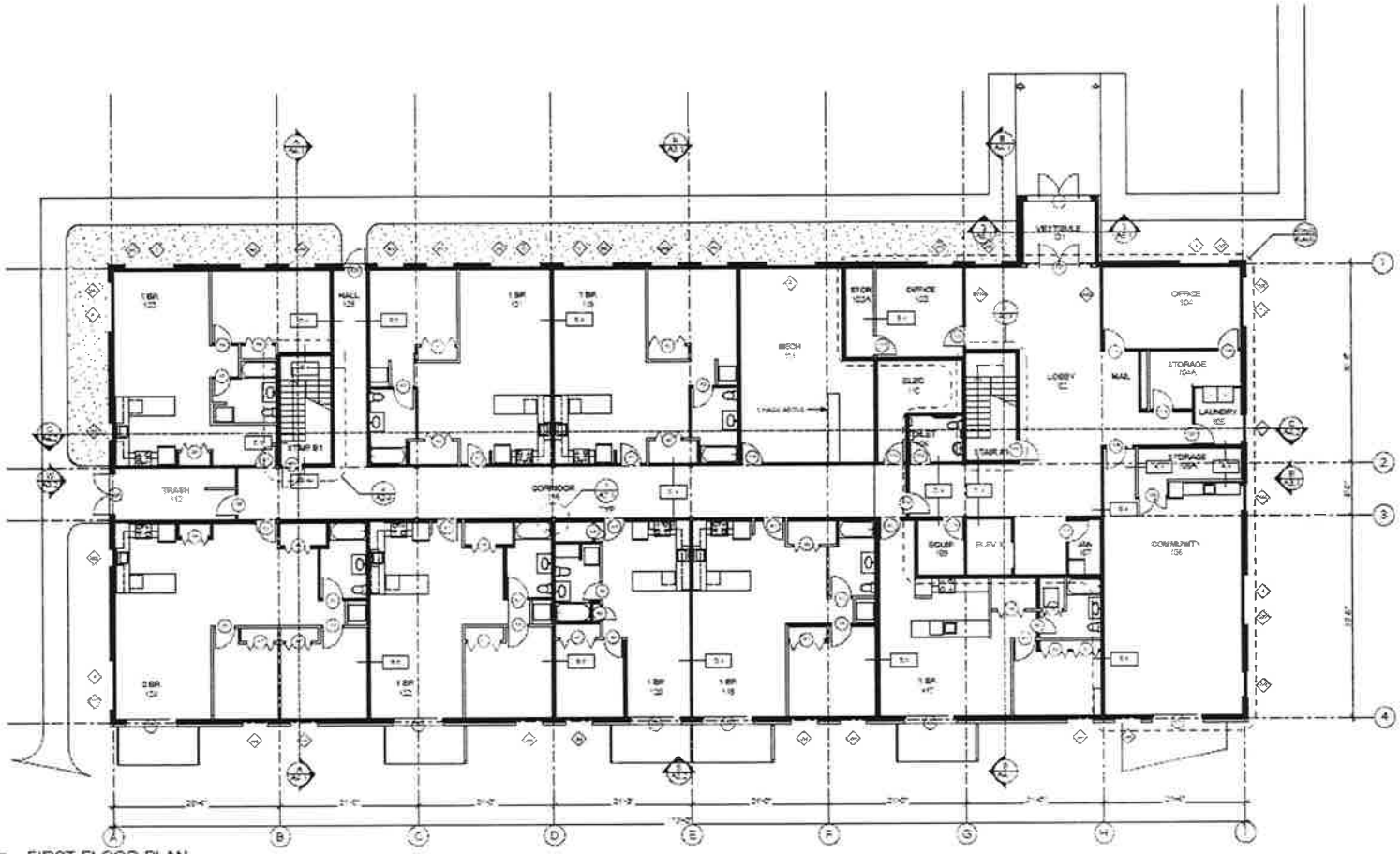
FLOOR PLAN GENERAL NOTES

1. PLAN DIMENSIONS ARE TO FACE OF ROUGH FRAMING, CENTERLINE OF COLUMN OR FACE OF CONCRETE, UNO.
2. SEE SHEET A2.1 FOR TYPICAL APARTMENT ENLARGED FLOOR PLANS, INCLUDING WALL TYPES.

FLOOR PLAN KEY NOTES

- 01 4'-X-6' STORAGE CAGE
- 02
- 03
- 04

PLAN NORTH



1 FIRST FLOOR PLAN

NorthWind Architects LLC

TRILLIUM LANDING

NWA 1550
3041 CLINTON DRIVE
JUNEAU, ALASKA

FIRST FLOOR PLAN

A1.0

04/11/2016
01/32/2016

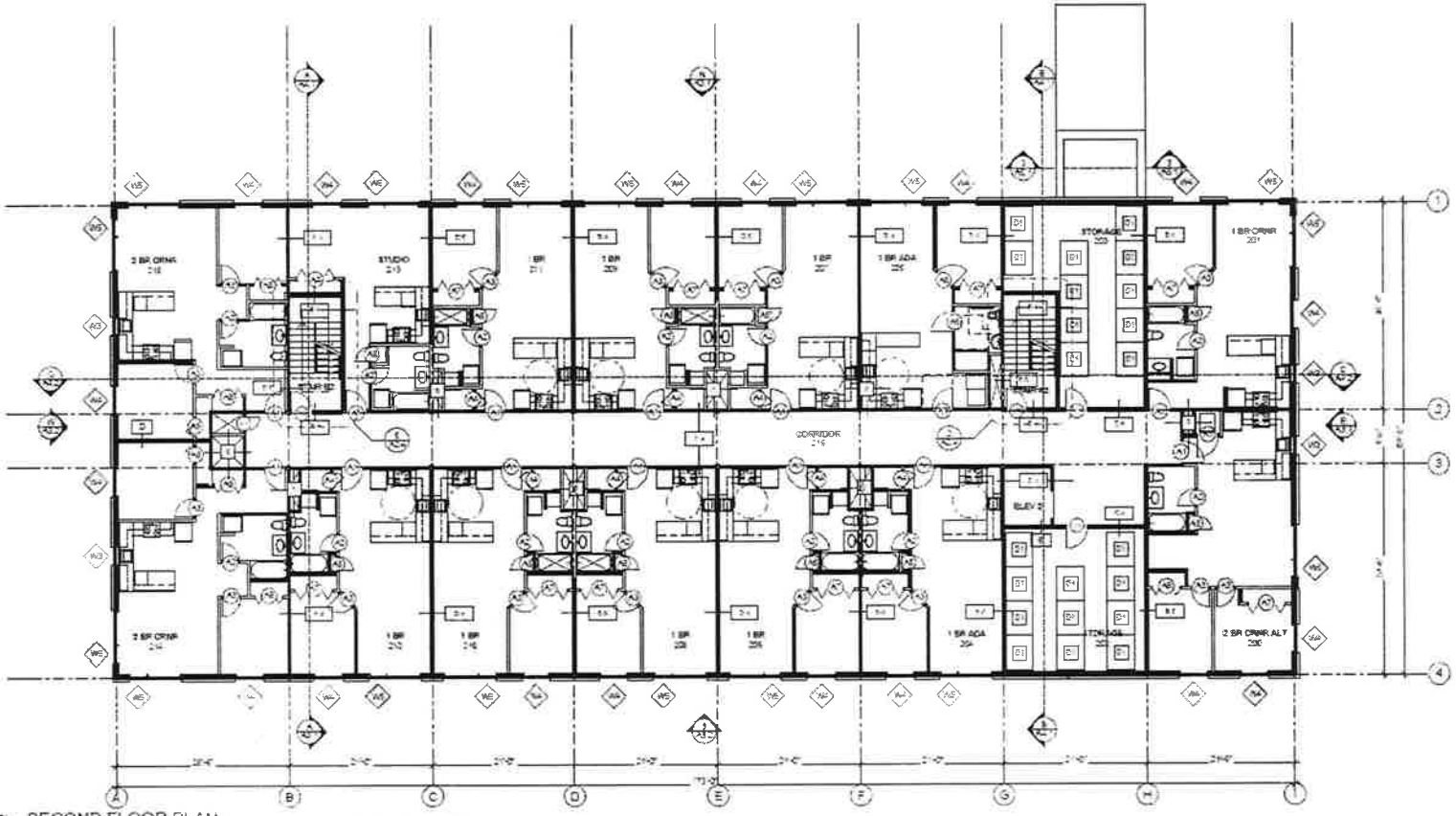
Black-Smith, Bethard and Carlson LLC.

FLOOR PLAN GENERAL NOTES

- PLAN DIMENSIONS ARE TO FACE OF ROUGH FRAMING, CENTERLINE OF COLUMN OR FACE OF CONCRETE, UNO.
- SEE SHEET A2.1 FOR TYPICAL APARTMENT ENLARGED FLOOR PLANS, INCLUDING WALL TYPES.

FLOOR PLAN KEY NOTES

- 01 6' X 8' STORAGE CAGE
- 02
- 03
- 04



1 SECOND FLOOR PLAN

NorthWind Architects LLC
126 Seward St
Juneau, AK 99801
Ph +907.586.6 90
www.northwindarch.com

TRILLIUM LANDING

NWA 1550
30411 CLINTON DRIVE
JUNEAU, ALASKA

SECOND FLOOR PLAN

A1.1

Black-Smith, Bethard and Carlson LLC.

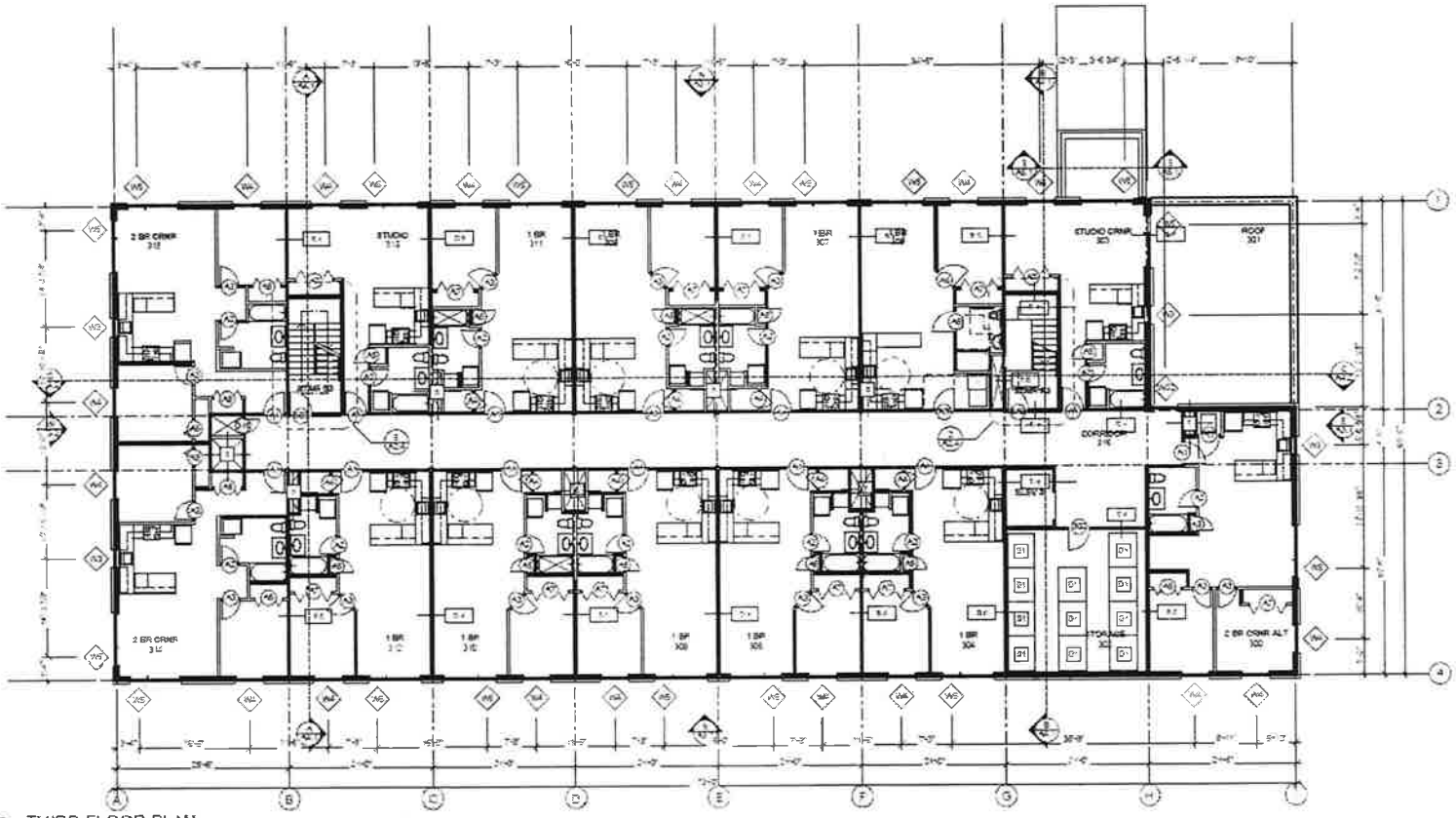
FLOOR PLAN GENERAL NOTES

1. PLAN DIMENSIONS ARE TO FACE OF ROUGH FRAMING, CENTERLINE OF COLUMN OR FACE OF CONCRETE, UNO
2. SEE SHEET A2.1 FOR TYPICAL APARTMENT ENLARGED FLOOR PLANS INCLUDING WALL TYPES

FLOOR PLAN KEY NOTES

- D1 @ X.S. STORAGE BADGE
- D2
- D3
- D4

PLAN NORTH



1 THIRD FLOOR PLAN

NorthWind Architects LLC
126 Seward St
Juneau, AK 99801
Ph #907.586.6160
www.northwindarch.com

TRILLIUM LANDING

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JUNEAU, ALASKA

THIRD FLOOR PLAN

A1.2

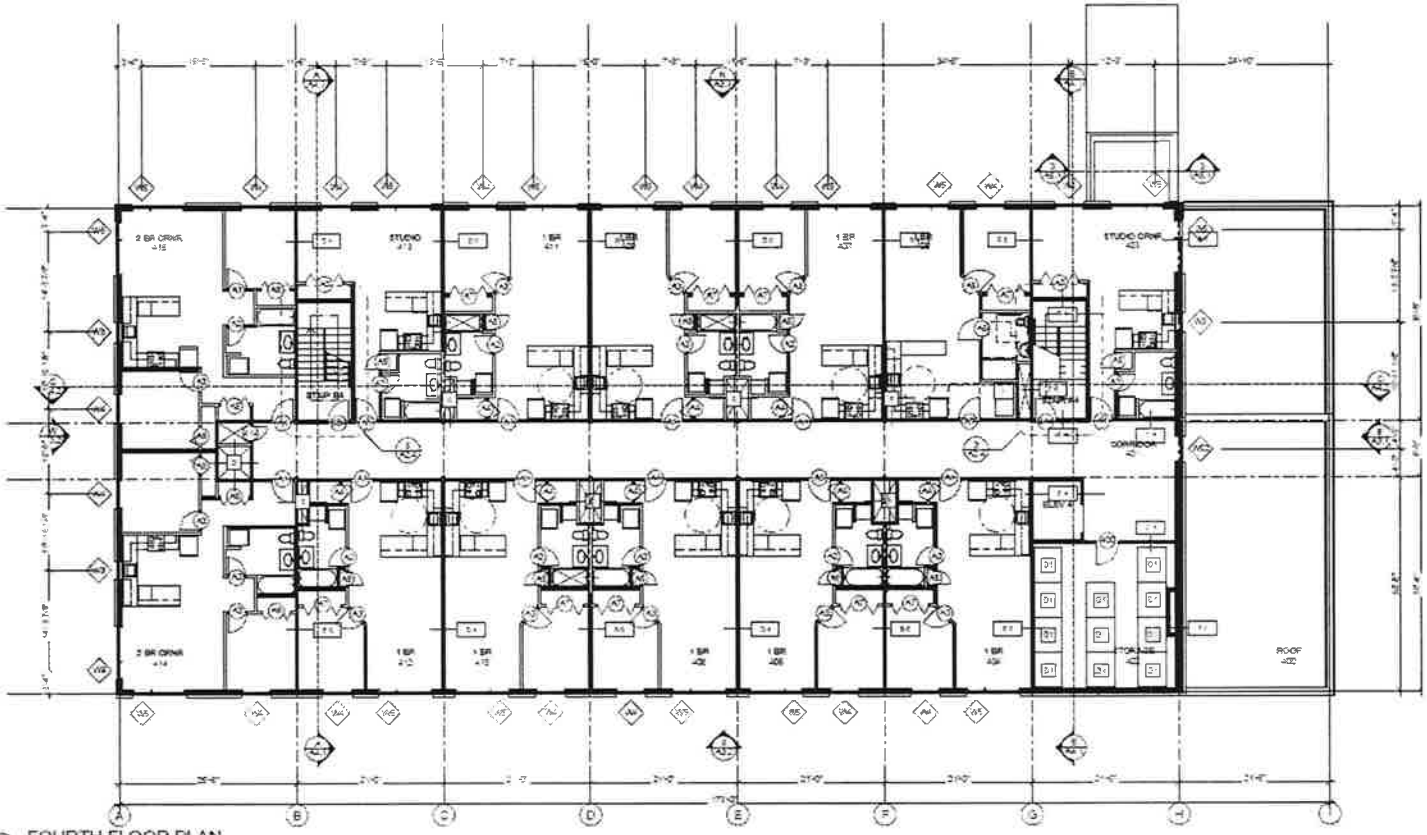
FLOOR PLAN GENERAL NOTES

1. PLAN DIMENSIONS ARE TO FACE OF ROUGH FRAMING, CENTERLINE OF COLUMN OR FACE OF CONCRETE. UNO
2. SEE SHEET A2.1 FOR TYPICAL APARTMENT ENLARGED FLOOR PLANS INCLUDING WALL TYPES

FLOOR PLAN KEY NOTES

01 4 X 5 FT GRADE CADE
02
03
04

PLAN NORTH



1 FOURTH FLOOR PLAN

NorthWind Architects LLC

TRILLIUM LANDING

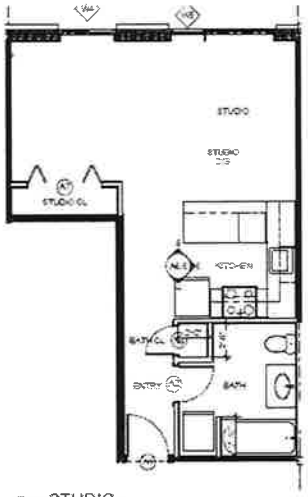
NWA-1560
3041 CLINTON DRIVE
JUNEAU, ALASKA

FOURTH FLOOR PLAN

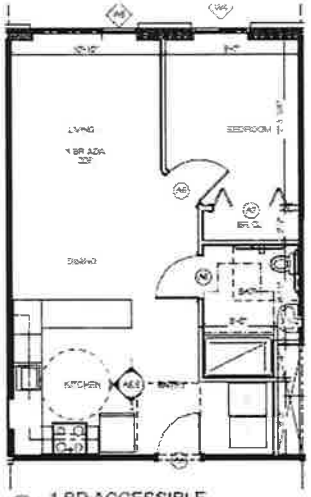
A1.3

4/11/2016
01/22/2016

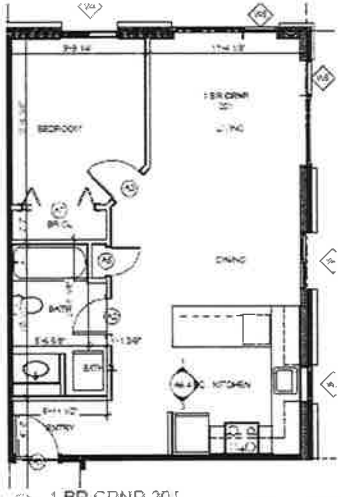
Black-Smith, Bethard and Carlson LLC.



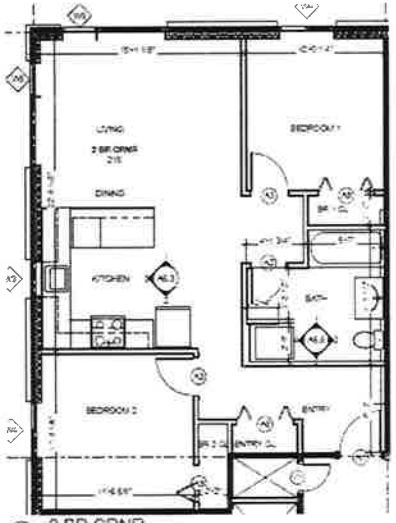
2 STUDIO



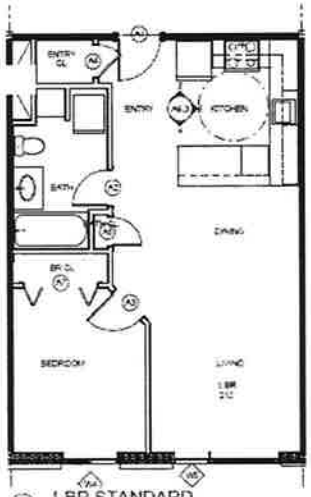
3 1 BR ACCESSIBLE



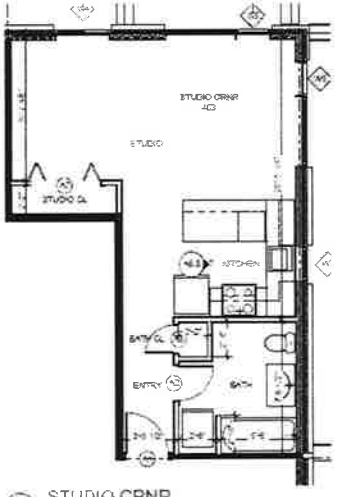
4 1 BR CRNR 201



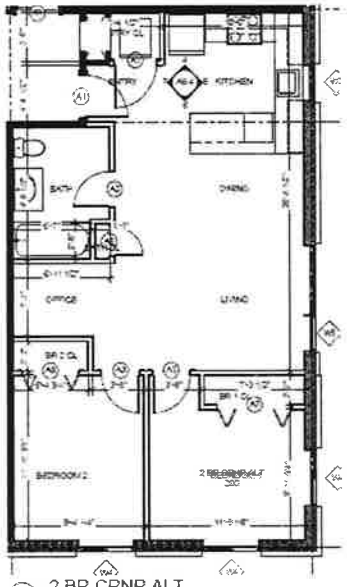
1 2 BR CRNR



5 1 BR STANDARD



6 STUDIO CRNR



7 2 BR CRNR ALT

PLAN NORTH

FLOOR PLAN GENERAL NOTES

1. PLAN DIMENSIONS ARE TO FACE OF ROUGH FRAMING, CENTERLINE OF COLUMN OR FACE OF CONCRETE WALL.
2. SEE SHEET A2.1 FOR TYPICAL APARTMENT ENLARGED FLOOR PLANS INCLUDING WALL TYPES.

FLOOR PLAN LEGEND

WALL

WALL INSULATED

TEMPERED OVERHEAD

NorthWind Architects LLC
126 Seward St
Juneau, AK 99801
Ph.907.586.6160
www.northwindarch.com

TRILLIUM LANDING

NWA 1550
3041 CLINTON DRIVE
JUNEAU, ALASKA

APARTMENT FLOOR PLANS ENLG

A2.1

4/11/2016
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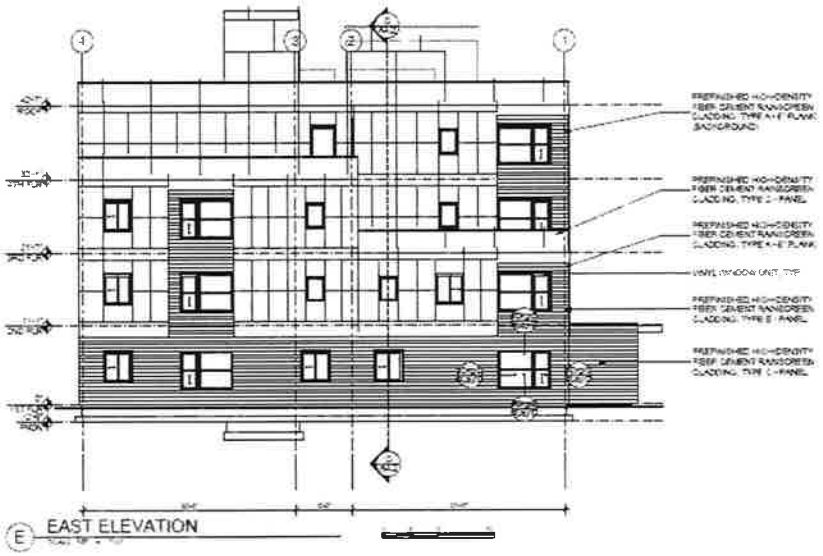

E EAST ELEVATION

N NORTH ELEVATION

BUILDING ELEVATION KEY NOTES

BUILDING ELEVATION GENERAL NOTES

CAREFULLY COORDINATE SCOPE OF WORK WITH FLOOR AND FINISH SCHEDULES AND OR GENERAL KEY NOTES
1. COORDINATE FINISH AND OPENING SCHEDULES

BUILDING ELEVATION LEGEND

NorthWind Architects LLC

TRILLIUM LANDING

NVMA 1550
3041 CLINTON DRIVE
JUNEAU, ALASKA

BUILDING ELEVATIONS

A3.1

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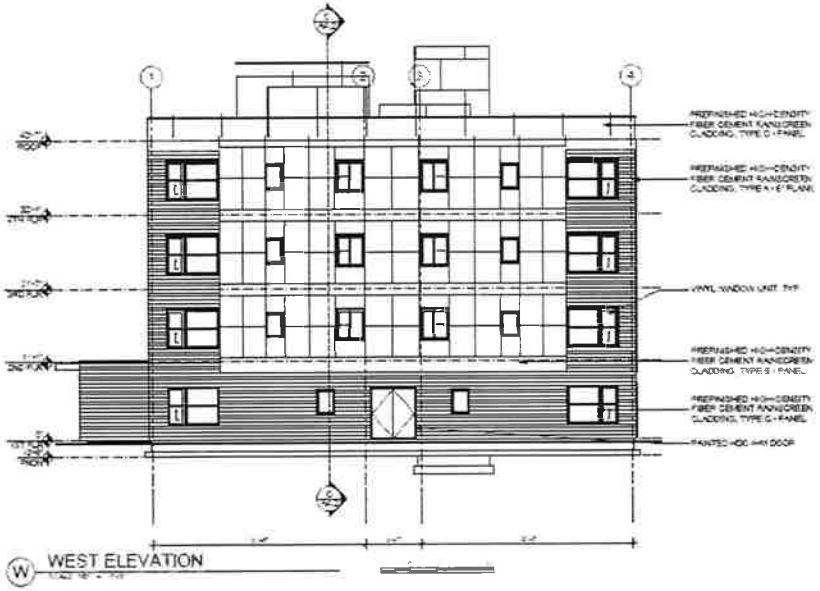

BUILDING ELEVATION KEY NOTES

1
2
3
4

BUILDING ELEVATION GENERAL NOTES

1. CAREFULLY COORDINATE SCOPE OF WORK WITH FLOOR AND FINISH SCHEDULES AND/OR GENERAL KEY NOTES
2. COORDINATE WITH FINISH AND OPENING SCHEDULES

BUILDING ELEVATION LEGEND

NorthWind Architects LLC

TRILLIUM LANDING

NWA 1590
3041 GLINT ON DRIVE
JUNEAU, ALASKA

BUILDING ELEVATIONS

A3.2

Black-Smith, Bethard and Carlson LLC.

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Trillium Landing
appraisal

Rental In.	From Bedrooms	Sq.Ft.	# of Units Units	Unit Rent	Gross Annual
50% MFI	Eff	473	5	$ 708.00	$ 42,480.00
50% MFI	1	615	20	$ 734.00	$ 176,160.00
60% MFI	1	615	8	$ 859.00	$ 82,464.00
market	1	875	7	$ 1,200.00	$ 100,800.00
60% MFI	2	740	2	$ 1,033.00	$ 24,792.00
60% MFI	2	815	6	$ 1,033.00	$ 74,376.00
market	2	1100	1	$ 1,500.00	$ 18,000.00
					$ -
Total Rental Income		34280	**49**		$ 519,072.00
Other Income - retail lease					$ -
					$ 519,072.00
Less Vacancy & Credit Loss			7.0%		$ 36,335.00
Gross Effective Income					$ 482,737.00
Total Adjusted Income					$ 482,737.00

EXPENSES			
Management	$119,738	24.80%	%GEI
Administration	$15,828	3.28%	%GEI
Insurance	$15,000	$306.12	per unit
Taxes	$30,000	$612.24	per unit
Utilities	$38,201	$1.11	per square foot
Maintenance & Repairs	$25,800	5.34%	%GEI
Replacement/Reserves	$14,700	$ 300.00	per unit
Total Expenses	$259,267	$5,291.16	per unit
% of GEI	53.71%		
Net Operating Income	**$223,470**		
Mortgage	$136,689	$1,850,000 @ 6.25% over 30 years	

DSCR	**1.63**
Net Cash Flow	$86,781
Income Decrease=	17.98%
Expense Increase=	33.47%
Vacancy Increase=	23.72%

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EXECUTIVE SUMMARY

PROPERTY SUMMARY OF SUBJECT

Home Run Apartments is a proposed 40-unit apartment community restricted to senior households and earning 50 and 60 percent of the Area Median Income (AMI) or less. Additionally, the property will have 8,000 square feet of retail space to be leased to a related entity of the developer. An analysis of achievable commercial rents is located in Section N. The Subject will be located at the southwest corner of Alpine Avenue and Teal Street in Juneau, Alaska. The Subject will consist of one, four-story building that will be elevator served. The project will include a community room, courtyard, central laundry room, and on-site management. Service coordination will also be provided. Additionally, the Subject will feature free surface parking with a total of 62 spaces.

Subject Property Overview: The Subject is a proposed 40-unit age-restricted apartment community restricted to households earning 50 and 60 percent of the area median income (AMI) or less. The developer has elected to set-aside 80 percent of the units at age 55 and older or 100 percent of the units set-aside at age 62 and over. The Subject will offer two studio units, 26 one-bedroom, and 12 two-bedroom units. Moderate-income senior households will be income eligible to reside at the Subject.

Proposed Rents and Unit Mix: The following table details the Subject's proposed rents and unit mix. The rents are not set at the maximum allowable levels.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2014 LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents
			50% AMI				
Studio	425	2	$789	$34	$823	$832	$742
1BR/1BA	550	16	$838	$44	$882	$891	$900
2BR/1BA	700	6	$1,004	$54	$1,058	$1,070	$1,218
			60% AMI				
1BR/1BA	550	10	$1,014	$44	$1,058	$1,070	$900
2BR/1BA	700	6	$1,216	$54	$1,270	$1,284	$1,218
Total		**40**					

Notes (1) Source of Utility Allowance provided by the Developer.

Sponsor Contact: We made first contact with the sponsor and developer, GMD Development, on July 24, 2014. Contact was made on our first attempt.

Primary Market Area: The Primary Market Area (PMA) is defined as follows: the west central section of the Borough of Juneau which includes the city of Juneau. Areas surrounding the city of Juneau are low density and the city serves as a service, retail, healthcare, employment center for borough of Juneau. The PMA was developed based on conversations with several property managers throughout Juneau, who report that most tenants are from the immediate Juneau area. It is also noted that the manager of Fireweed Place, a senior market rate property, also stated that many tenants move here from outside the region. We believe that the Subject will have leakage of approximately 20 percent of the residents originating from outside the PMA.

LIHTC Vacancy

The following table summarizes the overall vacancy rate for the comparable LIHTC properties.

LIHTC VACANCY

Property name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Glacier Village	@50%, @60%, Market	66	1	1.5%
Hillview Apartments	@50%, @60%	15	0	0.0%
Mackinnon Apartments	@50%, @60%	23	0	0.0%
Orca Point Apartments	@50%, @60%, Market	47	0	0.0%
Strasbaugh Place	@50%, @60%	7	0	0.0%
Total		**158**	**1**	**0.6%**

The LIHTC comparables reported vacancy ranging from zero to 1.5 percent, with an overall weighted vacancy rate of 0.6 percent. This is indicative of a supply-constrained market. Based on the low overall LIHTC vacancy in the market, we believe the Subject will operate with vacancy of 5.0 percent or less as a LIHTC property.

Market Rate Vacancy

The following table summarizes the overall vacancy rates for the comparable market rate properties.

MARKET RATE VACANCY

Property name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Airport Apartments	Market	31	0	0.0%
Fireweed Place*	Market	53	0	3.6%
Island Hills Apartments	Market	28	1	3.6%
Marine View Center	Market	66	0	0.0%
Mendenhall Apartments	Market	127	3	2.4%
Northwood Apartments	Market	20	0	0.0%
Total		**325**	**4**	**1.2%**

* Senior property.

As seen in the previous table, all market rate comparables reported a low number of vacancies. We believe this is indicative of a supply-constrained market, further evidenced by the presence of waiting lists of unspecified length at Mendenhall Apartments and a waiting list of one to eight households at the Fireweed Place senior property. Based on the lack of vacancies in the market, we believe the Subject would operate with vacancy of 5.0 percent, or less.

Historical Vacancy Rates

The following table illustrates historical vacancy information that we have available for the comparable properties.

HISTORICAL VACANCY

Property name	Total Units	3rd Quarter 2008	3rd Quarter 2009	3rd Quarter 2011	3rd Quarter 2013	3rd Quarter 2014
Glacier Village	66	0.0%	0.0%	--	0.0%	1.5%
Hillview Apartments	15	6.7%	0.0%	0.0%	0.0%	0.0%
Mackinnon Apartments	23	--	4.3%	4.3%	8.7%	0.0%
Orca Point Apartments	47	0.0%	4.3%	--	2.1%	2.1%
Strasbaugh Place	7	0.0%	0.0%	0.0%	0.0%	0.0%
Airport Apartments	31	0.0%	0.0%	--	6.5%	0.0%
Fireweed Place*	53	--	0.0%	0.0%	--	0.0%
Island Hills Apartments	28	--	--	--	--	3.6%
Marine View Center	66	0.0%	1.5%	--	3.0%	0.0%
Mendenhall Apartments	127	0.0%	0.0%	3.3%	0.8%	2.4%
Northwood Apartments	20	0.0%	0.0%	0.0%	0.0%	0.0%

* Senior property.

As seen in the previous table, vacancy rates at the comparables have historically remained low since the third quarter of 2008. The Juneau apartment market has historically experienced low vacancy rates. We believe that the Subject will operate with vacancy of 5.0 percent, or less.

Capture Rate

The demand analysis illustrates demand for the Subject based on capture rates of income-eligible renter households. When viewing total income-eligible renter households the calculation illustrates overall capture rates of 14.51 and 10.07 percent at the 50 and 60 percent of AMI levels, respectively. These calculations are considered reasonable especially since the current rental supply in the Subject's market is exhibiting low vacancy rates and waiting lists.

To provide another level of analysis, we removed the households from the income-eligible renter demand pool that are currently suitably housed elsewhere in the PMA. We conducted an *annual demand analysis*, which is based on new income-eligible renter households moving into the area (in the Subject's first year of operation only) and those income-eligible renter households that are rent-overburdened (paying over 40 percent of income to living costs). This is a subset of the income-eligible renter households used previously and yields a far more conservative annual capture rate. This annual capture rate is 42.4 percent for the first year of operation. This suggests that the Subject will need to capture less than half of the available demand in its first year of

operation in order to stabilize. This implies that no demand will be accommodated that is currently suitably housed elsewhere.

Penetration Rate
After deductions for existing and proposed LIHTC units in the PMA, the resulting penetration rate is 18.4 percent.

Seasonal Demand
A number of market rate properties reported that it is typically difficult to fill units in the winter months. Demand is generally higher during the summer months, when tourism is at its peak. Some LIHTC comparables reported that seasonal demand does not typically affect occupancy levels; however, units are more difficult to lease in the winter months. Overall, we do not believe that seasonal demand will negatively affect the Subject's affordable units.

Absorption Rate
Island Hills Apartments, Glacier Village, Orca Point were able to report absorption information. The second phase of Island Hills Apartments, a market rate property, consists of a 28-unit building completed in the spring of 2014. The building owner could not reveal specific absorption information but did indicate that units leased quickly and only one vacant unit remains. We estimate a three month absorption period for an absorption pace of approximately eight units per month. Glacier Village is an affordable LIHTC development managed by Tlingit-Haida Regional Housing Authority. It was constructed between 2003 and 2005. Glacier Village is located approximately 12 miles from the Subject, consisting of three phases. Phase I consists of 25 units and was absorbed within 10 days; Phase II consists of 25 units and was also absorbed within approximately 10 days; and Phase III consists of 16 units and was absorbed within approximately 20 days. Glacier Village is currently 98.5 percent occupied with a waiting list of 200 households. Orca Point, a mixed-income LIHTC and market rate development, experienced an absorption rate of 13 units per month. However, due to this property opening in 1997, we do not believe this data can be relied upon for a current estimate.

Due to the age of the reported absorption data at Glacier Village and Orca Point, we have not relied extensively on this information for our determination of likely absorption. Island Hills Apartments is market rate and not directly competitive with the proposed Subject. Further, senior properties tend to lease-up at a slower rate than properties without age restrictions. Therefore, we have considered the demand calculations presented within this report, along with additional anecdotal indices of demand as reported by area property managers. Based on this information, we believe the Subject could absorb approximately eight to 10 units per month. It should be noted that this assumes the Subject would open during the spring and summer months, when area managers reported leasing activity to be strongest. Due to the reported slowdown in leasing activity during fall and winter months, we believe the Subject would absorb a lesser six units per month if opening during this time period.

Proposed New Supply
According to the AHFC's 2009 through 2014 LIHTC Reservation lists, two properties have received LIHTC allocations in Juneau over this time. The first is Phase I of Juneau VOA Housing, which is under construction. We have not removed the 40 units from this property from

our annual demand analysis since this property is not age restricted. The second project is the 22-unit Channel Terrace, which is an existing Rural Development property that will undergo a renovation. Since this is an existing property with all units receiving rental assistance, it is not removed from our annual demand analysis.

We spoke with Ed Quinto, permit specialist for the Community Development Department of the City of Juneau. Mr. Quinto indicated that there are two multifamily properties under construction at this time. The first is the 40-unit Juneau VOA Housing Phase I, which is located approximately seven miles south of the Subject. The second is a 24-unit phase of Island Hills Apartments, a market rate property with 28 existing units. These additional 24 units are scheduled to be completed by the end of 2014. Island Hills Apartments is located approximately 6.6 miles south of the Subject and is included as a rent comparable. Two, six-plex buildings were recently completed near the Nugget Mall, approximately one half mile north of the Subject, although these units are being marketed as for-sale condominiums. There are also preliminary plans to construct an apartment building on a city-owned parking lot in downtown Juneau, at 2nd and Franklin Streets. This project is in the early stages of planning and the number of units has not been determined. Mr. Quinto also mentioned that there are approved single-family and duplex permits for 22 housing units in the borough in the first six months of 2014.

Market Conclusions

The average overall vacancy in the market is low at 1.2 percent, which is indicative of a supply-constrained market. Management at the comparable LIHTC properties reported a low number of vacancies and one of the properties reports a long waiting list. Overall, the Subject is similar to superior to all of the comparables based on in-unit amenities and common area amenities. Once complete, the Subject will be superior in age and condition to all of the comparables, although its location and unit sizes are inferior. We believe that setting rents slightly below the maximum allowable levels for the 50 and 60 percent of AMI rents is achievable. The Subject will be the only senior LIHTC property in Juneau. The demand calculations for the Subject's units indicate moderate demand for all unit types at all AMI levels. In general, we believe that the proposed Subject property will continue to offer value in the market.

Long Term Impact on Existing LIHTC Properties in PMA

We do not believe the Subject will negatively affect the existing affordable housing supply based on the following:

1) The comparable LIHTC properties reported strong occupancy rates, and several maintain waiting list. Many existing LIHTC properties have a representation of senior tenants, many of whom may desire an age-restricted property.

2) The Subject will be the only senior LIHTC property in Juneau without subsidy. No senior properties, LIHTC or market rate, have been built in Juneau in nearly 20 years.

3) The senior population in Juneau is expected to grow at a much faster pace than the general population. The Subject will provide an attractive option for senior households who are unwilling or unable to live in owner-occupied housing.

The addition of the Subject is not expected to have a negative impact on the affordable housing market. The LIHTC properties are experiencing high occupancy rates and waiting lists. The addition of the Subject in addition to the current supply should not affect the ability of other comparable affordable properties in the market to maintain high levels of occupancy.

FINAL RECOMMENDATION

We believe that the Subject will be a positive addition to the existing housing inventory. The PMA's senior population is growing and the majority of LIHTC and market-rate units are full. Several property managers also reported waiting lists. Overall, the Subject will be similar to superior to all of the LIHTC supply based on age/condition and amenities. Further, the Subject's proposed studio, one, and two-bedroom LIHTC rents offer a rent advantage over the market rents at the comparables in the market. The Subject's negative attributes include its location in an industrial-oriented neighborhood and, more importantly, its small unit sizes. Demand calculations for the Subject's units indicate moderate demand for all unit types at all AMI levels including market rate units. Additionally, the Subject will be the only senior LIHTC property in this market. In general, we believe that the proposed development will offer value in the market.

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Introduction

HISTORY

- Quantum Management Services, Inc. was founded in 1995 to provide full service property management in the Pacific Northwest. Today, Quantum fee manages commercial, market rate and affordable housing communities in the States of Washington, Alaska and Montana.

  Our clients include individual and institutional investors, as well as non-profit and semi governmental agencies including housing authorities dedicated to creating and maintaining viable and affordable housing communities.

PHILOSOPHY

- We are committed to providing professional and results-oriented property management services focused on creating and maintaining the investment value and client directed mission of each property under management.

  Quantum's results-oriented management practices have contributed to revitalizing small and large communities. Quantum has played key management roles in most of the major HOPE VI redevelopments in the Puget Sound area. Quantum's housing communities offer well managed and maintained housing choices for residents while focusing on client goals and community objectives.

Industry Connections

Quantum believes in returning the benefit of our knowledge and understanding to the affordable housing community through our involvement in various industry associations.

- AHMA (Affordable Housing Management Association) of Washington represents owners and managers of about 20,000 HUD and tax credit units in Washington. Doug Repman was a founding member of the organization in 1994, and has been involved as the past President and current Board member ever since.

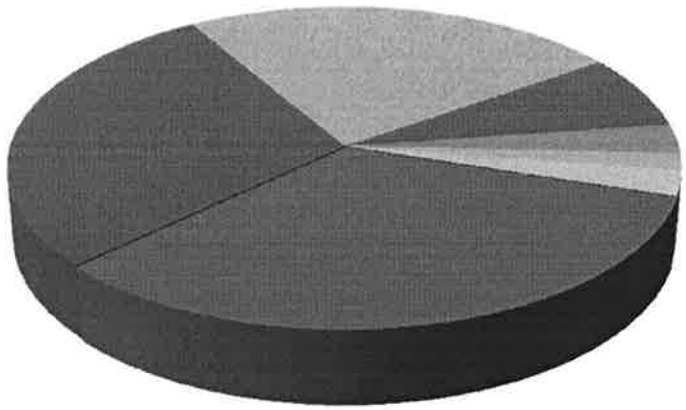
- CARH (Council for Affordable Rural Housing) focuses on affordable housing developed under USDA Rural Development programs. Quantum has had continuous representation on the CARH Board for over ten years.

- Bellwether Housing is a non-profit organization that owns and manages affordable housing, and provides consulting services for the development and operation of affordable housing. Harry Matsumoto provides leadership as a Board Member and member of their Strategic Planning and Audit Committee.

- WSHFC (the Washington State Housing and Finance Commission), the state's low-income housing regulatory agency, has asked Quantum staff to participate on its Management Advisory Group. This group provides feedback on state-issued forms and policies, and serves as a discussion forum for industry topics and property implementation of new regulations.

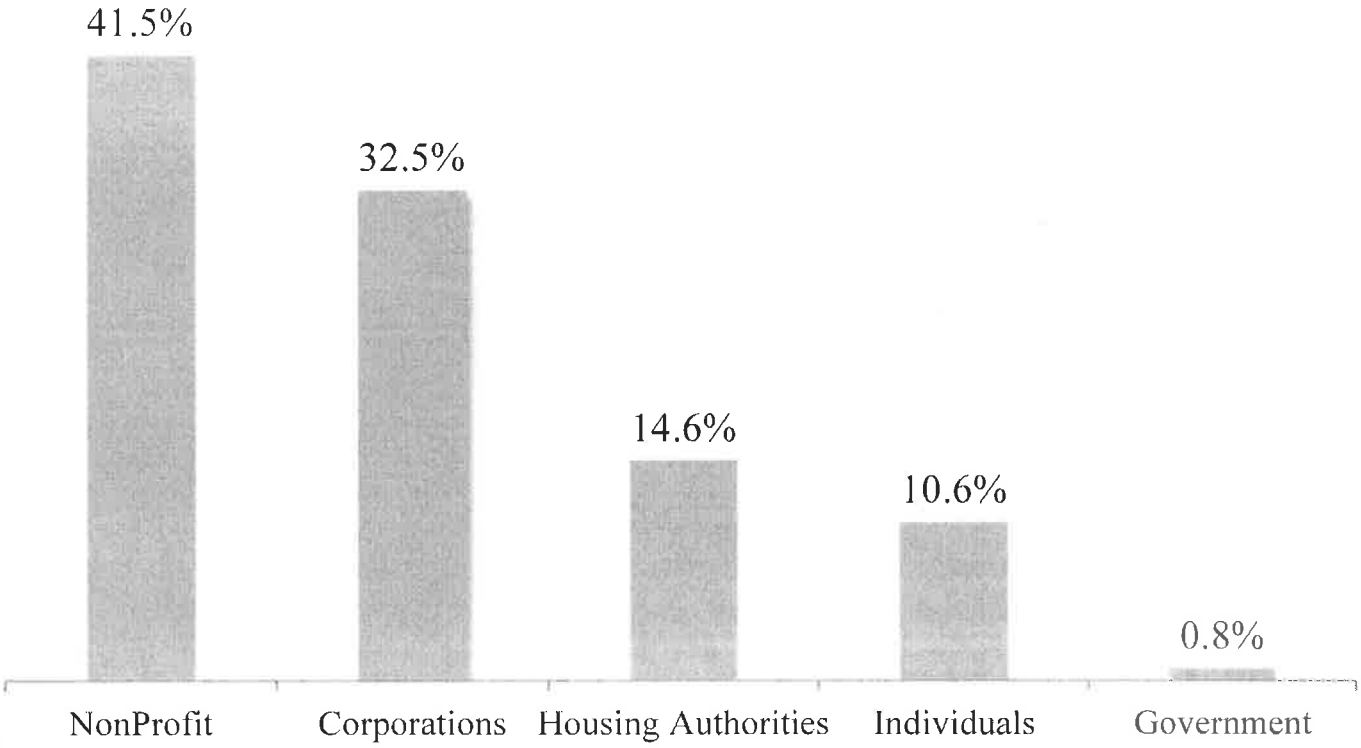
Portfolio & Clients

Units..... 5,414
Properties..... 125
States (WA, AK, MT).... 3

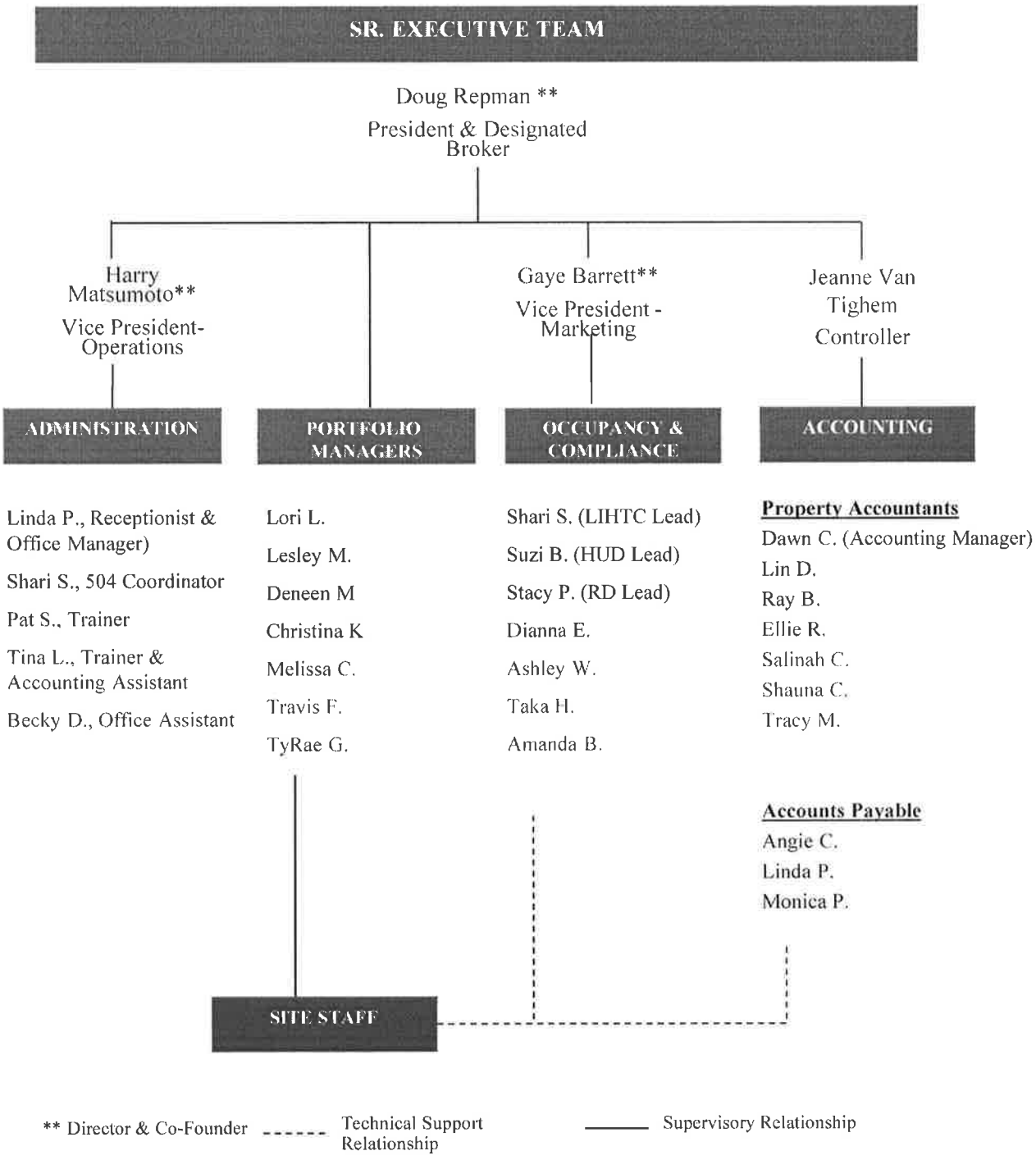


% of Portfolio (Properties / Units)

Tax Credit	33%	(37 / 1,791)
HUD	29%	(29 / 1,550)
RD	24%	(40 / 1,291)
HOPE VI	8%	(5 / 407)
Conventional	3%	(1 / 163)
Public Housing	2%	(4 / 91)
Homeowner Assn	2%	(6 / 121)
Commercial		(3 / 75k S.F)



Organization



Occupancy & Compliance

- Ensuring 100% compliance with occupancy eligibility requirements, certification, and documentation

Programs

HOME ◆ WCRA ◆ LIHTC ◆ HUD Sec 8 ◆ Public housing ◆ RD 515 ◆ RAD ◆ Conventional

Key responsibilities

- Reviews all eligibility and certification packets (move-in, annual recertification, interim certification, self-certification)
- Completes annual reporting to funders, government agencies, and equity investors
- Transmits voucher submissions (TRACS, PIC, MINC)
- Monitors EIV
- Develops compliance strategies for multi-layered properties
- Provides site manager training & technical assistance

Experience

- New construction lease-ups
- Acquisition Rehab pre- and post-rehab compliance
- 3rd party file audits and consulting
- Section 504 inspections, reports, and plan development

Personnel

- 7 Compliance Specialists
- Certifications: Spectrum C4P, RD-STAR, HUD Certified Occupancy Specialist, Public Housing Certified Occupancy Specialist
- Department leads with more than 20-years experience

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BOARD CONSIDERATION MEMORANDUM

Multi-Family Loan Purchase Program

Date: July 27, 2016 Staff: Melanie Smith

Lender: Alaska USA Mortgage Company

****

BORROWER(S):	Schweizer Real Estate Investments LLC
Co-BORROWER(S):	Ronald E. Fiscus
PROPOSAL OVERVIEW:	Term financing for the acquisition of a 30-unit multi-family apartment complex located at 3424 Thompson Avenue in Anchorage, Alaska.
Loan Amount:	$ 1,596,000
Project Value:	$ 1,995,000
Appraised By:	Jackie L. Dooley of Certified Appraisal Services LLC (See Appendix I)
Loan to Value Ratio:	80% (Appraised Value)
Loan Terms:	Fixed monthly payments based on a 30-year amortization.
Interest Rate:	5.250% (10-year balloon amortized over 30 years)*
Principal Balance:	$1,307,894.54 (after 10 years of payments)

* Rate is determined at the time of underwriting based on what AHFC believes would be the cost of 10-year taxable bond plus administrative and anticipated servicing costs, if it sold bonds at that time;

Debt Service Coverage Ratio: 1.64

(A debt service coverage ratio is the net income available after paying expenses divided by the loan payment and is used as an indication of profitability.)

Sources and Uses of Funds:

Sources:

Loan Amount:	$ 1,596,000
Seller Paid Cost:	$ 63,139
Borrower's Funds:	$ 406,195
Total Sources:	$ 2,065,334

4300 Boniface Parkway | Anchorage, Alaska 99504 | P.O. Box 101020 | Anchorage, Alaska 99510
907-338-6100 (Anchorage) or (Toll-Free) 1-800-478-AHFC (2432) | www.ahfc.us

Uses:

Purchase Price:	$ 1,985,000
Closing Costs/Prepaids:	$ 80,334
Total Uses:	$ 2,065,334

BORROWER ORGANIZATION: Description & Background:

Schweizer Real Estate Investments LLC: is a limited liability company that was created on October 26, 2012, to acquire and retain commercial multi-family real estate. Ronald E. Fiscus is the 100% member of the LLC.

Ronald E. Fiscus: has been with Conoco Phillips as the Maintenance Coordinator for the last three years. Prior to that, he was the Director of Maintenance with ERA Aviation for 24 years. He presently owns and manages six rental properties totaling 20 units. Mr. Fiscus purchased his first rental property in the early 2000s. (See Appendix II)

Financial Information:
Schweizer Real Estate Investments LLC: only asset will be the subject property. Therefore, after closing, financial information will reflect assets of $1,985,000 and liabilities of $1,596,000 for a net worth of $389,000.

Ronald E. Fiscus: loan application dated June 21, 2016, reflects assets of $3,360,000 and liabilities of $1,546,253 for a net worth of $1,813,747. Mr. Fiscus's average annual income over the last three years, according to his federal income tax returns, was $128,344.

Credit History:
Schweizer Real Estate Investments LLC has no record of credit and does not have an existing loan with AHFC. A recent credit report reflects an acceptable credit history for Ronald E. Fiscus. Mr. Fiscus currently has an existing AHFC loan with an outstanding principal balance of $544,989, which is being paid as agreed.

PROJECT CHARACTERISTICS:

Description and Location:
The site is located at 3424 Thompson Avenue, approximately three-and-a-half miles northeast of Anchorage's downtown central business district. The neighborhood is generally bound by the Glenn Highway to the south, Boniface Parkway to the east, Elmendorf AFB to the north and Commercial Drive to the west. The area neighborhood is a mix of single-family and multi-family developments. The subject lot contains a total of 31,992 square feet. The site is generally level and is at grade. The parcel is served by all available public utilities, which include water, sewer, natural gas, electric and telephone. (See Appendix III)

Project Overview:
Built in 1975, the 30 unit improvement consists of two, three-story, wood-framed apartment buildings with an attached roof and walkway between the two buildings. The exterior of the buildings are covered with vinyl siding. The roof is flat style with a bonded membrane. The building has a crawlspace with a dirt floor where the utility area is located. The unit interiors are finished with painted, textured sheetrock. The floors are covered with carpet and vinyl. The buildings have a hot water baseboard heat system on the first floor with the upper two levels having electric baseboard heat. The laundry area is located on the first floor and provides four sets of coin-operated washers/dryers and a small workshop. All units have the normal assortment of appliances, including dishwashers. The building has four sets of exterior stairwells with all of the units having exterior entrances. The project's unit configuration consists of two, efficiency units containing between 380 and 400 square feet and renting for $625 per unit, per month; one, one-bedroom, one-bath unit containing 580 square feet and renting for $825 per month; 25, two-bedroom, one-bath units containing 740 square feet and renting for between $900 and $1,000 per month; one, two-bedroom, one and a half bath unit having 2 dens* containing 1,080 square feet and renting for $1,200 per month; and one, three-bedroom, one-bath unit containing 900 square feet and renting for $1,150 per month. Parking is provided by 46 open, paved parking spaces situated in a parking lot at the rear of the building. Parking is considered to be adequate for a property of this age, size and location. The improvement is considered to be a legal conforming use of the site under current zoning. The remaining economic life of the improvements is estimated by the appraiser to be between 35 and 40 years. (See Appendix IV)

*Note: The unit having two dens was a conversion of two units into one. The dens have the required egress windows but to do not have a closet. Therefore, this unit can only be considered a two bedroom unit.

Soil Conditions:
An inspection of the property by the appraiser and lender did not indicate any apparent structural problems. The subject site, as developed, is therefore considered adequate to support the existing improvements.

Environmental Assessment:
The appraiser noted no environmental issues concerning the property or improvements. A Phase I Environmental report dated June 9, 2016, indicates the environmental risk level as low. An environmental assessment questionnaire dated July 11, 2016, was completed by the owner of record stating that there are no known environmental issues. Staff does not recommend further investigation noting that the project is served by public water and sewer.

Health and Safety Inspection Report:
A health and safety Inspection was completed by Richard Renk of FOCUS Property Consulting and Inspection LLC on January 29, 2016, noting several life safety and significant repair items. All identified items are to be repaired prior to closing. The items noted for repair are in the process of being completed by the seller. Upon completion, Mr. Renk will re-inspect to clear those items of concern. Satisfactory re-inspection is being made a condition of this commitment. (See Appendix V)

PROJECT OPERATIONS:

Property Income and Expense Statement:
The pro-forma operating statement, as prepared by the appraiser, is believed to reasonably depict the expected performance of the subject property. Rents are based on actual rents. A 5% vacancy and credit loss factor was used by the appraiser based on the project's historical operating experience. A property management fee equal to 8.07% of the gross potential rents was included based on the appraiser's assessment; the property will be managed by the co-borrower. The replacement reserve in the amount of $343.33 per unit, per year is considered to be average for property of this age, type, location and condition, and will facilitate ongoing property improvements. (See Appendix VI)

Debt Service Coverage Ratio:
The debt service ratio has been established at 1.64, which allows for flexibility with regards to income, expenses and vacancies. In addition to the 5% vacancy and credit loss factor, income could fall by 21% or expenses could increase by 47% or some combination of both, and there would still be sufficient funds to continue to pay the mortgage. Stated another way, the project could break even at a 25% vacancy rate. The ratio, by industry standards, is considered to be an excellent ratio.

Property Management:
The property will be managed by the co-borrower. Considering his background experience, staff concurs with the lender that the borrower's credentials are acceptable to successfully manage the project. Additional assurance is provided in the deed of trust, which allows AHFC to take action in order to place a property manager if circumstances warrant.

SUMMARY:

The loan is believed to be an acceptable risk in consideration of the following:

1. The excellent debt service coverage ratio of 1.64:
2. The loan to value of 80%; and
3. The co-borrower's prior property management experience.

RECOMMENDATION:

The request comes from Alaska USA Mortgage Company on behalf of the borrowers. Staff recommends approval of this loan based upon the subject's excellent debt service coverage of 1.64, a loan to value of 80%, and subject to the conditions noted below:

1. Alaska Housing Finance Corporation (AHFC) to provide long-term financing in an amount not to exceed $1,596,000;

2. First deed of trust in the amount of $1,596,000 to be amortized over thirty years with a 10-year balloon payment. Interest rate to be 5.250% fixed;

3. The Borrower: Schweizer Real Estate Investments LLC
   Co-borrower: Ronald E. Fiscus

4. A security position in the appropriate personal property, fixtures, furniture and contracts, etc. will be taken;

5. Commitment to expire October 27, 2016, and an extension may be considered by staff, subject to extension guideline criteria and applicable extension fees;

6. A loan prepayment limitation to be imposed in accordance with AHFC's financing requirements;

7. Receipt and acceptance by AHFC of the following:

   a. an updated As-Built Survey, as required by the title company;

   b. all required certificates and/or binders of insurance; and

   c. ALTA title policy with applicable endorsements.

8. A re-inspection verifying that all repairs listed as life safety and significant repairs have been finished in a satisfactory manner in accordance with the property inspection report completed by Richard Renk on January 29, 2016, prior to loan closing;

9. Funds for the establishment of insurance and property tax reserve accounts to be collected at closing;

10. Monthly loan payment to include funds, as determined by AHFC, for (i) principal and interest, (ii) reserves for taxes, insurance and (iii) replacement reserves. Replacement reserves deposits to be $858.33 per month;

11. Borrower to pay appropriate costs associated with the loan, including but not limited to recording, title insurance, escrow closing fee and loan fee;

12. The payment of $7,980 loan fee; the review fee of $1,000 will be applied to the payment of this fee and

13. Other conditions that may arise as determined by AHFC.

Reviewed and accepted by Senior Staff substantively as stated in this Loan Committee Memorandum, subject to Board approval:

Bryan D. Butcher	Mark Romick	Michael Strand
Chief Executive Officer	Deputy Executive Director	Chief Financial Officer
Date: 7-15-16	Date: 7-15-16	Date: 7/15/16

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ALASKA HOUSING FINANCE CORPORATION
RESOLUTION NO. 2016-22

RESOLUTION APPROVING FUNDS FOR THE TERM FINANCING OF A MULTI-FAMILY HOUSING PROJECT FOR SCHWEIZER REAL ESTATE INVESTMENTS, LLC

BE IT RESOLVED by the Board of Directors of the Alaska Housing Finance Corporation as follows:

I. Findings:

A. There is need to provide access to safe, quality housing;

B. Schweizer Real Estate Investments, LLC and Ronald E. Fiscus through Alaska USA mortgage Company have applied to Alaska Housing Finance Corporation to receive funds under its Multi-Family Loan Purchase Program for term financing of a 30 unit multi-family housing project, located in Anchorage;

C. The proposed financing falls within the established program regulations; and,

D. The proposed financing is found to be an acceptable risk to the Alaska Housing Finance Corporation.

II. Conclusion:

Pursuant to the foregoing findings, the Board hereby approves the request substantively as stated in the July 27, 2016 Board Consideration Memorandum prepared in support of the application.

This resolution shall take effect immediately.

DATED THIS 27th Day of July, 2016

_____

Brent LeValley
Board Chair

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June 10, 2016

Alaska USA Mortgage Company
Mr. Paul Hansmeyer
P.O. Box 196850
Anchorage, Alaska 99519-6850

RE: ***APPRAISAL REPORT***
a 30 unit apartment project
located at 3424 Thompson Ave
Anchorage, Alaska 99508

Dear Mr. Hansmeyer:

In accordance with your request, I have appraised the above referenced property. The Summary Appraisal Report concludes to a Final Opinion of Market Value of the Fee Simple Estate in the above referenced property, as improved, in unencumbered, fee simple title of ownership. Per the request of the client, I have valued the subject property "As Complete" with Repairs, and "As Is" at Stabilized Occupancy.

As a result of my analysis, I have formed an opinion that the Market Value (as defined in the report) of the subject property, subject to the definitions, certifications, Extraordinary Assumptions and limiting conditions set forth in the attached report, as of May 3, 2016, of the **Fee Simple Estate**, "As Complete" with Repairs is:

$1,995,000

One Million Nine Hundred Ninety Five Thousand Dollars

This report was prepared in accordance with the standards and regulations as set forth in USPAP AND FIRREA.

Sincerely,

CERTIFIED APPRAISAL SERVICES, LLC

Jacqueline Dooley

Jacqueline L. Dooley, Appraiser
State Certified General Real Estate Appraiser
#381-State of Alaska

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Ron Fiscus is currently the Maintenance Coordinator for Conoco-Phillips. Prior to that he was with Era Aviation for 24 years as the Director of Maintenance and Operations.

Maureen Fiscus is a Billing Clerk for Dental Health Management Services for the last 7 years.

Mr. and Mrs. Fiscus began investing in real estate in the early 2000's. Presently they own 6 parcels of which 5 have improvements totaling 16 units.

Mr. and Mrs. Fiscus share the responsibility of the daily upkeep and maintenance of each property they own. Mrs. Fiscus takes care of the billing and collection of rents, and Mr. Fiscus handles the maintenance of the units. They also have three boys, of which they are slowly teaching them the ropes of property maintenance.

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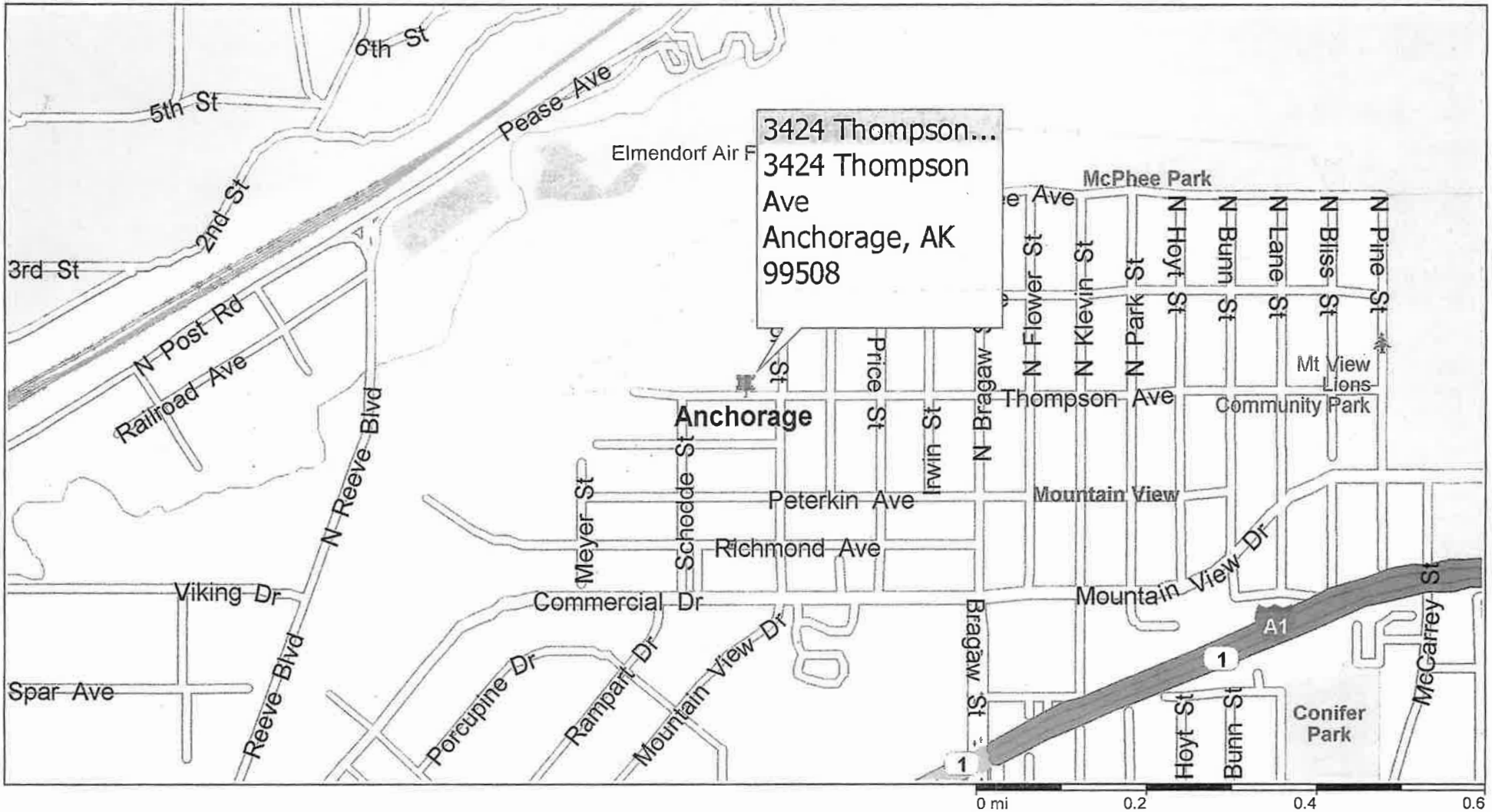
Mountain View, Anchorage, Alaska



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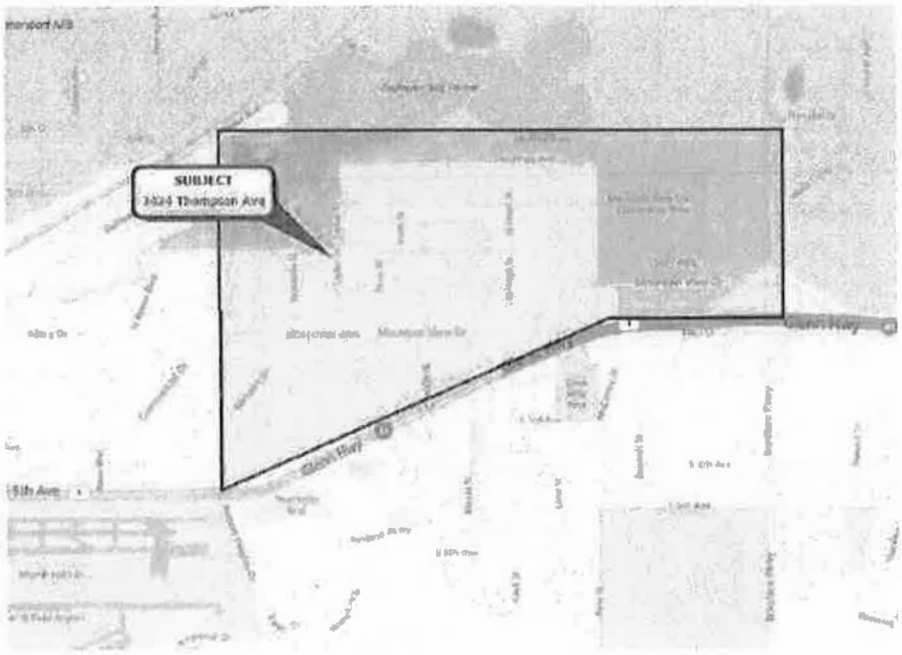
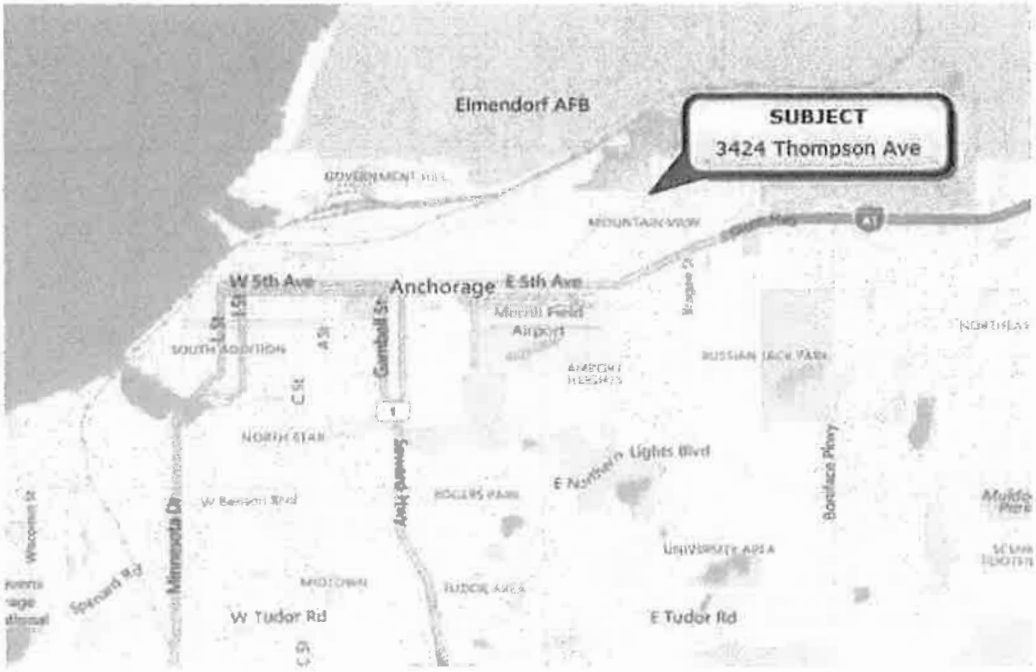
Subject Neighborhood Map



subject neighborhood. The neighborhood lies just north of the Glenn Highway, and is primarily accessed from this major arterial, with a new freeway exit at Bragaw Street just ½ mile south of the subject property. Bragaw Street is the major north/south arterial at this location, however narrows to a two lane, bi-directional residential roadway with on street parking two blocks south of the subject location. The general neighborhood is serviced by the aforementioned major arterials, providing good access to schools, shopping employment centers, industrial centers, downtown Anchorage, Fort Richardson Military Base and area Universitys and Hospitals. A network of paved secondary streets provides access to the interior neighborhood.

The neighborhood is best described as older in character, with most of the properties being constructed in the early 1960's to mid-1990's, with some newer development noted. The defined subject neighborhood is considered to be mature, and in a Revitalization neighborhood cycle. The general neighborhood is built up with multi family, two to four family properties, and single family dwellings, with commercial uses along major corridors. There are few parcels of vacant land available for development in the immediate neighborhood.

DESCRIPTION OF REAL PROPERTY APPRAISED



Anchorage Area Map

General Market Area

The subject is located within the Municipality of Anchorage, Alaska. It is situated within the northeast quadrant of the city in an area known as Mountain View, approximately four miles northeast of the Downtown Anchorage Central Business District (CBD). Specifically, the subject is located at 3424 Thompson Ave, Anchorage, Alaska.

Immediate Neighborhood

The subject's immediate neighborhood is located in an area known as Mountain View. The neighborhood is generally bound by McPhee Avenue to the north, Mountain View Drive to the south, Meyer Street to the east and North Pine Street to the west. The general neighborhood is predominately residential in nature, with some mixed use commercial development along Mountain View Drive. Mountain View Drive is the primary east/west arterial within the

Areas immediately surrounding the subject to the east and west are improved with multi-family and single family developments, houses of worship, community services and recreation centers. The Eagle Glenn AFB Golf Course fairway is located across the street from the subject, however is fenced at this location. A 2.2 million dollar Mountain View enhancement project was complete in 2001, and included narrowing of intersections, blocking a number of streets and alleys that egress into Mountain View Drive, improved walkways and traffic lighting, and included a neighborhood beautification project. The area is still in a stage of revitalization, with many new single family residences constructed by Cook Inlet housing over the past 10 years, which purchase and raze existing old infrastructure, and build new homes which become available to low income families. This project was ongoing for 8 years, has recently ended, and has helped to revitalize the immediate neighborhood.

The areas along main arterials on the neighborhood periphery are improved with small office buildings, retail stores, restaurants, community facilities, and service stations. A new Credit Union 1 is located at the northeast corner of Mountain View Drive and Bragaw Street. Clark Middle School and the new Mountain View Public Library are at the southwest corner of this intersection, with Clark Middle School just further to the southwest. A retail strip center with a Red Apple grocery store, Brown Jug Liquor store and a bingo parlor is located at the southeast corner of this intersection. The Glenn Square shopping center was constructed in Mountain View just ¾ miles southeast from the subject along the south side of Mountain View Drive and is bound on the south by the Glenn Highway. The shopping center is anchored by a recently constructed Bass Pro and has a Bed Bath and Beyond, Michaels, and Petco, along with several other smaller retail stores and restaurants.

Another recent development in East Anchorage, just two miles east of the subject, is the new Tikahtnu Shopping Center, which is Anchorage's largest shopping center development which started construction in 2009. The center is improved with anchor tenants including Regal 16 Cineplex, Target, Kohls, Sports Authority, Petsmart, Lowes, Best Buy and Sam's Club. Additional retail space has been developed with smaller national tenants, and the project is nearing completion.

All public utilities are available in the neighborhood including water, sewer, telephone, electricity and natural gas. Elementary, Middle, High Schools are located within a three mile radius of the subject. City services include police and fire protection, street maintenance and

the People Mover Bus System. Many of the main arterials are maintained by the State of Alaska. Recreational facilities located in the area include several parks including the Davis Park, Irwin Street Park, and Mountain View Park. The Eagle Glen Golf Course is located directly north of the subject property. These parks provide a variety of indoor and outdoor recreational activities in the subject neighborhood.

In Summary, the subject neighborhood has a predominate mix of single family and multi-family developments, and commercial uses along feeder arterials. The subject has easy access to area parks, employment centers and support services. The neighborhood has good access from East Anchorage and Downtown Anchorage. The area has been accepted by renters due to its location in the Anchorage Bowl. The development is considered compatible with surrounding land uses and the immediate neighborhood is considered to be well suited for high density residential development.

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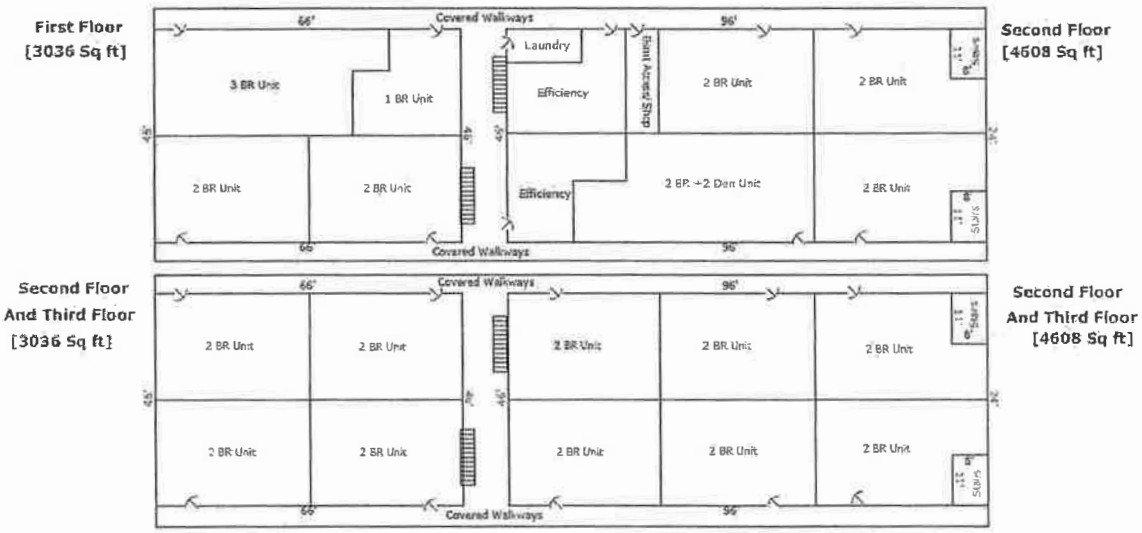
SUBJECT PROPERTY IMPROVEMENT DESCRIPTION

"Building Sketch"



The subject property consists of a 30 unit apartment project situate on a single lot. The three story building was constructed in 1975 and contains a calculated area of 22,932 square feet. There are 2 efficiency units; 1, one-bedroom, one bath units; 25, two-bedroom, one bath units; 1 two-bedroom plus two den and one and a half bath units; and 1 three-bedroom, one bath units, for a total of 30 units. The building has four sets of exterior stairwells, and all of the units have exterior entrances. The building also has a deep crawlspace with a dirt floor where the utility area is located. There is a laundry room and a small workshop on the first floor. The building has hot water baseboard heat on the first floor, and the upper two levels have electric baseboard heat. There is buffer landscaping and usable yard and landscaped areas.

I have relied upon calculated areas from the survey and my own taped measurements for building area calculations. The total Gross Building area of the building is 22,932 square feet, with a Net Rentable area of 21,840 square feet. The complex efficiency rate is 95.24%. Parking consists of 46 open, paved parking spaces.

According to the current property manager, ten of the units have been remodeled over the past several years, with some of the units presenting newer flooring, fixtures, paint, lights, doors, upgraded baths and newer appliances. Nearly all of the windows have been replaced with vinyl

sliders, reportedly in 2014. The coin operated laundry area has five sets of laundry machines owned by American Meter and reflects average condition.

Amenities in each unit include a full bath, dining area, ample closet space, and a dishwasher. The building has one meter for electric, therefore electric is an owner expense. The rents include electric, heat, water and sewer, and rubbish disposal. A breakdown of the building and unit sizes are provided on the next page.

I personally inspected 8 units including #103, #104, #105, #107, #213, #321, #325 and #328. In addition, the basement, including laundry and utility rooms were also viewed. All of the units viewed present average to above average interior condition, overall.

A Property Condition Report by Richard Renk of Focus Inspections was provided. The Summary Report is provided in the addendum. The subject reflects above average maintenance and repair, and no major structural deficiencies were noted as of the effective date of value. A list of Required Life, Health and Safety Repairs and Maintenance items is provided in Summary Format in the addendum. Repairs include installation of smoke detectors, carbon monoxide detectors and ground fault circuit interrupters; repair of plumbing leaks, repair of electric baseboards, service of the heating system and hot water heater. As per the request of the client the subject property is appraised under a *Hypothetical Condition*, "As Complete" with all Life, Health and Safety Repairs, and Deferred Maintenance items. The repair cost are negligible compared to the overall value of the building and are not considered to significantly impact the property value. If a later report indicates any additional Life, Health, Safety or structural deficiencies, I reserve the right to revise this report accordingly.

Building Size and Unit Breakdown

Building #	Number Of Units	Unit Mix	Unit Size	NLA Building	GBA Building
First Floor	10	1: Eff/1Ba	380sf	380sf	
		1: Eff/1Ba	400sf	400sf	
		1: 1Br/1Ba	580sf	580sf	
		5: 2Br/1Ba	740sf	3,700sf	
		1: 2Br/1.5Ba	1,080sf	1,080sf	
		1: 3Br/1Ba	900sf	900sf	7,644sf
Second Floor	10	10: 2Br/1Ba	740sf	7,400sf	7,644sf
Third Floor	10	10: 2Br/1Ba	740sf	7,400sf	7,644sf
				21,840sf	**22,932sf**

Overall, the units and building are considered to have an average design and appeal and have historically had good market acceptance.

Land-To-Bldg Ratio:	*31,992 SF / 22,932 SF*	*1.40 to 1*
Site Coverage:	*22,932 SF / 31,992 SF*	*71.68%*
Building Efficiency:	*21,840 SF / 22,932 SF*	*95.24%*
Actual Age:		*41 YEARS*
Effective Age:		*20-25 YEARS*
Estimated Remaining Economic Life:		*35-40 YEARS*

Structure

The basic structure is two, 3 story, wood framed apartment buildings with an attached roof and walkways between the two buildings. There is a deep crawlspace with a dirt floor which is accessed by a ladder in the small storage/shop room. The crawlspace also has stairway access from a door from one of the units. There is a laundry room on the first floor. Several of the units on the first floor have been re-configured to larger and smaller units. The foundation has a masonry block system along the perimeter of the building with sheet rocked partitions in the deep crawlspace. The floor is wood framed consisting of wood floor joists supported by interior wood beams and posts. Exterior walls are 2" by 6" wood studs covered with newer insulation

and vinyl siding. The roof is flat style with a bonded membrane. Most of the windows have been replaced with vinyl sliders. Flooring on the upper levels are wood joists with plywood.

Interior Finish

Interior wall partitioning is 2" x 6" stud construction, covered with gypsum board or insulated paneling. Walls and ceiling coverings are taped, textured and painted with some paneling noted. The main living areas have carpet with pad. The kitchens, unit entry and bathrooms have vinyl floor covering. Tub and shower enclosures in each unit's bathroom have tile or plastic surrounds. Interior ceiling height is eight feet in all of the units. Light fixtures are a variety of ceiling attached and suspended fixtures. Unit entrance doors are metal framed, solid core fire rated doors and interior unit doors are hollow-core wood doors in wood frames. All of the kitchens viewed were original and reflect average condition. Several of the units viewed have newer paint and flooring. The interior of the units reflect average to above average condition, overall, and have been adequately maintained (see photos).

All kitchens are improved with an electrical range/oven with fan/hood, a dishwasher, and a refrigerator. The counter tops are laminate, the cabinets are average condition. The kitchens appear to be of average size with an adequate amount of cabinetry. Each unit has a dining area off the kitchen. Light fixtures are commensurate with the overall quality of the project. In general, the interior finish of the building has average cost of materials and average quality workmanship.

Mechanical, Plumbing and Electrical

The building has a mechanical area in the deep basement area. There is a boiler which heats the first floor of the building via a hot water hydronic heat, and a high efficiency hot water heater which is indirectly heated by the heating system boiler. The upper levels have electric baseboard heat. Electrical and plumbing are assumed to be installed to code and commensurate with the overall quality of the project. All wiring is assumed to meet code at the time of construction. The subject building has one electric meter, therefore electric is a landlord expense.

Site Improvements

The subject is improved with asphalt paved drives, designated parking, lighting, concrete walks, barbecue area with built in barbecues, and landscaping.

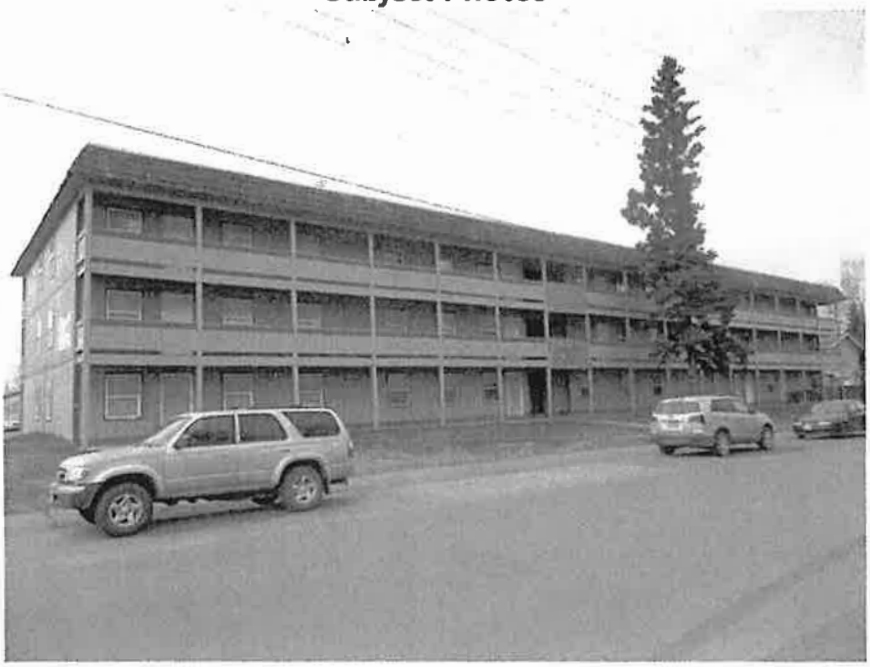
Americans with Disabilities Amendment

The subject was constructed in 1975, prior to the Americans with Disabilities Act, and none of the units appear to be handicap accessible.

Summary

All of the units have functional floor plans with average amenities, and adequate on-site parking. The subject building appears to meet typical construction standards and reflects above average condition, overall. The subject is expected to remain a competitive project in the Anchorage rental market.

Subject Photos



Subject Front View Facing Southwest

Subject Front View Facing Southeast

Subject Photos

Subject Building facing West from Taylor Street

Building Facing Southwest from Taylor Street

Subject Photos

Subject Rear View from Parking Lot

Subject West Side View

Subject Photos

Exterior Center Stairwell

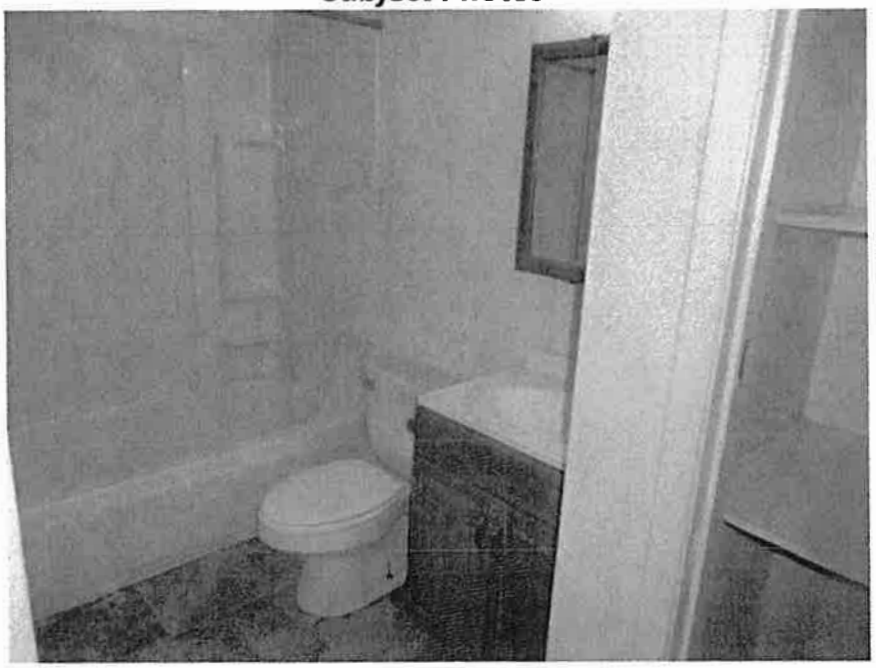
Typical Kitchen

Subject Photos

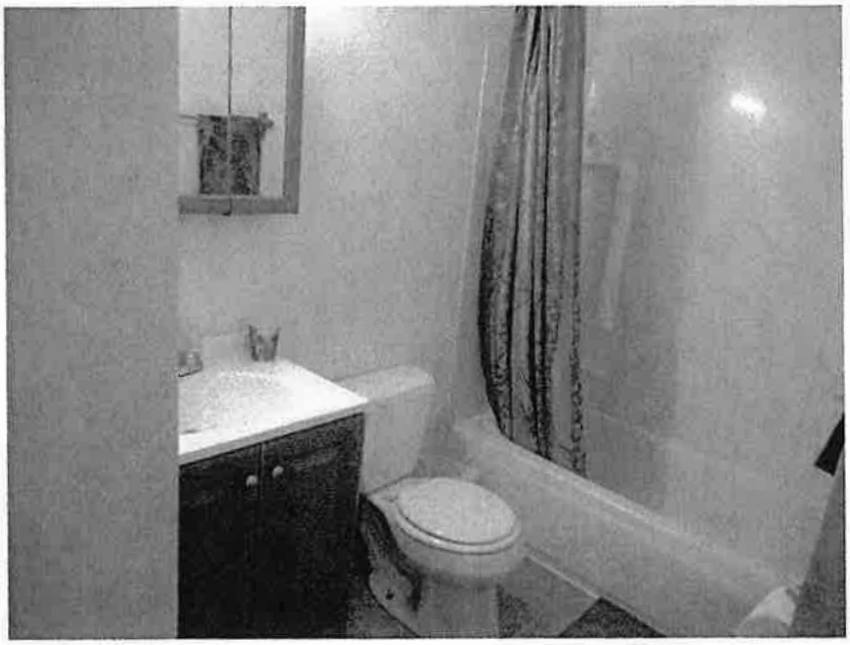
Typical Kitchen

Typical Kitchen

Subject Photos



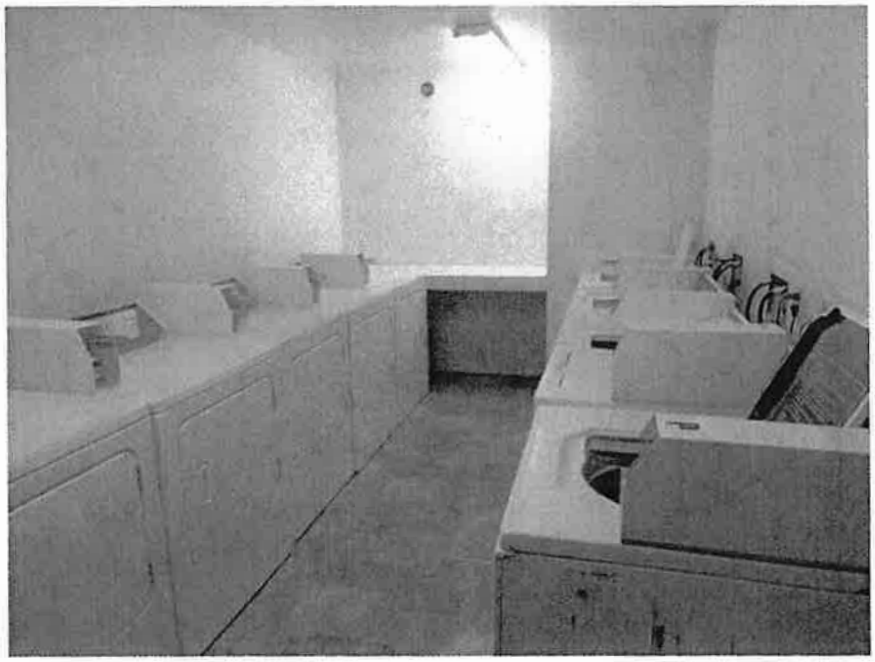
Subject Typical Bath



Subject Typical Bath

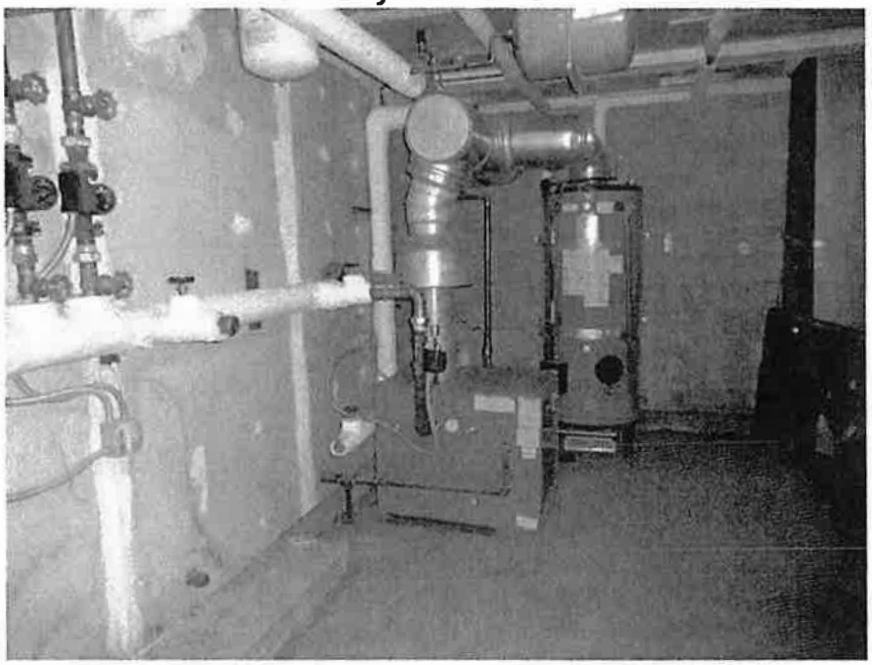
Subject Photos

Subject Typical Bath

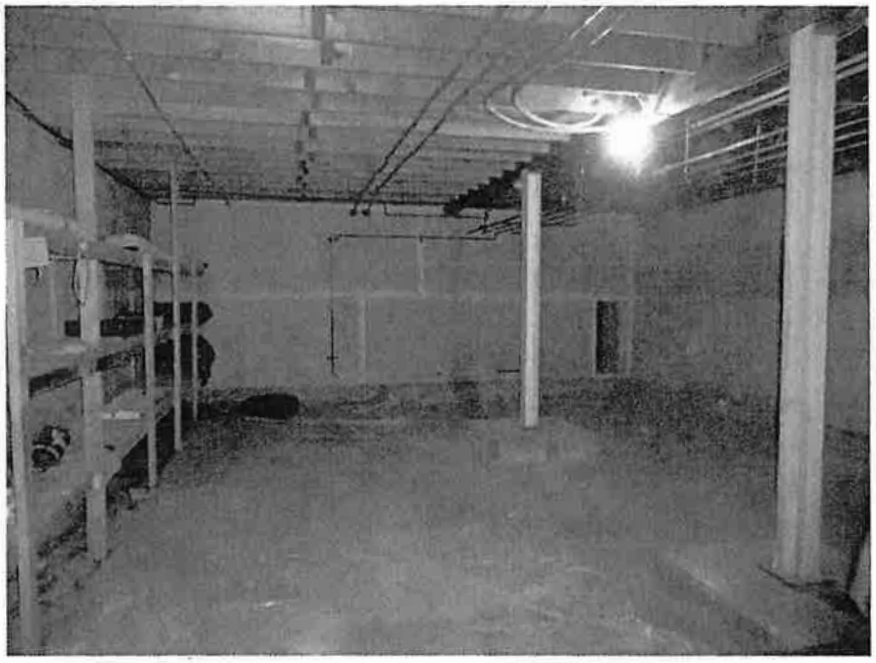


Laundry Room

Subject Photos



Deep Crawlspace Utility Area



Deep Crawlspace

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INSPECTION SUMMARY

LIFE SAFETY

1. Ensure each unit of the building has a carbon monoxide detector installed in the common area living space or hallway. None noted.
2. The kitchen stoves are missing the anti-tip bracket. Install a properly configured anti-tip bracket on each stove.
3. The bathroom fan from the unit adjacent to the lower level maintenance room was exhausting into the maintenance room. Ensure bathroom fan is properly routed/ducted to vent to the exterior of the building.
4. Replace the missing battery operated smoke alarms in the bedrooms of unit 322.
5. Replace the missing hardwired smoke alarm in the hallway of unit 216.
6. Bedbugs were noted in unit 218. Recommend professional remediation.
7. Not all kitchen countertop outlets in these units had GFCI protection installed. Ensure all outlets that can serve any portion of a kitchen countertop at functioning GFCI protection.
8. The kitchen exhaust fan in unit 104 is mounted too low. Ensure a minimum of 30" of clearance exists from the stove cooking surface to the underside of the wood cabinetry above exists.
9. The fire extinguisher was depleted in unit 322. Replace depleted fire extinguisher.
10. Inoperative electric baseboards found in unit 322, 323. Repair as necessary to ensure proper operation.
11. The water heater in the crawlspace boiler room is not properly secured with the seismic straps, and the exhaust gas flue pipe has a reverse grade and is not secured to the water heater draft hood.. Install proper blocking between the wall and the tank. Recommend a qualified mechanical contractor provide proper slope to the flue gas pipe and secure to the draft hood.
12. Exposed wiring at one of the baseboard heat system circulation pumps in the crawlspace boiler room should be properly enclosed with in the pump housing.
13. The gas clothes dryer exhaust ducting has sections of mylar flex behind the dryers and in the crawlspace area. Remove mylar flex exhaust ducting and install rigid metal exhaust ducting.
14. Recommend a professional servicing, inspection, and complete operational check of all/any heating, HRV, and hot water systems by a licensed mechanical contractor if not completed within the past 12 months. If completed, please forward receipt. Minimum service requirements consist of those in the manufacturers servicing manual. Manufacturers recommend annual servicing and repair to ensure proper operation of the these system. Technical inspection and exhaustive system operation check is not within the scope of this inspection. Repair as further recommended by HVAC technician.

SIGNIFICANT REPAIRS

1. Numerous water leaks were noted in the copper water distribution pipes throughout the entire crawlspace area. Many of the leaks appeared to be corrosion through the pipes due to oxidation. Remove and replace all corroded through, and leaking pipe.
2. Leaking drain system pipe and moisture damaged subfloor and floor framing observed in the crawlspace area under the areas where the main plumbing trees extend into the crawlspace. Repair all drain system leaks, and remove and replace all rotted wood floor structure.
3. The two water system expansion tanks in the crawlspace boiler room are full of water which indicates the internal bladder has failed. Remove and replace expansion tanks.
4. Replace the corroded dielectric fitting at the boiler circulation pump.
5. The boiler system expansion tank is currently mounted in the horizontal position and should be mounted in the vertical position as per the manufacturers installation instructions.
6. Soil in contact with the wood framed for structure rim joist along the east side exterior of the building. Properly grade so oils to prevent soil to would contact ensuring adequate slope for drainage away from the building is maintained.
7. The hot water in the faucet of the utility sink of the maintenance room ran continuously and could not be shut off. Repair to ensure proper faucet operation.
8. Corrugated drain pipe observed in the kitchen and bathroom drain pipes of the inspected units. Replace corrugated drain pipe with smoothbore rigid drainpipe.
9. The dishwasher drain pipes did not have a sink mounted air gap installed. Install a proper sink mounted air gap device.
10. The bathroom exhaust fan in unit 104, 216, 322 have no draw. Repair as necessary to ensure proper venting to the exterior of the building.
11. Moisture detected under the floor coverings at the base of the toilet in unit 216 and moisture damaged base cove observed. Remove and replace wax ring seal on toilet and ensure any/all moisture damaged materials are removed and replaced.
12. The bathtubs in unit 216, 218, and 323 have significant rust in the foot well and around the drain strainer. Recommend removing and replacing bathtubs.
13. Unit 322 has one bedroom window with a broken balance (lift spring). Replace broken balance and ensure proper operation of the window.

14. Unit 322 has a broken entry door frame. Replace broken door frame.

15. The bathroom sink drain pipe leaks in unit 327. Repair leak.

16. The crawlspace area is not vented. Install adequate cross ventilation through the crawlspace area.

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AHFC #276841 Schweizer Real Estate Investments, LLC

Pro Forma

Rental In.	From Bedrooms	Sq.Ft.	# of Units Units	Unit Rent	Gross Annual
	Eff.	380	1	$625.00	$ 7,500.00
	Eff.	400	1	$625.00	$ 7,500.00
	1	580	1	$825.00	$ 9,900.00
	2	740	15	$900.00	$ 162,000.00
	2	740	10	$1,000.00	$ 120,000.00
	2	1080	1	$1,200.00	$ 14,400.00
	3	900	1	$1,150.00	$ 13,800.00

Common Area	1092		
Total Square Foortage	22932		
Total Rental Income		30	$ 335,100.00
			$ 335,100.00
Less Vacancy & Credit Loss		5.0%	$ 16,755.00
Effective Gross Income			$ 318,345.00
Total Adjusted Income			$ 318,345.00

EXPENSES			
Management/Admin	$25,700	8.07%	%EGI
Insurance	$13,090	$436	per unit
Taxes	$24,486		
Utilities	$54,000	$2.35	per square foot
Maintenance & Repairs	$17,300	5.43%	%EGI
Replacement/Reserves	$10,300	$ 343.33	per unit
Total Expenses	$144,876	$4,829.20	per unit
% of EGI	45.51%		
Net Operating Income	**$173,469**		
Mortgage	$105,758	$1,596,000 @ 5.250% 30 amo/10 yr bal	

DSCR	**1.64**
Net Cash Flow	$67,711
Income Decrease=	21.27%
Expense Increase=	46.74%
Vacancy Increase=	25.21%

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Alaska Housing FINANCE CORPORATION

BOARD CONSIDERATION MEMORANDUM

Date: July 27, 2016 **Staff: Jan Miyagishima**
Item: Authorization to hold public hearings regarding proposed amendments to 15 AAC 151.535(b)(2)(A) and 15 AAC 151.535(b)(2)(B) Fee Schedule and Commitment Period

****

Background:
AHFC's multifamily loan commitment fee structure is established by the Board of Directors. Historically, loans originated by AHFC under the Multifamily, Special Needs and Congregate Housing Program carry a sliding commitment fee schedule commensurate to the amount to borrowing regardless of the term of the commitment. The fee schedule differentiates between for-profit and not for-profit applicants by having the not for-profit fees set at one-half of the for-profit fee structure. Not for-profit entities include a non-profit corporation, an agency of the state, a municipality, a regional housing authority, and, corporations organized under the Alaska Native Claims Settlement Act.

Discussion:
AHFC's Multifamily, Special Needs and Congregate Housing Program provides term financing for multifamily properties in Alaska that serve low to moderate income tenants. AHFC receives a loan application from an eligible borrowing entity with no application fee requirement. Upon loan committee or board of director's approval, AHFC issues a term loan commitment that details the terms and conditions under which AHFC will fund the loan. AHFC charges a commitment fee, which is intended to provide AHFC with remuneration for the associated risk of forward locking interest rates and loan terms over time. The commitment fee is one-half of the loan fee, and is collected within 30 days of the date of the commitment. The remaining balance of the loan fee is collected at the time of loan closing.

Commitment time periods can be as little as 90 days and up to two years. Typically, a 90-day commitment is used for a purchase or refinance transaction with little or no property rehabilitation. Longer commitments are issued based on the development plan for the project. A 12 month commitment is typically issued for projects that require rehabilitation where the borrower is obtaining interim financing for the rehabilitation time period. A 24 month commitment is typically used for new construction and is primarily used for loans coming through the GOAL program that are supported by low income housing tax credits, HOME funds, or senior housing development grant funding. The 24 month commitment is offered so as to cover two construction seasons.

AHFC's 1-4 family programs offer a sliding scale for commitment fees based on the requested term of the commitment. Under the urban loan programs, a 60-day commitment carries a .25% fee; a 120–day commitment carries a .375% fee; and the maximum 180-day commitment carries a .5% fee. Under the subject multifamily fee structure, there is no incentive for the applicant to close the

loan with AHFC until the expiration of the commitment. Staff is of the opinion that a sliding scale will encourage timely loan closings, and compensate AHFC for the interest rate risk associated with longer termed commitments.

Staff Recommendation:

Staff recommends regulation amendments to amend 15 AAC 151.535(b)(2)(B) to provide a range of loan fees that correspond to the term of the loan commitment. The proposed for-profit entity fee structure for a 24 month commitment is 2% on the first million dollars borrowed; 1.5% on the next four million dollars borrowed; 1% on the next ten million dollars borrowed; and .5% on the next 15 million dollars borrowed. The fee structure for a 12 month commitment will be half of these amounts, which matches the current fee structure. Loan proposals for not for-profit entities will be one-half of the for-profit fee structure and are addressed in proposed amendments to 15 AAC 151.535(b)(2)(A). The fee for commitment extensions will remain unchanged.

Staff requests authorization to hold a public hearing to obtain any testimony regarding the proposed amendments. The results of the public hearing and staff's recommendation will be brought back to the board for consideration prior to enactment of these recommendations.

Board Action Requested:

Staff requests the Board's consideration of the recommendation to increase loan fees on term loan commitments that are between 12 and 24 months and authorization to schedule a public hearing to obtain testimony regarding the proposed amendments to the commitment fee structure for the Multifamily, Special Needs and Congregate Housing loan program.

A copy of the proposed regulation amendments is attached.

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ALASKA HOUSING FINANCE CORPORATION

Resolution No. 16-23

RESOLUTION AUTHORIZING PUBLIC HEARINGS FOR PROPOSED AMENDMENTS TO 15 AAC 151.535(B)(2)(A) AND 15 AAC 151.535(B)(2)(B) FEE SCHEDULE AND COMMITMENT PERIODS

WHEREAS, the Corporation's regulations 15 AAC 151.535(b)(2)(A) and 15 AAC 151.535(b)(2)(B) Fee Schedule and Commitment Periods, is proposed to be amended to include a revised loan fee structure; and

WHEREAS, 15 AAC 151.535(b)(2)(A) is proposed to be amended to increase loan fees charged to non-profit corporations, an agency of the state, a municipality, a regional housing authority, or a corporation organized under 43 U.S.C. 1601 – 1629e for a term loan commitment exceeding 12 months; and

WHEREAS, 15 AAC 151.535(b)(2)(B) is proposed to be amended to increase loan fees charged to an individual, partnership, joint-venture, or for-profit corporation for a term loan commitment exceeding 12 months; and

WHEREAS, the provisions of AS 18.56.088 mandate that a public hearing must be conducted prior to amendment of regulations; and

WHEREAS, a copy of the draft amendments to 15 AAC 151.535(b)(2)(A) and 15 AAC 151.535(b)(2)(B) has been presented to the Board of Directors at this meeting;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Alaska Housing Finance Corporation as follows:

A. Staff is directed to hold a public hearing pursuant to the provisions of AS 18.56.088 for considerations of amendments to regulations as prepared and attached in support of this resolution; and

B. This resolution shall take effect immediately.

DATED THIS 27th day of July, 2016

_____

Brent LeValley
Chair

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NOTICE Under AS 18.56.088(d), the agency's final regulations, or amendments of regulations, may vary in content from this proposal as long as the subject matter remains the same. If your interests could be affected by agency action on the subject of this proposal, you should make public comment to the agency during the time allowed.

HOW TO READ THESE PROPOSED REGULATIONS:

The introduction to each section will show whether it is an existing regulation being amended, an existing regulation being repealed and readopted, or a new regulation.

In amendments to existing regulations:

Underlined and bold language is new.
[UPPERCASE LANGUAGE WITHIN BRACKETS IS DELETED]

A proposed new regulation or replacement of an existing regulation will not be underlined.

---

15 AC 151.535(b)(2)(A) is amended to read:

(A) for a term loan to a non-profit corporation, an agency of the state, a municipality, a regional housing authority, or a corporation organized under 43 U.S.C. 1601 - 1629e, as amended, or any wholly-owned subsidiary of such corporation:

(i) for a commitment period not to exceed 12 months:

the first $1,000,000 .50%

the next $ 4,000,000 .375%

the next $10,000,000 .25%

the next $15,000,000 .125%

(ii) for a commitment period exceeding 12 months but not to exceed 24 months:

<u>the first $1,000,000 1.0%</u>

<u>the next $ 4,000,000 .75%</u>

<u>the next $10,000,000 .5%</u>

<u>the next $15,000,000 .25%</u>

15 AAC 151.535(b)(2)(B) is amended to read:

(B) for a term loan to an individual, partnership, joint-venture, or for-profit corporation:

<u>(i) for a commitment period not to exceed 12 months:</u>

the first $1,000,000 1.0%

the next $ 4,000,000 .75%

the next $10,000,000 .50%

the next $15,000,000 .25%

<u>(ii) for a commitment period exceeding 12 months but not to exceed 24 months:</u>

<u>the first $1,000,000 2.0%</u>

<u>the next $ 4,000,000 1.5%</u>

<u>the next $10,000,000 1.0%</u>

<u>the next $15,000,000 .5%</u>

(Eff. 5/7/93, Register 130; am 8/3/94, Register 132; am 7/14/2010; Register 204; am ___/___/2016, Register ____)

Authority: AS 18.56.088 AS 18.56.090 AS 18.56.099

Editor's note: Even though the amendment of 15 AAC 151.535(b)(4) was effective 7/14/2010, it was not published until Register 204, January 2013.

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AHFC BOARD CONSIDERATION MEMORANDUM

Date: July 27, 2016 Staff: Oscar Cedano

Item: Five-Year Consolidated Housing and Community Development Plan Amendment: State Fiscal Years 2016-2020 for Approval.

HCD Plan Background

In order to receive approximately $5.2 million annually from certain programs within the U.S. Department of Housing and Urban Development (HUD), the State of Alaska must engage in a statewide housing and community development planning process. The HCD Plan was developed and approved in 2015 prior to the announcement of the National Housing Trust Fund (NHTF). The Plan now needs a substantial amendment to include the necessary elements for the State to receive, from the upcoming NHTF, an additional $3 million.

Alaska Housing Finance Corporation (AHFC) is the designated entity within the state government tasked to facilitate this process for all areas outside the Municipality of Anchorage; there are four important components of the process:

The **Citizen Participation Plan** (CPP) provides for and encourages citizens to participate in the development of the HCD Plans, any substantial amendments to the Plans, and the performance reports.

The amendment of the **Five Year Housing and Community Development Plan** (HCD Plan) describes the method the State will follow to distribute the $3 million allocation to the State of Alaska from the National Housing Trust Fund.

Each year of the HCD Plan, an **Annual Action Plan** (AAP) is produced that outlines specific activities for the upcoming year which will implement the broad goals and objectives of the HCD Plan.

At the end of each year of the HCD Plan, a **Consolidated Annual Performance Evaluation Report** (CAPER) is generated to evaluate the effectiveness of the actions proposed in the AAP and to provide a source of feedback for future Annual Action Plans.

Amending the Five-Year HDC Plan for the National Housing Trust Fund

The process to amend this Plan began in early 2016 with a notice from HUD requiring the State to create an allocation Plan that describes the way in which the State will distribute the $3 million funds from the Housing Trust Fund. The State received input from the general public in accordance with a Citizen Participation process, which includes one public hearings (June 10, 2016) and a 30-day public comment period which ended July 11, 2016.

In addition, input was received from many different planning activities, work sessions, conferences and meetings that took place over the course of the preceding months and during the SFY2017 Annual Plan development process.

Notification of availability of the draft Plan was emailed to individuals and organizations using AHFC list serves that reach approximately 400 recipients. Ads were placed in all of the state's major newspapers announcing the availability of the draft Plan and the opportunity to participate in the teleconferenced public hearing as well as a total of 30 days for the public to submit comments on the Plan that was posted on the AHFC website.

As the regulations for the new HTF are so similar to those of the HOME program, AHFC will allocate and distribute the Housing Trust Funds according to the Greater Opportunities for Affordable Living (GOAL) Program.

Action Requested

Staff requests Board approval of the Amended Consolidated Housing and Community Development Plan for the State of Alaska, covering State Fiscal Years 2016-2020 attached to this memo. After Board approval, staff will submit the documents to the U.S. Department of Housing and Urban Development for final review and approval.

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ALASKA HOUSING FINANCE CORPORATION
RESOLUTION NO. 24

RESOLUTION ADOPTING THE AMENDED FIVE–YEAR CONSOLIDATED HOUSING AND COMMUNITY DEVELOPMENT PLAN FOR THE STATE OF ALASKA, FOR SFY2016-2020, (FFY2015-2019) AND DIRECTING STAFF TO FILE THE PLAN WITH THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

WHEREAS, the State of Alaska, to retain eligibility to receive funds from the U.S. Department of Housing and Urban Development (HUD) for programs to assist low-income, homeless persons and those with special needs, must develop a Consolidated Housing and Community Development Plan; and

WHEREAS, the State must submit to HUD, every five years, said Consolidated Housing and Community Development Plan; and

WHEREAS, the scope of the Plan is the entire jurisdiction of the State of Alaska, not including the Municipality of Anchorage, which is covered by a separate plan prepared by the Municipality; and

WHEREAS, said Consolidated Housing and Community Development Plan concerns programs administered by the Department of Commerce, Community and Economic Development and the Alaska Housing Finance Corporation; and

WHEREAS, the Alaska Housing Finance Corporation was designated by the Governor to act as the lead agency in facilitating the development of the Plan, in collaboration with the other affected state agencies; and

WHEREAS, in accordance with federal regulation at 24 CFR Part 91 and with the Consolidated Housing and Community Development Plan's Citizen Participation Plan, public hearings were held on February 25, 2015, April 07, 2015, March 16, 2016, April 5, 2016, May 6, 2016 and June 10, 2016 and the draft Five-Year Plan was published for a comment period of 30 days beginning on March 13, 2015; and a specific comment period of 30 days, ending July 11, 2016, was added for the public to comment on the National Housing Trust Fund as part of the Con Plan; and

WHEREAS, a final draft has been prepared that incorporates and responds to comments received during the aforesaid public comment periods;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Alaska Housing Finance Corporation hereby adopts the amended Five-Year Consolidated Housing and Community Development Plan for the State of Alaska, for SFY2016-2020 (FFY2015-2019), and directs staff to submit said Plan to the U.S. Department of Housing and Urban Development for its review and approval and to accomplish any revisions directed by HUD in order to facilitate approval.

This resolution shall take effect immediately.

PASSED AND RESOLVED this, the 27th day of July, 2016.

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Brent LeValley, Board Chair

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CONSOLIDATED HOUSING AND COMMUNITY DEVELOPMENT PLAN FOR THE STATE OF ALASKA

FIVE-YEAR PLAN

&

ANNUAL ACTION PLAN

State Fiscal Years 2016-2020
(Federal Fiscal Years 2015-2019)

May 15, 2015

4300 Boniface Parkway • Anchorage, Alaska 99504 • P.O. Box 101020 • Anchorage, Alaska 99510
907-338-6100 (Anchorage) or (Toll-Free) 1-800-478-AHFC (2432) • www.ahfc.us

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ES-05 Executive Summary - 91.300(c), 91.320(b)

1. Introduction

The U.S. Department of Housing and Urban Development (HUD) provides funding for housing and community development through several formula grant programs. Alaska receives approximately $8 million annually for four of them: the HOME Investment Partnership Act (HOME), the Community Development Block Grant Program (CDBG), the National Housing Trust Fund (HTF), and the Emergency Solutions Grant Program (ESG). In order to maintain eligibility for these, the State must engage in a consolidated planning process that results in the development of this Five-Year Housing and Community Development Plan (HCD Plan) as well as several other documents.

In Alaska, two Participating Jurisdictions (PJs) receive formula funding for the CDBG, HOME, and ESG programs; the Municipality of Anchorage and the State of Alaska. The Alaska Housing Finance Corporation (AHFC), on behalf of the State of Alaska, will administer the National Housing Trust Fund. Under NHTF regulations, the only jurisdiction, other than the state of Alaska, eligible to receive a sub-grant of NHTF is the Municipality of Anchorage (MOA). The MOA has requested a sub-grant of NHTF to administer directly in Anchorage. Pursuant to 24 CFR 91.320(k)(5), the State must submit and HUD must approve an HTF allocation plan that addresses its intent to award HTF funds to MOA.

The Municipality of Anchorage is responsible for the preparation and maintenance of its own HCD Plan. The State of Alaska's HCD Plan covers all geographic areas of Alaska outside of the Municipality of Anchorage; often referred to as the "balance of state."

The State of Alaska's HCD Plan is a cooperative effort among the Alaska Housing Finance Corporation (AHFC), the Alaska Department of Commerce, Community and Economic Development (DCCED), the Alaska Department of Health and Social Services (DHSS), the Alaska Mental Health Trust Authority (AMHTA), the Alaska Governor's Council on Disabilities and Special Education, and the Alaska Workforce Investment Board (WIB). AHFC is the lead agency in the preparation and maintenance of the State's Consolidated Plan.

Title 1 of the Housing and Economic Recovery Act of 2008 established the Housing Trust Fund. The HTF may be used for the production or preservation of affordable housing through the acquisition, new construction, reconstruction, and/or rehabilitation of non-luxury housing with suitable amenities. All HTF-assisted units will be required to have a minimum affordability period of 30 days. A Cost Allocation plan must be developed by the participating states. AHFC has been designated by the State Governor to be the recipient of the HTF and to administer the funds. AHFC, as part of the planning process for the Annual Plan has requested the participation of the public for the allocation of HTF as part of the GOAL program and its activities. https://www.hudexchange.info/programs/htf/.
AHFC is considering providing the MOA with a sub-grant of $545,085 in NHTF equivalent to the MOA FY2016 allocation of HOME funds. The remaining NHTF will be administered for the area of Alaska

outside of Anchorage consistent with the participating jurisdictional boundaries of the HOME program. The balance of state funds will be allocated through the annual GOAL – Greater Opportunities for Affordable Living program. The Rating and Award Criteria Plan for the GOAL program will set the priorities for the allocation of NHTF. In this way it will be coordinated with the Low Income Housing Tax Credit, HOME Investment Partnership and Senior Citizens Housing development Fund programs, within a single annual application process. Please visit the following URL for more information regarding the GOAL Program: https://www.ahfc.us/pros/grants/development-grants/goal/

The State's five-year Consolidated Housing and Community Development Plan (SFY-2016-2020) profiles housing and community development (HCD) conditions in Alaska, outlines an assessment of HCD needs, and provides a market analysis of the environment in which these needs exist. This five-year plan includes a strategy to be followed in carrying out HUD programs, and other resources leveraged in conjunction with these programs. Implementation of the five-year plan will be done through a series of one-year Annual Action Plans (AAP), based on the State of Alaska's fiscal year. The AAP identifies housing and community development resources expected to be available and it provides the details for the use of HOME, CDBG, HTF, and ESG funds during the year. The AAP includes a description of how funds will be allocated, the program activities to be undertaken, and the amount of funds to be distributed for each program activity. Also included in the AAP is an overview of homelessness needs and actions to be undertaken to address homelessness, special needs housing, lead based paint hazards, collaboration with the public housing agency, and non-housing community development concerns. The AAP will provide a basis for assessing effectiveness through completion of the Consolidated Annual Performance Evaluation Reports (CAPER).

This HCD Plan will provide guidance to the State regarding expenditure of HOME, CDBG, HTF, and ESG funds over the next five years (July 1, 2015 through June 30, 2020). As the Plan was developed, the following points were recognized:

- The seven Guiding Principles developed during the drafting of the Plan are roughly the same as those found in the current HCD Plan based on public comment and with recognition of the increasing necessity to consider transportation when determining cost and location of housing development.
- The population of Alaska has grown 10.6%, from 664,334 in 2009 to 735,132 in 2013. During the same time period, the population in the "balance of state" (all areas, but Anchorage) grew 4%, from 278,407 to 290,588.
- The two biggest housing related issues moving forward into the next five years are in-state migration from rural areas to urban areas and the growth in the senior population.
- Some people are aware of fair housing laws, who to call if they have a complaint, but more work is needed to continue to increase awareness of the protections these laws provide tenants.

- Affordable housing has become more available, but is still a primary need across the State.
- Homelessness remains an important concern, particularly as uncertainty exists with the national economy and recidivism in the corrections system remains high.
- The availability of housing accessible for persons with a disability remains a barrier for many households.
- Compared to the rest of the country, Alaska has weathered much of the real estate turmoil from recent years. This has helped maintain the general health of the housing industry and demand for affordable housing and community development projects.

Overall, the housing and community development situation in Alaska has improved during the past five years. The work done during that period with HOME, CDBG and ESG funds, as well as other related state and federal monies, has had a positive effect, but there is more work to be done. This HCD Plan provides the strategy by which that work can be accomplished so that growth, improvement and success will continue for the next five years.

2. Summary of the objectives and outcomes identified in the Plan Needs Assessment

The statutory goal of the HCD Plan is to:
Provide decent housing, create suitable living environments, and expand economic opportunities for Alaskans at or below 80% of median income.

Guiding Principles

A set of seven guiding principles direct the use of program resources covered by this Consolidated Plan. The wide range of housing and community development conditions across Alaska makes the use of guiding principles the most practical and effective means of targeting scarce HCD resources. The 2016-2020 guiding principles are:

1) **The use of federal housing and community development funds should emphasize benefit to low income Alaskans and increase sustainable housing and neighborhood options for Alaskans.** Rationale: The amount of federal funds is limited; greatest needs are among the lowest-income households. Low to moderate income Alaskans should not have their housing options limited to only lower-income neighborhoods.

2) **Use of community development funds should emphasize the creation of economic opportunity through development of infrastructure**. Rationale: Basic infrastructure is lacking in many of Alaska's communities and is a major barrier to economic self-sufficiency. Location-efficient facility decisions can reduce the operating and capital expenses associated with transportation.

3) **Preserve and upgrade existing housing supply through weatherization and rehabilitation**. Rationale: Because it is so expensive to develop new housing, every effort must be made to prolong the useful life and to lower operating costs of Alaska's existing housing.

4) **Use of federal homeless funds should emphasize activities that maintain and strengthen the service delivery system for Alaska's homeless, consistent with local strategies**. Rationale: Very little formula funding is available for services to help the homeless and near-homeless.

5) **Maximize the use of federal housing and community development funds by supporting projects that include significant leveraging resources.** Rationale: The amount of federal funds is limited; more can be accomplished if federal funds are combined with state and local resources.

6) **Expand the supply of affordable housing for Alaskans with special needs, incorporating universal design and appropriate supportive services.** Rationale: Existing housing supply is inadequate to meet current and projected need for this population, which has historically been underserved.

7) **Housing and community development projects should incorporate climate specific design and engineering, energy efficient community design and construction techniques and innovative technologies.** Rationale: Use of appropriate technologies insures long term viability of housing and community development projects. Communities designed in consideration of the link between transportation and housing costs, can minimize the consumption of energy used for mobility.

Outcome Performance Measures

The Outcome Performance Measurement System for Community Planning and Development Formula Grant Programs was implemented during SFY 2007 (FFY 2006). The State determined that performance measure additions did not constitute a significant amendment under its citizen participation plan. Beginning with the SFY 2008 Annual Action Plan, the state incorporated performance measures for (Federal) Fiscal Year 2007 CDBG, HOME and ESG funding. In addition to comparing quantifiable achievements (i.e. units built) with projected goals to determine program success, performance evaluation includes a review of needs fulfillment. Each Goal is correlated with a Need of Priority, a measured outcome relevant to the activity type and purpose.

Outcome categories are:

a. Reduction and Prevention of Homelessness—In general, this relates to activities that are designed to assist chronically homeless, families with children, veterans, unaccompanied youth and other homeless persons and those at-risk of homelessness.
b. Decent Housing— The activities that typically would be found under this Outcome are designed to cover the wide range of housing possible under the HOME, CDBG, NTF or ESG programs. The objective is to focus on housing programs where the purpose of the program is to meet individual family or community needs; not programs where housing is an element of a larger effort, since such programs would be more appropriately reported under Suitable Living Environment.
c. Creating Economic Opportunities— These are the types of activities related to economic development, commercial revitalization, or job creation.

Evaluation of past performance

The constant reduction in formula funds, due to inflation, that are allocated to Alaska makes the process of setting goals ever more challenging. Despite this increasing limitation, the State has managed to surpass the expected goals set by the SFY2010-SFY2015 Consolidated Plan.

Although the Owner Occupied Rehabilitation Program (ORP) is a long running program under HOME, production has been limited by inflation and increased transportation costs reducing the impact of the ORP program over time. In addition, the HOME Final Rule regarding Homeowner Rehabilitation has made it more difficult and costly on a per unit basis due to new inspection and code standards. As a result, no new allocation of ORP funding is anticipated in future action plans. These funds will be re-allocated to other HOME component programs, Tenant Based Rental Assistance, Home Opportunity Program, or the rental housing development.

Alaska Housing Finance Corporation will continue to support the Alaska Coalition on Housing and Homelessness in its efforts to develop a framework and a plan to significantly and measurably reduce homelessness in Alaska. Although the movement to national or regional competitions has made Alaska less competitive for Section 202/811, the state was successful in receiving a five-year award of $7.7 million in Section 811 rental assistance for persons with disabilities.

The process to develop the SFY2015 CAPER will begin in early July 2015 with a fifteen-day public comment period on the draft CAPER anticipated in late August or early September of 2015. The SFY2015 CAPER will be submitted to HUD by September, 2015. The SFY2015 Annual Performance Report is available at: http://www.ahfc.us/rent/plans/.

THE PROCESS

PR-05 Lead & Responsible Agencies 24 CFR 91.300(b)

Agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Alaska's Consolidated Housing and Community Development Plan was created and maintained through a joint effort of several state agencies. An Interagency Steering Committee was created for this process. It includes representatives from AHFC, the Alaska Department of Commerce, Community and Economic Development (DCCED), the Alaska Department of Health and Social Services (DHSS), the Alaska State Department of Labor (DOL), and the Alaska Governor's Council on Disabilities and Special Education. As the lead agency in HCD planning, AHFC facilitates the process and provides a single point of contact for the public on matters relating to the HCD Plan. The Consolidated Plan reflects the collective priorities of many agencies, organizations and private citizenry within the State of Alaska. These groups and individuals represent a variety of housing and community development programs and concerns. Other entities giving input include state and local governments, non-profit organizations, regional housing authorities and representatives of the private sector.

Private Citizens (particularly those with low incomes or residing in areas in which community development activities are likely to take place) are encouraged to participate in the development and review of the AAP. Pursuant to federal regulation (24 CFR 91.115) the State of Alaska has developed and adopted a Citizen Participation Plan encouraging public participation in the HCD Planning process.

Alaska's size and wide range of social, economic and physical environments present many challenges to any planning process. A variety of approaches were used to ensure the public had opportunities to participate in the SFY2016 AAP. The Interagency Steering Committee met on November 25, 2014 and provided ongoing input and review of the AAP. Three statewide teleconferenced public hearings were held on February 25, 2015, April 7, 2015, and June 6, 2016 to obtain public comment regarding housing and community development in preparation for drafting the SFY2016-2020 Consolidated Plan and the SFY2016 Annual Action Plan.

The draft AAP was made available for public review and comment on March 13, 2015 for a minimum of 30 days which ended on April 13, 2015. The draft was also posted for public review following the announcement of the National Housing Trust Fund allocation by HUD on June 6, 2016 for a minimum of 30 days, which ended July 7, 2016. Notification of the availability of the draft plan, and the public

hearing were advertised in the Anchorage Daily News, a newspaper of statewide circulation, and in a number of regional and community newspapers.

Announcements of the availability of the draft plan were sent to many individuals, organizations and local governmental entities via electronic list serve. The draft plan was made available on AHFC's website or in hard copy by contacting the HCD Plan Coordinator. The availability of the draft plan was posted on the AHFC Facebook page. Public comments on the draft SFY2016-2020 Con Plan were received through April 13, 2015 and July 7, 2016 and were considered. The AHFC's Board of Directors reviewed the plan at their April 29, 2015 meeting prior to the plan being submitted to HUD in May, 2015 and prior to the submission of the Substantial Amendment for the Housing Trust Fund allocation in 2016.

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	ALASKA	Alaska Department of Commerce and Community Development
HOME Administrator	ALASKA	Alaska Housing Finance Corporation Planning and Program Development
Housing Trust Fund	Alaska	Alaska Housing Finance Corporation Planning and Program Development
ESG Administrator	ALASKA	Alaska Housing Finance Corporation Planning and Program Development

Table 1 – Responsible Agencies

Consolidated Plan Public Contact Information

Mark Romick, Director
Planning and Program Development Department
Ph. 907-330-8274
mromick@ahfc.us

PR-10 Consultation - 91.110, 91.300(b); 91.315(l)

1. Introduction

Concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l))

As the housing Authority for the State of Alaska and the recipient of Continuum of Care and HOPWA Competitive funds, AHFC applies for planning funds whenever possible. The State distributes these funds in the form of grants to the two CoCs in the state for coordinated assessment of needs. AHFC is at the same time an active participant in the institutional delivery consortium statewide. AHFC chairs the state Council on the Homeless which has representation from other state agencies, the Alaska Mental Health Trust Authority, service providers on the Council. Council meetings serve as a coordinating opportunity for these groups and other interested housing providers. Council meetings are often held in conjunction with the state Alaska Coalition on Housing and Homelessness, a statewide housing and supportive services coordinating body.

Coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness

Alaska Housing Finance Corporation (AHFC) serves as both the designated homeless agency for the State of Alaska and a Collaborative Applicant for AK-501 Continuum of Care (CoC). Throughout the CoC application process, AHFC is intimately involved in assisting the CoC in establishing priorities and objectives to address the needs of Alaska's homeless. In addition, AHFC works closely with the CoC throughout the year to identify areas of unmet need and determine funding priorities. This relationship helps inform AHFC's funding priorities to address the needs of Alaska's homeless, especially the chronically homeless, families with children, veterans, and unaccompanied youth.

Consultation with the Continuum(s) of Care that serves the state in determining how to allocate ESG funds, develop performance standards and evaluate outcomes, and develop funding, policies and procedures for the administration of HMIS

As the designated housing agency and collaborative applicant for the AK-501 Continuum of Care (CoC), Alaska Housing Finance Corporation (AHFC) consults with the Alaska CoC on an ongoing basis.

Annually, AHFC reports on the current and upcoming ESG and state-funded BHAP programs in conjunction with a meeting of the Alaska Coalition on Housing & Homelessness. The discussion includes how the relatively small amount of ESG funds awarded to Alaska will be allocated and performance standards. AHFC provides periodic reports to the CoC on the use of SRA funds by recipients as well as other state and federal programs targeting homeless services.

AHFC helps fund the HMIS system for the Balance of State and is an integral part of all CoC meetings and the Data Consortium Committee, which decide the operation and administration of the system.

Agencies, groups, organizations and others who participated in the process and describe the jurisdictions consultations with housing, social service agencies and other entities

The State of Alaska's HCD Plan covers all geographic areas of Alaska *outside of the Municipality of Anchorage*; often referred to as the "balance of state."

The State of Alaska's HCD Plan is a cooperative effort among the Alaska Housing Finance Corporation (AHFC), the Alaska Department of Commerce, Community and Economic Development (DCCED), the Alaska Department of Health and Social Services (DHSS), the Alaska Mental Health Trust Authority (AMHTA), and the Alaska Governor's Council on Disabilities and Special Education among others. AHFC is the lead agency in the preparation and maintenance of the State's Consolidated Plan.

During the year leading up to, and in preparation for, the drafting of the SFY2015 Annual Action Plan, AHFC representatives have also gathered information on housing needs with such groups and in such forums as:

- Alaska Association of Housing Authorities
- Alaska Coalition on Housing and Homelessness
- Alaska Commission on Aging Quarterly Meetings
- Alaska Council on Domestic Violence and Sexual Assault
- Alaska Council on the Homeless (The Governor's Council)
- Alaska Department of Labor Research & Analysis – Market Indicators Report
- Alaska Mental Health Board
- Alaska Mental Health Trust Authority Affordable Housing Work Group
- Alaska Prisoner Reentry Task Force and Housing Work Group
- Alaska State Demographers Report
- Anchorage Chamber of Commerce Presentations on Affordable Housing
- Anchorage Economic Development Corporation Presentations on State Economy
- Anchorage Downtown Partnership, Inc. – Housing Anchorage
- Annual Affordable Housing Tax Credit Conference by Novogradac & Co.
- Annual Conference of the Alaska Chapter of the national Association of Social Workers
- Annual report of statistics from the United Way of Anchorage on the Statewide 211 Information and Referral System
- Council of State Community Development Agencies Annual HOME, Supportive Housing Program Manager Training
- Fairbanks Homeless Coalition
- Governor's Council on Disabilities and Education - Developmental Disability Committee
- Juneau Affordable Housing Commission
- Juneau Homeless Coalition
- Mat-Su Homeless Coalition

- Meetings with Senators Mark Begich and Lisa Murkowski and Representative Don Young on national and State of Alaska housing issues.
- Meetings with State Legislative Representatives from Juneau, Anchorage, Nome, and Kotzebue regarding affordable housing and related issues.
- Municipality of Anchorage Mayors Kitchen Cabinet on Affordable Housing
- National Council of State Housing Agencies (NCSHA) Spring and Winter Meetings
- National Finance Development Seminar Sponsored by NAHRO
- News Service Monitoring – Statewide and National Housing News
- Program Monitoring of thirty-four AHFC Grantees
- Public Housing Forums regarding Preferences and administration of Section 8 Program
- Statewide Independent Living Council
- Valley Charities, Inc. Wasilla, AK
- Wells Fargo Alaska Advisory Committee
- Weatherization Summit

Agency Types not consulted and provide rationale for not consulting
N/A

Cooperation and coordination among the State and any units of general local government, in the implementation of the Consolidated Plan (91.315(l))
A number of other sources of data and planning input in the area of housing and community development have been used in the preparation of this SFY2016-2020 Plan. The Consolidated Planning process is designed to incorporate a broad scope of input and perspectives, and a wide range of resources targeted towards housing and community development. Examples of input from other planning and research efforts are included above:

During SFY2016-2020, the HCD Interagency Steering Committee will review other sources of planning and research for potential input into the Plan.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Comparative Analysis of Prescriptive, Performance-Based and Outcome-Based Energy Code Systems, May 2011, AHFC with Cascadia Green Building Council
"Moving to Work" National Conference – February 2015
Alaska Continuum of Care for the Homeless---Homeless Strategy for All Areas Outside of Anchorage.
AHFC---Moving to Work Plan – ongoing throughout 2015
AHFC --- Housing Needs Assessment, 2014
AHFC's Annual Homeless Point in Time Survey Results
Alaska Homeless Management Information System Data
Alaska Council on the Homeless, Ten-Year Plan to Reduce Homelessness
Alaska Council on the Homeless, Ten-Year Plan to reduce Homelessness – Five-year update Working Group

Cold Climate Housing Research Center --- Alaska Energy Efficiency Program and Policy Recommendations; June, 2008
NCSHA Federal Liaisons Monthly Telephone Round Table
Alaska Department of Environmental Conservation---Village Safe Water
Alaska Department of Health and Social Services---Comprehensive Integrated Mental Health Plan.
Alaska Department of Transportation ---Statewide Transportation Improvement Program
Kenai Peninsula Borough---Quarterly Report of Key Economic Indicators
2014 Mat-Su Borough Housing Assessment and 2015 Housing Forum Report
Alaska Tribally Designated Housing Entities--- NAHASDA Indian Housing Plans
Spring and Fall 2014 Alaska Housing Market Indicators:

- Quarterly Survey of Alaska Lenders, the
- Quarterly Survey of Alaska Permitting Activity,
- the Annual State of Alaska Rental Market Survey and
- the Construction Cost Survey The Foraker Group

Alaska Economic Development Corporation Annual Economic Forecast Presentation – January 2015
Alaska Prisoner Reentry Task Force, Five Year Prisoner Reentry Strategic Plan 2011-2016; February, 2011
State of Alaska – 2015 recidivism Reduction Plan: Cost-Effective Solutions to Slow Prison Population Growth and Reduce Recidivism
State Interagency Working Group – 2015 National Resiliency Disaster Competition – Division of Emergency Services and Homeland Security, Department of Environmental Conservation, Department of Commerce and Community Economic Development
Alaska Long-term Disaster Recovery Housing Task Force – Galena Recovery Project

PR-15 Citizen Participation - 91.115, 91.300(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation

Summary of citizen participation process and how it impacted goal-setting

The development of the HCD Plan is a result of input from a number of different sources. Those providing input include individuals, state agencies and local governments, non-profit organizations, regional housing authorities and tribally designated housing entities, and the private sector. The HCD Plan also encourages the involvement of private citizens, particularly those with low incomes or residents of areas in which community development activities are likely to take place. Federal regulations require the State adopt a Citizen Participation Plan, encouraging the public to participate in the development of the HCD Plan, and outlining the steps the State will take to solicit public input. Alaska's expansive geography and widely varying conditions offer challenges for the implementation of the State's Citizen Participation Plan. A number of different approaches may be used to maximize public input including:

Interactive workshops
Public hearings
Teleconferences
Working groups
Focus Groups
Linkages with other planning efforts
Internet surveys
Internet communications

The State uses teleconferencing and the internet to overcome the barriers of distance. Citizens in even the most remote areas of the State are given the opportunity to participate in the HCD process. AHFC's web-site (www.ahfc.us) provides an overview of the HCD planning process, and offers an electronic means of providing HCD input. Other state, federal and non-profit agency web-sites are linked to AHFC's web-site. Some of these links include the Alaska Mental Health Trust Authority; the Alaska Coalition on Housing and Homelessness; the Alaska Department of Commerce, Community and Economic Development; and the Alaska Department of Health and Social Services.

All of the public hearings held in conjunction with the development of the five-year plan have been extensively advertised on the AHFC website, in statewide and local newspapers and via emails. An overview of the five-year HCD planning process, anticipated timelines for completion and program performance were discussed at the events mentioned below; comments were encouraged. On February 25, 2015, a public hearing and statewide teleconference was held to obtain public input

prior to drafting the HCD Plan. A second public hearing and statewide teleconference after the release of the draft plan was conducted on April 7, 2015. Additionally, AHFC consulted with the following entities in drafting the HCD Plan:

Alaska Coalition on Housing and Homelessness – December 16, 2014 and April 21, 2015
Alaska Governor's Council on Disabilities and Special Education – Nov 19, 2014, Jan 7, 2015
Alaska Interagency Steering Committee – November 25, 2014
Fairbanks Homeless Coalition – April 16, 2015
Kenai Homeless Coalition in 2015
Association of Alaska Housing Authorities – ongoing throughout 2015
Juneau Homeless Coalition – April 19, 2015
Affordable Housing Partnership – in 2015
Anchorage Homeless Coalition – March 26, 2015
Matanuska Susitna Homeless Coalition – in 2015

The draft plan was released on March 13, 2015 with public comments accepted through April 13, 2015. AHFC's Board of Directors approved the SFY 2016-2020 HCD Plan on April 29, 2015 and directed AHFC staff to submit it to HUD. All public comments and the State's responses to the comments are in Appendix A.

Needs Assessment

NA-05 Overview

The needs of households who are either homeless or at risk of homelessness vary greatly across the state. In some locales, each of the homeless subpopulations has a place to go in the event of a housing crisis. Other communities only offer shelter to a few groups such as victims of domestic violence or runaway youth. Rather than prioritize certain subpopulations or housing types for the entire state, a high priority is given to local plans and their identified unmet needs. The development and maintenance of a flexible array of funding tools are a key component of the state's five-year affordable housing strategy.

The use of federal housing and community development funds should be responsive to local conditions and priorities and fund services that lack alternative means of support. Existing homeless facilities should be preserved through operating support and rehabilitation activities. Homeless facility upgrades should incorporate energy efficient features to reduce operating costs.

NA-10 Housing Needs Assessment - 24 CFR 91.305 (a,b,c)

Demographics	Base Year: 2000	Most Recent Year: 2013	% Change
Population	626,932	735,132	17%
Households	221,804	246,015	11%
Median Income	$51,571.00	$72,237.00	40%

Table 2 – Housing Needs Assessment Demographics Data Source: 2000 Census (Base Year), Alaska Department of Labor and Workforce Development Research and Analysis 2013 1-year

Summary of Housing Needs

Based on the percentage taken between the State and the Municipality of Anchorage, the data analysis assumes a straight line ratio across all fields using 59%, which is the population residing outside of the Municipality of Anchorage.

As of 2013, according to the Alaska Department of Labor and Workforce Development, the total Alaska population was estimated at 735,132. The geographic area covered by this HCD Plan encompasses all areas of Alaska except the Municipality of Anchorage, commonly referred to as the "balance of state." The 2013 population and household estimate for the balance of state was 434,182 and a 145,149, respectively.

Based on the 2007-2011 CHAS data tables, the group in greatest need are those in the 0-30% AMI Income group. Of those in this group, almost all experience at least one of the housing concerns listed in the table. More than half have a cost burden of over 50% or must live in inadequate housing. For the 30-50% AMI Income group, roughly 30% have a cost burden of over 30%. As income increases across the table, the concerns decrease. This can be expected that those with more

income can find adequate housing but may have a higher cost burden for those conditions when compared to others in the same income group.

Due to the limited and aging housing stock throughout Alaska, along with the high cost of land and construction materials and labor, Alaskans are burdened with high housing costs due to unavailability of housing. Further, residents may not be able to find adequate housing within their community. In some areas, housing is dependent on community infrastructure. Although water and sewer have been a priority in the rural areas, some communities are still using honey buckets.

Number of Households Table

	0-30% HAMFI	>30-50% HAMFI	>50-80% HAMFI	>80-100% HAMFI	>100% HAMFI
Total Households *	8793	9174	13402	9259	47415
Small Family Households *	2757	3554	5463	4155	26689
Large Family Households *	564	1682	1592	1199	4732
Household contains at least one person 62-74 years of age	1290	1587	2012	1349	6896
Household contains at least one person age 75 or older	761	879	811	496	1556
Households with one or more children 6 years old or younger *	1906	2341	3250	2041	5888
* the highest income category for these family types is >80% HAMFI					

Table 2 - Total Households Table Data Source: 2007-2001 CHAS

Housing Needs Summary Tables

1. Housing Problems (Households with one of the listed needs)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Substandard Housing - Lacking complete plumbing or kitchen facilities	1121	614	746	248	2729	1221	920	985	510	3637

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
Severely Overcrowded - With >1.51 people per room (and complete kitchen and plumbing)	263	224	227	183	897	89	153	274	115	631
Overcrowded - With 1.01-1.5 people per room (and none of the above problems)	351	611	699	268	1929	124	304	534	404	1366
Housing cost burden greater than 50% of income (and none of the above problems)	5003	2269	708	59	8039	2785	1808	1590	493	6676
Housing cost burden greater than 30% of income (and none of the above problems)	1159	3047	3714	1322	9242	561	1354	3065	2929	7909
Zero/negative Income (and none of the above problems)	239	0	0	0	239	156	0	0	0	156

Table 2 – Housing Problems Table Source: Data 2007-2011 CHAS

2. Housing Problems 2 (Households with one or more Severe Housing Problems: Lacks kitchen or complete plumbing, severe overcrowding, severe cost burden)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Having 1 or more of four housing problems	6738	3717	2384	758	13597	4219	3189	3381	1525	12313
Having none of four housing problems	2307	5006	9074	5313	21700	1248	3637	7874	8098	20857
Household has negative income, but none of the other housing problems	239	0	0	0	239	156	0	0	0	156

Table 3 – Housing Problems 2 Data Source: 2007-2011 CHAS

3. Cost Burden > 30%

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	4,100	4,610	3,455	12,165	2,085	2,110	3,875	8,070
Large Related	650	790	750	2,190	385	570	1,085	2,040
Elderly	2,210	1,150	625	3,985	2,045	2,040	1,795	5,880
Other	5,205	3,500	3,070	11,775	2,505	1,255	1,915	5,675
Total need by income	12,165	10,050	7,900	30,115	7,020	5,975	8,670	21,665

Table 4 – Cost Burden > 30% Data Source: 2007-2011 CHAS

4. Cost Burden > 50%

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	3,460	1,985	810	6,255	1,665	1,345	1,215	4,225
Large Related	375	395	50	820	250	265	185	700
Elderly	1,360	390	110	1,860	1,530	920	685	3,135
Other	4,360	1,300	280	5,940	2,150	730	750	3,630
Total need by income	9,555	4,070	1,250	14,875	5,595	3,260	2,835	11,690

Table 5 – Cost Burden > 50% Data Source: 2007-2011 CHAS

5. Crowding (More than one person per room)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Single family households	1,270	1,460	1,510	715	4,955	560	915	1,295	805	3,575
Multiple, unrelated family households	70	155	200	110	535	130	295	555	275	1,255
Other, non-family households	115	34	210	8	367	24	15	10	15	64
Total need by income	1,455	1,649	1,920	833	5,857	714	1,225	1,860	1,095	4,894

Table 6 – Crowding Information – ½ Data Source: 2007-2011 CHAS

Describe the number and type of single person households in need of housing assistance.

Estimating the number of single person households involves a few assumptions. Based on the American Community Survey for 2013, 33% of all households in Alaska are one person households. Using that percentage and the U.S. Census Bureau estimate of the number of households in Alaska between 2009 and 2013 is 251,899; that would mean there are 83,126 single households in the State.

A more conservative approach would estimate the single person households by using strictly renters (36.2% of the total households) and taking the estimated 46% of their population that have been observed as single person households in recent market studies. Extrapolating these numbers across the State would yield a single person household estimate of 41,946 households.

These single person households are more likely to be concentrated in the young and elderly population cohorts. Based on a 2009 AHFC Senior Housing Assessment, two thirds of seniors will need some form of housing assistance in order to maintain their housing cost at 30% of their income.

Number and type of families in need of housing assistance who are disabled or victims of domestic violence, dating violence, sexual assault and stalking.

Several sources of information were drawn upon to estimate the demand for accessible housing in Alaska. The U.S. Census Bureau provides disability data based on three primary sources: the Survey of Income and Program Participation, the decennial census of population, and the Current Population Survey. Nationwide, the overall disability rate is estimated at approximately 20%. The Census Bureau defines a disability as difficulty in performing functional activities (seeing, hearing, talking, walking, climbing stairs and lifting and carrying a bag of groceries) or activities of daily living (getting into and out of bed or a chair, bathing, getting around inside the home, dressing, using the toilet, and eating), or other activities relating to everyday tasks or socially defined roles. A person with a severe disability is completely unable to perform one of these activities of tasks and/or needs personal assistance. An estimated one in ten persons nationally experiences a severe disability according to Census Bureau estimates.

Disability rates vary by age. According to the U.S. Census Bureau, overall Alaska disability rate for the population aged 5 and younger is 14.9%. For persons aged 5 to 20 years old, 5.7% are persons with a disability. This figure increases to 14.6% for persons 21 to 64 years old. The rate nearly triples to 47.8% for persons 65 years and over. With Alaska's senior population projected to increase rapidly over the next five years, increasing numbers of Alaskans will experience some form of disability.

Source: Alaska Governor's Council on Disabilities and Special Education.

Most common housing problems?

Over 4,500 rural Alaska homes lack running water and a flush toilet. Many more depend on aging and deteriorating piped and haul systems. Lack of in-home water and sewer service in rural Alaska causes severe skin infections and respiratory illnesses. Residents of Southwest Alaska suffer rates of invasive pneumococcal disease (IPD) that are among the highest in the world. To correct this public health problem, agencies have funded conventional, community-wide piped and truck haul systems. Although these systems work, they are expensive to construct and many communities cannot afford their high operational costs.

Funding to build systems has declined severely while costs have risen sharply. The deficit between available funds and needs is over $660.3 million.

Source: Alaska Department of Environmental Conservation – Division of Water - http://goo.gl/Wr8wMe

Overcrowded housing, cost-burdened housing, and One Star housing. Evaluating Alaska's housing stock on these three metrics was made possible due to the availability of American Community Survey (ACS) data and the recent availability of detailed data on housing characteristics from AHFC's Alaska Retrofit Information System (ARIS), including energy use and costs. This analysis differs from the 2009 Housing Assessment that reported housing need in terms of overcrowding and unsalvageable condition but did not report on housing affordability.

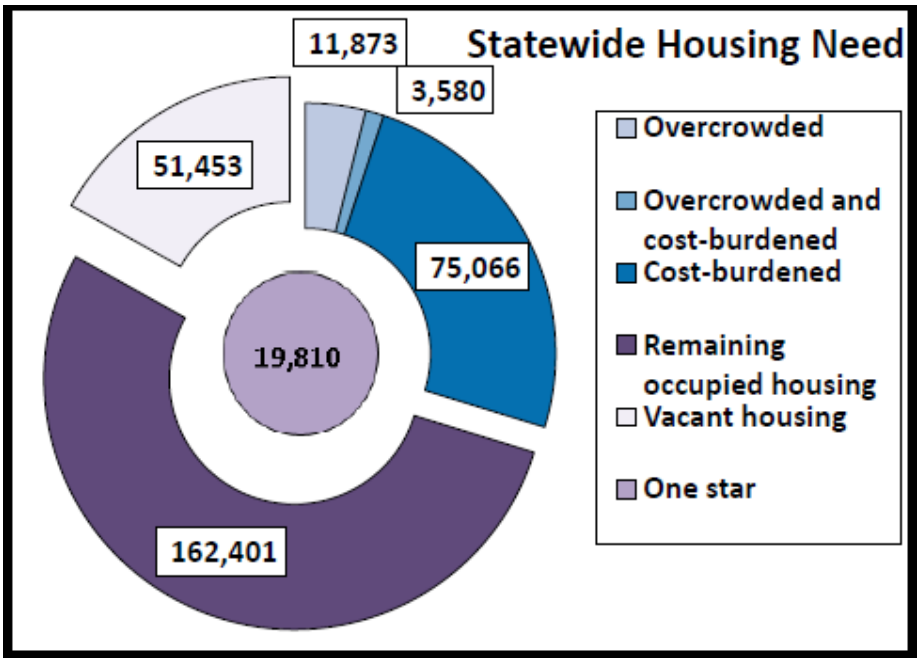


Table 1. State Housing Need Breakdown

According to ACS data, there is a significant amount of cost-burdened housing in Alaska, with more than 75,000 housing units spending 30% or more of income on housing costs (Figure 1). There are also an estimated 15,453 units which are overcrowded or severely overcrowded in Alaska, of which 3,580 are estimated to be both overcrowded and cost-burdened. Additionally, there are an estimated 19,810 homes in Alaska that would receive a One Star energy rating, meaning they use at least four times as much energy as a new home built to the Alaska Building Energy Efficiency Standard (BEES). These homes are shown in the center of Figure 1 because it is unknown how much they overlap with the other housing need categories, as they were estimated using ARIS data.

Are any populations/household types more affected than others by these problems?

Persons and communities with fewer resources, as well as those confronting barriers to housing and community development are more vulnerable to these issues.

Characteristics and needs of Low-income individuals and families with children (especially extremely low-income) who are currently housed but are at imminent risk of either residing in shelters or becoming unsheltered 91.205(c)/91.305(c)). Needs of formerly homeless families and individuals who are receiving rapid re-housing assistance and are nearing the termination of that assistance

Alaska lacks an adequate supply of available, affordable housing which directly affects ability of low-income individuals and families with children to remain stably housed. These families often pay well above 30% of their income for housing which puts them at a much higher threat of becoming homeless when faced with an unforeseen financial crisis, such as a medical emergency, car trouble or accident, or job loss.

It is found that homeless families are able to bounce back from homelessness more quickly than other more chronic homeless populations through services such as rent assistance, housing placement, job assistance, and other short or medium term services received through Rapid Re-Housing.

The time period for Rapid Re-Housing (RRH) assistance can range from a few months up to 24 months and is dependent on the needs of the family. One of the main services available through RRH is rent assistance which allows the family to pay no more than 30% of their income toward their rent. Families nearing the end of their RRH assistance are faced with the challenge of securing affordable housing to maintain their housing stability.

If a jurisdiction provides estimates of the at-risk population(s), it should also include a description of the operational definition of the at-risk group and the methodology used to generate the estimates:
NA

Particular housing characteristics that have been linked with instability and an increased risk of homelessness.
Housing instability and homelessness in Alaska is caused by a number of factors, but housing cost burden and overcrowding are the leading causes. Families paying more than 30% of their income towards housing are unable to maintain housing stability when faced with financial obstacles.

NA-15 Disproportionately Greater Need: Housing Problems - 91.305 (b)(2)

Need of racial or ethnic groups that have disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction

0%-30% of Area Median Income

Housing Problems	One or more of four housing problems	None of the four housing problems	No/negative income, but none of the other housing problems
Jurisdiction as a whole	21,380	2,976	783
White	12,047	1,582	514
Black / African American	1,183	15	45
Asian	701	153	0
American Indian, Alaska Native	4,950	1,010	84
Pacific Islander	119	30	4
Hispanic	1,120	94	55

Table 7 - Disproportionally Greater Need 0 - 30% AMI Data Shource: 2007-2011 CHAS

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4.Cost Burden greater than 30%

30%-50% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	18,280	7,765	0
White	10,753	4,972	0
Black / African American	886	149	0
Asian	776	225	0
American Indian, Alaska Native	3,359	1,407	0
Pacific Islander	154	19	0
Hispanic	1,229	479	0

Table 8 - Disproportionally Greater Need 30 - 50% AMI Data Source: 2007-2011 CHAS

*The four housing problems are:1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4.Cost Burden greater than 30%

50%-80% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	20,291	20,445	0
White	13,014	14,222	0
Black / African American	1,023	822	0
Asian	964	719	0
American Indian, Alaska Native	2,614	2,789	0
Pacific Islander	84	53	0
Hispanic	1,634	783	0

Table 11 - Disproportionally Greater Need 50-80AMI Data Source: 2007-2011 CHAS

The four housing problems are: 1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4.Cost Burden greater than 30%

80%-100% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	9,191	16,406	0
White	6,176	12,456	0
Black / African American	369	670	0
Asian	421	664	0
American Indian, Alaska Native	1,125	1,248	0
Pacific Islander	85	34	0
Hispanic	673	772	0

Table 12 – Disproportionally Greater Need – 80-100% AMI Data Source: 2007-2011 CHAS

*The four housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4.Cost Burden greater than 30%

NA-20 Disproportionately Greater Need: Severe Housing Problems – 91.305(b)(2)

Need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction

0%-30% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	18,426	5,928	783
White	10,271	3,372	514
Black / African American	1,065	133	45
Asian	489	365	0
American Indian, Alaska Native	4,448	1,467	84
Pacific Islander	119	30	4
Hispanic	983	230	55

Table 13 Severe Housing Problems 0-30% AMI Data Source: 2007-2011 CHAS

*The four severe housing problems are:
1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4.Cost Burden over 50%

30%-50% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	10,458	15,602	0
White	5,446	10,255	0
Black / African American	534	501	0

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Asian	425	569	0
American Indian, Alaska Native	2,629	2,201	0
Pacific Islander	89	79	0
Hispanic	831	884	0

Table 14 – Severe Housing Problems 30-50% AMI Data Source 2007-2011 CHAS

*The four severe housing problems are:
1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4.Cost Burden over 50%

50%-80% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	8,575	32,144	0
White	4,749	22,476	0
Black / African American	235	1,605	0
Asian	559	1,131	0
American Indian, Alaska Native	1,861	3,534	0
Pacific Islander	20	112	0
Hispanic	656	1,762	0

Table 15 – Severe Housing Problems 50-80% AMI Data Source: 2007-2011 CHAS

*The four severe housing problems are:
1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4.Cost Burden over 50%

80%-100% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	3,291	22,330	0
White	1,649	16,967	0
Black / African American	229	810	0
Asian	272	809	0
American Indian, Alaska Native	824	1,549	0
Pacific Islander	50	69	0
Hispanic	186	1,274	0

Table 16 – Severe Housing Problems 80-100% AMI Data Source: 2007-2011 CHAS

*The four severe housing problems are:
1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4.Cost Burden over 50%

NA-25 Disproportionately Greater Need: Housing Cost Burdens – 91.305 (b)(2)

Assessment of the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Housing Cost Burden

Housing Cost Burden	<=30%	30-50%	>50%	No / negative income (not computed)
Jurisdiction as a whole	165,640	41,572	26,854	858
White	124,050	29,339	17,151	567
Black / African American	4,594	1,847	1,665	49
Asian	5,440	1,740	847	0
American Indian, Alaska Native	18,426	3,380	3,684	96
Pacific Islander	425	273	123	4
Hispanic	6,085	2,725	1,942	55

Table 17 – Greater Need: Housing Cost Burdens AMI Data Source: 2007-2011 CHAS

Discussion

When looking at each group (by AMI), it is apparent that those at 50% AMI and below have a higher occurrence of having one or more of four housing problems. Half of the population suffers from at least one housing problem. The lower the AMI level, the higher the occurrence. This seems to transcend racial or ethnic backgrounds. This is further indication of the fact that this group is not able to find appropriate housing based on their income and the expense of housing in the balance of state.

NA-30 Disproportionately Greater Need: Discussion – 91.305 (b)(2)

Are there any Income categories in which a racial or ethnic group has disproportionately greater need than the needs of that income category as a whole?

Yes. Generally, lower-income households in tighter housing markets have a relatively harder time finding affordable housing. In these markets, rent escalation from the housing demand further dilutes the purchasing power of these households' already low relative purchasing power.
As shown in the tables above, only Alaskan's Native American/Alaskan Native population has disproportionately greater needs due to the their lower than average incomes and the lack of affordable housing in rural communities.

Demand for supportive Housing

Demand for supportive housing exists across the State. The primary challenge for supportive housing is the availability of supportive housing funding both for services and for capital development. These challenges are compounded in tight rental markets where there is already a housing stock shortage.

Equipped housing for persons with a disability
If they have needs not identified above, what are those needs?

Based on feedback from advocacy groups, availability of units fully equipped for persons with sensory and mobility impairments continues to present challenges.

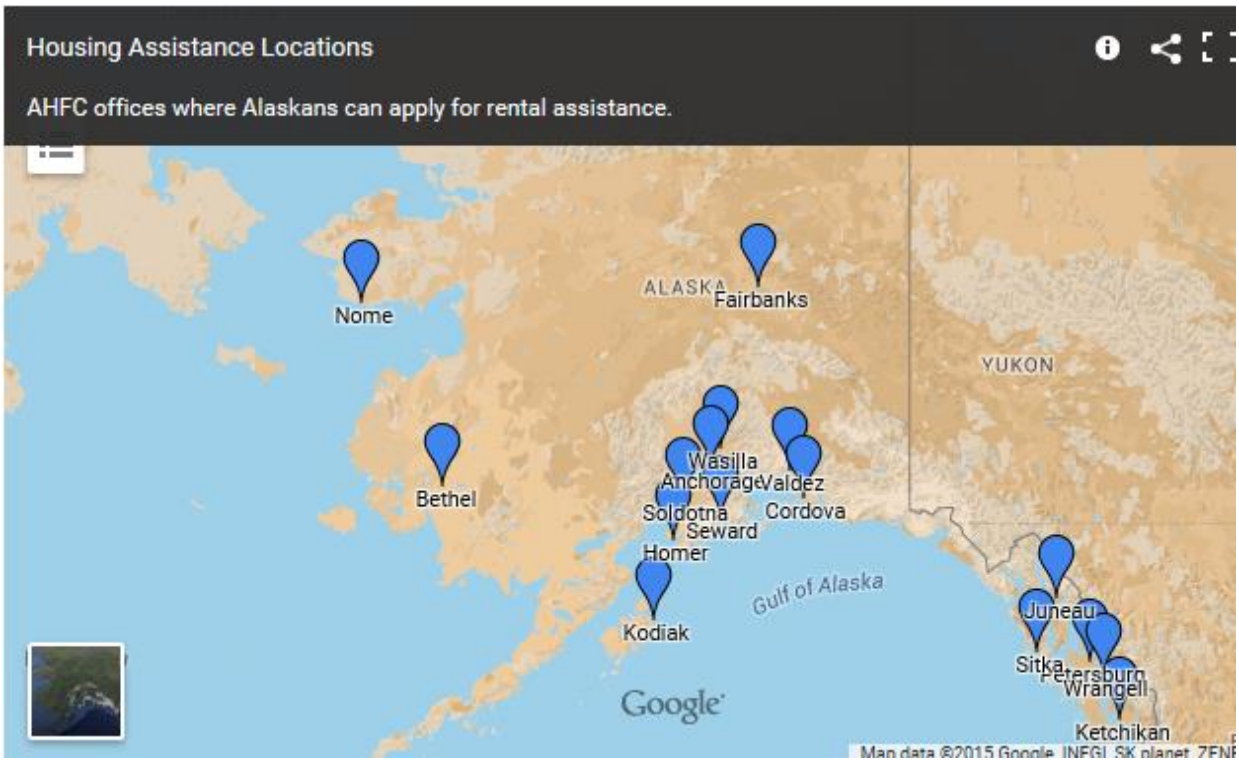
Are any of those racial or ethnic groups located in specific areas or neighborhoods in your community?

Yes. In many rural communities off the road system, several communities exist with high representation among the AN/AI cohort. The balance of state jurisdiction is 60% Caucasian, 22% AN/AI, 4% Asian, 4% Asian Pacific Islander, and 2% African American. In the more rural areas of the State, AN/AI cohorts represent 55%-93% of the population depending on the census tract.

NA-35 Public Housing

Introduction:

Alaska Housing Finance Corporation, Public Housing Division, is the public housing authority for the State of Alaska, including the Municipality of Anchorage. For all areas outside of Anchorage, AHFC manages and maintains 900 Public and Section 8 New Multifamily housing units. These units are located in 13 communities throughout Alaska.



AHFC also administers the Housing Choice Voucher program for the entire state. Outside of Anchorage, the Voucher program operates in twelve communities, and administers 1,962 vouchers.

On June 24, 2008, AHFC entered into a "Moving To Work" Agreement (MTW Agreement) with the US Department of Housing and Urban Development (HUD). MTW is a demonstration program authorized by Congress, through which participating agencies are given the flexibility to waive certain statutes and HUD regulations in order to design and test approaches for providing housing assistance that:

1) Reduces cost and achieves greater cost effectiveness in Federal expenditures;
2) Gives incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient; and,
3) Increases housing choices for low-income families.

The MTW Agreement provides AHFC with the flexibility to test out new approaches consistent with the MTW statutory objectives and to expand the MTW demonstration to include all public housing and tenant-based Housing Choice Vouchers administered by AHFC with certain exceptions. Those exceptions are vouchers under the Veterans Affairs Supportive Housing (VASH) and Nonelderly persons with a disability (NED) - which are excluded from the flexibilities under the MTW Agreement.

AHFC has established guiding principles for its MTW activities. These principles augment the three Federal objectives of the MTW program and ensure that AHFC's activities are reflective of AHFC's mission and goals.

1) MTW activities will be supportive of elderly and families with a disability, continuing AHFC's long standing tradition of ensuring that the elderly and families with a disability are served by our programs.
2) MTW initiatives will be designed to ensure the stability of AHFC's low income housing programs and to increase the stability of the families it serves.
3) In designing, operating, and evaluating MTW initiatives, AHFC will leverage the network of Alaskan service organizations and agencies.
4) MTW activities will be designed to promote tighter linkages and synergies between the public housing/HCV programs and the operations and mission of AHFC by providing affordable housing to low income residents of Alaska.

Needs:

1) Public Housing – current residents (749 families)
    a. Average Family Income is $21,855 per year; 64 percent of residents are classified as Extremely Low Income
    b. Elderly, not Disabled Families – these families comprise 14 percent of residents
    c. Disabled, not Elderly Families – these families comprise 24 percent of residents
    d. Families with Children – these families comprise 54 percent of residents (of 2,124 individuals, 1043 are under the age of 18)
    e. Average Length of Stay – 58 percent of families remain in housing for 0 to 5 years.
2) Vouchers – current participants (1,744 families)
    a. Average Family Income is $16,763 per year; 77 percent of residents are classified as Extremely Low Income
    b. Elderly, not Disabled Families – these families comprise 12 percent of residents
    c. With a Disability, not Elderly Families – these families comprise 37 percent of residents
    d. Families with Children – these families comprise 29 percent of residents (of 3,340 individuals, 1,168 are under the age of 18)
    e. Average Length of Stay – 56 percent of families remain in housing for 0 to 5 years.
    f. Eighty percent of families are in zero, one, or two bedroom units.

Totals in Use

Program Type									
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project-based	Tenant-based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Persons with a Disability *
# of units vouchers in use	0	148	Anchorage Only 752	1962	10	1952	90	0	45

Table 9 - Public Housing by Program Type
*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition

Data Source: PIC (PIH Information Center)

Characteristics of Residents

Program Type								
	Certificate	Mod-Rehab	Public Housing (AK001)	Vouchers (AK901)				
				Total	Project-based	Tenant-based	Special Purpose Voucher	
							Veterans Affairs Supportive Housing	Family Unification Program
# Homeless at admission	0	0	1	0	0	0	75	0
# of Elderly Program Participants (>62)	0	172	Anchorage 169	530	1	529	11	0
# of Disabled Families	0	149	Anchorage 57	304	9	295	26	0
# of Families requesting accessibility features	0	0	1,238	0	0	0	0	0

Program Type								
	Certificate	Mod-Rehab	Public Housing (AK001)	Vouchers (AK901)				
				Total	Project -based	Tenant -based	Special Purpose Voucher	
							Veterans Affairs Supportive Housing	Family Unification Program
# of HIV/AIDS program participants	0	0	0	0	0	0	0	0
# of DV victims	0	0	0	0	0	0*	0	0

Table 19 – Characteristics of Public Housing Residents by Program Type Data Source PIC (PIH Information Center

*For Information on the Empowering Choice Housing Program, please visit: http://www.ahfc.us/rent/rental-programs/empowering-choice

Race of Residents

Program Type									
Race	Certificate	Mod-Rehab	Public Housing	Vouchers (AK901)					
				Total	Project -based	Tenant -based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Persons with a disability *
White	0	201	531	0	9	1238	54	0	37
Black/African American	0	8	124	0	0	87	14	0	5
Asian	0	10	83	0	0	35	2	0	0
American Indian/Alaska Native	0	25	450	0	1	279	1	0	3
Pacific Islander	0	1	49	0	0	17	1	0	0
Other	0	1	1	0	0	88	3	0	2
*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition									

Table 10 – Race of Public Housing Residents by Program Type – Data Source PIH Information Ctr

Ethnicity of Public Housing Residents by Program Type

Program Type									
Ethnicity	Certificate	Mod-Rehab	Public Housing (AK001)	Vouchers (AK901)					
				Total	Project-based	Tenant-based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Persons with a disability *
Hispanic	0	7	64	52	0	52	2	0	1
Not Hispanic	0	224	1173	1702	10	1692	73	0	46
*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition									

Table 11 – Ethnicity of Public Housing Residents by Program Type – Data Source PIC

Section 504 Needs Assessment:

Needs of public housing tenants and applicants on the waiting list for accessible units:
Needs:

1) Public and Section 8 New Multifamily Housing
    a. Hearing – 8 families have indicated a need
    b. Mobility – 38 families have indicated a need
    c. Sight – 7 families have indicated a need
2) Vouchers
    a. Hearing – 5 families have indicated a need
    b. Mobility – 18 families have indicated a need
    c. Sight – 2 families have indicated a need

The following is the number and type of families on the waiting lists for public housing and section 8 tenant-based rental assistance. Based on the information above, and any other information available to the jurisdiction, the most immediate needs of residents of public housing and Housing Choice voucher holders
Needs:

1) Public and Section 8 New Multifamily Housing – 1,030 families on these waiting lists.
    a. Extremely Low Income (below 30 percent of area median income) – these families comprise 71 percent of the waiting lists
    b. Elderly Families – these families comprise 10 percent of the waiting lists
    c. Families with a disability – these families comprise 19 percent of the waiting lists
    d. One bedroom units are the most requested unit size (76 percent).
2) Vouchers – 1,294 families on these waiting lists
    a. Extremely Low Income (below 30 percent of area median income) – these families comprise 79 percent of the waiting lists
    b. Elderly Families – these families comprise 16 percent of the waiting lists
    c. Families with a disability – these families comprise 39 percent of the waiting lists

How do these needs compare to the housing needs of the population at large
Discussion:

Generally, these needs reflect the needs of the larger population. The relative sizes of the waitlists track with the tightness of the housing markets. Needs that account for relatively large portions of the waiting lists, relative to the overall percentage of the population with those needs, include disabled families and small low-income households needing one bedroom units.

NA-40 Homeless Needs Assessment – 91.305(c)

Introduction:

In the housing realm, "continuum of care" is both a planning framework and the name of a specific grant program funded by HUD. Components within the planning framework include outreach, homeless prevention, emergency shelter, transitional housing, and permanent supportive housing. The Alaska Coalition on Housing & Homelessness serves as the clearinghouse for local coalitions to report information on unmet needs in their respective communities and development of new housing opportunities. The Coalition also fosters dialogue and information exchanges to develop strategies to address those unmet needs.

In accordance with HUD guidelines, AHFC conducts an annual "Point-in-Time" count of homeless persons and housing resources during the last week in January. The winter 2014 count identified 761 persons meeting the HUD definition of homeless (persons sleeping in emergency shelters, transitional programs targeting homeless and places not meant for human habitation). Martha Burt, a leading researcher on homelessness for the Urban Institute estimates that during a one year period, four or five times as many people experience homelessness as are homeless on any particular day. Based on data collected through the Alaska Homeless Management Information System (AKHMIS), the Alaska Balance of State assisted 3,647 with homeless services in SFY14 which falls in line with Burt's analysis. It is estimated that approximately 4,000 Alaskans outside of the Municipality of Anchorage will experience homelessness at some time during any given year.

Homeless Needs Assessment Table:

Population	Estimate the # of Persons Experiencing Homelessness on a Given Night		Estimate the # experiencing homelessness each year
	Unsheltered	Sheltered	
Persons in Households with Adult(s) and Child(ren)	40	248	2593
Persons in Households with Only Children	0	5	16
Persons in Households with Only Adults	52	416	1121
Chronically Homeless Individuals	25	63	100
Chronically Homeless Families	1	5	10
Veterans	0	40	144
Unaccompanied Youth	0	5	16
Persons with HIV	0	4	0

Rural Homeless Needs Assessment Table:

Population	Estimate the # of Persons Experiencing Homelessness on a Given Night		Estimate the # experiencing homelessness each year
	Unsheltered	Sheltered	
Persons in Households with Adult(s) and Child(ren)	13	84	882
Persons in Households with Only Children	0	1	5
Persons in Households with Only Adults	17	141	381
Chronically Homeless Individuals	8	21	34
Chronically Homeless Families	0	1	3
Veterans	0	13	48
Unaccompanied Youth	0	1	5
Persons with HIV	0	1	2

Within the overall homeless population are many subpopulations. Included are single men and women, single mothers with children, single fathers with children, two-parent or blended families with children, persons with a disability, runaway and homeless youth, victims of domestic violence, and others. The 2014 Homeless Survey indicated that approximately 38% percent of Alaska's homeless were persons in families with children. Homelessness for many families is the result of a sudden economic downturn such as illness, divorce, or job loss. Approximately 5% were veterans, less than 1% were unaccompanied youth, and approximately 12% were persons identified as "chronic homeless." HUD defines persons in this category as "an unaccompanied individual with a disabling condition who has been homeless for a year or more, or those who have experienced at least four episodes of homelessness within three years." In many cases, the "disabling" condition is mental illness and/or substance abuse.

SFY14 AKHMIS data reports that 75% of persons experiencing homelessness or threatened with homelessness transitioned into a permanent housing situation within 30 days and 11% transitioned within 31 – 60 days for a total of 86% of individuals transitioning into permanent housing within 60 days of connecting with services.

Connecting individuals to permanent housing is a challenge in Alaska as available and affordable housing is limited. Affordable housing is being developed as funding becomes available; however, funding is limited and does not meet current demand. As housing development levels are expected to remain consistent, Alaska will continue to see similar trends in the number of persons experiencing homelessness or threatened with homelessness.

Nature and extent of unsheltered and sheltered homelessness with the jurisdiction, for persons in rural areas who are homeless or at risk of homelessness

Most rural parts of Alaska lack full time shelters for homeless individuals. Those experiencing homelessness will often double-up with family or friends before sleeping on the streets or other places not meant for human habitation. Some communities have seasonal shelters that are available during the winter months when the chance of survival in the cold Alaskan weather is lowest. When funding is available, homeless individuals may receive temporary shelter through the use of emergency motel vouchers. Due to the lack of shelter and supportive services available for homeless individuals in rural Alaska, we often see individuals migrating from rural areas to more urban areas.

Number and type of families in need of housing assistance for families with children and the families of veterans

The Alaska Homeless Management Information System (AKHMIS) reports that approximately 2,510 persons in households with adults and children and approximately 40 veteran adults with children experienced homelessness or were threatened by homelessness in SFY14. With increased federal financial assistance through the Supportive Services for Veteran Families and Veterans Affairs Supportive Housing program we expect to see a decline in housing assistance requests from veterans and their families.

Nature and Extent of Homelessness by Racial and Ethnic Group.

The Alaska Homeless Management Information System (AKHMIS) reports that 66% of individuals within the Alaska Continuum experiencing homelessness or threatened by homelessness reported their race as White, 22% were American Indian or Alaska Native, 6% reported as Asian, 4% were Black or African American, and 2% were Native Hawaiian or Other Pacific Islander. In addition, 6% identified as Hispanic/Latino.

Nature and Extent of Unsheltered and Sheltered Homelessness.

Within the Alaska Continuum (all areas outside of Anchorage), there are only 27 emergency shelters with a capacity of approximately 635 persons. Of these, 15 are for domestic violence victims, 8 are for the general population including veterans, and 2 serve runaway youth. In smaller communities such as Kake, Haines, and Wrangell where no shelters exist, service providers rely on the use of emergency motel vouchers for short-term stays when funds are available.

With emergency shelter stays generally limited to 30-60 days, emergency shelter supportive services tend to be limited to the basics. Such as food, childcare, help with accessing income supports through public assistance or social security, and housing placement services. Public transportation is virtually non-existent in most Alaskan communities outside of Fairbanks and Juneau and most emergency shelters for the general public turn people out during the day and re-open again in the late afternoon or evening.

For those with complex problems, finding a permanent housing solution may not be achievable within a limited 30-60 day emergency shelter stay. A transitional housing program provides the extra time needed to continue the supports started in the shelter, and helps to build a firmer foundation for successful placement in permanent housing. Approximately 19 transitional housing facilities are now operating in the Alaska Continuum. These facilities include one for veterans, four for victims of domestic violence, two for youth, and seven for non-targeted populations.

There are an additional 229 beds within the Alaska Continuum meeting HUD's definition of permanent supportive housing for homeless persons with a disability for those individuals needing additional, long term supportive services.

NA-45 Non-Homeless Special Needs Assessment – 91.305 (b, d)

Characteristics of special needs populations in your community:

Demand for Special Needs Housing

A number of Alaskans have special housing concerns. Alaska's senior population has been growing rapidly, and is projected to continue growing at a fast pace. As the state's population ages, accessibility features and availability of appropriate supportive services have become important considerations for many Alaskans. Common appropriate support services that special needs populations often require include: financial management, mental health services, access to affordable medical care, assistance with transitioning back into the community after institutionalization, career services.

Other special needs populations have important housing issues that need to be addressed. Persons with all types of disabilities are looking for affordable and accessible housing options. Individuals with mental illness and developmental disabilities are now seeking independent living options, in normal residential settings, with appropriate supportive services.

A. Older Alaskans

Alaska Housing Finance Corporation's Senior Housing Office exists to help Alaska's senior citizens obtain adequate, accessible, secure and affordable housing. In accordance with Alaska Statutes, and over its 25 year existence, the Senior Housing Office works closely with the 11 members of the Alaska Commission on Aging (ACoA established in Statutes, 1982), appointed by the Governor, in achieving this mission. Simultaneously, AHFC's Senior Housing Office works cooperatively with several other local senior advocacy groups, including among others, the Anchorage Mayoral Senior Commission, Mat-Su Council on Aging, and Juneau Commission on Aging, in developing strategies to assist Alaska's fastest growing population.

In 2015, the Senior Housing Office joined with multiple agencies and the ACoA in developing the next state plan for aging services covering the period from July 1, 2015 through June 30, 2019. As with previous state plans, housing will continue to play an integral role in the overall well-being of Alaska's seniors. In preparation for this plan, the ACoA surveyed 2,193 seniors during the last quarter of 2014. Of those responding, 91% identified affordable and accessible housing as being either very, or somewhat important to their overall well-being. When asked what specific services impacted senior's quality of life, 94% identified affordable and accessible housing as their top priority, even over common concerns specific to transportation, home delivered meals, and personal care attendant services. Once finalized, the state aging plan will allow for $5 million in Older American's Act (established 1965) funding covering a variety of senior programs including: transportation, elder

rights, native programs, family caregivers, meals, legal assistance, senior center funding among others. Older American Act funding is matched by the State of Alaska.

The Senior Housing Office assists hundreds of seniors (including their family members) each year in an effort to locate suitable housing in the state. To facilitate this process, inventory listings are maintained for both assisted and independent living options and are available on AHFC's website with contact information provided.

Statewide, as of February, 2015, there were 123 senior independent living developments, located in 57 communities, providing 2,967 units of housing. Regarding senior assisted living, there were 233 homes, located in 24 communities, providing a maximum of 2,031 beds for those needing assistance with activities of daily living. Despite these statewide figures, some Alaskan communities still have no options for either type of senior housing. Communities where options do exist often have waiting lists of several months to several years. Long term care options, such as skilled nursing or memory care facilities, are mostly located in larger urban communities in the state and are also limited.

As of 2014, it is estimated Alaska has approximately 6,000+ seniors with some form of dementia and the projection is that number will more than double over the next decade highlighting the need for more specialized senior housing options, outside either of the traditional independent or assisted living options listed above.

Per capita, Alaska leads the nation in the growth of senior citizens, taking over the number one spot in 2009. In 2014, and for the first time in the state's history, those individuals over the age of 65 topped 71,080 individuals, or 9.6% of the overall state population. (DOL, 2014) This growth is forecasted to continue into the future as the state is currently home to 44,200 individuals between the ages of 60-64 and another 53,528 individuals between the ages of 55-59, as of 2014.

Cumulatively, the 55 and over population in Alaska now constitutes nearly 23% of the overall population in the state. Two age groups within the overall senior demographic have experienced substantial increases in 2014 compared to the previous year: 1) 70-74 – increasing 6.4%; and, 2) seniors over the age of 90, increasing 5.29%. As 2014 came to a close, there are nearly 13,000 seniors over the age of 80 residing in the state. These individuals, often referred to as 'oldest of the old, or frail elderly,' are most in need of senior services and supports. Senior growth is expected to continue, increasing between 5 and 7% over the next decade, ending with a projected overall statewide population of just under 200,000 senior citizens by 2035.

As the Baby Boomers in the state continue to age and move through their retirement years, there are a few key items worth noting:

Senior earnings from retirement, health care spending and employment contribute approximately $3 billion to the state's economy. This is more than fishing at $2.2B, construction $2.1B, retail trade $2.1B, tourism $1.9B, or manufacturing at $1.7B. (ISER, 2014); The average age at the Alaska Pioneer/Veteran's Home is 86 (APVH); Alaska has the highest cost for assisted living in the nation at $72,000 per year, compared to $41,400 nationally (ACoA); Alaska has the highest cost for skilled nursing costs in the nation at $255,891 per year (ACoA); Life expectancy in Alaska increased from 72.1 years in 1980 to 78.1 years today (DOL); Median household income for seniors in Alaska is $47,979 (ACS); and, While Alaska's senior population will begin to decline after 2032, the population of seniors 85 and older will peak closer to 2040 (ACoA).

B. Persons with Disabilities

Alaskans who experience disabilities need secure, accessible, affordable, and integrated housing in their communities. According to the Alaska Comprehensive Integrated Mental Health Plan of 2006-2011, a person with a disability in Alaska receiving monthly Supplemental Security Income (SSI) plus Alaska's Adult Public Assistance payment only receives $972 per month. Based on these payments, the most they could pay for an "affordable" unit would be $291 per month (a unit is considered affordable if it costs no more than 30% of the renter's income). However, according to the 2014 Out of Reach report issued by the National Low-Income Housing Coalition, the Fair Market Rent (FMR) for a two-bedroom apartment in Alaska is $1,125.

In their 5-Year Plan (2011-2016), the Governor's Council on Disabilities and Special Education identified a series of specific housing and community development needs. Included among those unmet needs were:

- Inadequate supply of housing that meets universal design/disability standards.
- Lack of emergency housing options for persons with a disability experiencing a housing crisis.
- Insufficient supply of housing vouchers and other forms of subsidized housing for persons with a disability on fixed incomes.
- Inadequate supply of affordable housing for young persons with disabilities transitioning out of foster care.
- Inability of persons with disabilities to access community service facilities & public amenities.
- Limited access to homeownership opportunities.
- Uneven application of Fair Housing laws.

Several sources of information were drawn upon to estimate the demand for accessible housing in Alaska. The U.S. Census Bureau provides disability data based on three primary sources: the Survey of Income and Program Participation, the decennial census of population, and the Current Population Survey. Nationwide, the overall disability rate is estimated at approximately 20%.

The Census Bureau defines a disability as difficulty in performing functional activities (seeing, hearing, talking, walking, climbing stairs and lifting and carrying a bag of groceries) or activities of daily living (getting into and out of bed or a chair, bathing, getting around inside the home, dressing, using the toilet, and eating), or other activities relating to everyday tasks or socially defined roles. A person with a severe disability is completely unable to perform one of these activities or tasks and/or needs personal assistance. An estimated one in ten persons nationally experiences a severe disability according to Census Bureau estimates.

Disability rates vary by age. According to the U.S. Census Bureau, overall Alaska disability rate for the population aged 5 and younger is 14.9%. For persons aged 5 to 20 years old, 5.7% are disabled. This figure increases to 14.6% for persons 21 to 64 years old. The rate nearly triples to 47.8% for persons 65 years and over. With Alaska's senior population projected to increase rapidly over the next five years, increasing numbers of Alaskans will experience some form of disability.

C. Alaskan Mental Health Trust Beneficiaries

Created in 1994, the Alaska Mental Health Trust Authority (AHMTA or the Trust) is an important player in policy development and funding for mental health trust beneficiaries.

These beneficiaries include:

a. Persons who experience mental illness
b. Persons with developmental disabilities
c. Chronic alcoholics and other substance related disorders
d. People with Alzheimer's disease and related dementia
e. Persons who have experienced a traumatic brain injury

State statute AS 47.30.011 sets out the purpose of The Trust as assuring a comprehensive integrated mental health program. The current plan, Moving Forward (2006-2011) estimates the following number of beneficiaries:

- Serious mental illness (adults): 22,000
- Developmental Disabilities: 13,000
- Chronic alcoholism and other substance-related disorders: 20,000
- Alzheimer's disease and related dementia: 5,000
- Traumatic brain injury: 12,000

Moving Forward, Comprehensive Integrated Mental Health Plan 2006-2011 is the work of the Alaska Department of Health and Social Services, the Alaska Mental Health Trust Authority and other state agencies, boards and commissions. This plan is a response to a statutory requirement that such a plan be developed (AS 47.30.660).

The Comprehensive Integrated Mental Health Plan has a vision of optimal quality of life for Alaskans, especially those Alaskans who receive services under the Comprehensive Integrated Mental Health Program. By law, these recipients (also called beneficiaries) are Alaskans who have a mental or developmental disability, experience chronic alcoholism or suffer from Alzheimer's disease or a related dementia. Also included are individuals at risk of developing these conditions — for example, children who exhibit behaviors or symptoms suggesting they may develop a mental disorder.

The Comprehensive Integrated Mental Health Plan 2006-2011 looks at the status of Trust beneficiaries in four areas: health , safety , quality of life and economic security . Data is used to show long-term changes in these four areas. Another section of the Plan examines current service delivery and gaps in service. The Plan highlights current efforts to improve health, safety, living with dignity, and economic security for Trust beneficiaries and indicates future avenues for further efforts.

In 2012 the Alaska Mental Health Board & Advisory Board on Alcoholism and Drug Abuse conducted a National Survey on Alcohol and Drug Use. In their report, it was estimated that five percent of those persons with serious mental illness depend on or abuse both illicit drugs and alcohol. It was also determined that in 2010 approximately 23.8% of adults age 18 with serious mental illness are related to substance dependence or abuse.

Source: Alaska Mental Health Trust Authority, Economic Costs of Alcohol and Other Drug Abuse in Alaska, 2012.

While many Alaskans struggle to find decent, affordable housing, Mental Health Trust beneficiaries find it especially difficult to access and retain appropriate housing. People with mental or addictive diseases may exhibit behaviors that housing providers fail to recognize as connected to their disease and react by evicting them. Such a displacement to homelessness starts a cycle of interrupted treatment, compounded trauma and health problems. Others are burdened by stigmas associated with their disability and cannot compete with non-disabled persons in tight rental markets.

One sobering reality concerns the housing situation of a significant number of Alaska Mental Health Trust beneficiaries. The statewide housing shortage disproportionately affects Trust beneficiaries. Some beneficiaries who would thrive in supported housing end up in higher levels of care or fall into circumstances that lead to incarceration, homelessness, or even death. Additionally, for some beneficiaries, access to community-based services and supports helps individuals maintain their independence and stay in their homes longer.

Source: Alaska Mental Health Trust Authority – 2014 Annual Report

In recognition of the many challenges Trust beneficiaries face, the Alaska Mental Health Trust Authority established focus areas to address issues with significant impact on Trust beneficiaries. The objective is to concentrate The Trust's funds, projects and other resources on several key issues that will substantially improve services and delivery systems across the state and better the lives of Trust beneficiaries.

Data indicates the Trust beneficiaries have an increasingly hard time achieving housing stability due to economic challenges and difficulty accessing services. Some beneficiaries who would thrive in supported housing end up in higher levels of care or fall into circumstances that lead to incarceration, homelessness or even death.

Supported housing is a combination of a safe home and services which are intended to maximize independence in a cost-effective way to help individuals live more stable and productive lives. Supported services may include service coordination medication management, independent living skills, individual or group therapy, vocational services, and mental or physical health services.

Long-term services and supports allow people of any age to maintain their independence in their home or community. They may include: assistance with daily living (feeding, bathing, dressing, grooming and mobility), instrumental activities of daily living, (meal preparation, laundry, shopping, bill paying), service coordination, residential supported living, transportation, respite, and other services. In the coming years there will be an increasing number of Alaskans who desire to age in place. This population increase will strain existing social services available and will require creativity to support our elders.

Source: Alaska Mental Health Trust Authority – http://mhtrust.org

Size and characteristics of the population with HIV/AIDS and their families within the Eligible Metropolitan Statistical Area

From January 1, 1982 through December 31, 2013, 1,540 cases of human immunodeficiency virus (HIV) infection were reported to the Alaska Section of Epidemiology (SOE; Table). Of the 1,540 reported cases, 555 (36%) were in persons who are known to have subsequently died. Of the 985 HIV-infected persons who are not known to have died, 574 (58%) are currently living in Alaska.

During 2013, 59 cases of HIV infection were reported to SOE (Table); one of these cases was in a person who is known to have died as of December 31, 2013. Of the 59 reported cases, 24 (41%) were initially diagnosed in Alaska, yielding a statewide incidence rate in 2013 of 3 cases per 100,000 persons. In contrast to previous years, in 2013, incident cases of HIV infection were most prevalent in non- white persons (representing 67% of new diagnoses). Of the 21 newly diagnosed persons who agreed to be interviewed, 15 (71%) reported that drug or alcohol use contributed to their high-risk behavior. Of the 11 men who were identified as men who have sex with men (MSM) and agreed to be interviewed, 10 (91%) reported online sex-seeking behaviors and 4 (36%) were co-infected with chlamydia, gonorrhea, or syphilis at the time of their HIV diagnosis.

	1982–2013				2013			
	All Reported Cases n=1,540		Reported Cases First Diagnosed in Alaska n=1,099		All Reported Cases n=59		Reported Cases First Diagnosed in Alaska n=24	
	Male	Female	Male	Female	Male	Female	Male	Female
HIV (non-AIDS)	367	120	237	92	34	3	13	2
HIV with AIDS	871	182	629	141	18	4	6	3
TOTAL # (%)	1,238 (80%)	302 (20%)	866 (79%)	233 (21%)	52 (88%)	7 (12%)	19 (79%)	5 (21%)
Age at Diagnosis in Years, # (% by column)*								
<14	11 (1%)	7 (2%)	8 (1%)	5 (2%)	1 (2%)	0	0	0
15–24	167 (13%)	61 (20%)	95 (11%)	41 (18%)	7 (13%)	1 (14%)	3 (16%)	0
25–34	472 (38%)	107 (35%)	315 (36%)	83 (36%)	25 (48%)	2 (29%)	8 (42%)	2 (40%)
35–44	391 (32%)	73 (24%)	282 (33%)	58 (25%)	9 (17%)	1 (14%)	3 (16%)	0
45–54	148 (12%)	43 (14%)	122 (14%)	36 (15%)	5 (10%)	0	2 (11%)	0
55–64	36 (3%)	9 (3%)	32 (4%)	8 (3%)	3 (6%)	3 (43%)	1 (5%)	3 (60%)
≥65	13 (1%)	2 (1%)	12 (1%)	2 (1%)	2 (4%)	0	2 (11%)	0
Race/Ethnicity, # (% by column)*								
American Indian/ Alaska Native	211 (17%)	102 (34%)	182 (21%)	97 (42%)	6 (12%)	1 (14%)	3 (16%)	1 (20%)
Asian	17 (1%)	15 (5%)	10 (1%)	10 (4%)	2 (4%)	2 (29%)	2 (11%)	1 (20%)
Black	144 (12%)	45 (15%)	92 (11%)	28 (12%)	8 (15%)	0	6 (32%)	0
Hispanic	104 (8%)	22 (7%)	70 (8%)	17 (7%)	7 (13%)	1 (14%)	1 (5%)	1 (20%)
Native Hawaiian/ Pacific Islander	8 (1%)	2 (1%)	7 (1%)	1 (<1%)	0	0	0	0
White	732 (59%)	111 (37%)	496 (57%)	77 (33%)	24 (46%)	3 (43%)	6 (32%)	2 (40%)
Multi-race	22 (2%)	5 (2%)	9 (1%)	3 (1%)	5 (10%)	0	1 (5%)	0
Transmission Category, # (% by column)*								
Male-to-Male Sex	759 (61%)	--	536 (62%)	--	29 (56%)	--	12 (63%)	--
Injection Drug Use (IDU)	131 (11%)	61 (20%)	92 (11%)	41 (18%)	5 (10%)	1 (14%)	1 (5%)	1 (20%)
Male-to-Male Sex and IDU	121 (10%)	--	62 (7%)	--	3 (6%)	--	1 (5%)	--
Heterosexual Contact	77 (6%)	204 (68%)	60 (7%)	161 (69%)	6 (12%)	6 (86%)	3 (16%)	4 (80%)
Perinatal	5 (<1%)	7 (2%)	3 (<1%)	5 (2%)	1 (2%)	0	0	0
Other or Not Specified	145 (12%)	30 (10%)	113 (13%)	26 (11%)	8 (15%)	0	2 (11%)	0
Residence at Time of Diagnosis, # (% by column)*								
Anchorage/Mat-Su	619 (50%)	149 (49%)	619 (72%)	149 (64%)	15 (29%)	3 (43%)	14 (74%)	3 (60%)
Gulf Coast	54 (4%)	12 (4%)	54 (6%)	12 (5%)	1 (2%)	0	1 (5%)	0
Interior	89 (7%)	30 (10%)	89 (10%)	30 (13%)	2 (4%)	2 (29%)	2 (11%)	2 (40%)
Northern	12 (1%)	8 (3%)	12 (1%)	8 (3%)	1 (2%)	0	1 (5%)	0
Southeast	54 (4%)	21 (7%)	54 (6%)	21 (9%)	0	0	0	0
Southwest	38 (3%)	13 (4%)	38 (4%)	13 (6%)	1 (2%)	0	1 (5%)	0
Out of State	372 (30%)	69 (23%)	0	0	32 (62%)	2 (29%)	0	0

**Category column percentages may not total 100% due to rounding.*

Discussion:

The fact that 38% of all persons newly diagnosed with HIV infection in 2013 were also diagnosed with AIDS that year underscores the importance of timely screening. The Centers for Disease Control and Prevention recommends routine screening for all persons aged 13–64 years and repeat screening in persons likely to be at increased risk for HIV infection, including injection-drug users and their sex and needle-sharing partners, persons who exchange sex for money or drugs, sex partners of HIV-infected persons, and MSM or heterosexual persons who have had more than one sex partner since their most recent HIV test. Routine screening facilitates earlier detection, which improves health outcomes and reduces the risk of HIV transmission. The Alaska HIV/STD Program offers

linkage to medical care and partner notification services for all persons newly diagnosed with HIV infection; Program staff can be reached at 907-269-8000.

(Contributed by: Melissa H. Boyette, BA, and Jessica Harvill, MPH, Alaska Section of Epidemiology.)

D. Other At-Risk Populations

At-risk populations are constantly at the brink of homelessness. In many instances, these households have already experienced homelessness at least once in their lifetimes. Unmet housing needs for these populations often mean increases in the utilization of emergency medical services and increases in public safety interventions and incarcerations. These households are more likely to succeed and transition into permanent housing situations if safe, affordable housing options are made available.

Housing and supportive service needs of these populations and how these needs determined

Persons Released From State Supervision

Individuals that no longer require, or are eligible for, state supervisory services have the difficult task of transitioning back into the community. This period of transition from state supervision to independent living can be fraught with episodes of homelessness, unemployment and incarceration. With affordable housing options and the availability of community supports services, households have the supports needed to navigate these issues and achieve independence.

Correctional Facilities

Until about 2008, Alaska's prison population growth tracked with other states. Today, Alaska's prison population grows while 32 other states report reduced crime and reduced prison population growth. According to a November 2014 Pew Public Safety Fact Sheet, Alaska has the third fastest prison population growth in the nation at 3% per year. In 2014, Alaska Department of Corrections (DOC), on average, housed almost 5,100 inmates in hard prison beds out of a total capacity of 5,352 hard-beds.

DOC is now over capacity and DOC projections show the state's inmate population will reach 6,313 by 2020. In addition, the research found that "without any intervention, about two-thirds of those who serve their sentences and are released commit new crimes". DOC reports that the rate of recidivism of Alaska's inmates is dropped from 66% to 63.54% in FY2010 to 63.19% in FY2011.

Of the responses to the DOC 2010 Housing Survey (approximately 30% prisoners and probation/parolees responded), 1,270 individuals or almost 48% reported being homeless at least once prior to their incarceration. While a disproportionate amount of these individuals have self-reported a disability, more than a third of individuals who have experienced homelessness prior to

incarceration have reported no disability. There is a need for housing related services to persons being released from corrections regardless of whether or not the individual has a disability. In fact, more services exist for persons who have a diagnosed disability, while significantly fewer services are available for non-disabled individuals being released.

Children's Services

According to the State of Alaska's Office of Children's Services (OCS) website, youth placed in foster care often have difficulty transitioning to adulthood. The OCS articulates the specific needs of this population and the hurdles that they must navigate to achieve self-sufficiency as follows:

Many of these youth have lacked a stable, safe, and nurturing environment that enables young people to grow into healthy adults. These young people often are faced with living on their own without family or financial support. A recent report from the Casey Family Program shows that youth transitioning from foster care have:

- a higher rate of arrest and incarceration;
- an increased likelihood of early parenting and instability in relationships, including divorce;
- lower high school graduation rates and generally lower school performance;
- an increased likelihood of health and mental health problems, including emotional and behavioral problems;
- a greater likelihood to experience homelessness;
- a higher rate of substance abuse;
- a higher rate of unemployment.

Of the approximately 2,500 children in the Alaska Office of Children's Services custody and placed in out of home care, approximately 18%, or 450 youth, are age 14 and above. From available data, we expect 100 youth to enter this group every year. Of the youth in OCS custody, placed in out of home care approximately 9% or 225 are age 16 and above. Based on current data, it is projected that 100 youth will enter this population every year. Approximately 40 youth age out of foster care in Alaska each year. Independent living skills and resources are necessary for these young adults to survive as they reach the age of majority and lose the safety net of services available to children.

By definition, these youth are from homes with significant dysfunction. Frequently, they have witnessed domestic violence, substance abuse, and criminal activity.

OCS provides various educational, vocational and life skills training opportunities to youth in custody as well as aftercare services for youth who age out. A gap exists between affordable housing options and housing services available for this at-risk population.

Victims of Domestic Violence

Domestic violence is a leading cause of homelessness for women and children. Many victims who leave their housing to escape violence do not have the resources to support housing alone. Others are evicted from housing due to their abuser's disruptive and often criminal behavior, or have poor credit and poor rental history due to tactics of financial abuse. The Alaska Network on Domestic Violence and Sexual Assault (ANDVSA) works with state and federal agency partners to increase awareness about the dynamics of domestic violence and victims' housing needs, to improve access and remove barriers for accessing housing.

The Policy Program provides information, resources, training and technical assistance to member programs on the Empowering Choice Housing Program (ECHP) and Violence Against Women Act (VAWA) housing protections for victims of domestic violence, dating violence, sexual assault and stalking.

VAWA Housing Protections

On March 7, 2013, President Obama signed into law the Violence Against Women Reauthorization Act of 2013 (VAWA 2013). The law continues many of the housing protections provided by the Violence Against Women Act of 2005 and further expands these safeguards in several crucial ways. For example, VAWA 2013's protections apply to additional programs administered by the Department of Housing and Urban Development (HUD) as well as Rural Development multifamily housing and the Low-Income Housing Tax Credit program. It further covers survivors of sexual assault, mandates emergency transfer plans and requires that housing providers notify applicants and tenants of their VAWA housing rights at three critical junctures in multiple languages.

In order to fully implement the VAWA 2013 Housing Protections, HUD needs to issue a rule implementing several parts of this new section. However, in the meantime, we are working with Alaska Housing Finance Corporation on implementing these critical new provisions.

Title V of the McKinney-Vento Act

The federal government is the largest single owner of real estate in the nation. Every year, dozens of landholding agencies determine that many of its properties-ranging from massive warehouses to military barracks and vacant land-are excess to their ongoing needs. Title V of the McKinney-Vento Homeless Assistance Act of 1987 grants homeless services providers an exclusive right of first refusal to apply to own or lease any surplus federal property at no charge.

Non-profit groups, state agencies, and local governments can all apply for Title V property. In the past, these properties have been utilized by homeless service providers in Alaska to develop transitional housing units.

Each Friday, the Federal Register lists surplus and excess properties available for disposition. The Policy Program monitors the Federal Register and notifies programs of available properties in their communities. For more information on the Title V properties and how to apply, click here or go to http://goo.gl/1eQ4gf

Persons Enrolled in Job Training or Vocational Rehabilitation

Persons who are enrolled in job training or vocational rehabilitation increase their ability to obtain and maintain a livable wage. Participation in these programs may stabilize a household's finances as well as their housing situation and help to prevent homelessness.

Job Training

Job training programs provide opportunities to individuals to obtain and retain a job and advance in a career. It is likely that some low-income households are not able to participate or complete job training programs and continue to meet their costs of living. Affordable housing options that are made available to these individuals will enable them to attend and complete job training programs in order to achieve financial self-sufficiency. Once financially self-sufficient, affordable housing options may still be needed, however the need for subsidized housing may decline.

Vocational Rehabilitation

The State of Alaska's Division of Vocation Rehabilitation (DVR) assists individuals with disabilities to obtain and maintain employment. In many instances, these individuals may be on a fixed income, like public assistance, SSI or SSDI; subsidized housing is often necessary for individuals living on fixed incomes. A housing gap exists for households on fixed incomes. Individuals who take advantage of the opportunities available to them through the Division of Vocational Rehabilitation may require affordable housing options and/ or subsidized housing opportunities as they work towards achieving financial self-sufficiency.

NA-50 Non-Housing Community Development Needs - 91.315 (f)

Jurisdiction's need for Public Facilities:

- Health Clinics
- Daycare Centers
- Homeless Shelters
- Solid Waste Disposal Facilities
- Flood & Drainage Facilities
- Docks & Harbors
- Community Facilities

How were these needs determined?

Funding priorities are based on need as reflected in the requests for CDBG funds received over the past several years. The Alaska Department of Commerce, Community and Economic Development maintains a database listing capital appropriations. The database contains descriptions, funding level and status for capital appropriations in 353 communities located throughout Alaska. The database clearly demonstrates a significant need for public facilities across the state. Another basis for assigning priorities comes from input received from the local government officials and local residents at public hearings and CDBG technical assistance workshops.

Jurisdiction's need for Public Improvements:

- Local Service Roads
- Boardwalks
- Barge Facilities
- Airports
- Water & Sewer Systems
- Fuel & Gas Distribution Systems
- Electrical Distribution Lines

How were these needs determined?

Funding priorities are based on need as reflected in the requests for CDBG funds received over the past several years. The Alaska Department of Commerce, Community and Economic Development maintains a database listing capital appropriations. The database contains descriptions, funding level and status for capital appropriations in 353 communities located throughout Alaska. The database clearly demonstrates a significant need for a variety of local infrastructure and other public

improvements across the state. Another base for assigning priorities comes from input received from the local government officials and local residents at public hearings and CDBG technical assistance workshops.

Jurisdiction's need for Public Services:

The State of Alaska is faced with a staggering number of non-housing community development needs. A critical long-term need is providing financial resources to communities for:

Key public facilities such as community centers, health clinics, shelters, senior centers, fire stations, tank farms and landfills Infrastructure developments such as docks, harbors, road improvements, and electrical upgrades; Planning for community development projects which reduce or eliminate conditions detrimental to the health and safety of local residents and which encourage community efforts to combine public and private sources of funding.

There are several hundred small towns and villages in Alaska. Estimates vary, but 353 is the most common estimate of both Native and non-Native communities. Most are not on a road system and are small, isolated and usually based upon a subsistence economy. Within DCCED, the mission of the Division of Community and Regional Affairs is to promote strong communities and healthy economies. It is a continuing challenge to serve the needs of Alaskan communities while working with decreasing program funds and the need to offset the increases in costs of fuel, materials and freight. The long term sustainability and affordability of community infrastructure and services will continue to be the most daunting challenges over the next five years.

How were these needs determined?

Funding priorities are based on need as reflected in the requests for CDBG funds received over the past several years. The Alaska Department of Commerce, Community and Economic Development maintains a database listing capital appropriations. The database contains descriptions, funding level and status for capital appropriations in 353 communities located throughout Alaska. The database clearly demonstrates a significant need for a variety of local infrastructure and other public improvements across the state. Another base for assigning priorities comes from input received from the local government officials and local residents at public hearings and CDBG technical assistance workshops.

Housing Market Analysis

MA-05 Housing Market Analysis Overview:

The homeownership and rental markets in the Balance of State are generally strong. Of the 10 communities surveyed across the State (including Anchorage), only three have rental market vacancy rates over seven percent. The rental markets surveyed across the state have consistently exhibited strength throughout the past few years. A copy of the calendar year rental market survey for 2014 is attached as an appendix to this report.

Despite the tight rental and homeownership markets, the economics to develop housing in many parts of the State necessitate a price point that exceeds what the majority of the rental and / or homeownership market will bear. In large part, this disparity has been characterized both anecdotally and in reports as a key impediment to affordable housing.

Common cost drivers across the State include: lack of available and developable land, lack of infrastructure, high labor and transportation costs. Structurally, the development capacity across communities and logistical considerations (i.e. barge delivery schedules, communities off the road system, etc.) compound the cost issues.

Collectively, the preceding factors drive a price point that exceeds what even tight rental and homeownership markets can support. The observed effect in many communities has been persistently low vacancy rates for rental properties, escalating rents and tighter tenant selection standards, and fewer days on market for lower priced homes and condominiums.

The above-noted dynamics represent notable headwinds for the rental and homeownership prospects of the most vulnerable Alaskans (special needs, homeless, and extremely low-income households) across the State.

MA-10 Number of Housing Units – 91.310(a)

Introduction

All residential properties by number of units

Property Type	Number	%
1-unit detached structure	189,274	62%
1-unit, attached structure	24,403	8%
2-4 units	35,519	12%
5-19 units	24,123	8%
20 or more units	14,667	5%
Mobile Home, boat, RV, van, etc	16,387	5%
Total	304,373	100%

Table 12 – Residential Properties by Unit Number

Data Source: 2007-2011 ACS

Unit Size by Tenure

	Owners		Renters	
	Number	%	Number	%
No bedroom	1,937	1%	4,343	5%
1 bedroom	10,282	6%	20,815	23%
2 bedrooms	33,495	21%	34,830	39%
3 or more bedrooms	116,932	72%	30,286	33%
Total	162,646	100%	90,274	101%

Table 13 – Unit Size by Tenure

Data Source: 2007-2011 ACS

Number and targeting (income level/type of family served) of units assisted with federal, state, and local programs.

AHFC funds rental developments serving low-income, senior and special needs households across the State. Since 1987, our non-Public Housing Division programs have facilitated the new construction of 104 developments, generating 5,588 rental units. From these allocations, developments located in the Balance of State include 41 developments and 3,114 units. These development activities are funded through combinations of federal HOME Investment Partnership Program funding, Low Income Housing Tax Credit Equity, State Senior Citizens Housing Development Funding grants, and State Special Needs Housing Grant funding.

Assessment of units expected to be lost from the affordable housing inventory for any reason, such as expiration of Section 8 contracts.

AHFC is unaware of any expected loss of affordable housing from expiring Section 8 contracts or the USDA Section 515 program in the Balance of State.

Does the availability of housing units meet the needs of the population?

No, housing continues to be a challenge throughout the state. Alaska is a unique state which faces logistical, technical, and climate challenges that significantly affect housing. Many existing housing units in rural Alaska were built before the 1980s and have surpassed their useful life. Those housing units were not built for energy efficiency. High cost of transportation and lack of skilled laborers in communities makes rehabilitating or building extremely expensive. This leads to the inadequate housing stock that is both substandard and expensive.

Need for specific types of housing:

Extremely low-income households with large families encounter difficulty identifying larger rental units 3+ bedrooms that are affordable. Also, units that are fully equipped for persons with sensory and mobility impairments are limited in most markets. Finally, permanent supportive housing remains a challenge for chronically homeless Alaskans due to the available revenue streams to support the supportive housing model.

Discussion:
Increased affordability challenges are largely a function of the tight housing markets across the state, the high costs associated with adding to the housing stock, and the relatively high cost of utilities. Availability of housing equipped for persons with sensory and mobility impairments as well as the challenges associated with providing permanent supportive housing are structural concerns. As such, specific programs have been developed (particularly the State Special Needs Housing Grant and Senior Access Program) to address these needs that can go unmet even in healthy markets.

MA-15 Cost of Housing – 91.310(a)

Introduction

Cost of Housing

	Base Year: 2000	Most Recent Year: 2011	% Change
Median Home Value	137,400	235,100	71%
Median Contract Rent	664	913	38%

Table MA-15 Cost of Housing Data Source: 2000 Census Base Year vs 2007-2011 ACS (Most Recent Year.

Cost of Rent

Rent Paid	Number	%
Less than $500	20,125	22.3%
$500-999	37,816	41.9%
$1,000-1,499	21,372	23.7%
$1,500-1,999	8,565	9.5%
$2,000 or more	2,396	2.6%
Total	90,274	100.0%

Table 16 – Rent Paid Data Source 2007-2011 ACS

Housing Affordability

% Units affordable to Households earning	Renter	Owner
30% HAMFI	4,085	No Data
50% HAMFI	16,185	6,750
80% HAMFI	43,845	21,065
100% HAMFI	No Data	37,640
Total	64,115	65,455

Table 14 – Housing Affordability

Data Source: 2007-2011 CHAS

Monthly Rent

Monthly Rent ($)	Efficiency (no bedroom)	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Fair Market Rent	721.36	821.79	1048.29	1395.82	1603.79
High HOME Rent	714.32	815.5	1016.54	1246.89	1387.29
Low HOME Rent	674.75	736.36	889.21	1040.82	1162.57

Table 15 – Monthly Rent

Is there sufficient housing for households at all income levels?

Over the past 3 years, housing has become less affordable in comparison to wages. Since the housing bubble, affordability increased significantly, prompting a large number of buyers to enter the market. In 2011 and 2012, Alaska experienced healthy sales numbers where demand created a shortage of inventory, reversing the affordability. This surge in home purchasing drove prices up. This also impacted the rental market, allowing for property managers to charge more for housing due to the appreciation of property as well as the tightening vacancy rate.

Due to the rental market strength across many markets and the tightening lending requirements, households at or below 50% area median income experience significant challenges obtaining safe and quality affordable housing.

How is affordability of housing likely to change considering changes to home values and/or rents?

If current trends continue unchecked, the rental rates and homeownership costs will continue to rise until their respective costs can support the underlying development to expand the housing stock. All things being equal, this pricing adjustment process will exacerbate any underlying affordability challenges that communities are already experiencing. Alternatively, growth within the respective communities could slow or stop in response to the escalating price-point for Alaskans to enter (or stay within) the community.

How do HOME rents / Fair Market Rent compare to Area Median Rent? How might this impact the strategy to produce or preserve affordable housing?

Generally, the low-HOME rents are below the FMR. In some communities, the high-HOME rents are near or above the FMR. In a number of Alaskan communities, the rental market size is not conducive to a robust sampling to support the FMR. Outside of the major population centers (i.e. the Kenai Peninsula and Mat-Su boroughs, Juneau, Fairbanks and Anchorage), the veracity of the FMR data is sometimes challenging.

MA-20 Condition of Housing – 91.310(a)

Introduction: With 50% of Alaska's housing stock built in the 70s and 80s and another 20% built before the 70s, the available stock has passed or is nearing the end of their useful life.

Jurisdiction's definition for "substandard condition" and "substandard condition but suitable for rehabilitation:"

According to the Jurisdiction, any property that is funded that involves rehabilitation must meet all of the following after rehabilitation:

1) Uniform Physical Conditions Standards (UPCS)

2) All applicable local building codes

If these conditions cannot be satisfied through the proposed scope of rehabilitation, AHFC will not fund the development.

Definitions

Condition of Units

Condition of Units	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
With one selected Condition	43,812	26%	35,930	40%
With two selected Conditions	5,138	3%	4,559	5%
With three selected Conditions	2,226	1%	1,525	2%
With four selected Conditions	100	0%	140	0%
No selected Conditions	111,370	68%	48,120	53%
Total	162,646	99%	90,274	100%

Table 16 - Condition of Units

Data Source: 2007-2011 ACS

Year Unit Built

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
2000 or later	23,986	15%	10,885	12%
1980-1999	71,481	44%	32,918	36%
1950-1979	62,300	38%	42,010	47%

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
Before 1950	4,879	3%	4,461	5%
Total	162,646	100%	90,274	100%

Table 17 – Year Unit Built

Data Source: 2007-2011 CHAS

Risk of Lead-Based Paint Hazard

Risk of Lead-Based Paint Hazard	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
Total Number of Units Built Before 1980	67,179	41%	46,471	51%
Housing Units build before 1980 with children present	17,720	11%	11,640	13%

Table 18 – Risk of Lead-Based Paint

Data Source: 2007-2011 ACS (Total Units) 2007-2011 CHAS (Units with Children present)

Vacant Units

	Suitable for Rehabilitation	Not Suitable for Rehabilitation	Total
Vacant Units	32858	21905	54763
Abandoned Vacant Units	n/a	n/a	n/a
REO Properties	341	227	568
Abandoned REO Properties	n/a	n/a	n/a

Table 19 - Vacant Units

Need for Owner and Rental Rehabilitation

With 50% of Alaska's housing stock built in the 70s and 80s and another 20% built before the 70s, the available stock has passed or is nearing the end of their useful life.

Preserve and upgrade existing housing supply through weatherization and/or rehabilitation. Because it is so expensive to develop new housing, every effort must be made to prolong the useful life and to lower operating costs of Alaska's existing housing. The use of federal housing and community development funds should emphasize benefit to low income Alaskans and increase housing and neighborhood options for Alaskans. Existing housing supply, both owner-occupied and rental property, should be protected and improved through weatherization and/or rehabilitation activities.

Housing and community development projects should incorporate climate specific design and engineering, energy efficient construction techniques and innovative technologies.

Number of Housing Units Occupied by Low or Moderate Income Families with LBP Hazards

According to the 2007-2011 CHAS data provided above, approximately 113,650 housing units were built prior to 1980 and therefore are at risk of containing Lead-Based Paint. Of those units at risk, 41% and 51% are owner-occupied and Renter-occupied respectively. Approximately 24% of housing in the state, included in the totals above, are also occupied by children.

Even though approximately 44% of units in the state were built before 1978, all covered projects under the HOME, CDBG, HOPWA, Public Housing and Section 8 Housing Voucher programs will be administered to conform to the applicable lead based paint regulations. Rehabilitation of pre-1978 housing using HUD housing assistance programs covered by the lead based paint rule (Subpart of the Rule Within 24 CFR Part 35), will follow the applicable HUD procedures, reporting and record keeping standards outlined.

Alaska Housing Finance Corporation's Public Housing Division tested the low-income rental properties it owns across the state. Fourteen projects outside of Anchorage, with a total of 404 rental units, where inspected for lead based paint. In eight of the project, no lead based paint over the HUD threshold was detected. Lead was abated in all of the projects at an estimated cost of $466,000. The remaining two projects received lead abatement activities upon receipt of funding. The soils adjacent to the units play areas, parking lots, and roadways were also below the threshold levels for lead in soils.

Discussion: A recent study by the Division of Epidemiology of the Alaska Department of Health & Social Services, reports that incidents of lead-based paint poisoning in Alaska are extremely rare. Targeted lead screening programs of at-risk communities and inquiries to health care professionals over the past two decades have failed to identify any children with blood levels which would benefit from medical or environmental intervention, leading the Division to Epidemiology to question the need for universal blood lead testing in Alaska. The study further demonstrated no value in testing Medicaid-eligible children.

MA-25 Public and Assisted Housing

Introduction:

Source: FY2015 Moving to Work Annual Plan
Planned Number of Households Served at the End of the Fiscal Year Statewide

MTW Households to be Served Through:	Planned Number of Households to be Served*
Federal MTW Public Housing Units to be Leased	1,217
Federal MTW Voucher (HCV) Units to be Utilized1	4,074
Number of Units to be Occupied/Leased through Local, Non-Traditional, MTW Funded, Property-Based Assistance Programs2	34
Number of Units to be Occupied/Leased through Local, Non-Traditional, MTW Funded, Tenant-Based Assistance Programs3	739
Total Households Projected to be Served	6,064

1 - Moving to Work (4,307) less Moving Home Program
2 - Karluk Manor in Anchorage
3 - Empowering Choice Housing Program (254), Moving Home Program (150), and HOME Tenant-Based Rental Assistance (75). NonElderly Disabled (45) and Veterans Affairs Supportive Housing (230) vouchers administrative costs are supported with MTW funds.

Resident Involvement:
The purpose of AHFC's Resident Advisory Board (RAB) is to provide advice and comment to AHFC on proposed operations, the annual Moving to Work Plan, proposed construction activities, and other items of interest to AHFC's public housing and housing choice voucher clients. Comments received from the RAB are reported to AHFC's Board of Directors. The RAB is composed of eleven members from AHFC's Public Housing (PH), Section 8 New Multifamily Housing (S8N), and Housing Choice Voucher (HCV) programs

Totals Number of Units

Program Type									
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project-based	Tenant-based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
# of units vouchers available		148	752	1962	10	1952	90	0	45
# of accessible units	53	73	N/A	N/A	N/A	N/A	N/A	N/A	N/A
*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition									

Table 20 – Total Number of Units by Program Type

Data Source: PIC (PIH Information Center)

Supply of public housing developments:

Number of units by community

Bethel	117 units
Cordova	16 units
Fairbanks	165 units
Juneau	206 units
Ketchikan	73 units
Kodiak	40 units
Nome	33 units
Sitka	43 units
Valdez	7 units
Wasilla	32 units
Wrangell	20 units

Number and physical condition of public housing units in the jurisdiction, including those that are participating in an approved Public Housing Agency Plan:

For a complete set of data, please visit http://huduser.org/portal/datasets/pis.html

Restoration and Revitalization Needs of public housing units in the jurisdiction:

Source: FY2015 Moving to Work Annual Plan - http://goo.gl/dW0afB

General Description of All Planned Capital Fund Expenditures During the Plan Year

The planned uses of the CFP funds are to make up the difference in funding the AMPs in the Public Housing program due to funding shortfalls. Any remaining funds are to be put toward funding new housing units in the affordable housing development program as laid out in the MTW plan.

Public housing agency's strategy for improving the living environment of low- and moderate-income families residing in public housing:
Please see the discussion in section MA-25 above regarding AHFC's Resident Advisory Board

Discussion
Source: FY2015 Moving to Work Annual Plan - http://goo.gl/dW0afB
Other Changes to the Housing Stock Anticipated During the Fiscal Year
AHFC is in the preliminary stages of researching additional housing options for the communities of Bethel, Kodiak, and Nome. We plan to either buy existing property, build on existing lots we own, or purchase land and build on that land. One option is the possible use of AHFC's banked Faircloth Amendment units under the Annual Contribution Contract to expand available public housing units. Another option is to pursue a Rental Assistance Demonstration application.

MA-30 Homeless Facilities – 91.310(b)

Introduction

Facilities and services targeted to homeless persons are substantially concentrated in the urban areas of the Alaska Continuum. Of the 635 available emergency shelter beds, 48% are dedicated to victims of domestic violence. Transitional housing facilities are also concentrated in the urban areas with the exception of Sitka and Bethel which constitute 11 of the transitional housing beds available. Only 2 of the permanent supportive housing beds available in the Alaska Continuum are found in a rural area.

Facilities Targeted to Homeless Persons

	Emergency Shelter Beds		Transitional Housing Beds	Permanent Supportive Housing Beds	
	Year Round Beds (Current & New)	Voucher / Seasonal / Overflow Beds	Current & New	Current & New	Under Development
Households with Adult(s) and Child(ren)	223	6	78	59	0
Households with Only Adults	390	0	165	170	8
Chronically Homeless Households	0	0	0	47	0
Veterans	0	0	22	91	0
Unaccompanied Youth	22	0	0	0	0

Table 21 - Facilities Targeted to Homeless Persons

Mainstream services, such as health, mental health, and employment services to the extent those services are used to complement services targeted to homeless persons.

In an effort to address the full spectrum of needs facing homeless persons, federal and state funding sources encourage, and often require, homeless services providers to connect individuals with all available services to assist in achieving housing stability. Homeless services available within the Alaska Continuum include homeless outreach, housing placement, homeless prevention, behavioral health services, child care, career services, education services, health care, transportation, case management, financial management, life skills, alcohol and drug abuse services, access to

affordable medical care, and assistance accessing income supports through public assistance and social security.

Services and facilities that meet the needs of homeless persons, particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth. If the services and facilities are listed on screen SP-40 Institutional Delivery Structure or screen MA-35 Special Needs Facilities and Services, describe how these facilities and services specifically address the needs of these populations.

The three key components of the homeless continuum of care include emergency shelter, transitional housing, and permanent supportive housing. Within the Alaska Continuum there are 27 emergency shelter facilities supporting 635 beds, 19 transitional housing facilities providing 243 beds, and 12 permanent supportive housing facilities providing 229 beds for homeless persons.

Within these facilities, there are 113 beds dedicated to veterans and their families, 37 dedicated to chronic homeless, 323 dedicated to homeless families, and 51 dedicated to unaccompanied youth.

Each of the 58 homeless housing facilities within the Alaska Continuum provide, or connect, homeless individuals with supportive services to assist the individual in achieving housing stability. These services include case management at varying degrees of intensity based on the needs of the individual, housing placement, career services, medical treatment, and connection to income supports through public assistance and social security.

MA-35 Special Needs Facilities and Services – 91.310(c)

Introduction

Priorities and specific objectives over the next five years for Alaska's special needs populations will maintain and expand affordable housing opportunities, incorporating appropriate supportive services and accessibility features.

Facilities and services that assist persons who are not homeless but who require supportive housing, and programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing

The Housing Choice Voucher program is the single most important housing assistance program for persons with special needs. Maintaining access to the Voucher program for Alaskans with special needs is a high priority of this Consolidated Housing and Community Development Plan.

Utilize resources to provide rental assistance for Alaskans with at-risk populations.

The allocation of HOME Investment Partnership and Low-Income Housing Tax credits will include a preference for activities targeting the following special needs populations: homeless, persons with physical or mental disabilities, extremely low-income households (0-30%).

Available technical assistance resources will be used to improve the ability of housing and service providers to plan, implement and operate programs that serve the housing needs of special needs populations.

Another priority will be to leverage other funding resources for special needs housing projects, and to develop more effective ways of providing affordable housing opportunities for Alaskans with special needs.

Programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing

The anticipated accomplishments over the next five years for housing initiatives for other special needs are:

Beginning in 2015, AHFC has a new housing initiative called "Moving Home" with the DHSS which will set-aside 80 vouchers outside of Anchorage for referrals from that agency of clients with disabilities. Two ongoing programs account for another 65 rental and homeownership vouchers to

clients with disabilities. The general Housing Choice Voucher population has approximately 296 participants with disabilities.
The majority of the estimated 50 households that will be provided HOME tenant based rental assistance will be for at risk populations.

No less than eight (8) housing training events will be delivered to housing and service providers. Scholarships will be provided to housing and service providers to attend local, regional and out of state trainings.

It is anticipated that at least half of the housing development projects funded will leverage more than 55% of the total development costs.

AHFC Corporate receipts will fund a portion of the pre-development activities for project sponsors pursuing the special needs and senior housing-- including HUD 811 and 202 projects.

Subject to legislative appropriations and funding availability, provide matching funds to leverage additional special needs housing resources.

Activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. 91.315(e)

AHFC has partnered with State of Alaska Department of Corrections and Office of Children's Services to target special needs and at-risk populations who will be transitioning from State supervision or programs into permanent housing:

Up to 50 youth who are aging out of foster care and are at risk of becoming homeless. This program began in November 2012, is limited to 36 months of rental assistance, and is available in every AHFC voucher community.

Time-limited (24 months) rental assistance is provided to persons re-entering AHFC voucher communities from incarceration. Individuals are under a parole/probation requirement with Corrections when they enter the program, and the goal is to both reduce homeless among this population as well as to reduce the rate of recidivism.

MA-40 Barriers to Affordable Housing – 91.310(d)

Negative Effects of Public Policies on Affordable Housing and Residential Investment

Public policies in the balance of State are not the main drivers of negative impacts on affordable housing and residential investment. The factors that affect AHRI investments are low community economic activity, high cost of housing related to household income, population densities, and the availability of infrastructure.

MA-45 Non-Housing Community Development Assets -91.315(f)

Introduction

Economic Development Market Analysis

Business Activity

Business by Sector	Number of Workers	Number of Jobs	Share of Workers %	Share of Jobs %	Jobs less workers %
Agriculture, Mining, Oil & Gas Extraction	8,766	9,136	8	8	1
Arts, Entertainment, Accommodations	13,838	13,071	12	12	0
Construction	7,823	6,332	7	6	-1
Education and Health Care Services	21,713	20,618	19	19	0
Finance, Insurance, and Real Estate	5,801	5,214	5	5	0
Information	2,668	2,274	2	2	0
Manufacturing	7,536	9,634	7	9	2
Other Services	4,720	4,402	4	4	0
Professional, Scientific, Management Services	6,293	4,405	5	4	-1
Public Administration	0	0	0	0	0
Retail Trade	19,037	19,139	17	18	1
Transportation and Warehousing	8,583	8,009	7	7	0
Wholesale Trade	2,465	1,813	2	2	0
Total	109,243	104,047	--	--	--

Table 22- Business Activity

Data Source: 2007-2011 ACS (Workers), 2011 Longitudinal Employer-Household Dynamics (Jobs)

Labor Force

Total Population in the Civilian Labor Force	211,310
Civilian Employed Population 16 years and over	191,632
Unemployment Rate	9.31
Unemployment Rate for Ages 16-24	22.81
Unemployment Rate for Ages 25-65	5.95

Table 23 - Labor Force

Data Source: 2007-2011 ACS

Occupations by Sector	Number of People - Median Income
Management, business and financial	40,025
Farming, fisheries and forestry occupations	8,158
Service	17,768
Sales and office	43,183
Construction, extraction, maintenance and repair	28,978
Production, transportation and material moving	12,575

Table 24 – Occupations by Sector

Data Source: 2007-2011 ACS

Travel Time

Travel Time	Number	Percentage
< 30 Minutes	146,945	82%
30-59 Minutes	21,796	12%
60 or More Minutes	10,271	6%
Total	179,012	100%

Table 25 - Travel Time

Data Source: 2007-2011 ACS

Education:

Educational Attainment by Employment Status (Population 16 and Older)

Educational Attainment	In Labor Force		
	Civilian Employed	Unemployed	Not in Labor Force
Less than high school graduate	8,474	1,590	6,330
High school graduate (includes equivalency)	44,473	5,810	18,089
Some college or Associate's degree	61,985	4,847	17,560
Bachelor's degree or higher	44,140	1,243	7,434

Table 26 - Educational Attainment by Employment Status

Data Source: 2007-2011 ACS

Educational Attainment by Age

	Age				
	18–24 yrs	25–34 yrs	35–44 yrs	45–65 yrs	65+ yrs
Less than 9th grade	614	858	584	3,029	4,365
9th to 12th grade, no diploma	8,071	3,471	2,955	5,548	2,848
High school graduate, GED, or alternative	17,079	17,418	17,092	34,432	8,799
Some college, no degree	14,287	17,409	16,437	34,833	7,471
Associate's degree	1,256	4,545	5,103	9,102	1,229
Bachelor's degree	1,709	8,766	8,599	18,409	4,007
Graduate or professional degree	174	2,322	4,593	11,302	3,216

Table 27 - Educational Attainment by Age

Data Source: 2007-2011 ACS

Educational Attainment – Median Earnings in the Past 12 Months

Educational Attainment	Median Earnings in the Past 12 Months
Less than high school graduate	31,536
High school graduate (includes equivalency)	46,080
Some college or Associate's degree	53,328
Bachelor's degree	79,056
Graduate or professional degree	96,432

Table 28 – Median Earnings in the Past 12 Months

Based on the Business Activity table above the major employment sectors within the state are

Based on the information presented by table 40 above, the three major employment sectors in the balance of State are:

- sales and office, management
- business and financial, and construction
- extraction, maintenance and repair.

Workforce and infrastructure needs of business in the state.

Of the top 25 occupations for percentage growth, 21 fall under the broad umbrella of health care and three of the remaining four have some connection to health care (personal care aides, health care educators, and medical secretaries). The impetus for much of that growth will be the aging of the state's baby boomers — those born between 1946 and 1964. The number of Alaskans ages 65 to

79 is expected to almost double from 2010 to 2020 and the number of Alaskans in the 80+ category is expected to grow by 46 percent.

In terms of total openings over the 2010 to 2020 decade, 37 percent will require less than a high school diploma, 38 percent will require a high school diploma or the equivalent, and the remaining 25 percent will require some type of postsecondary degree or award. The state's "top jobs" — those that rank in one of the top two wage quartiles and for which growth is expected to be stronger than average — include very few jobs that do not require at least a high school diploma, however.

http://labor.alaska.gov/trends/oct12.pdf - source - PY2012-2016 Alaska Integrated Workforce Development Plan.

Major changes that may have an economic impact, such as planned public or private sector investments or initiatives that have affected or may affect job and business growth opportunities during the planning period. Describe any needs for workforce development, business support or infrastructure these changes may create.

Alaska's highly seasonal, resource-based economy generates significantly more jobs during the summer in many parts of the state than there are available Alaskans to fill them. On the other hand, when the construction, fishing, and tourism seasons scale back during the winter; many residents struggle to find employment. In that sense, the state has certain advantages in training its residents because there are lulls in the annual cycles that can be profitably spent obtaining new skills and training.

Alaska's ongoing public investment in construction, infrastructure, and resource development projects will require skilled individuals who can fill a variety of positions in construction, maintenance, and operation of public infrastructure resources and networks. Programs such as registered apprenticeships and on-the-job training offer employers an incentive to hire rural residents rather than employ a workforce from urban Alaska or the Lower 48.

Just as rural residents find access to training difficult, nontraditional workers such as women and minorities also find barriers to construction opportunities. Registered apprenticeship programs and on-the-job training give employers incentives to consider the nontraditional worker.

For veterans, the difficulty is translating war time and peacekeeping skills to the everyday working world. Creating incentives for employers to hire veterans can overcome the perception that veterans' skills are not useful in the workforce. Programs such as the state-funded helmets-to-hardhats offer incentives and provide support to veterans as they transition from service.

How do the skills and education of the current workforce correspond to employment opportunities in the state?

Alaska's size and geographically diverse population make access to education and training a unique challenge. The state's largest cities are connected by road, but a large part of the state is accessible only by air or water, and travel may be expensive and time-consuming. There is often the additional challenge of cultural differences for people coming from villages to urban areas.

Those challenges create a special need for distance delivery of training and services and also, in some cases, for funds to cover travel and housing when training can only be in person.

Along with the geographic barriers, the state is working to overcome institutional and organizational obstacles. The state's Career and Technical Education Plan is a blueprint to guide educators and training providers toward better opportunities for job seekers and students.

Alignment of training with employment demands at the secondary level will prepare students for postsecondary training in Alaska's high-wage occupations. Creating awareness within the educational institutions creates an opportunity for teachers to connect lessons to actual demands of the work place.

Aligning traditional postsecondary training with applied and on-the-job learning accelerates the time job seekers spend becoming proficient. Models such as registered apprenticeship are critical to overcoming these barriers.

Ultimately, business and industry must value local workforce development over a transient workforce. If Alaska is to effect change in the labor force, then the training provided must result in a potential worker who is equal to or better than an imported worker in terms of cost to the company and quality of workmanship. Alaska's greatest challenge in preparing its workforce is designing a world-class training and development system that is responsive to business and industry and produces the most prepared workforce.

Current workforce training initiatives supported by the state. Describe how these efforts will support the state's Consolidated Plan.

The governor's vision for workforce development is aligned with the state's commitment to economic development. Workforce development programs rely on the broad strategic policy decisions of the Alaska Workforce Investment Board (AWIB) to clarify the relationship between programs and particular economic development efforts. The AWIB uses three primary strategies to help the programs meet the governor's vision. First, AWIB identifies priority industries and occupations for the

investment of scarce workforce investment resources. Second, AWIB works with priority industries to develop targeted workforce development plans, such as the Construction Workforce Development Plan and the Alaska Health Workforce Coalition Plan. Third, AWIB monitors investment of programs that are required to report to the board including the Adult and Dislocated Worker programs and the State Training Employment Program.

AWIB determines priorities for the workforce investment system that are in line with the governor's vision and works with industry to implement them. Strategies include the occasional use of discretionary funding awarded by U.S. Department of Labor, Employment and Training Administration to states whose priorities align with their governor's vision, and Alaska has a strong history of meeting that goal.

The state recently concluded a federally funded program that prepared Alaskans to build, operate, and maintain oil and gas pipelines in Alaska, now supported by both state and formula-funded resources. AWIB developed Alaska's Oil and Gas Training Plan as a way to establish funding priority. This model led to the training of more than 2,000 Alaskans, ranging from incumbent workers to low-income participants.

Under this model, AWIB tracks the investment results to determine programs' effectiveness and alignment with the governor's workforce development vision. Currently, the state receives no discretionary funding but looks forward to future investment opportunities from the Employment and Training Administration.

Because Alaska is heavily dependent on the oil and gas industry, other economic development catalysts must be created before demand for Alaska workers expands. Alaska workers must align their skill sets with those demanded by the few emerging and growing industries such as health care, mining, and renewable energy to hire more Alaskans.

The state workforce system uses broad guidance from the AWIB to develop and implement industry-specific workforce plans. AWIB resolutions provide guidance on specific industries to address economic variables and methods for prioritizing labor market data.

The first plan for which the AWIB provided direction was the state's Construction Industry Workforce Development Plan. From this plan the board and system learned about the connectivity of workforce development strategies.

Alaska's Oil and Gas Training Plan is the first plan that incorporates four key strategies for meeting industry needs:

- Increase awareness of and access to career opportunities in natural resource development.

- Develop a comprehensive, integrated career and technical education system for Alaska that aligns training institutions and coordinates program delivery.
- Increase opportunities for registered apprenticeship in skilled occupations and expand other structured training opportunities.
- Increase opportunities for development of appropriate training programs for operations, technical and management workers.

The AWIB's most recent strategic approach is working with the health care industry. By applying similar principles from the state's oil and gas training plan, the health care industry is expanding its labor force in a time of economic decline. Potential strategies include greater access to employer-based training and an emphasis on applied health care occupations.

The state is also using its successes and priorities with the oil and gas industry to help develop the renewable energy and energy efficiency subsector. Connecting training standards to industry expectations means that process, technology, and methodology share equal importance. The strategies and priorities the workforce investment system uses are based on the successful experiences with the oil and gas industry. These strategies, in turn, will support the Housing and Community Developments of the State in many fronts; one of them being the likelihood of the program's beneficiaries to afford a higher living standard that will translate into better housing choices.

Other state efforts to support economic growth.

The state has developed and supported the development or acquisition of operating systems that are essential in supporting state workforce development strategies. These include technological applications, training for specific area skill building to service delivery staff members, marketing operating systems to business and potential participants, and reports that help one-stops prepare for layoffs.

For more information, visit the Alaska Department of Labor and Workforce Development, Alaska Integrated Workforce Development Plan at: http://labor.state.ak.us/awib/ppi.htm

MA-50 Needs and Market Analysis Discussion

Are there areas where households with multiple housing problems are concentrated? (include a definition of "concentration")

Yes, the rural parts of Alaska in the northern, interior, western and southwestern regions of the state are occupied predominately by Alaska Native/American Indian populations. Concentration is defined as a non-Caucasian ethnicity representing more than 50% of the total population

Are there any areas in the jurisdiction where racial or ethnic minorities or low-income families are concentrated? (include a definition of "concentration")

Yes. Concentration is defined as a non-Caucasian ethnicity representing more than 50% of the total population. Several rural communities qualify as having a concentration of ethnic minorities. In these communities, the AN/AI cohorts make up 55%-93% of the total population.

What are the characteristics of the market in these areas/neighborhoods?

These areas of Alaska are comprised of small remote villages and communities. In the majority of them there are no recognized housing markets or organized governmental institutions. The neighborhoods are comprised of mostly older homes and are generally overcrowded. The communities outside the hub communities are not typically characterized through distinct neighborhoods.

Are there any community assets in these areas/neighborhoods?

Yes. Public buildings, behavioral health facilities, regional housing authorities, infrastructure and recreation areas.

Are there other strategic opportunities in any of these areas?

The State works closely with community development and behavioral health agencies as well as with regional housing authorities to find opportunities for the creation of infrastructure and services in those areas affected by multiple housing problems.

Strategic Plan

SP-05 Overview

The statutory goal of the Consolidated Housing and Community Development (HCD) Plan is to: "Provide decent housing, create suitable living environments, and expand economic opportunities for Alaskans at or below 80% of median income."

Seven guiding principles identified below direct program resources governed by the HCD Plan.

1) **The use of federal housing and community development funds should emphasize benefit to low income Alaskans and increase sustainable housing and neighborhood options for Alaskans.** Rationale: The amount of federal funds is limited; greatest needs are among the lowest-income households. Low to moderate income Alaskans should not have their housing options limited to only lower-income neighborhoods.
2) **Use of community development funds should emphasize the creation of economic opportunity through development of infrastructure.** Rationale: Basic infrastructure is lacking in many of Alaska's communities and is a major barrier to economic self-sufficiency. Location-efficient facility decisions can reduce the operating and capital expenses associated with transportation
3) **Preserve and upgrade existing housing supply through weatherization and rehabilitation.** Rationale: Because it is so expensive to develop new housing, every effort must be made to prolong the useful life and to lower operating costs of Alaska's existing housing.
4) **Use of federal homeless funds should emphasize activities that maintain and strengthen the service delivery system for Alaska's homeless, consistent with local strategies.** Rationale: Very little formula funding is available for services to help the homeless and near-homeless.
5) **Maximize the use of federal housing and community development funds by supporting projects that include significant leveraging resources.** Rationale: The amount of federal funds is limited; more can be accomplished if federal funds are combined with state and local resources.
6) **Expand the supply of affordable housing for Alaskans with special needs, incorporating universal design and appropriate supportive services.** Rationale: Existing housing supply is inadequate to meet current and projected need for this population, which has historically been underserved.
7) **Housing and community development projects should incorporate climate specific design and engineering, energy efficient construction techniques and innovative technologies.** Rationale: Use of appropriate technologies insures long term viability of housing and community development projects.

The State does not target specific geographic areas in the Consolidated Plan. The allocation criteria of several competitive programs have a priority that awards points to projects located in small communities, as defined by AHFC. A small community is a community of 6,500 or less that is not connected by road or rail to Anchorage or Fairbanks. Or, a community of 1,600 or less that is connected by road or rail to Anchorage or Fairbanks and is located at least 50 statute miles outside of Anchorage or 25 statute miles outside of Fairbanks. In this definition, "connected by road" does not include a connection by the Alaska Marine Highway System or roads outside the boundary of the State of Alaska.

SP-10 Geographic Priorities – 91.315(a)(1)

The State does not target specific geographic areas in the Consolidated Plan. The allocation criteria of several competitive programs have a priority that awards points to projects located in small communities, as defined by AHFC. A small community is a community of 6,500 or less that is not connected by road or rail to Anchorage or Fairbanks. Or, a community of 1,600 or less that is connected by road or rail to Anchorage or Fairbanks and is located at least 50 statute miles outside of Anchorage or 25 statute miles outside of Fairbanks. In this definition, "connected by road" does not include a connection by the Alaska Marine Highway System or roads outside the boundary of the State of Alaska.

Geographic Area

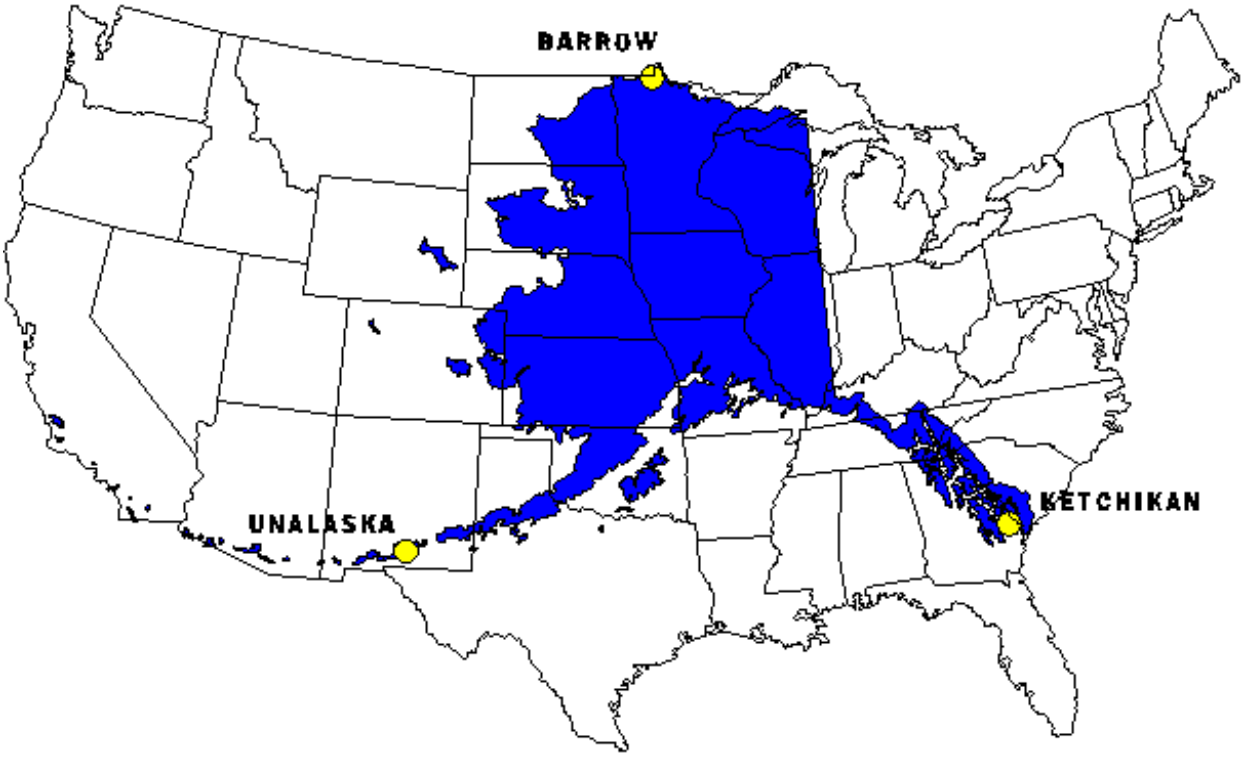


Table 29 - Geographic Priority Areas

General Allocation Priorities

Alaska's wide range of housing and community development conditions makes the use of guiding principles the most practical and effective approach of targeting scarce HCD resources. The seven guiding principles were developed from HCD public hearings; consultation with federal, state and local entities; involvement with housing and community development in both the private and public

sectors over the past five years; and an analysis of the Consolidated Annual Performance Evaluation Reports (CAPERs) for state fiscal years 2006, 2007, 2008 and 2009. Data gathered in the development of this five year plan support the seven guiding principles above.

SP-25 Priority Needs – 91.315(a)(2)

Priority Need	Population	Geographic Areas	Priority Level	Associated Goal
Outreach	Unsheltered Persons Chronic Homeless		Medium	☒Reduce & Prevent homelessness
Emergency Shelter and Transitional Housing	Unsheltered Persons Families Low/Extremely Low Income Veterans		High	☒Reduce & Prevent Homelessness
Rapid Re-Housing	Unsheltered Persons Families Families with Children Low/Extremely Low Income Veterans		High	☒Reduce & Prevent Homelessness
Permanent Supportive Housing	Unsheltered Persons Mentally Ill		High	☒Reduce & Prevent homelessness

	Chronic Substance Abuse Veterans			
Homeless Prevention	Low/Extremely Low Income Families with Children Veterans		High	☒Reduce & Prevent homelessness
Public Facilities	Rural Communities	Balance of State	High	Community Development
Public Improvements	Rural Communities	Balance of State	High	Community Development
Public Services	Rural Communities	Balance of State	High	Community Development
Continuing Education	Grant Administrators, Private Developers, Non-Profits, Construction Contractors, Architectural and Engineering, Non-Profits, Landlords	Statewide	High	Community Development
Rural Economic Opportunities	Grant Administrators, Teachers, Health Professionals, Public Safety	Rural Alaskan Communities	High	Community Development

	Personnel, Construction Laborers, Construction Supply			
Rural Housing Energy Efficiency	Non-Profits, Public Service Professionals	Rural Alaskan Communities	High	Community Development
Skills Training	Rural Residents	Rural Alaskan Communities	High	Community Development
Rental Assistance	Families Low/Extremely low Income	Balance of State	High	Provide Decent Housing
Production of new homeownership units	Families Low/Extremely Low Income	Balance of State	High	Provide Decent Housing
Acquisition of existing homeownership units	Families Low/Extremely Low Income	Balance of State	High	Provide Decent Housing

Table 30 – Priority Needs Summary

Narrative

SFY14 AKHMIS data reports that 75% of persons experiencing homelessness or threatened with homelessness transitioned into a permanent housing situation within 30 days and 11% transitioned within 31 – 60 days for a total of 86% of individuals transitioning into permanent housing within 60 days of connecting with services.

Connecting individuals to permanent housing is a challenge in Alaska as available and affordable housing is limited. Affordable housing is being developed as funding becomes available; however, funding is limited and does not meet current demand. As housing development levels are expected

to remain consistent, Alaska will continue to see similar trends in the number of persons experiencing homelessness or threatened with homelessness.

SP-30 Influence of Market Conditions – 91.315(b)

Influence of Market Conditions

Affordable Housing Type	Market Characteristics that will influence the use of funds available for housing type
Tenant Based Rental Assistance (TBRA)	Availability of housing Stock: rental unit availability data indicates that there is an ample supply of units to make TBRA a viable housing strategy. Relative Affordability of market: in many rural areas of Alaska, the Fair Market Rent prescribed by HUD does not keep up with real market rent prices.
TBRA for Non-Homeless Special Needs	Availability of other forms of rental assistance for populations (i.e. non-duplication), State and Corporate priorities (i.e. reducing recidivism, youth aging out of foster care, victims of domestic violence).
New Unit Production	1) Availability of developable land, 2) cost, 3) the availability of underutilized housing that could be renovated, 4) surplus inventory, 5) population growth trends, 6) development capacity Constraints of financial feasibility impede the development of affordable housing, in both rural and urban communities. Critical to the implementation of the strategies contained in this Plan is a dedicated source of funds to leverage other funding sources for the development of new affordable housing opportunities, as well as the acquisition and rehabilitation of existing structures.
Rehabilitation	1) Cost, 2) the availability of underutilized housing that can be renovated, 3) population growth dynamics, 4) structural limitations, 5) activities connected to rental assistance for the tenants.
Acquisition, including preservation	1) Preserving rental assistance (i.e. USDA 515 projects that are eligible to opt-out of the contract). 2) Cost Constraints of financial feasibility impede the development of affordable housing, in both rural and urban communities. Critical to the implementation of the strategies contained in this Plan is a dedicated source of funds to leverage other funding sources for the development of new affordable housing opportunities, as well as the acquisition and rehabilitation of existing structures.

Table 31 – Influence of Market Conditions

SP-35 Anticipated Resources - 91.315(a)(4), 91.320(c)(1,2)*

HCD Plan Annual Action Plan

Annual Funding Plan For Housing
State of Alaska (Excluding Municipality of Anchorage)
Fiscal Year 2016 (July 1, 2015 - June 30, 2016)

Program Name	Program Type	Anticipated Funding			Total Units	Sec. 215 Units
		Federal	State	Total		
Beneficiary and Special Needs Housing	Housing for people with disabilities			$ 7,500,000	N/A	N/A
Capital Fund Program	Public Housing Improvements			$ 12,500,000	N/A	N/A
CDBG	HUD - Community Development Block Grant Program			$ 12,308,030	N/A	N/A
Competitive Grants for Public Housing	Matching Funds Public Housing Resident Programs			$ 5,500,000	N/A	N/A
Energy Efficiency Monitoring	Energy Rating, Marketing, Tech. Asst., Special Projects			$ -	N/A	N/A
Energy Programs	Weatherization Assistance and Home Energy Rebates			$ 35,500,000	N/A	N/A
ESG	HUD - Emergency Solutions Grant Program			$ 1,482,640	N/A	N/A
Federal and Other Competitive Grants	Matching Funds for Federal Grant Programs			$ 22,500,000	N/A	N/A
Fire Protection Systems	Replacement of Fire Systems AHFC Public Housing			$ 5,720,000	N/A	N/A
HOME	Rehab, new const, rental and homebuyer assistance			$ 22,500,000	N/A	N/A
Homeless Assistance Program	Funding For Homeless Programs and Prevention			$ 3,500,000	N/A	N/A
Housing Opportunities for Persons with AIDS	Rental Assistance - HOPWA			$ 5,902,200	N/A	N/A
National Housing Trust Fund	Build Affordable rental housing for Extremely low-inc			$ 12,000,000	N/A	N/A
Senior Citizen Housing Development Fund	Senior Housing Rehabilitation and Construction			$ 18,252,000	N/A	N/A
Supplemental Housing Development Program	Rural Housing Infrastructure Improvements and Rehab.			$ 15,000,000	N/A	N/A
Teacher, Health, and Public Safety Housing	Rental Housing for Teachers, Health Prof, Public Safety			$ 9,500,000	42	N/A
Cold Climate Housing Research Center				$ 2,500,000		
				$ -		
Total Grants:				**$ 192,164,870**	**N/A**	**N/A**

Domestic Violence Housing Assistance Prog.	Operating costs	0	797,040	797,040	112	90
Public Housing Operating Subsidy	Operating costs	5,355,435	0	5,355,435	754	642
Section 8 Housing Choice Vouchers	Rental assistance	13,787,765	0	13,787,765	1,720	1,661
Total Rental Assistance:		**$19,143,200**	**$797,040**	**$22,815,785**	**2,586**	**2,393**

Table 32 - Anticipated Resources

*These are the anticipated resources over the next five years; however actual dollar amounts are uncertain due to funding allocations/cuts from year to year.

Federal funds will leverage additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

Affordable Housing is an issue in Alaska and as a result, the Participating Jurisdiction (PJ) works with the Department of Health and Social Services, the Alaska Mental Health Trust Authority, and among others, private foundations like the Rasmuson Foundation to get the most out of all the available resources, specifically the State has taken forward steps as follows: merged the HOME Rental Development funds with the Senior housing and Low-Income Housing Tax Credit programs; provided HOME assistance to the RurAL CAP and the Alaska Community Development Corporation for self-help programs under the USDA program so that a small amount of the HOME Ownership Development Program can help purchase the land and contribute to low-income clients becoming home owners.

AHFC combines state Special Needs Housing Grant funds with HOME funds to make it possible to fund projects for people with mental illness and supportive housing. AHFC has created a preference in the Low-Income Housing Tax Credit (LIHTC) allocation plan for the preservation of USDA projects. This way HOME and LIHTC are leveraged in with USDA financing to preserve affordable housing.

a. On an annual basis through the Greater Opportunities for Affordable Living (GOAL) program and/or the Special Needs Housing Grant (SNHG) program, AHFC announces the availability of HOME funds for rental development. The SNHG program allocates capital development funds to develop rental housing projects that will serve special needs, and low-income households. In SFY2017, HOME rental development funds may also be awarded through the SNHG award process, in addition to the GOAL process, if AHFC deems that it is in the best interest of the HOME program to do so.

b. The SFY2017 (FFY 2016) allocation of HOME funds carries a twenty-five percent (25%) matching requirement. The PJ anticipates meeting the match through a contribution of AHFC general funds. This contribution effectively increases the total amount of HOME funds available during SFY2016 (FFY 2016) to $3,767,887. Whenever feasible, recipients of HOME funds will be encouraged to make additional contributions to HOME projects that will qualify as “match” under the federal regulations. This will allow the PJ to further stretch HOME funds to assist low-income Alaskans. If for some reason these strategies do not meet the twenty-five percent (25%) matching requirement, AHFC will utilize banked HOME match.

c. HOME funding, where appropriate, will continue to be used in conjunction with other federal and state funds to achieve the goal of upgrading existing housing stock. Such funding sources include, but are not limited to AHFC/DOE Weatherization funds, Senior Citizen Housing Development Funds, DHSS Accessibility Brokerage Program funds, and USDA Housing Preservation funds.

d. Over the last several years, AHFC has increased the emphasis on rehabilitation and preservation of existing affordable housing resources in the rating criteria for the LIHTC, HOME and Senior

Citizen Housing Development Fund (SCHDF) programs. As a result, more affordable housing rental units have been renovated and several federally subsidized rental projects have remained in the affordable housing stock. Yet, throughout the state, there are still serious shortages of affordable, decent housing for low-income Alaskans. Constraints of financial feasibility impede the development of affordable housing, in both rural and urban communities. Critical to the implementation of the strategies contained in this Plan is a dedicated source of funds to leverage other funding sources for the development of new affordable housing opportunities, as well as the acquisition and rehabilitation of existing structures.

e. Of the funds available under the CDBG Competitive Grant program, the majority of project funds will be targeted toward community development and planning activities which address health and safety needs, or which support future economic development and community self-sufficiency. Special emphasis will be placed on coordinating with other funding sources such as United States Department of Agriculture (USDA) Rural Development; the Economic Development Administration; the State of Alaska Designated Legislative Grant Program; the Administration for Native Americans; and other appropriate federal, state, and private funding sources. The State of Alaska Department of Commerce, Community, and Economic Development (DCCED) will encourage applicants to include or secure outside funding for design, engineering, and feasibility planning for projects as appropriate, prior to applying for CDBG funding for construction or project implementation.

1. CDBG Application Selection Process: The application-selection process for the CDBG program consists of two stages: threshold review and project rating/selection. An application must meet all of the threshold-review requirements to progress to the second stage of the selection process.

   The project rating/selection process, stage two, will be conducted by the Application Selection Committee (ASC). Applications will be evaluated and assigned up to 100 points based on the following criteria: Impact' Budget/Match/In-Kind and Administrative Capabilities by the ASC.

Publically owned land or property located within the state that may be used to address the needs identified in the plan

The State encourages the utilization and leverage of publicly-owned land that is available to be leased and to consider all opportunities to protect these public properties from being privately acquired.

Potential publicly-owned property located in the Balance of State that could be available to help address the needs identified in the Plan includes land that AHFC owns, property owned by different

cities across the State, properties owned by the Alaska Mental Health Trust Authority, and Alaska Native corporations and tribes.

SP-40 Institutional Delivery Structure – 91.315(k)

Institutional structure through which the jurisdiction will carry out its consolidated plan including private industry, non-profit organizations, and public institutions.

Responsible Entity	Responsible Entity Type	Role	Geographic Area Served
AHFC	Government	Public Housing	Balance of State
Department of Health	Government	Public Health	State of Alaska
Department of Corrections	Government	Public Services	Balance of State
Department of Commerce	Government	Community Dev	Balance of State
Department of Labor	Government		Balance of State
Alaska Mental Health Trust Authority	Government	Public Health	Balance of State

Table 33 - Institutional Delivery Structure

Assess of Strengths and Gaps in the Institutional Delivery System

Across Alaska, organizational capacity for the effective delivery of housing and community development programs is unevenly distributed. Many communities, particularly in rural areas, lack the organizational capacity to effectively implement projects using the multitude of housing and community development programs available. The involvement of several agencies and a variety of funding programs in a single project usually complicates the development process, and places additional demands on the project sponsor.

Availability of services targeted to homeless persons and persons with HIV and mainstream services

Homelessness Prevention Services	Available in the Community	Targeted to Homeless	Targeted to People with HIV
Homelessness Prevention Services			
Counseling/Advocacy	X	X	
Legal Assistance	X	X	
Mortgage Assistance	X	X	X
Rental Assistance	X	X	X
Utilities Assistance	X	X	X
Street Outreach Services			
Law Enforcement	X	X	
Mobile Clinics			
Other Street Outreach Services	X	X	
Supportive Services			
Alcohol & Drug Abuse	X	X	
Child Care	X	X	
Education	X	X	
Employment and Employment Training	X	X	
Healthcare	X	X	
HIV/AIDS	X	X	X
Life Skills	X	X	
Mental Health Counseling	X	X	
Transportation	X	X	X
Other			
Other		X	Nutrition

Table 34 - Homeless Prevention Services Summary

Services targeted to homeless person and persons with HIV and mainstream services, such as health, mental health and employment services are made available to and used by homeless persons (particularly chronically homeless individuals and families, families with children, veterans and their families and unaccompanied youth) and persons with HIV within the jurisdiction

Services targeted to homeless persons are available in most of the communities within the Alaska Continuum with the majority of services concentrated in the urban areas. Utilization is based on

availability within a community. Healthcare services can be limited in some rural communities which require individuals to travel to urban areas to receive services and travel between communities can be expensive and weather permitting.

Strengths and gaps of the service delivery system for special needs population and persons experiencing homelessness, including, but not limited to, the services listed above

The quantity and availability of services is dependent on location within the Alaska Continuum. In most urban areas, more services are readily available than in rural areas. However, the Mat-Su borough is the fastest growing part of the state and does not have a homeless shelter available for non-targeted populations. While services are available for all populations experiencing homelessness within that community, the most basic service of emergency housing is not available for the majority of the homeless population.

In a number of rural communities, the organization providing the majority of homeless housing assistance is a facility dedicated to victims of domestic violence which limits the services provided to other homeless populations

Summary of the strategy for overcoming gaps in the institutional structure and service delivery system for carrying out a strategy to address priority needs

The needs of households who are either homeless or at risk of homelessness vary greatly across the state. In some locales, each of the homeless subpopulations has a place to go in the event of a housing crisis. Other communities only offer shelter to a few groups such as victims of domestic violence or runaway youth. Rather than prioritize certain subpopulations or housing types for the entire state, a high priority is given to local plans and their identified unmet needs. As such, Alaska Housing Finance Corporation allocates federal and state funds based on the individual needs of the many communities throughout the state.

Limited state-funded technical assistance will also be offered to HOME grantees and other non-profit housing providers, including those serving Alaska's homeless and special needs populations. Training and technical assistance opportunities, due to the loss of local HUD CPD-TA dollars, will be limited. A menu of opportunities will be offered, which will include direct technical assistance, topic-based Alaska Training Events, as well as scholarship opportunities to attend local, regional or national training events.

AHFC plans to host one or more Alaska Training Events each year and offer scholarships to approved trainings and conferences for eligible attendees. Participants are required to document the objectives that will be achieved through attendance at a specific training activity. Activities will be available to other providers and/or the general public on a space-available basis on topics such as

Fair Housing/Section 504 that affect a broad spectrum of Alaskan providers. AHFC will also plan training events in coordination with training activities hosted by other groups, such as HUD or the homeless coalition, to maximize training resources and training availability.

SP-45 Goals Summary – 91.315(a)(4)

GOAL	Category	Geographic Area	Addressed Need	Funding
Provide Decent Housing	Affordable Housing	Balance of State	-Rental Assistance -Production of new rental and homeownership units -Acquisition of existing homeownership units	HOME Investments Partnership Program allocation $15,000,000 National Housing Trust Fund allocation $12,000,000
	Star Year 2016	End Year 2020		
	Description: Funds will be used to provide rental assistance and production or acquisition of decent and affordable housing units for rental and homeownership.			
	Goal Outcome Indicator:		Unit or Measure	Quantity
	Rental Assistance		Vouchers	150
	Rental Housing		Units	38
	Production of new homeownership units		Units	45
	Acquisition of existing homeownership units		Units	100
Reduce and Prevent Homelessness	Category	Geographic Area	Addressed Need	Funding
	Homeless	Balance of State	Outreach, Emergency Shelter & Transitional Housing, Rapid Re-housing,	$1,075,000 ($215,000/year)

			Permanent supportive Housing, homeless Prevention	
	Star Year 2016	End Year 2020	Objective: To Reduce and Prevent Homelessness	Outcome: Reduce and Prevent Homelessness
	Description: Funds will be used to assist chronically homeless, families with children, veterans, unaccompanied youth and other homeless persons and those at-risk of homelessness. Planned activities include outreach, emergency shelter and transitional housing support, rapid re-housing assistance, and prevention assistance.			
	Goal Outcome Indicator Outreach **Unit of Measure** Alaska Housing Locator and Alaska 211 **Quantification** Increased Reporting **Goal Outcome Indicator** Emergency Shelter & Transitional Housing **Unit of Measure** PIT/HIC **Quantification** Reduction in # of Unsheltered & No Net Loss of Beds			

	Goal Outcome Indicator Permanent Supportive Housing Rapid Re-housing **Unit of Measure** HMIS & APR Reports **Quantification** ES Average Length of stay is 2 months or less & 80% exiting TH for permanent housing **Goal Outcome Indicator** Homeless Prevention **Unit of Measure** HMIS AHAR Reports **Quantification** Reduce % of persons discharged into homelessness from institutions. Increase # of persons assisted with prevention funds.

	Category	Geographic Area	Addressed Need	Funding
Community Development	Non-housing Community Development	Balance of State	Public Facilities & Improvements	2.4 Million
	Star Year 2016		End Year 2020	
	Description: Funds will be used for a variety of public facility, public improvement, and special economic development projects primarily in rural communities with high proportions of low-and moderate-income persons. Specific projects will be determined by a competitive application process focusing on improving self-sufficiency, eliminating public health and safety hazards, and reducing the costs of essential community services.			

	Description: Funds will be used to provide scholarships and training opportunities for certifications and continuing education in order for partners to continue maintaining housing standards and the development of safe, quality, decent, affordable, and energy efficient housing. Additionally, through State funded grant program, funding will produce rural professional housing that will provide training and employment opportunities for rural communities. Furthermore, developments through this program will increase energy efficiency standards in rural areas and reduce consumption of energy.		
	Geographic Area	**Addressed Need**	**Funding**
	Balance of State	Public Facilities & Improvements	2.4 Million/year
	Goal Outcome Indicator	**Unit or Measure**	**Quantity**
	Create Suitable Living Environment	Communities	17-25

Table 35 – Goals Summary

Projected number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.215(b):

Outcome/Objective Specific Annual Objectives	Population Benefitted	Performance Indicators	Program Year	Expected Number	Actual Number	Percent Completed
Availability/Accessibility of Decent Housing						
Home Opportunity Program and Creating opportunities for home ownership through education, financial assistance	Moderate Income	Number of homebuyers receiving assistance.	2015	20/30		
			2016	20/30		
			2017	20/30		
			2018	20/30		
Tenant Based Rental Assistance: Improving the availability of affordable housing options through rental subsidies.	Low Income	Number of tenant households receiving rental assistance.	2019	20/30		
20% of beneficiaries are very-low Income		**MULTI-YEAR GOAL**		**100/150**		
Affordability of Decent Housing						
Homeownership Dev. Program: Creating affordable housing through assistance with the cost of development.	Extremely Low Income	Number of affordable units developed. NOTE: For the rental development program, only the federal HOME units are reported.	2015	9/0	0	
			2016	9/9.5		
	Low Income		2017	9/9.5		
			2018	9/9.5		
National Housing Trust Fund: Improving the availability of affordable housing options through the increase and preservation of rental units	Moderate Income		2019	9/9.5		
		MULTI-YEAR GOAL		**30/38**		
Homeownership Dev. Program: Creating affordable housing through assistance with the cost of development.	Low Income and Moderate Income	Number of affordable units developed. NOTE: For the rental development program, only the federal HOME units are reported.		2015	9	
				2016	9	
				2017	9	
				2018	9	
				2019	9	
		MULTI-YEAR GOAL		**30/24**		

SP-50 Public Housing Accessibility and Involvement – 91.315(c)

Need to Increase the Number of Accessible Units (if Required by a Section 504 Voluntary Compliance Agreement)

AHFC has completed its voluntary Compliance Agreement dated September 2008 with HUD. AFHC is continuing to send progress reports to HUD regarding certification of various public housing units as UFAS-Compliant.

Activities to Increase Resident Involvements

Please see the discussion in section MA-25 above regarding AHFC's Resident Advisory Board.

Is the public housing agency designated as troubled under 24 CFR part 902?
Plan to remove the 'troubled' designation

No.

SP-55 Barriers to affordable housing – 91.315(h)

Barriers to Affordable Housing

Strategy to Remove or Ameliorate the Barriers to Affordable Housing

Development costs and stagnant incomes are the two biggest barriers to affordable housing across the State. In response, HOME Investment Partnership funding has been focused on rental development and homeownership assistance to reduce the cost of buying or renting a home. Furthermore, rental assistance through the HOME program has also been used to support the most vulnerable populations from children aging out of foster care to newly released prisoners whose abilities to generate income and fine housing are hampered by criminal histories.

SP-60 Homelessness Strategy – 91.315(d)

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

Alaska Housing Finance Corporation will continue to assist local homeless coalitions and the Alaska Coalition on Housing and Homelessness to conduct outreach activities to homeless persons through projects such as the Point-In-Time Count and events such as Project Homeless Connect. In addition, the state will continue to coordinate with Alaska 2-1-1 to ensure that persons in need are connected to appropriate services.

Addressing the emergency and transitional housing needs of homeless persons

Alaska Housing Finance Corporation will continue to commit financial resources to maintain the current inventory of emergency shelter and transitional housing, as well as expand the inventory to address unserved communities or subpopulations. The State will use a combination of federal and state resources to ensure that no homeless persons are forced to sleep in places not meant for human habitation. Alaska will use the maximum amount of ESG funds allowable to help shelters meet their operating costs. Funding to adequately staff and operate emergency shelters and transitional housing facilities will also remain a high priority for the State's Basic Homeless Assistance Program (BHAP).

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.

The State will use a combination of federal and state resources to rapidly re-house and stabilize homeless persons, especially chronically homeless individuals & families, families with children, veterans and their families and unaccompanied youth. ESG-funded medium-term rental assistance, VASH vouchers for homeless veterans, state-funded permanent housing placement programs and properties funded under the Special Needs Housing Grant (SNHG) are just some of the examples of resources that will be utilized to shorten the period of time that individuals and families experience homelessness.

AHFC has partnered with State of Alaska Department of Corrections and Office of Children's Services to target special needs and at-risk populations who will be transitioning from State supervision or programs into permanent housing. TBRA is essential to meeting the unmet needs of special needs and at-risk populations by providing opportunities for those seeking individual living options in normal residential settings or in need of subsidized rental housing; TBRA will help narrow the gap in benefits and services received.

Help low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families who are likely to become homeless after being discharged from a publicly funded institution or system of care, or who are receiving assistance from public and private agencies that address housing, health, social services, employment, education or youth needs

Alaska Housing Finance Corporation will continue to provide funding through the Basic Homeless Assistance Program (BHAP) that provides direct financial assistance with rent, mortgage, and utility arrearages for low-income individuals and families threatened by homelessness.

Working through the Alaska Council on the Homeless, Alaska will continue to implement the TBRA program that assists persons discharged from publicly funded institutions and systems of care. Council members will continue to review and strengthen policies that require housing plans prior to discharge. Resources targeting persons leaving state custody such as HOME TBRA vouchers and assisted living facilities will be utilized and new resources such as the HUD 811 voucher program will be sought for this purpose.

The State will incentivize agencies that apply for funding by awarding significant points to those that endeavor to ensure that homeless persons are receiving assistance from public and private agencies that address housing, health, social services, employment, education or youth needs. The State will also coordinate through the Alaska Council on the Homeless and the Alaska Coalition on Housing & Homelessness activities and programs that more effectively connect homeless persons to those support connections.

SP-65 Lead based paint Hazards – 91.315(i)

Actions to address LBP hazards and increase access to housing without LBP hazards

The Consolidated Housing and Community Development Plan supports actions to evaluate and reduce lead based paint hazards. The Interagency Steering Committee for the Consolidated Plan will continue to work with the Alaska Division of Public Health, Section of Epidemiology to monitor the blood lead levels in tested Alaskan children.

Although the testing done so far does not point to a great lead-based paint hazard in Alaska, an estimated 15% to 20% of all of the housing stock in the state may contain lead based paint. The State concurs with the U.S. Environmental Protection Agency that increased education about the potential health risks from exposure to lead based is an important step in reducing health related problems involving lead poisoning. AHFC will continue to seek alliances with other agencies invested in the pursuit of eradicating the potential for Lead-Based Paint in the state's housing stock. These agencies might include the Environmental Conservation Agency (EPA), the Alaska Center for Disease Control (ACDC), and the Department of Health and Social Services (HSS).

How are the actions listed above integrated into housing policies and procedures?

All covered projects under the HOME, CDBG, HOPWA, Public Housing and Section 8 programs will be administered to conform to the applicable lead based paint regulations. Rehabilitation of pre-1978 housing using HUD housing assistance programs covered by the lead based paint rule (Subpart of the Rule Within 24 CFR Part 35), will follow the applicable HUD procedures, reporting and record keeping standards outlined.

Section 1018 of the Residential Lead-Based Paint Hazard reduction Act of 1992 requires that sellers, landlords and agents warn homebuyers and tenants of lead-based paint and lead based paint hazards in pre-1978 housing. A prospective home purchaser or prospective tenant must receive the following information prior to becoming obligated under any contract to lease or purchase a property covered by this Act:

- An EPA approved information pamphlet on identifying and controlling lead-based paint hazards.
- Any known information concerning lead-based paint or lead-based paint hazards.
- Any records or reports on lead-based paint which are available to the seller or landlord.
- An attachment to the contract or lease which includes a Lead Warning Statement and confirms that the seller or landlord has complied with all of the notification requirements.
-

Sellers must provide homeowners a 10-day period to conduct a paint inspection or risk assessment for lead-based paint or lead-based paint hazards. Parties may mutually agree, in writing, to lengthen or shorten the time period for inspection. Homebuyers may waive this inspection. Sellers are not required by law to allow homebuyers to void their contract based on the results of the lead based paint evaluation.

In April 2008, EPA issued a new rule requiring that, beginning in April 2010, contractors performing renovation, repair and painting projects that disturb lead-based paint in homes, child care facilities and schools built before 1978 must be certified and must follow specific work practices to prevent lead contamination.

A recent study by the Division of Epidemiology of the Alaska Department of Health & Social Services, reports that incidents of lead-based paint poisoning in Alaska are extremely rare. Targeted lead screening programs of at-risk communities and inquiries to health care professionals over the past two decades have failed to identify any children with blood levels which would benefit from medical or environmental intervention, leading the Division to Epidemiology to question the need for universal blood lead testing in Alaska. The study further demonstrated no value in testing Medicaid-eligible children.

Although the testing done so far does not point to a great lead-based paint hazard in Alaska, the State concurs with the U.S. Environmental Protection Agency that increased education about the potential health risks from exposure to lead based is an important step in reducing health related problems involving lead poisoning.

Alaska state regulations require laboratories and health care providers to report all Blood Lead Level (BLL) results greater than 10 micrograms per deciliter (µg/dL) to the Section of Epidemiology (Division of Public Health, Alaska Department of Health and Social Services). The Section of Epidemiology conducts follow-up investigations on all cases of elevated BLLs and updates targeted screening recommendations as new risk factors and trends are identified. Currently, the Section of Epidemiology recommends that children under the age of six years, who meet the following criteria, be screened for elevated blood lead:

Child is suspected by a parent or a health care provider to be at risk for lead exposure
Child has a sibling or playmate with elevated blood lead level
Child is a recent immigrant, refugee, or foreign adoptee
Child's parent or principal caregiver works professionally or recreationally with lead
Child has a household member who uses traditional, folk, or ethnic remedies or cosmetics or who routinely eats food imported informally from abroad

Child's family has been designated at increased risk for lead exposure by the health department because the family meets local risk factors for lead exposure (e.g., such as residence in a designated high-risk zip code or near a known lead point source)

The Alaska State Public Health Laboratory now offers blood lead testing on "finger stick" blood samples analyzed using inductively-coupled plasma mass spectrometry. This service is provided free of charge for Medicaid-eligible children.

Risk of Lead-Based Paint Hazard

Risk of Lead-Based Paint Hazard	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
Total Number of Units Built Before 1980	67,179	41%	46,471	51%
Housing Units build before 1980 with children present	17,720	11%	11,640	13%

Table 36 – Risk of Lead-Based Paint

Data Source: 2007-2011 ACS (Total Units) 2007-2011 CHAS (Units with Children present)

The State of Alaska Survey of Lead-Based Paint was conducted for the Environmental Protection Agency (EPA) in 1996 to provide a statewide survey of privately-owned homes, day care facilities, elementary schools, and community buildings that were built prior to 1978. A total of 224 structures were sampled during the survey using an X-Ray fluorescent lead detector.

During the field work for the State of Alaska Survey of Lead-Based Paint, a total of 42 privately owned homes (26%) of the total 163 homes tested contained lead based paint concentrations above the action level (1.0 milligram per centimeter squared) somewhere in the home. From this data, an estimated 37,143 homes (+ or – 7% at a 95% confidence level) presented levels of lead in paint above the Federal action level of 1.0 mg/cm2. The study concluded that:

"Although this estimated 26% compared with the national estimate of 83% appears to be a significantly smaller amount of affected homes. This data show that Alaska has a notable potential source for lead poisoning from paint in privately owned homes. Increased education about the potential health risks from exposure to lead based paint is one-step in reducing health-related problems involving lead poisoning"

Alaska Housing Finance Corporation's Public Housing Division tested the low-income rental properties it owns across the state. Fourteen projects outside of Anchorage, with a total of 404 rental

units, were inspected for lead-based paint. In eight of the projects no lead based paint over the HUD threshold was detected. Lead was abated in all of the remaining units. All privately owned rental units that receive Federal or State funding for rental assistance have also been determined to be lead-based paint free.

Based on the 1996 study and information regarding low income households reported by the U.S. Census Bureau, we have concluded that 28.25% or 17,978 of those households occupy housing units with potential lead-based concentrations above the HUD threshold per centimeter squared excluding the Anchorage area.

The most recent figures date from the study conducted more than five years ago. During the next five years covered by this plan, AHFC will explore the possibility of conducting a follow up survey to establish the current status of lead-based paint in the state. Newer information and recent regulations in the State of Alaska indicate that the findings revealed by the 1996 study on lead-based paint would be significantly lower in the year 2010.

SP-70 Anti-Poverty Strategy – 91.315(j)

Jurisdiction Goals, Programs and Policies for reducing the number of Poverty-Level Families

Housing investments with program funds are competitively allocated. A number of the programs include factors such as proximity to services, the availability of support services for tenants, and job training programs for low-to-moderate income persons to establish a rank order for proposals to be funded. Furthermore, the criteria used to select the majority of rental developments funded now include census tract income data to emphasize economic opportunity. Specifically, these criteria incentivize affordable housing development in relatively affluent areas associated with economic opportunity and the allocation of market oriented resources to areas associated with high poverty levels.

The Jurisdiction poverty reducing goals, programs, and policies coordinated with this affordable housing plan

The majority of the programs operating in the Balance of State (HOME, LIHTC, SCHDF, SNHG, HAP, etc.) are funded through programs managed within a single department at Alaska Housing Finance Corporation. This consolidation facilitates close communication among program managers that can be focused by management to achieve the goals and objectives set in this plan.

On June 24, 2008, AHFC entered into a Moving To Work Agreement (MTW Agreement) with the US Department of Housing and Urban Development (HUD). MTW is a demonstration program authorized by Congress that gives AHFC the flexibility to waive certain statutes and HUD regulations to test approaches for providing housing assistance. A waiver of statutory or regulatory language must address at least one of three goals:

Reduces cost and achieves greater cost effectiveness in Federal expenditures; Gives incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient; and, Increases housing choices for low-income families.

For a comprehensive review of MTW programs nationwide, please visit the HUD website at: http://www.hud.gov/offices/pih/programs/ph/mtw/index.cfm

Please also visit the AHFC website to view the full text of the fiscal year 2012 Moving to Work Program Annual Plan at: http://www.ahfc.us/reference/plans.cfm

SP-80 Monitoring – 91.330

Standards and procedures that the state will use to monitor activities carried out in furtherance of the plan and will use to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

HUD HOME Program Monitoring consists of four types of compliance reviews. The first type of compliance review is a desk review of pre-disbursement/initial documents and reports prior to any HUD HOME and AHFC funds being paid to the project developers and sub-recipients.

The second type of compliance review consists of desk monitoring throughout the project development and grant period.

The third type of compliance review involves site visits to housing rehabilitation and rental housing projects and to sub-recipients' offices during the project development and grant period.

The fourth type of compliance review consists of post-project completion or "affordability compliance" review of rental housing development projects and HOP loans.

The first type of compliance review is accomplished by AHFC's Planning and Program Development Department staff reviewing the project developers and sub-recipients' predisbursement/ initial reports required of sub-recipients and project developers of rental housing projects. AHFC staff verifies that all pre-disbursement/initial documents and reports are complete and accurate before any HUD HOME and AHFC funds are released to the project developers and sub-recipients. The required pre-disbursement/initial documents and reports will depend on the type of project being funded. A complete list of all the different pre-disbursement/initial documents and reports follows:

- Evidence of business license and insurance requirements
- Evidence of Debarment and Suspension (24 CFR Part 92.357)
- Cost allocation plan
- Evidence of funding commitments
- Authorized signatories
- Project work plan
- Certification of Section 3 and Women's and Minority Business Enterprises (MBE/WBE) compliance.

These reports include a written Section 3 and Women's and Minority Business Enterprises (MBE/WBE) work plan. The Section 3 work plan identifies how sub-recipients will notify Section 3 residents and contractors of training and job opportunities, facilitate the training and employment of Section 3 residents, and the award of contracts to Section 3 businesses that include the Section 3

Clause in all solicitations and contracts. The Women's and Minority Business Enterprises work plan includes a description of sub-recipients' planned outreach designed to inform women and minority business enterprises of contract opportunities.

The second type of compliance review is desk monitoring conducted by AHFC's Planning and Program Development Department staff throughout the project development and grant period. This type is accomplished by AHFC staff reviewing project developers' and subrecipients' monthly or quarterly invoices that sometimes include supporting documents; quarterly and final financial and project status reports; and HOP/ORP/HDP Project Set-Up forms. Project status reports requirements vary depending on the type of projects funded.

The following is a partial list of the different project status reports:

- Description of Section 3 and Women's and Minority Business Enterprises (MBE/WBE) compliance
- Description of job training activities
- Description of Affirmative Fair Housing Marketing compliance activities
- Certification of Title VI of the Civil Rights Act of 1964
- Certification of Conflict of Interest Provisions at 24 CFR Part 92.356
- Certification of Drug Free Work Place Act of 1988
- Certification of Debarment and Suspension (24 CFR Part 92.357)
- Certification of Flood Disaster Protection Act of 1973
- Certification of Lead-Based Paint Poisoning Prevention Act
- Project cost certification
- Copy of recorded federal, state and local building inspection reports (i.e. BEES, HQS, UPCS)
- Certification of Davis-Bacon Wage Act and Safety Standards Act, if applicable
- Copy of proposed rental charges and low-income unit lease agreement
- Copy of executed deed restriction on the title to the land benefited by the project funding
- HOP/ ORP/ HDP Project Set-Up and Project Close-Out forms

The third type of compliance review involves on-site visits to housing rehabilitation and rental housing projects and to sub-recipients' offices during the project development and grant period. AHFC staff from the Planning and Program Development Department and the Research and Rural Development Department share the responsibility of on-site monitoring reviews. AHFC staff reviews project developers' and sub-recipients' records for compliance with financial administration and management regulations, program policies and regulations, and property requirements. The project developers and sub-recipients receive a formal written monitoring review report and are required to respond and correct any findings and questioned costs.

The fourth type of review is conducted by AHFC's Internal Audit Department. AHFC Internal Audit Department staff monitors post-project completion, or "affordability compliance," and reviews agencies with HOME funded rental housing development projects. Audit reviews are conducted throughout the year based on a schedule that meets with federal audit requirements for the different types of rental housing development projects. As of January 1, 2015, AHFC Internal Audit Department (IAD) is responsible for monitoring a portfolio of 159 affordable housing developments throughout Alaska. Of this number, 19 are funded solely by the HOME program with an additional 39 funded by a combination of HOME/Low Income Housing Tax Credits (LIHTC), and/or the State of Alaska Senior Citizens Housing Development Fund (SCHDF) programs. During calendar year 2015 the IAD is scheduled to conduct compliance audits of 54 of the 58 HOME and/or HOME/LIHTC/SCHDF developments. Of this number, 20 developments are scheduled for on-site physical inspections and administrative document/tenant file audits, with the balance of 34 developments scheduled for desk monitoring only of administrative documents. Four (4) HOME Program developments of the 58 HOME program developments are tentatively scheduled for a 1st year review in calendar year 2016 or later. Development Owners and Managers receive a formal written audit review report and are required to respond and correct any findings and questioned costs.

In all of the four types of program monitoring, AHFC staff works with the project developers and sub-recipients to ensure compliance with HUD HOME policies and regulations. The formal written monitoring review reports clearly identify non-compliance findings and questioned costs, cite HUD HOME, OMB Circulars and AHFC regulations that support the findings; and, recommend corrective actions the sub-recipients should take to meet compliance requirements. In almost all non-compliance situations, the project developers and sub-recipients show a willingness and ability to comply with program policies and regulations. Throughout the project development and grant period, AHFC staff provides technical assistance to project developers and sub-recipients in order to preclude noncompliance findings and questioned costs during formal monitoring reviews.

STATE FISCAL YEAR 2016 ANNUAL ACTION PLAN

AP-15 Expected Resources – 91.320(c)(1,2)

Introduction

The State anticipates that there will be approximately $24 million in federal funds and $15 million in State funds for a total of 39 million available for programs that affect beneficiaries statewide. The Annual Funding Plan for Housing Table, reflects anticipated funding levels for SFY2016 (July 1, 2015 through June 30, 2016), and covers all areas of Alaska outside of Anchorage. The state funding indicated in the funding table reflects the amounts in the Governor's SFY2016 Capital Budget request to the Alaska Legislature. AHFC updated the Federal figures in the table based on the latest information available at the time of the release of the final SFY2016 Annual Action Plan. The recent developments in the price of crude oil around the country may affect the funding allocations for various state programs administered by AHFC; however, those programs shown to have received a $0.00 budget for the 2016 Fiscal Year will continue to be active programs pending higher funding in subsequent years.

Anticipated Resources for SFY 2016

Program Name	Program Type	Anticipated Funding			Total Units	Sec. 215 Units
		Federal	State	Total		
Beneficiary and Special Needs Housing	Housing for people with disabilities	$ -	$ 1,500,000	$ 1,500,000	N/A	N/A
Capital Fund Program	Public Housing Improvements	$ 2,500,000	$ -	$ 2,500,000	N/A	N/A
CDBG	HUD - Community Development Block Grant Program	$ 2,418,984	$ 42,622	$ 2,461,606	N/A	N/A
Competitive Grants for Public Housing	Matching Funds Public Housing Resident Programs	$ 350,000	$ 750,000	$ 1,100,000	N/A	N/A
Energy Efficiency Monitoring	Energy Rating, Marketing, Tech. Asst., Special Projects	$ -		$ -	N/A	N/A
Energy Programs	Weatherization Assistance and Home Energy Rebates		$ 7,100,000	$ 7,100,000	N/A	N/A
ESG	HUD - Emergency Solutions Grant Program	$ 198,264	$ 98,264	$ 296,528	N/A	N/A
Federal and Other Competitive Grants	Matching Funds for Federal Grant Programs	$ 3,000,000	$ 1,500,000	$ 4,500,000	N/A	N/A
Fire Protection Systems	Replacement of Fire Systems AHFC Public Housing	$ -	$ 1,144,000	$ 1,144,000	N/A	N/A
HOME	Rehab, new const, rental and homebuyer assistance	$ 3,000,000	$ 750,000	$ 3,750,000	N/A	N/A
Homeless Assistance Program	Funding For Homeless Programs and Prevention	$ -	$ 7,000,000	$ 7,000,000	N/A	N/A
Housing Opportunities for Persons with AIDS	Rental Assistance - HOPWA	$ 915,440	$ 265,000	$ 1,180,440	N/A	N/A
Senior Citizen Housing Development Fund	Senior Housing Rehabilitation and Construction	$ -		$ -	N/A	N/A
Supplemental Housing Development Program	Rural Housing Infrastructure Improvements and Rehab.	$ -	$ 3,000,000	$ 3,000,000	N/A	N/A
Teacher, Health, and Public Safety Housing	Rental Housing for Teachers, Health Prof, Public Safety	$ -	$ 1,900,000	$ 1,900,000	N/A	N/A
Cold Climate Housing Research Center			$ 500,000	$ 500,000		
Total Grants:		**$12,382,688**	**$25,549,886**	**$37,932,574**	**N/A**	**N/A**

Table 37 - Expected Resources – Priority Table

Federal funds will leverage additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

Affordable Housing is a big issue in Alaska and as a result, the Participating Jurisdiction (PJ) works with the Department of Health and Social Services, the Alaska Mental Health Trust Authority, and among others, private foundations like the Rasmuson Foundation to get the most out of all the available resources, specifically the State has taken forward steps as follows: merged the HOME Rental Development funds with the Senior housing and Low-Income Housing Tax Credit programs; provided HOME assistance to the RurAL CAP and the Alaska Community Development Corporation for self-help programs under the USDA program so that a small amount of the HOME Ownership Development Program can help purchase the land and contribute to low-income clients becoming home owners. AHFC combines state Special Needs Housing Grant funds with HOME funds to make it possible to fund projects for people with mental illness and supportive housing. AHFC has created a preference in the Low-Income Housing Tax Credit (LIHTC) allocation plan for the preservation of

USDA projects. This way HOME and LIHTC are leveraged in with USDA financing to preserve affordable housing.

a. On an annual basis through the Greater Opportunities for Affordable Living (GOAL) program and/or the Special Needs Housing Grant (SNHG) program, AHFC announces the availability of HOME funds for rental development. The SNHG program allocates capital development funds to develop rental housing projects that will serve special needs, and low-income households. In SFY2016, HOME rental development funds may also be awarded through the SNHG award process, in addition to the GOAL process, if AHFC deems that it is in the best interest of the HOME program to do so.
b. The SFY2016 (FFY 2015) allocation of HOME funds carries a twenty-five percent (25%) matching requirement. The PJ anticipates meeting the match through a contribution of AHFC general funds. This contribution effectively increases the total amount of HOME funds available during SFY2016 (FFY 2015) to $3,750,000. Whenever feasible, recipients of HOME funds will be encouraged to make additional contributions to HOME projects that will qualify as match under the federal regulations. This will allow the PJ to further stretch HOME funds to assist low-income Alaskans. If for some reason these strategies do not meet the twenty-five percent (25%) matching requirement, AHFC will utilize banked HOME match.
c. HOME funding, where appropriate, will continue to be used with other federal and state funds to achieve the goal of upgrading existing housing stock. Such funding sources include, but are not limited to AHFC/DOE Weatherization funds, Senior Citizen Housing Development Funds, DHSS Accessibility Brokerage Program funds, and USDA Housing Preservation funds.

The State of Alaska Department of Commerce, Community, and Economic Development (DCCED) will encourage applicants to secure at least 25% matching funds in order to obtain the highest score possible during the competitive application cycle. All matching funds needed to complete the project must be in place prior to award. Applicants frequently coordinate with other funding sources such as the United States Department of Agriculture (USDA) Rural Development, the Economic Development Administration, the State of Alaska Designated Legislative Grant Program, the Administration for Native Americans, Native Corporations, tribes, and other appropriate federal, state, and private funding sources.

Publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan.

The State encourages the utilization and leverage of publicly-owned land that is available to be leased and to consider all opportunities to protect these public properties from being privately acquired. Potential publicly-owned property located in the Balance of State that could be available to help address the needs identified in the Plan includes land that AHFC owns, property owned by different

cities across the State, properties owned by the Alaska Mental Health Trust Authority, and Alaska Native corporations and tribes.

Discussion:

Over the last several years, AHFC has increased the emphasis on rehabilitation and preservation of existing affordable housing resources in the rating criteria for the LIHTC, HOME and Senior Citizen Housing Development Fund (SCHDF) programs. As a result, more affordable housing rental units have been renovated and several federally subsidized rental projects have remained in the affordable housing stock. Yet, throughout the state, there are still serious shortages of affordable, decent housing for low-income Alaskans.

Constraints of financial feasibility impede the development of affordable housing, in both rural and urban communities. Critical to the implementation of the strategies contained in this Plan is a dedicated source of funds to leverage other funding sources for the development of new affordable housing opportunities, as well as the acquisition and rehabilitation of existing structures. Of the funds available under the CDBG program, the majority of project funds will be targeted toward community development and planning activities which address health and safety needs, or which support future economic development and community self-sufficiency.

Special emphasis will be placed on coordinating with other funding sources such as United States Department of Agriculture (USDA) Rural Development; the Economic Development Administration; the State of Alaska Designated Legislative Grant Program; the Administration for Native Americans; and other appropriate federal, state, and private funding sources. The State of Alaska Department of Commerce, Community, and Economic Development (DCCED) will encourage applicants to include or secure outside funding for design, engineering, and feasibility planning for projects as appropriate, prior to applying for CDBG funding for construction or project implementation.

AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

GOAL	Category	Geographic Area	Addressed Need	Funding
Provide Decent Housing	Affordable Housing	Balance of State	Rental Assistance Production of New Homeownership Units Acquisition of existing Homeownership units	HOME Investment Partnership Program allocation $3,000,000
	Fiscal Year 2016 – July 1, 2015 to June 30, 2016			
	Description: Funds will be used to provide rental assistance and production or acquisition of decent and affordable housing			
	Goal Outcome Indicator:	**Unit or Measure**	**Quantity**	
	Rental Assistance	Vouchers	30	
	Production of new homeownership units	Units	9	
	Acquisition of existing homeownership units	Units	25	
Reduce and	Category	Geographic Area	Addressed Need	Funding

Prevent Homelessness	Homeless	Balance of State	Outreach, Emergency Shelter & Transitional Housing, Rapid Re-housing, Permanent supportive Housing, homeless Prevention	$215,000/year
	Period Covered 7-1—215 /6-30-2016		**Objective:** Reduce and Prevent Homelessness	**Outcome:** Reduce and Prevent Homelessness
	Description: Funds will be used to assist chronically homeless, families with children, veterans, unaccompanied youth and other homeless persons and those at-risk of homelessness. Planned activities include outreach, emergency shelter and transitional housing support, rapid re-housing assistance, and prevention assistance.			
	Goal Outcome Indicator Outreach **Unit of Measure** Alaska Housing Locator and Alaska 211 **Quantification** Increased Reporting **Goal Outcome Indicator** Emergency Shelter & Transitional Housing **Unit of Measure** PIT/HIC			

	Quantification Reduction in # of Unsheltered & No Net Loss of Beds **Goal Outcome Indicator** Permanent Supportive Housing Rapid Re-housing **Unit of Measure** HMIS & APR Reports **Quantification** ES Average Length of stay is 2 months or less & 80% exiting TH for permanent housing **Goal Outcome Indicator** Homeless Prevention **Unit of Measure** HMIS AHAR Reports **Quantification** Reduce % of persons discharged into homelessness from institutions. Increase # of persons assisted with prevention funds.

	Category	Geographic Area	Addressed Need	Funding
Develop Community		Balance of State	Public Facilities & Improvements	2.4 Million
	Fiscal Year 2016			
	Description: Funds will be used for a variety of public facility, public improvement, and special economic development projects primarily in rural communities with high proportions of low-and moderate-income persons. Specific projects will be determined by a competitive application process focusing on improving self-			

	sufficiency, eliminating public health and safety hazards, and reducing the costs of essential community services.		
	Goal Outcome Indicator	**Unit or Measure**	**Quantity**
	Create Suitable Living Environment	Communities	5

Table 38 – Goals Summary

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.215(b)

Specific Obj. #	Outcome/Objective Specific Annual Objectives	Sources of Funds	Performance Indicators	Program Year	Expected Number	Actual Number	Percent Completed
DH-1	Availability/Accessibility of Decent Housing						
DH-1.1	Home Opportunity Program: Creating opportunities for home ownership through education and financial assistance.	HOME	Number of homebuyers receiving assistance.	2015	22 10		
DH-1.2	Tenant Based Rental Assistance: Improving the availability of affordable housing options through rental subsidies.	HOME	Number of tenant households receiving rental assistance.	2016	22 10		
				2017	22 10		
				2018	22 10		
				2019	22 10		
			MULTI-YEAR GOAL		110 50		
DH-2	Affordability of Decent Housing						
DH-2.1	Rental Housing Dev - Creating affordable decent housing opportunities through rehabilitation and preservation of existing housing resources.	HOME	Number of affordable units developed. NOTE: For the rental development program, only the federal HOME units are reported.	2015	6 8		
DH-2.2	Homeownership Dev. Program- Creating affordable housing for LMI families through assistance with the cost of development.	HOME		2016	6 8		
				2017	6 8		
				2018	6 0		
				2019	6 0		
			MULTI-YEAR GOAL		30 24		
DH-3	Sustainability of Decent Housing						
DH-3.1	Owner Occupied Rehab- Create decent housing with improved or new sustainability.	HOME	Number of homeowners receiving assistance.	2015	14	8	11%
				2016	14	7	10%
				2017	14	7	
				2018	14		
				2019	14		
			MULTI-YEAR GOAL		70		

AP-25 Allocation Priorities – 91.320(d)

Introduction:

AHFC did not allocate any SFY2015 HOME funds to ORP. Any uncommitted ORP funds in SFY2016 will be reallocated to another eligible activity in accordance with the priorities outlined in Section VII. L. HOME Program Development.

Funding Allocation Priorities

Percentage of Federal Funds per Program					
	Rental Development	Reduce and Prevent Homeless	Home Ownership	Community Development	Total %
CDBG				100%	100%
HOME	49%	19%	32%		100%
HOPWA					
ESG		100%			100%

Table 51 – Funding Allocation Priorities

Reason for Allocation Priorities

HOME: Based on an assessment of projected growth in the need for rental housing and rental assistance for low-income and more vulnerable households, funding will be reduced in the ORP program in SFY2016.

AHFC has identified the need to provide Tenant Based Rental Assistance (TBRA) to eligible households that are at or below 60% of the median area income. Preference is given to special needs and at-risk populations as articulated in the Five Year (SFY2016 through 2020) Consolidated Housing and Community Development Plan. In SFY2016 (FFY2015), HOME funding for TBRA will be allocated in the amount of $660,000.

The State recognizes that a few HOME rental housing development properties that are in the fifteenth year of the affordability period have deferred maintenance, limited or negative net operating income, or have high vacancy rates and marketability issues. The State has included in this AAP a process

and criteria for identifying "troubled" rental housing development projects and a process for evaluating whether additional HOME funds may be needed in order to preserve existing HOME affordable housing stock (pg. 26). AHFC may pursue a waiver from HUD regarding the prohibition against investing additional HOME dollars in rental properties past the first year of project completion if AHFC deems it to be necessary to preserve units.

ESG: In addition to administrative activities, ESG funds may be used for five program components: street outreach, emergency shelter, homeless prevention, rapid re-housing assistance and Homeless Management Information Systems (HMIS). All of the previously mentioned components pertain to the goal of Reduce and Prevent Homelessness.

CDBG: The State's CDBG program addresses the needs and objectives of enhancing the availability and accessibility of a suitable living environment by funding the acquisition, construction , reconstruction, installation, and improvements of public facilities and public improvements and occasionally special economic development..

Ways in which the proposed distribution of funds address the priority needs and specific objectives described in the Consolidated Plan

Alaska's Continuum of Care for the Homeless. This portion of the Annual Action Plan describes the actions addressing the emergency shelter (including ESG) and transitional housing needs of homeless families and individuals, as well as those who meet the definition of "at-risk" of homelessness. Activities to assist homeless households will be discussed. The goal of Alaska's Continuum of Care is to help homeless persons make a rapid transition to permanent, affordable housing. For some individuals, appropriate supportive services will be a critical component of this strategy.

The State's CDBG program addresses the needs and objectives of enhancing the availability and accessibility of a suitable living environment by funding the acquisition, construction, reconstruction, installation, and improvements of public facilities and public improvements and occasionally special economic development projects.

AP-30 Methods of Distribution – 91.320(d)&(k)

Introduction:

HOME Investment Partnerships Program (HOME)

State program addressed by the Method of Distribution.

The Home Investment Partnerships Program (HOME) was created by the National Housing Affordability Act of 1990. The statutory purposes of this Act are:

Expanding the supply of safe, decent, energy-efficient housing for low income families;
Strengthening the abilities of state, local and non-profit agencies to design and implement strategies for affordable housing; and Creating and strengthening partnerships to produce and manage affordable housing.

The State of Alaska's HOME allocation for SFY2016 is anticipated to be $3,000,000. Additionally, AHFC will provide $750,000 in state matching funds to contribute to the federal matching requirements under the HOME program.

AHFC (AHFC) is responsible for the administration of the State's formula HOME allocation. As a separate Participating Jurisdiction, the Municipality of Anchorage receives its own formula allocation of HOME funds. Anchorage is the only Alaska community receiving separate HOME funds. No State HOME funds will be used within the Municipality of Anchorage.

Priorities for the use of HOME funds are established in the Consolidated Housing and Community Development Plan (HCD). The following program description outlines HOME funded activities for State Fiscal Year 2016 (July 1, 2015 through June 30, 2016) funded from Federal Fiscal Year 2015 (FFY 2015) appropriations.

Rental Development Activities; Homeownership Development Activities; Community Housing Development Organization (CHDO) Development Activities; Rental and Homeownership Housing Development Technical Assistance or Pre-development Activities; Tenant Based Rental Assistance; Operating Expense Assistance for CHDOs; and Homebuyer Assistance Programs.

All HOME Program activities work towards the statutory goal of the 2016-2020 HCD Plan to provide decent housing, create suitable living environments, and expand economic opportunities for Alaskans with incomes at or below eighty percent (80%) of the median income. The seven general principles from this five-year HCD Plan guide the direction and implementation of HOME Program

activities. Priorities and Objectives for the coming program year are summarized in the Appendix C table and are detailed in the program descriptions that follow. Additionally, program achievements from SFY2015 are included in Appendix C as a measure of how the State is meeting its stated goals as outlined under the Five Year Consolidated Plan (2016-2020).

Criteria that will be used to select applications and the relative importance of these criteria.

Applicants for HOME funds now use an online application system that affords them an equal opportunity to submit within the same timeframe regardless of their remote location or transportation challenges. Most agencies applying for HOME funds are returning grantees seeking funding to continue their services into the next program year. Past performance in achieving service projections and unit construction constitutes a significant portion of the ranking factors each year.

If the applicant is not a returning grantee, they must provide a narrative explanation for 1) how they developed their service projections, 2) what they will do to monitor and report on housing creation, and 3) the applicant's experience and capability to construct or create affordable housing for low income families and meet all of the regulatory and administrative requirements. Up to 10 points may be deducted for a pattern of late reports or unresolved findings. In the next competition cycle, repeated findings for the same infraction in the 36months prior to the application date will be added to the point deduction section. With the exception of the narrative answers, AHFC has converted to an objective scoring system.

How resources will be allocated among funding categories.

Resources are allocated competitively by need and by local area population among funding categories. The Home Opportunity Program is the only HOME component where a percentage of the total grant is allocated among census or large geographical areas

Threshold Factors

- For all HOME activities: Applicants are required to possess, or partner with entities that have, experience with the HOME program for the activity being proposed (i.e. rental development, owner occupied rehabilitation, etc.)
- For Rental Development activities: Applicants are required to possess, or partner with entities that have, experience operating properties encumbered by HOME Program use restrictions

Grant size limits and outcome measures expected as a result of the method of distribution

Grant Size Limits for HOME Program – outcome measures in sub-bullets

- Home Ownership Opportunity Program (HOP) – up to $30,000 per homeowner
  - Outcomes are geographic areas served by program funds
- Homeownership Development Program (HDP) – up to $40,000 per unit
  - Units funded within close proximity to public services and facilities
- Owner Occupied Rehabilitation Program (ORP) – up to $50,000 per homeowner
  - Units funded in specific geographic areas
- Rental Development (RD) – none
  - Units funded and income targeting level

Emergency Solutions Grant

State program addressed by the Method of Distribution.

All Emergency Solutions Grants (ESG) program activities work towards providing safe, secure housing for Alaska's homeless and those at risk of homelessness. . This is accomplished by providing operating support to emergency shelters and funding programs designed to prevent homelessness and/or rapidly re-house homeless persons. The estimated amount the State will receive in SFY2015 is $198,264. ESG funds will be awarded on a competitive basis to units of local government and non-profit organizations.

Criteria that will be used to select applications and the relative importance of these criteria

The ESG regulations now restrict the use of funds for emergency shelter or street outreach activities to "the greater of 60 percent of the recipient's fiscal year grant; the amount of Fiscal Year 2010 grant funds committed" for emergency shelter or street outreach activities. The remaining 40 percent of the annual allocation must be used for homeless prevention, rapid re-housing, or HMIS activities.

To qualify for ESG assistance, program participants must meet the newly expanded definitions of "homeless" or "at risk of homelessness" described in 24 CFR 2.

Program participants in the "at-risk of homelessness" category must also have incomes below 30% of area median income to qualify for ESG assistance. In addition to documenting client eligibility, agencies providing rental assistance are now required to inspect all units to document compliance with HUD's habitability standards and to execute a written rental assistance payment agreement with the landlord.

Process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)

ESG funds will be awarded on a competitive basis to units of local government and non-profit organizations. Applications are received annually, in response to a Notice of Funding Availability (NOFA). To incentivize coordination between the state HAP grant and ESG, AHFC conducts a joint application process for both of these resources. Applicants requesting funding for Emergency Shelter or Street Outreach may request no less than $20,000 and no more than $30,000. The reason for these funding limitations is to achieve both administrative efficiency and broader geographic distribution of funds among Alaska's shelters. Should ESG allocations for this component rise above $160,000, the funding limit will rise commensurately to $40,000. No funding limits for the Homeless Prevention/Rapid Re-Housing set-aside will be considered until after a funding cycle occurs in which multiple applicants seek ESG funding for these activities.

How resources will be allocated among funding categories.

The ESG regulations now restrict the use of funds for emergency shelter or street outreach activities to "the greater of 60 percent of the recipient's fiscal year grant; the amount of Fiscal Year 2010 grant funds committed" for emergency shelter or street outreach activities. The remaining 40 percent of the annual allocation must be used for homeless prevention, rapid re-housing, or HMIS activities.

Threshold factors and grant size limits.

Applicants for ESG/HAP funding now use an online application system that affords them an equal opportunity to submit within the same timeframe regardless of their remote location or transportation challenges. Most agencies applying for HAP/ESG funding are returning grantees seeking funding to continue their services into the next program year. Following the lead of the CoC process, past performance in achieving service projections and housing stability constitutes a significant portion of the ranking factors each year. If the applicant is not a returning grantee, they must provide a narrative explanation for 1) how they developed their service projections, 2) what they will do to monitor and report on housing retention, and 3) the applicant's experience and capability to serve homeless persons and meet all of the regulatory and administrative requirements.

Another ranking factor is relationship of their proposed activities to achieving the goals of state & local homeless. Other ranking factors include local progress toward a centralized or coordinated assessment process, the extent to which efforts are made to link program participants to mainstream resources, policies and procedures for prioritizing the delivery of homeless services and the degree to which each budget line item requested is thoroughly explained. Bonus points for small, rural communities and multi-agency partnerships are also part of the rating criteria.

Up to 10 points may be deducted for a pattern of late reports or unresolved findings. In the next competition cycle, repeated findings for the same infraction in the 36 months prior to the application date will be added to the point deduction section. With the exception of the narrative answers, AHFC has converted to an objective scoring system. Applications from agencies that did not receive funding in the prior year will be forwarded to a Project Evaluation Committee (PEC) to assign points to any subjective (narrative) sections of the application.

Outcome measures expected as a result of the method of distribution?

3 Shelter facilities upgraded 3 through ES-Renovation/Rehab
3000 unduplicated persons through ES-operations
10HH/25PP* homeless households/persons moving to permanent housing through –Homeless Assistance
10HH/25PP* households/persons stabilized with rent/utility through Homeless Prevention
20HH/50pp* households/persons receiving case management through RRH/HP Case Management

Community Development Block Grant

Criteria that will be used to select applications and the relative importance of these criteria
Project Description & Selection/Citizen Participation Plan (15%), Project Plan & Readiness (25%), Project Impact (25%), Budget/Match/In-Kind (25%), Administrative Capabilities (10%)

If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG Only)

Each application cycle DCCED sends a letter to every community in the state, including those over 51% low- to moderate-income informing them of the application deadline and how to access the application manual and application materials. This information is also available on the DCCED website. Hard copies may be requested from DCCED and electronic copies can be accessed online.

How resources will be allocated among funding categories N/A

Threshold factors and grant size limits.

Grants are limited to $850,000 or less. Threshold factors include, but are not limited to: establishing a benefit to low- to moderate-income persons, meeting the federal requirements for public participation, application by eligible municipality, providing all requested application materials, and substantially completing prior CDBG-funded projects.

Recaptured funds are unspent funds which DCCED recovers from grantees when it is clear that an approved activity is no longer viable or that the recapture will not preclude local ability to complete the approved activities or when the activities have not been completed and funds remain in the grant agreement.

Recaptured funds will either be reallocated to existing grantees who demonstrate a need for additional funds (not exceeding a grant cap of $850,000) or be reallocated to applicants between award cycles when it is demonstrated to the satisfaction of the Department that an immediate and pressing need exists and it is in the best interests of the program and applicant to award funds immediately.

Reallocated funds will be reported by year of annual grant.

Outcome measures expected as a result of the method of distribution

The State of Alaska expects CDBG projects to benefit approximately 700 low- to moderate-income individuals.

AP-35 Projects

1	Project Name	Rental Housing Development
	Target Area	
	Goals Supported	Availability and Accessibility of Decent Housing
	Needs Addressed	Renter Small Related extremely low and low income Renter Small Related Medium Income Renter Large extremely low and low income Renter Large medium income Renter Elderly Extremely low and Low Income Renter All Other Types Elderly -Special Needs Homeless Special Needs
	Funding	HOME: $1,595,000
	Description	Over the last several years, AHFC has increased the emphasis on rehabilitation and preservation of existing affordable housing resources in the rating criteria for the LIHTC, HOME and Senior Citizen Housing Development Fund (SCHDF) programs. As a result, more affordable housing rental units have been renovated and several federally subsidized rental projects have remained in the affordable housing stock. Yet, throughout the state, there are still serious shortages of affordable, decent housing for low-income Alaskans. Constraints of financial feasibility impede the development of affordable housing, in both rural and urban communities. Critical to the implementation of the strategies contained in this Plan is a dedicated source of funds to leverage other funding sources for the development of new affordable housing opportunities, as well as the acquisition and rehabilitation of existing structures.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	This program meets the HUD objective of providing decent housing with improved or new affordability. The following outcomes are estimations that will be used to measure the progress of this program: · It is estimated that five (5) units will be HOME assisted. · It is estimated that five (5) units will be AHFC HOME set asides. · It is estimated that none of those units will be made available to the elderly. It is estimated that two (2) of those units will be made accessible.
	Location Description	
	Planned Activities	
2	Project Name	Homeownership Development Program

	Target Area	
	Goals Supported	Affordability of Decent Housing
	Needs Addressed	Creating affordable housing for LMI families through assistance with the cost of development.
	Funding	HOME: $300,000
	Description	The project sponsor is responsible for identifying homebuyer assistance resources that may be necessary for low-income homebuyers to purchase the home for the proposed sales price. Units assisted with homeownership development funds under this program are not eligible for buy down assistance under the Home Opportunity Program (HOP) but are eligible to receive down payment and closing cost assistance.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	This program meets the HUD objective of providing decent housing with improved affordability. The following outcomes are estimations that will be used to measure the progress of this program: It is estimated that twelve units will be developed. It is estimated that twelve units will meet the Alaska equivalent of the Energy Star standard.
	Location Description	
	Planned Activities	
3	Project Name	Home Opportunity Program
	Target Area	
	Goals Supported	Affordability of Decent Housing
	Needs Addressed	Creating affordable housing for LMI families through down payment assistance
	Funding	HOME: $870,000

	Description	In the State of Alaska the greatest obstacles to achieving homeownership is generally an inability to qualify for conventional financing at the loan amount necessary to purchase homes; accumulate savings sufficient to satisfy down-payment and closing cost requirements. A total of $870,000 in SFY2015 (FFY 2014) HOME funds is reserved to provide down-payment, closing costs and buy down assistance to lower income homebuyers. The Home Opportunity Program (HOP) will be administered by non-profit corporations and/or public agencies that have been competitively awarded funds by AHFC. A Notice of Funding Availability (NOFA) or a Request for Qualification (RFQ) will be announced. Interested agencies are invited to respond by the published deadline and proposals are evaluated by AHFC. Prospective borrowers will be required to complete an orientation to homeownership through AHFC's innovative HOME CHOICE workshop offerings, or an equivalent program offered by private lenders and other qualified entities. Eligible borrowers must have annual incomes at or below 80 percent of the area median, as determined by HUD, adjusted for household size. Additionally, they must exhibit the ability to meet the on-going responsibilities of homeownership, including the repayment of the primary mortgage loan. The HOP program will primarily utilize the recapture model. The resale model is only allowable when HOP funds are being used in conjunction with other HOME projects that have received prior approval from AHFC to utilize the resale model.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	This program meets the HUD objective of providing decent affordable housing with improved availability. The following outcomes are estimations that will be used to measure the progress of this program: It is estimated that forty homebuyers will receive assistance. It is estimated that twenty will be first-time homebuyers. It is estimated that twenty homebuyers will receive down payment or closing cost assistance. It is estimated that thirty homebuyers will receive buy downs. There are several factors that will influence these outcomes such as: market conditions, interest rates, changes in lending criteria and the income of households who apply.
	Location Description	
	Planned Activities	

4	Project Name	Tenant-Based Rental Assistance
	Target Area	
	Goals Supported	Affordability of Decent Housing
	Needs Addressed	Renter extremely low and low income Renter Medium Income Renter All Other Types
	Funding	HOME: $660,000
	Description	AHFC has identified the need to provide Tenant Based Rental Assistance (TBRA) to eligible households that are at or below 60% of the median area income. Preference is given to special needs and at-risk populations as articulated in the Five Year (SFY2011 through 2015) Consolidated Housing and Community Development Plan. In SFY2015 (FFY2014), HOME funding for TBRA will be allocated in the amount of $660,000. AHFC has partnered with State of Alaska Department of Corrections and Office of Children's Services to target special needs and at-risk populations who will be transitioning from State supervision or programs into permanent housing. In addition, AHFC may select sub-recipients through a NOFA or RFQ process to assist with the administration of TBRA. TBRA is essential to meeting the unmet needs of special needs and at-risk populations by providing opportunities for those seeking individual living options in normal residential settings or in need of subsidized rental housing; TBRA will help narrow the gap in benefits and services received.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	It is estimated that sixty-two LMI households will be assisted.
	Location Description	

	Planned Activities	TBRA is an essential part of AHFC's housing strategy and market conditions make TBRA a viable option; rental unit availability data indicates that there is an ample supply of units to make TBRA a viable housing strategy. TBRA Vouchers may not be used within the Municipality of Anchorage. The TBRA service area will include communities that are served by the AHFC Public Housing Division, outside of Anchorage. There are a number of factors that will influence this outcome such as the length of the assistance provided to each household and the time it takes to perfect the TBRA delivery system. If households are renewed or require additional months of assistance than initially planned for, the number of households served may be reduced. In addition, outcomes may not be realized until future plan years as AHFC perfects the TBRA delivery system and forges partnerships necessary to implement TBRA.
5	Project Name	CHDO Operating Expense Assistance (OEA)
	Target Area	
	Goals Supported	
	Needs Addressed	
	Funding	HOME: $150,000
	Description	CHDO Program Funds are set aside for Community Housing Development Organizations to own, develop or sponsor HOME assisted units through the RHD program, subject to the limitations of 24 CFR 92.300
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	5
	Location Description	
6	Project Name	13-CDBG-01 City of Stebbins
	Target Area	Balance of State
	Goals Supported	Community Development
	Needs Addressed	Public Improvements
	Funding	CDBG: $850,000

	Description	This project creates an overhead electrical power line between the communities of Stebbins and St. Michael in western Alaska. The intertie consists of 11 miles of overhead line and will allow the two communities to utilize a consolidated power plant in Stebbins and a new standby module in St. Michael. The new electrical system will utilize renewable resources and provide more reliable and affordable electric service.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	This project will provide an area-wide benefit to both communities, affecting a total population of 957.
	Location Description	Stebbins, St. Michael
	Planned Activities	
7	Project Name	13-CDBG-02 City of Coffman Cove
	Target Area	Balance of State
	Goals Supported	Community Development
	Needs Addressed	Public Improvements
	Funding	CDBG: $609,791
	Description	This project replaces the drive-down ramp to the Coffman Cove Boat Harbor. The old ramp is nearly 40-years-old and is closed to all but foot traffic due to the weakened condition of the structural frames. Replacing the ramp guarantees the stability of the local economy, which is heavily dependent on harbor access, and it eliminates the imminent public safety threat posed by the old ramp.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	This project will provide an area-wide benefit to Coffman Cove, affecting a total population of 176.
	Location Description	Coffman Cove
	Planned Activities	

8	Project Name	13-CDBG-03 City of Mekoryuk
	Target Area	Balance of State
	Goals Supported	Community Development
	Needs Addressed	Public Facilities
	Funding	CDBG: $130,000
	Description	This project provides funding for the development of design and construction documents to position to the City of Mekoryuk to construct a fire safety building. The new facility will increase the city's capacity and efficiency in responding to emergencies, increasing the safety of the entire community.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	This project will provide an area-wide benefit to Mekoryuk, affecting a total population of 191.
	Location Description	Mekoryuk
	Planned Activities	
9	Project Name	13-CDBG-05 City of Unalakleet
	Target Area	Balance of State
	Goals Supported	Community Development
	Needs Addressed	Public Facilities
	Funding	CDBG: $120,000
	Description	This project provides funding for the development of design and construction documents to enable the City of Unalakleet to construct an elders' assisted living facility. No such facility currently exists within 180 miles of the community despite a strong local commitment to maintaining elders as close to home as possible.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	This project will provide an area-wide benefit to Unalakleet, affecting a total population of 688.

	Location Description	Unalakleet
	Planned Activities	
10	Project Name	13-CDBG-06 City of Aleknagik
	Target Area	Balance of State
	Goals Supported	Community Development
	Needs Addressed	Public Improvements
	Funding	CDBG: $150,000
	Description	This project provides funding for the development of design and construction documents to enable the City of Aleknagik to construct a public safety and heavy equipment warm storage building. The new facility will ensure that essential equipment is stored in a warm and dry place in order to prevent freezing of equipment parts, emergency medical supplies, and the fire truck's water supply. This will allow the City to be better prepared for emergency response and maintaining public services during the winter months.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	This project will provide an area-wide benefit to Aleknagik, affecting a total population of 219.
	Location Description	Aleknagik
11	- Project Name	13-CDBG-07 City of Pilot Point
	Target Area	Balance of State
	Goals Supported	Community Development
	Needs Addressed	Public Facilities
	Funding	CDBG: $172,500
	Description	This project purchases a fire tanker vehicle for the community of Pilot Point on the Alaska Peninsula. The old fire truck has a ruptured water tank and is in major disrepair. This project increases the safety of firefighters and the entire community, and provides the Fire Department with modern equipment which meets current safety and regulatory requirements.
	Target Date	

	Estimate the number and type of families that will benefit from the proposed activities	This project will provide an area-wide benefit to Pilot Point, affecting a total population of 68.
	Location Description	Pilot Point
	Planned Activities	
12	Project Name	13-CDBG-08 City of Pilot Station
	Target Area	Balance of State
	Goals Supported	Community Development
	Needs Addressed	Public Facilities
	Funding	CDBG: $84,725
	Description	This project provides funding for the development of a feasibility study for a new landfill. The current landfill is less than 200 feet away from a primary educational institution and is nearing its total capacity. The plan for the new landfill will comply with all state and federal guidelines concerning air and water quality, and solid waste management.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	This project will provide an area-wide benefit to Pilot Station, affecting a total population of 568.
	Location Description	Pilot Station
	Planned Activities	
13	-Project Name	13-CDBG-09 City of Scammon Bay
	Target Area	Balance of State
	Goals Supported	Community Development
	Needs Addressed	Public Facilities
	Funding	CDBG: $198,437

	Description	This project provides funding for the development of design and construction documents to enable the City of Scammon Bay to construct a community hall which will act as a gathering place for public meetings and cultural events. It will also act as a teen center to help combat the recent high suicide rate among the growing youth population.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	This project will provide an area-wide benefit to Scammon Bay, affecting a total population of 474.
	Location Description	Scammon Bay
14	Project Name	13-CDBG-10 City of Eek
	Target Area	Balance of State
	Goals Supported	Community Development
	Needs Addressed	Public Improvements
	Funding	CDBG: $400,876
	Description	This project constructs a new solid waste facility for the community of Eek that complies with all state and federal regulations. The current facility is out of compliance and poses a significant health threat to the community.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	This project will provide an area-wide benefit to Eek, affecting a total population of 296.
	Location Description	Eek

Table 52 – Project Information

The reasons for allocation priorities and obstacles to addressing underserved needs

The main three obstacles that complicate the process of addressing needs in the State of Alaska are cost and the lack of capacity and resources.

Most applicants find it very challenging to identify funding sources to fill the gap between HOME funds and other grants and the actual cost of projects. The cost of construction in rural Alaska is much higher than in urban areas and the cost of construction in the urban areas of Alaska is much higher than in other states.

The building season in Alaska is shorter than in most states and it shortens more dramatically the farther north the project. Costs are driven higher where materials must be flown or barged to the project site. In order to obtain experience and develop the qualifications necessary to create the efficiencies that keep project costs within budget, workers and organizations in rural areas face challenges not always evident in urban Alaska. Training, modern technologies and other resources may not be readily available in small communities. Local organizations or communities and regional Housing Authorities continue to work diligently, and successfully, to identify and bridge these gaps.

Another obstacle is the growing number of labor-intensive requirements to administer the ESG program, especially the Homeless Prevention and Rapid Re-Housing components. Many homeless service providers around the state are small, faith-based operations with only one or two paid staff and a corps of volunteers. The complexity of qualifying and assisting ESG program participants will require significant capacity building efforts.

AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)

Will the state help non-entitlement units of general local government to apply for Section 108 loan funds?

The State has no plans to make available Section 108 Loan Guarantees through CDBG.

Available Grant Amounts

N/A

Acceptance process of applications

N/A

AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)

Will the state allow units of general local government to carry out community revitalization strategies?

No

State's Process and Criteria for approving local government revitalization strategies

N/A

AP-50 Geographic Distribution – 91.320(f)

Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed

The State does not target specific geographic areas in the Consolidated Plan. The allocation criteria of several competitive programs have a priority that awards points to projects located in small communities, as defined by AHFC. A small community is a community of 6,500 or less that is not connected by road or rail to Anchorage or Fairbanks. Or, a community of 1,600 or less that is connected by road or rail to Anchorage or Fairbanks and is located at least 50 statute miles outside of Anchorage or 25 statute miles outside of Fairbanks. In this definition, "connected by road" does not include a connection by the Alaska Marine Highway System or roads outside the boundary of the State of Alaska.

Rationale for the priorities for allocating investments geographically

Because funds are distributed through a competitive process, the State cannot predict who will apply or how funds will be distributed geographically. The State does, however, emphasize funding for rural community needs, especially as they relate to low- and moderate-income (LMI) population.

Alaska's wide range of housing and community development conditions makes the use of guiding principles the most practical and effective approach of targeting scarce HCD resources. The seven guiding principles were developed from HCD public hearings; consultation with federal, state and local entities; involvement with housing and community development in both the private and public sectors over the past five years; and an analysis of the Consolidated Annual Performance Evaluation Reports (CAPERs) for state fiscal years 2006, 2007, 2008 and 2009. Data gathered in the development of this five year plan support the seven guiding principles above.

Affordable Housing

AP-55 Affordable Housing – 24 CFR 91.320(g)

Introduction: Over the last several years, AHFC has increased the emphasis on rehabilitation and preservation of existing affordable housing resources in the rating criteria for the LIHTC, HOME and Senior Citizen Housing Development Fund (SCHDF) programs. As a result, more affordable housing rental units have been renovated and several federally subsidized rental projects have remained in the affordable housing stock. Yet, throughout the state, there are still serious shortages of affordable, decent housing for low-income Alaskans. Constraints of financial feasibility impede the development of affordable housing, in both rural and urban communities. Critical to the implementation of the strategies contained in this Plan is a dedicated source of funds to leverage other funding sources for the development of new affordable housing opportunities, as well as the acquisition and rehabilitation of existing structures.

One Year Goals for the Number of Households to be Supported	
Homeless	10
Non-Homeless	40
Special-Needs	15
Total	65

Table 39 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	20
The Production of New Units	45
Rehab of Existing Units	20
Acquisition of Existing Units	20
Total	65

Table 40 - One Year Goals for Affordable Housing by Support Type

Discussion:
On average, our rental and homeownership development programs facilitate the new construction and / or rehabilitation of approximately 160 units throughout the State. While our programs collectively achieve a significant geographic distribution of resources, the majority of these units created through the Low-Income Housing Tax Credit program.

Using historical production date and assumptions for leverage funding, the numbers reported in tables 58 and 59 represent conservative performance targets for the Balance of State.

*the total household goal of 65 assumes that the 20 units paired with rental assistance will be connected to acquisition and rehabilitation activities.

On an annual basis through the Greater Opportunities for Affordable Living (GOAL) program and/or the Special Needs Housing.

Grant (SNHG) program, AHFC announces the availability of HOME funds for rental development. The SNHG program allocates capital development funds to develop rental housing projects that will serve special needs, and often low-income households. In SFY2015, HOME rental development funds may also be awarded through the SNHG award process, in addition to the GOAL process, if AHFC deems that it is in the best interest of the HOME program to do so.

Community Housing Development Organizations (CHDOs) Development Activities

The National Housing Affordability Act placed a high priority on using community-based non-profit organizations to develop affordable housing. A set-aside of 15 percent of each Participating Jurisdiction's HOME funds was mandated for the exclusive use of CHDOs. The standards for certification as a CHDO were established by federal regulation. Only certified CHDOs will be eligible to access the set-aside of CHDO funds for the development of affordable housing. This program meets the HUD objective of providing decent housing with improved affordability.

CHDO set-aside funds are a sub-set of HOME funds reserved for the development of affordable housing. In the State of Alaska HOME Program, these funds may be used for allowable HOME activities outlined in the Rental Development Activities, through the GOAL and SNHG programs described above, subject to the limitations of 24 CFR 92.300. If an eligible CHDO is awarded HDP funding, those funds may be designated as CHDO set-aside or CHDO reserve funds. To participate in the CHDO set-aside, an organization must complete the following steps:

a. Complete and submit an annual application to AHFC for certification as a CHDO with the appropriate supporting documentation;
b. Receive certification from AHFC, after compliance with CHDO criteria about legal status, board structure and composition and demonstrated capacity;
c. Submit a Greater Opportunities for Affordable Living (GOAL), Special Needs Housing Program (SNHG) or HDP program proposal for evaluation. Proposals will be solicited through a NOFA process.

Operating Expense Assistance Program for Community Housing Development Organizations (CHDOs)

HUD gives the option to states of providing a limited amount of operating support funds to CHDOs actively expanding affordable housing opportunities with HOME funds. A maximum of five percent (5%) of the state's annual HOME allocation may be used for this purpose.

A total of $150,000 in SFY2016 (FFY 2015) HOME funds may be used for the Operating Expense Assistance Program for Community Housing Development Organizations (CHDOs). If these funds are not used for CHDO operating support they will be used for rental housing development or other eligible HOME activities.

AP-60 Public Housing - 24 CFR 91.320(j)

Introduction:

AHFC produces an annual Moving to Work Plan and an annual Moving to Work Report. These are available for review on AHFC's website http://goo.gl/dW0afB as well as HUD's Moving to Work website.

Actions planned during the next year to address the needs to public housing

See AHFC's Moving to Work Plan and an Annual Moving to Work Report at http://goo.gl/dW0afB

Actions to encourage public housing residents to become more involved in management and participate in homeownership

Please see the discussion in Section MA-25 above regarding AHFC's Resident Advisory Board.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

N/A

AP-65 Homeless and Other Special Needs Activities – 91.320(h)

Introduction

Alaska Housing Finance Corporation will administer federal and state resources throughout the Alaska Continuum as appropriate to meet the specific needs of each community as identified through community plans and data gathered from the annual Point-In-Time Count of homeless persons, Housing Inventory Chart, and Alaska Homeless Management Information System. Funding considerations include maintaining current homeless facilities, supporting homeless prevention services, providing homeless outreach, and activities to assist homeless persons transition to permanent housing and independent living.

The jurisdictions one-year goals and actions for reducing and ending homelessness including:

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

Alaska Housing Finance Corporation will continue to assist local homeless coalitions and the Alaska Coalition on Housing and Homelessness to conduct outreach activities to homeless persons through projects such as the Point-In-Time Count and events such as Project Homeless Connect. In addition, the state will continue to coordinate with Alaska 2-1-1 to ensure that persons in need are connected to appropriate services. Goal: Increase in utilization of the Alaska Housing Locator and 2-1-1 system for housing resources. Indicators: Annual 2-1-1 report to AK Council on the Homeless & Annual Housing Locator Report.

Addressing the emergency shelter and transitional housing needs of homeless persons

The State will use a combination of federal and state resources to ensure that no homeless persons are forced to sleep in places not meant for human habitation. Alaska will use the maximum amount of ESG funds allowable to help shelters meet their operating costs. Funding to adequately staff and operate emergency shelters and transitional housing facilities will also remain a high priority for the State's Basic Homeless Assistance Program (BHAP). Goal: ES-Reduction in the number of unsheltered homeless count; ES/TH-no net loss of beds where utilization remains 75% or higher. Indicators: ES-# of Unsheltered persons in Point-In-Time count; ES/TH-# of beds vs. utilization rate in Homeless Inventory Chart.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable

housing units, and preventing individuals and families who were recently homeless from becoming homeless again

The State will use a combination of federal and state resources to rapidly re-house and stabilize homeless persons, especially chronically homeless individuals & families, families with children, veterans and their families and unaccompanied youth. ESG-funded medium-term rental assistance, VASH vouchers for homeless veterans, state-funded permanent housing placement programs and properties funded under the Special Needs Housing Grant (SNHG) are just some of the examples of resources that will be utilized to shorten the period of time that individuals and families experience homelessness. Goal: ES- maintain average length of stay at 2 months or less; TH-80% exiting TH for permanent housing. Indicators: ES-HMIS report; TH-Annual Performance Reports drawn from HMIS of TH providers.

AHFC has partnered with State of Alaska Department of Corrections and Office of Children's Services to target special needs and at-risk populations who will be transitioning from State supervision or programs into permanent housing. TBRA is essential to meeting the unmet needs of special needs and at-risk populations by providing opportunities for those seeking individual living options in normal residential settings or in need of subsidized rental housing; TBRA will help narrow the gap in benefits and services received.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

Alaska Housing Finance Corporation will continue to provide funding through the Basic Homeless Assistance Program (BHAP) that provides direct financial assistance with rent, mortgage, and utility arrearages for low-income individuals and families threatened by homelessness.

AHFC will continue to implement the TBRA program that assists persons discharged from publicly funded institutions and systems of care. Council members will continue to support the Department of Correction's review of and strengthening policies that require housing plans prior to discharge. Resources targeting persons leaving state custody such as HOME TBRA vouchers and assisted living facilities will be utilized and new resources such as the HUD 811 voucher program will be sought for this purpose. Goal: Reduction in the percentage of persons entering homeless facilities from public institutions or systems of care. Indicator: AHAR reports drawn from HMIS.

The State will incentivize agencies that apply for funding by awarding significant points to those that endeavor to ensure that homeless persons are receiving assistance from public and private agencies that address housing, health, social services, employment, education or youth needs. The State will also coordinate through the Alaska Council on the Homeless and the Alaska Coalition on Housing & Homelessness activities and programs that more effectively connect homeless persons to those support connections. GOAL: 30% of persons in TH/PSH programs employed at end of program year/65% of persons in TH/PSH receiving non-cash (mainstream) supports at end of program year. Indicator: Annual Performance Reports drawn from HMIS of TH/PSH providers.

Nursing Facilities

In its efforts to help elderly persons and individuals with disabilities transition from nursing facilities back into the community, AHFC would like to include to its list of partnerships, future work with The Governor's Council on Disabilities and Special Education and the Division of Senior and Disability Services' Nursing Facility Transition Fund. Directly from SDS's website http://goo.gl/cxE43a:

"The funds from the Nursing Facility Transition Program can be used to help an elderly person or individual with a disability transition from a nursing facility back into the community. We can provide one-time funds for:

1. *Home or environmental modifications;*
2. *Travel/room/board to bring caregivers in from a rural community to receive training;*
3. *Trial trips to home or an assisted living home;*
4. *Payment for an appropriate worker for skill level needed;*
5. *Security deposits;*
6. *One-time initial cleaning of home;*
7. *Basic furnishings necessary to set up a livable home;*
8. *Transportation to the new home.*
9. *Other needed items or services may be approved by Program Coordinators."*

AP-75 Barriers to affordable housing – 91.320(i)

Introduction:

Actions planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

Different from the situation of affordability at the municipal level in regards to barriers to affordable housing, the major barrier to affordable housing in the balance of state is cost. The cost infrastructure, land and construction in relation to people's income becomes the major barrier to obtaining affordable housing in general.

AP-85 Other Actions – 91.320(j)

Introduction:

Other activities to be undertaken during SFY2016 (FFY2015) including actions to promote the development and maintenance of affordable housing, including the use of public housing resources and the development of public housing resident initiatives.

Actions planned to address obstacles to meeting underserved needs

A number of actions during SFY2016 will address housing and community development barriers. These actions include the improvement of organizational capacity; the development of infrastructure for housing and community development; the role of local governments in this area targeting and leveraging resources; and protecting and improving housing and community development assets.

The three most significant obstacles to meeting needs addressed by the CDBG program are (1) a short construction season, (2) high cost of construction in remote communities, and (3) lack of administrative capability in rural communities. Obstacle (1) is being addressed by an accelerated application selection process that will make grant funding available for many projects one construction season earlier than in past years. Obstacle (2) is addressed by encouraging communities to access multiple funding sources through required matching funds and encouraging cost-saving measures when possible. Obstacle (3) is addressed by tightening threshold requirements to ensure only those communities with the highest administrative capabilities are considered for funding, continuing to develop accessible training materials, and holding management workshops for communities awarded CDBG funding.

Actions planned to foster and maintain affordable housing:

<u>Teacher, Health Professional, and Public Safety Housing Grant Program</u>

Constant turnover of public service professionals plague our rural communities. Housing has been cited as a major contributor to their decision in leaving their position. Attracting and maintaining qualified teachers, health professionals, and public safety officials in rural Alaska is a priority for the State of Alaska. In order to achieve this, housing for these professionals must be available, affordable and of a quality that encourages these professionals to locate in rural settings. Under the Teacher, Health Professional and Public Safety Housing (THHP) Grant Program, funding is available for the acquisition, rehabilitation, and/or new construction of dedicated professional housing for eligible staff in rural Alaska.

In SFY 2015, AHFC received a total of twenty-four applications requesting over $24 million in funding. AHFC awarded $7.4 million in THHP funds to eight projects for the rehabilitation/acquisition of 9 units and new construction of 15 units.

Project	Applicant	AHFC Funding Recommendation
Wrangell Health Prof. Hsg. Rehab	Alaska Island Community Srvc.	$444,044.00
Shishmaref Teacher Hsg.	Bering Strait School District	$1,283,844.00
Sand Point Health Prof. Hsg.	Aleutian Housing Authority	$625,560.00
Bethel Public Safety Hsg. Rehab	Bethel Community Srvc. Found.	$1,721,359.00
Tanana Prof. Hsg.	City of Tanana	$846,400.00
Ambler Public Safety VPSO Hsg.	North West Arctic Borough	$782,400.00
Port Heiden Teacher / VPSO Hsg.	Native Village of Port Heiden	945,000.00
Akutan Health / VPSO Hsg.	City of Akutan	$694,586.62
	TOTAL	$7,343,193.62

AHFC will solicit applications for the SFY 2016 THHP Application Round in the spring of 2015. Applicants will submit their proposals to AHFC through a web-based application. Subject to Legislative Appropriation, AHFC will announce the SFY 2016 THHP Awards in the fall of 2015.

Since program inception in SFY 2004, the Teacher, Health Professional, and Public Safety Grant Program has funded the construction or rehabilitation of 418 units of housing totaling $133 million in total project cost. Eighty-nine percent (372) of these units are completed, and in service.

Actions planned to reduce lead-based paint hazards

The Consolidated Housing and Community Development Plan supports actions to evaluate and reduce lead based paint hazards. The Interagency Steering Committee for the Consolidated Plan will continue to work with the Alaska Division of Public Health, Section of Epidemiology to monitor the blood lead levels in tested Alaskan children.

All covered projects under the HOME, CDBG, HOPWA, Public Housing and Section 8 programs will be administered to conform to the applicable lead based paint regulations. Rehabilitation of housing constructed pre-1978 using HUD housing assistance programs covered by the lead based paint rule (Subpart of the Rule Within 24 CFR Part 35), will follow the applicable HUD procedures, reporting and record keeping standards outlined.

Section 1018 of the Residential Lead-Based Paint Hazard reduction Act of 1992 requires that sellers, landlords and agents warn homebuyers and tenants of lead-based paint and lead-based paint hazards in pre-1978 housing. A prospective home purchaser or prospective tenant must receive the following information prior to becoming obligated under any contract to lease or purchase a property covered by this Act:

An EPA approved information pamphlet on identifying and controlling lead-based paint hazards.

Any known information concerning lead-based paint or lead-based paint hazards.

Any records or reports on lead-based paint which are available to the seller or landlord.
An attachment to the contract or lease which includes a Lead Warning Statement and confirms that the seller or landlord has complied with all of the notification requirements.

Sellers must provide homeowners a 10-day period to conduct a paint inspection or risk assessment for lead-based paint or lead-based paint hazards. Parties may mutually agree, in writing, to lengthen or shorten the time period for inspection. Homebuyers may waive this inspection. Sellers are not required by law to allow homebuyers to void their contract based on the results of the lead based paint evaluation.

Beginning in April 2010 and according to EPA-issued new rule, contractors performing renovation, repair and painting projects that disturb lead-based paint in homes, child care facilities and schools built before 1978 must be certified and must follow specific work practices to prevent lead contamination.

Although the testing done so far does not point to a great lead-based paint hazard in Alaska, an estimated 15% to 20% of all of the housing stock in the state may contain lead based paint. The State concurs with the U.S. Environmental Protection Agency that increased education about the potential health risks from exposure to lead based is an important step in reducing health related problems involving lead poisoning. AHFC will continue to seek alliances with other agencies invested in the pursuit of eradicating the potential for Lead-Based Paint in the state's housing stock. These agencies might include the Environmental Conservation Agency (EPA), the Alaska Center for Disease Control (ACDC), and the Department of Health and Social Services (HSS).

<u>Actions planned to reduce the number of poverty-level families</u>

AHFC entered into a Moving To Work Agreement (MTW Agreement) with the US Department of Housing and Urban Development (HUD). MTW is a demonstration program authorized by Congress that gives AHFC the flexibility to waive certain statutes and HUD regulations to test approaches for providing housing assistance. A waiver of statutory or regulatory language must address at least one of three goals:

Reduces cost and achieves greater cost effectiveness in Federal expenditures; Gives incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient; and, Increases housing choices for low-income families.

For a comprehensive review of MTW programs nationwide, please visit the HUD website at: http://www.hud.gov/offices/pih/programs/ph/mtw/index.cfm
Please also visit the AHFC website to view the full text of the fiscal year 2012 Moving to Work Program Annual Plan at: http://www.ahfc.us/reference/plans.cfm

Actions planned to develop institutional structure:

Across Alaska, organizational capacity for the effective delivery of housing and community development programs is very unevenly distributed. Many communities, particularly in rural areas, lack the organizational capacity to effectively implement projects using the multitude of housing and community development programs available. The involvement of several agencies and a variety of funding programs in a single project usually complicates the development process, and places additional demands on the project sponsor.

Limited state-funded technical assistance will also be offered to HOME grantees and other non-profit housing providers, including those serving Alaska's homeless and special needs populations. Training and technical assistance opportunities, due to the loss of local HUD CPD-TA dollars, will be limited. A menu of opportunities will be offered, which will include direct technical assistance, topic-based Alaska Training Events, as well as scholarship opportunities to attend local, regional or national training events.

AHFC plans to host one or more Alaska Training Events each year and offer scholarships to approved trainings and conferences for eligible attendees. Participants are required to document the objectives that will be achieved through attendance at a specific training activity. Activities will be available to other providers and/or the general public on a space-available basis on topics such as Fair Housing/Section 504 that affect a broad spectrum of Alaskan providers. AHFC will also plan training events in coordination with training activities hosted by other groups, such as HUD or the homeless coalition, to maximize training resources and training availability.

The State of Alaska will hold one application workshop and one management workshop each year for awarded grantee each year. The applications will cover specific environmental review, civil rights, Davis-Bacon and other CDBG program requirements. In addition the state will provide manuals, technical assistance, and templates to develop institutional structure.

Actions planned to enhance coordination between public and private housing and social service agencies.

The State of Alaska hosts its own trainings by contracting with experienced housing. AHFC participates in all Project Homeless Connect events and supports the Alaska Coalition on Housing and Homelessness, which integrates members from private and public agencies.

AP-90 Program Specific Requirements – 91.320(k)(1,2,3)

Introduction:

The State will consider funding only those projects that meet the first national objective. The overall mission of the State's CDBG program is to enhance the quality of life for LMI persons, particularly in rural Alaska. The CDBG program fulfills this mission by emphasizing the following objectives during the selection process:

- Potential for long-term positive impact and increase in community self-sufficiency
- Reduction of clear and imminent threats, and conditions detrimental to the health and safety of local residents
- Construction and improvement of public facilities and the reduction of maintenance and operation costs
- Development and use of design, engineering, architectural, or feasibility plans as appropriate
- Economic development—including business development, job creation, planning, and special projects
- Evidence of strong local support, i.e., inclusion in a local community, economic, or capital improvement plan
- Use of local resources in combination with CDBG funding

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan	0
The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income	0

Other CDBG Requirements

1. The amount of urgent need activities: $0

HOME Investment Partnership Program (HOME)

Reference 24 CFR 91.320(k)(2)

1. **A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:** No other forms of investments will be used by the HOME program

2. **A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:**

   a. Resale Model
   The HDP resale model requires that when a homeowner sells their home, he or she sells it for a restricted price to a low income household (80% below the median income). HDP funds up to $40,000 may be provided in assistance. HOP funds can only be used for down payment and closing cost assistance in a project assisted with HDP funds. Interest buy downs are not an eligible cost.

   b. Recapture Model
   Under the recapture model the first $10,000 in direct assistance is provided as a forgivable loan. Direct assistance is defined as the difference between the market value and sales price of the home in addition to any HOME assistance. For every year the homeowner continues to own the home and make it his or her primary residence, the loan will be forgiven by a maximum of $2,000, or twenty percent (20%) of the loan, whichever is less. Any remaining HDP assistance provided will be secured against the home as a loan with zero percent (0%) interest, repayable at the time the homebuyer no longer owns the property. If the homeowner fails to meet the primary residency requirement during the affordability period, the full amount of assistance is due and owing. The recapture provisions will be triggered by a sale prior to the completion of the affordability period. The amount subject to recapture is the total amount of direct assistance less the prorated amount of the first $10,000 forgiven per the terms described above plus any amounts that are not forgiven.

   c. In the case of a sale (voluntary or otherwise) the maximum amount of funds subject to recapture is limited to whatever net proceeds (if any) are available. The homeowner must show that the appraised value of the home is not sufficient to pay off the HOME loan(s) in addition to any other lien in superior position, and standard and customary seller's closing costs. Net proceeds are calculated by the sales price less any non-HOME loans or repayments less closing costs.

3. **A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:**

Please see Appendix H for a more complete description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds according to 24 CFR 92.254(a)(4)

4. **Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:**

AHFC has no plans to refinance existing debt for the SFY2016 for the Balance of State

Emergency Solutions Grant (ESG)

Reference 91.320(k)(3)

Written standards for providing ESG assistance

As of this writing, the Emergency Solutions Grant (ESG) program is still operating under the Interim Rule issued December 5, 2011. In addition to administrative activities, ESG funds may be used for five program components: street outreach, emergency shelter, homeless prevention, rapid re-housing assistance and Homeless Management Information Systems (HMIS).

The ESG regulations now restrict the use of funds for emergency shelter or street outreach activities to 60 percent of the recipient's fiscal year grant. The remaining 40 percent of the annual allocation must be used for homeless prevention, rapid re-housing, or HMIS activities.

To qualify for ESG assistance, program participants must meet the newly expanded definitions of "homeless" or "at risk of homelessness" described in 24 CFR 2. Program participants in the "at-risk of homelessness" category must also have incomes below 30% of area median income to qualify for ESG assistance. In addition to documenting client eligibility, agencies providing rental assistance are now required to inspect all units to document compliance with HUD's habitability standards and to execute a written rental assistance payment agreement with the landlord.

<u>Written Standards</u>

In recognition of the large geographic area covered in the Alaska CoC geography and the varying needs and conditions of local communities, Alaska is adopting the provision outlined in 24 CFR 576.400(e)(2)(i)(B) that enables states to require each sub-recipient to establish their own written standards for providing ESG assistance and apply them consistently within the sub-recipient's program. This approach is consistent with the guiding principles of the Alaska HCD Plan which supports the use of local strategies for determining unmet needs and targeting of resources. All requirements for written standards and policies will be incorporated in the grant agreement issued to the sub-recipient, including the following:

a) Standard policies and procedures for evaluating individuals' and families' eligibility for assistance under Emergency Solutions Grant (ESG).
b) Policies and procedures for coordination among emergency shelter providers, essential service providers, homeless prevention and rapid re-housing assistance providers, other homeless assistance providers and mainstream service and housing providers.

c) The sub-recipient will incorporate into their ESG policies and procedures, by reference, existing cooperative agreements they have in place with the local Public Housing agency, the Indian Housing Agency, the domestic violence shelter, the Dept. of Public Assistance (TANF), and the community behavioral health center.

d) Policies and procedures, consistent with CoC-adopted guidelines, for determining and prioritizing which eligible families and individuals will receive homeless prevention assistance and which eligible families and individuals will receive rapid re-housing assistance.

e) Standards, consistent with CoC-adopted guidelines, for determining the share of rent and utility costs that each program participant must pay, if any, while receiving homeless prevention or rapid re-housing assistance.

f) Standards for determining how long a particular program participant will be provided with rental assistance and whether and how the amount of that assistance will be adjusted over time.

Due to the amount of funding available to Alaska, assistance is likely to be limited to no more than 12 months. Adjustments to rental assistance in the event of changes in income will be addressed in a manner similar to the local housing authority for consistency and preparation of the program participant to transfer to this longer term program should the opportunity arise.

g) Standards for determining the type, amount, and duration of housing stabilization and/or relocation services to provide a program participant, including the limits, if any, on the homeless prevention or rapid re-housing assistance that each program participant may receive, such as the maximum amount of assistance; or the maximum number of times the program participant may receive assistance.

Due to funding limitations, the only housing stabilization service anticipated is case management. The sub-recipient will revise their written policies to incorporate the requirement for program participants to meet with their case manager at least monthly while receiving ESG assistance.

If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

The CoC is increasing efforts toward compliance with the requirement for a centralized or coordinated assessment system including discussions with technical assistance advisors to determine how best to coordinate assessment among so many distinctly different communities in a standardized way.

Process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

ESG funds will be awarded on a competitive basis to units of local government and non-profit organizations. Applications are received annually, in response to a Notice of Funding Availability (NOFA). To incentivize coordination between the state BHAP grant and ESG, AHFC conducts a joint

application process for both of these resources. Applicants requesting funding for Emergency Shelter or Street Outreach may request no less than $20,000 and no more than $30,000. The reason for these funding limitations is to achieve both administrative efficiency and broader geographic distribution of funds among Alaska's shelters. When ESG allocations for this component rise above $160,000, the funding limit rises commensurately to $40,000. No funding limits for the Homeless Prevention/Rapid Re-Housing set-aside will be considered until after a funding cycle occurs in which multiple applicants seek ESG funding for these activities.

Applicants for ESG/HAP funding now use an online application system that affords them an equal opportunity to submit within the same timeframe regardless of their remote location or transportation challenges. Most agencies applying for HAP/ESG funding are returning grantees seeking funding to continue their services into the next program year. Following the lead of the CoC process, past performance in achieving service projections and housing stability constitutes a significant portion of the ranking factors each year. If the applicant is not a returning grantee, they must provide a narrative explanation for 1) how they developed their service projections, 2) what they will do to monitor and report on housing retention, and 3) the applicant's experience and capability to serve homeless persons and meet all of the regulatory and administrative requirements.

Another ranking factor is relationship of their proposed activities to achieving the goals of state & local homeless plans. Other ranking factors include local progress toward a centralized or coordinated assessment process, incorporation of the Opening Doors Federal Homeless plan, the extent to which efforts are made to link program participants to mainstream resources, policies and procedures for prioritizing the delivery of homeless services and the degree to which each budget line item requested is thoroughly explained. Bonus points for small, rural communities and multi-agency partnerships are also part of the rating criteria. Up to 10 points may be deducted for a pattern of late reports or unresolved findings. Points are also deducted for repeated findings for the same infraction in the 36 months prior to the application date.

With the exception of the narrative answers, AHFC has converted to an objective scoring system. Applications from agencies that did not receive funding in the prior year will be forwarded to a Project Evaluation Committee (PEC) to assign points to any subjective (narrative) sections of the application. The PEC will primarily be recruited from members of the CoC Decision Making Group that do not have a conflict of interest.

Due to the extremely small amount of ESG funds that are allocated to Alaska each year and the documented high need among shelters for operating assistance, the State will award the maximum amount of its allocation for that purpose, by rank order in the competition. The remaining amount will be awarded to projects that proposed a financially feasible medium-term rental assistance program to prevent homelessness or rapidly re-house those who have been displaced.

If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

Homeless participation requirement (not applicable to states)

Performance standards for evaluating ESG.

Consistent with HUD/CoC performance measures and Alaska's 10-Year Plan to End Long Term Homelessness, the following standards will be used to evaluate ESG activities (and source to determine performance):
Emergency Shelters: Utilization rate of at least 65% (Source: AHAR)
Rapid Re-Housing: 6+ months housing stability rate at least 82% (Source: HMIS/Provider reports)
Homeless Prevention: 90-day housing retention rate of at least 80% (Source: Provider reports).

APPENDIX A
PUBLIC COMMENTS

As part of the outreach effort to promote citizen participation on the five-year HCD Plan and Annual Action Plan (AAP) planning process, AHFC held a series of public hearings, participated in several community development events, conducted one survey, and received comments from citizens throughout the state. Below are summaries of public comments and the State's responses. The public hearings are presented first, by date; the results of the online surveys follow and random comments are addressed last.

AHFC conducted two public hearings at the Alaska Gas Development Corporation main offices in Anchorage, Alaska; one prior to the release of the HCD and AAP draft and one during the release of the Draft for public comment to gain public input into the development of these plans. The first hearing was held on February 24*, 2015*. The second hearing was held on April 7, 2015; At each hearing, AHFC provided an overview of the consolidated planning process, the programs it covers, a description of the performance of the current programs, and the timeline for the development of the new 5-Year HCD Plan and AAP. Public comment was encouraged. Additionally, AHFC hosted a Public Hearing and a 30 day comment period for the public to comment on the National Housing Trust Funds, announced by HUD in 2016. The hearings were teleconferenced statewide and the records were transcribed.

AHFC coordinated a survey to solicit public input regarding impediments to fair housing choice Alaska. The survey was conducted during the months of February and March, 2015. One survey was directed toward renters, non-profit organizations, residential construction builders, real estate professionals, and residential managers. The survey collected demographic information that enabled geographic and socio-economic analysis. It allowed for direct commentary to several questions. Comments are summarized below with similar comments grouped together and unique comments reproduced *verbatim*.

Public Hearing and Statewide Teleconference
February 24, 2015
SFY 2016 – 2020 HCD Plan and SFY 2016 AAP
Held during the Development of the Plans

No public comments were received during the first public hearing.

Public Hearing and Statewide Teleconference
April 7, 2015
SFY 2016 – 2020 HCD Plan and SFY 2016 AAP
Held during the 30-day Public Comment Period of the Plan's Draft

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Comment 1a: Britteny Howell, M.A., ABD Research Analyst III, Governor's Council on Disabilities and Special Education, appreciated the State's use and consultation with their 5-year Plan to strengthen the State's position on unmet housing needs in Alaska. Ms. Howell also recommended a few ways in which the Plan's narratives would better address persons with disabilities. Howell pointed out that a correct denomination of disabilities throughout the document will allow the reader to focus on the individual, rather than defining the person by the disability.

Comment 1b: She commended AHFC on its work to expand the supply of affordable housing for Alaskans with special needs, universal design and supportive services. According to Ms. Howell "The existing housing supply in Alaska is inadequate to meet current needs for people with disabilities, and projections indicate an increased need for such housing in the coming years. Federal changes to the Medicaid Home and Community-Based Waiver system now require people with intellectual and developmental disabilities receiving waivers to live in fully integrated settings in the community. More people with disabilities are now exploring independent housing options than ever before, making this goal a pressing concern. Additionally, people with intellectual and developmental disabilities are aging, resulting in increasing rates of physical disabilities and dementia, creating a "double burden" of disabilities that will require even more specialized housing needs)."

Comment 1c: The Council supports the work done by the State to include AK-901 vouchers for recipients with disabilities, but wishes to note that there is great disparity in the numbers of vouchers utilized by ethnic minorities experiencing disabilities.

Comment 1d: An apparent discrepancy was pointed about between the anticipated resources chart and the reference to the coordination between the use of Special Needs Housing Grant Funds and HOME. Ms. Howell questioned how these programs were planned to be funded with no anticipated federal or state sources for the SFY2016 year.

Comment 1e: A suggestion was included by Ms. Howell to work in conjunction with the Division of Senior and Disability Services' Nursing Facility Transition Fund. As quoted from SDS's website:

"The funds from the Nursing Facility Transition Program can be used to help an elderly person or individual with a disability transition from a nursing facility back into the community. We can provide one-time funds for:

1. *Home or environmental modifications;*
2. *Travel/room/board to bring caregivers in from a rural community to receive training;*
3. *Trial trips to home or an assisted living home;*
4. *Payment for an appropriate worker for skill level needed;*
5. *Security deposits;*
6. *One-time initial cleaning of home;*
7. *Basic furnishings necessary to set up a livable home;*
8. *Transportation to the new home.*
9. *Other needed items or services may be approved by Program Coordinators."*

Through Howell, the Council offered some insight revealing some of the impediments to fair housing choice that affect the transition-age youth in Alaska as follows – Verbatim:

Our work revealed that the biggest challenges to housing for transition-age youth are in the initial decision-making process, followed by difficulties finding supported housing environments. Our youth participants have told us that convincing their parents or guardians to let them look for independent housing is the first challenge, as many caregivers are worried that the youth will not thrive on their own. Many individuals with disabilities may be stymied at this first step, unsupported by family members to move out of their home environments. After that decision-making process to seek independent housing is made, however, youth are struggling to find supportive housing that is the "right fit" for their needs.

Individuals with significant disabilities may need assisted living environments while others may do well with more independence, in a supported housing situation. However, transition-age youth and adults in Anchorage seem to have a lot of difficulty finding such housing arrangements. They report a lack of housing information or a central agency to go to for help, as even their care coordinators and direct service providers are usually unable to find the right housing. One mother had looked for over a year to find an assisted living home for her 26 year old son with Down Syndrome, only to bring him back home several months later because the housing environment did not provide adequate support.

Comment 1f: If AHFC can assist in making supported housing information and programs more readily available to the general public, this could alleviate some of the problems we have found in our research.

State Response:

State Response to Comment 1a: The State wishes to thank the Governor's Council on Disabilities and Special Education and Ms. Britteny Howell for their interest in the development of the 2016-202 Plan and the feedback provided. The suggested language changes regarding the terminology used when referencing persons with disabilities have been implemented throughout the document.

State Response to Comment 1b: The state agrees that the challenges of obtaining affordable housing are more difficult for persons with disabilities and appreciate the insight the Council provides. The State has used the resources that are mentioned in the HCD plan to increase the amount of rental assistance available directly to persons with disabilities and incentivized the development of housing units that are both accessible and affordable. The activities under the HCD Plan are closely coordinated with the Alaska Commission on Aging to be able to respond to the growing needs of Alaska's elder population.

State Response to Comment 1c: The tables on pages 37-38 do show a small number of minority persons with disabilities being served under the voucher programs. As we do not have information on the total number of persons with disabilities by ethnicity within the income groups targeted by these programs, it is unknown whether these numbers indicate an under representation. These charts are provided by HUD and are populated by the agency. It is possible that they do not capture the full number of participants. Regardless, the State is committed to meeting is affirmative marketing responsibilities for these programs and will work with the Council to insure that information on these programs can be

disseminated as broadly as possible.

State Response to Comment 1d: Legislature AHFC will allocate funds under the SNHG program to the extent that funding is available in future years. The specific reference in the HCD plan to the use of HOME with SNHG is based on the current funds available as part of a SFY 2016 application process. The chart on pages 94 and 118 are based on anticipated funding in the subsequent year, which as of the writing of this plan is unknown. Pending the outcome of the legislative session and passage of the capital and operating budgets, the charts will be updated.

State Response to Comment 1e: Regarding Ms. Howell's suggestion for future work with the Division of Seniors and Disability Services' Nursing Facility Transition Fund, the State appreciates the suggestion and is open to all partnerships that allow the State to fulfill its statutory goal to provide decent housing, create suitable living environments, and expand economic opportunities for Alaskans at or below 80% of median income**. AHFC included the information regarding the partnership with the Division of Seniors and Disability Services to the Con Plan Section AP-65 Homeless and Other Special Needs Activities – 91.320(h).**

State Response to Comment 1f: Ms. Howell's comments regarding housing barriers in conjunction with the Stone Soup Group will be included in the analysis of Impediments to Fair Housing that is part of the SFY2016-2020 Con Plan and the next Annual Action Plan. In addition, the State maintains a rental housing locator portal attached to the AHFC website. This mechanism and others like 211 and the Aging and Disability Resource Center are additional ways to get information on supportive housing to the public.

Public Hearing and Statewide Teleconference
June 10, 2016
SFY 2016 – 2020 HCD Plan
Held during the Development of the National Housing Trust Fund Amendment to the Plan

Comment 1: During the June 10, 2016 Public Hearing, the State received one comment from Dan Austin from with the Saint Vincent de Paul Society in Juneau.
Mr. Austin would recommend AHFC to consider requiring that developers accept the Housing Trust Fund funds for households at or below 30% median income. Austin recommends that developers help subsidize the units set aside for that population with the cash flow from the project.

State Response to Comment 1: When the projects goes through underwriting, the part that is underwritten is the 30% rents. There is not an assumption that there are Housing Choice vouchers in existence. This way rents are added to the total project revenue. A person with a Housing Choice Voucher could still benefit from the unit, however the unit would be underwritten in such a way that a person could come to the unit without a Voucher and still be able to afford it.

Public Comments received during a 30-day Public Comment Period
2016-2020 Con Plan Draft posted on the AHFC website
March 13, 2015 – April 13, 2015

Comment 2a: On April 13, 2015, the State received a written comment from Patrick Shiflea, Executive Director of Alaska Community Development Corporation. Mr. Shiflea o opposed he proposed reduction to the HOME Owner-Occupied Rehabilitation Program funding allocation for the second year in a row. Mr. Shiflea points out that despite the Plan acknowledging the need to preserve the existing housing supply, it proposes a budget with no funding for the ORP program.
Mr. Shiflea offered comments from two of ACDC's clients that are included verbatim below:

1) "My wife and I would like to thank Alaska Housing for the renewal of our house! I say renewal because it was literally a complete makeover. We really don't know where to start on how to express how thankful we are to all the improvements and upgrades that has been provided by your organization to our Home. I say Home because not only did you provide physical improvements to our house but you have helped us appreciate and enjoy our home that we have lived in for the last 17 years even more. My wife says it's like we have a new house without even moving! After being on permanent disability for the last seven years and my wife 2 years ago having to retire early because of health issues, we never thought we would be able to afford to keep up on the house with any major improvements."

2) "I'd like to thank Alaska Community Development Corporation for the assistance they provides me in repairing my home, and giving me a chance to live out my time with some piece of mind. It would have taken me 6+ years to do the repairs, and I would have failed because funds limited what to work on. I'd be homeless, losing the race to keep my home, to much repair I couldn't afford."

State Response to Comment 2a: Federal guidelines that cover the operation of the Owner Occupied Rehabilitation Program has steadily gotten more restrictive in regards to

inspection and construction standards. As a result of this and the natural cost inflation that has occurred over time, fewer people are being helped under the program. Currently, there are five component programs under the HOME program. Based on the needs information collected and the difficulty administering the ORP, the State decided to re-allocate funds into the rental assistance programs to have a greater impact addressing the needs of the very low-income population in Alaska.

State Response to Comment 2b: Mr. Shiflea supports the State's funding of the HOME Opportunity Program.

The state thanks Mr. Shiflea for the comment and agrees that this component should undergo a review to insure the program is fully utilized given the federal program rules.

State Response to Comment 2c: Mr. Shiflea supports the state's funding of the Homeownership Development Program and added that the program could use additional funding as well as a change in the guidelines so it can assist a greater number of households and offer more options.

The state thanks Mr. Shiflea for the comment and agrees that this component should undergo a review to insure the program is helping as many people as possible given the federal program rules and the other priorities established in the HCD Plan.

APPENDIX B

Size and Characteristics of the Population with HIV/AIDS and their families within the Eligible Metropolitan Statistical Areas of Alaska

From January 1, 1982 through December 31, 2013, 1,540 cases of human immunodeficiency virus (HIV) infection were reported to the Alaska Section of Epidemiology (SOE; Table). Of the 1,540 reported cases, 555 (36%) were in persons who are known to have subsequently died. Of the 985 HIV-infected persons who are not known to have died, 574 (58%) are currently living in Alaska.

	1982–2013				2013			
	All Reported Cases n=1,540		Reported Cases First Diagnosed in Alaska n=1,099		All Reported Cases n=59		Reported Cases First Diagnosed in Alaska n=24	
	Male	Female	Male	Female	Male	Female	Male	Female
HIV (non-AIDS)	367	120	237	92	34	3	13	2
HIV with AIDS	871	182	629	141	18	4	6	3
TOTAL # (%)	1,238 (80%)	302 (20%)	866 (79%)	233 (21%)	52 (88%)	7 (12%)	19 (79%)	5 (21%)
Age at Diagnosis in Years, # (% by column)*								
<14	11 (1%)	7 (2%)	8 (1%)	5 (2%)	1 (2%)	0	0	0
15–24	167 (13%)	61 (20%)	95 (11%)	41 (18%)	7 (13%)	1 (14%)	3 (16%)	0
25–34	472 (38%)	107 (35%)	315 (36%)	83 (36%)	25 (48%)	2 (29%)	8 (42%)	2 (40%)
35–44	391 (32%)	73 (24%)	282 (33%)	58 (25%)	9 (17%)	1 (14%)	3 (16%)	0
45–54	148 (12%)	43 (14%)	122 (14%)	36 (15%)	5 (10%)	0	2 (11%)	0
55–64	36 (3%)	9 (3%)	32 (4%)	8 (3%)	3 (6%)	3 (43%)	1 (5%)	3 (60%)
≥65	13 (1%)	2 (1%)	12 (1%)	2 (1%)	2 (4%)	0	2 (11%)	0
Race/Ethnicity, # (% by column)*								
American Indian/ Alaska Native	211 (17%)	102 (34%)	182 (21%)	97 (42%)	6 (12%)	1 (14%)	3 (16%)	1 (20%)
Asian	17 (1%)	15 (5%)	10 (1%)	10 (4%)	2 (4%)	2 (29%)	2 (11%)	1 (20%)
Black	144 (12%)	45 (15%)	92 (11%)	28 (12%)	8 (15%)	0	6 (32%)	0
Hispanic	104 (8%)	22 (7%)	70 (8%)	17 (7%)	7 (13%)	1 (14%)	1 (5%)	1 (20%)
Native Hawaiian/ Pacific Islander	8 (1%)	2 (1%)	7 (1%)	1 (<1%)	0	0	0	0
White	732 (59%)	111 (37%)	496 (57%)	77 (33%)	24 (46%)	3 (43%)	6 (32%)	2 (40%)
Multi-race	22 (2%)	5 (2%)	9 (1%)	3 (1%)	5 (10%)	0	1 (5%)	0
Transmission Category, # (% by column)*								
Male-to-Male Sex	759 (61%)	--	536 (62%)	--	29 (56%)	--	12 (63%)	--
Injection Drug Use (IDU)	131 (11%)	61 (20%)	92 (11%)	41 (18%)	5 (10%)	1 (14%)	1 (5%)	1 (20%)
Male-to-Male Sex and IDU	121 (10%)	--	62 (7%)	--	3 (6%)	--	1 (5%)	--
Heterosexual Contact	77 (6%)	204 (68%)	60 (7%)	161 (69%)	6 (12%)	6 (86%)	3 (16%)	4 (80%)
Perinatal	5 (<1%)	7 (2%)	3 (<1%)	5 (2%)	1 (2%)	0	0	0
Other or Not Specified	145 (12%)	30 (10%)	113 (13%)	26 (11%)	8 (15%)	0	2 (11%)	0
Residence at Time of Diagnosis, # (% by column)*								
Anchorage/Mat-Su	619 (50%)	149 (49%)	619 (72%)	149 (64%)	15 (29%)	3 (43%)	14 (74%)	3 (60%)
Gulf Coast	54 (4%)	12 (4%)	54 (6%)	12 (5%)	1 (2%)	0	1 (5%)	0
Interior	89 (7%)	30 (10%)	89 (10%)	30 (13%)	2 (4%)	2 (29%)	2 (11%)	2 (40%)
Northern	12 (1%)	8 (3%)	12 (1%)	8 (3%)	1 (2%)	0	1 (5%)	0
Southeast	54 (4%)	21 (7%)	54 (6%)	21 (9%)	0	0	0	0
Southwest	38 (3%)	13 (4%)	38 (4%)	13 (6%)	1 (2%)	0	1 (5%)	0
Out of State	372 (30%)	69 (23%)	0	0	32 (62%)	2 (29%)	0	0

**Category column percentages may not total 100% due to rounding.*

During 2013, 59 cases of HIV infection were reported to SOE (Table); one of these cases was in a person who is known to have died as of December 31, 2013. Of the 59 reported cases, 24 (41%) were initially diagnosed in Alaska, yielding a statewide incidence rate in 2013 of 3 cases per 100,000 persons. In contrast to previous years, in 2013, incident cases of HIV infection were most prevalent in non- white persons (representing 67% of new diagnoses). Of the 21 newly diagnosed persons who agreed to be interviewed, 15 (71%) reported that drug or alcohol use contributed to their high-risk behavior. Of the 11 men who were identified as men who have sex with men (MSM) and agreed to be interviewed, 10 (91%) reported online sex-seeking behaviors and 4 (36%) were co-infected with chlamydia, gonorrhea, or syphilis at the time of their HIV diagnosis.

Discussion:

The fact that 38% of all persons newly diagnosed with HIV infection in 2013 were also diagnosed with AIDS that year underscores the importance of timely screening. The Centers for Disease Control and Prevention recommends routine screening for all persons aged 13–64 years and repeat screening in persons likely to be at increased risk for HIV infection, including injection-drug users and their sex and needle-sharing partners, persons who exchange sex for money or drugs, sex partners of HIV-infected persons, and MSM or heterosexual persons who have had more than one sex partner since their most recent HIV test. Routine screening facilitates earlier detection, which improves health outcomes and reduces the risk of HIV transmission. The Alaska HIV/STD Program offers linkage to medical care and partner notification services for all persons newly diagnosed with HIV infection; Program staff can be reached at 907-269-8000.

(Contributed by: Melissa H. Boyette, BA, and Jessica Harvill, MPH, Alaska Section of Epidemiology.)

Appendix C

Actions planned to foster and maintain affordable housing:

Teacher, Health Professional, and Public Safety Housing Grant Program

Constant turnover of public service professionals plague our rural communities. Housing has been cited as a major contributor to their decision in leaving their position. Attracting and maintaining qualified teachers, health professionals, and public safety officials in rural Alaska is a priority for the State of Alaska. In order to achieve this, housing for these professionals must be available, affordable and of a quality that encourages these professionals to locate in rural settings. Under the Teacher, Health Professional and Public Safety Housing (THHP) Grant Program, funding is available for the acquisition, rehabilitation, and/or new construction of dedicated professional housing for eligible staff in rural Alaska.

In SFY 2015, AHFC received a total of 24 applications requesting over $24 million in funding. AHFC awarded $7.4 million in THHP funds to eight projects for the rehabilitation/acquisition of 9 units and new construction of 15 units.

Project	Applicant	AHFC Funding Recommendation
Wrangell Health Prof. Hsg. Rehab	Alaska Island Community Srvc.	$444,044.00
Shishmaref Teacher Hsg.	Bering Strait School District	$1,283,844.00
Sand Point Health Prof. Hsg.	Aleutian Housing Authority	$625,560.00
Bethel Public Safety Hsg. Rehab	Bethel Community Srvc. Found.	$1,721,359.00
Tanana Prof. Hsg.	City of Tanana	$846,400.00
Ambler Public Safety VPSO Hsg.	North West Arctic Borough	$782,400.00
Port Heiden Teacher / VPSO Hsg.	Native Village of Port Heiden	945,000.00
Akutan Health / VPSO Hsg.	City of Akutan	$694,586.62
	TOTAL	$7,343,193.62

AHFC will solicit applications for the SFY 2016 THHP Application Round in the spring of 2015. Applicants will submit their proposals to AHFC through a web-based application. Subject to Legislative Appropriation, AHFC will announce the SFY 2016 THHP Awards in the fall of 2015.

Since program inception in SFY 2004, the Teacher, Health Professional, and Public Safety Grant Program has funded the construction or rehabilitation of 418 units of housing totaling $133 million in total project cost. Eighty-nine percent (372) of these units are completed, and in service.

APPENDIX E

Emergency Solutions Grant (ESG)

Reference 91.320(k)(3)

Written standards for providing ESG assistance

As of this writing, the Emergency Solutions Grant (ESG) program is still operating under the Interim Rule issued December 5, 2011. In addition to administrative activities, ESG funds may be used for five program components: street outreach, emergency shelter, homeless prevention, rapid re-housing assistance and Homeless Management Information Systems (HMIS).

The ESG regulations now restrict the use of funds for emergency shelter or street outreach activities to 60 percent of the recipient's fiscal year grant. The remaining 40 percent of the annual allocation must be used for homeless prevention, rapid re-housing, or HMIS activities.

To qualify for ESG assistance, program participants must meet the newly expanded definitions of "homeless" or "at risk of homelessness" described in 24 CFR 2. Program participants in the "at-risk of homelessness" category must also have incomes below 30% of area median income to qualify for ESG assistance. In addition to documenting client eligibility, agencies providing rental assistance are now required to inspect all units to document compliance with HUD's habitability standards and to execute a written rental assistance payment agreement with the landlord.

Written Standards

In recognition of the large geographic area covered in the Alaska CoC geography and the varying needs and conditions of local communities, Alaska is adopting the provision outlined in 24 CFR 576.400(e)(2)(i)(B) that enables states to require each sub-recipient to establish their own written standards for providing ESG assistance and apply them consistently within the sub-recipient's program. This approach is consistent with the guiding principles of the Alaska HCD Plan which supports the use of local strategies for determining unmet needs and targeting of resources. All requirements for written standards and policies will be incorporated in the grant agreement issued to the sub-recipient, including the following:

a) Standard policies and procedures for evaluating individuals' and families' eligibility for assistance under Emergency Solutions Grant (ESG).

b) Policies and procedures for coordination among emergency shelter providers, essential service providers, homeless prevention and rapid re-housing assistance providers, other homeless assistance providers and mainstream service and housing providers.

c) The sub-recipient will incorporate into their ESG policies and procedures, by reference, existing cooperative agreements they have in place with the local Public Housing agency, the Indian Housing Agency, the domestic violence shelter, the Dept. of Public Assistance (TANF), and the community behavioral health center.

d) Policies and procedures, consistent with CoC-adopted guidelines, for determining and prioritizing which eligible families and individuals will receive homeless prevention assistance and which eligible families and individuals will receive rapid re-housing assistance.

e) Standards, consistent with CoC-adopted guidelines, for determining the share of rent and utility costs that each program participant must pay, if any, while receiving homeless prevention or rapid re-housing assistance.

f) Standards for determining how long a particular program participant will be provided with rental assistance and whether and how the amount of that assistance will be adjusted over time.

Due to the amount of funding available to Alaska, assistance is likely to be limited to no more than 12 months. Adjustments to rental assistance in the event of changes in income will be addressed in a manner similar to the local housing authority for consistency and preparation of the program participant to transfer to this longer term program should the opportunity arise.

g) Standards for determining the type, amount, and duration of housing stabilization and/or relocation services to provide a program participant, including the limits, if any, on the homeless prevention or rapid re-housing assistance that each program participant may receive, such as the maximum amount of assistance; or the maximum number of times the program participant may receive assistance.

Due to funding limitations, the only housing stabilization service anticipated is case management. The sub-recipient will revise their written policies to incorporate the requirement for program participants to meet with their case manager at least monthly while receiving ESG assistance.

APPENDIX F

HOME MONITORING

Standards and procedures that the state will use to monitor activities carried out in furtherance of the plan and will use to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

HUD HOME Program Monitoring consist of four types of compliance reviews. The first type of compliance review is a desk review of predisbursement/initial documents and reports prior to any HUD HOME and AHFC funds being paid to the project developers and sub-recipients.

The second type of compliance review consists of desk monitoring throughout the project development and grant period.

The third type of compliance review involves site visits to housing rehabilitation and rental housing projects and to sub-recipients' offices during the project development and grant period.

The fourth type of compliance review consists of post-project completion or "affordability compliance" review of rental housing development projects and HOP loans.

The first type of compliance review is accomplished by AHFC's Planning and Program Department staff reviewing the project developers and sub-recipients' predisbursement/ initial reports required of sub-recipients and project developers of rental housing projects. AHFC staff verifies that all pre-disbursement/initial documents and reports are complete and accurate before any HUD HOME and AHFC funds are released to the project developers and sub-recipients. The required pre-disbursement/initial documents and reports will depend on the type of project being funded. A complete list of all the different pre-disbursement/initial documents and reports follows:

- Evidence of business license and insurance requirements
- Evidence of Debarment and Suspension (24 CFR Part 92.357)
- Cost allocation plan
- Evidence of funding commitments
- Authorized signatories
- Project work plan

• Certification of Section 3 and Women's and Minority Business Enterprises (MBE/WBE) compliance.

These reports include a written Section 3 and Women's and Minority Business Enterprises (MBE/WBE) work plan. The Section 3 work plan identifies how sub-recipients will notify Section 3 residents and contractors of training and job opportunities, facilitate the training and employment of Section 3 residents, and the award of contracts to Section 3 businesses that include the Section 3 Clause in all solicitations and contracts. The Women's and Minority Business Enterprises work plan includes a description of sub-recipients' planned outreach designed to inform women and minority business enterprises of contract opportunities.

The second type of compliance review is desk monitoring conducted by AHFC's Planning and Program Development Department staff throughout the project development and grant period. This type is accomplished by AHFC staff reviewing project developers' and subrecipients' monthly or quarterly invoices that sometimes include supporting documents; quarterly and final financial and project status reports; and HOP/ORP/HDP Project Set-Up forms. Project status reports requirements vary depending on the type of projects funded.

The following is a partial list of the different project status reports:

- Description of Section 3 and Women's and Minority Business Enterprises (MBE/WBE) compliance
- Description of job training activities
- Description of Affirmative Fair Housing Marketing compliance activities
- Certification of Title VI of the Civil Rights Act of 1964
- Certification of Conflict of Interest Provisions at 24 CFR Part 92.356
- Certification of Drug Free Work Place Act of 1988
- Certification of Debarment and Suspension (24 CFR Part 92.357)
- Certification of Flood Disaster Protection Act of 1973
- Certification of Lead-Based Paint Poisoning Prevention Act
- Project cost certification
- Copy of recorded federal, state and local building inspection reports (i.e. BEES, HQS, UPCS)
- Certification of Davis-Bacon Wage Act and Safety Standards Act, if applicable
- Copy of proposed rental charges and low-income unit lease agreement
- Copy of executed deed restriction on the title to the land benefited by the project funding
- HOP/ ORP/ HDP Project Set-Up and Project Close-Out forms

The third type of compliance review involves on-site visits to housing rehabilitation and rental housing projects and to sub-recipients' offices during the project development and

grant period. AHFC staff from the Planning and Program Development Department and the Research and Rural Development Department share the responsibility of on-site monitoring reviews. AHFC staff reviews project developers' and sub-recipients' records for compliance with financial administration and management regulations, program policies and regulations, and property requirements. The project developers and sub-recipients receive a formal written monitoring review report and are required to respond and correct any findings and questioned costs.

The fourth type of review is conducted by AHFC's Internal Audit Department. AHFC Internal Audit Department staff monitors post-project completion, or "affordability compliance," and reviews agencies with HOME funded rental housing development projects. Audit reviews are conducted throughout the year based on a schedule that meets with federal audit requirements for the different types of rental housing development projects. As of January 1, 2015, AHFC Internal Audit Department (IAD) is responsible for monitoring a portfolio of 159 affordable housing developments throughout Alaska. Of this number, 19 are funded solely by the HOME program with an additional 39 funded by a combination of HOME/Low Income Housing Tax Credits (LIHTC), and/or the State of Alaska Senior Citizens Housing Development Fund (SCHDF) programs. During calendar year 2015 the IAD is scheduled to conduct compliance audits of 54 of the 58 HOME and/or HOME/LIHTC/SCHDF developments. Of this number, 20 developments are scheduled for on-site physical inspections and administrative document/tenant file audits, with the balance of 34 developments scheduled for desk monitoring only of administrative documents. Four (4) HOME Program developments of the 58 HOME program developments are tentatively scheduled for a 1st year review in calendar year 2016 or later. Development Owners and Managers receive a formal written audit review report and are required to respond and correct any findings and questioned costs.

In all of the four types of program monitoring, AHFC staff works with the project developers and sub-recipients to ensure compliance with HUD HOME policies and regulations. The formal written monitoring review reports clearly identify non-compliance findings and questioned costs, cite HUD HOME, OMB Circulars and AHFC regulations that support the findings; and, recommend corrective actions the sub-recipients should take to meet compliance requirements. In almost all non-compliance situations, the project developers and sub-recipients show a willingness and ability to comply with program policies and regulations. Throughout the project development and grant period, AHFC staff provides technical assistance to project developers and sub-recipients in order to preclude noncompliance findings and questioned costs during formal monitoring reviews.

APPENDIX G

CITIZEN PARTICIPATION PLAN

CONSOLIDATED HOUSING & COMMUNITY DEVELOPMENT PLAN
FOR THE STATE OF ALASKA

Citizen Participation Plan

Effective July 1, 2010

BACKGROUND: The State of Alaska participates in several federally-funded housing and community development programs that provide both annual entitlements and competitive funds which state agencies, local governments, regional housing authorities, and non-profit organizations use to carry out a broad range of activities. These programs include the Community Development Block Grant Program (CDBG), HOME Investment Partnerships Program (HOME), Emergency Solutions Grant (ESG), McKinney/HEARTH Act Homeless Assistance Programs, Housing Opportunities for Persons with AIDS (HOPWA), public housing, and others. To maintain the eligibility of these organizations so that these program funds can be received, the State must prepare and maintain a Consolidated Housing and Community Development Plan (HCD Plan), for approval by the U.S. Department of Housing and Urban Development.

Content of the HCD Plan is prescribed by federal regulations (24 CFR Part 91), and must include an assessment of the State's housing and community development needs, description of the federal and non-federal resources available to the State to address those needs, and priorities for assistance. The HCD Plan supersedes and replaces the Comprehensive Housing Affordability Strategy (CHAS), the CDBG Final Statement, the ESG State Plan and the HOME Program Description. The Plan consists of three major components: a baseline 5-Year Strategic Plan, Annual Action Plans, and Annual Performance Reports. Each component is subject to review and comment by the public.

The State of Alaska's HCD Plan is a cooperative effort of the Alaska Housing Finance Corporation (AHFC), the Alaska Department of Commerce, Community and Economic Development (DCCED), the Alaska Department of Health and Social Services (DHSS), the Alaska Mental Health Trust Authority (AMHTA), and the Governor's Council on Disabilities and Special Education. By designation of the governor, AHFC acts as lead agency in the effort, staffing an Interagency Steering Committee, facilitating the planning process, and providing a central point-of-contact for the public for matters connected with the HCD Plan.

Because the process involves collaboration of several state agencies, the resulting HCD Plan is not the plan of any one agency, but rather represents the collective priorities of the State of Alaska for the various housing and community development programs funded and/or managed by the participating agencies. The HCD Plan strives to embrace and reflect the adopted plans of each individual participating agency.

In addition to state and local governments, non-profit organizations, regional housing authorities and the private sector, development of the HCD Plan must involve private citizens, particularly those with low incomes or residing in areas in which community development activities are likely to take place. Federal regulations (24 CFR 91.115) require the State to develop and adopt a Citizen Participation Plan, encouraging the participation of the public in the HCD Plan process, and outlining the steps the State will take to solicit public input.

SCOPE OF THE HCD PLAN: The geographic scope of the HCD Plan encompasses the entire State of Alaska with the exception of the Municipality of Anchorage. The Municipality receives separate allocations of CDBG, HOME and ESG directly from the federal government, and must therefore prepare a separate plan for its jurisdiction. The Municipality follows a separate public participation process, governed by its own Citizen Participation Plan. Questions concerning the Anchorage plan or public participation process should be directed to the Municipality of Anchorage.

PURPOSE: The purpose of this Citizen Participation Plan is to establish: 1) how the public can participate in the HCD Plan process; 2) how the public will be able to access information about the HCD Plan and the HCD Plan process; 3) how groups interested in participating in the specific federal programs covered by the HCD Plan can obtain assistance in developing proposals for funding; 4) criteria for amending the Plan, 5) how citizens can access HCD records, 6) the adoption and applicability of the Citizen Participation Plan, and 7) procedures for citizen complaints.

1) HOW THE PUBLIC CAN PARTICIPATE IN THE HCD PLAN PROCESS: Alaska's size and range of social, economic, and physical environments present several challenges to any planning process. Many communities served by the funding programs based on the HCD Plan are located in remote areas which cannot be reached by road; often the travel required to get to these communities includes a series of diminishing aircraft; jet *and* small aircraft and/or boat which is costly in both time and money. Severe weather conditions also play a major role; often flights into and out of these communities are significantly delayed or cancelled, causing unplanned additional expenses for travelers.

Still, it is imperative that reliable information be obtained from the field to establish the base from which public policies are drafted and defined. This is especially true when the programs involved so intimately impact the quality of life experienced by people throughout the state. While the best information about local trends, conditions and desires may be generated through direct contact with affected citizens, Alaskans have recognized that use of new and emerging communication technologies is highly effective in accessing a great number of citizens across the state and often produces a greater depth and breadth of results than traditional methods. To that end, the HCD Plan process offers a variety of avenues for public participation, emphasizing the internet and telecommunications, designed to accommodate a range of cultural, communications and learning

styles, and to afford the public ample opportunity to participate without regard to proximity.

a. Public Hearing. As required by federal regulations, at least one statewide public hearing will be held on housing and community development needs before the proposed plan is published for comment.

Notice will be published at least two weeks prior, and not more than three weeks prior, to the hearing date. Notice will contain sufficient information about the subject to permit informed comment. Notice may be published in at least one newspaper with general statewide circulation and may be published in local newspapers that circulate in affected areas of the State and on the AHFC website. Notice will be circulated electronically using address lists that include individuals, units of local government and organizations that function in the areas of housing and community development, may be affected by policies regarding housing and community development and/or have expressed an interest in these areas. Notice will be published on the AHFC website.

All public hearings will be available via audio teleconference, and will be held at times and locations convenient to potential program beneficiaries, with accommodation for persons with disabilities, when so requested of AHFC in advance. If a significant number of non-English speaking residents are reasonably expected to participate, translation will be obtained.

b. Use of new and emerging technologies. In recognition of the abilities of new and emerging communications technologies to inexpensively and effectively reach a broad and deep section of the citizens of Alaska, the state may use such methods as internet online surveys, email, teleconferencing, webinars, social media outlets such as Facebook and Tweeter or other similar methods not yet apparent at the drafting of this Plan, to solicit participation by the citizenry of Alaska.

c. Review of Baseline 5-Year Plan and Annual Action Plans, Submission of Public Comments. In order to receive comments from citizens and units of general local government before adoption, a draft of the baseline 5-year HCD Plan and each Annual Action Plan will be published for public comment, with a formal public comment of not less than 30 calendar days following publication. The draft will, at a minimum, include information on:

The amount of assistance the state expects to receive;
The range of activities that may be undertaken;
The estimated amount that will benefit persons of low and moderate income, and;

Plans to minimize displacement and to assist any persons displaced by housing and community development activities.

An announcement of the availability of the Plan and a Summary of the Plan may be placed in at least one newspaper of statewide circulation. An announcement will be circulated electronically using address lists that include individuals, units of local government and organizations that function in the areas of housing and community development, may be affected by policies regarding housing and community development and/or have expressed an interest in these areas. Notice will be published on the AHFC website.

The Summary of the Plan will describe the contents and purpose of the Plan and list locations where the entire HCD Plan may be examined. The announcement will specify the duration of the comment period, and where the public may obtain copies of the draft Plan in its entirety.

The Plan will be published on the AHFC website, thereby being made available for review by anyone having access to the internet. It is recognized that free internet access is obtainable at public schools, public libraries, the Legislative Information Offices (LIO) in Alaska, DCCED field offices (as well as other state offices) and many local government offices statewide. In many of the remote villages in bush Alaska, the school, library, city office or LIO serves as a community center and routinely provides internet access. For citizenry and groups that request it, a reasonable number of free hardcopies of the Plan will be made available by AHFC.

During the comment period, citizens may submit written comments to AHFC for consideration and inclusion in the final document.

d. Review of Annual Performance Reports. A draft of each Annual Performance Report will be published for public comment, with a minimum formal public comment period of 15 calendar days, as stipulated in federal regulations. An announcement of the availability of the report may be placed in at least one newspaper of statewide circulation and will be published on the AHFC website and circulated via email. The announcement will specify the duration of the comment period, and how and where the public may obtain copies of the draft.

e. Participation in Working Groups. The State, through its Interagency Steering Committee, *may* elect to form one or more small working groups, focusing on specific topics, as part of its HCD Plan process. Participation of citizens in these groups, if formed, will be encouraged.

f. Linkage with Other Planning Efforts. The Consolidated Housing and Community

Development Plan will utilize input from relevant local, regional, and statewide planning efforts of public, private and non-profit organizations on an ongoing basis throughout the year. Through the Interagency Steering Committee, on-going and new sources of input will be identified. Potential linkages between the HCD planning process and these other planning efforts will be also be determined by the Interagency Committee.

g. Interaction with Related Groups. A series of interactive presentations may be made to related groups at various locations throughout the state. Groups may be selected considering their purpose and area of involvement and may include such organizations as local and statewide Homelessness Coalitions, Community Councils, local Community Development groups, Regional Housing Authorities and other similar organizations. Locations will be selected to ensure geographic diversity, and will likely change from year to year. The number of presentations made will vary each year depending upon budget considerations, travel schedules, and availability of staff. The State may, at its option, elect to hold one or more workshops by electronic means, such as video conferencing, internet, or similar technologies. Regardless of the methods used to convene the workshops, the following topics may be addressed:

Orientation to the HCD Plan process;

Review of the programs covered by the HCD Plan, the range of activities eligible under those programs, and the amount of funding anticipated to be available;

Review of how the State has employed the resources available to it in addressing the state's housing and community development needs;

Opportunity for citizens to identify local housing and community development needs and issues, with particular emphasis on new or emerging needs;

Prioritizing among needs and issues;

Discussion of possible State responses to these priorities,

Identifying resources communities may mobilize to complement or coordinate with state and federal resources.

h. Printed Materials. A variety of printed materials will be posted on the internet at the AHFC website; these may include:

i. *HCD Plan Process Description.* A concise description of the HCD Plan

process that acquaints citizens with the agencies involved and provides direction for submitting comments;

ii. *Program Descriptions*, outlining each of the major programs covered by the HCD Plan;

iii. An *HCD Plan Executive Summary*, containing a concise summary of the major findings and goals of the HCD Plan;

iv. A complete version of the current approved 5-Year HCD Plan;

v. Complete versions of the Annual Action Plans for the existing approved 5-Year Plan; and/or,

vi. Complete versions of the accepted Performance Evaluation Plans for each year of the current HCD Plan.

The State will consider comments or views of citizens or units of local government received through this process, either in writing or orally at public hearings, in preparing the final HCD Plan, Annual Action Plans, any amendment to the Plan, or performance report. A summary of these comments or views, and a summary of those comments or views not accepted and the reasons therefore, will be attached to the final published HCD Plan, Annual Action Plan, amendment, or performance report.

Participation of lower-income, minority, disabled, and non-English speaking Alaskans is particularly encouraged. Notices for all public meetings and hearings will include directions for requesting accommodation of a disability for the purpose of participating in the meeting. Cultural diversity is a fact of life in Alaska, and a valued aspect of the state's rich heritage. If a significant number of non-English speaking citizens are expected to attend any public meeting held under this Plan, translation will be provided in the appropriate language(s).

2) HOW THE PUBLIC WILL RECEIVE INFORMATION ABOUT THE HCD PLAN: Alaskans receive information in a variety of ways, depending upon their individual situation and their geographic location. The HCD Plan process will provide information to the public through several media, to provide broadest possible access to the process.

a. Newspaper Coverage. Advertising space may be purchased to publish announcements and required summaries in a newspaper of general statewide circulation. When appropriate, multiple newspapers may be used, including local non-daily publications, and papers serving minority communities. Display advertisements as well as legal advertisements may be used. The State may also issue press releases, and provide background information to encourage press coverage of HCD Plan events as news stories.

b. Other Media. The State may prepare Public Service Announcements (PSAs) and press releases about interactive presentations and public hearings and provide them to broadcast television and radio stations and cable television systems for their use.

PSAs may also be used to recruit citizen participation in working groups (if used) and to announce the availability of the HCD Plan, Annual Action Plans or performance reports for public comment. The State may also use other media as appropriate, such as flyers, bulletin boards, cable television, Internet, libraries, etc.

c. ***Email.*** The State will maintain a master email list of persons and organizations interested in receiving information about the HCD Plan. Persons signing attendance lists at interactive presentations, public hearings or other venues connected with the Plan will be added to the email list. Persons on the email list will receive notice of availability of the Citizen Participation Plan, announcements of interactive presentations and public hearings, and notices pertaining to availability of the draft HCD Plan, Annual Action Plans, and performance reports.

d. ***Local Governments.*** Local governments, as listed in the Alaska Municipal Officials directory published by DCCED, will receive notification of availability of the draft plan, Annual Action Plans and performance reports which will make these materials available to the public at a central point in each community.

e. ***State Library System and Legislative Information Offices.*** The state library system and legislative information offices will receive notice of the availability of the Plan and copies of the draft HCD Plan, Annual Action Plans, and performance reports will be available to the public through the state library system and at each Legislative Information Office statewide.

3) TECHNICAL ASSISTANCE AVAILABLE TO GROUPS INTERESTED IN SUBMITTING PROPOSALS FOR PROGRAMS COVERED BY THE HCD PLAN: At a minimum, the State will provide interested groups with written information about the HOME Investment Partnerships, Community Development Block Grant, Emergency Shelter Grant and McKinney/HEARTH Homeless Assistance programs and how groups may make applications to receive funding through these programs. For each program; the HCD Plan will specify eligible applicants, the anticipated amount of funds to be made available, and the method of distribution the State intends to use (i.e. competitive grants, allocations to local governments, direct administration), and the appropriate state agency to which inquiries should be directed. The State will also refer potential applicants to workshops or other technical assistance opportunities provided through the U.S. Department of Housing & Urban Development, and its contracted technical assistance intermediaries.

4) CRITERIA FOR AMENDING THE PLAN: During a program year, it may be necessary to make minor adjustments to the amounts and types of assistance to be provided, to accommodate changes in the funding environment, or respond to new challenges or opportunities. Generally, such changes will not constitute "substantial changes" to the Plan (24 CFR 91.505(b). Under federal regulations, a substantial change requires the State to provide the public with reasonable notice of the change and an opportunity to comment. For purposes of this Plan, a "substantial change" shall be defined as a change that:

Proposes to add a new activity to the Plan, not previously included in the priorities for funding; or

Eliminates a priority activity identified in the Plan; or

Changes the use of CDBG funds from one eligible activity to another or changes the method of distribution of such funds.

In the event that a substantial change becomes necessary, the State may make announcement of the proposed- change (including a description of the activities involved in the former proposed uses, the program and amount of funds involved, location of activities, and the state agency responsible for administration of the program) in a newspaper of statewide circulation. Announcement of the proposed change will be published on the AHFC website and may be circulated via email. The announcement will also specify how and where the public may obtain copies of relevant documents, and how interested parties may submit comment to the state HCD Plan Coordinator. The public will have thirty (30) calendar days from the date of publication of the announcement in which to submit written comments. The State must consider public comments received prior to implementing any substantial change to the HCD Plan or Annual Action Plans.

5) ACCESS TO RECORDS: The State shall provide citizens, public agencies, and other interested parties with reasonable and timely access to information and records pertaining to the HCD Plan, Annual Action Plans, performance reports and the State's use of assistance under the programs covered by the Plan during the preceding five years. Persons desiring access to such records must submit, in writing, a formal request to the HCD Plan Coordinator at AHFC, who will act as an interagency clearinghouse for such requests. The HCD Plan Coordinator, shall, within 15 working days, respond in writing to the request, advising the requestor how and where the records may be viewed, and the charge, if applicable, for copies of the requested records.

Under Alaska state law, certain categories of records may be confidential. Nothing in this Citizen Participation Plan shall be construed to supersede or replace these requirements.

6) ADOPTION AND APPLICABILITY: The Citizen Participation Plan becomes effective upon adoption by the State, through its Interagency Steering Committee. Prior to adoption, a notice announcing the availability of a draft Citizen Participation Plan will be published in a newspaper of

general statewide circulation, soliciting public comments for a period of 15 calendar days. Copies of the plan will be made available to the public through the main office of the Alaska Housing Finance Corporation, and may be obtained by contacting the HCD Plan Coordinator. Persons with disabilities requiring an alternative format in which to review the Citizen Participation Plan, or other documents related to the HCD Plan, are encouraged to contact the HCD Plan Coordinator to arrange for reasonable accommodation. Views and comments of citizens will be considered by the State for incorporation into the Citizen Participation Plan, either immediately, or in an amendment subsequent to the Plan's adoption by the State.

The State of Alaska reserves the right to make minor editorial changes to the Citizen Participation Plan, provided such changes do not alter the intent of the Plan, the time periods allotted for public review and comment on the HCD Plan or related documents, or substantially modify the methods by which the State will provide public notice and involve the public in the HCD Plan process. Amendments falling outside these parameters will be deemed "substantial changes" to the Citizen Participation Plan and will invoke the same public notice and comment process as described in the preceding paragraph.

7) CITIZEN COMPLAINTS: All complaints concerning the HCD Plan, Annual Action Plans, amendments, or performance reports are to be presented, in writing, to the following address:

Oscar Cedano
HCD Plan Coordinator
Planning and Program Development Department
Alaska Housing Finance Corporation
4300 Boniface Parkway
Anchorage, Alaska 99510
907-330-8417 or toll-free 800-478-AHFC
E-mail via Internet: ocedano@ahfc.us

The HCD Plan Coordinator will act as a clearinghouse for citizen complaints, and when practicable, will provide within 15 working days a written response to each complaint received. All responses will be coordinated with the appropriate state agency/agencies for the program(s) involved. Complaints will be handled by the appropriate agency/agencies, in accordance with procedures as established in state law, regulation or policy as applicable. Because of the interagency nature of the HCD Plan process, more than one letter of response may be necessary to fully address or resolve the complaint.

EQUAL HOUSING OPPORTUNITY

APPENDIX H

A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds according to 24 CFR 92.254(a)(4) are as follows a

HDP Resale Model

The resale model requires that when a homeowner sells their home, he or she sells it for a restricted price to a low income household (80% below the median income). HDP funds up to $40,000 may be provided in assistance. HOP funds can only be used for down payment and closing cost assistance in a project assisted with HDP funds. Interest buy downs are not an eligible cost.

When using the resale method, the original HOME-assisted buyer must receive a fair return on investment if the property is sold during the period of affordability. A fair return on investment is calculated as shown in Resale Methodology demonstrated below.

Capital improvements are permanent structural improvements or restoration of some aspect of the property that will either enhance the property's overall value or increases its useful life. Capital improvements have to last for more than one year and add value to the home, prolong its life, or adapt it to new uses. The improvements must still be evident when the home is being sold. Repairs and maintenance items are not considered capital improvements. Repairs return something to its original condition and are done to maintain a home's good condition without adding value or prolonging its life (e.g., painting, fixing sagging gutters).

Capital improvements that are no longer a part of the home or that have reached their useful life will not be included when determining the fair return on investment.

The value of capital improvements will be based on the actual costs of improvements as demonstrated by the homeowner's receipts.

It is important to note that if the house depreciates in value, the original homebuyer may not receive a return on his or her investment because the home sold for less or the same prices as the original purchase price. In addition, a homeowner's return on investment is limited by the amount of the market appreciation.

Housing under the resale provision must remain affordable to a reasonable range of low-income homebuyers. Low-income households between 30 to 80 percent of area median incomes are considered to be within the reasonable range of borrowers that should be targeted for the subsequent purchase of units utilizing the resale method. A household's monthly PITI payments must be at least 23% of the borrower's monthly income as qualified by the primary Lender and in no circumstances exceed 40%. If funding is available and the

homebuyer is eligible, HOP assistance may be used to assist the subsequent low-income borrower.
For purposes of the HOME program, acceptable HDP projects using the resale option must include the following features:

1. HDP restrictions must remain in place for the minimum period affordability. The resale affordability period will be determined by amount of direct development assistance provided under the HDP in addition to any HOP assistance provided to the original homebuyer. The affordability period is based on the amount of assistance and is as follows:

Less than $15,000	5 years
$15,000 to $40,000	10 years
More than $40,000	15 years

For example, a unit may receive $40,000 in HDP development subsidy and $10,000 in down payment assistance from the HOP program. The total HOME assistance is $50,000 and the affordability period is 15 years. All subsequent homebuyers for 15 years will need to be eighty percent (80%) below the median income.

2. An assistance agreement with the original homebuyer and all subsequent homebuyers must be established based on the affordability period.

3. In the event that the original homebuyer sells the home and the subsequent homebuyer receives HOP assistance the resale period restarts, based on the amount of new HOP assistance received. For example, the original homebuyer received $50,000 in HOME assistance (development subsidy + down payment assistance) and the affordability period was 15 years. The homebuyer sold the home after owning it for 5 years and the new homebuyer received $10,000 in HOP assistance. The affordability period would restart at time of sale and would now be 5 years.

4. A sample ground lease for the property must be approved by AHFC before any assistance will be approved. The lease must specify the grantees first right of refusal, the homeowner's maximum share of appreciation, resale formula, and other restrictions required by 24 CFR Part 92.

5. The resale formula may allow the homeowner to realize a maximum of 50 percent of the home's (market) appreciation. Increased home value due to the homeowner's capital investment in the home may be retained in full by the homeowner.

6. The remaining (market) appreciation (at least 50 percent) must be factored into the resale formula to reduce the home's subsequent sales price, making the home increasingly more affordable over the lease period.

7. The grantee must agree to exercise a first right of refusal in any subsequent sales of the home.

8. The grantee must agree to verify incomes of the original homebuyer and any subsequent homebuyers, and provide documentation of income verification to AHFC during the affordability period.

RESALE FORMULA

The Maximum Sales Price is the maximum amount the homeowner may receive when selling the property to a low-income household. The Maximum Sales Price shall be the lesser of the current appraised value at the time of sale or the price determined by the following formula:

Homeowner's Purchase Price [see step (a)]
$_____
Plus Appreciation Due to Homeowner Capital Improvements
+_____
Plus Homeowner's Share of Pro-Rated Market Appreciation
[see step (e)]
+_____
Equals Maximum Sales Price:
$_____

(a) Determining Homeowner's Purchase Price: Homeowner and Grantee agree that the Homeowner's Purchase Price is calculated as follows:

Total Initial Sales Price:
$_____
Less any grant or subsidy assistance provided to Homeowner
to assist in the purchase of the home
$_____
Equals Homeowner's Purchase Price:
$_____

The Initial Sales Price for any subsequent owner shall be the sales price of the property at the time of that owner's purchase. The Homeowner's Purchase Price shall be recalculated using the formula above at the time of that owner's purchase, and may be recorded as an amendment to this agreement at the time of that subsequent sale.

(b) Determining Market Appreciation: At the time of sale by Homeowner the Market Appreciation is calculated as follows:

Current Appraised Value
$_____
Less Initial Appraised Value [see step (c)] -
_____
Less Appreciation Due to Homeowner Capital Improvements -
_____

Equals the Market Appreciation
$_____

(c) Determining Initial Appraised Value: Homeowner and Grantee agree that at the time Homeowner purchased the property, the Initial Appraised Value of the property was $[Input Initial Appraised Value]. The initial appraised value for any subsequent owner shall be the appraised value of the property at the time of that owner's purchase, and such amount may be recorded as an amendment to this agreement at the time of that subsequent sale.

(d) Prorating the Homeowner's Investment as part of Market Appreciation

To preserve the public subsidy that helped to make possible this affordable homeownership opportunity, it is necessary to determine the ratio of public subsidy and private investment that contributed to the Market Appreciation. The ratio is calculated by comparing Homeowner's Purchase Price to the Initial Appraised Value. Appreciation is then prorated by this ratio. Following is a step-by-step approach for calculating Prorated Appreciation.

Homeowner's Purchase Price [see step (a)]
$_____
Divided by Initial Appraised Value [see step (c)]
/_____
Times Market Appreciation [see step (b)]
x_____
Equals Prorated Appreciation
$_____

(e) Determining Homeowner's Share of Prorated Market Appreciation:

The Homeowner's Share of Appreciation shall be determined by multiplying the Market Appreciation by the 50% (fifty percent). Following is a step-by-step approach for calculating Homeowner's Share of Appreciation:

Prorated Appreciation [see step (d)]
$_____
Multiplied by the Shared Appreciation Factor
X_____.50
Equals Homeowner's Share of Prorated Market Appreciation
(if amount is negative, enter 0)
x_____

F. HDP Recapture Model

Under the recapture model the first $10,000 in direct assistance is provided as a forgivable loan. Direct assistance is defined as the difference between the market value and sales price of the home in addition to any HOME assistance. For every year the homeowner continues to own the home and make it his or her primary residence, the loan will be forgiven by a maximum of $2,000, or twenty percent (20%) of the loan, whichever is less.

Any remaining HDP assistance provided will be secured against the home as a loan with zero percent (0%) interest, repayable at the time the homebuyer no longer owns the property. If the homeowner fails to meet the primary residency requirement during the affordability period, the full amount of assistance is due and owing.
The recapture provisions will be triggered by a sale prior to the completion of the affordability period. The amount subject to recapture is the total amount of direct assistance less the prorated amount of the first $10,000 forgiven per the terms described above plus any amounts that are not forgiven.

In the case of a sale (voluntary or otherwise) the maximum amount of funds subject to recapture is limited to whatever net proceeds (if any) are available. The homeowner must show that the appraised value of the home is not sufficient to pay off the HOME loan(s) in addition to any other lien in superior position, and standard and customary seller's closing costs. Net proceeds are calculated by the sales price less any non-HOME loans or repayments less closing costs.

APPENDIX I

PUBLIC HEARING TRANSCRIPTS

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4 **ALASKA HOUSING FINANCE CORPORATION**

5 **PUBLIC HEARING**
SFY-2016-2020 CONSOLIDATED HOUSING and COMMUNITY DEVELOPMENT PLAN
6 **and SFY-2016 ANNUAL ACTION PLAN**

7 April 7, 2015
4300 BONIFACE PARKWAY
8 ANCHORAGE, ALASKA

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Alaska Housing
FINANCE CORPORATION

1 P R O C E E D I N G S

2 (On record - 3:04 p.m.)

3 CEDANO: Good afternoon. It's 3:00 o'clock. Today, April
4 7th, 2015 and we are opening the Public Hearing on
5 the Housing and Community Development Plan, the
6 State's Fiscal Year 2016 through 2020 five year
7 Strategic Plan and the Annual Action Plan for the
8 State Fiscal Year 2016.
9 Today we're going to be taking public comment
10 about the housing community development issues
11 surrounding the State. And after a short
12 introduction, we'll take comments from the public.
13 My name is Oscar Cedano and I am a planner with
14 Alaska Housing Finance Corporation, so I will give an
15 introduction about the plan and what it does, what it
16 entails and some funding amounts.
17 The Consolidated Housing and Community Development
18 Plan is a federally mandated planning process that
19 serves as an application for several formula grant
20 programs of the U.S. Department of Housing and Urban
21 Development, HUD. These formula grant programs
22 include the Community Development Block Grant or
23 CDBG, the HOME Investment Partnership Act, HOME and
24 Emergency Solutions Grant, ESG.
25 In Alaska two Participating Jurisdictions receive

formula funding for the CDBG, HOME and ESG Programs, Anchorage and the State of Alaska. The Municipality of Anchorage is responsible for the preparation and maintenance of their own Consolidated Housing Community Development Plan or HCD Plans.

The State of Alaska HCD Plan covers all geographic areas of Alaska outside of the Municipality of Anchorage which is known as the balance of state. I'm here today to talk about the HCD Plan for the balance of state.

The State of Alaska's HCD Plan is a cooperative effort of the Alaska Housing Finance Corporation, AHFC, the Alaska Department of Commerce, Community and Economic Development, DCCED, the Alaska Department of Health and Social Services, DHSS, the Alaska Mental Health Trust Authority, the Alaska State Commission for Human Rights and the Alaska Workforce Investment Board.

We also have participation from the Governor's Council on Disabilities and special education.

AHFC is the lead agency in the preparation and maintenance of the State Consolidated Plan.

So the efforts so far for the plan are the first step is a Steering Committee gets together before we start any planning, that's the first step for the

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1 planning process. And it brings people from all the
2 departments that we mentioned previously to gather
3 feedback to start a process. So I will give you a
4 small summary of what the plan talks about.
5 The 2016 - 2020 Consolidated Plan and the 2016
6 Annual Action Plan profile housing and community
7 development conditions in Alaska, outline an
8 assessment of housing and community development needs
9 and provide a market analysis of the environment in
10 which these needs exists. This plan will include a
11 strategy to be followed in carrying out HUD's
12 programs and other resources leveraged in conjunction
13 with these programs.
14 The Consolidated Plan covers the period between
15 July 1st, 2015 and June 30, 2020.
16 The Annual Action Plan covers the period between
17 July 1st, 2015 and June 30, 2016. The one year plan
18 will identify housing and community development
19 resources expected to be available during the year
20 and detail the State's plans for the use of HOME,
21 CDBG and ESG funds.
22 The Annual Action Plan would include a description
23 of how funds will be allocated, the program
24 activities. It also -- the Plan also includes a
25 description of the actual overview of homelessness

1 and the needs. It also includes a description of the
2 actions to be undertaken to address homelessness,
3 special needs housing, lead base paint hazards,
4 collaboration with the public housing agency and
5 non-housing community development concerns.
6 The Annual Action Plan will provide a basis for
7 assessing effectiveness through annual performance
8 reports.
9 So to date the planning process has included
10 meetings with the Governor's Council on Disabilities,
11 meetings with the representatives from the
12 Municipality of Anchorage, the Steering Committee,
13 like I had mentioned before. And we have also
14 updated pertinent statistical and demographic
15 information, collection and review of several studies
16 and source documents, identification of resources.
17 Scheduling of numerous presentations at regular
18 meetings of local related groups such as the
19 Anchorage Coalition to End Homelessness.
20 We have also had Public Hearings like this one,
21 this is the second Public Hearing. We had our first
22 Public Hearing on the 24th of February this year, but
23 we also have a 30 day comment period on the draft of
24 the Plan from March 13th until April 13th of 2015.
25 So what these funds are going to be used for, I

1 would like to give a small review of what the plan
2 intends to do with these funds -- these federal
3 funds.
4 So the first one is ESG or Emergency Solutions
5 Grant. This grant receives approximately $189,000
6 per year to assist homeless persons. The money can
7 be spent for rehab of temporary shelters, essential
8 services such as health care and transportation,
9 operating costs for temporary shelters or
10 transitional housing or homelessness prevention
11 services.
12 The HOME Program receives about three million,
13 $3.1 million annually and these funds can be used for
14 a wide range of activities that build, buy or rehab
15 affordable housing for rent or home ownership or
16 provide direct rental assistance to low income
17 people. Additionally the State will match this
18 amount with approximately $750,000.
19 The CDBG Program or Community Development Block
20 Grant receives about $2.4 million annually and these
21 funds can be used for community development such as
22 clinics, fire stations, water/sewer, et cetera. It
23 can also be used for planning such as comprehensive
24 community development plans, feasibility studies,
25 special economic development that creates jobs and

1 housing rehab. These funds, however, cannot be used
2 for new construction.
3 Also I would like to reiterate that these funds
4 are for all areas of Alaska outside of the
5 Municipality of Anchorage.
6 So I would like to mention a few things that have
7 changed or are going to be changed with this Plan.
8 One of them is that this Plan is going to be
9 submitted to HUD on line. It used to be a paper
10 submission. We printed a paper copy and sent it to
11 them. Now, it is on line which means the format is
12 going to change quite a bit.
13 One of the changes is that AHFC will not be
14 allocating HOME funds to the ORP Program, the Owner
15 Rehab Program for the State Fiscal Year 2015.
16 However, the ORP or O-R-P funding might be
17 reallocated to the Rental Housing Development Program
18 or the Tenant Based Rental Assistance Program if AHFC
19 determines that funds cannot be spent within a
20 reasonable time frame.
21 The statutory goal of the HCD plan is to provide
22 decent housing, create suitable living environments,
23 and expand economic opportunities for Alaskans at or
24 below 80 percent of median income which is -- it's
25 around $64,251.

1 So in closing I would like to reiterate that you
2 can and should be involved in the process. You can
3 give us your comments as the plan develops -- as we
4 develop the draft for the plan. You can do so by
5 using several methods, our website which is ahfc.us
6 has a copy of the draft and the address to access it
7 is www.ahfc.us/pros/references/plans.
8 You can also call me or you can e-mail me. My
9 e-mail address is ocedano@ahfc.us, that's spelled,
10 o-c-e-d-a-n-o at ahfc.us. You can also call me at
11 907-330-8417.
12 Apart from these two Public Hearings, this being
13 the second one. There is also, like I mentioned
14 before, a 30 day comment period which ends April
15 13th, that's next week. You can also watch for our
16 updates on our website.
17 And that pretty much concludes the summary of what
18 the plan does and what it talks about, so I'd like to
19 open it up for comments if anybody else has joined
20 the meeting and would like to provide comment. Do we
21 have anybody out there?
22 Well, it doesn't seem like we have anyone in the
23 room yet and we don't have anybody on line, so we
24 will go off the record and we will come back shortly.
25 (Off record - 3:17 p.m.)

1 (On record - 4:05 p.m.)
2 CEDANO: Okay. It is 4:05 p.m. on April 7th, 2015. We are
3 here to gather feedback comments on the 2016 - 2020
4 Consolidated Plan and the 2016 Annual Action Plan.
5 Do we have anybody on line? Since we don't have
6 anybody on line and we don't have anybody else to
7 give comment here at the board room of the AGDC, we
8 will go off line and we will come back in about an
9 hour unless somebody else joins us on line.
10 (Off record - 4:06 p.m.)
11 (On record - 5:10 p.m.)
12 CEDANO: Okay. Well, it's 5:10 p.m. on April 7, 2015 and
13 we are here to gather comment for the development of
14 the 2016 - 2020 Consolidated Housing and Community
15 Development Plan and also on the 2016 Annual Action
16 Plan.
17 We don't have anyone here in the room at the
18 Alaska Gas Development Corporation and we have no one
19 on line right now. So I will ask one more time, do
20 we have anybody on line?
21 It seems like we don't, so we will go off line and
22 we will come back in approximately one hour.
23 (Off record - 5:11 p.m.)
24 (On record - 5:57 p.m.)
25 CEDANO: It is almost 6:00 o'clock. We're here to gather

comment for the 2016 - 2020 Con Plan and the 2016 Annual Action Plan. We have no one here in the room and no one on line, so we will proceed to adjourn. It is April 7th, 2015.

(Adjourned - 5:58 p.m.)

Alaska Housing FINANCE CORPORATION

1 C E R T I F I C A T E

2 UNITED STATES OF AMERICA)
) ss
3 STATE OF ALASKA)

4 I, Suzan Kay Olson, Notary Public in and for the State of Alaska, residing at Anchorage, Alaska, and Electronic
5 Reporter, do hereby certify:

6 THAT the annexed and foregoing PUBLIC HEARING of the Alaska Housing Finance Corporation regarding **SFY 2016-2020**
7 **CONSOLIDATED HOUSING and COMMUNITY DEVELOPMENT PLAN and SFY-2016 ANNUAL ACTION PLAN**, was taken before Suzan Olson on the 7th day of
8 April, 2015, commencing at the hour of 3:00 o'clock p.m., at the offices of Alaska Gasline Development Corporation, 3200 C Street,
9 Anchorage, Alaska, pursuant to Notice;

10 THAT this Transcript, as heretofore annexed, is a true and correct transcription of said Public Hearing, taken by
11 and thereafter transcribed by Suzan Olson;

12 THAT the original of the Transcript will be lodged with the Alaska Housing Finance Corporation;
13
THAT I am not a relative, employee or attorney of any
14 of the parties, nor am I financially interested in this action.

15 IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal this 8th day of April, 2015.
16

17

18 Notary Public in and for Alaska
My Commission Expires: 08/01/15

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ALASKA HOUSING FINANCE CORPORATION

PUBLIC HEARING
AMENDMENT OF THE STATE OF ALASKA'S SFY-2016 - 2020
CONSOLIDATED HOUSING and COMMUNITY DEVELOPMENT FIVE YEAR PLAN
and the NATIONAL HOUSING TRUST FUND

June 10, 2016
4300 BONIFACE PARKWAY
ANCHORAGE, ALASKA

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Alaska Housing
FINANCE CORPORATION

1 P R O C E E D I N G S

2 (On record - 3:01 p.m.)

3 CEDANO: Good afternoon, it is 3:00 o'clock. This is Oscar
4 Cedano, a Planner with Alaska Housing Finance
5 Corporation. And we're opening the Public Hearing on
6 the Housing and Community Development Five Year
7 Consolidated Plan, the State's Fiscal Year 2016 to
8 2020.
9 It's a strategic plan that has five yearly
10 implementations and today we are going to talk about
11 an amendment to this plan to include funding from the
12 National Housing Trust Fund which is $3 million.
13 The Consolidated Plan is a requirement from the
14 Department of Housing and Urban Development, HUD, to
15 apply for these funds and also to apply for funding
16 for HOME, CDBG and ESG grants, as well as for the
17 National Housing Trust Fund.
18 Like I said, my name is Oscar Cedano and I would
19 like to see if we have someone join us on line.
20 AUSTIN: Yes, Oscar, this is Dan Austin in Juneau, St.
21 Vincent DePaul.
22 CEDANO: Yeah, hi, Dan.
23 AUSTIN: Hi.
24 CEDANO: I'm not going to ask you to spell your name for
25 the record because I think we all know how to spell

1 your name.

2 AUSTIN: Sure. Dan is D-a-n, Austin is A-u-s-t-i-n.

3 CEDANO: Thank you. Do we have anyone else? Okay. Today

4 we are going to be taking public comment about the

5 amendment to the Consolidated Plan. We'll give a

6 brief introduction about it and then we'll allow for

7 the public to submit their comments.

8 The Consolidated Plan is a Housing and Community

9 Development Plan and like I say it's a federally

10 mandated plan. It is required by all states and for

11 all the jurisdictions for the receipt of HOME, the

12 Community Development Block Grant, Emergency

13 Solutions Program and now for the National Housing

14 Trust Fund.

15 There are two Participating Jurisdictions in

16 Alaska. There's the Municipality of Anchorage and

17 then the Balance of State. And the Balance of State

18 plan is what we're here to talk about today and the

19 amendment to the same plan.

20 Alaska Housing Finance Corporation is the lead

21 preparer of the plan in cooperation (ph) with the

22 Department of Commerce, Community and Economic

23 Development which manages the Community Development

24 Block Grant.

25 The Department of Health and Social Services, the

1 Alaska Mental Health Trust Authority, the State
2 Commission for Human Rights, the Governor's Council
3 on Disabilities all comprise the Steering Committee
4 for the development of the plan.
5 This plan is, like I said, a five year and will
6 run from 2016 to 2020 and has five year implements --
7 yearly implementations. This year the State of
8 Alaska is required to provide -- or to prepare an
9 Annual Action Plan and an analyses (ph) of it's
10 performance called the CAPER. This Consolidated Plan
11 begins July 1st of -- it begun 200- -- July 1st of
12 2015 which was last year.
13 So I will give a brief introduction -- or talk
14 about what the plan does and why we are amending it
15 -- why we are amending the plan.
16 So the Consolidated plan, apart from being an
17 application for funding, it also tells the public and
18 the Department of Housing and Urban Development the
19 plan the State has to use these funds. So along with
20 it, the State provides a description of the housing
21 market. It provides a plan to deal with lead based
22 paint. Provides an assessment of homelessness and it
23 gives a complete picture of the state of housing
24 around the State.
25 And so the three programs that the Con,

1 Consolidated Plan, talks about specifically are HOME
2 and the HOME Program is a program that receives
3 around $3 million and some change. It also depending
4 on a formula allocation that (indiscernible) from the
5 federal cycle.
6 In addition to the three million that comes from
7 the Federal Government (ph), the State of Alaska also
8 provides $750,000 match for the program.
9 The CDBG Program receives around 2.4 million,
10 again based on a formula allocation that results from
11 the Federal Budget and that can be used for community
12 development activities such as the development of
13 clinics, fire stations, water and sewer,
14 (indiscernible) disabilities studies and special
15 economic development activities that create jobs for
16 low to moderate income people (ph) in Alaska. All of
17 these amounts are available in the areas outside of
18 Anchorage.
19 The Municipality of Anchorage has its own HOME,
20 CDBG and ESG programs and their Housing Community
21 Development Plan is done specifically by the
22 Municipality of Anchorage.
23 In addition to taking public comment on the HCD
24 Plan, we're also going to talk about -- we're going
25 to also take a moment to talk about the National

1 Housing Trust Fund.
2 This is the fir- -- this year is the first year
3 that the State receives this kind of funding even
4 though by law this fund was created more than five
5 years ago. The format in which we will -- in which
6 the State will submit this plan to the State is going
7 to be on line and this is going to be the second year
8 the State does that.
9 Now, the statutory goal of the HCD Plan is to
10 provide decent housing, create suitable living
11 environment and economic opportunities for Alaskans
12 at or below 80 percent of the median income which
13 right now it might be a little higher than 64,000
14 (ph) for a household of four -- four people.
15 So let me introduce the National Housing Trust
16 Fund. So the Housing Trust Fund, it is Federal
17 funding that comes from two sources, Freddie Mac and
18 Fannie Mae. And it was created around 2008 as a fund
19 that was supposed to provide funding for housing --
20 for rental housing in this case and the rules are
21 very similar to the HOME Program.
22 If you have -- if you're familiar with the HOME
23 Program or if you have read the description of the
24 HOME Program in the Annual Action Plan or the
25 Consolidated Plan, they are very similar and they

1 will behave in a similar way since the State plans to
2 add these funds to the GOAL Program. It's a State
3 program that combines all kinds of funding.
4 So we're talking about $3 million that the State
5 will be receiving prior to -- supposedly prior to
6 June 30. The State has -- it already received the
7 amount and it will receive the notification that it's
8 going to receive the money, but the State doesn't
9 have the money as of today, June 10, 2016.
10 Now the State -- the National Housing Trust Fund
11 law requires that states prepare an allocation plan
12 every year and so the allocation plan must show how
13 the State will distribute the trust funds that it
14 will receive in the upcoming year. And the
15 distribution of these funds must be based on priority
16 housing needs that were stated in the Consolidated
17 Plan which is the plan we're talking about.
18 The rule also requires that the funds are
19 distributed throughout the State. They require that
20 an allocation plan be integrated into the
21 Consolidated Plan.
22 So the results show a (ph) possibility for a sub-
23 grantee and in this case the Municipality of
24 Anchorage has interest -- has shown interest in being
25 a sub-grantee which means that part of this funding

1 will go to the Municipality of Anchorage under
2 certain rules.
3 And so the Municipality of Anchorage will be
4 responsible for this funding and for the management
5 of the fund under the rules of the National Housing
6 Trust Fund.
7 If this is the case, if the Municipality ends up
8 being a sub-grantee, than funds -- the remaining
9 funds that the State uses from the National Housing
10 Trust Fund will be allocated to the Balance of State
11 not to Anchorage because Anchorage will use this
12 funding in Anchorage only.
13 And so having said that and because we -- because
14 the State is required to create an allocation plan,
15 the Alaska Housing Finance Corporation has decided
16 that the allocation plan is the actual GOAL Program,
17 so the description of the entire program and how the
18 Housing Trust Funds will be used within the program
19 is going to become the allocation plan that is going
20 to be submitted to HUD.
21 And for a better description of the GOAL Plan you
22 can go online at ahfc.us which is Alaska Housing's
23 website and there is a full description of the GOAL
24 Program there.
25 It is a program that receives funding from four

1 sources and one of these is the National Housing
2 Trust Fund.
3 So with that I will take any comments from
4 anybody, anybody who has called on line since we
5 don't have anybody here in the room.
6 AUSTIN: Well, okay. How are you, Oscar?
7 CEDANO: Good, good, Dan, how are you doing?
8 AUSTIN: I'm doing well. (Simultaneous speech).....
9 CEDANO: We thought you -- we thought you were going to be
10 here last time.
11 AUSTIN: Yup, yup and I -- is this my time to talk now?
12 CEDANO: Yeah, so you are -- you're it, the floor is yours.
13 AUSTIN: Oh, good, okay. So I -- mainly what I'm curious
14 about and I understand the basic concepts here, but
15 do we have more details on how the three million HTF
16 is going to go into the GOAL Program?
17 And the reason I ask is because when I read it and
18 in my conversations with HUD, I'm under the
19 impression that the HTF has to, I think, exclusively
20 address the needs of the 30 percent (indiscernible)
21 AMI (ph), am I wrong on that?
22 CEDANO: Well, I'm not the specialist on the Housing Trust
23 Fund, but we could ask the question -- we could ask
24 Daniel Delfino these questions since he's going to be
25 managing those funds under the GOAL Program.

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1 AUSTIN: Okay. So do we have yet any kind of
2 (indiscernible - telephone cutting out).....
3 CEDANO: Hey, Dan.....
4 AUSTIN: (Indiscernible - telephone cutting out).....
5 CEDANO: Dan, we can barely hear you. Are you there, Dan?
6 Hello?
7 AUSTIN: Hello. Did I lose you? I can't hear you (ph).
8 CEDANO: Now we can hear you, but we couldn't hear your
9 question.
10 AUSTIN: Oh, okay. The question is, do we have yet some
11 specific description of where and how the HTF funds
12 go into the GOAL Program? Are they going to go in
13 construction funds? Are they going to go in to
14 supplement current allocations or are they going to
15 be targeted to specific types of housing
16 construction.....
17 CEDANO: They're going to be used.....
18 AUSTIN: .....to benefit -- to benefit one economic -- or
19 ones are -- one of the (indiscernible) or another,
20 how does this -- how does this all work?
21 DELFINO: Okay. Oscar, do you want me to answer that
22 question?
23 CEDANO: Yeah, if you don't mind, Daniel.
24 DELFINO: Okay. Hi, Dan.
25 AUSTIN: Hi, Dan.

1 DELFINO: This is -- hey, it's Daniel Delfino for the
2 record, Suzie. And so I just wanted to clarify two
3 things, Dan. The first is that I believe we're
4 exploring giving a five hundred and thirty some odd
5 thousand, Oscar probably has the exact figures, to
6 the Municipality of Anchorage. So the exact.....
7 AUSTIN: Yeah.
8 DELFINO: .....amount in the GOAL Program will be more like
9 about $2.6 million probably, some change.
10 AUSTIN: Yeah.
11 DELFINO: It will be whatever we don't give Anchorage.
12 As far as what goes into the GOAL Program, it
13 would be for rental housing production and it would
14 -- the Housing Trust Fund monies could only go for 30
15 percent units or below.
16 AUSTIN: Great, great, that's what I -- that was my
17 understanding. So, Daniel, how would you do that?
18 Will you -- will there be -- is it optional?
19 In other words, says a typical tax credit project
20 comes to you and says okay, we're going to do five
21 percent set aside for 30 percent and under, so will
22 there be, like, a specific funding to offset the cost
23 of construction for those 30 percent units, is that
24 how you figure it's going to work or.....
25 DELFINO: So the process that I was envisioning and this is

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1 in large part because I can't remember based on the
2 amount of funding offhand if it's 75 percent or 90
3 percent of the Housing Trust Fund has to go to
4 households of 30 percent or below hous- -- rental
5 housing production (ph).....
6 AUSTIN: Um-hum. (Affirmative) (Simultaneous speech).....
7 DELFINO: .....but I was envisioning it just like we do with
8 the HOME Program where there's a per unit subsidy
9 amount. (Indiscernible) HOME Program you can only
10 put something like a little over $200,000 into each
11 unit with the HOME Program, so if you were asking
12 for, say, a million dollars (ph) in Housing Trust
13 Funds and it was a $200,000 per unit subsidy limit,
14 you'd have five housing trust fund units planned,
15 that.....
16 AUSTIN: Okay, okay.
17 DELFINO: .....would be a million dollars, so it would be
18 based on a per unit subsidy.
19 AUSTIN: Okay. And so we'd mentioned that the HTF
20 guidelines are so similar to HOME, so may we assume
21 that -- that they would have -- that they would adopt
22 the same HOME rent and income guidelines or are we
23 going to have a third one that we have to play with?
24 DELFINO: I'm not under the impression that there's a third
25 or another set of income guidelines.

1 If there's something in the Housing Trust Fund
2 regs that I haven't see that says that there is one,
3 than I defer to that, but we're not going to make it
4 more complicated than it needs to be.
5 Certainly for the.....
6 AUSTIN: Okay.
7 DELFINO: .....pre-application stage I was imagining
8 something where we'd just use the same income limits.
9 AUSTIN: Okay. Yeah, what I was referring to, like, in a
10 tax credit project if (indiscernible) -- you have the
11 tax credit income and rent limits and then you have
12 the HOME -- and if you have HOME funds in there
13 you've got the HOME units with their own particular
14 set and sometimes they're slightly different, not
15 totally different, but sometimes a little bit
16 different.
17 DELFINO: Right, I think I know what you're talking about
18 now. The HOME Program has the high home rents and
19 the low home rents.
20 AUSTIN: Yes.
21 DELFINO: I'm not aware of any corresponding thing like that
22 for the Housing Trust Fund, just because it's
23 exclusively for 30 percent households, so it doesn't
24 have the (ph).....
25 AUSTIn: Okay.

Alaska Housing FINANCE CORPORATION

1 DELFINO: .....tiering (ph) allowance that the HOME Program
2 does.
3 AUSTIN: Okay, that sounds good. So may I -- could I make
4 a comment now, something that I would like to have
5 AHFC consider in this allocation plan? Maybe --
6 maybe it's not feasible, but I'd like to suggest it
7 anyway?
8 CEDANO: Please, go ahead.
9 AUSTIN: Can I do that? Okay. So I like -- I like this
10 idea of the Housing Trust Fund targeting the 30
11 percent -- can you guys still hear me?
12 CEDANO: Yes, we can hear you.
13 AUSTIN: Hello? Okay, I got this (indiscernible) phone.
14 So I really like that idea of targeting the 30
15 percent income household.
16 I'm wondering if AHFC would be willing to consider
17 some requirements from the developers themselves to
18 accept these HTF funds for the 30 percent households.
19 In other words, in units where we are subsidizing
20 the construction with HTF funds, could we not require
21 the owners of those projects to in one degree or
22 another help subsidize the -- those households where
23 they don't -- when they don't have a voucher?
24 So you have a 30 percent household that -- and
25 it's eligible in all respects because it doesn't have

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1 a Housing Choice voucher or any other kind of project
2 based voucher or any kind of voucher, so there's no
3 way those people will ever be rented -- that
4 household will ever be rented (ph) again in this
5 project, but if the owner has taken HTF funds to
6 subsidize the construction of those 30 percent units,
7 can't we require them -- shouldn't we require them to
8 help subsidize those 30 percent units from the cash
9 flow of the project.
10 So once the project had satisfied its DSCR, debt
11 service coverage ratio, and it has a waterfall coming
12 off the bottom, why shouldn't we require the owners
13 to split that profit, that waterfall and put the rest
14 back into subsidy -- rent subsidies for the 30
15 percent folks?
16 DELFINO: Oscar, do you want me to tackle that one?
17 CEDANO: Yes, please.
18 DELFINO: Okay. So Dan, when we underwrite the projects at
19 the application on the forward review stage, what we
20 would underwrite would be whatever the 30 percent
21 rents are, so we wouldn't be assuming that they had a
22 Housing Choice voucher or any type of thing, so their
23 rents would just be added to the project total
24 revenue. So I think it would be doing effectively
25 what you're advocating for.....

Alaska Housing FINANCE CORPORATION

1 AUSTIN: Essentially the same (simultaneous speech).....
2 DELFINO: Yeah, it just -- it just wouldn't underwrite it at
3 a project based subsidy level.
4 AUSTIN: Okay. So when we apply these HTF funds through
5 construction for the 30 percent unit, those will be
6 30 percent units. They cannot be rented to folks who
7 think -- and they will have 30 percent rent limits as
8 well -- incoming rent limits?
9 DELFINO: Yes. It's possible that a person with a Housing
10 Choice voucher could come into those units, but the
11 units would be underwritten such that a person could
12 come in without a Housing Choice voucher and still be
13 able to afford them.
14 AUSTIN: Yup, great. Well, I think that -- that's great.
15 I think that -- that will go a long ways to
16 addressing that issue. I like that.
17 DELFINO: Always happy when we can make someone happy on a
18 Friday.
19 AUSTIN: (Indiscernible) I'm fine, guys. I'm done with my
20 comments.
21 CEDANO: Okay, thanks, Dan. Thank you, Daniel.
22 DELFINO: No worries, thanks.
23 CEDANO: Do we have anyone else on line or has anyone else
24 signed on? Well, since we don't have anyone here in
25 the room either, we will just stand by and come back

in a few minutes to see if someone else has joined us.

AUSTIN: Okay. Oscar, I'm going to go ahead and sign off then. I guess you have to stick around until 5:00, is that the deal?

CEDANO: That's correct.

AUSTIN: Okay. I'm going to sign off. Thank you.

CEDANO: Okay, thanks, Dan. Bye.

AUSTIN: Thank you very much, I appreciate it. Bye-bye.

(Off record - 3:25 p.m.)

(On record - 4:01 p.m.)

CEDANO: It's 4:00 o'clock and we're here to take comments for the 2016 - 2020 Housing and Community Development Consolidated Plan Amendment for the National Housing Trust Fund $3 million award to the State of Alaska.

I would like to ask if we have anyone on line or has anyone joined us lately? Hearing none and seeing none in the room, we will go off the record until 4:30.

(Off record - 4:02 p.m.)

(On record - 4:30 p.m.)

CEDANO: It is now 4:30. And, again, this is Oscar Cedano with Alaska Housing Finance Corporation. We're here to take testimony for the Amendment of the State Fiscal Year 2016 to 2020 Housing and Community

1 Development Five Year Consolidated Plan.
2 The plan is being amended to include the
3 allocation of $3 million in National Housing Trust
4 Fund money.
5 I would like to ask if we have anyone join us
6 lately? And it seems like no one has, so hearing no
7 one and seeing no one, we will proceed to go off
8 record until 5:00 o'clock.
9 (Off record - 4:31 p.m.)
10 (On record - 5:00 p.m.)
11 CEDANO: It's the Public Hearing for the Amendment of the
12 State Fiscal Year 2016 to 2020 Consolidated Plan for
13 Housing and Urban Development and -- Community
14 Development rather, for the amendment of this plan to
15 receive funds from HUD from the National Housing
16 Trust. Thank you.
17 (Adjourned - 5:00 p.m.)
18
19
20
21
22
23
24
25

1 C E R T I F I C A T E

2 UNITED STATES OF AMERICA)
) ss
3 STATE OF ALASKA)

4 I, Suzan Kay Olson, Notary Public in and for the State of Alaska, residing at Anchorage, Alaska, and Electronic
5 Reporter, do hereby certify:

6 THAT the annexed and foregoing PUBLIC HEARING of the Alaska Housing Finance Corporation regarding **AMENDMENT OF THE**
7 **STATE OF ALASKA'S SFY-2016 - 2020 CONSOLIDATED HOUSING and COMMUNITY DEVELOPMENT FIVE YEAR PLAN and the NATIONAL HOUSING**
8 **TRUST FUND**, was taken on the 10th day of June, 2016, commencing at the hour of 3:00 o'clock p.m., at the offices of Alaska Housing
9 Finance Corporation, 4300 Boniface Parkway, Anchorage, Alaska, pursuant to Notice;
10

THAT this Transcript, as heretofore annexed, is a
11 true and correct transcription of said Public Hearing, thereafter transcribed by Suzan Olson;
12

THAT the original of the Transcript will be lodged
13 with the Alaska Housing Finance Corporation;

14 THAT I am not a relative, employee or attorney of any of the parties, nor am I financially interested in this action.
15

IN WITNESS WHEREOF, I have hereunto set my hand and
16 affixed my seal this 13th day of June, 2016.

17

18 _____
Notary Public in and for Alaska
19 My Commission Expires: 08/13/19

20

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22

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Alaska Housing FINANCE CORPORATION

Date: July 27, 2015

To: AHFC Board of Directors

From: Mike Strand, CFO/Finance Director

RE: Proposed General Mortgage Revenue Bonds II, 2016 Series A

Staff is proposing the issuance of up $125 million General Mortgage Revenue Bonds II, 2016 Series A, to provide new financing for qualified borrowers under our Tax-Exempt First-Time Homebuyer Mortgage Loan Program. These would be issued as tax-exempt, fixed-rate bonds and structured similar to the Collateralized Bonds (Veterans Mortgage Program), 2016 Second Series, transaction approved at the board meeting in June and priced in mid-July.

Staff worked together with our financial advisor, First Southwest, to determine the most appropriate method-of-sale and concluded that a negotiated sale would achieve the optimal financing structure and lowest borrowing costs because of the flexibility with timing in a volatile market, the ability to change the bond structure based on investor preferences and the decreased risks because of targeted marketing to specific buyers. In addition, an RFP ensures a competitive process that guarantees underwriting fees and pricing spreads are kept to a minimum.

Staff sent out an RFP in April to choose the most qualified underwriter and received eight solid proposals. The responses were evaluated based on bond structure, pricing spreads, total costs, banking firm and AHFC relationship. Wells Fargo received the highest overall score, largely due to underwriting costs that were less than half of the next lowest bid, and was recommended for senior book-running manager. Raymond James was offered the co-senior manager position because of their next highest proposal ranking due to Bank of America Merrill Lynch declining on account of the aggressive takedowns. Jefferies and JP Morgan were also recommended to fill out the syndicate as co-managers to help support the deal. The results of the committee's evaluation are summarized in the chart on the following page.

In accordance with our Fiscal Policies and subject to the Board's concurrence with the above findings, this Bond Resolution approves the various financing documents and authorizes the sale of the bonds by a negotiated method-of-sale with Wells Fargo as senior book-running manager.

Attached for review are draft copies of the Supplemental Indenture, Preliminary Official Statement, Bond Purchase Agreement and Continuing Disclosure Certificate.

Staff recommends Board approval

AHFC GMRB 2016 $100M RFP EVALUATION

Category	Pts	WELL	RAY	JEFF	JPM	GKB	KEY	SIEB	*BAML
Bond Structure/TIC	20	20	20	18	16	14	10	12	20
Bond Pricing Spreads	20	19	18	17	20	19	20	10	20
Total UWD Costs	20	20	14	14	12	15	10	15	14
Bank Size/Experience	20	19	18	16	20	13	10	16	20
Relationship w/ AHFC	20	18	19	20	16	14	17	10	20
Total Points	**100**	**96**	**89**	**85**	**84**	**75**	**67**	**63**	**94**
	Ranking	*1*	*2*	*3*	*4*	*5*	*6*	*7*	

PRICING SPREAD

BANK	SPREAD	
KEY	***72.2***	20
BAML	**75.9**	20
JPM	**76.3**	20
GKB	**77.5**	19
WELL	**79.3**	19
RAY	**81.3**	18
JEFF	**88.0**	17
SIEB	**115.6**	10

** Spread too aggressive*

UNDERWRITER COSTS

BANK	UWD	
WELL	**2.54**	20
SIEB	**5.35**	15
GKB	**5.55**	15
BAML	**5.88**	14
JEFF	**5.93**	14
RAY	***6.15***	14
JPM	**7.14**	12
KEY	**8.00**	10

** Will match lowest TD*

BANK RANKING

BANK	RANK	
BAML	**1**	20
JPM	**2**	20
WELL	**5**	19
RAY	**8**	18
JEFF	**13**	16
SIEB	**14**	16
GKB	**23**	13
KEY	**29**	10

AHFC RELATIONSHIP

BANK	RELAT	
JEFF	**1**	20
BAML	**2**	20
RAY	**3**	19
WELL	**4**	18
KEY	**5**	17
JPM	**6**	16
GKB	**8**	14
SIEB	**12**	10

BOND TIC

BANK	TIC
GKB	***2.27%***
JPM	***2.55%***
BAML	**2.70%**
RAY	**2.74%**
WELL	**2.76%**
JEFF	**2.96%**
SIEB	**3.58%**
KEY	**3.63%**

** PACs are too big*

RESULTS

WELL	Senior Book (60):
RAY	Co-Senior (20):
JEFF	Co-Managers (10):
JPM	

* BAML scored 2nd in the evaluation and was offered the co-senior position but turned it down. Since Raymond James had the next highest evaluation, they moved up from co-manager to co-senior.

BARC	No response
CITI	No response
EDWJ	No proposal
FID	No proposal
GOLD	No response
MORG	No proposal
PIPE	No response
RBC	No response
ROBE	No proposal
STIF	No response

ALASKA HOUSING FINANCE CORPORATION
RESOLUTION NO. 2016-25

RESOLUTION OF THE ALASKA HOUSING FINANCE CORPORATION AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED $125,000,000 GENERAL MORTGAGE REVENUE BONDS II, 2016 SERIES A; AUTHORIZING THE EXECUTION AND DELIVERY OF A 2016 SERIES A SUPPLEMENTAL INDENTURE TO SECURE THE 2016 SERIES A BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT RELATING TO THE SALE OF THE 2016 SERIES A BONDS; A CONTINUING DISCLOSURE CERTIFICATE RELATING TO THE SALE OF THE 2016 SERIES A BONDS; APPROVING THE FORM OF THE PRELIMINARY OFFICIAL STATEMENT WITH RESPECT TO THE 2016 SERIES A BONDS AND THE DISTRIBUTION OF A FINAL OFFICIAL STATEMENT WITH RESPECT TO THE 2016 SERIES A BONDS; AND AUTHORIZING AND APPROVING RELATED MATTERS.

WHEREAS, the Corporation has determined to issue its General Mortgage Revenue Bonds II, 2016 Series A (the “2016 Bonds); and

WHEREAS, the aggregate principal amount of the 2016 Bonds may not exceed $125,000,000; and

WHEREAS, the 2016 Bonds will be fixed rate tax-exempt bonds; and

WHEREAS, the 2016 Bonds will be issued under an Indenture entered into by and between the Corporation and U.S. Bank National Association, as trustee (the "Trustee"), dated as of July 1, 2012 (the “Master Indenture”); and

WHEREAS, the 2016 Bonds will be issued pursuant to a 2016 Series A Supplemental Indenture, substantially in the form presented at this meeting (the “Supplemental Indenture”); and

WHEREAS, provisions shall be made for the sale of the 2016 Bonds pursuant to a bond purchase agreement, between Wells Fargo Bank, National Association, representing itself and certain other underwriters identified therein (collectively, the "Underwriters"), and the Corporation (the "Bond Purchase Agreement"); and

WHEREAS, in accordance with the Securities and Exchange Commission's Rule 15c2-12(b)(5), the Corporation proposes to enter into a Continuing Disclosure Certificate, or to

execute a certificate embodying the same terms, for the 2016 Bonds (the "Continuing Disclosure Certificate"), a form of which has been presented at this meeting; and

WHEREAS, there has been presented at this meeting the form of a Preliminary Official Statement to be distributed in connection with the 2016 Bonds (the "Preliminary Official Statement"), the final form of which shall be substantially in the same form and content as the form of Preliminary Official Statement presented at this meeting (collectively, the Preliminary Official Statement, the Supplemental Indenture, the Bond Purchase Agreement, and the Continuing Disclosure Certificate are herein referred to as the "Bond Documents"); and

WHEREAS, the final form of the Bond Documents shall be substantially in the same form and content as the form of Bond Documents presented at this meeting; and

WHEREAS, the final form of the 2016 Bonds shall be substantially in the same form and content as the forms set forth in the Supplemental Indenture; and

WHEREAS, all consents, proceedings, and approvals necessary for the authorization, sale, and delivery of the 2016 Bonds have been taken or received, or will have been taken or received as of the time of the sale and delivery of the 2016 Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ALASKA HOUSING FINANCE CORPORATION, AS FOLLOWS:

Section 1. The issuance of, and the performance by the Corporation of the obligations contained in, the 2016 Bonds are hereby authorized, approved, and confirmed, provided that (1) the 2016 Bonds are in an aggregate principal amount not exceeding $125,000,000, (2) the 2016 Bonds bear interest at such rate or rates as shall be agreed to by an Authorized Officer, provided that no such rate shall exceed 8% per annum, and (3) the 2016 Bonds are in substantially the form and content set forth in the Supplemental Indenture, subject to appropriate insertions and revisions as permitted by Section 2 hereof.

Section 2. The form and content of, and the performance by the Corporation of the obligations contained in, the Bond Documents presented at this meeting are in all respects authorized, approved, and confirmed. The Chief Executive Officer/Executive Director, the

Deputy Executive Director or any Acting Deputy Executive Director, and the Chief Financial Officer/Finance Director (each, an "Authorized Officer" and, collectively, the "Authorized Officers") are severally authorized to approve, execute and deliver the final forms of the Bond Documents for and on behalf of the Corporation substantially in the form and content presented at this meeting. The Authorized Officers may each make or cause to be made any changes, modifications, additions, and deletions in the form or content of the Bond Documents as presented at this meeting as any Authorized Officer may consider necessary, desirable, or appropriate, and each such change, modification, addition, and deletion is hereby authorized, approved, and confirmed. The execution of any Bond Document by an Authorized Officer shall be conclusive evidence of approval of any and all changes, modifications, additions, or deletions to that Bond Document from the form or content that was presented at this meeting. After the execution and delivery of the Bond Documents, the Authorized Officers are each authorized, empowered, and directed to do all such acts and things and to execute all such documents, as may be necessary to carry out and comply with the provisions of the Bond Documents as executed.

Section 3. The Authorized Officers are severally authorized, empowered, and directed to approve the final form of the Preliminary Official Statement, and the final form of the Official Statement. The final form of the Preliminary Official Statement and the final form of the Official Statement shall each be in substantially the same form as the draft Preliminary Official Statement which has been presented at and is a part of the records of this meeting; however, the final form of the Preliminary Official Statement and the final form of the Official Statement may each contain such changes as the Authorized Officers consider necessary or appropriate to fully disclose to purchasers of the 2016 Bonds all pertinent information relating to the 2016 Bonds. The distribution of the Preliminary Official Statement and the Official Statement, as completed by the Authorized Officers, to prospective purchasers and the use of the Preliminary Official Statement and the Official Statement by the Underwriters in connection with the offering of the 2016 Bonds are hereby ratified, confirmed, and approved.

Section 4. The Authorized Officers of the Corporation are each authorized to have the 2016 Bonds prepared and to execute and authorize the delivery of the 2016 Bonds to the Underwriters in accordance with the terms of the Bond Purchase Agreement and upon receipt of the purchase price for the 2016 Bonds plus accrued interest. The Authorized Officers are each authorized to do and perform all acts and things and execute any and all documents in the name of the Corporation necessary, useful, or convenient to the issuance and sale of the 2016 Bonds.

Section 5. The Authorized Officers are severally authorized, after execution of the 2016 Bonds, to deliver the 2016 Bonds to the Trustee for authentication under the Master Indenture and the Supplemental Indenture and, upon authentication and upon receipt of the balance of the purchase price of the 2016 Bonds, to deliver to the Trustee a written order in the name of the Corporation directing the Trustee to deliver the 2016 Bonds to the purchasers and to receive the proceeds of sale of the 2016 Bonds and related amounts and give a written receipt therefor on behalf of the Corporation, to apply said proceeds and related amounts in accordance with the terms of the Master Indenture and the Supplemental Indenture, and to do and perform or cause to be done and performed, for and on behalf of the Corporation, all acts and things (including, but not limited to, the transfer of money of the Corporation to the Trustee for deposit in, and application to the purposes of, such funds or accounts as may be required by the Master Indenture or the Supplemental Indenture) that constitute conditions precedent to the authentication and delivery of the 2016 Bonds or that are otherwise required or convenient to be done and performed by or on behalf of the Corporation prior to or simultaneously with the delivery of the 2016 Bonds.

Section 6. The Authorized Officers are severally authorized for and on behalf of the Corporation to do or cause to be done all acts and things and execute any and all documents and agreements as they deem appropriate and necessary including, without limitation, any investment agreements for the proceeds of the 2016 Bonds, all in the name of the Corporation as may be required or desirable to be done by the Corporation (or any Authorized

Officer of the Corporation) under and pursuant to the terms of the Master Indenture and the Supplemental Indenture and all acts and things required or desirable to be done by the Corporation in accordance with the terms and conditions of the Bond Documents and to provide for the issuance and sale of the 2016 Bonds.

Section 7. All Authorized Officers and the Corporation's agents and counsel are severally authorized to take all such further actions, to execute and deliver such further instruments and documents in the name and on behalf of the Corporation, or to otherwise pay all such expenses, as in their judgment, shall be necessary or advisable in order to fully carry out the purposes of this resolution.

Section 8. All actions previously taken or that will be taken by any Authorized Officer in connection with or related to the matters set forth in or reasonably contemplated by this resolution are, and each of them hereby is, adopted, ratified, confirmed and approved in all respects as the acts and deeds of the Corporation.

Section 9. This resolution shall take effect immediately.

Dated this 27 day of July 2016.

_____

Brent LeValley
Board Chair

DRAFT: 7/15/16

ALASKA HOUSING FINANCE CORPORATION

and

U.S. BANK NATIONAL ASSOCIATION

2016 SERIES A
SUPPLEMENTAL INDENTURE

Dated as of August 1, 2016

$_____
General Mortgage Revenue Bonds II
2016 Series A

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Exhibit A – Form of Bonds

SUPPLEMENTAL INDENTURE

THIS Supplemental Indenture, made and entered into as of August 1, 2016, by and between the ALASKA HOUSING FINANCE CORPORATION, a public corporation and government instrumentality created and existing under the laws of the State of Alaska (herein called the "Corporation"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as Trustee (herein called the "Trustee").

W I T N E S S E T H:

WHEREAS, the Corporation and the Trustee have entered into an Indenture dated as of August 1, 2012, as amended and supplemented (the "Indenture"), to secure issues of the Corporation's General Mortgage Revenue Bonds II; and

WHEREAS, under the terms of the Indenture, the Corporation and the Trustee may enter into a supplemental indenture from time to time to authorize the issuance of a Series of the Corporation's General Mortgage Revenue Bonds II; and

WHEREAS, it is the purpose of this Supplemental Indenture to authorize the issuance of the Corporation's General Mortgage Revenue Bonds II, 2016 Series A, in the aggregate principal amount of $_____ (the “Series A Bonds”);

WHEREAS, the Corporation is authorized to issue the Series A Bonds for its corporate purposes under Chapter 56 of Title 18 of the Alaska Statutes; and

WHEREAS, the Corporation now desires to issue the Series A Bonds for such purposes as set forth herein; and

WHEREAS, all conditions, things and acts required by the Constitution and statutes of the State of Alaska to exist, happen and be performed precedent to and in connection with the issuance of the Series A Bonds exist, have happened and have been performed in due time, form and manner as required by law, and the Corporation is now duly authorized and empowered, pursuant to each and every requirement of law, to issue the Series A Bonds for the purpose, in the manner and upon the terms herein and in the Indenture provided; and

WHEREAS, in order to provide for the authentication and delivery of the Series A Bonds, to establish and declare the terms and conditions upon which the Series A Bonds are to be issued and secured, and to secure the payment of the principal thereof and of the interest thereon, redemption premium, if any, and the Corporation has authorized the execution and delivery of this Supplemental Indenture; and

WHEREAS, the Series A Bonds and the Trustee's certificate of authentication are to be in substantially the form set forth in Exhibit A attached hereto with such insertions or variations as to any redemption or amortization provisions and interest rate provisions and with such other necessary or appropriate variations, omissions and

insertions, as permitted or required by the Indenture or this Supplemental Indenture, including changes determined to be necessary in the event the Series A Bonds are taken out of the Book-Entry System; and

WHEREAS, all acts and proceedings required by law and otherwise necessary to make the Series A Bonds, when executed and duly issued by the Corporation and authenticated and delivered by the Trustee, the valid, binding and legal obligations of the Corporation, and to constitute the Indenture and this Supplemental Indenture a valid and binding agreement for the uses and purposes herein set forth, in accordance with its terms, have been done and taken; and the execution and delivery of the Indenture and this Supplemental Indenture have been in all respects duly authorized;

NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE WITNESSETH, that in order to secure the payment of the principal of, and the premium, if any, and interest on, all Series A Bonds at any time issued and outstanding under this Supplemental Indenture, according to their tenor, and to secure the performance and observance of all the covenants therein and herein set forth, and to declare the terms and conditions upon and subject to which the Series A Bonds are to be issued and received, and for and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Series A Bonds by the holders thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, the Corporation covenants and agrees with the Trustee, for the benefit of the respective holders from time to time of the Series A Bonds, as follows:

ARTICLE I
DEFINITIONS

Section 101 Definitions. In this Supplemental Indenture, unless the context clearly requires otherwise, the following words and terms shall have the meanings set forth in this Section:

"Authorized Denominations" shall mean $5,000 or integral multiples thereof.

"Indenture" shall mean the Indenture between the Corporation and U.S. Bank National Association, as Trustee, dated as of July 1, 2012, as amended and supplemented, securing the Corporation's General Mortgage Revenue Bonds II.

"Interest Payment Date" shall mean each June 1 and each December 1, commencing December 1, 2016.

“Original Issue Price” shall mean, with respect to Series A Bonds of a maturity, the principal amount of such Bonds multiplied by the percentage set forth below for such maturity:

% %

"PAC Bonds" shall mean the Series A Bonds maturing on _____.

"Record Date" shall mean the May 20 preceding a June 1 Interest Payment Date and the November 20 preceding a December 1 Interest Payment Date.

"Series A Bonds" shall mean the Corporation's $_____ General Mortgage Revenue Bonds II, 2016 Series A.

"Series A Mortgage Loans" shall mean Mortgage Loans held in the 2016 Series A Account of the Mortgage Loan Fund.

"Special Reserve Requirement" means zero.

Unless otherwise defined in this Supplemental Indenture, any capitalized term used in this Supplemental Indenture shall have the meaning ascribed thereto in the Indenture.

ARTICLE II
AUTHORIZATION, TERMS AND ISSUANCE

Section 201 Authorization, Principal Amount, Designation and Series, and Book-Entry. As authorized in the Indenture, a Series of General Mortgage Revenue Bonds II is hereby authorized to be issued. The 2016 Series A Bonds are hereby authorized to be issued in the aggregate principal amount of $_____ hereby designated "General Mortgage Revenue Bonds II, 2016 Series A." The Corporation is of the opinion and hereby determines that the issuance of the Series A Bonds in said amount is necessary to provide sufficient funds to be used and expended for the purposes specified herein. The Series A Bonds may be issued only in fully-registered form and shall initially be subject to the provisions of the Book-Entry System as provided in the Indenture.

Section 202 Purposes. The Series A Bonds are being issued for the purpose of providing funds for the purchase of qualified mortgage loans. The foregoing purpose is a valid public purpose for the issuance of the Series A Bonds. To achieve this purpose, proceeds of the Series A Bonds shall be deposited as provided in Section 211 of this Supplemental Indenture.

Section 203 Date and Numbering of Bonds. The Series A Bonds shall be dated as of their date of delivery and shall be numbered consecutively from GMR-1 upwards.

Section 204 Maturities and Interest Rates; Other Terms.

(A) The Series A Bonds shall mature on the following dates in the following principal amounts and shall bear interest at the rate per annum set forth opposite such maturity, payable semiannually on each Interest Payment Date:

Maturity	Principal Amount	Interest Rate	Maturity	Principal Amount	Interest Rate
	$	%		$	%

(B) Interest with respect to the Series A Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. The Series A Bonds shall be issued only in Authorized Denominations.

(C) Interest on the Series A Bonds is intended to be excludible from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

(D) The Series A Bonds shall not contain any tender or put options or the like.

(E) The Series A Bonds are not to be secured by Credit Enhancement.

Section 205 Optional Redemption at the Election of the Corporation. The Series A Bonds maturing on or after _____ are subject to redemption, on any date on or after _____, in whole or in part, of any maturity as directed by the Corporation, at the option of the Corporation, from any source of funds, at 100% of the principal amount thereof, plus accrued interest.

Section 206 Sinking Fund Redemptions.

(A) The Series A Bonds maturing on _____, are subject to redemption and shall be redeemed on the following dates in the principal amount set forth opposite such date at a redemption price equal to 100% of the principal amount of such Series A Bonds to be so redeemed plus accrued interest to the date of such redemption:

Redemption Date	Principal Amount
	$
*	

*Maturity

(B) The Series A Bonds maturing on _____, are subject to redemption and shall be redeemed on the following dates in the principal amount set forth opposite such date at a redemption price equal to 100% of the principal amount of such Series A Bonds to be so redeemed plus accrued interest to the date of such redemption:

Redemption Date	Principal Amount
	$
*	

*Maturity

Section 207 Special Mandatory Redemption.

(A) The PAC Bonds are subject to mandatory redemption, at a redemption price equal to 100% of the principal amount of PAC Bonds to be so redeemed plus accrued interest to the date of such redemption, from amounts deposited in the 2016 Series A Special Redemption Account of the Redemption Fund or any other source of funds available therefor, on each June 1 and December 1 in the following years, commencing December 1, 2016, in an amount equal to the lesser of (i) prepayments and principal repayments of Series A Bonds Mortgage Loans received as of the 60th day prior to such date (except to the extent needed to pay scheduled principal and sinking fund payments of Series A Bonds) and (ii) the amount by which the principal amount of PAC Bonds then Outstanding exceeds the "Outstanding Amount" set forth in the table below (subject to adjustment as set forth below) for the period ending on the date on which such redemption is to occur:

Period Ending	Outstanding Amounts
December 1, 2016	$21,695,000
June 1, 2017	21,210,000
December 1, 2017	20,405,000
June 1, 2018	19,285,000
December 1, 2018	17,925,000
June 1, 2019	16,450,000
December 1, 2019	14,960,000
June 1, 2020	13,500,000
December 1, 2020	12,060,000
June 1, 2021	10,655,000
December 1, 2021	9,280,000
June 1, 2022	7,930,000
December 1, 2022	6,605,000
June 1, 2023	5,310,000
December 1, 2023	4,040,000
June 1, 2024	2,795,000
December 1, 2024	1,580,000
June 1, 2025	385,000
December 1, 2025 and thereafter	0

(B) Upon redemption of PAC Bonds pursuant to Section 210 herein, each Outstanding Amount set forth in the table in (A) of this Section will be recalculated to be an amount equal to the product of (i) the original such Outstanding Amount and (ii) the fraction whose numerator is the remainder of (a) the original principal amount of the PAC Bonds less (b) the cumulative principal amount of PAC Bonds redeemed pursuant to Section 210, and whose denominator is the original principal amount of the PAC Bonds.

Section 208 Redemption When Series A Bonds Outstanding are 15% or Less of Initial Principal Amount.

The Series A Bonds are redeemable at the option of the Corporation, in whole on any date, from any source of funds available, at a price equal to the principal amount of such Series A Bonds to be redeemed plus interest accrued to the redemption date, if the amount of such Series A Bonds then Outstanding, reduced by any Series A Bonds otherwise to be redeemed on such date pursuant to any other provision of this Supplemental Indenture, is less than or equal to 15% of the aggregate initial principal amount of the Series A Bonds ($_____).

Section 209 Redemption from Certain Amounts in the 2016 Series A Special Redemption Account of the Redemption Fund.

(A) The Series A Bonds are also redeemable at the option of the Corporation, in whole or in part, on any date on or after _____, from amounts in the 2016

Series A Special Redemption Account of the Redemption Fund at a Redemption Price equal to the principal amount of Series A Bonds to be so redeemed plus interest accrued to the redemption date. Amounts available to redeem the Series A Bonds under the immediately preceding sentence may be applied at the direction of the Corporation to any maturity of the Series A Bonds; *provided* that such amounts may be applied to redeem PAC Bonds only if and to the extent that the principal amount of such Bonds Outstanding exceeds the "Outstanding Amount" for the related period set forth in Section 207, unless otherwise required by the Code or if no other Series A Bonds remain Outstanding.

(B) The Corporation hereby covenants that it shall not redeem Series A Bonds pursuant to this Section 209 from amounts representing proceeds of (i) a voluntary sale of Mortgage Certificates or (ii) a voluntary sale of Mortgage Loans, *unless* such Mortgage Loans are (a) in default, (b) not in compliance with the Corporation's Program requirements or (c) sold in order to meet the Corporation's tax covenants.

The Trustee is directed to establish and maintain all Accounts referred to in this Section 209.

Section 210 Redemption From Unexpended Proceeds.

The Series A Bonds are subject to redemption at 100% of the original issue price thereof, plus accrued interest, from amounts in the 2016 Series A Account of the Mortgage Loan Fund not applied to purchase the Series A Bonds, at the option of the Corporation, on any date on or after _____. Any amounts remaining in the 2016 Series A Account of the Mortgage Loan Fund on _____ shall be applied to redeem Series A Bonds on _____ at 100% of the original issue price thereof, plus accrued interest, unless the Corporation extends such dates in accordance with the Indenture, which shall require, among other things, the filing of a Bond Coverage Certificate. Notwithstanding the foregoing, any amounts remaining in the 2016 Series A Account of the Mortgage Loan Fund on _____ shall be applied to redeem Series A Bonds on _____ at 100% of the original issue price thereof, plus accrued interest. Amounts available to redeem Series A Bonds as described in this section may be applied at the direction of the Corporation to any maturity of the Series A Bonds, provided that the ratio of PAC Bonds Outstanding to all Series A Bonds Outstanding immediately following such redemption may not be less than such ratio immediately prior to such redemption.

Section 211 Disposition of Proceeds and Other Monies of the Corporation.

(A) The proceeds of sale of the Series A Bonds shall be delivered to the Trustee to for deposit in the 2016 Series A Account of the Mortgage Loan Fund which the Trustee is hereby directed to create.

(B) The Corporation shall, from moneys other than proceeds of the Series A Bonds deposit $_____ into the Debt Service Reserve Fund.

Section 212 Program Expenses. Program Expenses with respect to the Series A Bonds are hereby determined to be, for the period beginning with the date of delivery of the Bonds through _____, 2017 and for each semiannual period thereafter, an amount not to exceed [.055%] of the principal amount of Acquired Obligations in the corresponding Series Account of the Mortgage Loan Fund, not including the Special Purpose Loans Subaccount thereof.

Section 213 Form of Bonds. The Series A Bonds and the Trustee's certificate of authentication are to be in substantially the forms thereof set out in Exhibit A attached hereto and made a part hereof with such necessary or appropriate variations, omissions, and insertions as are permitted by the Indenture. The Trustee's certificate of authentication upon any Series A Bond shall be conclusive evidence that the Bond so authenticated has been duly authenticated, executed, and delivered under the Indenture, including this Supplemental Indenture, and that the registered owner of the Series A Bond is entitled to the benefits thereof.

ARTICLE III
TAX COVENANTS

Section 301 Tax Covenants. The Corporation shall not directly or indirectly use or permit the use of any proceeds of the Series A Bonds, or any other funds of the Corporation in a manner, or take or omit to take any action, that would cause any of the Series A Bonds to be "arbitrage bonds" within the meanings of Section 148(a) of the Code and Regulations promulgated thereunder. To that end, the Corporation will comply with all requirements of Section 148(a) of the Code to the extent applicable to the Series A Bonds. In the event that for purposes of this Section it is necessary to restrict or to limit the yield on the investment of any moneys held by the Trustee under the Indenture, the Corporation shall so instruct the Trustee in writing, and the Trustee shall take such action as directed. The Corporation specifically covenants that the Corporation shall direct in writing that amounts be deposited in the Rebate Fund, and therefrom the Corporation will pay or cause to be paid to the United States such amounts and at the times necessary to comply with Section 148 of the Code and the Regulations promulgated thereunder. The Corporation further covenants and agrees that it will take all action necessary to assure that interest on the Series A Bonds shall be excludable from gross income for purposes of federal income taxation.

The Corporation covenants, to the extent necessary to comply with Section 148 of the Code, that upon the full and final payment of the Series A Bonds, the Corporation shall execute all instruments and take all necessary action to discharge all amounts remaining due and payable under the Acquired Obligations financed thereby, and to rebate to the obligors under the Acquired Obligations any amounts theretofore received by the Corporation but not received for any purpose under the Indenture, and any successor to the rights of the Corporation in and to the Acquired Obligations shall take any rights therein subject to this covenant (provided that this covenant may be released with respect to any particular Acquired Obligation or Acquired Obligations upon receipt of a Counsel's Opinion as described in the penultimate sentence hereof). Any obligor under an Acquired Obligation remaining outstanding at such time is hereby

acknowledged to be a third-party beneficiary of this covenant and may at such time specifically enforce the same. The Corporation may rely upon a Counsel's Opinion with respect to the appropriate methodology to calculate the amount necessary to comply with Section 148, and any obligor under an Acquired Obligation shall be bound by such Counsel's Opinion. The Corporation shall annually calculate the amount (if any) necessary to comply with such covenant.

ARTICLE IV
MISCELLANEOUS

Section 401 Effective Date. This Supplemental Indenture shall take effect immediately.

IN WITNESS WHEREOF, ALASKA HOUSING FINANCE CORPORATION has caused this Supplemental Indenture to be signed in its name by its Chief Executive Officer/Executive Director and U.S. Bank National Association has caused this Supplemental Indenture to be signed in its corporate name by a Responsible Officer of the Trustee all as of the day and year first above written.

ALASKA HOUSING FINANCE CORPORATION

By:_____
BRYAN D. BUTCHER
Chief Executive Officer/Executive Director

U.S. BANK NATIONAL ASSOCIATION
as Trustee

By_____
TOM ZRUST
Vice President

EXHIBIT B

FORM OF BOND

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Corporation or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. GMR-___ Principal Amount: $_____

ALASKA HOUSING FINANCE CORPORATION
GENERAL MORTGAGE REVENUE BOND II
2016 SERIES A

Maturity Date:_____ CUSIP:_____
Registered Owner: Cede & Co. Interest Rate:_____

Alaska Housing Finance Corporation (hereinafter called the "Corporation"), a public corporation and government instrumentality of the State of Alaska (hereinafter called the "State") created and existing under and by virtue of the laws of the State, acknowledges itself indebted, and for value received hereby promises to pay to the Registered Owner set forth above or to its registered assigns or legal representatives, the Principal Amount specified above on the date specified above, unless redeemed prior thereto as hereinafter provided, upon presentation hereof at the principal corporate trust office of U.S. Bank National Association in Seattle, Washington, as Trustee, (or at such other location designated by the Trustee) and to pay interest on said principal sum to the registered owner of this Bond from _____, 2016, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, until the Corporation's obligation with respect to the payment of said principal sum shall be discharged, at the rate per annum specified above, payable beginning December 1, 2016, and thereafter on the first day of December and the first day of June of each year. Interest may be paid, at the option of the Corporation, by mailing a check on the Interest Payment Date for such interest payable to or upon the written order of the person entitled thereto at the person's address as it appears on the bond register of the Corporation except that a holder of $1,000,000 or more in principal amount of the Bonds shall be paid interest by wire transfer in immediately available funds to an account in the United States if such holder makes a written request to the Trustee on or prior to the Record Date specifying such account information as the Trustee may require. Payment shall be made in lawful money of the United States of America. The amount of interest to be paid is to be computed on the basis of a 360-day year consisting of twelve 30-day months. Capitalized terms used herein and not defined herein shall have the meaning assigned to such terms in the Indenture (defined below).

The Record Date in respect of any Interest Payment Date on this Bond shall be the November 20 preceding any December 1 Interest Payment Date or the May 20 preceding any June 1 Interest Payment Date.

This Bond is one of the Bonds of the Corporation designated "Alaska Housing Finance Corporation, General Mortgage Revenue Bonds II, 2016 Series A" (herein called the "Bonds"), and authorized to be issued under and pursuant to Chapter 56 of Title 18, Alaska Statutes, as amended (herein called the "Act"), and an Indenture by and between the Corporation and U.S. Bank National Association, as Trustee dated as of July 1, 2012 (the "Master Indenture") and the 2016 Series A Supplemental Indenture by and between the Corporation and the Trustee dated as of August 1, 2016 (together with the "Master Indenture," the "Indenture") which together set forth the terms upon which the Bonds are issued. The Bonds are issued in fully registered form in the aggregate principal amount at issuance of $_____ and shall be in minimum denominations of $5,000 or any integral multiple thereof.

The Master Indenture provides for the issuance, from time to time, under the conditions, limitations, and restrictions set forth therein, of additional bonds which may be on a parity with any other Series of bonds issued or to be issued under the Master Indenture and any supplement thereto. Copies of the Indenture are on file at the office of the Corporation in Anchorage, Alaska, and at the corporate trust office of U.S. Bank National Association in Seattle, Washington, as trustee under the Indenture (said trustee and any successor thereto under the Indenture being herein called the "Trustee"), and reference to the Indenture and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the pledges and covenants securing the Bonds, the nature, extent and manner of enforcement of such pledges, the rights and remedies of the registered owners of the Bonds with respect thereto and the terms and conditions upon which the Bonds have been issued and may be issued thereunder. To the extent and in the manner permitted by the terms of the Indenture, the provisions of the Indenture or any indenture amendatory thereof or supplemental thereto may be supplemented, modified or amended. The holder of this Bond shall have no right to enforce the provisions of the Indenture, to institute action to enforce the provisions of the Indenture or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of the Bonds issued thereunder and then outstanding, together with accrued interest thereon, if any, may become or may be declared due and payable before the maturity thereof.

This Bond is transferable, as provided in and subject to the limitations set forth in the Indenture, only upon the bond register of the Corporation kept for that purpose at the corporate trust office of the Trustee in Seattle, Washington upon surrender of this Bond, together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or the registered owner's attorney duly authorized in writing, and thereupon a new, fully registered Bond or Bonds in the same aggregate principal amount at maturity, and of the same maturity and interest rate shall be issued to the transferee in exchange therefor as provided in the Indenture and upon the

payment of charges, if any, as therein prescribed. The Corporation and the Trustee may treat and consider the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or Redemption Price, if any, hereof and interest due hereon and for all other purposes whatsoever.

Subject to any agreements heretofore or hereafter made with the persons who shall hold any other bonds or notes of the Corporation pledging any particular revenues or assets not pledged under the Indenture and the exclusion by the Act of a pledge of funds in the Housing Development Fund (as described in the Act), this Bond is a direct and general obligation of the Corporation.

This Bond does not constitute a debt, liability, or other obligation of the State or of any political subdivision of the State. Neither the full faith and credit nor the taxing power of the State or of any political subdivision thereof is pledged to the payment of the principal of or interest on this Bond. The Corporation is not obligated to pay the Bonds or the interest on the Bonds except from the revenues or assets of the Corporation.

This Bond is subject to redemption, including redemption at par, prior to maturity as set forth in the Indenture.

Neither the members of the Corporation nor any person executing this Bond shall be liable personally hereon or shall be subject to any personal liability or accountability by reason of its execution.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been signed by the Trustee or its Agent.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and statutes of the State and the Indenture to exist, to have happened and to have been performed precedent to and in connection with the issuance of this Bond exist, have happened and have been performed in due time, form and manner as required by law and that the issue of the Bonds, together with all other indebtedness of the Corporation, is within every debt and other limit prescribed by law.

IN WITNESS WHEREOF, the Alaska Housing Finance Corporation has caused this Bond to be executed in its name by the manual signature of its Chief Executive Officer/Executive Director and its corporate seal to be affixed hereon, and attested by the manual signature of an Authorized Officer.

ALASKA HOUSING FINANCE CORPORATION

By:_____
BRYAN D. BUTCHER
Deputy Executive Director

[S E A L]

A T T E S T:

_____
MICHAEL STRAND
Chief Financial Officer

FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Supplemental Indenture and is one of the General Mortgage Revenue Bonds II, 2016 Series A, of the Alaska Housing Finance Corporation.

U.S. BANK NATIONAL ASSOCIATION
as Trustee

Date of Authentication:
_____

By_____
TOM ZRUST
Vice President

FORM OF ASSIGNMENT

For value received _____ hereby sells, assigns and transfers unto _____

_____

(Please insert Social Security or other identifying number of Assignee)

_____

(Please print or typewrite name and address, including ZIP code, of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration and transfer thereof, with full power of substitution in the premises.

Dated:

_____

NOTE: The signature on this Assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular without alteration or enlargement or any changes whatever.

Signature Guaranteed

By:_____

[Must be a member of the New York Stock Exchange or a bank]

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED JULY 27, 2016

NEW ISSUES - BOOK ENTRY ONLY

This cover page contains information for quick reference only. It is not a summary of the information contained in this Official Statement. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

$100,000,000*

[AHFC LOGO]

ALASKA HOUSING FINANCE CORPORATION

General Mortgage Revenue Bonds II
2016 Series A

Dated	Date of delivery.
Due	As shown on inside cover page.
Price	As shown on inside cover page.
Tax Exemption	[In the opinion of Bond Counsel and Special Tax Counsel, assuming compliance with certain covenants designed to meet the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), under existing laws, regulations, rulings and judicial decisions, (i) interest on the 2016 Series A Bonds described above (the "Offered Bonds") is excluded from gross income for Federal income tax purposes and (ii) interest on the Offered Bonds is not a specific preference item and is not included in adjusted current earnings of certain corporations for purposes of the Federal alternative minimum tax. In the opinion of Bond Counsel, under existing laws, interest on the Offered Bonds is free from taxation by the State of Alaska except for inheritance and estate taxes and taxes of transfers by or in anticipation of death. Bond Counsel and Special Tax Counsel express no opinion regarding any other tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the Offered Bonds. See "Tax Matters."] ***[BC TO REVIEW/UPDATE]***
Redemption	The Offered Bonds are subject to redemption at par prior to maturity under the circumstances described herein. See "The Offered Bonds — Redemption."
Interest Rates	The Offered Bonds will bear interest at the rates set forth on the inside cover page.
Security	**The Bonds are general obligations of the Corporation for which its full faith and credit are pledged, subject to agreements made and to be made with the holders of other obligations of the Corporation pledging particular revenues and assets not pledged to the Bonds and to the exclusion of money in the Corporation's Housing Development Fund. The Bonds will be secured by Acquired Obligations and amounts in the Funds and Accounts (excluding the Rebate Fund) held under the Indenture. See "Sources of Payment and Security for the Bonds" and "Acquired Obligations." THE CORPORATION HAS NO TAXING POWER. THE BONDS DO NOT CONSTITUTE A DEBT, LIABILITY OR OBLIGATION OF THE STATE OF ALASKA OR OF ANY POLITICAL SUBDIVISION THEREOF OR A PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE STATE OF ALASKA OR OF ANY POLITICAL SUBDIVISION THEREOF. THE BONDS ARE GENERAL OBLIGATIONS OF THE CORPORATION AND ARE NOT INSURED OR GUARANTEED BY ANY OTHER GOVERNMENTAL AGENCY.**
Interest Payment Dates	December 1, 2016, and thereafter on each June 1 and December 1.
Denominations	$5,000 or any integral multiple thereof.
Closing Date	August __, 2016.
Bond Counsel	Law Office of Kenneth E. Vassar, LLC.
Special Tax Counsel	Kutak Rock LLP.
Underwriters' Counsel	Hawkins Delafield & Wood LLP.
Trustee	U.S. Bank National Association.
Financial Advisor	FirstSouthwest, a Division of Hilltop Securities Inc.
Book-Entry System	The Depository Trust Company. See "The Offered Bonds — Book Entry Only."

The Offered Bonds (except to the extent not reoffered) are offered when, as and if issued and received by the Underwriters, subject to the approval of legality by Bond Counsel, and to the confirmation of certain tax matters by Bond Counsel and Special Tax Counsel, and to certain other conditions.

Wells Fargo Securities **Raymond James**
Jefferies **J.P. Morgan**

[OTHER CO-MANAGERS TO COME]

August__, 2016

* Preliminary, subject to change.

MATURITY SCHEDULE*

$100,000,000 2016 Series A Bonds

$27,400,000 2016 Series A Serial Bonds

Maturity Date	Principal Amount	Interest Rate	Price or Yield	CUSIP†
December 1, 2016	$ 250,000	%	%	
June 1, 2017	1,080,000			
December 1, 2017	1,135,000			
June 1, 2018	1,140,000			
December 1, 2018	1,150,000			
June 1, 2019	1,155,000			
December 1, 2019	1,165,000			
June 1, 2020	1,175,000			
December 1, 2020	1,185,000			
June 1, 2021	1,195,000			
December 1, 2021	1,205,000			
June 1, 2022	1,215,000			
December 1, 2022	1,230,000			
June 1, 2023	1,245,000			
December 1, 2023	1,255,000			
June 1, 2024	1,270,000			
December 1, 2024	1,285,000			
June 1, 2025	1,300,000			
December 1, 2025	1,320,000			
June 1, 2026	1,335,000			
December 1, 2026	1,350,000			
June 1, 2027	1,370,000			
December 1, 2027	1,390,000			

$8,360,000 ___% 2016 Series A Term Bonds due December 1, 2031 @____% CUSIP†: _____

$12,235,000 ___% 2016 Series A Term Bonds due December 1, 2036 @____% CUSIP†: _____

$14,655,000 ___% 2016 Series A Term Bonds due December 1, 2041 @____% CUSIP†: _____

$21,795,000 ___% 2016 Series A Term Bonds due June 1, 2046 (PAC Bonds) @____% CUSIP†:_____

$15,555,000 ___% 2016 Series A Term Bonds due December 1, 2046 @____% CUSIP†: _____

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† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by the CUSIP Service Bureau, operated by Standard & Poor's, a division of The McGrawHill Companies, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services Bureau. This CUSIP number has been assigned by an independent company not affiliated with the Corporation and is included solely for the convenience of the registered owners of the applicable Offered Bonds. The Corporation and the Underwriters are not responsible for the selection or uses of the CUSIP number, and no representation is made as to its correctness by the Corporation or the Underwriters on the Offered Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Offered Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Offered Bonds.

* Preliminary, subject to change.

No dealer, broker, salesman or other person has been authorized by the Corporation or the Underwriters to give any information or to make any representations, other than as contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Offered Bonds, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Corporation and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriters. All summaries herein of documents and agreements are qualified in their entirety by reference to such documents and agreements, and all summaries herein of the Offered Bonds are qualified in their entirety by reference to the form thereof included in the Indenture and the provisions with respect thereto included in the aforesaid documents and agreements. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the information or opinions set forth herein after the date of this Official Statement.

In connection with the offering of the Offered Bonds, the Underwriters may overallot or effect transactions which stabilize or maintain the market price of the Offered Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended, and in effect on the date hereof, this Preliminary Official Statement constitutes an official statement of the Corporation that has been deemed final by the Corporation as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this final official statement for purposes of, and as that term is defined in, SEC rule 15c2-12.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

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OFFICIAL STATEMENT
OF
ALASKA HOUSING FINANCE CORPORATION

Relating to

$100,000,000* General Mortgage Revenue Bonds II

2016 Series A

INTRODUCTION

This Official Statement (including the cover page, inside cover page and appendices) of the Alaska Housing Finance Corporation (the "Corporation") sets forth information in connection with the Corporation's General Mortgage Revenue Bonds II, 2016 Series A (the "Offered Bonds"). The Offered Bonds are authorized to be issued pursuant to Chapters 55 and 56 of Title 18 of the Alaska Statutes, as amended (the "Act"), an Indenture, dated as of July 1, 2012 (the "General Indenture"), by and between the Corporation and U.S. Bank National Association, Seattle, Washington, as trustee (the "Trustee"), and a 2016 Series A Supplemental Indenture, dated as of August 1, 2016 (the "2016 Series A Supplemental Indenture"), by and between the Corporation and the Trustee.

The Corporation has previously issued two series of bonds under the General Indenture (collectively, the "Prior Series Bonds") in an aggregate principal amount of $195,890,000, of which $125,300,000 aggregate principal amount was outstanding as of April 30, 2016. All bonds outstanding under the General Indenture (including outstanding Prior Series Bonds and any additional bonds which may hereafter be issued) are referred to collectively as the "Bonds." Each series of Bonds is issued pursuant to a Supplemental Indenture. The General Indenture and all Supplemental Indentures (including the 2016 Series A Supplemental Indenture) are referred to collectively as the "Indenture." Capitalized terms used and not otherwise defined herein have the respective meanings ascribed thereto in the Indenture. See "Summary of Certain Provisions of the Indenture — Certain Definitions."

[Proceeds of the Offered Bonds are expected to be used to purchase Mortgage Loans (as defined below) from a pool of certain previously originated Mortgage Loans with interest rates that range, as of [_____ __, ___] from [____]% to [____]%. The balance of Offered Bonds proceeds are expected to be used to purchase Mortgage Loans on and after the date of issuance of the Offered Bonds.] ***[TO BE UPDATED/ CLARIFIED]*** The Mortgage Loans to be financed with the proceeds of, or attributable to, the Offered Bonds are referred to herein as the "Offered Bonds Mortgage Loans." [Upon the issuance of the Offered Bonds, the Corporation from its general unrestricted funds will pay costs of issuance.] ***[TO BE CONFIRMED/UPDATED]*** See "Application of Funds" and "Assumptions Regarding Revenues, Debt Service Requirements, and Program Expenses."

Proceeds of the Prior Series Bonds were used to redeem all of the Corporation's General Mortgage Revenue Bonds (the "Prior GMRB Bonds") then outstanding and to replace amounts used to refund certain other then-outstanding obligations of the Corporation. In connection with such redemption, replacement and refunding and the issuance of the Prior Series Bonds, certain mortgage loans financed with the proceeds of the Prior GMRB Bonds (the "Transferred Mortgage Loans") and certain other mortgage loans (the "Collateral Mortgage Loans") previously held under the Corporation's General Mortgage Revenue Bonds Indenture (the "Prior GMRB Indenture") were transferred to and became

* Preliminary, subject to change.

subject to the lien and pledge of the Indenture, and certain amounts previously held under the Prior GMRB Indenture were transferred to and became subject to the lien and pledge of the Indenture and thereafter were applied to purchase Mortgage Loans (the "Prior Series Mortgage Loans"). For information as of [_____ __, ___] concerning the Transferred Mortgage Loans, the Collateral Mortgage Loans and the Prior Series Mortgage Loans, see "Acquired Obligations — Transferred Mortgage Loans," "— Collateral Mortgage Loans" and "— Prior Series Mortgage Loans," respectively.

The Corporation is permitted to issue additional bonds (including refunding bonds) pursuant to and secured under the Indenture ("Additional Bonds"), subject to certain conditions. See "Sources of Payment and Security for the Bonds — Additional Bonds." The Offered Bonds will be secured on a parity with the Prior Series Bonds and with any Additional Bonds.

The Corporation has no taxing power. The Bonds do not constitute a debt, liability or obligation of the State of Alaska (the "State") or a pledge of its faith and credit or taxing power. The Bonds are general obligations of the Corporation and are not insured or guaranteed by any other governmental agency.

The Bonds are, as all bonds of the Corporation currently are, general obligations of the Corporation for which its full faith and credit are pledged, subject to agreements made and to be made with the holders of other obligations of the Corporation pledging particular revenues and assets not pledged to the Bonds and to the exclusion of moneys in the Corporation's Housing Development Fund. A significant portion of the assets of the Corporation is pledged to the payment of outstanding obligations of the Corporation. See Appendix A, which contains the most recent audited and unaudited financial statements of the Corporation.

The summaries herein of the Offered Bonds, the Indenture, the Continuing Disclosure Certificate (defined below) and other documents and materials are brief outlines of certain provisions contained therein and do not purport to summarize or describe all the provisions thereof. For further information, reference is hereby made to the Act, the Indenture and such other documents and materials for the complete provisions thereof, copies of which will be furnished by the Corporation upon request. See "The Corporation — General" for the Corporation's address and telephone number.

SOURCES OF PAYMENT AND SECURITY FOR THE BONDS

General

The Offered Bonds and the Prior Series Bonds are, and any Additional Bonds issued under the Indenture will be, general obligations of the Corporation. All Bonds issued under the Indenture rank on a parity with each other. See "Sources of Payment and Security for the Bonds—Additional Bonds." The Corporation's full faith and credit will be pledged for the payment of principal and redemption premium (if any) of and interest on the Offered Bonds, subject to agreements made with the holders of other obligations of the Corporation pledging particular revenues and assets and the prohibition, pursuant to the terms of the Act, on a pledge of funds in the Housing Development Fund.

The Offered Bonds and the Prior Series Bonds are, and any Additional Bonds issued under the Indenture will be, secured by all assets held in any fund or account except the Unpledged Funds established under the Indenture, subject only to the provisions of the Indenture permitting application thereof for or to the purposes and on the terms and conditions set forth therein, including payment of Program Expenses.

Amounts on deposit in the Funds and Accounts under the Indenture may be applied only as provided in the Indenture. Amounts in the Revenue Fund, however, after providing for certain mandatory transfers, including but not limited to the payment of (i) scheduled debt service on the Bonds, (ii) any amount needed to restore the Debt Service Reserve Fund and the Special Reserve Fund to their respective requirements, if any, and (iii) Program Expenses, may, subject to certain optional transfers, be withdrawn free and clear of the lien of the Indenture, but only if such withdrawal is reflected in the most recent Bond Coverage Certificate. See "Summary of Certain Provisions of the Indenture—Revenue Fund."

Mortgage Loans

The Indenture authorizes the Corporation to issue Bonds to provide funds to enable the Corporation to acquire mortgage loans (the "Mortgage Loans") for any type of loan the Corporation is permitted to finance under the Act. Under the Indenture, the Mortgage Loans may be made without regard to the income of the mortgagor or the location within the State of the property being financed, the availability of private mortgage insurance on the mortgaged property, the amount of down payment made on the mortgaged property, or the availability of any insurance or guaranty by any Federal or State agency and may include, subject to certain conditions, loans that are not first-lien mortgage loans to homebuyers (such as multifamily, special purpose or construction loans). The Corporation will limit the amount of Mortgage Loans that are not first-lien mortgage loans to homebuyers to the extent necessary to satisfy Bond Coverage requirements. See "Sources of Payment and Security for the Bonds — Bond Coverage Certificates."

For information concerning the Corporation's current underwriting requirements for single-family Mortgage Loans (including the Offered Bonds Mortgage Loans), see "Acquired Obligations — Mortgage Loan Underwriting." For information as of [_____ __, ___] concerning the Transferred Mortgage Loans, the Collateral Mortgage Loans and the Prior Series Mortgage Loans, see "Acquired Obligations — Transferred Mortgage Loans," "— Collateral Mortgage Loans" and "— Prior Series Mortgage Loans," respectively.

Certain of the Transferred Mortgage Loans previously were transferred to the Prior GMRB Indenture from prior related indentures that contain requirements regarding the income of the borrower, loan-to-value ratios, primary mortgage insurance or guarantees of the Federal Housing Administration ("FHA"), the Department of Veterans Affairs ("VA") or Rural Development (formerly the Farmers Home Administration) of the United States Department of Agriculture ("USDA or "RD"), hazard insurance or similar provisions. No representation is made as to whether or not any Transferred Mortgage Loan satisfies any such requirements. Neither the Corporation nor the Underwriters have reviewed the Transferred Mortgage Loans, and the Corporation is not required to substitute other mortgage loans or repurchase the Transferred Mortgage Loans if such loans do not in fact satisfy such requirements.

It is currently expected that on the date of issuance of the Offered Bonds approximately [___]% of all Mortgage Loans by principal balance will consist of Mortgage Loans that are not first-lien loans to homebuyers. Such Mortgage Loans, which include the Collateral Mortgage Loans, will not be considered when determining Bond Coverage (except to show Parity) absent the consent of the Rating Agencies (see "Sources of Payment and Security for the Bonds — Bond Coverage Certificates" below) and the statements relating to Mortgage Loans under the headings "Acquired Obligations — Mortgage Servicing," "— Standard Homeowner Insurance Policies" and "— Alaska Foreclosure Law" may not apply to such Mortgage Loans (including the Collateral Mortgage Loans).

The Indenture permits proceeds of Bonds to be used to purchase Mortgage Certificates. However, no Mortgage Certificates are currently held under the Indenture and the Corporation does not

currently intend to acquire Mortgage Certificates to be held under the Indenture in the future. ***[STILL TRUE?]***

[The Federal tax laws applicable to one of the Series of Prior Series Bonds (the "2012 Series A Bonds") generally provide that the yield on the Transferred Mortgage Loans and Collateral Mortgage Loans allocated to the 2012 Series A Bonds and other Mortgage Loans financed in the future with amounts allocated to the 2012 Series A Bonds may not exceed the yield on the 2012 Series A Bonds over their term by more than 1.50%, plus the recoupment of various related costs incurred by the Corporation. The same limitations applied to the Prior GMRB Bonds redeemed with the proceeds of the 2012 Series A Bonds as described under "Introduction" above (the "Prior GMRB Refunded Bonds"). To date, the yields on the mortgage loans allocated to the Prior GMRB Refunded Bonds have exceeded the respective yields on the Prior GMRB Refunded Bonds by more than such permissible amount, and it is expected that the Transferred Mortgage Loans and Collateral Mortgage Loans allocated to the 2012 Series A Bonds will likewise initially exceed such limitations. The Corporation will take appropriate actions to comply with the Federal tax laws; the Corporation presently expects that, to the extent necessary, it will finance lower-rate Mortgage Loans with amounts allocated to the 2012 Series A Bonds so that the yield on the related Mortgage Loans calculated over the term of such Bonds results in compliance with the Federal tax law requirements during the period the Bonds remain Outstanding.] ***[CURRENT COMPLIANCE STATUS?]***

Debt Service Reserve Fund

The Indenture provides for a Debt Service Reserve Fund to be held by the Trustee, which is required to be maintained in an amount (the "Debt Service Reserve Fund Requirement") at least equal to 2% of the sum of (i) the outstanding principal balance of all Mortgage Loans held in the Mortgage Loan Fund (other than Mortgage Loans represented by Mortgage Certificates) and (ii) the amount of assets (other than Mortgage Loans described in (i) above) in the Mortgage Loan Fund; provided, however, that a Supplemental Indenture authorizing the issuance of a Series of Bonds may provide that particular Mortgage Loans or assets in the related Series Account of the Mortgage Loan Fund, or particular subaccounts thereof, shall not be included in such calculation. The Supplemental Indenture with respect to the 2012 Series A Bonds provided that the Collateral Mortgage Loans be excluded from such calculation. As of [_____ __, ___], the aggregate outstanding principal balance of the Collateral Mortgage Loans was $[_____]. For information as of [_____ __, ___] concerning Collateral Mortgage Loans, see "Acquired Obligations —Collateral Mortgage Loans."

If two Business Days prior to any Principal Installment Date or Interest Payment Date, the amount on deposit, or to be deposited on such Principal Installment Date or Interest Payment Date, in the Principal Account and the Interest Account is less than the amount required to pay interest on, principal of or sinking fund installments on Outstanding Bonds, any such deficiency is required to be made up with amounts in the Debt Service Reserve Fund or, if insufficient, funds of the Corporation made available by the Corporation or amounts in the Special Reserve Fund or any other Fund or Account (except for the Unpledged Funds). See "Summary of Certain Provisions of the Indenture — Debt Service Reserve Fund." No amounts will be deposited in the Special Reserve Fund in connection with the issuance of the Offered Bonds.

Amounts on deposit in the Debt Service Reserve Fund are to be invested in Investment Securities. As of [_____ __, ___], the aggregate amount of Investment Securities on deposit in the Debt Service Reserve Fund was $[_____].

In connection with the issuance of the Offered Bonds, the Corporation expects to deposit approximately $_____ [of Offered Bonds proceeds] to the Debt Service Reserve Fund. The amount

on deposit in the Debt Service Reserve Fund will be at least equal to the Debt Service Reserve Fund Requirement on the date of issuance of the Offered Bonds.

Special Reserve Fund

The Indenture provides for a Special Reserve Fund to be held by the Trustee, which is required to be maintained in an amount (the "Special Reserve Requirement") equal to the aggregate of all Special Reserve requirements, if any, established for the Series of Bonds Outstanding in the respective Supplemental Indentures authorizing such Series of Bonds.

[No Special Reserve Fund requirement will be established for the Offered Bonds and no amounts will be deposited in the Special Reserve Fund in connection with the issuance of the Offered Bonds.] ***[TO BE UPDATED/VERIFIED]***

Amounts in the Special Reserve Fund, if any, are available to pay interest on, principal of or sinking fund installments on Outstanding Bonds as described above under "Debt Service Reserve Fund."

Bond Coverage Certificates

The Corporation is required to deliver to the Trustee a certificate demonstrating Bond Coverage (as defined under "Summary of Certain Provisions of the Indenture — Certain Definitions") upon the occurrence of various events under the Indenture, including, but not limited to, (i) the delivery of a Series of Bonds, (ii) the disbursement of amounts from the Mortgage Loan Fund to acquire Acquired Obligations, and (iii) any release of moneys free and clear of the lien of the Indenture to the Corporation.

In addition, any such Bond Coverage Certificate delivered to the Trustee is required to conform to the requirements of the Indenture and any Supplemental Indenture, including any tax covenants contained therein. See "Summary of Certain Provisions of the Indenture — Tax Covenants."

No assurance can be given that the assumptions used in a Bond Coverage Certificate will in fact be realized.

Additional Bonds

Additional Bonds (including Refunding Bonds) may be issued pursuant to the Indenture upon compliance with the provisions thereof, which includes the requirement that no Additional Bonds may be issued under the Indenture without the delivery to the Trustee of a certificate demonstrating Bond Coverage after issuance of such Additional Bonds. Because all Bonds rank on a parity with each other, the availability of money for repayment of the Offered Bonds could be significantly affected by the issuance of Additional Bonds. See "Sources of Payment and Security for the Bonds—Bond Coverage," "Summary of Certain Provisions of the Indenture—Provisions for Issuance of Bonds" and "Summary of Certain Provisions of the Indenture—Provisions for Refunding Issues."

APPLICATION OF FUNDS

Proceeds of the Offered Bonds and certain amounts contributed by the Corporation are expected to be applied and deposited approximately as follows:

Deposit to Series Account of the Mortgage Loan Fund to Purchase Mortgage Loans	
Deposit to Debt Service Reserve Fund	
Payment of Underwriting Fee	
Payment of other Costs of Issuance	
TOTAL	**$_____**

THE OFFERED BONDS

General

The Offered Bonds will be dated as set forth on the cover page and interest thereon will be payable on the dates set forth on the cover page. The Offered Bonds will be issuable in the denominations set forth on the cover page and will mature on the dates and in the amounts set forth on the inside cover page.

The Offered Bonds will bear interest (calculated on the basis of a 360-day year of twelve 30-day months) from their dated date to maturity (or prior redemption) at the applicable rates, as set forth on the inside cover page.

The Offered Bonds are being issued only as fully-registered bonds without coupons, in book-entry form only, registered in the name of Cede & Co., as registered owner and nominee for DTC, which will act as securities depository for the Offered Bonds. See "Book Entry Only" below.

Redemption*

Special Redemption

Redemption from Unexpended Proceeds. The Offered Bonds are subject to redemption at 100% of the original issue price thereof, plus accrued interest, from amounts in the 2016 Series A Account of the Mortgage Loan Fund not applied to purchase Acquired Obligations, at the option of the Corporation, on any date on or after _____ ___, ___. Any amounts remaining in the 2016 Series A Account of the Mortgage Loan Fund on _____ __, ____ are required by the 2016 Series A Supplemental Indenture to be applied to redeem Offered Bonds on _____ __, ____, at 100% of the original issue price thereof, plus accrued interest, unless the Corporation extends such dates in accordance with the Indenture, which requires, among other things, the filing of a Bond Coverage Certificate. *Notwithstanding* the foregoing, any amounts remaining in the 2016 Series A Account of the Mortgage Loan Fund on _____ __, ____ are required by the 2016 Series A Supplemental Indenture to be applied to redeem Offered Bonds on _____ __, ____, at 100% of the original issue price thereof, plus accrued interest. Amounts available to redeem Offered Bonds as described in this paragraph may be applied at the direction of the Corporation to any maturity of the Offered Bonds, provided that the ratio of Offered Bonds maturing June 1, 2046 ("PAC Bonds") Outstanding to all Offered Bonds Outstanding immediately following such redemption may not be less than such ratio immediately prior to such redemption.

* Preliminary, subject to change.

Redemption from Amounts in the 2016 Series A Special Redemption Account of the Redemption Fund. The Offered Bonds are subject to redemption at the option of the Corporation at 100% of the principal amount thereof, plus accrued interest, on any date beginning _____ ___, ___, from amounts deposited in the 2016 Series A Special Redemption Account of the Redemption Fund. Amounts so available to redeem the Offered Bonds may be applied at the direction of the Corporation to any maturity of the Offered Bonds; *provided* that such amounts may be applied to redeem PAC Bonds only if and to the extent that the principal amount of such Bonds Outstanding exceeds the PAC Outstanding Amount (set forth below) for the related period, unless otherwise required by the Code or if no other Offered Bonds remain Outstanding.

Amounts deposited in the 2016 Series A Special Redemption Account of the Redemption Fund as directed by the Corporation are expected to consist primarily of Pledged Receipts in excess of (a) scheduled debt service with respect to all Outstanding Bonds, (b) any amount required to replenish the Debt Service Reserve Fund and the Special Reserve Fund to their respective requirements, if any, and (c) any amount required to fund the payment of Program Expenses. Proceeds of the sale of Acquired Obligations constitute Pledged Receipts and may under certain circumstances be deposited in the Redemption Fund and used to redeem Bonds. See "Summary of Certain Provisions of the Indenture — Mortgage Loan Fund" and "—Corporation's Programs." However, the Corporation covenants in the 2016 Series A Supplemental Indenture not to redeem Offered Bonds as described under this subheading "Redemption from Amounts in the 2016 Series A Special Redemption Account of the Redemption Fund" from the proceeds of (i) a voluntary sale of Mortgage Certificates or (ii) a voluntary sale of Mortgage Loans, unless such Mortgage Loans are (a) in default, (b) not in compliance with the Corporation's Program requirements or (c) sold in order to meet the Corporation's tax covenants. Such voluntary Mortgage Certificate sale proceeds and voluntary Mortgage Loan sale proceeds (except from sales of Mortgage Loans described in clauses (a), (b) or (c) of the immediately preceding sentence) may only be used to redeem Offered Bonds as described below under "Redemption When Offered Bonds Outstanding are 15% or Less of Initial Amount" and "Optional Redemption."

Applicable Federal tax law requires redemption of the Offered Bonds on or before certain dates and in certain amounts in order to maintain the exclusion from gross income for Federal income tax purposes of interest on the Offered Bonds. See "Tax Matters — Other Requirements Imposed by the Code — Required Redemptions." Current Federal tax law requires a payment to the United States from certain mortgagors whose mortgage loans are originated after December 31, 1990. See "Tax Matters — Other Requirements Imposed by the Code — Recapture Provision." Since such recapture requirement remains in effect with respect to any mortgage loan subject thereto for a period ending nine years from the closing of such mortgage loan, the Corporation is unable to predict what effect, if any, such requirement will have on the origination or prepayment of Mortgage Loans to which such provision applies.

Special Mandatory Redemption. The PAC Bonds are subject to mandatory redemption, at 100% of the principal amount thereof, plus accrued interest, from amounts deposited in the 2016 Series A Special Redemption Account of the Redemption Fund or any other source of funds available therefor, on December 1, 2016 and thereafter on each June 1 and December 1, in an amount equal to the lesser of (i) prepayments and principal repayments of Offered Bonds Mortgage Loans received as of the 60th day prior to such date (except to the extent needed to pay scheduled principal and sinking fund payments of Offered Bonds) and (ii) the amount by which the principal amount of PAC Bonds then Outstanding exceeds the PAC Outstanding Amount (set forth below and subject to adjustment as described below) for the related period.

Period Ending	PAC Outstanding Amount
December 1, 2016	$21,695,000
June 1, 2017	21,210,000
December 1, 2017	20,405,000
June 1, 2018	19,285,000
December 1, 2018	17,925,000
June 1, 2019	16,450,000
December 1, 2019	14,960,000
June 1, 2020	13,500,000
December 1, 2020	12,060,000
June 1, 2021	10,655,000
December 1, 2021	9,280,000
June 1, 2022	7,930,000
December 1, 2022	6,605,000
June 1, 2023	5,310,000
December 1, 2023	4,040,000
June 1, 2024	2,795,000
December 1, 2024	1,580,000
June 1, 2025	385,000
December 1, 2025 and thereafter	0

The PAC Outstanding Amounts are based on assumptions (the "PAC Assumptions") that include, among other assumptions, receipt of principal prepayments on Offered Bonds Mortgage Loans in an amount equal to 100 percent of the Securities Industry and Financial Markets Association's (formerly known as the Bond Market Association and prior to that as the Public Securities Association) standard prepayment speed assumption model ("PSA") for 30-year mortgage loans (as further described below). If PAC Bonds are redeemed as described above under "Redemption from Unexpended Proceeds" (an "Unexpended Proceeds Redemption"), then each PAC Outstanding Amount will be recalculated to be an amount equal to the product of (i) the original PAC Outstanding Amount and (ii) the fraction whose numerator is the remainder of (a) the original principal amount of PAC Bonds less (b) the cumulative principal amount of PAC Bonds redeemed pursuant to all such Unexpended Proceeds Redemptions, and whose denominator is the original principal amount of PAC Bonds.

The PAC Assumptions may differ from the assumptions made in establishing the dates and amounts of the Sinking Fund Payments and maturities of the Offered Bonds. See "Assumptions Regarding Revenues, Debt Service Requirements, and Program Expenses." The Corporation makes no representation that actual experience will conform to the PAC Assumptions. If actual experience differs from the PAC Assumptions, the principal amount of PAC Bonds actually redeemed in each semiannual period pursuant to the provision described under this subheading may differ from that derived from the PAC Outstanding Amounts.

Prepayments on mortgage loans are commonly measured relative to a prepayment standard or model. The PSA model represents an assumed monthly rate of prepayment of the then outstanding principal balance of a pool of new mortgage loans. PSA does not purport to be either an historical description of the prepayment experience of any pool of mortgage loans or a prediction of the anticipated rate of prepayment of any pool of mortgage loans, including the Offered Bonds Mortgage Loans. One hundred percent PSA assumes prepayment rates of 0.2 percent per year of the then-unpaid principal balance of such mortgage loans in the first month of the life of the mortgage loans and an additional 0.2 percent per year in each month thereafter (for example, 0.4 percent per year in the second month) until the 30th month. Beginning in the 30th month and in each month thereafter during the life of the mortgage

loans, 100 percent PSA assumes a constant prepayment rate of six percent per year. Multiples will be calculated from this prepayment rate series; e.g., 200 percent PSA assumes prepayment rates will be 0.4 percent per year in month one, 0.8 percent per year in month two, reaching 12 percent per year in month 30 and remaining constant at 12 percent per year thereafter.

The weighted average life of a bond refers to the average of the length of time that will elapse from the date of issuance of such bond to the date each installment of principal is paid, weighted by the amount of such installment. The weighted average life of PAC Bonds will be influenced by, among other factors, the rate at which principal prepayments on Offered Bonds Mortgage Loans are received.

Set forth in the following table are the projected weighted average lives (in years) of PAC Bonds, based upon various rates of prepayment of the Offered Bonds Mortgage Loans expressed as percentages of the PSA standard prepayment model. The numbers set forth in the following table have not been independently verified or audited by a third party and the Corporation does not make any representation or warranty as to the accuracy of such information. The Corporation has made no projections as to the weighted average lives of PAC Bonds at rates of prepayment of the Offered Bonds Mortgage Loans exceeding [500 percent] of PSA. The table assumes, among other things, that ***[TO BE UPDATED/CONFORMED]*** [(i) all Offered Bonds Mortgage Loans will be acquired on or before [_____ __, ___], (ii) all Offered Bonds Mortgage Loans are prepaid at the percentage of PSA indicated on the table, (iii) all prepayments and scheduled principal repayments of Offered Bonds Mortgage Loans are timely received and the Corporation experiences no foreclosure losses thereon, (iv) there will be no optional redemption of Offered Bonds, (v) amounts available under the Indenture to be applied to the special redemption of Bonds will only be used to redeem Bonds of the related Series, (vi) amounts available under the Indenture to be applied to the special redemption of Offered Bonds other than PAC Bonds will be applied pro rata to such other Offered Bonds then Outstanding, and (vii) the remaining Bonds of a Series will not be redeemed as a consequence of the aggregate principal amount of such Bonds then Outstanding becoming equal to or less than 15% of the original aggregate principal amount of such Bonds.] Some or all of such assumptions are unlikely to reflect actual experience.

Prepayment Speed (expressed as a percentage of PSA)	**Projected Weighted Average Life (in years)**
0%	21.65
50	6.65
75	5.00
100	5.00
200	5.00
300	5.00
400	5.00
500	5.00

The PSA model does not purport to be a prediction of the anticipated rate of prepayment of the Offered Bonds Mortgage Loans, and there is no assurance that such principal prepayments will conform to any of the assumed prepayment rates. No representation is made as to the percentage of the principal balance of the Offered Bonds Mortgage Loans that will be paid as of any date or as to the overall rate of prepayment.

Redemption When Offered Bonds Outstanding are 15% or Less of Initial Principal Amount. The Offered Bonds are subject to redemption at 100% of the principal amount thereof, plus accrued interest, in whole on any date at the option of the Corporation, from any source of funds, if the aggregate principal

amount of then Outstanding Offered Bonds (reduced by any Offered Bonds otherwise to be redeemed on such date) is less than or equal to 15% of the aggregate initial principal amount of the Offered Bonds ($15,000,000).

Sinking Fund Redemption

The Offered Bonds maturing on December 1, 2031, December 1, 2036, December 1, 2041, June 1, 2046 and December 1, 2046 are subject to mandatory redemption in part from sinking fund payments at 100% of the principal amount thereof, plus accrued interest, on the respective dates and in the respective principal amounts set forth below:

Sinking Fund Payments

Date	Offered Bonds Maturing December 1, 2031	Offered Bonds Maturing December 1, 2036	Offered Bonds Maturing December 1, 2041	Offered Bonds Maturing June 1, 2046	Offered Bonds Maturing December 1, 2046
June 1, 2028	$ 985,000			$425,000	
December 1, 2028	1,000,000			435,000	
June 1, 2029	1,020,000			440,000	
December 1, 2029	1,035,000			450,000	
June 1, 2030	1,050,000			460,000	
December 1, 2030	1,070,000			465,000	
June 1, 2031	1,090,000			475,000	
December 1, 2031	1,110,000†			480,000	
June 1, 2032		$1,125,000		490,000	
December 1, 2032		1,145,000		500,000	
June 1, 2033		1,165,000		510,000	
December 1, 2033		1,185,000		520,000	
June 1, 2034		1,215,000		525,000	
December 1, 2034		1,235,000		535,000	
June 1, 2035		1,255,000		545,000	
December 1, 2035		1,280,000		555,000	
June 1, 2036		1,305,000		565,000	
December 1, 2036		1,325,000†		575,000	
June 1, 2037			$1,345,000	590,000	
December 1, 2037			1,370,000	600,000	
June 1, 2038			1,400,000	610,000	
December 1, 2038			1,425,000	620,000	
June 1, 2039			1,450,000	635,000	
December 1, 2039			1,475,000	645,000	
June 1, 2040			1,505,000	655,000	
December 1, 2040			1,530,000	670,000	
June 1, 2041			1,565,000	680,000	
December 1, 2041			1,590,000†	695,000	
June 1, 2042				705,000	$1,620,000
December 1, 2042				720,000	1,650,000
June 1, 2043				735,000	1,680,000
December 1, 2043				750,000	1,710,000
June 1, 2044				760,000	1,750,000
December 1, 2044				775,000	1,780,000
June 1, 2045				790,000	1,815,000
December 1, 2045				805,000	1,850,000
June 1, 2046				405,000†	930,000
December 1, 2046					770,000†

† Stated Maturity

Any redemption (other than a mandatory redemption from sinking fund payments) of Offered Bonds of a particular Series and maturity will be credited against future sinking fund payments for such Series and maturity (i) on a reasonably proportionate basis or (ii) on such other basis as shall be directed by the Corporation.

Optional Redemption

The Offered Bonds maturing on or after [_____ __, ___] are subject to redemption at the option of the Corporation at 100% of the principal amount thereof, plus accrued interest, at any time on or after [_____ __, ___], in whole or in part, from any source of funds.

Selection of Bonds for Redemption; Purchase in Lieu of Redemption

If the Offered Bonds are redeemed in part by special redemption or optional redemption, the Offered Bonds to be redeemed will be selected as shall be directed by the Corporation. If less than all the Offered Bonds of a particular maturity of a Series are to be redeemed, the particular Offered Bonds to be redeemed will be selected by the Trustee by lot, using such method of selection as it deems proper in its discretion, or on such other basis as shall be directed by the Corporation.

In lieu of redeeming Bonds, the Corporation may from time to time, prior to notice of redemption, purchase Bonds from moneys held for redemption of Bonds, provided that such purchase may not be at a price in excess of the principal amount thereof, plus accrued interest, except as otherwise provided in the Indenture.

Notice of Redemption

Notice of the redemption, identifying the Offered Bonds or portion thereof to be redeemed, will be given by the Trustee by mailing a copy of the redemption notice by first class mail (postage prepaid) not more than 60 days and not less than 30 days prior to the redemption date to the registered owner of each Offered Bond to be redeemed in whole or in part at the address shown on the registration books maintained by the Trustee. Neither failure to receive any redemption notice nor any defect in such redemption notice so given shall affect the sufficiency of the proceedings for redemption.

Book Entry Only

General

The Offered Bonds will be issued as fully-registered bonds in the name of Cede & Co., as nominee of DTC, as registered owner of the Offered Bonds. Purchasers of such Bonds will not receive physical delivery of bond certificates. For purposes of this Official Statement, so long as all of the Offered Bonds are immobilized in the custody of DTC, references to holders or owners of Offered Bonds (except under "Tax Matters") mean DTC or its nominee.

The information in this section concerning DTC and the DTC book-entry system has been obtained from DTC, and neither the Corporation nor the Underwriters take responsibility for the accuracy or completeness thereof.

DTC will act as securities depository for the Offered Bonds. The Offered Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Offered

Bond certificate will be issued for each maturity of each Series (or Subseries, as applicable) thereof in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Offered Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Offered Bonds on DTC's records. The ownership interest of each actual purchaser of each Offered Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Offered Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Offered Bonds, except in the event that use of the book-entry system for the Offered Bonds is discontinued.

To facilitate subsequent transfers, all Offered Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Offered Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Offered Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Offered Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Offered Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Offered Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Indenture. For

example, Beneficial Owners of Offered Bonds may wish to ascertain that the nominee holding the Offered Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of a maturity of a Series (or Subseries, as applicable) of the Offered Bonds is being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Offered Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Corporation as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Offered Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal and purchase price of and interest on the Offered Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Corporation or the Trustee, on a payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Corporation, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee or the Corporation, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants. NEITHER THE CORPORATION NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS, TO THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE OFFERED BONDS, OR TO ANY BENEFICIAL OWNER IN RESPECT OF THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT OR INDIRECT PARTICIPANT, THE PAYMENT BY DTC OR ANY DIRECT OR INDIRECT PARTICIPANT OF ANY AMOUNT IN RESPECT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE OFFERED BONDS, ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS UNDER THE INDENTURE, THE SELECTION BY DTC OR ANY DIRECT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE OFFERED BONDS OR ANY OTHER ACTION TAKEN BY DTC AS REGISTERED BONDHOLDER.

DTC may discontinue providing its services as depository with respect to the Offered Bonds at any time by giving reasonable notice to the Corporation or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Offered Bond certificates are required to be printed and delivered as described in the Indenture.

The Corporation may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Offered Bond certificates will be required to be printed and delivered as described in the Indenture.

If bond certificates are issued, the principal and interest due upon maturity or redemption of any of the Offered Bonds will be payable at the office of the Trustee, as paying agent, upon presentation and

surrender of such Offered Bonds by the registered owner thereof on or after the date of maturity or redemption, as the case may be. Payment of the interest on each Offered Bond (prior to the maturity or earlier redemption thereof) will be made by the Trustee to the registered owner of such Offered Bond by check mailed by first class mail on the interest payment date to such registered owner as of the 20th day of the preceding month at the address appearing on the registration books relating to the Offered Bonds.

If bond certificates are issued, the Offered Bonds may be transferred and exchanged by the registered owner thereof or the registered owner's attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or the registered owner's duly authorized attorney at the office of the Trustee in Seattle, Washington. For every such exchange or transfer the Corporation or the Trustee may charge the transferee to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange. The Trustee is not obligated to make any such transfer or exchange during the 10 days next preceding the selection of any Offered Bond for redemption, nor of any Offered Bond so selected for redemption. If any Offered Bond is mutilated, lost, stolen or destroyed, the Trustee may execute and deliver a new Offered Bond or Offered Bonds of the same series, maturity, interest rate and principal amount as the Offered Bond or Offered Bonds so mutilated, lost, stolen or destroyed, provided that such Offered Bond is surrendered to the Trustee, or evidence of loss, destruction or theft, together with satisfactory indemnity, is provided to the Trustee. The fees and expenses of the Corporation and the Trustee in connection with such replacement shall be paid by the owner.

ASSUMPTIONS REGARDING REVENUES, DEBT SERVICE REQUIREMENTS AND PROGRAM EXPENSES*

[TO BE UPDATED/CONFORMED]

The Corporation expects that the scheduled payments, together with prepayments received, if any, of principal of and interest on all Acquired Obligations and other amounts held under the Indenture (except the Rebate Fund) and the earnings thereon will be sufficient to pay, when due, the debt service on the Bonds and the Program Expenses in connection with the Program.

In establishing the dates and amounts of the Sinking Fund Payments and maturities of the Offered Bonds, the following assumptions, among others, were made by the Corporation:

1. No Additional Bonds will be issued.

2. The proceeds of the Offered Bonds will be used to acquire approximately $[_____] principal amount of Mortgage Loans by [_____ __, ___], with terms of [30] years from origination and a weighted average mortgage loan coupon rate of approximately [_____]% per annum.

3. Upon the issuance of the Offered Bonds, the Corporation from its unrestricted general funds will pay costs of issuance with respect to such Bonds as reflected under "Application of Funds."

4. Scheduled principal of and interest on Mortgage Loans will be paid on the first day of the month following the scheduled payment date therefor, and Acquired Obligations will not be prepaid or otherwise terminated prior to maturity (*except* that the Collateral Mortgage Loans were not considered in establishing the dates and amounts of the Sinking Fund Payments and maturities of the Offered Bonds).

* Preliminary, subject to change.

5. Losses on defaulted Mortgage Loans will not exceed any applicable insurance coverage or guarantees and recoveries upon disposition, including foreclosures or sales in lieu of foreclosures.

6. Amounts in all Funds and Accounts under the Indenture will be invested at an annual rate of [0]%.

7. The Servicers will be paid a monthly servicing fee of one-twelfth of ⅜% of the then outstanding aggregate principal balance of the Mortgage Loans; and other semiannual Program Expenses of the Corporation and the Trustee under the Program will be equal to .055% of the principal amount of then outstanding Acquired Obligations in the Mortgage Loan Fund.

The Corporation believes it is reasonable to make such assumptions, but no representation is made that the assumptions reflect any particular set of historical circumstances, no assurance can be given that actual receipt of amounts under the Indenture will be sufficient to pay debt service on the Bonds (including the Offered Bonds) when due and Program Expenses of the Corporation and the Trustee under the Program, and to the extent that actual experience differs from any of the assumptions, availability of such amounts may be significantly affected. The Corporation has a history of actively recycling Mortgage Loan prepayments and excess revenues into new qualifying mortgage loans when economically appropriate and also when economically appropriate of using such amounts to redeem bonds and refund such redeemed bonds and thereafter make new qualifying mortgage loans, and presently intends to continue to do both. The rate of principal payments is likely to vary considerably over time. Generally, a borrower may prepay an Mortgage Loan at any time without penalty. Because so many factors affect the rate of prepayment of a pool of mortgage loans, the Corporation cannot estimate or predict the rate of principal payments on the Mortgage Loans.

ACQUIRED OBLIGATIONS

Transferred Mortgage Loans

As of [_____ __, ___], there were Transferred Mortgage Loans with an outstanding aggregate principal balance of $[_____], bearing interest at a weighted average yield to the Indenture of approximately [____]% per annum, with a weighted average mortgage loan coupon rate of approximately [____]% per annum and a weighted average remaining term of [____] months.

The following table sets forth certain information as of [_____ ___, ___] regarding the type of primary mortgage insurance coverage originally applicable to the Transferred Mortgage Loans. No representation is made as to the current status of primary mortgage insurance coverage or the current loan-to-value ratios of the Transferred Mortgage Loans. No representation is made as to the amount of private mortgage insurance coverage provided by carriers whose claims-paying ability is rated investment grade or better by Moody's, S&P or Fitch.

Type	Outstanding Principal Balance	Percentage of Total Transferred Mortgage Loans by Outstanding Principal Balance
Uninsured†		
FHA Insured		
Private Mortgage Insurance		
HUD 184 Guaranteed		
VA Guaranteed		
RD Guaranteed		
TOTAL		

† Uninsured Mortgage Loans represent loans in which the original loan-to-value ratio was not in excess of 80% and insurance coverage was therefore not required.

The following table sets forth certain information as of [_____ __, ___] regarding the type of dwellings securing Transferred Mortgage Loans.

Type	Outstanding Principal Balance	Percentage of Total Transferred Mortgage Loans by Outstanding Principal Balance
1-Unit Detached Dwellings		
2-4 Unit Dwellings		
Condominiums		
Other Multiple-Unit Dwellings		
TOTAL		

The following table sets forth certain information as of [_____ __, ___] regarding the location of the mortgaged property securing Transferred Mortgage Loans.

Property Location	Outstanding Principal Balance	Percentage of Total Transferred Mortgage Loans by Outstanding Principal Balance
Anchorage		
Other		
Fairbanks		
Ketchikan		
Wasilla		
Eagle River		
Juneau		
Kodiak		
Soldotna		
Palmer		
North Pole		
Kenai		
Chugiak		
TOTAL		

Collateral Mortgage Loans

As of [_____ __, ___], there were Collateral Mortgage Loans under the Indenture financed pursuant to the Corporation's Loans to Sponsor program with an aggregate principal balance of $[_____], bearing interest at a rate of [__]% per annum.

As of [_____ __, ____], there were Collateral Mortgage Loans under the Indenture financed pursuant to the Corporation's Soft Seconds program with an aggregate principal balance of $[_____], bearing interest at a rate of [___]% per annum, that require principal payments only to the extent of available cash flow from the related housing project.

Prior Series Mortgage Loans

As of [_____ __, ___], there were Prior Series Mortgage Loans with an outstanding aggregate principal balance of $[_____], bearing interest at a weighted average yield to the Indenture of approximately [____]% per annum, with a weighted average mortgage loan coupon rate of approximately [____]% per annum and a weighted average remaining term of [____] months.

The following table sets forth certain information as of [_____ ___, ___] regarding the type of primary mortgage insurance coverage originally applicable to the Prior Series Mortgage Loans. No representation is made as to the current status of primary mortgage insurance coverage or the current loan-to-value ratios of the Prior Series Mortgage Loans. No representation is made as to the amount of private mortgage insurance coverage provided by carriers whose claims-paying ability is rated investment grade or better by Moody's, S&P or Fitch.

Type	Outstanding Principal Balance	Percentage of Total Transferred Mortgage Loans by Outstanding Principal Balance
Uninsured†		
FHA Insured		
Private Mortgage Insurance		
HUD 184 Guaranteed		
VA Guaranteed		
RD Guaranteed		
TOTAL		

† Uninsured Mortgage Loans represent loans in which the original loan-to-value ratio was not in excess of 80% and insurance coverage was therefore not required.

The following table sets forth certain information as of [_____ __, ___] regarding the type of dwellings securing Prior Series Mortgage Loans.

Type	Outstanding Principal Balance	Percentage of Total Transferred Mortgage Loans by Outstanding Principal Balance
1-Unit Detached Dwellings		
2-4 Unit Dwellings		
Condominiums		
Other Multiple-Unit Dwellings		
TOTAL		

The following table sets forth certain information as of [_____ __, ___] regarding the location of the mortgaged property securing Prior Series Mortgage Loans.

Property Location	Outstanding Principal Balance	Percentage of Total Transferred Mortgage Loans by Outstanding Principal Balance
Anchorage		
Other		
Fairbanks		
Ketchikan		
Wasilla		
Eagle River		
Juneau		
Kodiak		
Soldotna		
Palmer		
North Pole		
Kenai		
Chugiak		
TOTAL		

Mortgage Loan Underwriting

[CORPORATION & BOND COUNSEL TO REVIEW/UPDATE]

The following description provides certain information concerning the Corporation's current underwriting requirements for single-family Mortgage Loans (including the Offered Bonds Mortgage Loans), including requirements with respect to loan-to-value ratios, loan amounts and primary mortgage insurance. No representation is made as to whether or not the Transferred Mortgage Loans or the Prior Series Mortgage Loans conformed to such current requirements. The Collateral Mortgage Loans did not conform to such requirements. The Corporation's current underwriting requirements for single-family Mortgage Loans may be revised at any time. See "Sources of Payment and Security for the Bonds — Mortgage Loans."

Eligibility

Each Mortgage Loan must be secured by a single-family residence, duplex, triplex, or fourplex. Assuming satisfaction of the requirements described below under " — Income Limits" and "— Purchase Price Requirements," eligibility is without regard to location of the dwelling within the State. The dwelling to be purchased with proceeds of a Mortgage Loan must be designed for residential use and intended for use and used as the principal residence of the borrower. A new first-lien Mortgage Loan may not be financed with respect to a dwelling securing an outstanding first-lien Mortgage Loan unless the new Mortgage Loan will retire the outstanding Mortgage Loan.

General Terms

Each Mortgage Loan must:

(1) be serviced by a servicer approved by the Corporation (see "Acquired Obligations — Mortgage Servicing" below);

(2) be secured by a first or second lien on real estate in fee simple or on a leasehold estate and (A) if a first lien, be subject only to permitted encumbrances, or (B) if a second lien, be subject only to permitted encumbrances including a first-lien mortgage;

(3) if the Mortgage Loan is secured by a first lien and if the loan-to-value ratio of the property exceeds 80%, be the subject of private mortgage insurance, federal insurance, federal guarantee, or insurance from the Corporation's housing insurance fund, with benefits in each case payable to the Corporation;

(4) if the Mortgage Loan is secured by a second lien and if the loan-to-value ratio of the property determined by combining the first-lien Mortgage Loan and the second-lien Mortgage Loan exceeds 80%, be the subject of private mortgage insurance, federal insurance, federal guarantee, or insurance from the Corporation's housing insurance fund, with benefits in each case payable to the Corporation;

(5) be for the purchase or refinancing of completed, owner-occupied residential housing, the improvement or rehabilitation of owner-occupied residential housing, or the purchase or refinancing of owner-occupied residential housing together with improvement or rehabilitation of the housing, which in any case is eligible for purchase by the Corporation under the terms otherwise described in this section; and

(6) be insured by a mortgagee's policy of title insurance issued by a title insurance company qualified to do business in the area in which the residence is located and acceptable to the Corporation, insuring the enforceable mortgage, subject only to permitted encumbrances or in the case of a second-lien mortgage, subject only to permitted encumbrances and the first-lien mortgage.

The Corporation computes the maximum amount of a second-lien Mortgage Loan so that the outstanding amount of the first-lien Mortgage Loan plus the maximum amount of the second-lien Mortgage Loan does not exceed the applicable loan-to-value ratio. All loan-to-value ratios and maximum loan amounts will be reduced if and to the extent any applicable GNMA, FNMA, FHLMC, VA, FHA, or RD loan-to-value ratio or maximum loan limits are reduced for Alaska.

Loan-to-Value Ratios and Loan Amounts

The Corporation requires that the loan-to-value ratio and the loan amounts for each Mortgage Loan be as follows:

(1) Other than as provided in paragraphs (3), (4), (5), and (6) below, the loan-to-value ratio of a Mortgage Loan for the purchase of a single family residence may not exceed 95%, the loan-to-value ratio of a Mortgage Loan for the purchase of a duplex residence may not exceed 90%, and the loan-to-value ratio of a Mortgage Loan for the purchase of a triplex or fourplex residence may not exceed 80%;

(2) The loan amount on a Mortgage Loan for a residence may not exceed the applicable FNMA or FHLMC maximum loan amount for the same type of property by more than 10%;

(3) The amount of the guarantee plus the down payment on a mortgage loan guaranteed by the VA must equal 25% of the value of the residence based on the lesser of sales price or appraisal, and the VA guarantee must equal the maximum guarantee possible under the VA program;

(4) The maximum loan amounts, minimum down payments, and loan-to-value ratios of Mortgage Loans insured by FHA will be as required by FHA;

(5) The maximum loan amounts, minimum down payments, and loan-to-value ratios of Mortgage Loans guaranteed by RD will be as required by RD;

(6) The loan-to-value ratio of a Mortgage Loan made to an education professional or a health care professional for owner-occupied, single family housing, may not exceed 100%; and

(7) The loan-to-value ratio of a refinancing loan may not exceed the limits established by FNMA, FHLMC, FHA, VA, or RD for similar refinance loans.

Income Limits

The Corporation requires that, for each Mortgage Loan, the mortgagor's family income must be in accordance with Section 143(f) of the Code.

Purchase Price Requirements

The acquisition cost of each residence may not exceed the specified percentage of the average area purchase price of the statistical area in which the residence being finance is located, as determined by the Corporation in accordance with Section 143 of the Code.

Loan Terms

Mortgage Loans may have either a 15-year term or a 30-year term. Approximately 95% of Mortgage Loans are originated with a 30-year term.

Lender Qualification

The Corporation acquires the Mortgage Loans from its approved lenders (the "Lenders"). There are currently [13] Lenders approved by the Corporation. All of the Lenders must have an office in Alaska. The Corporation requires each Lender to provide audited financial statements and proof of insurance to the Corporation on an annual basis. Lenders must maintain policies of worker's compensation insurance (minimum coverage of $100,000 per person per occurrence) and general liability insurance (minimum coverage of $1,000,000 per occurrence), and a fidelity bond and errors and omissions insurance (coverage based on origination volume; minimum of $300,000). The Corporation also performs annual audits of at least 10% of the loans purchased from each Lender during each year to assure compliance with AHFC underwriting standards and program requirements.

Underwriting Process

Mortgage Loans undergo one of three underwriting processes: Full Underwriting process, Program Compliance process, or Delegated process. Approximately 1%, 54%, and 45% of the Mortgage Loans undergo the Full Underwriting process, the Program Compliance process, and the Delegated process, respectively.

Under the Full Underwriting process, the Corporation performs a full underwriting of the Mortgage Loan. The Corporation uses this process only for loans originated by regional housing authorities in the State and for the smallest lenders.

Under the Program Compliance process, the Lender determines the applicant's creditworthiness and adequacy of the subject property for collateral. The Corporation reviews each loan undergoing the Program Compliance process, but only to determine eligibility based on any applicable income limitations, acquisition cost limitations, or other relevant tax-compliance criteria. Newly-approved Lenders generally originate Mortgage Loans under the Program Compliance process. The Corporation audits all Mortgage Loans originated by each newly-approved Lender for a period of generally six to 12 months (depending on origination volume) under the Program Compliance process as a prerequisite to advancing to Delegated underwriting.

The Corporation permits its most experienced Lenders to underwrite Mortgage Loans using the Delegated process. Under the Delegated process, the Lender underwrites the complete loan, which includes eligibility based on income, creditworthiness, adequacy of the subject property as collateral, and program compliance.

Mortgage Servicing

Prior to purchasing any Mortgage Loan, the Corporation requires the originating institution (which generally thereafter acts as the servicer (the "Servicer")) to furnish to the Corporation the original mortgage note and a copy of the title insurance policy in an amount equal to the unpaid principal due on the Mortgage Loan. The Corporation also requires generally that all taxes, assessments and water and sewage charges have been duly paid and that a hazard insurance policy exist in an amount equal to the unpaid principal due on the mortgage. The Servicer services the mortgage loan for a fee, which is a monthly charge at an annual rate of generally not less than ⅜ of 1% on the unpaid principal due on such mortgage loan. The Corporation has adopted standards for qualifying eligible servicing institutions and underwriting and servicing guidelines with respect to the recording of and collection of principal and interest on the Mortgage Loans and the rendering to the Corporation of an accounting of funds collected. The servicing of a Mortgage Loan includes the responsibility for foreclosure, but not the bearing of any expenses thereof. The Servicer is expected to utilize collection and foreclosure prevention techniques during the various stages of delinquency to meet the goal of bringing delinquent Mortgage Loans current in the shortest time possible. The Servicers' collection policies and procedures address loss mitigation methods which include, but are not limited to, working with distressed borrowers on a temporary forbearance of less than or equal to a full payment and/or repayment of the delinquency. The Corporation requires its Servicers to have a collection program to address early payment defaults and to encourage listing the property for sale to avoid foreclosure. Foreclosures are undertaken when it has been determined the borrowers are unable to maintain their mortgage payments. See "Acquired Obligations — Primary Mortgage Insurance." The Servicer is required to pay, from the mortgage payments, taxes, assessments, levies and charges, and premiums for hazard insurance and mortgage insurance, as they may become due.

All collected principal and interest payments on the Mortgage Loans are required to be deposited by the Servicer in a depository bank to be held in escrow for the Trustee. Such funds (net of applicable servicing fees) are remitted to the depository by the Servicer on the day following receipt when total collections of such Servicer equal or exceed $2,500. Such funds are held in a custodial account and invested for the benefit of the Trustee pending their transfer once a month to the Trustee. Additional monthly payments on the Mortgage Loans, representing payments for such items as property taxes and mortgage insurance, are retained by the Servicer and applied as necessary.

The Corporation maintains detailed Mortgage Loan collection information on its internal data processing system. The Corporation's system generates the collection reports and consolidates actual collections by individual bond series.

The Corporation reviews individual Servicer reports to ascertain the extent of mortgagor payment delinquencies and Servicer processing delays in order to determine the appropriate corrective action, if any, to be taken by the Corporation or the Servicer. Under the Corporation's monitoring system, a Servicer is subject to enhanced review when its monthly reports for two consecutive months show delinquency rates more than 1.50 times the average delinquency rates experienced by the Servicer group as a whole.

Pledge of Mortgage Loans

The assignment to the Corporation of each deed of trust relating to a Mortgage Loan deposited in the Mortgage Loan Fund is required to be recorded with the appropriate real property recording office for the jurisdiction in which the mortgaged property is located. The Indenture pledges, to the Trustee and the owners of the Bonds, the Mortgage Loans, the related deeds of trust, the Pledged Receipts and any and all assets held in any Fund or Account (except the Rebate Fund) under the Indenture. Section 18.56.120 of the Act provides that such a pledge is valid and binding from the time the pledge is made and, further, that any assets or revenues so pledged are immediately subject to the lien of the pledge without physical delivery or any further act and without regard to whether any third-party has notice of the lien of the pledge. Physical custody of each mortgage note is retained by the Corporation and the related deed of trust is retained by the originating lending institution. Notwithstanding the fact that the Trustee does not have physical possession of those instruments, and while Bond Counsel is unaware of any controlling judicial precedent, it is the opinion of Bond Counsel that the effect of (i) recording the assignment in the form described, (ii) execution and delivery of the Indenture and (iii) the statutory provisions referred to above afford the Trustee (on behalf of owners of the Bonds) a fully perfected security interest in the Mortgage Loans which have been so assigned.

Primary Mortgage Insurance

The following description of certain types of primary mortgage insurance and guarantees (relating to individual Mortgage Loans), and of the Corporation's requirements with respect to such insurance or guarantees for single-family Mortgage Loans, is only a brief outline of current provisions thereof and does not purport to summarize or describe all such current provisions. Although certain of the Transferred Mortgage Loans may originally have been insured by FHA, guaranteed by VA, HUD or RD or insured under a private mortgage insurance policy, no representation is made as to whether or not such insurance or guarantees or the original loan to value ratios with respect to Transferred Mortgage Loans conformed to the following description. The Corporation makes no representations about the financial condition of any of the private mortgage insurance companies or their ability to make full and timely payment to us of claims on the Mortgage Loans on which they may experience losses.

Any Mortgage Loan with an original principal amount exceeding 80% of the value of the mortgaged property is required to be (i) insured by the FHA, (ii) guaranteed by the VA, HUD or RD, or (iii) insured under a private mortgage insurance policy in an amount (a) equal to 35% of the Mortgage Loan if the original loan-to-value ratio is between 95.01% and 100.00%, (b) equal to 30% of the Mortgage Loan if the original loan-to-value ratio is between 90.01% and 95.00%, (c) equal to 25% of the Mortgage Loan if the original loan-to-value ratio is between 85.01% and 90.00% or (d) equal to 12% of the Mortgage Loan if the original loan-to-value ratio is between 80.01% and 85.00%. The only Mortgage Loans which the Corporation purchases at a loan-to-value ratio exceeding 95% are Federally insured or guaranteed Mortgage Loans or mortgage loans made to teachers or health care professionals. FHA

insurance coverage and the HUD guarantee equal 100% of the outstanding principal balance of all FHA-insured or HUD-guaranteed Mortgage Loans. The maximum guarantee that may be issued by the VA is based on the size of the Mortgage Loan, as follows: (1) for a Mortgage Loan of not more than $45,000, 50% of the original principal amount of the Mortgage Loan; (2) for a Mortgage Loan greater than $45,000 but not more than $56,250, $22,500; (3) for a Mortgage Loan greater than $56,250 but not more than $144,000, the lesser of $36,000 or 40% of the original principal amount of the Mortgage Loan; and (4) for a Mortgage Loan in excess of $144,000, the lesser of the applicable "maximum guaranty amount" or 25% of the original principal amount of the Mortgage Loan. Such "maximum guaranty amount" currently is 25% of the Freddie Mac conforming loan limit (such limit is currently [$625,500] in Alaska). For all VA-guaranteed Mortgage Loans, the VA guarantee plus the down payment must be at least 25% of the original Mortgage Loan amount. The RD guarantee covers the lesser of (a) any loss up to 90% of the original principal amount of the Mortgage Loan or (b) any loss in full up to 35% of the original principal amount of the Mortgage Loan plus 85% of the remaining 65% of the principal amount actually advanced to the mortgagor on any additional loss. The FHA insurance or VA, HUD or RD guarantee must be maintained for the entire period during which the Corporation owns an interest in the Mortgage Loan. A private mortgage insurance policy is required to be maintained in force and effect (a) for the period during which the Corporation owns an interest in the Mortgage Loan or (b) until the outstanding principal amount of the Mortgage Loan is reduced to 80% of the lesser of the original appraised value of the mortgaged property or the original sale price of the mortgaged property. The cost of any such insurance or guarantee will be paid by the mortgagor.

In general, FHA, VA, HUD and RD regulations and private mortgage insurance contracts provide for the payment of insurance benefits to a mortgage lender upon the failure of a mortgagor to make any payment or to perform any obligation under the insured or guaranteed mortgage loan and the continuance of such failure for a stated period. In order to receive payment of insurance benefits, a mortgage lender, such as the Corporation, normally must acquire title to the property, either through foreclosure or conveyance in lieu of foreclosure, and convey such title to the insurer or guarantor. In general, primary mortgage insurance benefits, as limited by the amount of coverage indicated above, are based upon the unpaid principal amount of the mortgage loan at the date of institution of foreclosure proceedings or the acquisition of the property after default, as the case may be, adjusted to reflect certain payments paid or received by the mortgage lender. Where property to be conveyed to an insurer has been damaged, it is generally required, as a condition to payment of an insurance claim, that such property be restored to its original condition (reasonable wear and tear excepted) by the mortgage lender prior to such conveyance. FHA, HUD, VA and RD servicing rules require servicers to perform loss mitigation techniques to resolve delinquencies. The Servicers' collection policies and procedures address loss mitigation methods which include, but are not limited to, working with distressed borrowers on a temporary forbearance of less than or equal to a full payment and/or repayment of the delinquency. Foreclosures are undertaken when it has been determined the borrowers are unable to maintain their mortgage payments. For those particular borrowers who can no longer afford their mortgage payments, Servicers work with the insurer or guarantor for evaluation and completion of a short sale with the insurer or guarantor participating in the loss.

Standard Hazard Insurance Policies

The following is a brief description of standard hazard insurance policies and reference must be made to the actual underlying policies for a complete and accurate description.

Each mortgagor is required to maintain for the mortgaged property a standard hazard insurance policy in an amount which is not less than (i) the maximum insurable value of the mortgaged property or (ii) the unpaid principal amount of the Mortgage Loan, whichever is less. The insurance policy is

required to be written by an insurance company qualified to do business in the State. The mortgagor pays the cost of the standard hazard insurance policy.

In general, a standard insurance policy form of fire with extended coverage policy insures against physical damage to or destruction of the improvements on the property by fire, lightning, explosion, smoke, windstorm, hail, riot, strike, and civil commotion, subject to the conditions and exclusions particularized in each policy. Policies typically exclude physical damage resulting from the following: war, revolution, governmental action, floods and other water-related causes, earth movement (including earthquakes, landslides and mud-slides), nuclear reactions, wet or dry rot, vermin, rodents, insects or domestic animals, theft, and, in certain cases, vandalism.

Alaska Foreclosure Law

The real estate security instrument customarily used in the State is the deed of trust. The parties to the deed of trust are the trustor (debtor), trustee and beneficiary (lender). Trustees are commonly title insurance companies. Both summary and judicial foreclosure proceedings are permitted. The deed of trust does not effect a conveyance of legal title, which remains in the trustor. The beneficiary acquires a security interest (lien) which may be enforced in accordance with the terms of the deed of trust and State statutes. Failure of the trustor to perform any of the covenants of the deed of trust generally constitutes an event of default entitling the beneficiary to declare a default and exercise its right of foreclosure.

Summary foreclosure may be used if provided for in the deed of trust. All deeds of trust securing Mortgage Loans transferred to a Series Account of the Mortgage Loan Fund contain provisions which permit summary foreclosure. Following a default by the trustor, upon request of the beneficiary and not less than 90 days before the sale, the trustee must record a notice of default in the recording district in which the property is located. Within 10 days of the recording the notice of default, the trustee must mail a copy of the notice of default to the trustor, any successors in interest to the trustor, anyone in possession or occupying the property, and anyone who has an interest subsequent to the interest of the trustee in the deed of trust. If the default may be cured by the payment of money, the trustor may cure the default at any time prior to sale by payment of the sum in default without acceleration of the principal which would not then be due in the absence of default, plus actual costs and attorney's fees due to the default. If default has been cured under the same deed of trust after notice of default two or more times, the trustee may elect to refuse payment and continue the foreclosure proceeding to sale. Notice of the sale must be posted in three public places within five miles of where the sale is to be held, not less than thirty days before the day of sale and by publishing a copy of the notice four times, once a week for four successive weeks, in a newspaper of general circulation published nearest the place of sale. The sale must also be published for at least 45 days preceding the sale on an eligible internet site. The sale must be made at public auction at a courthouse of the superior court in the judicial district where the property is located, unless the deed of trust provides for a different place. After the sale, an affidavit of mailing the notice of default, an affidavit of publication of the notice and an affidavit of internet publication must be recorded in the recording district where the property is located. The foreclosure sale and conveyance transfers all the title and interest which the trustor had in the property sold at the time of the execution of the deed of trust plus all interest the trustor may have acquired before the sale and extinguishes all junior liens. There is no right of redemption unless otherwise provided by the deed of trust. A deficiency judgment is prohibited where summary foreclosure is utilized.

Judicial foreclosure is also permitted. A deficiency judgment is allowed where judicial foreclosure is utilized, but judicial foreclosure is much more time-consuming than summary foreclosure. The judgment debtor under a judicial foreclosure proceeding has the right to redeem the property within 12 months from the order of confirmation of the sale. If the judgment debtor redeems the property, title to the property reverts to the debtor. Otherwise, within 60 days after the order confirming the sale, any

subsequent lien creditor can redeem the property. There can be as many redemptions as there are subsequent lien creditors. Upon expiration of the redemption period, the purchaser or redeemer is entitled to a Clerk's Deed to the property.

THE CORPORATION

Certain Definitions

"Authority" means the Alaska State Housing Authority.

"Board" means the Board of Directors of the Corporation.

"Department" means the former Department of Community and Regional Affairs.

"Dividend Plan" means the dividend plan adopted by the Board in 1991 to transfer one-half of the lesser of its unrestricted net income or total net income to the State.

"Division" means The Public Housing Division of the Corporation.

"HUD" means the U.S. Department of Housing and Urban Development.

"Self-Liquidity Bonds" means, collectively, the Corporation's $33,000,000 Governmental Purpose Bonds (University of Alaska), 1997 Series A; the Corporation's $170,170,000 Governmental Purpose Bonds, 2001 Series A and B; and the Corporation's $60,250,000 State Capital Project Bonds, 2002 Series C.

General

The Corporation was established in 1971 as a non-stock, public corporation and government instrumentality of the State. The Corporation currently functions as a major source of residential mortgage loan financing and capital project financing in the State. The Corporation's programs were originally established to take advantage of tax-exempt financing permitted under Federal income tax law. Mortgages which meet applicable Federal income tax requirements are financed by selling tax-exempt bonds. All other mortgages generally are financed through the issuance of taxable bonds or from internal funds. Since 1972, the Corporation has acquired mortgage loans by appropriation from the State and by purchase from independent originating lending institutions operating throughout the State. On July 1, 1992, the Corporation succeeded to the public housing functions of the Authority and the rural housing and residential energy functions of the Department pursuant to legislation enacted in the State's 1992 legislative session. As a result, the rights and obligations created by bonds and notes that were previously issued by the Authority became rights and obligations of the Corporation.

The Corporation prepares and publishes on its website a monthly Mortgage and Bond Disclosure Report containing detailed information concerning characteristics of the Corporation's mortgage loan portfolios and outstanding bond issues, including bond redemptions and mortgage prepayments. The Corporation presently intends to continue to provide such information, but is not legally obligated to do so. Certain financial and statistical information relating to the Corporation and its programs under the subheadings "Activities of the Corporation," "Financial Results of Operations" and "Legislative Activity/Transfers to the State—Dividend to the State of Alaska" below was obtained from the May 2016 Mortgage and Bond Disclosure Report of the Corporation and the audited financial statements of the Corporation as of and for the year ended June 30, 2015. Copies of such financial statements and disclosure report may be obtained upon request from the Corporation. The Corporation's main office is

located at 4300 Boniface Parkway, Anchorage, Alaska 99504, and its telephone number is (907) 338-6100. Electronic versions of the financial statements and disclosure reports are available at the Corporation's website.

Board of Directors, Staff and Organization

The Corporation is required by law to comply (except for the procurement provisions of the Alaska Executive Budget Act), and does comply, with the State budget process. The Corporation administratively operates within the State Department of Revenue. The Board of Directors of the Corporation is comprised of the Commissioner of Revenue, the Commissioner of Commerce, Community and Economic Development and the Commissioner of Health and Social Services, as well as four members from the following sectors of the general public appointed by the Governor to serve two-year terms: one member with expertise or experience in finance or real estate; one member who is a rural resident of the State or who has expertise or experience with a regional housing authority; one member who has expertise or experience in residential energy efficient home-building or weatherization; and one member who has expertise or experience in the provision of senior or low-income housing. The powers of the Corporation are vested in and exercised by a majority of its Board of Directors then in office, who may delegate such powers and duties as appropriate and permitted under the Act. The Corporation's current members of its Board of Directors are as follows:

Name	Location
Mr. Brent Levalley Chair	Retired Fairbanks, Alaska
Mr. Haven Harris	Director Aleutian Pribilof Island Community Development Association Anchorage, Alaska
Ms. Carol Gore	President/CEO Cook Inlet Housing Authority Anchorage, Alaska
Mr. Alan Wilson	President Alaska Renovators, Inc. Juneau, Alaska
Mr. Randall Hoffbeck Commissioner, Alaska Department of Revenue	**Mr. Jerry Burnett** (designee) Deputy Commissioner, Alaska Department of Revenue Juneau, Alaska
Ms. Valerie Davidson Commissioner, Alaska Department of Health and Social Services	**Mr. Randall Burns** (designee) Director of the Division of Behavioral Health, Alaska Department of Health and Social Services Juneau, Alaska
Mr. Chris Hladick	Commissioner, Alaska Department of Commerce, Community, and Economic Development Juneau, Alaska

The following sub-committees of the Board of Directors have been established: Audit Committee, Investment Advisory Committee, Housing Budget and Policy Committee, and the Personnel Committee.

The Corporation's staff consists of employees organized into the following departments: Accounting, Administrative Services, Audit, Budget, Construction, Finance, Governmental Relations and Public Affairs, Human Resources, Information Services, Mortgage, Planning, Public Housing, Research and Rural Development, Risk Management and Sourcing and Contract Compliance. Principal financial officers of the Corporation are as follows:

Bryan D. Butcher - Chief Executive Officer/Executive Director. Mr. Butcher rejoined the Corporation on August 7, 2013. Prior to his appointment as Chief Executive Officer/Executive Director, Mr. Butcher served as Commissioner of the Alaska Department of Revenue from January 2011 to August 2013, as the Corporation's director of governmental relations and public affairs from 2003 to 2011, and as a senior aide to the House and Senate Finance Committees of the Alaska Legislature for 12 years. Mr. Butcher holds a Bachelor of Science degree from the University of Oregon.

Mark Romick - Acting Deputy Executive Director. Mr. Romick has been with the Corporation since July 1992 and previously served as the Director of Planning and Program Development. He previously worked for the Alaska State Housing Authority and the Alaska Housing Market Council. Mr. Romick holds a Master's degree in Economics from the University of Alaska.

Michael L. Strand - Chief Financial Officer/Finance Director. Mr. Strand joined the Corporation in 2001, and previously served as Senior Finance Officer, Finance Officer and Financial Analyst II. Prior to joining the Corporation, he served as a budget analyst for Anchorage Municipal Light and Power and as a financial analyst for VECO Alaska. Mr. Strand is a graduate of the University of Alaska, Anchorage, with Bachelor of Business Administration degrees in finance and economics.

Peter E. Haines - Senior Finance Officer. Mr. Haines has been with the Corporation since 1990, and previously served as Finance Officer, Financial Analyst II and Financial Analyst I. Mr. Haines is a certified public accountant, certified cash manager, and a graduate of Brigham Young University with a Bachelor of Science degree.

Gerard Deta - Senior Finance Officer. Mr. Deta has been with the Corporation since 2001, and previously served as Finance Officer and Financial Analyst II. Prior to joining the Corporation, he served as an auditor with Deloitte & Touche LLP. Mr. Deta is a graduate of Southern Utah University with Bachelor of Science degrees in finance and accounting.

Activities of the Corporation

The principal activity of the Corporation is the purchase of residential mortgage loans. This activity has been supplemented by the merger with the Authority under which the Corporation assumed responsibility for the public housing functions of the Authority and its assumption of the rural housing and residential energy functions of the Department. See "The Corporation — General."

Financing Activities

The Corporation is authorized by the State Legislature to issue its own bonds, bond anticipation notes and other obligations in such principal amounts as the Corporation deems necessary to provide sufficient funds for carrying out its purpose.

Pursuant to State law, the maximum amount of bonds that the Corporation may issue during any fiscal year (the Corporation's fiscal years end on June 30) is $1.5 billion. Bonds issued to refund outstanding bonds and to refinance outstanding obligations of the Corporation are not counted against the maximum annual limit.

Since 1986, implementation of refinancing programs by the Corporation has resulted in the prepayment of outstanding mortgage loans with a corresponding redemption at par of substantial amounts of the Corporation's notes or bonds secured by such mortgage loans.

Since 1997, the Corporation has issued certain Self-Liquidity Bonds, which are variable rate demand obligations with weekly interest rate resets. If these bonds are tendered or deemed tendered, the Corporation has the obligation to purchase any such bonds that cannot be remarketed. This general obligation is not secured by any particular funds or assets, including any assets that may be held under the related indentures. The Corporation may issue additional bonds for which it will provide liquidity support, similar to that which it currently provides for the Self-Liquidity Bonds.

Between July 1, 2008 and October 21, 2008, certain of the Corporation's variable rate demand obligations (including Self-Liquidity Bonds) tendered or deemed tendered were purchased upon remarketing and held by the Alaska Housing Capital Corporation ("AHCC"), a subsidiary of the Corporation. No Corporation obligations are currently held by AHCC.

Other variable rate demand obligations issued by the Corporation are the subject of liquidity facilities provided by third-party liquidity providers in the form of standby bond purchase agreements. If such obligations are tendered or deemed tendered, the related liquidity provider is obligated to purchase any such obligations that cannot be remarketed. Such purchase obligation also arises in connection with the expiration of such facility in the absence of a qualifying substitute therefor. Bonds so purchased and held by third-party liquidity providers will thereupon begin to bear higher rates of interest and be subject to accelerated mandatory redemption by the Corporation, in each case in accordance with and secured by the related indenture.

Between July 1, 2008 and May 26, 2009, certain third-party liquidity providers purchased and held pursuant to the related liquidity facilities certain variable rate demand obligations of the Corporation that were tendered or deemed tendered and not remarketed. No Corporation obligations are currently held by third-party liquidity providers.

The following table sets forth certain information regarding the Corporation's variable rate demand obligations as of May 31, 2016:

Bond Series	Amount Outstanding	Liquidity Provider (or Self-Liquidity)	Facility Expiration Date
Governmental Purpose Bonds, 1997 Series A	$ 14,600,000	Self-Liquidity	NA†
Governmental Purpose Bonds, 2001 Series A and B	110,895,000	Self-Liquidity	NA†
Home Mortgage Revenue Bonds, 2002 Series A	79,060,000	JPMorgan Chase Bank, N.A.	December 9, 2016
State Capital Project Bonds, 2002 Series C	40,420,000	Self-Liquidity	NA†
Home Mortgage Revenue Bonds, 2007 Series A, B and D	239,370,000	Landesbank Baden-Wurttemberg	May 30, 2017
Home Mortgage Revenue Bonds, 2009 Series A	80,880,000	The Bank of Tokyo Mitsubishi UFJ, Ltd.	June 28, 2019
Home Mortgage Revenue Bonds, 2009 Series B	80,880,000	Wells Fargo Bank, N.A.	January 11, 2019
Home Mortgage Revenue Bonds, 2009 Series D	80,870,000	Bank of America, N.A.	August 24, 2017
	$726,975,000		

† The Corporation's obligation to purchase Self-Liquidity Bonds tendered or deemed tendered remains in effect so long as the related variable rate bonds are outstanding or until a qualifying third-party liquidity facility has replaced it.

The Corporation's financing activities include, in addition to the issuance of Bonds under the Indenture, recurring long-term debt issuances under established bond indentures described below. Such issuances constitute the majority of the Corporation's financing activities.

Mortgage Revenue Bonds. The Corporation funds its Tax-Exempt First-Time Homebuyer Program with the proceeds of Mortgage Revenue Bonds. Qualified mortgage loans and/or mortgage backed securities are pledged as collateral for the Mortgage Revenue Bonds. Mortgage Revenue Bonds are also general obligations of the Corporation.

Home Mortgage Revenue Bonds. The Corporation funds its Rural and Taxable Programs with the proceeds of Home Mortgage Revenue Bonds. Mortgage loans and/or mortgage-backed securities are pledged as collateral for the Home Mortgage Revenue Bonds. Home Mortgage Revenue Bonds are also general obligations of the Corporation.

Collateralized Bonds. The Corporation funds its Veterans Mortgage Program with the proceeds of State-guaranteed Collateralized Bonds. Qualified mortgage loans and/or mortgage-backed securities are pledged as collateral for the Collateralized Bonds. Collateralized Bonds are also general obligations of the Corporation and general obligations of the State.

Governmental Purpose Bonds. The Corporation issues Governmental Purpose Bonds to finance capital expenditures of the State for governmental purposes, with certain proceeds available for general corporate purposes. Governmental Purpose Bonds are general obligations of the Corporation.

State Capital Project Bonds and State Capital Project Bonds II. The Corporation issues State Capital Project Bonds and State Capital Project Bonds II to finance designated capital projects of State agencies and the Corporation and to refund other obligations of the Corporation. State Capital Project Bonds and State Capital Project Bonds II are also used to finance building purchases that may or may not be secured by lease agreements between the Corporation and the State of Alaska. State Capital Project Bonds and State Capital Project Bonds II are general obligations of the Corporation.

The following tables set forth certain information as of May 31, 2016 regarding bonds issued under the above-described financing programs and the Bonds issued under the Indenture:

Bonds Issued and Outstanding by Program

Bond Program	Issued through 5/31/2016	Issued During 11 Months Ended 5/31/2016	Outstanding as of 5/31/2016
Home Mortgage Revenue Bonds	$ 1,262,675,000	$ 0	$ 561,060,000
Mortgage Revenue Bonds	1,449,010,353†	0	267,215,000
State Capital Project Bonds	680,190,000	0	149,545,000
State Capital Project Bonds II	889,150,000	55,620,000	824,900,000
General Mortgage Revenue Bonds II	195,890,000	0	125,300,000
Governmental Purpose Bonds	973,170,000	0	125,495,000
Veterans Collateralized Bonds	1,900,385,000	0	135,000
Other Bonds	10,937,173,769	0	0
Total Bonds	$ 18,287,644,122	$ 55,620,000	$ 2,099,650,000

† Includes release of proceeds of $193,100,000 Mortgage Revenue Bonds originally issued in 2009.

Summary of Bonds Issued and Outstanding

	Issued through 5/31/2016	Issued during Eleven Months Ended 5/31/2016	Outstanding as of 5/31/2016
Tax-Exempt Bonds	$13,462,384,122†	$55,620,000	$1,902,665,000
Taxable Bonds	4,825,260,000		196,635,000
Total Bonds	$18,287,644,122	$55,620,000	$2,099,650,000
Self-Liquidity Bonds††	$ 744,620,000	$ 0	$ 165,915,000

† Includes release of proceeds of $193,100,000 Mortgage Revenue Bonds originally issued in 2009.

†† For information only. These amounts are already included in the categories above.

The Corporation's financing activities also include recurring short-term debt issuances under established programs or agreements. The proceeds of such issuances may be used for any lawful purpose of the Corporation; however, the Corporation has in the past used and intends to continue to use such proceeds to temporarily refund outstanding tax-exempt obligations prior to their permanent refunding through the issuance of tax-exempt bonds.

Commercial Paper Notes Program. On June 13, 2007, the Corporation's Board of Directors authorized a domestic Commercial Paper Notes Program with a major dealer under which the maximum principal amount of notes outstanding at any one time shall not exceed $150,000,000. The Commercial Paper Notes Program is rated "P-1" by Moody's, "A-1+" by S&P, and "F1+" by Fitch.

Reverse Repurchase Agreements. The Corporation may enter into reverse repurchase agreements in such amounts as it deems necessary for carrying out its purpose.

TBA Markets. From time to time, in lieu of utilizing the proceeds of bond issues to finance certain federally insured or guaranteed mortgage loans, the Corporation pools those mortgage loans into GNMA Mortgage-Backed Securities and sells the securities into the national TBA ("To Be Announced") future delivery market. The Corporation has sold approximately $[_____] of such GNMA Mortgage-Backed Securities since the inception of the program in [_____]. ***[HOW ACTIVE IS THIS PROGRAM?]***

Lending Activities

The Corporation finances its lending activities with a combination of general operating funds, bond proceeds, and loan prepayments and earnings derived from the permitted spread between borrowing and lending rates. The Corporation acquires mortgage loans after they have been originated and closed by direct lenders, which normally are financial institutions or mortgage companies with operations in the State. Under many of the Corporation's programs, the originating lender continues to service the mortgage loan on behalf of the Corporation. The Corporation also makes available a streamlined refinance option that allows applicants to obtain new financing secured by property that is currently financed by the Corporation without income, credit, or appraisal qualifications.

In addition to the lending programs described below, the Corporation has committed to make a loan of up to $127,540,000 for the construction and rehabilitation of rental housing on two United States Army bases in the State, Fort Wainwright and Fort Greely, bearing interest at a rate of 8% per annum and amortizing over a 40 year term, of which $50,000,000 was funded on November 20, 2013 and the remainder is to be funded in up to two additional stages prior to the end of April 2018. The Corporation is currently renegotiating the terms of this commitment, with potential changes including extension of the final draw deadline and prepayment lockout period, a small increase of the loan amount, a possible decrease in the interest rate, and release of certain collateral.

Following are brief descriptions of the Corporation's lending programs:

Tax-Exempt First-Time Homebuyer Program. The Tax-Exempt First-Time Homebuyer Program offers lower interest rates to eligible borrowers who meet income, purchase price, and other requirements of the Code.

Veterans Mortgage Program. The Veterans Mortgage Program offers a reduced interest rate to qualified veterans who purchase or construct owner-occupied single-family residences or, with certain restrictions, who purchase a duplex, triplex, or fourplex.

Taxable First-Time Homebuyer. The Taxable First-Time Homebuyer Program offers a reduced interest rate to first-time homebuyers whose loans do not meet the Code requirements of the Tax-Exempt First-Time Homebuyer Program.

Rural Loan Program. The Rural Loan Program offers financing to purchase, construct, or renovate owner occupied and non-owner occupied housing in small communities. The Rural interest rate

is one percent below the calculated cost of funds established for the Corporation's Taxable Program and is applied to the first $250,000 of the loan only. The balance of the loan is at the Rural interest rate plus 1%.

Taxable Program. The Taxable Program is available statewide for applicants or properties not meeting requirements of other Corporation programs. Borrowers and properties must meet the Corporation's general financing requirements. This program also includes non-conforming loans for certain properties for which financing may not be obtained through private, state or federal mortgage programs.

Multi-Family Loan Purchase Program. The Corporation participates with approved lenders to provide financing for the acquisition, rehabilitation, and refinancing of multi-family housing (buildings with at least five units and designed principally for residential use) as well as certain special-needs and congregate housing facilities.

The following tables set forth certain information as of May 31, 2016 regarding the mortgage loans financed under the above-described lending programs:

Mortgage Purchases by Program

Loan Program	Original Principal Balance of Mortgage Loans Purchased during FY 2015	Original Principal Balance of Mortgage Loans Purchased during the Eleven Months Ended 5/31/2016
Taxable Other	$192,842,410	$214,748,665
Tax-Exempt First-Time Homebuyer	79,386,505	65,660,908
Taxable First-Time Homebuyer	93,777,952	79,380,609
Multi-Family and Special Needs	31,515,700	38,906,050
Rural	58,246,746	55,029,802
Veterans Mortgage Program	7,077,431	7,042,102
Total Mortgage Purchases	$462,846,744	$460,768,136
Percentage of Original Principal Balance of Total Mortgage Purchases during Period Representing Streamline Refinance Loans	1.6%	1.6%

Mortgage Portfolio Summary

	As of 6/30/2015	As of 5/31/2016
Mortgages and Participation Loans	$2,642,878,467	$2,786,148,204
Real Estate Owned and Insurance Receivables	6,368,530	7,852,276
Total Mortgage Portfolio	$2,649,246,997	$2,794,000,480

Mortgage Insurance Summary†

Type	Outstanding Principal Balance as of 5/31/2016	Percentage of Total Mortgage Loans by Outstanding Principal Balance
Uninsured††	$1,351,423,439	48.6%
Private Mortgage Insurance†††	632,767,055	22.7
Federally Insured – FHA	315,510,405	11.3
Federally Insured – VA	184,760,112	6.6
Federally Insured – RD	152,944,948	5.5
Federally Insured – HUD 184	148,742,245	5.3
TOTAL	$2,786,148,204	100.0%

† This table contains information regarding the types of primary mortgage insurance coverage applicable to the Corporation's mortgage loans at their respective originations. No representation is made as to the current status of primary mortgage insurance coverage.

†† Uninsured Mortgage Loans represent loans for which the original loan-to-value ratio was not in excess of 80% (90% for loans in rural areas) and insurance coverage was therefore not required. No representation is made as to current loan-to-value ratios./

††† The following table sets forth information with respect to the providers of such private mortgage insurance. No representation is made as to the amount of private mortgage insurance coverage provided by carriers whose claims-paying ability is rated investment grade or better by Moody's, S&P or Fitch.

PMI Provider	Outstanding Principal Balance as of 5/31/2016	Percentage of Total Mortgage Loans by Outstanding Principal Balance
Radian Guaranty	$218,316,175	7.9%
CMG Mortgage Insurance	143,051,794	5.1
Mortgage Guaranty	93,791,268	3.4
Essent Guaranty	88,946,384	3.2
United Guaranty	47,296,536	1.7
Genworth GE	31,846,462	1.1
PMI Mortgage Insurance	7,865,957	0.3
National Mortgage Insurance	851,433	0.0
[Commonwealth]	801,046	0.0
TOTAL	$632,767,055	22.7%

Mortgage Delinquency and Foreclosure Summary

	As of 6/30/2015	As of 5/31/2016
Delinquent 30 Days	2.21%	1.93%
Delinquent 60 Days	0.71%	0.88
Delinquent 90 Days or More	0.96%	0.84
Total Mortgage Delinquency	3.88%	3.65%

	Twelve Months Ended 6/30/2015	Eleven Months Ended 5/31/2016
Total Foreclosures	$11,633,173	$6,342,126

Public Housing Activities

The Corporation performs certain public housing functions in the State through the Division. The Division operates Low Rent and Section 8 New Construction/Additional Assistance housing to serve low-income families, disabled persons and seniors in several communities throughout Alaska. The Division also administers the rent subsidies for numerous families located in private-sector housing through vouchers, certificates, and coupons issued pursuant to Section 8 of the United States Housing Act of 1937. The Division's operating budget is funded primarily through contracts with HUD. The Division is engaged in a number of multifamily renovation and new construction projects throughout the State.

Financial Results of Operations

The following is a summary of revenues, expenses and changes in net position of the Corporation for each of its five most recent fiscal years, which have been derived from Note 26 to the Corporation's audited annual financial statements dated June 30, 2015, contained in Appendix A — "Financial Statements of the Corporation."

Summary of Revenues, Expenses and Changes in Net Position
(000's)

	Fiscal Year Ended June 30				
	2015	**2014**	**2013**	**2012**	**2011**
Total Assets and Deferred Outflows	$3,916,302	$4,055,203	$3,981,230	$4,288,648	$4,542,040
Total Liabilities and Deferred Inflows	2,430,821	2,545,295	2,455,702	2,734,505	2,948,221
Total Net Position	1,485,481	1,509,908	1,525,528	1,554,143	1,593,819
Total Operating Revenues	290,099	308,086	315,325	351,178	385,695
Total Operating Expenses	281,594	311,471	333,220	381,647	398,606
Operating Income (Loss)	8,505	(3,385)	(17,895)	(30,469)	(12,911)
Contribution to State or State agency	(3,825)	(1,380)	(10,720)	(9,207)	(20,349)
Special Item	0	0	0	0	3,088
Change in Net Position	$ 4,680	$ (4,765)	$ (28,615)	$ (39,676)	$ (30,172)

Legislative Activity/Transfers to the State

Prior Transfers to the State

The Board adopted the Dividend Plan in 1991 to transfer one-half of the lesser of its unrestricted net income or total net income to the State. Under the Dividend Plan, in 1991 the Corporation transferred a total of $114,324,000 to the State. Additionally, in 1995, the Board voted to make a one-time payment to the State in the amount of $200,000,000. On April 27, 1995, the Corporation agreed to make a one-time transfer of $50,000,000 to the State and close the Dividend Plan. In 1997, the Corporation transferred to the State's general fund $20,000,000 made available as a consequence of certain bond retirements.

The Current Transfer Plan

In the fiscal year 1996 capital appropriation bill (the April 27, 1995 agreement referred to in the immediately preceding paragraph and the 1996 capital appropriation bill, as amended, collectively, the "Transfer Plan") the Legislature expressed its intent that the Corporation transfer to the State (or expend on its behalf) amounts not to exceed $127,000,000 in fiscal year 1996 and $103,000,000 in each fiscal year from 1997 to 2000, but that, "[T]o ensure the prudent management of [the Corporation and] to protect its excellent debt rating …" in no fiscal year should such amount exceed the Corporation's net income for the preceding fiscal year.

The 1998 Legislature adopted legislation (the "1998 Act") authorizing the Corporation to finance state capital projects through the issuance of up to $224,000,000 in bonds. The 1998 Act also extended the term of the Transfer Plan by stating the Legislature's intent that the Corporation transfer to the State (or expend on its behalf) an amount not to exceed $103,000,000 in each fiscal year through fiscal year

2006, again stating that, to protect the Corporation and its bond rating, in no fiscal year should such amount exceed the Corporation's net income for the preceding fiscal year.

The 2000 Legislature adopted legislation (the "2000 Act") authorizing the issuance of bonds in sufficient amounts to fund the construction of various State capital projects, and extended the Transfer Plan (as described above) through fiscal year 2008.

The 2002 Legislature adopted legislation (the "2002 Act") authorizing the issuance of $60,250,000 in capital project bonds for the renovation and deferred maintenance of the Corporation's Public Housing facilities.

The 2004 Legislature adopted legislation (the "2004 Act") authorizing the additional issuance of bonds in sufficient amounts to fund the construction of various State capital projects. The bond proceeds are allocated to agencies and municipalities subject to specific legislative appropriation.

The Corporation has issued $196,345,000 principal amount of State Capital Project Bonds pursuant to the 1998 Act, $74,535,000 principal amount of State Capital Project Bonds pursuant to the 2000 Act, $60,250,000 principal amount of State Capital Project Bonds pursuant to the 2002 Act, and $45,000,000 principal amount of State Capital Project Bonds pursuant to the 2004 Act, and has completed its issuance authority under the Acts. Payment of principal and interest on these bonds is categorized as a transfer pursuant to the Transfer Plan and is included in the Corporation's capital budget.

The 2003 Legislature enacted Chapter 76 SLA 2003, subsequently amended by Chapter 120 SLA 2004, Chapter 7 SLA 2006 and Chapter 35 SLA 2010 (as so amended, the "2003 Act"), which modified and incorporated provisions of the Transfer Plan. The Corporation views the 2003 Act as an indefinite, sustainable continuation of the Transfer Plan. The 2003 Act provides that the amount transferred by the Corporation to the State in fiscal years 2004, 2005, and 2006 shall not exceed $103,000,000 (in each case, less debt service on certain State Capital Project Bonds and any legislative appropriation of the Corporation's unrestricted, unencumbered funds other than appropriations for the Corporation's operating budget).

The 2003 Act further provides that the amount transferred by the Corporation to the State in each fiscal year beginning with fiscal year 2007 shall not exceed:

(i) the lesser of (A) $103,000,000 and (B) the respective percentage of adjusted change in net assets for the fiscal year two years prior thereto (the "base fiscal year") for such fiscal year set forth in the table below, less

(ii) debt service on certain State Capital Project Bonds, less

(iii) any legislative appropriation of the Corporation's unrestricted, unencumbered funds other than appropriations for the Corporation's operating budget.

Fiscal Year	Percentage of Adjusted Change in Net Assets
2007	95%
2008	85%
2009 and thereafter	75%

Under the 2003 Act, "adjusted change in net assets" means the change in net assets for a base fiscal year as reflected in the Corporation's financial statements, adjusted for capital expenditures incurred during

such year and, effective June 20, 2010, temporary market value adjustments to assets and liabilities made during such year.

Dividend to the State of Alaska

Following are the details of the Corporation's dividend to the State as of June 30, 2015 (in thousands).

	Dividend Due to State	Expenditures	Remaining Commitments
State General Fund Transfers	$ 788,921	$ (788,921)	$ -
State Capital Projects Debt Service	422,438	(412,071)	10,367
State of Alaska Capital Projects	253,761	(249,011)	4,750
Corporation Capital Projects	466,112	(434,731)	31,381
Total	$1,931,232	$(1,884,734)	$46,498

Corporation Budget Legislation

The Corporation's fiscal year 2016 operating budget was approved by the Legislature with a 3% reduction in corporate receipts from the amount submitted during the fiscal year 2015 legislative session. Consistent with the Transfer Plan, the enacted fiscal year 2016 operating budget estimated that $19,058,700 would be available from the adjusted change in net position for payment of debt service and appropriation for capital projects.

There can be no assurance that the Legislature or the Governor of the State will not seek and/or enact larger dividends or other transfers of Corporation assets by legislative enactment or other means in the future.

Litigation

There are no threatened or pending cases in which the Corporation is or may be a defendant which the Corporation feels have merit and which it feels could give rise to materially negative economic consequences.

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a summary of certain provisions of the Indenture. The summary does not purport to be comprehensive or definitive and is qualified in its entirety by reference to the Indenture. For a description of certain provisions of the Indenture relating to the Offered Bonds, see "The Offered Bonds" and "Sources of Payment and Security for the Bonds."

Certain Definitions (Section 101)

"Acquired Obligation" means (a) any Mortgage Loan credited or to be credited to a Fund or Account pursuant to the Indenture or any Supplemental Indenture authorizing the issuance of a Series of Bonds, (b) any Collateral Mortgage Asset that has been released from the lien of its Prior Indenture and is credited or to be credited to a Fund or Account pursuant to the Indenture or any Supplemental Indenture, or (c) any Mortgage Certificate that (i) represents an Acquired Obligation described in (a) or (b) of this

definition and (ii) is credited or to be credited to any Fund or Account pursuant to the Indenture or any Supplemental Indenture authorizing the issuance of a Series of Bonds.

"Appreciated Amount" means, with respect to a Deferred Interest Bond, (i) as of any date of computation with respect to any Deferred Interest Bond up to the date, if any, set forth in the Supplemental Indenture authorizing such Deferred Interest Bond as the date on which such Deferred Interest Bond shall commence to bear interest payable thereafter on applicable Interest Payment Dates, an amount equal to the initial principal amount of such Deferred Interest Bond plus the interest accrued on such Deferred Interest Bond from the date of original issuance of such Deferred Interest Bond to the applicable Interest Payment Date next preceding the date of computation or the date of computation if an applicable Interest Payment Date, such interest amount to accrue at the rate per annum set forth in the Supplemental Indenture authorizing such Deferred Interest Bonds, compounded on each applicable Interest Payment Date, plus, if such date of computation shall not be an applicable Interest Payment Date, a portion of the difference between the Appreciated Amount as of the immediately preceding applicable Interest Payment Date (or the date of original issuance if the date of computation is prior to the first applicable Interest Payment Date succeeding the date of original issuance) and the Appreciated Amount as of the immediately succeeding applicable Interest Payment Date, calculated based upon an assumption that the Appreciated Amount accrues in equal daily amounts on the basis set forth in the Supplemental Indenture authorizing such Deferred Interest Bond; and (ii) as of any date of computation on and after the date, if any, set forth in the Supplemental Indenture authorizing such Deferred Interest Bond as the date on which such Deferred Interest Bond shall commence to bear interest payable thereafter on applicable Interest Payment Dates, the Appreciated Amount as of such current interest payment commencement date.

"Bond Coverage" means a condition which will be deemed to exist as of any date of certification if either the test set forth in paragraph (A) below or the test set forth in paragraph (B) below is met as of such date:

(A) The Corporation delivers to the Trustee a Certificate certifying that the schedules attached thereto show Parity and receipt and application of Eligible Funds (including assets that are anticipated to be transferred to any Fund specified in the applicable Supplemental Indenture from any Prior Indentures as described in the following sentence but not including Eligible Funds to be derived from any Mortgage Loan that is not secured by a Mortgage constituting a first lien on the property encumbered by such Mortgage) which are in any Fund sufficient and available to provide timely payment of the principal of and interest on the Bonds on each Payment Date and Program Expenses, up to the amount permitted to be paid out of the Revenue Fund pursuant to the Indenture, from (and including) the first interest payment date that is or that follows the date of certification to the maturity of the Bonds. To the extent that satisfaction of the requirement of the preceding sentence requires application of amounts from a Prior Indenture, the Corporation shall include as part of the Certificate described in the preceding sentence a schedule showing the availability of such amounts for transfer in accordance with the terms of such Prior Indenture when and as scheduled in such Certificate and the Corporation shall attach to such Certificate such cash flow projections (based upon the assumptions described in this definition) as may be necessary to demonstrate such availability of such assets. For purposes of the first sentence of this paragraph (a), the Corporation shall not include Eligible Funds to be derived from Residential Housing that is intended to provide housing for more than four families unless the Corporation has first obtained a letter from each Rating Agency stating that the inclusion of Eligible Funds to be derived from such Residential Housing is acceptable to such Rating Agency. In each case the Certificate must show sufficient funds under each of the following sets of assumptions and assume the redemption of Bonds in accordance with all applicable provisions of the Indenture:

(1) assuming receipt of Scheduled Payments (but no prepayments not theretofore received) on any Mortgage Loan or mortgage loans represented by Mortgage Certificates or other assets anticipated to be available pursuant to a Collateral Pledge;

(2) assuming prepayment of 100% of the principal of, and payment of 100% of accrued interest on, all the Mortgage Loans and mortgage loans represented by all the Mortgage Certificates and other assets anticipated to be available pursuant to a Collateral Pledge on the day after the date of certification; and

(3) assuming receipt of Scheduled Payments to, and such 100% prepayment on, the day after the first Payment Date on the Bonds following the date of certification.

(B) The Corporation delivers to the Trustee a Bond Coverage Certificate certifying as to another calculation (including, without limitation, any definition or component thereof) that is of Rating Quality.

Any Certificate delivered to the Trustee pursuant to this definition must conform to the requirements of the Indenture and either (A) or (B) of this definition. When the Corporation delivers a Bond Coverage Certificate under (A) of this definition, the schedules attached to the Certificate will be based upon the Investment Assumptions and the Mortgage Certificate and Loan Assumptions in addition to the assumptions required elsewhere in this definition, and will provide a detailed calculation of all data relevant thereto, setting forth in detail each of the items required to be set forth in such Certificate. The Trustee will review each such Certificate as to its conformity to the requirements of this definition, but as to the actual calculations and conformity to the assumptions required in this definition the Trustee will have no responsibility to verify the same and will be fully protected in relying on such Certificate. For purposes of this definition as applied to Bonds bearing interest at a variable rate, any assumptions made in the calculation of interest in connection with the issuance of such Bonds will be as set forth in the related Supplemental Indenture authorizing the issuance of such Bonds, and any assumptions made in the calculation of interest in connection with the other matters arising under the Indenture will be as set forth in the related Supplemental Indenture authorizing the issuance of such Bonds or as set forth in an Authorized Officer's Certificate consistent with the related Supplemental Indenture authorizing the issuance of such Bonds. The Corporation may, in its discretion, establish Pledged Mortgage Groupings in accordance with the Indenture for purposes of calculating Bond Coverage under this definition.

"Cash Equivalent" means a letter of credit, insurance policy, surety, guarantee or other security arrangement (a) provided by an institution (which may include the Corporation) which has received a rating of its claims-paying ability or unsecured long-term debt rating from each Rating Agency then rating the applicable Series of Bonds at least equal to the then-existing rating on such Series of Bonds or whose unsecured debt securities are rated at least the then-existing rating on such Series of Bonds (or the highest rating of short-term obligations if the Cash Equivalent is a short-term instrument) by such Rating Agency or (b) otherwise of Rating Quality.

"Collateral Mortgage Asset" means any asset that is the subject of a Collateral Pledge.

"Collateral Pledge" means a pledge by the Corporation with respect to all assets, or any identified portion of the assets, released or to be released to the Corporation from the lien and pledge of any Prior Indenture pursuant to which the Corporation (i) pledges such assets as security for the Bonds when and as such assets are released from such Prior Indenture and delivered to, or upon the order of, the Corporation and (ii) agrees to deliver such assets upon their release from the Prior Indenture directly to the Trustee for deposit in the Revenue Fund and covenants to so deliver such assets or to take such steps as may be available to the Corporation to cause such assets to be so delivered to the Trustee; the specific assets to be

included in a Collateral Pledge shall be identified in the Supplemental Indenture authorizing the issuance of Bonds.

"Deferred Interest Bond" means any Bond designated as such by the Supplemental Indenture authorizing the issuance of such Bond but shall not include any such Bond from and after the date, if any, on which such Bond will bear interest that is payable to the holder of such Bond prior to its scheduled maturity.

"Eligible Funds" (a) means any Pledged Receipts or any moneys or Investment Securities which are at any time on deposit in any Fund (except the Unpledged Funds), or (b) has such other meaning as may be established by a Supplemental Indenture authorizing the issuance of a Series of Bonds.

"Investment Agreement" means a guaranteed investment contract which may be entered into between the Corporation or the Trustee and any major insurance company, bank (including any foreign bank with a branch or agency organized or licensed under the laws of the United States or any state thereof, but only if the investment contract with such foreign bank is accompanied by an opinion of counsel admitted in the foreign jurisdiction of the corporate headquarters of said foreign bank to the effect that such investment contract is valid and enforceable under the laws of such foreign jurisdiction, and including the Trustee) or other corporation having outstanding unsecured obligations rated at least AA-/A-1 or equivalent by each Rating Agency; provided that any Investment Agreement also: (i) shall clearly state the exact entity of the obligor, the value of invested funds guaranteed, the fixed or determinable rate of guaranteed interest, and the termination date (revision in any of these terms requiring either approval of 100% of the Bondholders, notification of the Rating Agencies or original document language setting forth minimum standards for extensions, substitutions or other terms); (ii) shall contain either an unconditional, irrevocable obligation to pay by the obligor and be written in favor of the Trustee or provision for collateralization at a level acceptable to the Rating Agencies; (iii) shall not be cancelable for failure to cover any fees or premiums from an unrated source and its enforceability shall be warranted; (iv) shall provide that demands for funds be honored upon not more than fourteen days' notice (or such other notice as set forth in the second following sentence) and be credited to the Trustee in immediately available funds; (v) shall permit requests consistent with the Bond terms including all Bond payment dates and redemptions; (vi) shall clearly establish the basis for compounding or computation, and provide that all guaranteed interest accrue to the Bond payment date; (vii) shall provide that failure to meet surety, collateral or other provisions, if any, will result in acceleration of the agreement or assumption by an entity of Rating Quality; (viii) shall provide for written reports to the Trustee on no less than a monthly basis as to the amount held under the Investment Agreement and the interest earned thereon during the reporting period; and (ix) shall be terminable by the Trustee upon the written direction of the Corporation if necessary to preserve the tax-exempt status of the Bonds; provided, however, that in lieu of any and all the provisions of this definition, an Investment Agreement shall be of Rating Quality. In the event that any Investment Agreement is entered into and has a term greater than one year, the Corporation shall promptly notify the Rating Agencies of such entry, identifying the parties thereto. The Trustee shall provide the party entering into an Investment Agreement with the Corporation with written notice (x) at least one Business Day prior to the date of withdrawal of principal amounts under the Investment Agreement (i) to purchase Bonds which are subject to a tender or put provision and which have not been remarketed by the date of purchase pursuant to such tender or put provision or (ii) as necessary upon the receipt of written instructions from the Corporation to preserve the exclusion of interest on the Bonds from Federal income taxation, and (y) not later than the day the Trustee is required to provide Bondholders with notice in connection with a partial redemption of the Bonds or conversion of the Bonds to a Fixed Rate.

"Investment Assumptions" means an annual rate of 2.5%; provided, however, that if, at the date of any Bond Coverage Certificate to be delivered investment earnings assumptions used by the Rating

Agencies are higher than the assumed annual rate set forth in this definition (as evidenced in writing from each Rating Agency) or if actual investment earnings may be calculated for any period (including any period commencing in the future in the case of amounts which when received will be invested under an Investment Agreement) by reason of the existence of a rate assured by an Investment Agreement, then "Investment Assumptions" will mean the earnings at the earning assumptions used by the Rating Agencies or the earnings on the Investment Agreement (but only until the termination date of such Investment Agreement) as the case may be; provided, however, that "Investment Assumptions" may be modified by Supplemental Indenture if such modification will not adversely affect the Unenhanced Ratings then assigned to any Bonds by the Rating Agencies.

"Investment Securities" means and includes any of the following investments, if and to the extent the same are at the time legal investments by the Corporation of the funds to be invested therein:

(1) direct obligations of or obligations insured or guaranteed by the United States of America or agencies or instrumentalities of the United States;

(2) demand and time deposits with, negotiable certificates of deposit of, or banker's acceptances issued by any bank or trust company the unsecured short-term obligations of which are rated A-1+ or equivalent by each Rating Agency and which is (i) incorporated or organized under the laws of the United States of America or any state thereof and subject to supervision and examination by federal or state banking authorities, or (ii) a foreign bank with a branch or agency licensed under the laws of the United States of America or any state thereof and subject to supervision and examination by federal or state banking authorities, or (iii) a foreign bank having a long-term issuer credit rating of at least AA+ or equivalent from each Rating Agency;

(3) repurchase obligations held by the Trustee or a third party acting as agent for the Trustee with a maturity date not in excess of 30 days with respect to (a) any security described in paragraph (1) above, or (b) any other security issued or guaranteed by an agency or instrumentality of the United States of America, in either case entered into with the Trustee or any other bank or trust company (acting as principal) that meets the requirements for such entities as described in paragraph (2) above;

(4) securities (other than securities of the types described in the other paragraphs under this definition of "Investment Securities") which at the time of such investment have ratings of AA+ or equivalent from each Rating Agency and which evidence a debt of any corporation incorporated or organized under the laws of the United States of America or any state thereof; provided, however, that such securities issued by any particular corporation will not be Investment Securities to the extent that investment therein will cause the then outstanding principal amount of securities issued by such corporation and held under the Indenture to exceed 10% of the aggregate outstanding principal balances and amounts of all Acquired Obligations and Investment Securities held under the Indenture;

(5) commercial paper rated A-1+ or equivalent by each Rating Agency;

(6) an Investment Agreement;

(7) money market funds rated AA+m or equivalent by each Rating Agency;

(8) any other investment that is of Rating Quality and that is not unacceptable to the Trustee.

"Mortgage" means a mortgage deed, deed of trust or other instrument securing a Mortgage Loan.

"Mortgage Certificate and Loan Assumptions" means and includes the following assumptions, or any other set of assumptions that is of Rating Quality, to be used by the Corporation in preparing each Bond Coverage Certificate: (1) payment lags from the first day of the month in which the Acquired Obligations are funded to the receipt date of (a) 50 days for each GNMA I Certificate and each Gold FHLMC PC held in the Mortgage Loan Fund, (b) 60 days for each GNMA II Certificate held in the Mortgage Loan Fund, (c) 60 days for each FNMA MBS held in the Mortgage Loan Fund, and (d) 90 days for Mortgage Loans not represented by a Mortgage Certificate; (2) payment when due of applicable servicing and guarantee fees to GNMA, FNMA, and FHLMC; (3) use of money in the Mortgage Loan Fund which has not been expended for the purchase of Acquired Obligations to acquire Mortgage Loans that have not been converted to Mortgage Certificates; and (4) use of the money described in clause (3) hereof in the manner described in clause (3) hereof either on the last day of the acquisition period (if application of such money to such purpose prior to such last day would result in the receipt of Eligible Funds during such period in excess of the amount required to provide timely payment of the principal of and interest on the Bonds during such period) or, otherwise, on the date of calculation or as otherwise provided in the applicable Supplemental Indenture.

"Mortgage Loan" means a loan for construction, improvement, or acquisition of Residential Housing or to refinance such a loan or otherwise relating to Residential Housing and, in all events, secured by a Mortgage or an instrument backed by a pool of such loans and containing such repayment provisions as the Corporation may permit.

"Outstanding," when used with reference to Bonds, means, as of any date, all Bonds theretofore or thereupon being authenticated and delivered under the Indenture except:

(a) Any Bonds canceled by the Corporation or the Trustee at or prior to such date;

(b) Bonds (or portions of Bonds) for the payment or redemption of which there shall be held in trust under the Indenture and set aside moneys or Investment Securities that are either direct obligations of the United States or of agencies or instrumentalities thereof that are guaranteed by the United States, the principal of and interest on which when due will provide moneys which, together with the moneys, if any, deposited at the same time, will be sufficient to pay the principal or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date (whether at or prior to the maturity or redemption date) and, if such Bonds are to be redeemed, for which notice of such redemption shall have been given as provided in the Indenture or provision satisfactory to the Trustee shall have been made for the giving of such notice;

(c) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to the Indenture; and

(d) Bonds deemed to have been paid as described below in the second paragraph under "Defeasance."

"Parity" means, in each case at all times from and after the date of calculation through the final maturity date of the Bonds, (i) for the purpose of withdrawing money from the Indenture for payment to the Corporation free and clear of the lien and pledge of the Indenture, an amount then held in Funds and Accounts under the Indenture (except the Unpledged Funds and the Special Reserve Fund) which, when added to the amount of all Collateral Mortgage Assets that the Corporation anticipates to be available for transfer to the Indenture from any Prior Indenture, is at least equal to 103% of Bonds then Outstanding; and (ii) for all other purposes, an amount then held in Funds and Accounts under the Indenture (except the Unpledged Funds and the Special Reserve Fund) which, when added to the amount of all Collateral

Mortgage Assets that the Corporation anticipates to be available for transfer to the Indenture from any Prior Indenture, is at least equal to 100% of Bonds then Outstanding.

"Pass-Through Rate" means (A) with respect to an Acquired Obligation that is not included in a Pledged Mortgage Grouping and is not represented by a Mortgage Certificate, the stated interest rate thereof; (B) with respect to each Pledged Mortgage Grouping that includes any Acquired Obligation with a Pass-Through Rate (as determined in (A)) less than the Weighted Average Bond Rate, the lowest Pass-Through Rate of any Acquired Obligation in such Pledged Mortgage Grouping; (C) with respect to each Pledged Mortgage Grouping for which each Acquired Obligation has a Pass-Through Rate (as determined in (A)) at least equal to the Weighted Average Bond Rate, the weighted average of the Pass-Through Rates of the Acquired Obligations in the Pledged Mortgage Grouping; and (D) with respect to each Mortgage Certificate, that rate of interest, net of the servicing and guarantee fees payable to the guarantor, stated on such Mortgage Certificate the receipt of which is guaranteed to the holder of such Mortgage Certificate; provided, however, that, for purposes of any Bond Coverage Certificate if the interest rate stated on a Mortgage Certificate or other Acquired Obligation is greater than or equal to the Weighted Average Bond Rate as of the date of certification, such interest rate shall instead be assumed to be such Weighted Average Bond Rate and for all other Mortgage Certificates and Acquired Obligations, the Pass-Through Rate of each such Mortgage Certificate or other Acquired Obligation shall equal the average of the Pass-Through Rates (as defined apart from this proviso and subject to the further proviso in this sentence) of such other Mortgage Certificates and other Acquired Obligations (weighted to reflect the principal amounts of such Mortgage Certificates and other Acquired Obligations) purchased to date; and provided, further that for purposes of determining the Pass-Through Rate of a Mortgage Certificate or other Acquired Obligation and for all other purposes under the Indenture, amounts assumed, pursuant to a Certificate described in the following sentences, to be withdrawn from a Pass-Through Rate Supplement Account shall be treated and considered as interest earned or to be earned on the Mortgage Certificate or other Acquired Obligation for which such Pass-Through Rate Supplement Account was created. The Corporation shall deliver to the Trustee a Certificate setting forth amounts to be withdrawn on a monthly basis from each Pass-Through Rate Supplement Account. Such Certificate may provide for withdrawals of earnings, if such earnings are calculated, on amounts deposited in Pass-Through Rate Supplement Accounts but must use the applicable Investment Assumptions to establish the amount of such earnings. The Corporation may prepare alternative Certificates from time to time for the purposes described in the preceding two sentences, but each such alternative Certificate must use the applicable Investment Assumptions to determine the amount of earnings, if such earnings are calculated, on amounts deposited in a Pass-Through Rate Supplement Account that are to be withdrawn each month from such Pass-Through Rate Supplement Account.

"Permitted Encumbrances" means liens, encumbrances, reservations and other imperfections of title as, in the judgment of the Corporation, shall not materially impair the use or value of the premises or as to which appropriate steps, in the judgment of the Corporation, have been taken to secure the interest of the Corporation.

"Pledged Mortgage Grouping" means a group of Mortgage Loans that are not represented by Mortgage Certificates and that are to be deposited with the Trustee into groupings based on the interest rates of the Mortgage Loans. The Acquired Obligations in a Pledged Mortgage Grouping may bear interest at a range of rates selected by the Corporation, and the Corporation may treat all Acquired Obligations bearing interest within such range as part of such Pledged Mortgage Grouping for purposes of any Bond Coverage Certificate. In calculating Bond Coverage, the Corporation shall assume that all Acquired Obligations have maturities equal to the maturity of the Acquired Obligation in such Pledged Mortgage Grouping having the latest maturity date at the time of such calculation and a Pass-Through Rate equal to the Pass-Through Rate for the Pledged Mortgage Grouping.

"Pledged Receipts" means all payments (including prepayments) of principal and interest called for by any Acquired Obligation (other than payments with respect to Acquired Obligations in the Special Reserve Fund) and paid to the Corporation from any source, including both timely and delinquent payments with late charges, fees and charges and all other revenues and income paid to the Corporation on account of or in connection with any Acquired Obligation and, upon receipt thereof by the Corporation, all interest earned or gain realized upon the investment or deposit of amounts in any Fund or Account, but shall not include (i) any amount retained by any Servicer of any Acquired Obligation (other than the Corporation) as compensation for services rendered, (ii) Escrow Payments and any payments of ground rents, taxes, assessments or mortgage, fire or other hazard insurance premiums called for by any Acquired Obligation or any like payments, (iii) all payments on any amounts in the Special Reserve Fund or (iv) interest earned or gains realized on investments which the Indenture requires to be retained in a particular Fund or Account.

"Prior Indenture" means any indenture (other than the Indenture or any Supplemental Indenture) or resolution securing an issue of the Corporation's bonds.

"Program Expenses" means all the Corporation's expenses in carrying out and administering the Program and shall include, without limiting the generality of the foregoing, salaries, supplies, utilities, mailing, labor, materials, office rent, maintenance, furnishings, equipment, machinery and apparatus, insurance premiums, legal, accounting, management, consulting and banking services and expenses, the fees and expenses of the Trustee, any Credit Enhancement Agency, any Liquidity Facility Provider, the Depositaries and the Paying Agents, Costs of Issuance not paid from proceeds of Bonds, and payments for pension, retirement, health and hospitalization and life and disability insurance benefits, all to the extent properly allocable to the Program.

"Rating Agencies" means any national securities rating service requested by the Corporation to rate the Bonds and which, at the time of consideration, provides a published rating for the Bonds.

"Rating Quality" means, with respect to any Series of Bonds, having terms, conditions and/or a credit quality such that the item stated to be of "Rating Quality" will not, as confirmed in writing received by the Trustee from each of the Rating Agencies, impair the ability of the Corporation to obtain the ratings initially from the Rating Agencies anticipated to be received with respect to such Bonds as described in the Supplemental Indenture authorizing such Bonds and, if the Bonds have been rated, will not cause any such Rating Agency to lower or withdraw the rating it has assigned to the Bonds.

"Residential Housing" means dwelling accommodations without limitation as to form of lawful occupancy, whether rental, under contract, fee ownership, cooperative housing, condominium or other lawful forms of ownership, including such other nonhousing facilities as may be incidental or appurtenant thereto, and may include housing for such other purposes as the Corporation considers appropriate and as may be within the power of the Corporation to finance.

"Scheduled Payments," as set forth in a Bond Coverage Certificate, means the scheduled payments (assuming no prepayments) of principal of and interest (at the Pass-Through Rate) on the Acquired Obligations then held under the Indenture or assumed to be held under the Indenture for purposes of such Bond Coverage Certificate.

"Unenhanced Rating" means with respect to any particular Bonds, the long-term credit rating assigned to such Bonds by each Rating Agency for such Bonds without regard to any bond insurance or other form of credit enhancement that may then exist with respect to such Bonds.

"Unpledged Funds" means the Rebate Fund and any Account within either a Credit Enhancement Fund or a Liquidity Fund that is used exclusively to reimburse the Credit Enhancer or Liquidity Facility Provider for amounts advanced or expended by such Credit Enhancer or Liquidity Facility Provider pursuant to the terms of the Credit Enhancement or Liquidity Facility.

"Weighted Average Bond Rate" means, for purposes of determining the Pass-Through Rate of any Acquired Obligation, the weighted average interest rate of all Outstanding Bonds using, for purposes of such Bonds that bear interest at a variable rate, the weighted average interest rate of such Bonds to calculate the Weighted Average Bond Rate.

Indenture to Constitute Contract (Section 202)

In consideration of the purchase and acceptance of the Bonds by those who shall hold the same from time to time, the provisions of the Indenture shall be a part of the contract of the Corporation with the holders of Bonds and shall be deemed to be and shall constitute a contract between the Corporation, the Trustee and the holders from time to time of the Bonds. The pledge of the Indenture and the provisions, covenants and agreements set forth in the Indenture to be performed by or on behalf of the Corporation shall be for the equal benefit, protection and security of the holders of any and all of such Bonds, each of which, regardless of the time or times of its issue or maturity, shall be of equal rank without preference, priority or distinction over any other thereof except as expressly provided in the Indenture.

Provisions for Issuance of Bonds (Sections 204 and 206)

The Indenture authorizes Bonds to be issued from time to time without limitation as to amount except as provided in the Indenture or as may be limited by law, subject to the terms, conditions and limitations established by the Indenture. The Bonds of a Series are to be executed by the Corporation and delivered to the Trustee for authentication and then delivered to the Corporation only upon receipt by the Trustee of:

(i) a Counsel's Opinion to the effect, among other things, that the Bonds of such Series have been duly and validly authorized and issued in accordance with the constitution and statutes of the State, including the Act as amended to the date of such Opinion, and in accordance with the Indenture;

(ii) a written order as to authentication and delivery of such Bonds, signed by an Authorized Officer;

(iii) an executed original of the Supplemental Indenture authorizing such Series;

(iv) the amount of the proceeds of such Series to be deposited in any Fund or Account held by the Trustee pursuant to the Indenture;

(v) a Certificate of an Authorized Officer stating that the Corporation is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Indenture;

(vi) a Bond Coverage Certificate;

(vii) written verification from the Rating Agencies that the issuance of such Series of Bonds will not, in and of itself, cause a withdrawal or reduction in the rating assigned by the Rating Agencies to any Outstanding Bonds of any prior Series;

(viii) if such Series of Bonds is to have the benefit of a Liquidity Facility or be secured by Credit Enhancement, the executed Liquidity Facility or Credit Enhancement or evidence that all conditions precedent to the issuance of such Liquidity Facility or Credit Enhancement have been met as of the date of issuance of such Series of Bonds; and

(ix) such further documents and moneys as are required by the provisions of the Indenture or any Supplemental Indenture.

Provisions for Refunding Issues (Section 207)

One or more Series of Refunding Bonds may be issued pursuant to the Indenture to refund any Outstanding Bonds. Refunding Bonds may be issued only upon receipt by the Trustee of (1) the documents and money referred to in clauses (i) - (ix) under "Provisions for Issuance of Bonds" above; (2) irrevocable instructions to the Trustee to give notice of the redemption of all Bonds to be refunded on a redemption date specified in such instructions; and (3) either (i) moneys sufficient to effect payment at the applicable Redemption Price of the Bonds to be refunded, together with interest accrued to the redemption date or (ii) Investment Securities, that are either direct obligations of the United States or of agencies or instrumentalities thereof that are guaranteed by the United States, which will provide moneys sufficient to provide for the payment of such Redemption Price and accrued interest.

Application of Bond Proceeds and Other Amounts (Sections 401 and 402)

As soon as practicable upon the delivery of each Series of Bonds, other than Refunding Bonds, the amount necessary to meet the Debt Service Reserve Fund Requirement is required to be deposited in the Debt Service Reserve Fund and the amount, if any, required by the Supplemental Indenture authorizing such Series to be deposited in the Interest Account shall be deposited therein. Proceeds of such Series of Bonds which are not to be deposited in the Debt Service Reserve Fund or in the Interest Account applicable to such bonds or otherwise deposited as provided in such Supplemental Indenture are to be deposited in the Mortgage Loan Account, or otherwise to the Mortgage Loan Fund.

No amount in the Mortgage Loan Fund shall be applied to the financing of a Mortgage Loan, unless the Mortgage securing such Mortgage Loan has been executed and recorded in accordance with existing laws. Each Mortgage Loan shall constitute a valid lien, subject only to Permitted Encumbrances, on real estate in fee simple or on a leasehold having a remaining term, at the time such Mortgage is acquired, which does not expire for such number of years as the Corporation shall determine to be appropriate to secure the Corporation's interest in the premises and be a Mortgage Loan for Residential Housing.

Establishment of Funds and Accounts (Section 502)

The Indenture establishes the following Funds and Accounts which are to be held by the Trustee:

(i) Mortgage Loan Fund;
- (a) Mortgage Loan Account or Accounts;
- (b) Pass-Through Rate Supplement Accounts;
- (c) Collateral Mortgage Asset Account;

(ii) Revenue Fund;

(iii) Debt Service Fund;

(a) Interest Account;
(b) Principal Account;

(iv) Redemption Fund;

(a) General Redemption Account;
(b) Special Redemption Accounts;

(v) Debt Service Reserve Fund;

(vi) Rebate Fund;

(a) Rebate Accounts; and

(vii) Special Reserve Fund.

Mortgage Loan Fund (Section 503)

Except to the extent applied to the redemption of Bonds, amounts in the Mortgage Loan Fund shall be expended only (i) to redeem bonds of the Corporation or to reimburse the Corporation for such redemption or to pay the cost of financing Acquired Obligations (the acquisition of which requires compliance with Bond Coverage requirements), (ii) to fund the Pass-Through Rate Supplement Account, (iii) to pay reasonable and necessary Costs of Issuance, (iv) to make deposits into the Principal Account, or (v) to pay the principal or Redemption Price, if any, of and the interest on the Bonds when due. At the direction of the Corporation the Trustee may transfer amounts in any Mortgage Loan Fund to the Redemption Fund or apply such amounts directly to the redemption, purchase or retirement of Bonds at any time that such Bonds shall be subject to redemption or payment from such amounts.

Revenue Fund (Section 504)

All Pledged Receipts are to be deposited promptly with a Depositary and transmitted to the Trustee at least monthly for deposit in the Revenue Fund. Not later than the last day of each month, the Trustee is required to make payments from the Revenue Fund as follows:

FIRST: To the Rebate Fund, the amount required to be transferred therein pursuant to the terms of the Indenture.

SECOND: To the Interest Account, the amount necessary to increase the amount in such Account so that it equals unpaid interest on the Outstanding Bonds (other than Deferred Interest Bonds) accrued and to accrue to the last day of the then current month.

THIRD: To the Principal Account, the Accrued Principal Installment Amount for such month.

FOURTH: To the Debt Service Reserve Fund, the amount, if any, necessary to cause the amount in such Fund to equal the Debt Service Reserve Fund Requirement.

FIFTH: To the Corporation for the payment of Program Expenses or the establishment of reserves therefor, the amount needed and required prior to the tenth day of the next succeeding month, to pay reasonable and necessary Program Expenses in accordance with the Annual Budget (or upon the written direction of the Corporation until adoption of such Annual Budget).

SIXTH: To the Special Reserve Fund, the amount, if any, necessary to cause the amount in such Fund to equal the Special Reserve Requirement.

SEVENTH: To the Redemption Fund as directed in writing by the Corporation or as required in the Indenture or in any Supplemental Indenture authorizing the issuance of a Series of Bonds (see "The Offered Bonds — Redemption — Special Redemption").

Immediately prior to the making of the payments described above, in each month the Trustee shall, to the extent required by the most recent Bond Coverage Certificate filed with the Trustee, deposit in the Debt Service Fund the amount so required from any Fund or Account identified by the Corporation (other than any Unpledged Fund) or from Eligible Funds delivered to the Trustee by the Corporation.

The Trustee is authorized (i) to permit the withdrawal by the Corporation, immediately following the payments required above, of any amount remaining in the Revenue Fund free and clear of any lien or pledge created by or pursuant to the Indenture, for any lawful purpose of the Corporation consistent with the provisions set forth in the Indenture, but only upon receipt from the Corporation of a Certificate stating that no Event of Default exists under the Indenture, (ii) to transfer such amount to the Mortgage Loan Fund, to be used for the purposes of the Mortgage Loan Fund as described above, or (iii) to transfer such amount to the Redemption Fund for redemption of Bonds as may be permitted by the applicable supplemental indenture. A transfer as described in clause (ii) for the purpose of acquiring an Acquired Obligation or a transfer as described in clause (i) requires delivery to the Trustee of a Bond Coverage Certificate.

Debt Service Fund (Section 505)

The Trustee is directed to pay from the Interest Account (i) on or before each Interest Payment Date, the amounts required for the payment of interest due on the Outstanding Bonds on such date, (ii) on or before the redemption date or date of purchase, the amounts required for the payment of accrued interest on Bonds redeemed or purchased for retirement, and (iii) on any date on which Bonds are subject to mandatory tender for purchase by the Corporation pursuant to a Supplemental Indenture and other funds are unavailable to pay the interest portion of the purchase price therefor the amounts required to pay such interest portion. In each such case, such amounts shall be applied to such payments or to the reimbursement of any Credit Enhancer for any such payments made by such Credit Enhancer. The Trustee is further directed to pay from the Principal Account on or before each Principal Installment Date the amount, if any, required for the payment of principal of the Bonds due on such date, and such amounts shall be applied to such payments or to reimbursement of the Credit Enhancer, if any, for any such payments made by the Credit Enhancer. In addition, the amount accumulated in the Principal Account for a Sinking Fund Payment (if any) may and, if directed by the Corporation, is required to be applied by the Trustee prior to the forty-fifth day preceding the due date of such Sinking Fund Payment to the purchase or redemption of Bonds of the Series and maturity for which such Sinking Fund Payment was established at prices not exceeding the Redemption Price which would be payable for such Bonds upon redemption by application of such Sinking Fund Payments plus unpaid interest accrued to the date of purchase. Upon any such purchase or redemption there will be credited toward such Sinking Fund Payment the principal amount of such Bonds so purchased or redeemed. If the amount so credited exceeds the amount of such Sinking Fund Payment, there will be credited toward each other Sinking Fund Payment thereafter to become due on Bonds of the same Series and maturity an amount bearing the same ratio to such other Sinking Fund Payment as such excess bears to the total amount of all such other Sinking Fund Payments to be credited. If, however, there are filed with the Trustee written instructions of an Authorized Officer specifying a different method for crediting Sinking Fund Payments with any such excess or if the Supplemental Indenture authorizing the issuance of such Bonds specifies such different method, then such Sinking Fund Payments will be credited as provided in such instructions or in such Supplemental Indenture.

As soon as practicable after the forty-fifth day preceding the due date of any Sinking Fund Payment, the Trustee is to proceed to call for redemption on such due date, Bonds of the Series and maturity for which such Sinking Fund Payment was established in a principal amount equal to the amount of such Sinking Fund Payment reduced by crediting thereto the principal amount of Bonds purchased or redeemed as described above. The Trustee is required to call such Bonds for redemption whether or not it then has moneys in the Principal Account sufficient to pay the applicable Redemption Price on the Redemption Date.

Redemption Fund (Section 506)

There are to be deposited in the General Redemption Account and in the Special Redemption Accounts any amounts required to be deposited therein by the Indenture or any Supplemental Indenture and any other amounts available therefor and determined by the Corporation to be deposited therein. Subject to the provisions of the Indenture or of any Supplemental Indenture requiring the application thereof to the purchase or redemption of any particular Bonds, the Trustee is required to apply the amounts deposited in any Special Redemption Account to the purchase or redemption (or to the reimbursement of the Credit Enhancer, if any, for payment of such purchase or redemption by such Credit Enhancer) of any of the Bonds of the Series with respect to which such Account was created at the time and in the manner provided in the Indenture and Supplemental Indenture authorizing the issuance of such Bonds and amounts in the General Redemption Account are to be applied to the purchase or redemption of Bonds at the option of the Corporation. Prior to the forty-fifth day upon which Bonds are to be redeemed from such amounts, the Trustee may apply amounts in any Account within the General Redemption Account or any Special Redemption Account to the purchase of any such Bonds, except that the Corporation may require or prohibit such purchases. The purchase price paid by the Trustee (excluding accrued interest but including any brokerage and other charges) for any Bond purchased may not exceed the principal amount of such Bond unless such Bond may be redeemed in accordance with the Indenture and the Supplemental Indenture authorizing the issuance of such Bond on any date within thirteen months after such purchase in which event such purchase price may not exceed the highest Redemption Price payable on any due date upon the redemption of such Bond. In the event the Trustee is able to purchase a principal amount of Bonds equivalent to the sum of the deposits to any Account in the Redemption Fund at a purchase price less than the sum of such deposits to such Account, excluding the applicable transfers from the Interest Account, upon the payment by the Trustee of the purchase price of such Bonds, the Trustee will transfer the balance of moneys remaining in such Account to, and deposit the same in, the Revenue Fund.

Upon the purchase or redemption of Bonds of any Series and maturity for which Sinking Fund Payments have been established from amounts in any Special Redemption Account, there will be credited toward each such Sinking Fund Payment thereafter to become due an amount bearing the same ratio to such Sinking Fund Payment as the total principal amount of such Bonds so purchased or redeemed bears to the total amount of all such Sinking Fund Payments to be credited. If, however, there are filed with the Trustee written instructions of an Authorized Officer specifying a different method for crediting Sinking Fund Payments upon any such purchase or redemption of Bonds or if the Supplemental Indenture authorizing the issuance of such Bonds specifies such different method, then such Sinking Fund Payments will be credited as provided in such instructions or in such Supplemental Indenture. Upon the purchase or redemption of Bonds of any Series and maturity for which Sinking Fund Payments have been established from amounts in the General Redemption Account, the principal amount of the Bonds so purchased or redeemed will be credited against such future Sinking Fund Payment in such manner as the Corporation may direct.

On or before the redemption date, the Trustee is required to pay from the applicable Account within the Redemption Fund the amounts required for the payment of the Redemption Price on any Bonds

to be redeemed. When none of the Bonds of the Series relating thereto remain Outstanding, a Special Redemption Account will be closed and the amounts therein will be withdrawn and deposited in the Revenue Fund. Except for amounts required to be retained therein for the redemption of Bonds for which notice of redemption has been given or for which the Trustee has received irrevocable instructions to give such notice on a future date, amounts in any Account in the Redemption Fund may be transferred to the Principal Account at the written request of an Authorized Officer of the Corporation.

Debt Service Reserve Fund (Section 507)

If two Business Days prior to any Principal Installment Date or Interest Payment Date the amounts on deposit in the Principal Account or the Interest Account are less than the amounts required for the payments due on such date, the Trustee is required to apply amounts from the Debt Service Reserve Fund to the extent required to make good the deficiency. If on any Redemption Date (or any date for the purchase of Bonds under the Indenture), the amounts on deposit in the Redemption Fund and the Interest Account are less than the amount required for the payment of the Redemption Price (or purchase price) and interest accrued on such Bonds to be redeemed (or purchased) on such date the Trustee is required to apply amounts from the Debt Service Reserve Fund to the extent necessary to make good the deficiency.

If a deficiency described in the preceding paragraph remains after application of amounts from the Debt Service Reserve Fund as described in the preceding paragraph, or if at any time the amount in the Debt Service Reserve Fund is less than the Debt Service Reserve Fund Requirement, the Trustee shall immediately notify the Corporation of such deficiency and the Corporation is to immediately transfer to the Debt Service Reserve Fund the funds necessary to eliminate such deficiency and if the Corporation fails to do so promptly, the Trustee will transfer to the Debt Service Reserve Fund such funds available from any Fund or Account established under the Indenture (except for Unpledged Funds), provided that the Mortgage Loan Fund will be drawn upon last and then first from the Collateral Mortgage Asset Account and thereafter on a pro rata basis among the funds available in the Mortgage Loan Fund unless a different allocation is required for Federal tax reasons.

Amounts in the Debt Service Reserve Fund in excess of the Debt Service Reserve Fund Requirement will, at the direction of the Corporation, be transferred to the Revenue Fund.

Rebate Fund (Section 508)

The Trustee will establish and create a Rebate Fund. Such Fund will be for the purpose of ultimate payment to the United States of any amounts that may be required thereto with respect to the Bonds.

Creation of Additional Accounts and Subaccounts (Section 509)

The Corporation may at any time by adoption of a Supplemental Indenture establish a Fund or Account to facilitate the operation of a Liquidity Facility or Credit Enhancement. Amounts in such Funds or Accounts will not be considered part of the Trust Estate but rather, will be subject to such lien and pledge as may be created in a Supplemental Indenture authorizing such Credit Enhancement or Liquidity Facility pledged as security for the Bonds under the Indenture.

Deposits and Investments (Sections 510 and 512)

All amounts held by any Fiduciary or Depositary under the Indenture will be invested in Investment Securities. Amounts in the Debt Service Reserve Fund may only be in investments described in clauses (1), (2), (3) or (6) of the definition of Investment Securities under "Certain Definitions" above,

and any such investment (unless in an Investment Agreement) must mature no later than six months after its purchase. Unless otherwise provided, obligations purchased as an investment of moneys in any Fund or Account held by the Trustee under the Indenture shall be deemed at all times to be a part of such Fund or Account but the income or interest earned and gains realized in excess of losses suffered by a Fund or Account, other than the Special Reserve Fund, due to the investment thereof shall be deposited as Pledged Receipts into the Revenue Fund. In computing the amount in any Fund or Account, obligations purchased as an investment of moneys therein will be valued at par if purchased at par value or at amortized value if purchased at other than par value. Valuation shall be made on the tenth day prior to each Interest Payment Date, and except in the case of the Debt Service Reserve Fund, on any particular date will not include the amount of interest then earned or accrued to such date on any such moneys or investment. No investment may be sold for less than (i) in the case of an investment purchased at par value, its par value or (ii) in the case of an investment purchased at other than par value, its amortized value, unless, in each case, (x) such sale is reflected in the most recent Bond Coverage Certificate or (y) such sale is necessary to provide amounts to pay principal of or interest on Bonds of any Series when and as due.

Special Reserve Fund (Section 513)[†]

The Trustee and the Corporation shall make deposits into, and withdrawals and disbursements from the Special Reserve Fund in accordance with the provisions of the Indenture and the Supplemental Indentures authorizing the Bonds.

Amounts in the Special Reserve Fund, if any, are available to pay interest on, principal of or sinking fund installments on, or the Redemption Price of, Outstanding Bonds and to restore the amount in the Debt Service Reserve Fund to the Debt Service Reserve Fund Requirement as described above under "Debt Service Reserve Fund." Amounts in the Special Reserve Fund in excess of the Special Reserve Requirement will, at the direction of the Corporation, be transferred to the Revenue Fund.

Power to Issue Bonds and Pledge Revenues, Funds and Other Property (Section 705)

The Corporation is duly authorized under all applicable laws to adopt the Indenture. The Bonds and the provisions of the Indenture are and will be the valid and legally enforceable obligations of the Corporation in accordance with their terms. The Corporation shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Acquired Obligations, Pledged Receipts, and other assets and revenues, including rights therein pledged under the Indenture and all the rights of the Bondholders under the Indenture against all claims and demands of all persons whomsoever.

Payment of Bonds (Section 701)

The Corporation has covenanted to duly and punctually pay principal or redemption price of and interest on Bonds. The Corporation has covenanted that it will take such action as may be necessary to cause available Collateral Mortgage Assets that are available for transfer to be transferred from their Prior Indentures to the Mortgage Loan Fund maintained under the Indenture, in accordance with any Bond Coverage Certificates delivered to the Trustee in connection with the issuance of a Series of Bonds.

[†] **No amounts will be deposited in the Special Reserve Fund in connection with the issuance of the Offered Bonds.** ***[TO BE CONFIRMED]***

Tax Covenants (Section 706) (Article III of 2016 Series A Supplemental Indenture)

With respect to Bonds intended to bear interest that is excludible form gross income for Federal income tax purposes, the Corporation covenants to (i) meet all applicable requirements of the Internal Revenue Code of 1954, as amended (the "1954 Code"), and the Internal Revenue Code of 1986, as amended (the "Code"), (ii) not permit at any time or times any of the proceeds of the Bonds or any other funds of the Corporation to be used directly or indirectly to acquire any securities or obligations, the acquisitions of which would cause any Bond to be an "arbitrage bond" and (iii) take all action necessary to assure that interest on such Bonds (including the Offered Bonds) shall be excludable from gross income for purposes of Federal income taxation. The Corporation covenants that it shall require that no person or "related person" shall purchase Bonds in an amount related to the Acquired Obligations to be acquired by the Corporation from such person or "related person."

Accounts and Reports (Section 707)

The Corporation covenants that it will keep, or cause to be kept, proper books of record and account in which complete and accurate entries will be made of all its transactions relating to the Program for which Bonds are issued and Outstanding and all Funds and Accounts established by the Indenture which shall at all reasonable times be subject to the inspection of the Trustee and the holders of an aggregate of not less than 25% in principal amount of Bonds then Outstanding or their representatives duly authorized in writing.

The Corporation must annually, within 120 days after the close of each Fiscal Year, file with the Trustee, and with such officials of the State, if any, as may be required by the Act, (i) a copy of an annual report for such Fiscal Year, setting forth its operations and accomplishments during such Fiscal Year and (ii) financial statements of the Corporation for such Fiscal Year setting forth in reasonable detail: (a) a statement of revenues and expenses in accordance with the categories or classifications established by the Corporation for the Program, (b) a balance sheet for the Program showing its assets and liabilities at the end of such Fiscal Year and (c) a statement of changes in financial position for the Program for such Fiscal Year. The financial statements for the Program may be combined with financial statements for other programs and purposes of the Corporation so long as the said financial statements for such programs are separately identified. The financial statements will be accompanied by the report of an Accountant stating that the financial statements examined present fairly the financial position of the Corporation at the end of the Fiscal Year, the results of its operations and changes in financial position for the period examined, in conformity with accounting principles generally accepted in the United States of America. A copy of each such annual report and Accountant's report will be mailed promptly thereafter by the Corporation to each Bondholder who has filed his name and address with the Corporation for such purpose.

Budgets (Section 708)

The Corporation may prepare a preliminary budget covering its fiscal operations for the Program for the succeeding Fiscal Year at least 60 days prior to the first day of such Fiscal Year and shall deliver a summary of such budget to any Bondholder whose name and address shall have been filed with the Corporation for such purpose. The Corporation will hold a public hearing on the preliminary budget if requested by the holders of 10% or more of the Outstanding Bonds in the manner provided by the terms of the Indenture.

The Corporation will adopt an Annual Budget for the Program covering its fiscal operations for the succeeding Fiscal Year and file the same with such officials of the State as may be required by the Act, as then amended. The Annual Budget will at least set forth for such Fiscal Year the estimated

Pledged Receipts due and payable or estimated to become due and payable during such Fiscal Year. Copies of the Annual Budget and any amended Annual Budget will be made available by the Corporation for inspection by any Bondholder.

Corporation's Programs (Section 709)

The Corporation from time to time, with all practical dispatch and in a sound and economical manner consistent in all respects with the Act, the provisions of the Indenture and sound banking practices and principles, will (i) use and apply the proceeds of the Bonds to the extent not reasonably or otherwise required for other purposes of the Program, to finance Acquired Obligations pursuant to the Act and the Indenture, (ii) do all such acts and things necessary to receive and collect Pledged Receipts sufficient to pay Program Expenses and principal or Redemption Price, if any, of and interest on the Bonds and (iii) diligently enforce, and take all steps, actions and proceedings reasonably necessary in the judgment of the Corporation to maintain any insurance on Acquired Obligations and to enforce all terms, covenants and conditions of Acquired Obligations.

The Corporation covenants not to sell or assign an Acquired Obligation, other than for the purpose of realizing the benefits of mortgage insurance with respect thereto, unless the payments received in respect thereof are deposited in the appropriate Mortgage Loan Account, if any, or otherwise in the Mortgage Loan Fund and (i) the Corporation provides the Trustee with a Bond Coverage Certificate after giving effect to such sale or assignment or (ii) the Trustee receives a written request from the owners of 100% of the Bonds then Outstanding to sell or assign such Acquired Obligation. Subject to such provisions, the Corporation may sell or assign any Acquired Obligation, and the Mortgage Loan so sold or assigned will be released from the lien of the pledge of the Indenture.

Supplemental Indentures Effective Upon Filing with the Trustee (Section 801)

For any one or more of the following purposes, a Supplemental Indenture of the Corporation may be adopted, which, upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Corporation, shall be fully effective in accordance with its terms:

1. to close the Indenture against, or provide limitations and restrictions in addition to the limitations and restrictions contained in the Indenture on, the authentication and delivery of Bonds or the issuance of other evidences of indebtedness;

2. to add other covenants and agreements to be observed by the Corporation which are not contrary to or inconsistent with the Indenture;

3. to add other limitations and restrictions to be observed by the Corporation which are not contrary to or inconsistent with the Indenture;

4. to surrender any right, power or privilege reserved to or conferred upon the Corporation by the terms of the Indenture, but only if the surrender of such right, power, or privilege is not contrary to or inconsistent with the Indenture;

5. to authorize Bonds of a Series;

6. to confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, the Indenture or the Trust Estate;

7. to modify any of the provisions of the Indenture provided that (i) such modification shall be effective only after all Bonds of any Series Outstanding at the date of the adoption of such Supplemental Indenture shall cease to be Outstanding, and (ii) such Supplemental Indenture shall be specifically referred to in the text of all Bonds of any Series authenticated and delivered after the date of the adoption of such Supplemental Indenture and of Bonds issued in exchange therefore or in place thereof;

8. to make such additions, deletions, or modifications as may be necessary to assure compliance with Section 148(d)(3) of the Code or Section 148(f) of the Code or to obtain a satisfactory rating on a Series of Bonds from a Rating Agency, provided that no such additions, deletions, or modifications intended to obtain a satisfactory rating shall cause a reduction in any ratings assigned by a Rating Agency to Bonds then Outstanding; and

9. to make any other change in the Indenture, including any change otherwise requiring the consent of Bondholders, if such change affects only Bonds which are subject to mandatory tender for purchase and if such change is effective as of a date for such mandatory tender.

Supplemental Indentures Effective Upon Consent of Trustee (Section 802)

For any one or more of the following purposes, a Supplemental Indenture may be adopted, which, upon (i) the filing with the Trustee of an executed original thereof, and (ii) the filing with the Trustee and the Corporation of an instrument in writing made by the Trustee consenting thereto, shall be fully effective in accordance with its terms:

1. to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Indenture; or

2. to insert such provisions clarifying matters or questions arising under the Indenture as are necessary or desirable and are not contrary to or inconsistent with the Indenture as theretofore in effect; or

3. to provide for additional duties of the Trustee in connection with the Acquired Obligations; or

4. to make any other changes not materially adverse to the interests of the Bondholders.

Any such Supplemental Indenture may also contain one or more of the purposes specified in the preceding section, and in that event, the consent of the Trustee required by this section shall be applicable only to those provisions of such Supplemental Indenture as shall contain one or more of the purposes set forth above.

Powers of Amendment (Section 902)

Any modification or amendment of any provision of the Indenture or of the rights and obligations of the Corporation and of the holders of the Bonds may be made by a Supplemental Indenture, with the written consent given as provided in the Indenture (i) of the holders of at least two-thirds in principal amount of the Outstanding Bonds, (ii) in case less than all of the several Series of Bonds would be affected by such modification or amendment, of the holders of at least two-thirds in principal amount of the Outstanding Bonds of each Series so affected and (iii) in case the modification or amendment changes

the terms of any Sinking Fund Payment, of the holders of at least two-thirds in principal amount of the Outstanding Bonds of the particular Series and maturity entitled to such Sinking Fund Payment; except that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding, the consent of the holders of such Bonds is not required. No such modification or amendment will permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the holder of such Bond or reduce the percentages or otherwise affect the classes of Bonds, the consent of the holders of which is required to effect any such modification or amendment. A Series of Bonds will be deemed to be affected by a modification or amendment of the Indenture if the same adversely affects or diminishes the rights of the holders of Bonds of such Series.

Events of Default (Section 1002)

Each of the following events is an "Event of Default": (a) the Corporation defaults in the payment of the principal (including Sinking Fund Payments) or Redemption Price, if any, of any Bond within two Business Days after the same becomes due, whether at maturity or upon call for redemption or otherwise; (b) payment of any installment of interest on any of the Bonds is not made within two Business Days after the same becomes due; (c) the Corporation fails or refuses to comply with the provisions of the Indenture, or defaults in the performance or observance of any of the covenants, agreements or conditions contained therein, or in any Supplemental Indenture or the Bonds, and such failure, refusal or default continues for a period of 45 days after written notice thereof by the Trustee or the holders of not less than 25% in principal amount of the Outstanding Bonds; or (d) any event designated an Event of Default by a Supplemental Indenture shall have occurred and remain uncured.

Remedies (Section 1003)

Upon the happening and continuance of any Event of Default specified in clauses (a) and (b) above, the Trustee will proceed, or upon the happening and continuance of any Event of Default specified in clauses (c) and (d) above, the Trustee may proceed, and upon the written request of the holders of not less than 25% in principal amount of the Outstanding Bonds, will proceed, in its own name, subject to the Indenture, to protect and enforce its rights and the rights of the Bondholders by such of the following remedies as the Trustee, being advised by counsel, deems most effectual to protect and enforce such rights: (a) by mandamus or other suit, action or proceeding at law or in equity, to enforce all rights of the Bondholders, including the right to require the Corporation to receive and collect revenues and assets, including Pledged Receipts adequate to carry out the covenants and agreements as to, and pledge of, such revenues and assets, and to require the Corporation to carry out any other covenant or agreement with Bondholders and to perform its duties under the Act; (b) by bringing suit upon the Bonds; (c) by action or suit in equity to require the Corporation to account as if it were the trustee of an express trust for the holders of the Bonds; (d) by action or suit in equity, to enjoin any acts or things which may be unlawful or in violation of the rights of the holders of the Bonds; (e) by declaring all Bonds due and payable, and if all defaults are made good, then, with the written consent of the holders of not less than 25% in principal amount of the Outstanding Bonds, by annulling such declaration and its consequences, provided, however, that the Trustee may not make any such declaration with respect to an Event of Default under (c) of the preceding paragraph unless the Trustee has received a written request to do so from 100% of the holders of all Outstanding Bonds or there are sufficient moneys available in the funds and accounts to pay the principal and interest on the Bonds upon such declaration; or (f) in the event that all Bonds are declared due and payable, by selling Acquired Obligations.

Priority of Payments After Default (Section 1004)

In the event that upon, the happening and continuance of any Event of Default, the funds held by the Trustee and Paying Agents shall be insufficient for the payment of principal or Redemption Price, if any, of and interest then due on the Bonds, such funds (other than funds held for the payment or redemption of particular Bonds which have theretofore become due at maturity or by call for redemption) and any other moneys received or collected by the Trustee acting pursuant to the Act and the Indenture, after making provision for the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the holders of the Bonds and for the payment of the charges and expenses and liabilities incurred and advances made by the Trustee or any Paying Agents in the performance of their respective duties under the Indenture, shall be applied as follows:

1. unless the principal of all of the Bonds shall have become or have been declared due and payable:

(a) to the payment to the persons entitled thereto of all installments of interest then due and payable in the order of the maturity of such installments and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference; and

(b) to the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price, if any, due on such date, to the persons entitled thereto, without any discrimination or preference.

2. if the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

Whenever moneys are to be applied by the Trustee pursuant to the Indenture, such moneys shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine having due regard to the amount of such moneys available for application and the likelihood of additional money becoming available for such application in the future; the deposit of such moneys with the Paying Agents, or otherwise setting aside such moneys in trust for the proper purpose, shall constitute proper application by the Trustee; and the Trustee shall incur no liability whatsoever to the Corporation, to any Bondholder or to any other person for any delay in applying any such moneys, so long as the Trustee acts with reasonable diligence, having due regard for the circumstances, and ultimately applies the same in accordance with such provisions of the Indenture as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such moneys, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon which such interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate for the fixing of any such date. The Trustee shall not be required to make payment to the

holder of any unpaid Bonds unless such Bonds shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Bondholders' Direction of Proceedings (Section 1006)

The holders of the majority in principal amount of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings to be taken by the Trustee under the Indenture, provided that such direction shall not be otherwise than in accordance with law or the provisions of the Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

Limitation on Rights of Bondholders (Section 1007)

No holder of any Bond shall have any right to institute any suit, action, mandamus or other proceeding in equity or at law, or for the protection or enforcement of any right under the Indenture or any right under law unless such holder shall have given to the Trustee written notice of the Event of Default or breach of duty on account of which such suit, action or proceeding is to be taken, and unless the holders of not less than twenty-five per centum (25%) in principal amount of the Bonds then Outstanding shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have occurred, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers therein granted or granted under the law or to institute such action, suit or proceeding in its name and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are thereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers under the Indenture or for any other remedy under the Indenture or under law. It is understood and intended that no one or more holders of the Bonds thereby secured shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Indenture, or to enforce any right thereunder or under law with respect to the Bonds or the Indenture, except in the manner therein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner therein provided and for the benefit of all holders of the Outstanding Bonds. Nothing in the Indenture shall affect or impair the right of any Bondholder to enforce the payment of the principal or Redemption Price, if any, of and interest on his Bonds, or the obligation of the Corporation to pay the principal or Redemption Price, if any, of and interest on each Bond issued under the Indenture to the holder thereof at the time and place stated in said Bond.

Notwithstanding anything to the contrary, or any other provision of the Indenture, each holder of any Bond by his acceptance thereof shall be deemed to have agreed that any court in its discretion may require, in any suit for the enforcement of any right or remedy under the Indenture or any Supplemental Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the reasonable costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in any such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this paragraph shall not apply to any suit instituted by the Trustee, to any suit instituted by any Bondholder, or group of Bondholders, holding at least twenty-five per centum (25%) in principal amount of the Bonds Outstanding, or to any suit instituted by any Bondholder for the enforcement of the payment of the principal or Redemption Price of or interest on any Bond on or after the respective due date thereof expressed in such Bond.

Trustee (Sections 1105, 1108 and 1109)

The Corporation may remove the Trustee at any time, except during the existence of an Event of Default, for such cause as shall be determined in the sole discretion of the Corporation. Any successor to the Trustee is required to be a trust company or bank having the powers of a trust company having capital and surplus aggregating at least $25,000,000. The Corporation is required to pay to the Trustee and to each Paying Agent from time to time reasonable compensation for all services rendered under the Indenture, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under the Indenture, and the Trustee and each Paying Agent shall have a lien therefor on any and all funds at any time held by it under the Indenture.

Defeasance (Section 1201)

If the Corporation pays or causes to be paid, to the holders of the Bonds, the principal and interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated therein and in the Indenture, then the pledge of any revenues and assets thereby pledged and all other rights granted thereby shall be discharged and satisfied.

Bonds or interest installments for the payment or redemption of which moneys have been set aside and held in trust by Fiduciaries (through deposit by the Corporation of funds for such payment or redemption or otherwise) will, at the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in the preceding paragraph. All Outstanding Bonds will, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect so expressed in the preceding paragraph if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Corporation has given to the Trustee, in form satisfactory to it, irrevocable instructions to mail by first class-mail, as provided in the Indenture, notice of redemption on said date of such Bonds, (ii) there have been deposited with the Trustee either moneys in an amount which is sufficient, or obligations of the United States of America or of agencies or instrumentalities thereof guaranteed by the United States of America the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, are sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (iii) in the event said Bonds are not by their terms subject to redemption within the next succeeding 60 days, the Corporation will have given the Trustee in form satisfactory to it irrevocable instructions to publish or mail by first-class mail, as soon as practicable, a notice to the holders of such Bonds that the deposit required by (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if any, of said Bonds. Neither Investment Securities nor moneys deposited with the Trustee pursuant to this Section, nor principal or interest payments on any such Investment Securities, will be withdrawn or used for any purpose other than, and will be held in trust for, the payment of the principal or Redemption Price, if any, of and interest on said Bonds, provided any cash received from such principal or interest payments on such Investment Securities deposited with the Trustee, if not then needed for such purpose, will, to the extent practicable, be reinvested in Investment Securities maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, and interest to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments will be paid over to the Corporation, as received by the Trustee, free and clear of any trust, lien or pledge.

TAX MATTERS

[BOND COUNSEL TO REVIEW/UPDATE]

General

In the opinions of Bond Counsel and Special Tax Counsel, to be delivered on the date of issuance of the Offered Bonds, assuming compliance with certain covenants which are designed to meet the requirements of the Code, under existing laws, regulations, rulings and judicial decisions, (i) interest on the Offered Bonds is excluded from gross income for Federal income tax purposes and (ii) interest on the Offered Bonds is not a specific preference item and is not included in the adjusted current earnings of corporations for purposes of the federal alternative minimum tax.

The requirements of applicable Federal tax law must be satisfied with respect to the Offered Bonds in order that interest on the Offered Bonds not be included in gross income for Federal income tax purposes retroactive to the date of issuance thereof. The Code provides that interest on obligations of a governmental unit such as the Corporation issued to finance, or to refund bonds issued to finance, single family residences for first time homebuyers (such as the Offered Bonds) is not included in gross income for Federal income tax purposes only if certain requirements are met with respect to the terms, amount and purpose of the obligations and the use of the funds generated by the issuance of the obligations, the nature of the residences and the mortgages, and the eligibility of the borrowers executing the mortgages.

Loan Eligibility Requirements Imposed by the Code

The Code contains the following loan eligibility requirements that are applicable to Mortgage Loans financed with proceeds attributable to the Offered Bonds in order that interest on the Offered Bonds not be included in gross income for Federal income tax purposes retroactive to the date of issuance thereof.

Residence Requirement

The Code requires that each of the premises financed with proceeds of qualified mortgage bonds be a one-to-four-family residence, one unit of which can reasonably be expected to become the principal residence of the mortgagor within a reasonable time after the financing is provided. In the case of a two-to-four-family residence (other than two-family residences in targeted areas having borrowers whose family income does not exceed 140% of applicable family median income), the residence must have been occupied as a residence at least five years before the mortgage is executed. Certain documents adopted by the Corporation that establish procedures to be followed in connection with the financing of Mortgage Loans with amounts attributable to the Offered Bonds in order to assure that interest paid on the Offered Bonds not be included in gross income for Federal income tax purposes under the Code (the "Program Documents") require each mortgagor to submit an affidavit stating such person's intention to occupy the premises as his principal residence within 60 days after closing of the Mortgage Loan. In the case of a two-to-four-family residence (other than two-family residences in targeted areas having borrowers whose family income does not exceed 140% of applicable family median income), the mortgagor is required by the Program Documents to certify that the residence was first occupied as a residence at least five years before the Mortgage Loan was executed.

First-Time Homebuyer Requirement

The Code requires that, subject to certain exceptions, the lendable proceeds of qualified mortgage bonds be used to provide financing to mortgagors who have not had a present ownership interest in their

principal residence (other than the residence being financed) during the three-year period prior to execution of the mortgage loan. Mortgagors subject to this requirement must so certify when applying to a Mortgage Lender for a Mortgage Loan, and the Program Documents require that the Mortgage Lender make a reasonable investigation to verify such certification. Mortgagors subject to this requirement are required to provide Federal income tax returns for the previous three years or other appropriate certifications to allow the Mortgage Lender to verify that no deductions or other entries have been made that would indicate any such ownership interest.

New Mortgage Requirement

The Code requires that, with certain limited exceptions, the lendable proceeds of qualified mortgage bonds finance new mortgage loans only and that no proceeds may be used to acquire or replace an existing mortgage loan, which would include the refinancing of a pre-existing mortgage loan. The Corporation will verify compliance with the new mortgage requirement by requiring each mortgagor and the seller of the residence to certify, subject to such exceptions, that no refinancing of a prior mortgage loan is being effected.

Purchase Price Limitation

The Code requires that, with certain limited exceptions, the purchase price of the residence financed with the lendable proceeds of qualified mortgage bonds may not exceed 90% of the average area purchase price applicable to such residence or 110% of the applicable average area purchase price in the case of residences located in targeted areas. The Corporation will verify compliance with the purchase price limitations by requiring each mortgagor and seller of a residence to make certifications regarding the purchase price of such residence.

Income Limitation

The Code requires that all mortgage loans made from the lendable proceeds of qualified mortgage bonds be made only to borrowers whose family income does not exceed 115% (for mortgage loans made to families with fewer than three members, 100%) of the applicable median family income. An exception is provided for mortgage loans financed with the lendable proceeds of qualified mortgage bonds made with respect to targeted area residences that permits two-thirds in aggregate amount of such mortgage loans to be made with respect to borrowers whose family income does not exceed 140% (for mortgage loans made to families with fewer than three members, 120%) of the applicable median family income and one-third in aggregate amount of such loans to be made without regard to any income limitation. Applicable Federal tax law permits higher income limits for persons financing homes located in certain "high housing cost areas."

The Corporation will verify compliance with the requirements described under this caption "Tax Matters — Loan Eligibility Requirements Imposed by the Code — Income Limitation" by requiring each borrower to certify the amount of family income. Family income includes income of all individuals executing both the note and mortgage and occupying the dwelling as their principal residence.

Requirements as to Assumptions

The Code provides that a mortgage loan may be assumed only if each of the then applicable residence requirement, first-time homebuyer requirement, purchase price limitation, and income limitation is met with respect to such assumption. The Mortgage Loans will contain a "due on sale" clause, and the Corporation will not permit the assumption of a Mortgage Loan unless (i) it has

determined that these requirements have been met and has obtained the appropriate certifications or (ii) it purchases the Mortgage Loan out from the lien of the Indenture and finances it from other sources.

General

An issue of bonds is treated as meeting the loan eligibility requirements of the Code if (i) the issuer in good faith attempted to meet all the loan eligibility requirements before the mortgage loans were executed, (ii) any failure to comply with the loan eligibility requirements is corrected within a reasonable period after such failure is first discovered, and (iii) 95% or more of the proceeds of the issue used to make mortgage loans was used to finance residences that met all such requirements at the time the mortgage loans were executed. In determining whether 95% or more of the proceeds has been so used, the Code permits the Corporation to rely on an affidavit of the mortgagor and of the seller and an examination of copies of the mortgagor's Federal income tax returns for the last three years preceding the date the Mortgage Loan is executed even though the relevant information in such affidavits and income tax returns should ultimately prove to be untrue, unless the Corporation or the Mortgage Lender knows or has reason to believe that such information is false.

Other Requirements Imposed by the Code

General

The Code provides that gross income for Federal income tax purposes does not include interest on a mortgage revenue bond if it is a qualified mortgage bond. A qualified mortgage bond is a part of an issue of a state or political subdivision all the proceeds of which (net of amounts applied to any costs of issuance thereof and to fund a reasonably required reserve) are used to finance, or to refund bonds issued to finance, owner-occupied residences and that meets certain (i) general requirements, (ii) arbitrage restrictions on the use and investment of proceeds of the issue, and (iii) loan eligibility requirements set forth in the Code and as more fully described above under "Tax Matters — Loan Eligibility Requirements Imposed by the Code."

The first general requirement of the Code applicable to the Corporation's Program is that the aggregate amount of private activity bonds that may be issued by the Corporation in any calendar year (or previous years' carried forward amount) must not exceed the portion of the private activity bond volume limit for the State for such calendar year that is allocated to the Corporation. The Offered Bonds are within the applicable limit for the Corporation. The second general requirement of the Code applicable to the Corporation's Program is that at least 20% of the lendable proceeds of an issue of bonds must be made available (and applied with reasonable diligence) for owner-financing of residences in targeted areas (as defined by the Code) for at least one year after the date on which such funds are first available for such owner-financing (the "targeted area requirement"). The Corporation has covenanted to comply with such requirements to the extent required by the Code.

The Code requires the issuer of qualified mortgage bonds to file with the Internal Revenue Service reports on the issuance of its qualified mortgage bonds following such issuance, as well as an annual qualified mortgage loan information report. The Corporation has covenanted to file, as required, such reports with respect to the mortgage loans financed by the Offered Bonds.

The Code requires that the effective interest rate on mortgage loans financed with the lendable proceeds of qualified mortgage bonds (such as the Offered Bonds) may not exceed the yield on the issue of Offered Bonds by more than 1.125%. With respect the Offered Bonds, the Code requires that certain investment earnings on non-mortgage investments, calculated based upon the extent such investment earnings exceed the amount that would have been earned on such investments if the investments were

invested at a yield equal to the yield on the issue, be rebated to the United States. The Corporation has covenanted to comply with these requirements and has established procedures to determine the amount of excess earnings, if any, that must be rebated to the United States.

Recapture Provision

For certain mortgage loans made after December 31, 1990 from the proceeds of tax-exempt bonds issued after August 15, 1986, and for assumptions of such mortgage loans, the Code requires a payment to the United States from certain mortgagors upon sale or other disposition of their homes (the "Recapture Provision"). The Recapture Provision requires that an amount determined to be the subsidy provided by a qualified mortgage bond financing to a mortgagor be paid to the United States on disposition of the house (but not in excess of 50% of the gain realized by the mortgagor). The recapture amount would (i) increase over the period of ownership, with full recapture occurring if the house were sold between four and five full years after the closing of the mortgage loan, and (ii) decline ratably to zero with respect to sales occurring between five and nine full years after the closing of the mortgage loan. An exception excludes from recapture part or all of the subsidy in the case of certain assisted individuals whose incomes are less than prescribed amounts at the time of the disposition. The Code requires an issuer to inform mortgagors of certain information with respect to the Recapture Provision. The Corporation has established procedures which the Corporation believes will enable it to meet such recapture information requirement.

The Code states that an issuer will be treated as meeting the targeted area requirement, the arbitrage restrictions on mortgage loans, and the recapture information requirements if it in good faith attempted to meet all such requirements and any failure to meet such requirements was due to inadvertent error after taking all reasonable steps to comply with such requirements.

Required Redemptions

The Code requires redemption of certain qualified mortgage bonds issued after 1988 from unexpended proceeds required to be used to make mortgage loans that have not been used within 42 months from the date of issuance (or the date of issuance of the original bonds in the case of refundings of unexpended proceeds), except for a $250,000 de minimis amount. As a result, the Corporation may be required by the Code to redeem the Offered Bonds from unexpended proceeds attributable to the Offered Bonds. Additionally, for bonds issued after 1988, the Code permits repayments (including prepayments) of principal of mortgage loans financed with the proceeds of an issue of bonds to be used to make additional mortgage loans for only 10 years from the date of issuance of the bonds (or the date of issuance of the original bonds in the case of refundings), after which date such amounts must be used to redeem bonds, except for a $250,000 de minimis amount. As a result, the Corporation may be required by the Code to redeem Offered Bonds from repayments (including prepayments) of principal of Mortgage Loans financed with proceeds attributable to the Offered Bonds.

Compliance

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for Federal income tax purposes of interest on obligations such as the Offered Bonds, including compliance with restrictions on the yield of mortgage loans and non-mortgage investments and periodic rebate payments to the Federal government, as well as restrictions on the type of Mortgage Loans financed. The Corporation will deliver concurrently with the delivery the Offered Bonds, a Tax Regulatory Agreement and No Arbitrage Certificate which contains provisions and procedures relating to compliance with such requirements of the Code, and the Corporation has included provisions in the Program Documents that establish procedures, including receipt of certain affidavits and warranties from

Mortgage Lenders and mortgagors, in order to assure compliance with the loan eligibility requirements and other requirements that must be satisfied subsequent to the date of issuance of the Offered Bonds. The Corporation also has covenanted in the Indenture to do and perform all acts and things permitted by law and necessary or desirable to assure that interest paid on the Offered Bonds shall not be included in gross income for Federal income tax purposes and, for such purpose, to adopt and maintain appropriate procedures. Failure to comply with these covenants may result in interest on the Offered Bonds being included in gross income for Federal income tax purposes from their date of issuance. The opinions of Bond Counsel and Special Tax Counsel assume the Corporation is in compliance with these covenants. Bond Counsel and Special Tax Counsel are not aware of any reason why the Corporation cannot or will not be in compliance with such covenants. However, Bond Counsel and Special Tax Counsel have not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Offered Bonds may affect the tax status of interest on the Offered Bonds.

Original Issue Discount

Offered Bonds sold at an initial public offering price that is less than the stated amount to be paid at maturity constitute "Discount Bonds." The difference between the initial public offering prices of any such Discount Bond and the stated amount to be paid at maturity constitutes original issue discount treated as interest which is excluded from gross income for federal income tax purposes to the same extent as interest on such Discount Bond.

The amount of original issue discount which is treated as having accrued with respect to such Discount Bond is added to the cost basis of the owner in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity). Amounts received upon disposition of such Discount Bond which are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount which would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less the amount of any interest payable for such Discount Bond during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount which would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning a Discount Bond.

Original Issue Premium

Offered Bonds sold at an initial public offering price that is greater than the stated amount to be paid at maturity constitute "Premium Bonds." An amount equal to the excess of the issue price of a

Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. An initial purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As premium is amortized, the purchaser's basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of Premium Bonds should consult with their tax advisors with respect to the determination and treatment of amortizable premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

Backup Withholding

As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on tax-exempt obligations such as the Offered Bonds is subject to information reporting in a manner similar to that with respect to interest paid on taxable obligations. Backup withholding may be imposed on payments made after March 31, 2007 to any bondholder who fails to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. The reporting requirement does not in and of itself affect or alter the excludability of interest on the Offered Bonds from gross income for Federal income tax purposes or any other Federal tax consequence of purchasing, holding or selling tax-exempt obligations.

Certain Additional Federal Tax Consequences

The foregoing is a brief discussion of certain Federal and State income tax matters with respect to the Offered Bonds under existing statutes. It does not purport to deal with all aspects of Federal or State taxation that may be relevant to a particular owner of Offered Bonds. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the Federal, State and local tax consequences of owning and disposing of the Offered Bonds.

Although Bond Counsel and Special Tax Counsel will each render an opinion that interest on the Offered Bonds will be excluded from gross income for Federal income tax purposes, the accrual or receipt of interest on the Offered Bonds may otherwise affect the Federal income tax liability of the recipient. The extent of these other tax consequences will depend upon the recipient's particular tax status or other items of income or deduction. Bond Counsel and Special Tax Counsel express no opinion regarding any such consequences. Purchasers of the Offered Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States), property or casualty insurance companies, banks, thrifts or other financial institutions or recipients of Social Security or Railroad Retirement benefits, taxpayers otherwise entitled to claim the earned income credit and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations, are advised to consult their tax advisors as to the tax consequences of purchasing, holding or selling the Offered Bonds.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to above or adversely affect the market value of the Offered Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory

actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Offered Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Offered Bonds or the market value thereof would be impacted thereby. Purchasers of the Offered Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel and Special Tax Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Offered Bonds, and Bond Counsel and Special Tax Counsel have expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

Exemption Under State Tax Law

In the opinion of Bond Counsel, interest on the Offered Bonds is free from taxation by the State under existing law (except that no opinion is expressed as to such exemption from State estate and inheritance taxes and taxes of transfers by or in anticipation of death).

See "Changes in Federal and State Tax Law" above.

CONTINUING DISCLOSURE UNDER SEC RULE 15c2-12

In order to assist the Underwriters of the Offered Bonds in complying with Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule"), the Corporation will execute and deliver a Continuing Disclosure Certificate. The Corporation will undertake to provide the Municipal Securities Rulemaking Board, on an annual basis on or before 135 days after the end of each fiscal year for the Corporation, commencing with the fiscal year ending June 30, 2016, the financial and operating data concerning the Corporation outlined in the Continuing Disclosure Certificate. In addition, the Corporation will undertake, for the benefit of the registered owners and beneficial owners of the Offered Bonds, to provide to the Municipal Securities Rulemaking Board, the notices described in the Continuing Disclosure Certificate by the times set forth therein.

The sole and exclusive remedy for breach or default under the Continuing Disclosure Certificate is an action to compel specific performance of the undertakings of the Corporation, and no person, including a registered owner or beneficial owner of the Offered Bonds, may recover monetary damages thereunder under any circumstances. A breach or default under the Continuing Disclosure Certificate shall not constitute an Event of Default under the Indenture. In addition, if all or any part of the Rule ceases to be in effect for any reason, then the information required to be provided under the Continuing Disclosure Certificate, insofar as the provision of the Rule no longer in effect required the provision of such information, shall no longer be required to be provided.

The specific nature of the information to be provided is summarized in Appendix D — "Form of Continuing Disclosure Certificate."

RATINGS OF THE OFFERED BONDS

S&P has assigned the Offered Bonds a rating of "____" and Fitch has assigned the Offered Bonds a rating of "____". The Corporation has furnished to each rating agency certain information and materials with respect to the Offered Bonds. Generally, rating agencies base their ratings on such information and materials, and on investigations, studies and assumptions made by the rating agencies. The obligation of the Underwriters to purchase the Offered Bonds is conditioned on the assignment by

S&P and Fitch of the respective aforementioned ratings to such Offered Bonds. Each rating reflects only the view of the applicable rating agency at the time such rating was issued and an explanation of the significance of such rating may be obtained from the rating agency. There is no assurance that any such rating will continue for any given period of time or that any such ratings will not be revised downward or withdrawn entirely by the applicable rating agency if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of any such rating can be expected to have an adverse effect on the market price of the Offered Bonds.

FINANCIAL STATEMENTS

[The unaudited financial statements of the Corporation as of and for the [9] months ended [March 31, 2016], included in Appendix A to this Official Statement, appear without review or audit by an independent accountant.]

The Corporation's financial statements as of and for the year ended June 30, 2015, included in Appendix A to this Official Statement, have been audited by BDO USA, LLP, independent auditors, as stated in their report appearing herein.

LITIGATION

There is no controversy or litigation of any material nature now pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Offered Bonds, or in any way contesting or affecting the validity of the Offered Bonds or any proceedings of the Corporation taken with respect to the issuance or sale thereof, or the pledge or application of any moneys or security provided for the payment of the Offered Bonds or the existence or powers of the Corporation.

LEGAL MATTERS

All legal matters incident to the authorization, sale and delivery of the Offered Bonds and certain Federal and state tax matters are subject to the approval of the Law Office of Kenneth E. Vassar, LLC, Anchorage, Alaska, Bond Counsel to the Corporation.. Certain Federal tax matters will be passed upon for the Corporation by Kutak Rock LLP, Special Tax Counsel. Certain legal matters will be passed on for the Underwriters by their counsel, Hawkins Delafield & Wood LLP.

STATE NOT LIABLE ON BONDS

The Bonds do not constitute a debt, liability or obligation of the State or of any political subdivision thereof or a pledge of the faith and credit of the State or of any political subdivision thereof, but are payable solely from the revenue or assets of the Corporation.

LEGALITY FOR INVESTMENT

Subject to any applicable federal requirements or limitations, the Offered Bonds are eligible for investment by all public officers and public bodies of the State and its political subdivisions, and, to the extent controlled by State law, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them, in the Offered Bonds.

UNDERWRITING

The Offered Bonds are being purchased by the Underwriters. The Underwriters have jointly and severally agreed to purchase the Offered Bonds at the prices set forth on the inside cover page, plus accrued interest, if any. The Underwriters will be paid a fee of $_____ with respect to the Offered Bonds. The Bond Purchase Agreement with respect to the Offered Bonds provides that the Underwriters will purchase all of such Bonds, if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in such Bond Purchase Agreement, the receipt of certain legal opinions, and certain other conditions. The initial public offering prices and yields of the Offered Bonds may be changed from time to time by the Underwriters. The Underwriters may offer and sell the Offered Bonds to certain dealers (including dealers depositing such Bonds into unit investment trusts, certain of which may be sponsored or managed by an Underwriter) and others at prices lower or yields higher than the public offering prices and yields of the Offered Bonds set forth on the inside cover page.

Each of the Underwriters and its affiliates is a full service financial institution engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Each of the Underwriters and its affiliates may have, from time to time, performed and may in the future perform, various investment banking services for the Corporation, for which they may have received or will receive customary fees and expenses. In the ordinary course of their various business activities, each of the Underwriters and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Corporation.

Wells Fargo Bank, National Association, acting through its Municipal Products Group ("WFBNA"), the senior underwriter of the Offered Bonds, has entered into an agreement (the "Distribution Agreement") with its affiliate, Wells Fargo Advisors, LLC ("WFA"), for the distribution of certain municipal securities offerings, including the Offered Bonds. Pursuant to the Distribution Agreement, WFBNA will share a portion of its underwriting compensation with respect to the Offered Bonds with WFA. WFBNA also utilizes the distribution capabilities of its affiliate Wells Fargo Securities, LLC ("WFSLLC"), for the distribution of municipal securities offerings, including the Offered Bonds. In connection with utilizing the distribution capabilities of WFSLLC, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Products Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

FINANCIAL ADVISOR

[FA TO REVIEW/UPDATE]

FirstSouthwest, a Division of Hilltop Securities Inc. ("FirstSouthwest") is employed as Financial Advisor to the Corporation in connection with the issuance of the Offered Bonds. The Financial

Advisor's fee for services rendered with respect to the sale of the Offered Bonds is contingent upon the issuance and delivery of the Offered Bonds. First Southwest has agreed, in its Financial Advisory contract, not to bid for the Offered Bonds, either independently or as a member of a syndicate organized to submit a bid for the Offered Bonds. First Southwest, in its capacity as Financial Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the 2016 Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Financial Advisor to the Corporation has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Corporation and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

FORWARD-LOOKING STATEMENTS

The following statements are made as contemplated by the provisions of the Private Securities Litigation Reform Act of 1995: If and when included in this Official Statement, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," "assumes" and analogous expressions are intended to identify forward-looking statements and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected. Such risks and uncertainties include, among others, general economic and business conditions relating to the Corporation and the housing industry in general, changes in political, social and economic conditions, regulatory initiatives and compliance with governmental regulations, litigation and various other events, conditions and circumstances, many of which are beyond the control of the Corporation. These forward-looking statements speak only as of the date of this Official Statement. The Corporation disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the Corporation's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

ADDITIONAL INFORMATION

The summaries and references herein to the Act, the Offered Bonds, the Indenture and other documents and materials are brief outlines of certain provisions contained therein and do not purport to summarize or describe all the provisions thereof. For further information, reference is hereby made to the Act, the Indenture and such other documents and materials for the complete provisions thereof, copies of which will be furnished by the Corporation upon request. See "The Corporation — General" for the address and telephone number of the Corporation's main office.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Corporation and the owner of any Offered Bonds.

APPENDIX A

FINANCIAL STATEMENTS OF THE CORPORATION

APPENDIX B

FORM OF OPINION OF BOND COUNSEL

[BOND COUNSEL TO REVIEW/UPDATE]

Alaska Housing Finance Corporation
4300 Boniface Parkway
Anchorage, Alaska 99504

Ladies and Gentlemen:

We have examined the Constitution and laws of the State of Alaska (the "State") and a record of proceedings relating to the issuance of $_____ aggregate principal amount of General Mortgage Revenue Bonds II, 2016 Series A (the "Bonds") of the Alaska Housing Finance Corporation (the "Corporation"), a public corporation and government instrumentality of the State created by and existing under Alaska Statutes 18.55 and 18.56, as amended (the "Act").

In such examinations, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

The Bonds are authorized and issued pursuant to the Act and a resolution of the Corporation adopted July 20, 2016, and are issued pursuant to the Indenture authorized by said resolution by and between the Corporation and U.S. Bank, National Association, as trustee (the "Trustee"), dated as of July 1, 2012, and the 2016 Series A Supplemental Indenture by and between the Corporation and the Trustee, dated as of August 1, 2016, executed pursuant to said Indenture (together, the "Indenture").

The Bonds mature and are subject to redemption as provided in the Indenture.

Capitalized terms used herein and not defined herein are used as defined in the Indenture.

Applicable Federal tax law establishes certain requirements that must be met subsequent to the issuance of the Bonds in order for interest on the Bonds not to be included in gross income for Federal income tax purposes, under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). The Corporation has covenanted that it will comply with such requirements and that it will do all things necessary to ensure that interest on the Bonds will be, and remain, not included in gross income for Federal income tax purposes, under Section 103 of the Code. We have examined the program documentation adopted by the Corporation, which, in our opinion, establishes procedures and covenants under which, if followed, such requirements can be met. In rendering this opinion, we have assumed compliance with, and enforcement of, the provisions of such program procedures and covenants.

As to any facts material to our opinion, we have relied upon various statements and representations of officers and other representatives of the Corporation including without limitation those contained in the Indenture, the Corporation's Tax Regulatory Agreement and No Arbitrage Certificate as to matters affecting the tax-exempt status of the Bonds, the Corporation's Regulations and Program Materials and the certified proceedings and other certifications of public officials and certifications by officers of the Corporation furnished to us (which are material to the opinion expressed below) without undertaking to verify the same by independent investigation.

Subject to the foregoing, we are of the opinion that:

1. Under the Constitution and laws of the State of Alaska (the "State"), the Corporation has been duly created, organized, and validly exists as a public corporation and government instrumentality in good standing under the laws of the State, performing an essential public function with full corporate power and authority under the Act, among other things, to enter into, and to perform its obligations under the terms and conditions of, the Indenture.

2. The Indenture has been duly authorized, executed and delivered, is in full force and effect, and is valid and binding upon the Corporation and enforceable in accordance with its terms (subject, as to enforcement of remedies, to applicable bankruptcy, reorganization, insolvency, moratorium, or other laws affecting creditors' rights generally from time to time in effect).

3. The Bonds have been duly and validly authorized, sold and issued by the Corporation in accordance with the Indenture and Constitution and laws of the State, including the Act and, pursuant to the Act, are issued by a public corporation and government instrumentality of the State for an essential public and governmental purpose.

4. Subject to agreements heretofore or hereafter made with the holders of any notes or other bonds of the Corporation pledging any particular revenues or assets not pledged under the Indenture and the exclusion by the Act of a pledge of funds in the Housing Development Fund (as described in the Act), the Bonds are valid and legally binding general obligations of the Corporation for the payment of which, in accordance with their terms, the full faith and credit of the Corporation have been legally and validly pledged, are enforceable in accordance with their terms and the terms of the Indenture and are entitled to the equal benefit, protection, and security of the provisions, covenants, and agreements of the Indenture.

5. The Bonds are secured by a pledge in the manner and to the extent set forth in the Indenture. The Indenture creates a valid pledge of a lien on all funds established by the Indenture and moneys and securities therein which the Indenture purports to create, to the extent and on the terms provided therein.

6. Under existing statutes and court decisions, interest on the Bonds is excluded from gross income for Federal income tax purposes.

7. Interest on the Bonds is not treated as a preference item for purposes of calculating the alternative minimum tax imposed under the Code with respect to individuals and corporations, and such interest is not included in calculating the "adjusted current earnings" of corporations for purposes of calculating the alternative minimum tax imposed on corporations. We express no opinion regarding any other consequences affecting the Federal income tax liability of a recipient of interest on the Bonds.

8. Under existing laws, interest on the Bonds is free from taxation of every kind by the State, and by municipalities and all other political subdivisions of the State (except that no opinion is expressed as to such exemption from State estate and inheritance taxes and taxes of transfers by or in anticipation of death).

9. Certain requirements and procedures contained or referred to in the Indenture and other relevant documents may be changed and certain actions may be taken, upon the advice or with the opinion of counsel. Except to the extent of our concurrence therewith, we express no opinion as to any Bond, or the interest thereon, if any change occurs or action is taken upon the advice or approval of other counsel.

Very truly yours,

THE LAW OFFICE OF KENNETH E. VASSAR, LLC

By: _____

APPENDIX C

FORM OF OPINION OF SPECIAL TAX COUNSEL

Alaska Housing Finance Corporation
4300 Boniface Parkway
Anchorage, Alaska 99504

$_____
Alaska Housing Finance Corporation
General Mortgage Revenue Bonds II
2016 Series A

Ladies and Gentlemen:

We have acted as Special Tax Counsel in connection with the issuance and sale of $_____ aggregate principal amount of Alaska Housing Finance Corporation General Mortgage Revenue Bonds II, 2016 Series A (the "Bonds"). The Bonds will be issued pursuant to the General Mortgage Revenue Bonds II Indenture by and between the Alaska Housing Finance Corporation (the "Corporation") and U.S. Bank, National Association, as trustee (the "Trustee"), dated as of July 1, 2012 (the "Indenture"), the 2016 Series A Supplemental Indenture by and between the Corporation and the Trustee, dated as of August 1, 2016, authorizing the issuance of the Bonds (the "Supplemental Indenture"). Capitalized terms not otherwise defined herein are used as defined in the Indenture and the Supplemental Indenture.

In connection with the issuance of the Bonds, we have examined the Indenture and the Supplemental Indenture, the Tax Regulatory Agreement and No Arbitrage Certificate of the Corporation and such other opinions, documents, certificates, and letters as we deem relevant and necessary in rendering this opinion.

From such examination, we are of the opinion that, assuming compliance by the Corporation with certain restrictions, conditions and requirements contained in the Indenture, the Supplemental Indenture and the Tax Regulatory Agreement and No Arbitrage Certificate designed to meet the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), under existing laws, regulations, rulings and judicial decisions, interest on the Bonds is excluded from gross income for Federal income tax purposes, and interest on the Bonds is not a specific preference item for purposes of the alternative minimum tax provisions imposed on individuals and corporations by the Code.

We are further of the opinion that interest on the Bonds is not included in adjusted current earnings of corporations for purposes of the alternative minimum tax provisions imposed on such corporations by the Code.

We express no opinion regarding any other consequences affecting the Federal income tax liability of a recipient of interest on the Bonds.

The opinions expressed herein are rendered in reliance upon the opinion of the Law Office of Kenneth E. Vassar, LLC as to the validity of the Bonds under the Constitution and laws of the State of Alaska.

Very truly yours,

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Certificate") is executed and delivered by the Alaska Housing Finance Corporation (the "Corporation") in connection with the issuance of $_____ aggregate principal amount of its General Mortgage Revenue Bonds II, 2016 Series A (the "Subject Bonds"). The Subject Bonds are being issued pursuant to an Indenture by and between the Corporation and U.S. Bank National Association, as trustee (the "Trustee"), dated as of July 1, 2012 (the "Master Indenture"), and a 2016 Series A Supplemental Indenture, dated as of August 1, 2016, by and between the Corporation and the Trustee (together with the Master Indenture, the "Indenture"). The Corporation covenants and agrees with the registered owners and the beneficial owners of the Subject Bonds as follows:

SECTION 1. Purpose of the Certificate. This Certificate is being executed and delivered by the Corporation for the sole and exclusive benefit of the registered owners and beneficial owners of the Subject Bonds.

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Corporation pursuant to, and as described in, Sections 3 and 4 of this Certificate.

"Disclosure Representative" shall mean the Executive Director/Chief Executive Officer of the Corporation or his or her designee.

"Fiscal Year" shall mean any twelve-month period ending on June 30 or on such other date as the Corporation may designate from time to time.

"Listed Events" shall mean any of the events listed in Section 5 of this Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Certificate.

"Official Statement" shall mean the Corporation's final Official Statement with respect to the Subject Bonds, dated _____, 2016.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" shall mean the United States Securities and Exchange Commission.

SECTION 3. Provision of Annual Reports. The Corporation shall provide to the MSRB an Annual Report for the preceding Fiscal Year (commencing with the Fiscal Year ending June 30, 2016) which is consistent with the requirements of Section 4 of this Certificate. The Annual Report shall be provided not later than 135 days after the Fiscal Year to which it relates. The Annual Report may be

submitted as a single document or as separate documents constituting a package, and may cross-reference other information as provided in Section 4 of this Certificate; provided that the audited financial statements of the Corporation may be submitted separately from the balance of the Annual Report, and later than the date required for the filing of the Annual Report if not available by that date. The Corporation shall, in a timely manner, file notice with the MSRB of any failure to file an Annual Report by the date specified in this Section 3. Such notice shall be in the form attached as Exhibit A to this Certificate, subject to Section 9 of this Certificate.

SECTION 4. Content of Annual Reports. The Corporation's Annual Report shall include (i) the Corporation's audited financial statements for the Fiscal Year ended on the previous June 30, prepared in accordance with generally accepted accounting principles established by the Governmental Accounting Standards Board, if available, or unaudited financial statements for such Fiscal Year, (ii) an update of the financial information and operating data contained in the Official Statement under the caption "The Corporation," (iii) financial information regarding the Mortgage Loans of the same type as provided in the Official Statement under the caption "Acquired Obligations — Mortgage Loans," (iv) the amount and type of the investments (and cash) in the accounts and subaccounts established in the Indenture, (v) the amount and type of investments in the Debt Service Reserve Fund and the Special Reserve Fund, (vi) the outstanding principal balances of each maturity of Subject Bonds and the sinking fund installment amounts as applicable, and (vii) financial information and operating data with respect to any other series of Bonds.

If not provided as part of the Annual Report by the date required (as described above under "Provision of Annual Reports"), the Corporation shall provide audited financial statements, when and if available, to the MSRB.

Any or all of the items listed above may be incorporated by specific reference to other documents (i) available to the public on the MSRB Internet Web Site or (ii) filed with the SEC.

SECTION 5. Reporting of Significant Events.

This Section 5 shall govern the giving of notices of the occurrence of any of the following events:

1. Principal and interest payment delinquencies on the Subject Bonds or any other bonds of the Corporation;

2. Non-payment related defaults under the Indenture and any Supplemental Indenture, if material;

3. Unscheduled draws on debt service reserve reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Subject Bonds, or other material events affecting the tax status of the Subject Bonds;

7. Modifications to rights of Subject Bondholders, if material;

8. Subject Bond calls, if material, and tender offers;

9. Defeasances of Subject Bonds;

10. Release, substitution or sale of property securing repayment of the Subject Bonds, if material;

11. Rating changes for the Subject Bonds;

12. Bankruptcy, insolvency, receivership or similar event† of the Corporation;

13. The consummation of a merger, consolidation, or acquisition involving the Corporation or the sale of all or substantially all of the assets of the Corporation, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

Upon the occurrence of a Listed Event, the Corporation shall file a notice of such occurrence with the MSRB and the Trustee in a timely manner not in excess of ten (10) business days after the occurrence of such Listed Event. Each notice of a Listed Event hereunder shall indicate that it is a notice of a Listed Event.

SECTION 6. Termination of Reporting Obligation. The Corporation's obligations under this Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Subject Bonds.

SECTION 7. Dissemination Agent. The Corporation may from time to time designate an agent to act on its behalf in providing or filing notices, documents and information as required of the Corporation under this Certificate, and revoke or modify any such designation.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Certificate, the Corporation may amend this Certificate if the following conditions are met:

(a) The amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof or a change in the identity, nature or status of the Corporation or the type of business conducted thereby;

(b) The Certificate, as amended, would have complied with the requirements of the Rule at the time of the issuance of the Subject Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

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† Note to Paragraph 12: For the purposes of the event identified in Paragraph 12 above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Corporation in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Corporation, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Corporation.

(c) The amendment does not materially impair the interests of the beneficial owners of the Subject Bonds as determined either by a party unaffiliated with the Corporation (such as Bond Counsel) or by approving vote of the registered owners of a majority in principal amount of the Subject Bonds pursuant to the terms of the Indenture.

The Corporation shall deliver a copy of any such amendment to the MSRB.

To the extent any amendment to this Certificate results in a change in the type of financial information or operating data provided pursuant to this Certificate, the first annual financial information provided thereafter will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

SECTION 9. Transmission of Information and Notices. Unless otherwise required by law, all notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 10. Default. *Except* as described in this paragraph, the provisions of this Certificate will create no rights in any other person or entity. The obligation of the Corporation to comply with the provisions of this Certificate are enforceable (i) in the case of enforcement of obligations to provide financial statements, financial information, operating data, and notices, by any beneficial owner of Outstanding Subject Bonds, or by the Trustee on behalf of the registered owners of Outstanding Subject Bonds, or (ii) in the case of challenges to the adequacy of the financial statements, financial information, and operating data so provided, by the Trustee on behalf of the registered owners of Outstanding Subject Bonds; *provided, however,* that the Trustee shall not be required to take any enforcement action *except* at the direction of the registered owners of not less than 25% in aggregate principal amount of the Subject Bonds at the time Outstanding who shall have provided the Trustee with adequate security and indemnity. A default under this Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Certificate in the event of any failure of the Corporation or the Trustee to comply with this Certificate shall be an action to compel performance.

SECTION 11. Governing Law. This Certificate shall be construed and interpreted in accordance with the laws of the State of Alaska, and any suits and actions arising out of this Certificate shall be instituted in a court of competent jurisdiction in the State, *provided* that, to the extent this Certificate addresses matters of federal securities laws, including the Rule, this Certificate shall be construed in accordance with such federal securities laws and official interpretations thereof.

SECTION 12. Beneficiaries. This Certificate shall inure solely to the benefit of the Corporation, and the registered owners and beneficial owners from time to time of the Subject Bonds, and shall create no rights in any other person or entity.

Date: August __, 2016

ALASKA HOUSING FINANCE CORPORATION

By: _____

Exhibit A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Alaska Housing Finance Corporation (the "Corporation")

Name of Bond Issue: $_____ General Mortgage Revenue Bonds II, 2016 Series A

Date of Issuance: August __, 2016

NOTICE IS HEREBY GIVEN that the Corporation has not provided an Annual Report with respect to the above-named bond issue as required by the certificate of the Corporation.

Dated: _____

ALASKA HOUSING FINANCE CORPORATION

By: _____

ALASKA HOUSING FINANCE CORPORATION

GENERAL MORTGAGE REVENUE BONDS II

$_____ 2016 Series A

Bond Purchase Agreement

July __, 2016

This Bond Purchase Agreement ("Agreement") is made as of the date above, by and between the Alaska Housing Finance Corporation (the "Corporation"), a public corporation and government instrumentality created and existing under the laws of the State of Alaska, and Wells Fargo Bank, National Association, as representative (the "Representative") of the purchasers listed on Schedule I (the "Purchasers"). Terms used herein but not defined shall have the meanings ascribed to such terms in the Indenture (defined below). The Corporation and the Purchasers agree as follows:

(A) Upon the terms and conditions and upon the basis of the representations set forth herein, the Purchasers hereby agree to purchase from the Corporation, and the Corporation hereby agrees to sell and to cause to be issued and to be delivered to The Depository Trust Company ("DTC"), New York, New York, which shall act as depository, for the account of the Purchasers, $_____ aggregate principal amount of the Corporation's General Mortgage Revenue Bonds II, 2016 Series A (the "Bonds"). The Bonds will be dated their date of delivery. The Bonds will bear interest at the rates and mature in the amounts and on the dates set forth in Schedule II hereto. The aggregate purchase price of the Bonds shall be $_____ (equal to the principal amount of the Bonds [plus net original issue premium of $_____]). Such amount shall be paid by the Purchasers to the Corporation in Federal Funds or other immediately available funds to the order of the Corporation by wire transfer or in such manner as shall be agreed upon by the Corporation and the Purchasers. The issuance and delivery of, and payment for, the Bonds pursuant to Section (G) hereof and the other actions contemplated hereby to take place at the time thereof is herein sometimes called the "Closing." The Corporation hereby agrees to pay to the Purchasers on the date of Closing an underwriting fee with respect to the Bonds in an amount equal to $_____. Such fee shall be paid in Federal Funds or other immediately available funds to the order of Wells Fargo Bank, National Association, as Representative, by wire transfer or in such manner as shall be agreed upon by the Corporation and the Purchasers (but shall not in any event be subtracted from the purchase price of the Bonds).

(B) (1) Concurrently with the acceptance hereof by the Corporation, the Corporation will deliver to the Representative (i) two copies of each of the Indenture, the Supplemental Indenture and the Resolution (as each such term is defined below) and (ii) an agreed-upon procedures letter of BDO USA, LLP, dated the date hereof, in a form satisfactory to the Purchasers, pursuant to Section (H)(5)(i) of this Agreement.

(2) Within seven business days of the acceptance hereof by the Corporation, and in any event not less than two business days prior to the date of Closing, the Corporation will deliver to the Representative the number of copies of the Official Statement with respect to the Bonds requested by the Representative (which shall be dated the date hereof and shall be in the form attached hereto, with only such changes as may have been mutually agreed to by the Representative and the Corporation, and which, together with all appendices and exhibits thereto, and other reports or statements attached thereto or included therein, and as described in the Resolution defined herein, whether in printed or electronic format, is referred to herein as the "Official Statement"), and the Corporation hereby authorizes the Preliminary Official Statement (defined below) and the Official Statement and the information therein contained to be used in connection with the offering, sale and distribution of the Bonds by the Purchasers. The Corporation shall prepare an electronic copy of the Official Statement, including any amendments thereto, in word-searchable PDF format and shall provide such to the Representative no later than one (1) business day prior to the date of Closing.

(3) In order to enable the Purchasers to comply with the requirements of paragraph (b)(5) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the Corporation will undertake, pursuant to a Continuing Disclosure Certificate to be dated as of the date of Closing (the "Continuing Disclosure Certificate"), to provide annual reports and notices of certain events. A description of this undertaking and the form of the Continuing Disclosure Certificate is set forth in the Preliminary Official Statement dated July __, 2016 with respect to the Bonds (which, whether in printed or electronic format, is referred to herein as the "Preliminary Official Statement") and will be set forth in the Official Statement.

(C) The Bonds shall be as described in, and shall be issued and secured under, the provisions of an Indenture dated as of July 1, 2012 (the "Indenture"), by and between the Corporation and U.S. Bank National Association, as trustee (the "Trustee"), as supplemented by the 2016 Series A Supplemental Indenture dated as of _____ __, ___, by and between the Corporation and the Trustee (the "Supplemental Indenture"), authorized by a resolution adopted by the Board of Directors of the Corporation on July 27, 2016, authorizing the issuance of the Bonds (the "Resolution"). The Bonds shall be payable, shall bear interest and shall be subject to redemption as provided in the Indenture and the Supplemental Indenture and as described in the Official Statement.

(D) It shall be a condition to the obligations of the Corporation to sell the Bonds to the Purchasers and to deliver the Bonds in the manner set forth in Section (G) hereof, and to the obligation of the Purchasers to pay for the Bonds, that the entire principal amount of the Bonds to be sold pursuant to this Agreement shall be sold and delivered by the Corporation, and purchased and paid for by the Purchasers, at the date of Closing referred to below.

(E) The Corporation represents and warrants to, and agrees with, the Purchasers that:

(1) The Corporation is a public corporation and government instrumentality of the State of Alaska (the "State") pursuant to Chapter 56 of Title 18 of the Alaska Statutes,

as amended (the "Act"), and has, and at the date of Closing will have, full legal right, power and authority (i) to enter into this Agreement; (ii) to adopt the Resolution and to execute the Indenture, the Supplemental Indenture and the Continuing Disclosure Certificate; (iii) to issue, deliver and sell the Bonds, or to cause the Bonds to be issued, delivered and sold pursuant to the Act, the Resolution, the Indenture and the Supplemental Indenture as provided in this Agreement; and (iv) to carry out and effectuate the transactions contemplated by this Agreement, the Resolution, the Indenture, the Supplemental Indenture and the Official Statement.

(2) The Corporation has complied, and will at the Closing be in compliance in all respects, with all applicable requirements of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (collectively, the "Code"), the Resolution, the Continuing Disclosure Certificate, the Indenture, the Supplemental Indenture and the Act.

(3) By official action of its Board of Directors prior to the acceptance hereof, the Corporation has duly adopted the Resolution and authorized the execution on behalf of the Corporation of the Indenture, the Supplemental Indenture, the Continuing Disclosure Certificate and this Agreement, has duly authorized and approved the Preliminary Official Statement and the Official Statement, has duly authorized and approved the execution and delivery of and the performance by the Corporation of the obligations contained in the Bonds and this Agreement and has duly authorized and approved the performance by the Corporation of its obligations contained in the Indenture, the Supplemental Indenture, the Continuing Disclosure Certificate and this Agreement and the effectuation by it of all other transactions contemplated by the Official Statement.

(4) The Corporation is not in breach of or default under, in any material or substantial way, any applicable law or administrative regulation of the State or any department, division, agency or instrumentality thereof or of the United States or any applicable judgment or decree or any loan agreement, note, resolution, certificate, agreement or other instrument to which the Corporation is a party or is otherwise subject; and the execution and delivery of this Agreement, the Indenture, the Supplemental Indenture, the Continuing Disclosure Certificate and the Bonds and compliance with the provisions of each thereof will not conflict with or constitute a breach of or default under any applicable law or administrative regulation of the State or any department, division, agency or instrumentality thereof or of the United States or any applicable judgment or decree or any loan agreement, note, resolution, indenture, supplemental indenture, certificate, agreement or other instrument to which the Corporation is a party or is otherwise subject.

(5) Every approval, authorization or order of, or filing, registration or declaration with, any court or governmental agency or body required for the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby has been obtained, except any action as may be required under the Blue Sky or other securities laws or regulations of any jurisdiction in connection with the offer and sale of the Bonds.

(6) The audited financial statements of the Corporation contained in the Official Statement, together with the report thereon of BDO USA, LLP, independent certified public accountants, fairly present the financial condition of the Corporation as of the dates and the results of operations for the periods therein set forth, and such financial statements have been prepared in accordance with generally accepted accounting principles consistently applied; and the Corporation has no knowledge of any material adverse change in its financial position or results of operations from those set forth in the financial statements contained in the Official Statement.

(7) Between the date of this Agreement and the date of Closing, the Corporation will not, without the prior written consent of the Purchasers and except as disclosed in the Official Statement, issue any bonds, notes or other obligations for borrowed money and, subsequent to the date as of which information is given in the Official Statement up to and including the date of Closing, the Corporation will not incur any material liabilities, direct or contingent, which will result in any material adverse change in the financial position, results of operations or condition, financial or otherwise, of the Corporation.

(8) At the time of the Corporation's acceptance hereof, no litigation is pending or, to the best knowledge of the Corporation, threatened in any court (i) in any way affecting the existence of the Corporation or the titles of its officers to their respective offices; (ii) seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, or the collection of revenues or assets of the Corporation pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof; (iii) in any way contesting or affecting the validity or enforceability of the Bonds, the Resolution, the Indenture, the Supplemental Indenture, the Continuing Disclosure Certificate or this Agreement; (iv) contesting in any way the completeness, fairness or accuracy of the Official Statement; or (v) contesting the powers of the Corporation or its authority with respect to the Bonds, the Resolution, the Indenture, the Supplemental Indenture, the Continuing Disclosure Certificate or this Agreement. As of the date hereof, there are no adjudications or pending suits adversely affecting the validity of the Bonds. The Corporation is not, and has not been at any time, in default as to principal or interest with respect to any obligation issued or guaranteed by the Corporation.

(9) The Corporation has not created or suffered to be created or agreed to create or suffer to be created any lien, encumbrance or charge upon the moneys and assets to be pledged under the Indenture except the pledge, lien and charge for the security of bonds issued thereunder.

(10) The Bonds, the Indenture, the Supplemental Indenture and the Continuing Disclosure Certificate conform, in all material respects, to the descriptions thereof contained in the Official Statement; and the Bonds, when issued, authenticated and delivered in accordance with the Indenture and sold to the Purchasers as provided herein, will be legal, validly issued and outstanding obligations of the Corporation entitled to the benefits of the Bonds, the Indenture and the Supplemental Indenture.

(11) The Preliminary Official Statement (except for any information permitted to be omitted by paragraph (b)(1) of Rule 15c2-12), as of its date and as of the date hereof did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(12) As of the date hereof and at all times subsequent thereto up to and including the date of Closing (unless an event occurs of the nature described in paragraph (14) of this Section (E)), the Official Statement does not or will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(13) If the Official Statement is supplemented or amended pursuant to paragraph (14) of this Section (E), at the time of each supplement or amendment thereto and (unless subsequently supplemented or amended pursuant to such paragraph) at all times subsequent thereto up to and including the date of Closing, the Official Statement as so supplemented or amended will not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(14) If after the date of this Agreement and until ninety (90) days, or twenty-five (25) days if the Official Statement is deposited with the Municipal Securities Rulemaking Board, after the end of the underwriting period, any event shall occur which would cause the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Corporation shall notify the Representative thereof, and if in the opinion of the Corporation or the Representative such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Corporation will, at its expense, supplement or amend the Official Statement as the case may be, in a form and in a manner approved by the Representative, which approval shall not be unreasonably withheld. Unless otherwise notified in writing by the Representative by the date of Closing, the Corporation may assume that the "end of the underwriting period" shall be the date of Closing. In the event such notice is so given in writing by the Representative, the Representative agrees to notify the Corporation in writing following the occurrence of the "end of the underwriting period." The "end of the underwriting period" as used in this Agreement shall mean the date of Closing or such later date as to which notice is given by the Representative in accordance with the preceding sentence.

(15) The Preliminary Official Statement was deemed "final" as of its date within the meaning of paragraph (b)(1) of Rule 15c2-12.

(16) During the past five years, the Corporation has not failed to comply in any material respect with any previous undertaking with respect to paragraph (b)(5) of Rule 15c2-12 to provide annual financial information or required event notices.

(F) The Corporation represents, warrants and agrees that it has, and at the date of Closing will have, full legal right, power and authority, and (upon the issuance of the Bonds) will have taken all required action in order to enter into this Agreement and to sell the Bonds to the Purchasers as provided herein and to carry out and consummate all other transactions to be carried out by it pursuant to this Agreement.

(G) At 9:00 A.M., Anchorage, Alaska time, on August __, 2016 or at such other time or date as may be mutually agreeable to the Representative and the Corporation, the Corporation will deliver, at a place mutually agreeable to the Representative and the Corporation, to the Representative certain documents hereinafter mentioned and, subject to the terms and conditions of this Agreement, the Representative will pay the purchase price for the Bonds by wire transfer in same day funds to the Corporation. Delivery of such documents and payment as aforesaid shall be made at such place as shall have been mutually agreed upon by the Corporation and the Representative. Simultaneously therewith, the Corporation will cause the Bonds to be delivered (as set forth in the Indenture) to U.S. Bank National Association, as agent of the Purchasers and DTC, for the account of the Representative. Pursuant to the terms of the Indenture, the Bonds shall be typed, printed or lithographed, shall be prepared and delivered to U.S. Bank National Association, as agent of DTC, as fully registered bonds in such authorized denominations and maturity amounts as the Representative may request and shall be registered in the name of Cede & Co. as the nominee of DTC.

(H) The Purchasers have entered into this Agreement in reliance upon the representations and warranties of the Corporation contained herein and to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Corporation of its obligations hereunder, both as of the date hereof and as of the date of Closing. Accordingly, the Purchasers' obligations under this Agreement to purchase and to pay for the Bonds shall be subject to the performance by the Corporation of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following conditions:

(1) The representations and warranties of the Corporation contained herein shall be true, complete and correct on the date hereof, and on and as of the date of Closing with the same effect as if made on the date of Closing.

(2) At the date of Closing, the Bonds, the Resolution, the Indenture, the Supplemental Indenture and the Continuing Disclosure Certificate shall be in full force and effect, and the Bonds, the Resolution, the Indenture, the Supplemental Indenture, the Continuing Disclosure Certificate and the Official Statement shall not have been amended, modified or supplemented, except in each case as may have been agreed to by the Representative.

(3) The Corporation shall not have failed to pay principal or interest when due on any of its obligations, nor shall any other default have occurred with respect to any other outstanding obligation of the Corporation.

(4) The Representative shall have the right in its absolute discretion to terminate the Purchasers' obligations under this Agreement to purchase and to pay for the

Bonds, by notifying the Corporation of its election to do so if, after execution hereof and prior to the Closing: (i) the marketability or the market price of the Bonds in the opinion of the Representative shall have been materially adversely affected by an amendment to the Constitution of the State or by any legislation enacted by the State or introduced in the legislature of the State or by any decision of any court of the State or by any ruling or regulation (final, temporary or proposed) of any authority of the State; (ii) the marketability or the market price of the Bonds in the opinion of the Representative shall have been materially adversely affected by an amendment to the Constitution of the United States or by any legislation (A) enacted by the United States; (B) recommended to the Congress or otherwise endorsed for passage, by press release, other form of notice or otherwise, by the President of the United States, the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, a member of the United States Senate, the Treasury Department of the United States or the Internal Revenue Service; or (C) favorably reported for passage to either House of the Congress by any Committee of such House to which such legislation has been referred for consideration, or by any decision of any court of the United States or by any ruling or regulation (final, temporary or proposed) on behalf of the Treasury Department of the United States, the Internal Revenue Service or any other authority of the United States, or any comparable legislative, judicial or administrative development affecting the Federal tax status of the Corporation, its property or income, or the interest on its bonds (including the Bonds); (iii) legislation shall be introduced by committee, by amendment or otherwise, in, or be enacted by, the House of Representatives or the Senate of the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall be made or proposed, to the effect that the offering or sale of obligations of the general character of the Bonds, as contemplated hereby, is or would be in violation of any provision of the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or the Trust Indenture Act of 1939, as amended, or with the purpose or effect of otherwise prohibiting the offering or sale of obligations of the general character of the Bonds, or the Bonds, as contemplated hereby; (iv) any event or circumstance shall exist that either makes untrue or incorrect in any material respect any statement or information in the Official Statement (other than any statement provided by the Purchasers) or is not reflected in the Official Statement but should be reflected therein in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and, in either such event, the Corporation refuses to permit the Official Statement to be supplemented to supply such statement or information, or the effect of the Official Statement as so supplemented is to materially adversely affect the market price or marketability of the Bonds or the ability of the Purchasers to enforce contracts for the sale of the Bonds; (v) trading on the New York Stock Exchange or the American Stock Exchange shall have been suspended; (vi) the United States shall have become engaged in armed hostilities, or has issued a declaration of war or a national emergency or other calamity or crisis, the effect of such occurrence on the financial markets of the United States being such as, in the sole opinion of the Representative, to affect materially and adversely the ability of the Purchasers to market the Bonds;

(vii) there shall have occurred the declaration of a general banking moratorium by any authority of the United States or the States of New York, Washington or Alaska; or (viii) there shall have been any downgrading, suspension or withdrawal, or any official statement as to a possible downgrading, suspension or withdrawal, of any rating by Moody's Investors Service, Standard & Poor's Ratings Services ("S&P") or Fitch Ratings ("Fitch") of the Corporation or of any obligation issued or guaranteed by the Corporation.

(5) At or prior to the Closing, the Representative shall have received each of the following documents:

(a) The Official Statement of the Corporation, together with any supplements or amendments thereto in the event that it shall have been supplemented or amended.

(b) The Indenture, the Supplemental Indenture and the Continuing Disclosure Certificate, certified by an Authorized Officer of the Corporation as having been duly executed, and as being in effect, with such amendments, modifications or supplements as may have been agreed to by the Purchasers, and a copy of the Resolution of the Corporation, authorizing the Corporation to execute and deliver, and to perform its respective obligations under, this Agreement.

(c) An opinion, dated the date of Closing and addressed to the Corporation, of the Law Office of Kenneth E. Vassar, LLC, Bond Counsel to the Corporation, in substantially the form included as Appendix B to the Official Statement, and a letter of such counsel, dated the date of Closing and addressed to the Purchasers, to the effect that such opinion addressed to the Corporation may be relied upon by the Purchasers to the same extent as if such opinion were addressed to them.

(d) (A) An opinion, dated the date of Closing and addressed to the Corporation, the Trustee and the Purchasers, of the Law Office of Kenneth E. Vassar, LLC, Bond Counsel to the Corporation, to the following effect: (i) the statements contained in the Official Statement under the captions "Introduction," "Sources of Payment and Security for the Bonds," "The Offered Bonds" (except under "—Book Entry Only"), "Acquired Obligations — Pledge of Mortgage Loans" and "—Alaska Foreclosure Law," "Summary of Certain Provisions of the Indenture," "Tax Matters," "Continuing Disclosure Under SEC Rule 15c2-12," "State Not Liable on Bonds" and "Legality for Investment" and in Appendices B and D, insofar as such statements purport to summarize certain provisions of (1) the Bonds, the Indenture, the Supplemental Indenture or the Continuing Disclosure Certificate or (2) the law, including the Code, present a fair summary of such provisions; (ii) this Agreement, the Bonds, the Indenture, the Supplemental Indenture and the Continuing Disclosure Certificate have been duly authorized, executed and delivered by the Corporation and constitute the legal, valid and binding agreements of the Corporation, enforceable in accordance with

their respective terms; (iii) every consent, approval, authorization or order of any court or governmental agency or body required for the consummation of the transactions contemplated herein has been obtained, except such as may be required under the Blue Sky laws of any jurisdiction in connection with the offer and sale of the Bonds; (iv) neither the issuance and sale of the Bonds, nor the consummation of any other of the transactions herein contemplated nor the fulfillment of the terms hereof will conflict with, result in a breach of, or constitute a default under the enabling legislation or regulations of the Corporation; and the execution and delivery of this Agreement, the Indenture, the Supplemental Indenture, the Continuing Disclosure Certificate and the Bonds and compliance with the provisions of each of them will not conflict with or constitute a breach of or default under any applicable law or administrative regulation of the State or any department, division, agency or instrumentality thereof or of the United States or any applicable judgment or decree or any loan agreement, note, resolution, indenture, supplemental indenture, certificate, agreement or other instrument to which the Corporation is a party or is otherwise subject; and (v) such counsel has assumed (and accordingly, takes no responsibility for) the fairness, correctness and completeness of the statements and material set forth in the Official Statement (except as expressed in clause (i) of this paragraph); *however,* such counsel can and does advise that, based upon such counsel's participation in the preparation of the Official Statement as Bond Counsel, and without having undertaken to verify independently the accuracy of any of the statements or representations contained therein (except as expressed in clause (i) of this paragraph), nothing has come to the attention of such counsel that would lead such counsel to believe that the Official Statement as of its date contained an untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or that the Official Statement as of the date of Closing contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided, however,* that such counsel need express no opinion as to (1) the financial statements attached as Appendix A to the Official Statement and other financial, statistical and numerical information, forecasts, estimates, assumptions and expressions of opinion included therein, and (2) statements with respect to DTC and the Bonds being available in book-entry form only and matters relating thereto; and *provided further, however,* that such opinion may state that such counsel has not been requested to examine and has not examined the status of the Prior Series Mortgage Loans or the Collateral Mortgage Loans (each such term as defined in the Official Statement), as to which no opinion need be expressed. Such opinion may be subject, in respect of enforceability, to applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or other laws affecting creditors' rights generally from time to time, to the application of equitable principles and to the exercise of judicial discretion, and shall contain such other matters as may be reasonably requested by the Representative. In rendering such opinion, such counsel may

rely as to matters of fact, to the extent they deem proper, on certificates of responsible officers of the Corporation and public officials.

(B) A supplemental opinion, dated the date of Closing and addressed to the Corporation and the Purchasers, of the Law Office of Kenneth E. Vassar, LLC, Bond Counsel to the Corporation, to the effect that under the investment permission provided in AS 18.56.090(a)(23), the Corporation may invest amounts related to the Bonds in all of the investments (which shall be listed with specificity) made or entered into with respect to such amounts at or prior to the date of Closing.

(e) An opinion, dated the date of Closing and addressed to the Purchasers, of Hawkins Delafield & Wood LLP, counsel to the Purchasers, to the effect that the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture and the Supplemental Indenture need not be qualified under the Trust Indenture Act of 1939, as amended, and, in addition, such counsel shall state in its letter that such counsel has participated in the preparation of the Official Statement as counsel for the Purchasers and that based upon such participation, but without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in such Official Statement, such counsel has no reason to believe that the Official Statement as of its date contained an untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or that the Official Statement as of the date of Closing contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except, in each case, for (1) the financial statements attached as Appendix A to the Official Statement and other financial, statistical and numerical information, forecasts, estimates, assumptions and expressions of opinion included therein and (2) statements with respect to DTC and the Bonds being available in book-entry form only and matters relating thereto, as to which no opinion need be expressed, and except further that such opinion may state that such counsel has not been requested to examine and has not examined the status of the Prior Series Mortgage Loans or the Collateral Mortgage Loans (as defined in the Official Statement), as to which no opinion need be expressed).

(f) An opinion, dated the date of Closing and addressed to the Purchasers, of Hawkins Delafield & Wood LLP, counsel to the Purchasers, to the effect that the Continuing Disclosure Certificate contains the elements required for the written agreement or contract referenced in paragraphs (b)(5)(i), (b)(5)(ii) and (b)(5)(iv) of Rule 15c2-12.

(g) (i) An opinion, dated the date of Closing and addressed to the Corporation, of Kutak Rock LLP, Special Tax Counsel to the Corporation, in substantially the form included as Appendix C to the Official Statement; and (ii) a supplemental opinion, dated the date of Closing and addressed to the Corporation

and the Purchasers, of Kutak Rock LLP, Special Tax Counsel, in substantially the form included as Exhibit A hereto.

(h) A certificate dated the date of Closing and signed by the Chair, Chief Executive Officer/Executive Director or Deputy Executive Director of the Corporation, to the following effect: (i) the representations and warranties of the Corporation contained herein are true and correct in all material respects on and as of the date of Closing with the same effect as if made on the date of Closing; (ii) no litigation is pending or, to the best of the knowledge of the signer of such certificate, threatened in any court in any way affecting the existence of the Corporation or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, or the assets of the Corporation pledged or to be pledged to pay the principal of and interest on the Bonds or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds, the Resolution, the Indenture, the Supplemental Indenture, the Continuing Disclosure Certificate or this Agreement, or contesting in any way the completeness or accuracy of the Official Statement, or contesting the powers of the Corporation or its authority with respect to the Bonds, the Resolution, the Indenture, the Supplemental Indenture, the Continuing Disclosure Certificate or this Agreement (but in lieu of or in conjunction with such certificate, the Purchasers in their sole discretion, may accept certificates or opinions of the Law Office of Kenneth E. Vassar, LLC, Bond Counsel to the Corporation, in either case acceptable to the Purchasers, that in the opinion of such counsel the issues raised in any such pending or threatened litigation are without substance or that the contentions of all plaintiffs therein are without merit); (iii) to the best of the knowledge of the signer of such certificate, no event affecting the Corporation has occurred since the date of the Official Statement which should be disclosed in the Official Statement, as the same may have been supplemented or amended, in order that the Official Statement shall not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (iv) the Corporation has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing; (v) the Corporation is not, and has not been at any time, in default as to principal or interest with respect to any obligation issued or guaranteed by the Corporation; and (vi) no proceeding at law or in equity in any court, or before any administrative body is now pending or, to his knowledge, threatened which in any way questions or threatens the creation, organization or existence or the powers of the Corporation or the title of any of the present members or officers of the Corporation to their respective positions and which affects the due authorization or validity of the Bonds.

(i) Two letters from BDO USA, LLP, dated the date of this Agreement and the date of Closing, respectively, and addressed to the Purchasers, stating, as of the date of each such letter (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the Official Statement, as of a date not more than five

Business Days prior to the date of such letter), the conclusions and findings of such firm with respect to financial information and other matters as may be specified by the Purchasers; and the effect of the letter to be so delivered on the date of Closing shall be to confirm in all material respects the conclusions and findings set forth in the letter dated the date of this Agreement.

(j) Written confirmation from (i) S&P stating that it has issued an unconditional rating of "AA+" in respect of the Bonds; and (ii) Fitch stating that it has issued an unconditional rating of "AA+" in respect of the Bonds.

(k) A no-litigation certificate of the Attorney General of the State, dated the date of Closing, to the following effect: (i) the Attorney General has been designated by Alaska Statutes 18.56.055 as the legal advisor of the Corporation, a public corporation and government instrumentality, created and existing under Alaska Statutes 18.56, to advise the Corporation in legal matters and represent it in suits; (ii) no litigation is pending or, to his knowledge, threatened in any court in any way affecting the existence of the Corporation or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, or the collection of revenues or assets of the Corporation pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds, the Resolution, the Indenture, the Supplemental Indenture, the Continuing Disclosure Certificate or this Agreement, or contesting in any way the completeness, fairness or accuracy of the Official Statement, or contesting the powers of the Corporation or its authority with respect to the Bonds, the Resolution, the Indenture, the Supplemental Indenture, the Continuing Disclosure Certificate or this Agreement; (iii) no legislation has been enacted which in any way adversely affects the issuance or delivery of the Bonds, the application of their proceeds or the pledge of revenues and other amounts to the payment thereof or the creation, organization or existence of the Corporation or the title to office of any of the members or officers of the Corporation; and (iv) to the best of his knowledge after reasonable inquiry, the Corporation is not in breach of or default under any applicable law or administrative regulation of the State or any department, division, agency or instrumentality thereof or of the United States of America or any applicable judgment or decree or any loan agreement, note, resolution, certificate, agreement or other instrument to which the Corporation is a party or is otherwise subject.

(l) One counterpart original of a transcript of all proceedings relating to the authorization and issuance of the Bonds.

(m) Evidence of payment by the Corporation of any reimbursement of the Purchasers pursuant to the second sentence of Section (I) hereof.

(n) Such additional legal opinions or certificates as the Representative may reasonably require to evidence the truth and accuracy, as of the date hereof and as of the date of Closing, of the Corporation's representations and warranties

contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Corporation at or prior to the Closing of all agreements then to be performed and all conditions then to be satisfied by the Corporation including, without limitation, documents relating to compliance of the terms of the Bonds with the Code.

All the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance reasonably satisfactory to the Representative.

If the Corporation shall be unable to satisfy the conditions to the obligations of the Purchasers to purchase and to pay for the Bonds contained in this Agreement, or if the obligations of the Purchasers shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate and neither the Purchasers nor the Corporation shall be under further obligations hereunder, except that the respective obligations of the Corporation and the Purchasers under Sections (I) and (J) hereof shall continue in full force and effect.

(I) (1) The Purchasers shall be under no obligation to pay, and the Corporation shall pay, all expenses incident to the performance of the Corporation's obligations hereunder, including but not limited to (i) the cost of the preparation, printing and distribution of the Indenture, the Supplemental Indenture, the Preliminary Official Statement and the Official Statement (including any amendments or supplements to the Indenture and to the Official Statement); (ii) the cost of the preparation and printing of the Bonds; (iii) the fees and disbursements of the Law Office of Kenneth E. Vassar, LLC, Bond Counsel to the Corporation; (iv) the fees and disbursements of Kutak Rock LLP, Special Tax Counsel to the Corporation; (v) the fees and disbursements of the Corporation's financial advisor and accountants and any other experts, attorneys or consultants retained by the Corporation; (vi) fees and disbursements, if any, of the Trustee and its counsel; and (vii) fees for ratings of the Bonds. The Corporation shall pay, or reimburse the Purchasers for the payment of, actual expenses (included in the expense component of the underwriting fee set forth in Section (A) hereof) incurred on behalf of the Corporation's employees and representatives which are incidental to implementing this Agreement, including, but not limited to, meals, transportation, lodging, and entertainment of those employees; *provided*, however, that (i) any reimbursement for such expenses shall not exceed an ordinary and reasonable amount for such expenses and (ii) such expenses are either (A) not related to the entertainment of any person and not prohibited from being reimbursed from the proceeds of an offering of municipal securities under MSRB Rule G-20 or (B) to be paid from the Corporation's general fund and not from the proceeds of the Bonds or any other municipal securities.

(2) The Corporation shall be under no obligation to pay, and the Purchasers shall pay, as part of the expense component of the underwriting fee referred to in Section A, (i) the cost of preparation of this Agreement; (ii) the cost of preparation of the Preliminary Blue Sky Memorandum and the Final Blue Sky Memorandum; (iii) all advertising expenses in connection with the offering and selling of the Bonds; and (iv) all other expenses incurred by the Purchasers in connection with the offering and selling of the Bonds, including fees and disbursements of counsel retained by it.

(J) This Agreement is made solely for the benefit of the Corporation and the Purchasers (including the successors or assigns of the Purchasers), and no other person shall acquire or have any right hereunder or by virtue hereof. All the Corporation's representations, warranties and agreements contained in this Agreement shall remain operative and in full force and effect regardless of (i) any investigations made by or on behalf of the Purchasers; (ii) delivery of and payment for the Bonds pursuant to this Agreement; and (iii) any termination of this Agreement. This Agreement shall be construed in accordance with, and governed by, the laws of the State of Alaska.

(K) The Corporation acknowledges and agrees that: (i) the transactions contemplated by this Agreement are arm's-length, commercial transactions between the Purchasers and the Corporation, and the Corporation is capable of evaluating and understanding, and understands and accepts the terms, risks and conditions of the transactions contemplated by this Agreement; (ii) in connection with the issuance of the Bonds and the process leading to such issuance the Purchasers are, and have been, acting solely as principals and are not the agents or fiduciaries of the Corporation or any other party, and the Purchasers' engagement is as independent contractors and not in any other capacity; (iii) the Purchasers have financial and other interests that differ from those of the Corporation; (iv) the Purchasers have not assumed, nor will the Purchasers assume an advisory or fiduciary responsibility in favor of the Corporation with respect to the issuance of the Bonds or the process leading thereto (irrespective of whether the Purchasers have advised or are currently advising the Corporation on other matters) or any other obligation to the Corporation except the obligations expressly set forth in this Agreement; and (v) the Purchasers have not provided any legal, accounting, regulatory or tax advice with respect to the offering contemplated hereby and the Corporation has consulted its own legal, accounting, regulatory and tax advisors to the extent it deemed appropriate.

(L) (1) This Agreement shall become effective upon the execution of the acceptance hereof by an authorized officer of the Corporation pursuant to the Resolution and by an authorized officer of the Representative, and shall be valid and enforceable as of the time of such acceptance.

(2) This Agreement may be executed in one or more counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

ALASKA HOUSING FINANCE CORPORATION

By:_____

WELLS FARGO BANK, NATIONAL ASSOCIATION
Raymond James & Associates, INC.
Jefferies & Company, Inc.
J.P. Morgan Securities LLC
[OTHER CO-MANAGERS TO COME]
as Purchasers

By: Wells Fargo Bank, National Association
as Representative

By:_____

SCHEDULE I
THE PURCHASERS

Wells Fargo Bank, National Association
Raymond James & Associates, Inc.
Jefferies & Company, Inc.
J.P. Morgan Securities LLC

[OTHER CO-MANAGERS TO COME]

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SCHEDULE II
MATURITY SCHEDULE

Maturity Date	Principal Amount	Interest Rate	Maturity Date	Principal Amount	Interest Rate

EXHIBIT A

FORM OF SUPPLEMENTAL OPINION OF SPECIAL TAX COUNSEL

Alaska Housing Finance Corporation
4300 Boniface Parkway
Anchorage, AK 99504

Wells Fargo Bank, National Association
New York, New York
on behalf of the Purchasers
(the "Underwriters") named in
the Bond Purchase Agreement
for the Bonds referred to below

Ladies and Gentlemen:

We have acted as Special Tax Counsel in connection with the issuance and sale by the Alaska Housing Finance Corporation (the "Corporation") of $_____ aggregate principal amount of its General Mortgage Revenue Bonds II, 2016 Series A (the "Bonds"). The Underwriters have agreed to purchase the Bonds from the Corporation in accordance with the terms of the Bond Purchase Agreement by and between the Corporation and the Underwriters dated as of July __, 2016 (the "Bond Purchase Agreement").

In the capacity as Special Tax Counsel, we have on this date delivered to the Corporation our principal opinion relating to the exemption from federal income taxation of interest paid on the Bonds, which opinion may be relied upon by the Underwriters to the same extent as if addressed to them.

In connection with the preparation of the Official Statement dated July __, 2016 (the "Official Statement"), we have generally reviewed information furnished to us by, and have participated in conferences with, representatives of the Corporation, the Law Office of Kenneth E. Vassar, LLC (Bond Counsel), FirstSouthwest, a Division of Hilltop Securities Inc. (Financial Advisor to the Corporation), the Underwriters, and Hawkins Delafield & Wood LLP (counsel to the Underwriters). We have also reviewed such other opinions, documents, certificates and letters as we deem relevant and necessary in rendering this opinion.

The information contained under the caption "TAX MATTERS" in the Official Statement constitutes a fair and accurate summary of the federal tax matters related to the Bonds purported to be summarized therein.

We have considered the information contained under the caption "TAX MATTERS" in the Official Statement and based upon our review and discussions and in reliance upon the accuracy of the information contained in the aforementioned opinions, documents, certificates and letters, nothing has come to our attention which leads us to believe that the information contained under such caption "TAX MATTERS" in the Official Statement as of the

date of the Official Statement contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, or that the information contained under such caption "TAX MATTERS" in the Official Statement as of the date hereof contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading (in each case except for the second paragraph under "Opinions of Bond Counsel and Special Tax Counsel" under the caption "TAX MATTERS" in the Official Statement, as to which we express no opinion). We express no opinion and have made no independent examination of any other matters set forth in the Official Statement nor any of the appendices thereto (except Appendix C thereto, which is the form of our opinion with respect to tax exemption as described above).

Very truly yours,

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Certificate") is executed and delivered by the Alaska Housing Finance Corporation (the "Corporation") in connection with the issuance of $_____ aggregate principal amount of its General Mortgage Revenue Bonds, 2016 Series A (the "Bonds"). The Bonds are being issued pursuant to an Indenture by and between the Corporation and U.S. Bank National Association , as trustee (the "Trustee"), dated as of July 1, 2012 (the "Master Indenture") and a 2016 Series A Supplemental Indenture thereto, by and between the Corporation and the Trustee dated as of July 1, 2016 (the "Supplemental Indenture") (together with the Master Indenture, the "Indenture'). The Corporation covenants and agrees with the registered owners and the beneficial owners of the Bonds as follows:

SECTION 1. Purpose of the Certificate. This Certificate is being executed and delivered by the Corporation for the sole and exclusive benefit of the registered owners and beneficial owners of the Bonds.

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Corporation pursuant to, and as described in, Sections 3 and 4 of this Certificate.

"Disclosure Representative" shall mean the Executive Director/Chief Executive Officer of the Corporation or his or her designee.

"Fiscal Year" shall mean any twelve-month period ending on June 30 or on such other date as the Corporation may designate from time to time.

"Listed Events" shall mean any of the events listed in Section 5 of this Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Certificate.

"Official Statement" shall mean the Corporation's final Official Statement with respect to the Bonds, dated _____, 2016.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" shall mean the United States Securities and Exchange Commission.

SECTION 3. Provision of Annual Reports. The Corporation shall provide to the MSRB an Annual Report for the preceding Fiscal Year (commencing with the Fiscal Year ending June 30, 2016) which is consistent with the requirements of Section 4 of this Certificate. The Annual Report shall be provided not later than 180 days after the Fiscal Year to which it relates.

The Annual Report may be submitted as a single document or as separate documents constituting a package, and may cross-reference other information as provided in Section 4 of this Certificate; provided that the audited financial statements of the Corporation may be submitted separately from the balance of the Annual Report, and later than the date required for the filing of the Annual Report if not available by that date. The Corporation shall, in a timely manner, file notice with the MSRB of any failure to file an Annual Report by the date specified in this Section 3. Such notice shall be in the form attached as Exhibit A to this Certificate, subject to Section 9 of this Certificate.

SECTION 4. Content of Annual Reports. The Corporation's Annual Report shall include (i) the Corporation's audited financial statements for the Fiscal Year ended on the previous June 30, prepared in accordance with generally accepted accounting principles established by the Governmental Accounting Standards Board, if available, or unaudited financial statements for such Fiscal Year, (ii) an update of the financial information and operating data contained in the Official Statement under the caption "The Corporation," (iii) the amount and type of the investments (and cash) in the accounts and subaccounts established in the Indenture, (iv) the outstanding principal balances of each maturity of Bonds and the sinking fund installment amounts, as applicable, and (v) financial information and operating data with respect to any other series of Bonds.

If not provided as part of the Annual Report by the date required (as described above under "Provision of Annual Reports"), the Corporation shall provide audited financial statements, when and if available, to the MSRB.

Any or all of the items listed above may be incorporated by specific reference to other documents (i) available to the public on the MSRB Internet Web Site or (ii) filed with the SEC.

SECTION 5. Reporting of Significant Events.

This Section 5 shall govern the giving of notices of the occurrence of any of the following events:

1. Principal and interest payment delinquencies on the Bonds or any other bonds of the Corporation;

2. Non-payment related defaults under the Indenture and any Supplemental Indenture, if material;

3. Unscheduled draws on debt service reserve reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

7. Modifications to rights of Bondholders, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances of Bonds;

10. Release, substitution or sale of property securing repayment of the Bonds, if material;

11. Rating changes for the Bonds;

12. Bankruptcy, insolvency, receivership or similar event[†] of the Corporation;

13. The consummation of a merger, consolidation, or acquisition involving the Corporation or the sale of all or substantially all of the assets of the Corporation, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

Upon the occurrence of a Listed Event, the Corporation shall file a notice of such occurrence with the MSRB and the Trustee in a timely manner not in excess of ten (10) business days after the occurrence of such Listed Event. Each notice of a Listed Event hereunder shall indicate that it is a notice of a Listed Event.

SECTION 6. Termination of Reporting Obligation. The Corporation's obligations under this Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 7. Dissemination Agent. The Corporation may from time to time designate an agent to act on its behalf in providing or filing notices, documents and information as required of the Corporation under this Certificate, and revoke or modify any such designation.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Certificate, the Corporation may amend this Certificate if the following conditions are met:

(a) The amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or

[†] Note to Paragraph 12: For the purposes of the event identified in Paragraph 12 above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Corporation in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Corporation, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Corporation.

regulations) or in interpretations thereof or a change in the identity, nature or status of the Corporation or the type of business conducted thereby;

(b) The Certificate, as amended, would have complied with the requirements of the Rule at the time of the issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of the beneficial owners of the Bonds as determined either by a party unaffiliated with the Corporation (such as Bond Counsel) or by approving vote of the registered owners of a majority in principal amount of the Bonds pursuant to the terms of the Indenture.

The Corporation shall deliver a copy of any such amendment to the MSRB.

To the extent any amendment to this Certificate results in a change in the type of financial information or operating data provided pursuant to this Certificate, the first annual financial information provided thereafter will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

SECTION 9. Transmission of Information and Notices. Unless otherwise required by law, all notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 10. Default. *Except* as described in this paragraph, the provisions of this Certificate will create no rights in any other person or entity. The obligation of the Corporation to comply with the provisions of this Certificate are enforceable (i) in the case of enforcement of obligations to provide financial statements, financial information, operating data, and notices, by any beneficial owner of Outstanding Bonds, or by the Trustee on behalf of the registered owners of Outstanding Bonds, or (ii) in the case of challenges to the adequacy of the financial statements, financial information, and operating data so provided, by the Trustee on behalf of the registered owners of Outstanding Bonds; *provided, however,* that the Trustee shall not be required to take any enforcement action *except* at the direction of the registered owners of not less than 25% in aggregate principal amount of the Bonds at the time Outstanding who shall have provided the Trustee with adequate security and indemnity. A default under this Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Certificate in the event of any failure of the Corporation or the Trustee to comply with this Certificate shall be an action to compel performance.

SECTION 11. Governing Law. This Certificate shall be construed and interpreted in accordance with the laws of the State of Alaska, and any suits and actions arising out of this Certificate shall be instituted in a court of competent jurisdiction in the State, *provided* that, to the extent this Certificate addresses matters of federal securities laws, including the Rule, this Certificate shall be construed in accordance with such federal securities laws and official interpretations thereof.

SECTION 12. Beneficiaries. This Certificate shall inure solely to the benefit of the Corporation, and the registered owners and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _____, 2016

ALASKA HOUSING FINANCE CORPORATION

By: _____
BRYAN D. BUTCHER
Chief Executive Officer/Executive Director

Exhibit A
NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Alaska Housing Finance Corporation (the "Corporation")

Name of Bond Issue: $_____ General Mortgage Revenue Bonds, 2016 Series A

Date of Issuance: _____, 2016

NOTICE IS HEREBY GIVEN that the Corporation has not provided an Annual Report with respect to the above-named bond issue as required by the certificate of the Corporation.

Dated: _____

ALASKA HOUSING FINANCE CORPORATION

By: _____

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A L A S K A H O U S I N G F I N A N C E C O R P O R A T I O N

JUNE 2016 COMPARATIVE ACTIVITY SUMMARY

Mortgage & Bond Portfolio:	As Of/Through Fiscal Year End			As Of/Through Fiscal Month End		
	FY 2014	FY 2015	% Change	06/30/15	06/30/16	% Change
Total Mortgage Portfolio	**2,520,778,596**	**2,649,246,997**	**5.1%**	**2,649,246,997**	**2,790,905,495**	**5.3%**
Mortgage Average Rate %	4.93%	4.77%	(3.2%)	4.77%	4.67%	(2.1%)
Delinquency % (30+ Days)	4.87%	3.88%	(20.3%)	3.88%	3.70%	(4.6%)
Foreclosure % (Annualized)	0.58%	0.45%	(22.4%)	0.45%	0.26%	(42.2%)
Mortgage Purchases	545,989,872	463,402,992	(15.1%)	463,402,992	495,426,566	6.9%
Mortgage Payoffs	219,206,635	240,116,152	9.5%	240,116,152	236,001,025	(1.7%)
Purchase/Payoff Variance	**326,783,237**	**223,286,840**	**(31.7%)**	**223,286,840**	**259,425,541**	**16.2%**
Purchase Average Rate %	4.52%	4.10%	(9.3%)	4.10%	4.03%	(1.7%)
Bonds - Fixed Rate	1,344,705,000	1,207,110,000	(10.2%)	1,207,110,000	1,123,265,000	(6.9%)
Bonds - Floating Hedged	783,795,000	743,025,000	(5.2%)	743,025,000	708,020,000	(4.7%)
Bonds - Floating Unhedged	150,045,000	190,045,000	26.7%	190,045,000	190,045,000	0.0%
Total Bonds Outstanding	**2,278,545,000**	**2,140,180,000**	**(6.1%)**	**2,140,180,000**	**2,021,330,000**	**(5.6%)**
Requiring Self-Liquidity	445,895,000	254,755,000	(42.9%)	254,755,000	163,175,000	(35.9%)
Bond Average Rate %	3.77%	3.65%	(3.2%)	3.65%	3.69%	1.1%
New Bond Issuances	124,400,000	423,005,000	240.0%	423,005,000	55,620,000	(86.9%)
Special Bond Redemptions	54,815,000	434,800,000	693.2%	434,800,000	176,755,000	(59.3%)
Issue/Redemption Variance	**69,585,000**	**(11,795,000)**	**(117.0%)**	**(11,795,000)**	**(121,135,000)**	**(927.0%)**
Issuance Average Yield %	3.27%	2.03%	(37.9%)	2.03%	2.68%	32.0%
Mortgage/Bond Spread %	**1.16%**	**1.12%**	**(3.4%)**	**1.12%**	**0.98%**	**(12.5%)**
Mortgage/Bond Ratio	**1.11**	**1.24**	**11.9%**	**1.24**	**1.38**	**11.5%**

Cash & Investments:	Investment Amounts as of Month End			Annual Returns as of Month End		
	06/30/15	06/30/16	% Change	06/30/15	06/30/16	% Change
GeFONSI SL Reserve	446,242,685	337,307,614	(24.4%)	0.44%	0.77%	75.0%
Bond Trust Funds	227,441,338	162,002,582	(28.8%)	0.54%	0.48%	(11.1%)
SAM General Fund	160,217,049	116,553,720	(27.3%)	0.19%	0.36%	89.5%
Mortgage Collections	40,801,756	38,843,077	(4.8%)	0.17%	0.32%	88.2%
HAP/Senior Funds	28,638,235	1,384,758	(95.2%)	0.34%	0.41%	20.6%
Total Investments	**903,341,063**	**656,091,751**	(27.4%)	**0.41%**	**0.60%**	47.5%

A L A S K A H O U S I N G F I N A N C E C O R P O R A T I O N

JUNE 2016 COMPARATIVE ACTIVITY SUMMARY

AHFC Financial Statements: *(in Thousands of Dollars)*	Fiscal Year Annual Audited			Third Quarter Unaudited		
	FY 2014	FY 2015	% Change	FY 2015	FY 2016	% Change
Mortgage & Loan Revenue	120,740	126,140	4.5%	94,519	96,506	2.1%
Investment Income	9,019	6,026	(33.2%)	4,706	4,422	(6.0%)
Externally Funded Programs	163,739	146,236	(10.7%)	101,302	92,038	(9.1%)
Rental Income	8,951	9,342	4.4%	6,765	7,757	14.7%
Other Revenue	5,637	2,355	(58.2%)	7,728	1,724	(77.7%)
Total Revenue	**308,086**	**290,099**	**(5.8%)**	**215,020**	**202,447**	**(5.8%)**
Interest Expenses	81,184	75,349	(7.2%)	57,662	52,457	(9.0%)
Housing Grants & Subsidies	149,188	125,222	(16.1%)	95,903	78,200	(18.5%)
Operations & Administration	58,771	53,287	(9.3%)	45,946	39,369	(14.3%)
Rental Housing Expenses	14,159	17,086	20.7%	12,824	11,783	(8.1%)
Mortgage and Loan Costs	9,442	11,327	20.0%	7,725	8,612	11.5%
Financing Expenses	4,415	5,064	14.7%	3,880	2,833	(27.0%)
Provision for Loan Loss	(5,688)	(5,741)	(0.9%)	(7,514)	(4,154)	44.7%
Total Expenses	**311,471**	**281,594**	**(9.6%)**	**216,426**	**189,100**	**(12.6%)**
Operating Income (Loss)	**(3,385)**	**8,505**	**351.3%**	**(1,406)**	**13,347**	**1049.3%**
Contributions to the State	1,380	3,825	177.2%	3,754	34	(99.1%)
Change in Net Position	**(4,765)**	**4,680**	**198.2%**	**(5,160)**	**13,313**	**358.0%**
Total Assets/Deferred Outflows	4,055,203	3,916,302	(3.4%)	3,983,736	3,951,816	(0.8%)
Total Liabilities/Deferred Inflows	2,545,295	2,430,821	(4.5%)	2,478,988	2,453,022	(1.0%)
* Net Position	**1,509,908**	**1,485,481**	**(1.6%)**	**1,504,748**	**1,498,794**	**(0.4%)**

AHFC Dividend Calculation: *(in Thousands of Dollars)*	Through Fiscal Year			Through FY 2016 - Third Quarter	
	FY 2014	FY 2015	% Change	AHFC Dividend Summary	
Change in Net Position	(4,765)	4,680	198.2%	SOA General Fund Transfers	788,948
Add - State Contributions	1,380	3,825	177.2%	SCPB Projects Debt Service	434,866
Add - SCPB Debt Service	11,329	11,420	0.8%	SOA Capital Projects	253,761
Add - AHFC Capital Projects	17,467	14,642	(16.2%)	AHFC Capital Projects	479,608
Adjusted Net Position Change	**25,412**	**34,567**	**36.0%**	Total Dividend Appropriations	**1,957,184**
Factor % from Statutes	75%	75%	-	Total Dividend Expenditures	**1,908,148**
Dividend Transfer Available	**19,059**	**25,925**	**36.0%**	Total Dividend Remaining	**49,036**

** FY 2015 revised net position at the beginning of the year was due to a $29.1 million cummulative effect of accounting change for the GASB 68 pension liability.*

MORTGAGE ACTIVITY SUMMARY
LOANS PURCHASED BY PROGRAM

LOAN PROGRAM	June 2016		FY 2016 Thru 6/30/2016		FY 2015 Thru 6/30/2015	
	# of Loans	Total Dollar Volume	# of Loans	Total Dollar Volume	# of Loans	Total Dollar Volume
Tax-Exempt First-Time Homebuyer	30	5,713,856	392	71,249,164	437	79,260,192
Taxable First-Time Homebuyer	18	3,783,930	326	82,189,630	374	93,373,952
Veterans Mortgage Program	0	0	19	6,838,833	24	6,652,317
Taxable	39	11,781,383	634	193,980,623	578	171,927,731
Non-Conforming	5	1,957,500	64	18,713,504	39	11,751,435
Rural Loan Program	9	2,038,212	223	54,157,333	238	53,114,054
Residential Loan Program Totals	101	25,274,881	1,658	427,129,087	1,690	416,079,681
Multi-Family	6	7,095,102	50	41,885,952	46	29,015,700
Rural Multi-Family	0	0	4	1,615,200	0	0
Residential & Multi-Family Loan Program Totals	107	32,369,983	1,712	470,630,239	1,736	445,095,381
Streamline Refinance	1	150,141	19	4,427,234	12	2,359,482
Rural Streamline Refinance	4	946,498	21	3,857,179	24	5,132,692
Total Loans Purchased	112	33,466,622	1,752	478,914,652	1,772	452,587,555
LOAN PROGRAM OPTIONS (Included in Total Loans Purchased)						
Interest Rate Reduction Low Income Borrowers	4	532,440	78	10,735,807	69	10,172,804
Energy Efficiency Interest Rate Reduction	11	3,277,801	163	47,631,892	140	35,402,453
Closing Cost Assistance Program	3	858,873	22	5,694,370	20	4,472,043

RESIDENTIAL PIPELINE 6/30/16

	#	Amount
Lock-ins:	216	56,351,244
Commitments:	339	90,754,454
Total:	555	147,105,698
CCAP Reservation	1	177,228

MORTGAGE INTEREST RATE COMPARISON - AVERAGE 6/16

AHFC Programs							Market	
Taxable Conv	Exempt FTHB	Exempt VETS	Taxable FTHB	Rural Owner	CCAP	Multi-Family	Conv	FHA
3.688	3.330	3.330	3.563	3.563	3.966	6.017	3.722	3.722

RESIDENTIAL PIPELINE 5/31/16

	#	Amount
Lock-ins:	203	52,824,865
Commitments:	291	78,648,031
Total:	494	131,472,896
CCAP Reservation	3	858,873

MORTGAGE INTEREST RATE COMPARISON - AVERAGE 5/16

AHFC Programs							Market	
Taxable Conv	Exempt FTHB	Exempt VETS	Taxable FTHB	Rural Owner	CCAP	Multi-Family	Conv	FHA
3.786	3.440	3.494	3.661	3.661	4.000	6.125	3.792	3.720

RESIDENTIAL PIPELINE 4/30/16

	#	Amount
Lock-ins:	174	47,723,271
Commitments:	294	80,333,260
Total:	468	128,056,531
CCAP Reservation	2	516,344

MORTGAGE INTEREST RATE COMPARISON - AVERAGE 4/16

AHFC Programs							Market	
Taxable Conv	Exempt FTHB	Exempt VETS	Taxable FTHB	Rural Owner	CCAP	Multi-Family	Conv	FHA
3.780	3.512	3.565	3.655	3.655	4.018	6.131	3.786	3.750

R2D2 Board Report for July 27, 2016

WEATHERIZATION PROGRAM

Income-based, home energy efficiency improvements provided for homeowners and renters.

Legislative appropriation:[i]

FY2008	$200 million
FY2012	$62.5 million
FY2013	$30 million
FY2014	$30 million
FY2015	$27.5 million
FY2016	$5.6 million
Total	$355.6 million

Program update as of May 31, 2016:

Total expended	$339.3 million
Units complete	18,116

Projected totals for March 31, 2017:

Current obligation	$354.2 million
Projected units complete	18,237

HOME ENERGY REBATE PROGRAM[ii]

Rebates offered up to $10,000 for homeowners making energy efficiency improvements to existing homes. A rebate of $10,000 for 6 Star or $7,000 for 5 Star Plus is available for newly constructed homes.

Legislative appropriation:

FY2008	$100 million
FY2009	$60 million
FY2012	$37.5 million
FY2013	$20 million
FY2014	$20 million
FY2015	$15 million
Total	$252.5 million

Program update as of 6.15.16:

Total expended[iii]	$216m
Current obligation[iv]	$23m
Initial ratings	40,700
Rebates paid	25,065
5 star plus paid	3,289
6 star paid	211
Active energy raters	52

Waitlist as of 6.15.16:[v]

Statewide	72
Anchorage	10
Fairbanks	2
Juneau	1

Total Estimated Energy Saved Annually – 3.7 trillion BTUs

(Includes Rebate and Weatherization program completions multiplied by average energy savings)

Equivalent to: (633,729 Barrels of Oil) or (36,756,283 Therms of Gas) or (26,634,988 Gallons of Fuel Oil) or (1,077,265 MWH of Electricity)

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[i] Appropriation amounts reflect state investment only.

[ii] As of December 2, 2015 the average participating homeowner in the Home Energy Rebate program spent $12,012 on efficiency improvements, including energy rating fees. A $6,960 average rebate results in a $5,052 out-of-pocket investment. The projected energy cost savings for homes receiving rebates are $1,464 per year, with an average annual energy savings of 34 percent.

[iii] Total expenditures are as of 6.1.16.

[iv] Current obligation includes funds set aside for homeowners in the Home Energy Rebate program who are making improvements and for encumbrances in the New Home Rebate program.

[v] The waitlist for the rebate programs was suspended on March 25, 2016.

Public Housing Operations Update

July 2016

Public Housing	
Units Statewide	1608
Housing Waiting List	1437

Housing Choice Vouchers	
Vouchers statewide	4381
Voucher Waiting List	2041

jump***start*** **Family Self-Sufficiency**	
Family Self Sufficiency Total Enrolled	386

Operations Updates:

- Participated in the Alaska Mental Health Trust Budget development meetings July 6-7
- The Public Housing Resident Advisory Board met and discussed ongoing projects at their developments as well as policies that may impact public housing recipients
- Received the FY17 Moving to Work Plan comments from HUD, returned to HUD for final
- Anchorage Housing Choice Voucher waiting list is open until July 31. Applications can be submitted on line or dropped off at any AHFC office.

Facilities Management & Construction Updates:

- Bethel – Foundation Project: Final inspection complete; punch list generated; coordinator and contractor discussing timeline to repair.
- Fairbanks – Golden Ages Sprinkler/Fire Alarm, contractor actively working on the project (no change).
- Juneau –Local Staff is working to complete VCA/ADA upgrades to the Riverbend property, EMTs project being prepared to correct the VCA/ADA site work at Cedar Park for Summer/Fall construction season (continuing progress).
- Wrangell – Mechanical upgrade and sidewalk replacement - Contractor is complete final inspection has been made.
- Sitka – Swan Lake Security system upgrade/replacement contract is being developed for an informal ITB. (No Change) EMT project being created to remediate site imperfections from abandon piles at Paxton Manor

- Cordova – Project Siding/Soffit/Window replacement at Sunset View; RFP from Wolverine Supply was accepted and the Notice to Proceed was just recently issued. Project is in design phase, working to construction drawings; window submittal has been approved and contractor is ordering.
- Anchorage –Scattered site infrastructure repair/replacement project is in progress, contractor is on schedule; Chugach Manor Sprinkler/Fire Alarm upgrade project RFP has been evaluated and contractor chosen.
- Facilities Management Extraordinary Maintenance Team (Road Crew): Have hired a Temporary Laborer for work in the Anchorage area for the remainder of the summer; North Lane sidewalk repair has begun; 1525 Boniface Maintenance storage yard improvements are complete; Ptarmigan Park side walk repair project is being developed for work this summer; Alpine Terrace building exterior painting project is being developed.

AHFC BOARD OF DIRECTORS

SCHEDULE 2016

~~January 27, 2016 (AHFC regular & AHCC Annual)~~ CANCELLED

~~February 24, 2016 (Audit Committee, AHCC (Membership & BOD) Annuals & AHFC Regular)~~

~~April 27, 2016 (AHFC Regular)~~

~~May 25, 2016 (AHFC Regular)~~

~~June 29, 2016 (Audit Committee & AHFC Regular)~~

July 27, 2016 BOD (AHFC Regular)

August 24, 2016 (AHFC Annual)

(NCSHA Annual Conference 9/24 - 9/27, 2016 in Miami, FL.)

October 26, 2016 (Audit Committee & AHFC Regular & ACAH Membership & ACAH BOD Annual)

November 30, 2016 (NTSC Annual & AHFC regular)