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

July 29, 2015 10:00 a.m.

Anchorage/Fairbanks/Juneau

I. ROLL CALL
II. APPROVAL OF AGENDA
III. MINUTES: June 10, 2015
Next Resolution: #15-21
IV. PUBLIC COMMENTS
V. OLD BUSINESS:
VI. NEW BUSINESS:

A. Consideration of a term loan request in the amount of $2,203,900 for the long term financing of a proposed 41 unit affordable housing project with non-residential uses to be known as "Home Run Senior Apartments" and located in Juneau, Alaska.

B. Consideration of a term loan request in the amount of $1,925,000 for the long term refinancing of a 47 unit multifamily housing project known as "Camelot Apartments" and located in Anchorage, Alaska.

C. Consideration of a term loan request in the amount of $1,675,000 for the long term refinancing of a 30 unit multifamily housing project known as "Kona Apartments" and located in Anchorage, Alaska.

D. Identity Theft Red Flags Program Report update.

E. Consideration of a resolution to approve the FY2016 Moving to Work Plan, Amendment One.

VII. REPORT OF THE CHAIR
VIII. BOARD COMMITTEE REPORTS: AUDIT
IX. REPORT OF THE EXECUTIVE DIRECTOR
X. ANY OTHER MATTERS TO PROPERLY COME BEFORE THE BOARD
X. Monthly Reports – Finance, Mortgage, R2D2, PHD, Meeting Schedule

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

ALASKA HOUSING FINANCE CORPORATION
BOARD OF DIRECTORS

REGULAR MEETING

June 10, 2015 10:00 a.m.
Anchorage/Juneau/Fairbanks

The Board of Directors of Alaska Housing Finance Corporation met June 10, 2015 in the AHFC board room, 4300 Boniface Parkway in Anchorage, AK at 10:00 a.m. Board members present were:

FRANK ROPPEL Anchorage	**CHAIR** Member of the Board
CLAI PORTER Anchorage	**VICE CHAIR** Member of the Board
BRENT LEVALLEY Anchorage	Member of the Board
MARTY SHURAVLOFF Anchorage	Member of the Board
JERRY BURNETT Anchorage	**Designee for Commissioner Department of Revenue** Member of the Board
TARA HORTON Anchorage	**Designee for Commissioner Department of Health & Social Services** Member of the Board
JON BITTNER Anchorage	**Designee for Commissioner Department of Commerce, Community & Economic Development** 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 ROPPEL proposed the agenda as presented. Seeing and hearing no objections, the agenda was approved.

III. MINUTES OF APRIL 29, 2015. CHAIR ROPPEL asked for revisions or acceptance of the minutes. BRENT LEVALLEY made a motion to accept the minutes as presented. CLAI PORTER seconded the motion. 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 REQUEST FOR TERM FINANCING IN THE AMOUNT OF $2,800,000 FOR THE REFINANCE OF A 35 UNIT MULTIFAMILY PROJECT KNOWN AS "KAMARU APARTMENTS" AND LOCATED IN ANCHORAGE, ALASKA. BRYAN BUTCHER introduced the item and ERIC HAVELOCK presented. Mr. Havelock stated that Alaska USA Mortgage Company on behalf of the borrowers, **Hillborn Properties, LLC** have applied to Alaska Housing Finance Corporation to receive funds under the Multi-Family Participation Loan Purchase Program for term financing for the refinance with rehabilitation, and equity extraction to purchase an additional multifamily property, of a 35 unit multi-family apartment complex located at 3938 Cope Street in Anchorage, Alaska. Discussion followed. CLAI PORTER made a motion to approve Resolution 2015-17. BRENT LEVALLEY seconded the motion. The resolution was unanimously approved. (7-0)

RESOLUTION #2015-17

RESOLUTION APPROVING TERM FINANCING FOR
THE REFINANCING OF A MULTI-FAMILY HOUSING PROJECT TO
HILLBORN PROPERTIES, LLC.

VI. B. ADVISORY DISCUSSION ON THE STATUS OF A TERM LOAN COMMITMENT APPROVED ON JUNE 19, 2013 FOR THE DEVELOPMENT OF 40 UNITS OF AFFORDABLE HOUSING TO BE KNOWN AS "JUNEAU I VOA HOUSING" AND LOCATED IN JUNEAU, ALASKA. BRYAN BUTCHER introduced the item and ERIC HAVELOCK presented. Mr. Havelock stated that Juneau I VOA Limited Partnership was approved for a $2,774,200 loan for the long term financing of an affordable multi-family apartment complex consisting of 40 units to be named "Juneau I VOA Housing" and located at NHN Vista Drive in Juneau, Alaska at the June 19, 2013 board meeting. The initial development schedule proposed a June, 2015 term loan closing based on the project being able to obtain the necessary conditional use permits from the City and Borough of Juneau and site work being able to get started in the fall of 2013. The public process of obtaining the necessary permits and the subsequent diligence in completing the architectural renderings for the project combined with the due diligence requirements of the Low Income Housing Tax Credit investor delayed ground breaking until

April of 2014. This pushed the fiscal ability of the borrower to close the term loan to April, 2016. The term loan commitment expires on June 19, 2015 and regulations do not allow for an extension. The borrower has requested a soft closing. Staff recommends the soft closing as the delays were beyond the control of the borrower or the development team; the committed interest rate is comparable to today's interest rates; regulations do not have to be waived to meet the needs of the project; and, all of the original terms and conditions of the loan approval dated June 19, 2013 remain the same. This is just an update to the Board on this project at this time. Discussion followed. No action from the Board was requested or required.

VI. C. CONSIDERATION OF A RESOLUTION TO RESCIND THE FY2016 APPROVED SALARY SCHEDULES WITH THE 2.5% COLA AND ADOPT A FY2016 REVISED SALARY SCHEDULES WITHOUT A COLA. BRYAN BUTCHER introduced the item and LES CAMPBELL presented. Mr. Campbell stated that this is a resolution requesting the AHFC Board of Directors' approval and adoption of the revised Salary Schedule which removes increases for AHFC employees effective July 1, 2015; and the revised FY2016 Salary Schedules. The Corporation's personnel rules provide for a salary schedule that is comparable to the State of Alaska salary schedule. Generally, the Corporation follows the State's Non-covered employees. Although previously approved, the Legislature adjusted the salary schedule for FY2016 through HB176. At this time, this has not been signed by the Governor; however, the Governor has signed HB72 that removed the funding from the previously approved FY2016 salary schedules with a two and a half percent (2.5%) increase effective July 1, 2015. As of the date of this memo, the Legislature and the Governor of the State of Alaska have not agreed upon, nor approved funding for a 2.5% COLA for the FY2016 salary schedule; therefore, the Corporation has revised the Corporation's Salary Schedules to reflect the funding changes made thus far by the Legislature and the Governor of the State of Alaska. Effective July 1, 2015, the amounts set out in the FY2016 salary schedules are revised to reflect a zero percent (0%) increase above the FY2015 salary schedules as no additional funding was included in the FY2016 budget cycle to date. Should the funding for the 2.5% COLA be subsequently approved by the Legislature, now in a Special Session, and signed by the Governor of the State of Alaska, the FY2016 Salary schedules already approved by the Board will remain in place; otherwise the Board of Directors of the Alaska Housing Finance Corporation approves the salary adjustments as provided in these revised FY2016 Salary Schedules with a 0% COLA to be effective July 1, 2015. Discussion followed. CLAI PORTER made a motion to approve Resolution 2015-18. BRENT LEVALLEY seconded the motion. The resolution was unanimously approved. (7-0)

RESOLUTION #2015-18

RESOLUTION OF THE BOARD OF DIRECTORS OF THE ALASKA HOUSING FINANCE CORPORATION APPROVING ADOPTION OF THE REVISED FY2016 SALARY SCHEDULES.

VI. D. REVIEW AND APPROVAL OF THE FY2016 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 stated that in general the budget supports the FY2016 MTW Plan Year #7 and that all salaries were calculated using the proposed new FY2016 Salary Schedules with 0% COLA. The budget fully funds all current and projected contracts as submitted in the Governor's budget and allows for changes between Categories but holds to the Bottom Line. Discussion followed. BRENT LEVALLEY made a motion to approve Resolution 2015-19. MARTY SHURAVLOFF seconded the motion. The resolution was unanimously approved. (7-0)

RESOLUTION #2015-19

PHA BOARD RESOLUTION APPROVING OPERATING BUDGET.

VI. E. CONSIDERATION OF A RESOLUTION TO APPROVE THE PUBLIC HOUSING DIVISION VACATED TENANT ACCOUNT WRITE-OFFS BRYAN BUTCHER introduced the item and MIKE COURTNEY presented. Mr. Courtney stated that throughout the year, the Public Housing Division turns over its delinquent accounts to a collection agency for assistance with collection of debts owed. Types of debts owed to PHD include unpaid rent, costs for damages to a unit, unpaid payment agreements, and back payment for undeclared income. Each year PHD writes off these accounts, by moving monies from current accounts receivable to a debt account. Through this process PHD will continue to actively pursue the debt, however it will no longer appear on its active books as a debt. Discussion followed. CLAI PORTER made a motion to approve Resolution 2015-20. BRENT LEVALLEY seconded the motion. The resolution was unanimously approved. (7-0)

RESOLUTION #2015-20

RESOLUTION FOR THE APPROVAL OF THE PUBLIC HOUSING DIVISION VACATED TENANT ACCOUNT WRITE-OFF.

VI. F. A REPORT FROM THE RESIDENT ADVISORY BOARD TO THE AHFC BOARD OF DIRECTORS. BRYAN BUTCHER introduced the item and MIKE COURTNEY presented. Mr. Courtney gave an overview of the Resident Advisory Board of Directors meeting that was held April 15, 2015. Discussion followed. No action was requested nor required of the Board.

VII. REPORT OF THE CHAIR. CHAIR ROPPEL stated that the Audit Committee, ACAH and AHFC BOD meetings will be held in Anchorage at the AHFC building beginning at 8:30am.

VIII. BOARD COMMITTEE REPORTS. There were no Committee reports to present to the Board.

IX. REPORT OF THE EXECUTIVE DIRECTOR. BRYAN BUTCHER reported on: 1.) Legislative update; 2.) Housing Anchorage Conference at BP Energy Center 5/11; 3.) AEDC LWP updates 5/19; 4.) Alaska Council on Homelessness Meetings 5/20; 5.) State DOC Reentry Council meeting 5/28; 6.) Statewide Supportive Housing Strategic Plan meeting 6/2; 7.) Discussion on work with the Building a Sustainable Future for Alaska transition teams on Infrastructure and Consumer Energy; 8.) Homelessness transition subcommittee meeting; 9.) National Disaster Resilience phase 2 timeline discussion; 10.) Pre-Development Partners Meeting with the Foraker Group 6/15; 11.) Retiring AHFC employees are Elaine Hollier (22 years) and Ray Utter (36 years).

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

1. Monthly Loan Reports. Finance, Mortgage, R2D2 Public Housing and GR&PA reports were presented for discussion and review.
2. Schedule of Board Meetings:

Audit Committee Meeting	July 29, 2015	8:30 am	Anchorage
AHFC Regular BOD Meeting	July 29, 2015	10:00 am	Anchorage

X. OTHER MATTERS. CHAIR ROPPEL asked if there were any other matters to properly come before the board. CLAI PORTER made a motion to adjourn. Seeing and hearing no objections, the meeting was adjourned at 11:00 a.m.

ATTESTED:

Frank Roppel Board Chair	Bryan Butcher CEO/Executive Director

BOARD CONSIDERATION MEMORANDUM

Date: July 29, 2015 **Staff: Eric A. Havelock**
Item: Multi-family Loan Request

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BORROWER: Home Run Limited Partnership

PURPOSE: Term loan financing of a proposed affordable multifamily apartment complex consisting of 41 units named "Home Run Senior Apartments" and containing non-residential space to be located on Teal Street in Juneau, Alaska.

PROPOSAL OVERVIEW:

Loan Amount:

First Deed of Trust:	$ 1,600,000
Second Deed of Trust:	$ 603,900
Total	$ 2,203,900

Project's Market Value: $5,100,000 Appraised by Brian Z. Bethard, MAI of Black-Smith, Bethard & Carlson. See Appendix I.

Loan-to-Value Ratio:

First Deed of Trust:	31%
First & Second Combined:	43%

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:	1.50%**

*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:	1.46
First & Second:	N/A

(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:	$11,974,326
Sources:	
LIHTC Proceeds (cash)	$ 9,026,950
AHFC's First DOT:	$ 1,600,000
AHFC's Second DOT:	$ 603,900
Solar Energy Tax Credit:	$ 125,580
Deferred Developer fee:	$ 150,978
NOI during stabilization:	$ 66,918
Rasmuson Grant:	$ 400,000
Total	$11,974,326

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 $9,026,950 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 $150,978 from the developer's fee that will be secured in fourth position. The project anticipates receiving the benefit of a $125,580 solar tax credit for the use of solar voltaic technology, and $66,918 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 Home Run Limited Partnership. AK HR GMD LLC is the administrative general partner, and St. Vincent de Paul Society Diocesan Council Southeast Alaska Inc. (SVdP) is the charitable general partner. The initial limited partner is GMD Development, which will be replaced by an as yet to be identified tax credit investor as the tax credit limited partner.

General Partners:
AK HR GMD LLC is an Alaska limited liability company created on February 9, 2015 for the purpose of partnering with SVdP for the development of this project. The LLC is wholly owned by GMD Development, LLC and is managed by Gregory Dunfield.

St. Vincent de Paul Society Diocesan Council Southeast Alaska Inc. (SVdP) was founded in April 1985 and incorporated in the State of Alaska on April 29, 1988. SVdP is a 501(c)(3) non-profit corporation organized exclusively for benevolent, educational and charitable purposes, all for the public welfare in Juneau, Alaska. SVdP provides a 33 unit family shelter, a hot meal program in the facilities dining hall, a food distribution program and a thrift store which provides clothing for clients and supplemental income to support the activities of the organization. SVdP is operated by general manager Dan Austin under the oversight of an 8 member Board of Directors with Mindy Voigt as president.

Initial Limited Partner:
GMD Development LLC is a for-profit 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 GMD Development LLC with the tax credit investor.

Developer:
GMD Development LLC (GMD) and SVdP will be the co-developers. 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 is valued at $5,100,000 and will have approximately $2,354,878 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:
A recent credit report for Home Run Limited Partnership, GMD Development, LLC, and SVdP reflects acceptable credit with no derogatory references. The tax credit limited partnership does not have any loans with AHFC. The co-general partner, AK HR GMD LLC, does not have any loans with AHFC. SVdP has four loans with AHFC totaling $2,292,927 that are paying as agreed.

PROJECT CHARACTERISTICS:

Location and Site Description:
The subject is located approximately nine miles northwest of the Juneau central business district near the Juneau International Airport. The area is comprised of mixed uses including industrial, commercial, and residential multifamily development. Primary access is from Teal Road with secondary access from Alpine Road, both paved and publically maintained by the City and Borough of Juneau. The developer is in the process of consolidating the existing seven lots into two lots, which abuts the Jordan Creek greenbelt to the southwest, is all level and cleared, and contains a total of 59,846 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 41 residential units and 7,788 square feet of non-residential space on the first floor for a total of 46,441 square feet. The building will be wood-framed construction with a concrete foundation and covered with durable sustainable 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. 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. Building amenities include residential storage and a residential common area on the first floor with a patio overlooking the greenbelt, as well as a common laundry facility and a computer room. 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.

Residential Space: 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. Unit configuration will be five efficiency units each containing 473 square feet and renting for $669 per month; 28, one-bedroom, one-bath units each containing 615 square feet and renting between $679 and $804 per unit, per month; and, eight, two-bedroom, one-bath units each containing between 740 and 815 square feet and each renting for $963 per month. Five of the units will be equipped for sensory and mobility impaired tenants.

Non-residential space: Approximately 7,788 square feet will be finished as a shell consisting of drywall finishings with the tenant completing any additional interior build out to meet their requirements. The space is intended to accommodate the thrift store that is currently being operated by SVdP to re-sell donated items.

Note: While the rental units will be leased subject to the low income housing tax credit guidelines and restricted to tenants that meet the federal definition of elderly, the non-residential space is pre-leased with a five year, triple-net lease paying $0.71 per square foot that includes five year renewable options with a 3% inflation factor.

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 completed by R&M Engineering, Inc. dated March 23, 2015 will be made a condition of the commitment.

Environmental Assessments:
A phase one environmental assessment report was completed by Evren Northwest Inc on May 11, 2015 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 4% 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 housing options. Staff concurs with this assessment noting the high demand for affordable units in the Juneau area and the supporting amenities offered by the non-residential space. The appraisal report considers the lease rate to be comparable to market lease rates considering the triple-net nature of the lease allowing the tenant to accommodate the space for improvements and to cover any vacancy. The triple-net lease pays a monthly payment regardless of occupancy. The Appraiser utilized a 15% vacancy and credit loss factor for the non-residential space which was adjusted by staff to 20% for underwriting purposes. Staff notes the market study also utilized a 20% vacancy for the retail space based on market comparables even though the long term triple net lease indicates a vacancy factor may not be necessary. See Appendix VI.

Debt Service Coverage Ratio:
The 1.46 debt service coverage ratio on the repayment of the first deed of trust loan indicates that in addition to the 7% residential vacancy factor and 20% commercial vacancy factor, income could fall by 14% or expenses could increase by 24% 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 21% 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 41 units for tenants earning 50% of the area median income or less; and, rents will be restricted on 16 of the 41 unit for tenants earning 60% of the area median income or less. Non-residential rents have been established by contract and collateralized through the assignment of a triple-net lease. 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 project, noting the need for affordable senior housing in the Juneau area. Staff agrees with this determination 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 $13,000 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, letters of support, appraisal, and the market report determined that the proposed rent-up reserve funds are adequate to support a two-month rent-up period. Further assurance is provided by the limited partnership agreement that 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, an $185,051 operating reserve will be established to provide a total of $198,051 for rent-up and operating reserve account balances. Staff considers this amount to be acceptable in consideration of the lease-up period being before the term loan funding.

SECONDARY FINANCING STRUCTURING:

Second Deed of Trust:

a. Amount: $603,900

b. Interest Rate: 1.50% calculated on a simple interest basis.

c. Payments to be made annually based on the lesser of a $25,145.91 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, accrued interest and then to principal with deficient interest, if any, continuing to accrue.

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. It is anticipated that the loan and interest will be paid off by year thirty (30).

Note: A second deed of trust loan is necessary in consideration that if the total requested debt of $2,203,900 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 1.09 which reflects an annual cash flow of $14,402 indicating that the income minus the expenses may not leave sufficient funds to make the loan payment should there be any decrease in income or increase in expenses. This proposal provides a blended interest rate of 4.948%.

COMMUNITY SUPPORT:
Letters of support are included in Appendix VIII

COMMUNITY OPPOSITION:
Neither AHFC nor the borrower is aware of any community opposition.

PROPERTY MANAGEMENT:
The property will be managed by Saint Vincent de Paul Society. They oversee 124 existing units in the Juneau area. Staff concludes that they have sufficient experience to successfully manage the subject property, noting they manage other LIHTC projects financed by AHFC as well as HUD financed senior housing. Further assurance is contained in the Deed of Trust which allows AHFC to replace the property manager if necessary. See Appendix IX.

JOB TRAINING:
The general contractor, Dawson Construction, will be providing two construction apprentice positions and the mechanical sub-contractor, Schmolk Mechanical, will be providing two mechanical apprentice positions during the development of the project. See Appendix X

RECOMMENDATION:
Home Run 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 $2,203,900, distributed as follows:

    a. First deed of trust in the amount of $1,600,000 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 $603,900. The term shall be thirty (30) years at a simple interest rate of 1.50% with repayment on the second to be the lesser of a $25,145.91 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 Home Run Limited Partnership;

4. Commitment to expire July 29, 2017;

5. AHFC may fund the loan from working capital or from its selection of a bond market placement or other sources which are the most attractive to it. The committed interest rate is a fixed rate and not subject to adjustment in the event AHFC elects to fund the first deed of trust loan from a source of funds that has an effective rate, as computed by AHFC, that varies from the committed rate;

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

7. Loan Agreement to include covenants which require the Borrower, at a minimum, to 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 41 units for tenants earning 50% of the area median income or less; and, rents will be restricted on 16 of the 41 unit for tenants earning 60% of the area median income or less. Non-residential rents will be established by the market and collateralized through the assignment of a triple-net lease;

8. 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;

9. Receipt and acceptance by AHFC of the following:

a. copies of the plans and specifications;

b. evidence that the project was properly constructed to compensate for any soil deficiencies pursuant to the geotechnical report dated March 23, 2015;

c. 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;

d. an executed "Summary of Building Inspection" (AHFC Form PUR-102) or an unconditional Certificate of Occupancy unless otherwise approved by AHFC;

e. 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 Building Energy Efficiency Standards (BEES) Certification (AHFC Form PUR-101);

f. 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;

g. 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.

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

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

j. ALTA title policy with applicable endorsements;

k. an as-built survey;

l. all required certificates and/or binders of insurance to be no less than $3,000,000 aggregate liability coverage with a $10,000 deductible;

m. an assignment of the triple-net lease on the non-residential space for collateral purposes; and,

n. 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.

10. The establishment of a rent-up reserve in the amount of $13,000; to be jointly controlled by AHFC and the borrower and funded at closing;

11. The establishment of an operating reserve in the amount of $185,051; 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 $1,025 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 $19,029.25 loan fee payable at closing or upon the expiration of the commitment;

15. A commitment fee of $9,514.63 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	Michael Buller	Michael S. Strand
CEO/Executive Director	Deputy Executive Director	Chief Financial Officer
Date: 7-17-15	Date: 7/17/15	Date: 7/17/15

ALASKA HOUSING FINANCE CORPORATION
RESOLUTION NO. 2015-

RESOLUTION APPROVING THE TERM FINANCING FOR A MULTI-FAMILY HOUSING PROJECT TO HOME RUN 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 safe, quality, affordable, and accessible housing for the elderly;

B. Home Run Limited Partnership has applied to Alaska Housing Finance Corporation to receive funds under its Multi-Family Special Needs and Congregate Housing Loan Program for the term financing of a senior housing facility with commercial uses located in Juneau, Alaska;

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 29, 2015 Board Consideration Memorandum prepared in support of the application.

This resolution shall take effect immediately.

DATED THIS 29th Day of July, 2015

_____

Frank Roppel
Chair

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

May 5, 2015

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

Attn: Mr. Anson Renshaw

RE: Home Run Apartments
A Proposed 41-Unit Age and Rent Restricted Housing & Commercial 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"	June 1, 2017	**$5,100,000**
Prospective Market Value		
"At Completion"	October 1, 2016	**$4,888,000**
Market Value "As Is"		
'As Is'	April 13, 2015	**$658,000**
Prospective Market Value "Encumbered by LIHTC Restrictions"		
Total Market Value "At Stabilized Occupancy"	June 1, 2017	**$3,000,000**
Prospective Market Value "Encumbered by LIHTC Restrictions"		
Total Market Value "At Completion"	October 1, 2016	**$2,868,000**

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

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

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

General assumptions and limiting conditions are contained in the addenda of the report. Extraordinary assumptions,[9] hypothetical conditions,[10] and limiting conditions are summarized as follows:

- A soils report was not provided, and it is assumed that the soils are adequate to support development.

- 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.

- We have been provided with preliminary building plans and plat map for the subject. The appraisal is based on the assumption that the project will be constructed per specifications stated in the building plans and descriptions provided to the appraiser, that the plans are approved, and that the buildings are constructed per current building codes. This is an extraordinary assumption of the appraisal. At completion, the complex will have (5) studios, (28) one-bedroom units, (8) two-bedroom units, and an 8,000 SF ground floor retail space, with a gross building area (GBA) of 46,441 SF.[11] The net rentable area (NRA) is reported at 33,955 SF.[12] If any changes are made to the site or building plans, the appraiser reserves the right to revise the report accordingly.

Effect on Assignment Results

The effect on the assignment results should any of the extraordinary assumptions prove to be false would be a reduction in the value conclusion.

---

[9] "An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions." *Uniform Standards of Professional Practice.*

[10] "A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis." *Uniform Standards of Professional Practice.*

[11] Per Statistics from Northwind Architects, LLC .

[12] Unit rentable areas; includes retail space and excludes common areas.

HOME RUN
41 UNITS - PROPOSED DEVELOPMENT COSTS

TOTAL DEVELOPMENT COSTS:

Land Acquisition*	$ 328,949
Construction Costs	$ 9,071,384
Construction Financing	$ 369,728
Term Loan Closing Costs	$ 108,039
Related Soft Costs	$ 656,731
Syndication costs	$ 152,870
Developer Fees	$ 1,088,575
Operating Reserves	$ 185,051
Rent-up Reserve**	$ 13,000
Total Costs	**$11,974,327**

* Land is being leased from Saint Vincent de Paul (SVdP) for one dollar per year; however, as previously pledged collateral, SVdP must repurchase the lots so they may be leased for this project.

** Rent up reserves may be used for authorized rent up expenses incurred prior to funding and may be paid at the closing of the term loan.

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.

Dan Austin 172 Behrends Ave. Juneau, Alaska 99801
(907) 321-5222 cell (907) 586-2538 land

2007—Present
Consultant/ General Manager
Haines Assisted Living and St. Lucy's Senior Living.
Develop and secure funds to construct 13,000 SF of assisted living and HUD "202" senior residential complex in Haines, Alaska. Responsible for all development proposals and project management of rural Alaska's pre-eminent LEED Certified building. $5.5 million development completed March 2011, on time and under-budget. $6 million Vet Housing under construction.

Haines Assisted Living

1997—Present
General Manger/Director
St. Vincent de Paul Society, Juneau, Alaska
Manage daily activities and plan for the future of the largest charitable provider of direct assistance to the homeless of Southeast Alaska.

Develop, build and manage $20 million in affordable housing and commercial assets. These include five distinct non-profit housing entities: St. Vincent de Paul, low-income housing, Smith Hall, Inc., HUD "202" senior housing, Channel View, Inc., a Low-Income Housing Tax Credit project, Haines Assisted Living/St. Lucy's Senior Living, HUD "202", and MacKinnon Apartments, a Low-Income Housing Tax Credit project.

Smith Hall

A founding leader of the Juneau Homeless Coalition.

1995—1997
State Budget Analyst
Governor's Office of Management and Budget
Program Budget Analyst: Department of Law, Department of Corrections, Department of Public Safety, Alaska Court System.

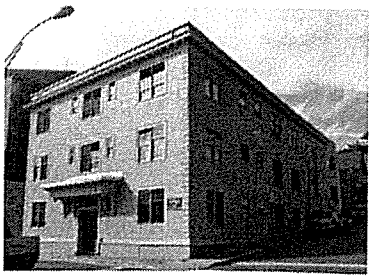
Channel View

1990—1995
Legislative Chief of Staff
Alaska State Legislators
Legislative and State Finance Committee staff to: Senator Bettye Fahrenkamp, Senator Pat Pourchot, Representative Kay Brown.

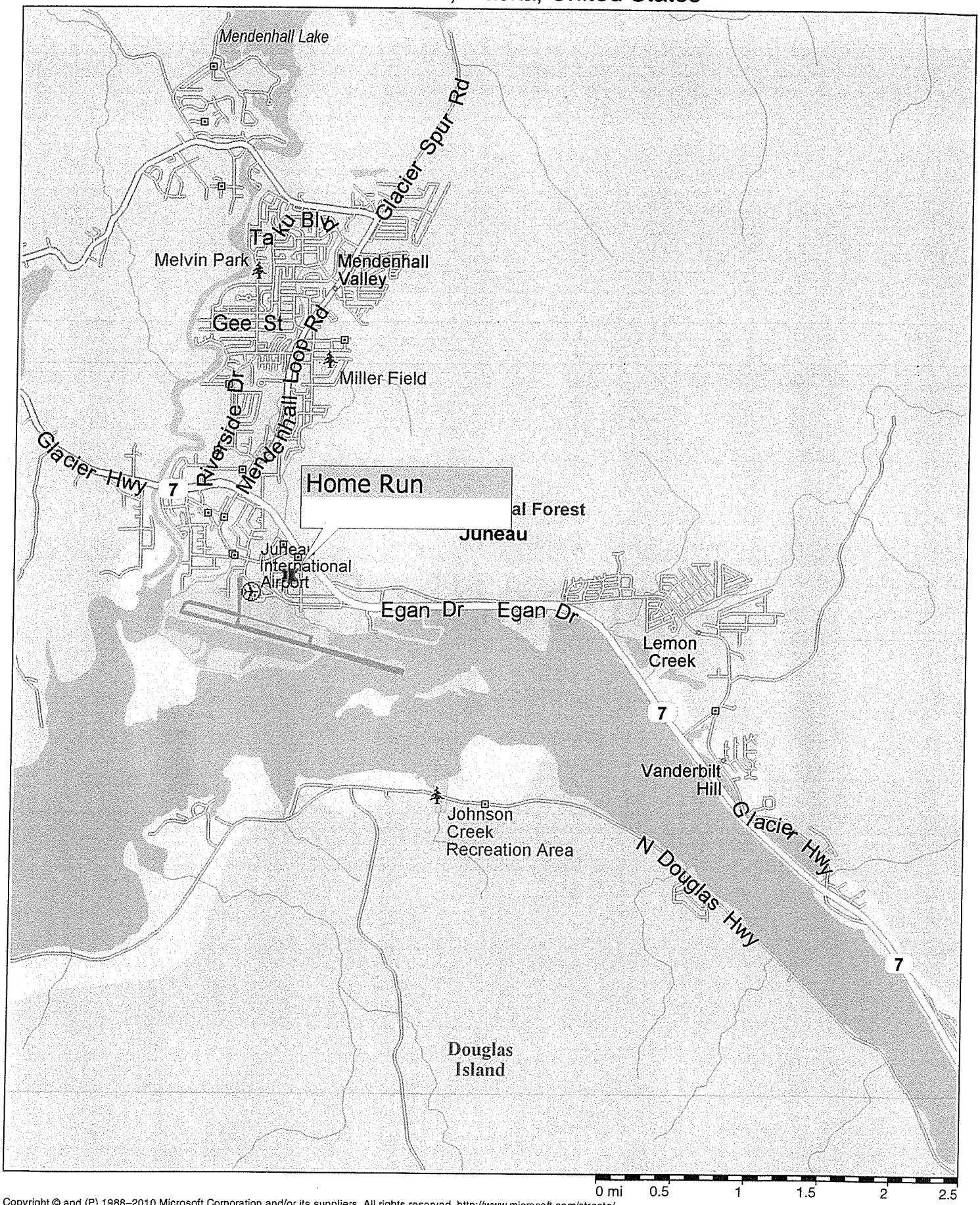
St. Vincent de Paul

1990—Present
Austin Editorial Services
Program development, grant production, proposal and technical writing services for University of Alaska Fairbanks, Tanana Chiefs, Pribiloff Islands School District, Haines Assisted Living and others.

Publications: Contributing author, Alaska Resource Development Politics and Policy, Clive Thomas, 1997.
Ten Steps to a Tree Farm, Integrated Forestry Services, 1985
Awards: 2005 Vocational Service Individual of the Year, Juneau Downtown Rotary.


MacKinnon

Lemon Creek, Alaska, United States



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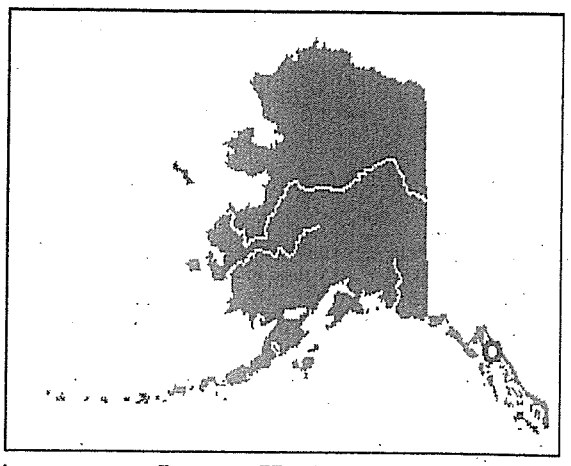
ALASKA

Excerpts from *Alaska Economic Trends* January 2015, Caroline Schultz:

> Alaska is not expected to gain jobs in 2015, as the state faces downward pressure from low oil prices and tightened government budgets. Net job growth is expected to be flat after an estimated 0.3% gain in 2014.
>
> Declines in government are expected to last into 2015, with the addition of slight state government losses....Private employers will likely continue to add jobs this year, but not enough to outweigh government losses.
>
> The recent period of cheap oil has heightened awareness of the state's reliance on oil, but it hasn't sent the economy into a tailspin, and not all sectors are flat. Still, none have sufficient momentum this year to pull the state out of the doldrums.
>
> The recent drop in oil prices all but guarantees a substantial budget deficit for state fiscal years 2015 and 2016, but diminished state oil revenue isn't yet a crisis. Alaska has racked up enviable savings accounts that will help the state weather the next few years if the low price environment lingers. These savings will keep the lights on for state government, but the fiscal year 2016 capital budget will likely be slashed compared to prior years.

JUNEAU, ALASKA[13]



Located on the mainland of Southeast Alaska, opposite Douglas Island, the City of Juneau was built at the heart of the Inside Passage along the Gastineau Channel. It lies 900 air miles northwest of Seattle and 577 air miles southeast of Anchorage. The area encompasses 2,716.7 sq. miles of land and 538.3 sq. miles of water. It is in the mildest climate zone in Alaska. Temperatures range 25 to 65 °F.

Juneau is accessible only by air and sea. Scheduled jet flights and air taxis are available at the municipally-owned Juneau International Airport. Marine facilities include a seaplane landing area at Juneau Harbor, two deep draft docks, five small boat harbors, and a state ferry terminal. The Alaska Marine Highway System and cargo barges provide year-round services.

The City of Juneau was formed in 1900 and was originally comprised of a 160 acre parcel assembled by Joe Juneau and Richard Harris (the area formerly called "Harrisburg"). The state capital was transferred from Sitka to Juneau in 1906 while Alaska was a U.S. territory. Gold mining, fishing, canneries, a sawmill, transportation and trading services, contributed to Juneau's growth through the early 1900s. In 1970, the City of Juneau, the City of Douglas, and the Greater Juneau Borough were unified into the **City & Borough of Juneau.**

As the state capital, Juneau is supported largely by state and federal employment and by tourists cruising the Inside Passage. It is the third largest community in Alaska. About one-third of residents live downtown or on Douglas Island; the remaining two-thirds live elsewhere along the roaded area.

Current Population:	33,026 (2014 Alaska Department of Labor Estimate)
Incorporation Type:	Unified Home Rule Municipality
Taxes:	Sales: 5%, Property: 10.66 mills (median rate), Special: 3% Liquor Tax; 7% Bed Tax; $1 per pack Tobacco

State, local, and federal agencies provide most of the local jobs. Juneau is home to state legislators and their staff during the legislative session between January and April. In 2011, 259 Coast Guard personnel was stationed in Juneau. Tourism is a significant contributor to the private sector economy during the summer months. Most cruise ship make it a port of call. The Mendenhall Glacier, Juneau Icefield air tours, Tracy Arm Fjord Glacier, state museum, and Mount Roberts Tramway are local attractions. Support services for fish processing contribute to the Juneau economy. In 2011, 357 residents held commercial fishing permits. DIPAC, a private non-profit organization, operates a fish

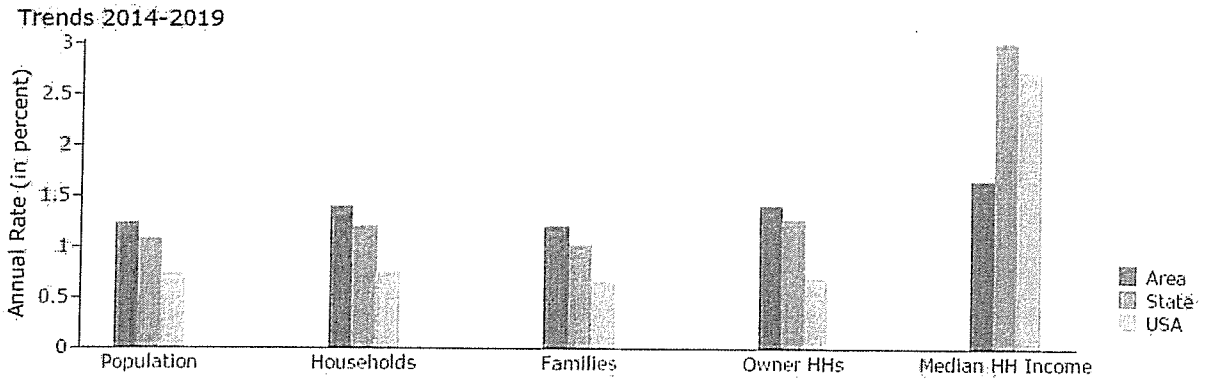
[13] Source: Alaska Department of Commerce Community Information Database.

hatchery that increases the local salmon population. The close-by Kennecott Green's Creek Mine produces gold, silver, lead, and zinc and is the largest silver mine in North America

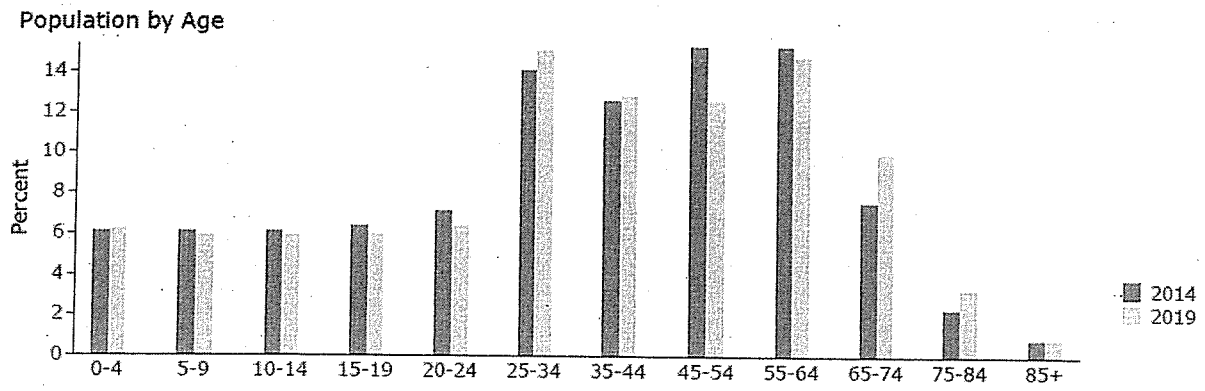
The most recent population and median income levels for the area are summarized in the following tables.[14]

Summary	Census 2010	2014	2019
Population	31,213	33,053	35,154
Households	12,164	13,028	13,964
Families	7,730	8,171	8,672
Average Household Size	2.49	2.47	2.45
Owner Occupied Housing Units	7,577	7,996	8,574
Renter Occupied Housing Units	4,587	5,032	5,390
Median Age	37.9	38.3	38.2
Trends: 2014 - 2019 Annual Rate	**Area**	**State**	**National**
Population	1.24%	1.07%	0.73%
Households	1.40%	1.20%	0.75%
Families	1.20%	1.02%	0.66%
Owner HHs	1.41%	1.27%	0.69%
Median Household Income	1.66%	3.02%	2.74%

	2014		2019	
Households by Income	Number	Percent	Number	Percent
<$15,000	811	6.2%	820	5.9%
$15,000 - $24,999	452	3.5%	388	2.8%
$25,000 - $34,999	685	5.3%	523	3.7%
$35,000 - $49,999	1,868	14.3%	1,756	12.6%
$50,000 - $74,999	2,315	17.8%	2,272	16.3%
$75,000 - $99,999	2,475	19.0%	2,642	18.9%
$100,000 - $149,999	2,808	21.6%	3,281	23.5%
$150,000 - $199,999	1,011	7.8%	1,438	10.3%
$200,000+	604	4.6%	844	6.0%
Median Household Income	$77,829		$84,519	
Average Household Income	$88,838		$98,723	
Per Capita Income	$35,338		$39,595	



[14] Source: Site to Do Business (STBD) Online Market Statistics, Juneau CBD / CBJ, March 31, 2015.

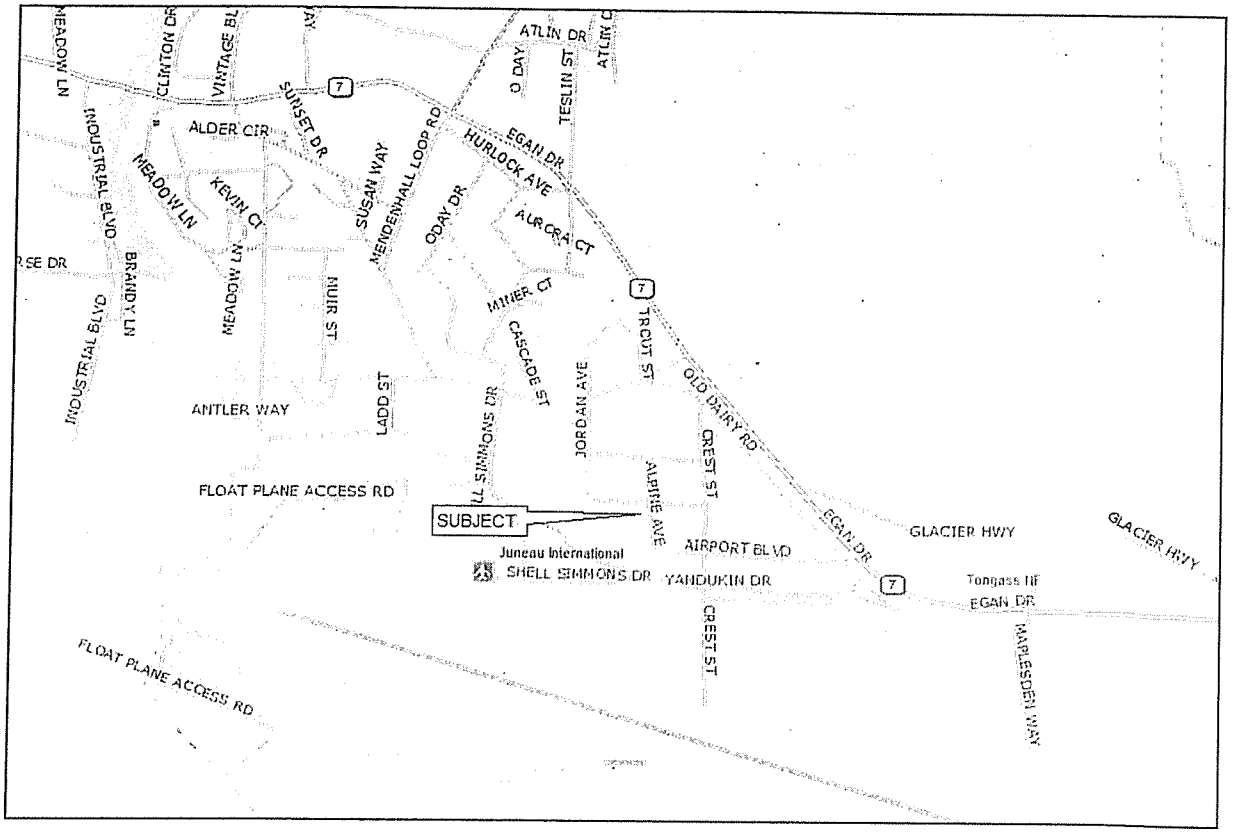


Employment trends in the immediate and general market area of the subject are summarized as follows:

CIVILIAN EMPLOYED POPULATION AGE 16+ YEARS BY INDUSTRY	2008 - 2012 ACS Estimate	Percent	MOE(±)
Total	17,146	100.0%	878
Agriculture, forestry, fishing and hunting	461	2.7%	130
Mining, quarrying, and oil and gas extraction	336	2.0%	117
Construction	1,125	6.6%	277
Manufacturing	221	1.3%	85
Wholesale trade	163	1.0%	88
Retail trade	1,579	9.2%	266
Transportation and warehousing	1,111	6.5%	204
Utilities	198	1.2%	83
Information	309	1.8%	109
Finance and insurance	320	1.9%	105
Real estate and rental and leasing	219	1.3%	87
Professional, scientific, and technical services	923	5.4%	169
Management of companies and enterprises	24	0.1%	33
Administrative and support and waste management services	367	2.1%	131
Educational services	1,708	10.0%	265
Health care and social assistance	1,948	11.4%	275
Arts, entertainment, and recreation	249	1.5%	62
Accommodation and food services	1,049	6.1%	188
Other services, except public administration	687	4.0%	160
Public administration	4,149	24.2%	365

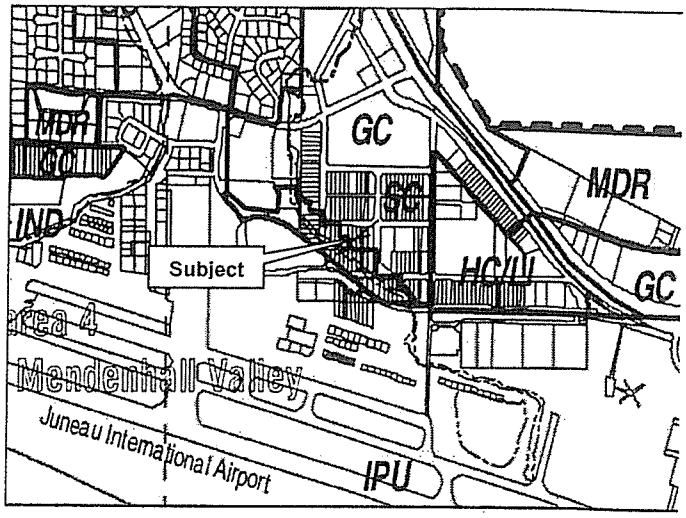
Summary

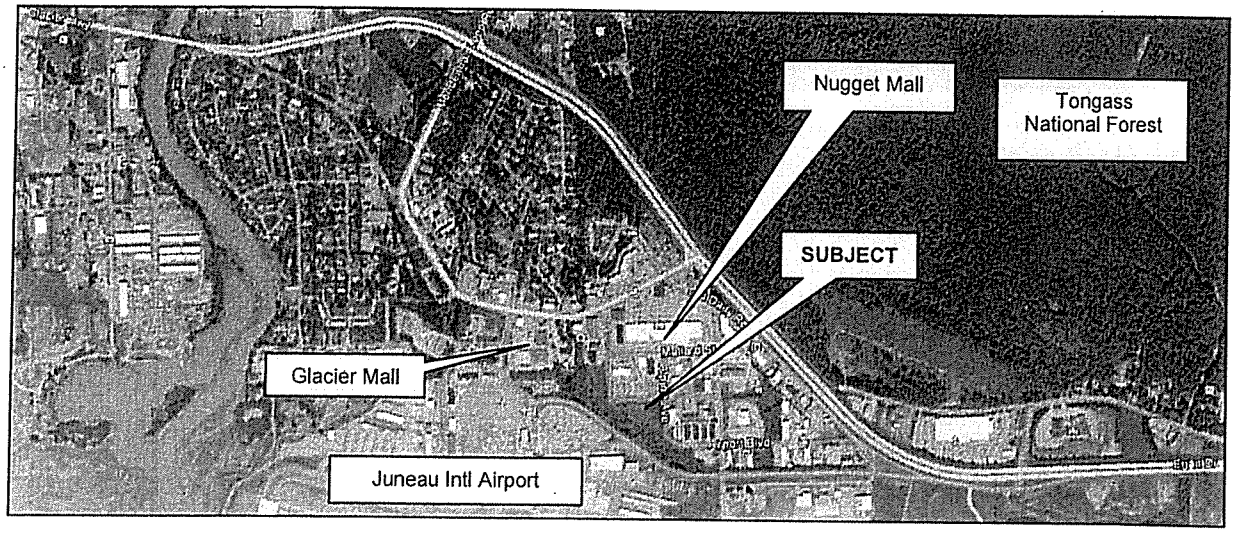
The Juneau economy continues to be supported by the legislative session and related government employment during the winter. Tourism and the cruise ship industry sustain the summer economy. There is always some concern regarding the moving of the state capital, but real estate values remain stable. The outlook is for little change.



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, and the Glacier Highway / Egan Drive to the north and east of the subject.

The site is located just north of the airport on Teal Street, in a primarily commercial / industrial neighborhood, mixed with commercial office / retail and multi-family residential uses. Teal Street is a minor roadway leading from Jordan Avenue to Crest Street and containing primarily the subject and related buildings on the southerly side of the street and commercial / industrial uses on the northerly side of the street. (The subject location is identified on the 2008 Comprehensive Plan Map shown to the right.)



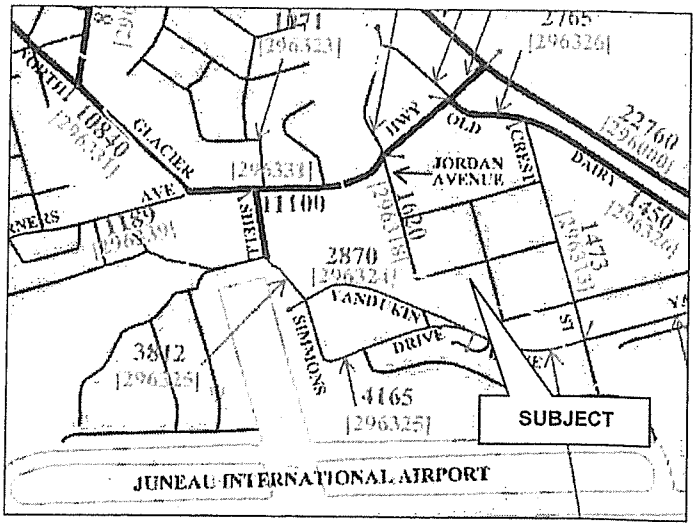


The area is accessed via minor roadways, Jordan Avenue and Crest Street, off of the Old Glacier Highway. Old Glacier Highway is an arterial roadway which loops through the subject neighborhood, connecting it to the Glacier Highway / Egan Drive.

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

Utilities include water, sewer, electricity, and telephone.

The Alaska Department of Transportation reported the 2012 average daily traffic (ADT) count to be 1,473 along Crest Street, 1,620 along Jordan Avenue and 11,100 along the Glacier Highway in the immediate area of the subject.



This is the airport district of the city 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.

SITE DESCRIPTION

Location

The subject consists of a (7) lot assemblage, located at the southwest corner of Teal Street and Alpine Avenue, in Juneau, Alaska.

Site Area and Dimensions

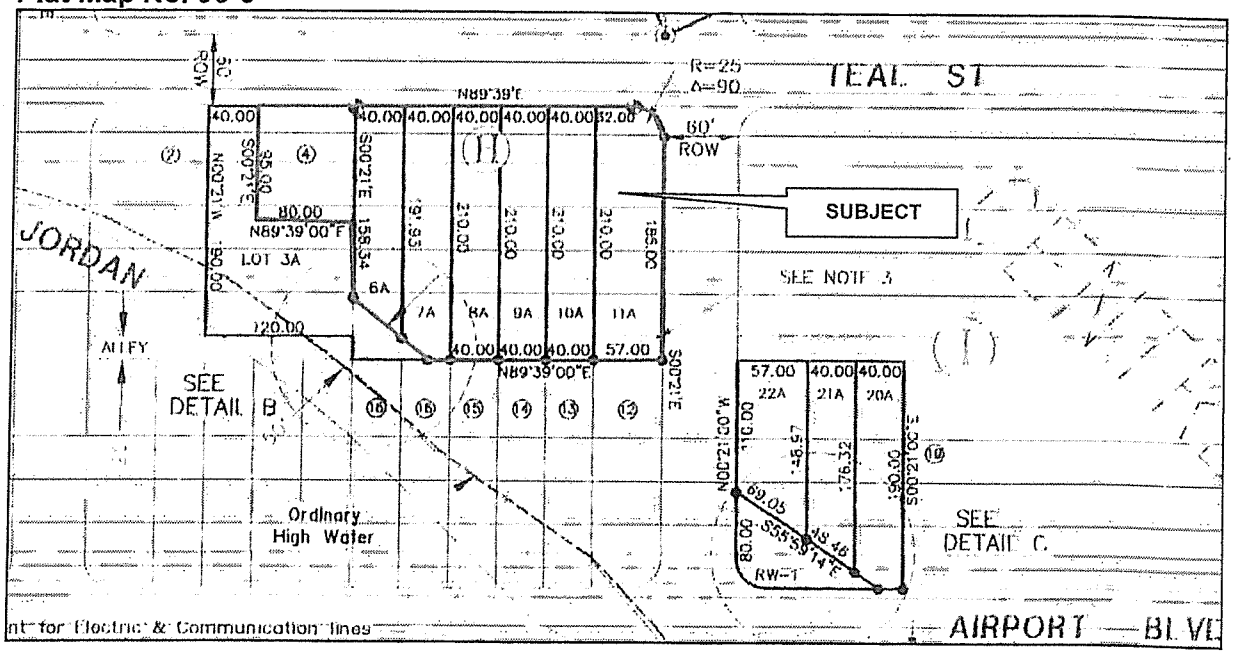
A summary table of the subject property is as follows:

* CBJ Tax ID #	Legal	Gross SF
5B1501060030	Lot 4, Block H, Valley Centre Subd.	7,600 SF
5B1501060040	Lot 6A, Block H, Valley Centre Subd.	7,005 SF
5B1501060050	Lot 7A, Bloch H, Valley Centre Subd.	8,205 SF
5B1501060060	Lot 8A, Block H, Valley Centre Subd.	8,400 SF
5B1501060070	Lot 9A, Block H, Valley Centre Subd.	8,400 SF
5B1501060080	Lot 10A, Block H, Valley Centre Subd.	8,400 SF
5B1501060090	Lot 11A, Block H, Valley Centre Subd.	11,836 SF
TOTAL		**59,846 SF (±1.37 AC)**

* The City and Borough of Juneau (CBJ)

The assembled site is irregular.

Plat Map No. 96-6



Utilities

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

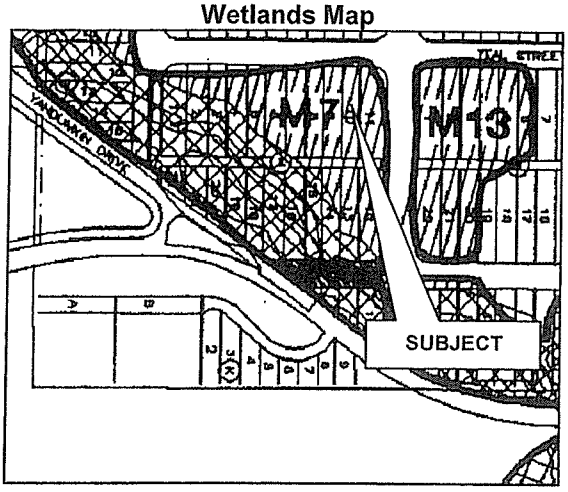
Topography and Soils

The site is generally level, partially cleared with second growth evident, and near grade of surrounding streets.

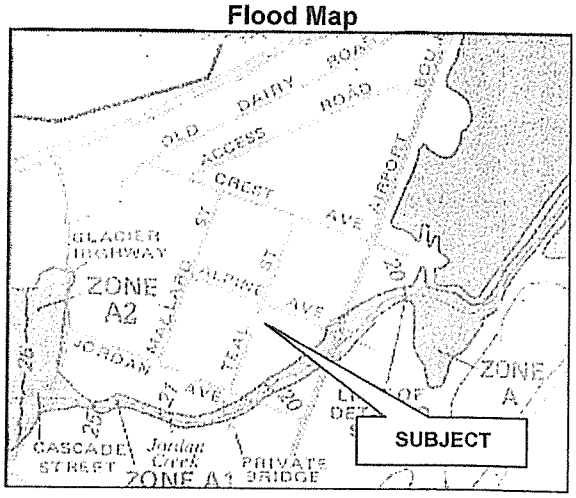
The site is designated as Wetland Category 'C' – Classification M7, where "a permit from the Corps of Engineers is required for development on this site, or, a determination by the Corps of Engineers that there are no wetlands on the site."[15] Wetland Category C "maintains overall functional value on roaded system with no net loss of aggregate value to region."[16]

The property is located within Flood Zone A2 – areas of minimal flooding.[17]

Wetlands Map



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 ±312' of frontage along Teal Street and ±185' along Alpine Avenue. Both are two-lane, asphalt paved, surfaced roadways. Overall, access is considered adequate.

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.

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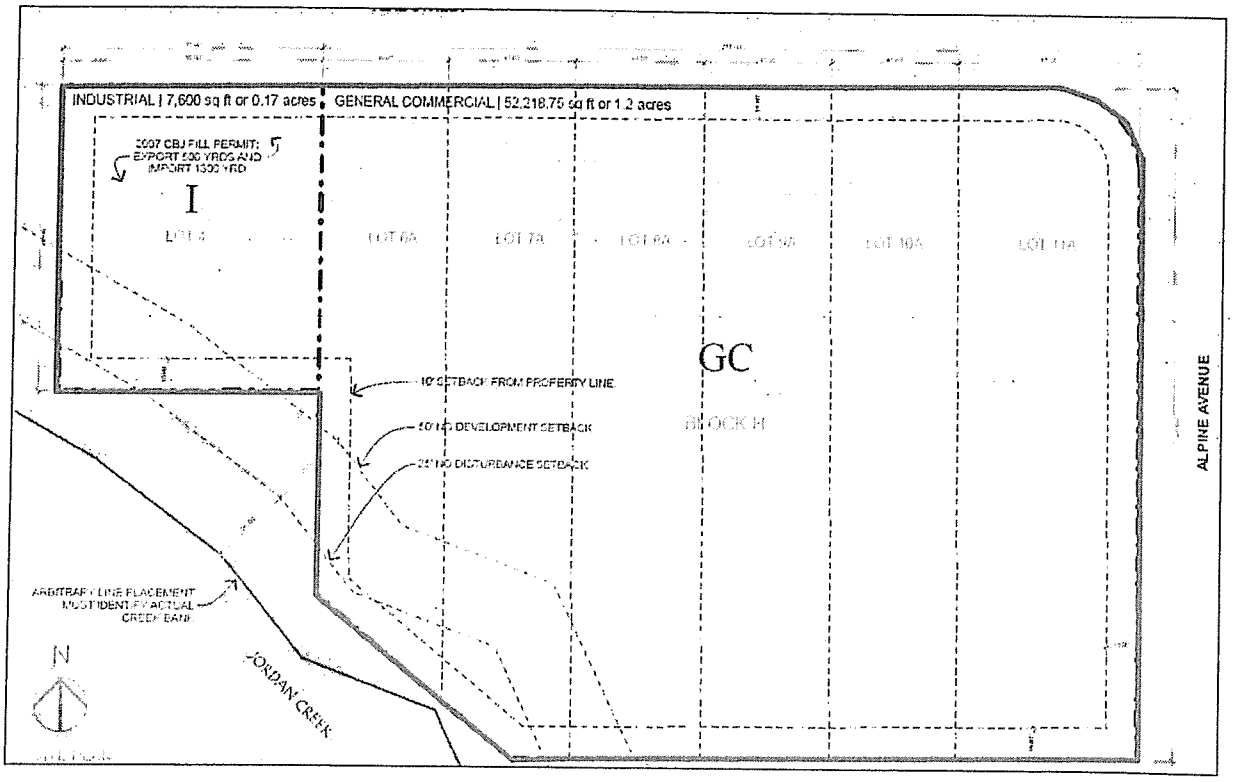
15 Juneau Wetlands Management Plan, May 1994, per Site Plan – see Addenda.

16 Juneau Wetlands Management Plan, May 1994.

17 FIMR (Flood Insurance Rate Map) Panel No. 885 of 1050 Community Panel No. 020090885B.

Easements

A title report was not provided.



The site plan reports the following easements:

- A 10' setback easement from the perimeter property lines;
- A 50' 'no development' setback easement along Jordan Creek in the southwest corner.

No easements are noted on the parcel Plat Map. [18]

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.

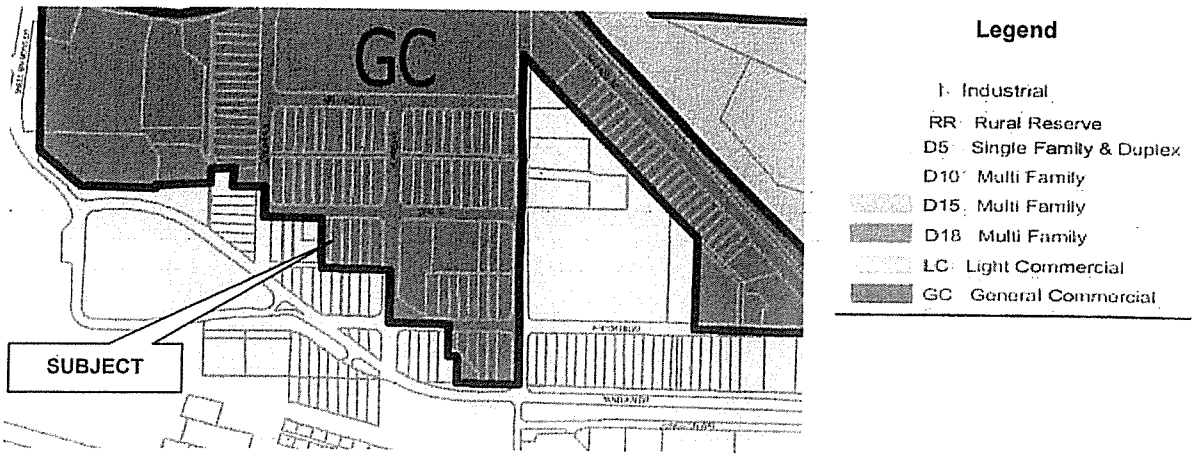
Zoning

Lots 6A thru 11A are zoned GC (*General Commercial*) which "is intended to accommodate most commercial uses. Commercial activities are permitted outright in the zone except for those few uses that are listed as conditional uses to ensure compatibility. Residential

[18] Plat Map 96-6 shows a 20' alley easement located along the south lot line; however, per Plat Notes, the easement is vacated.

development is allowed in mixed and single-use developments in the general commercial district." [19]

Lot 4 is zoned I (*Industrial*) which is "intended to accommodate industrial activity which includes manufacturing, processing, repairing and assembling goods. Because of noise, odors, waste, and other impacts inherent in industrial activity, performance standards are applied. As proposed, the lot is to be used for parking.



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

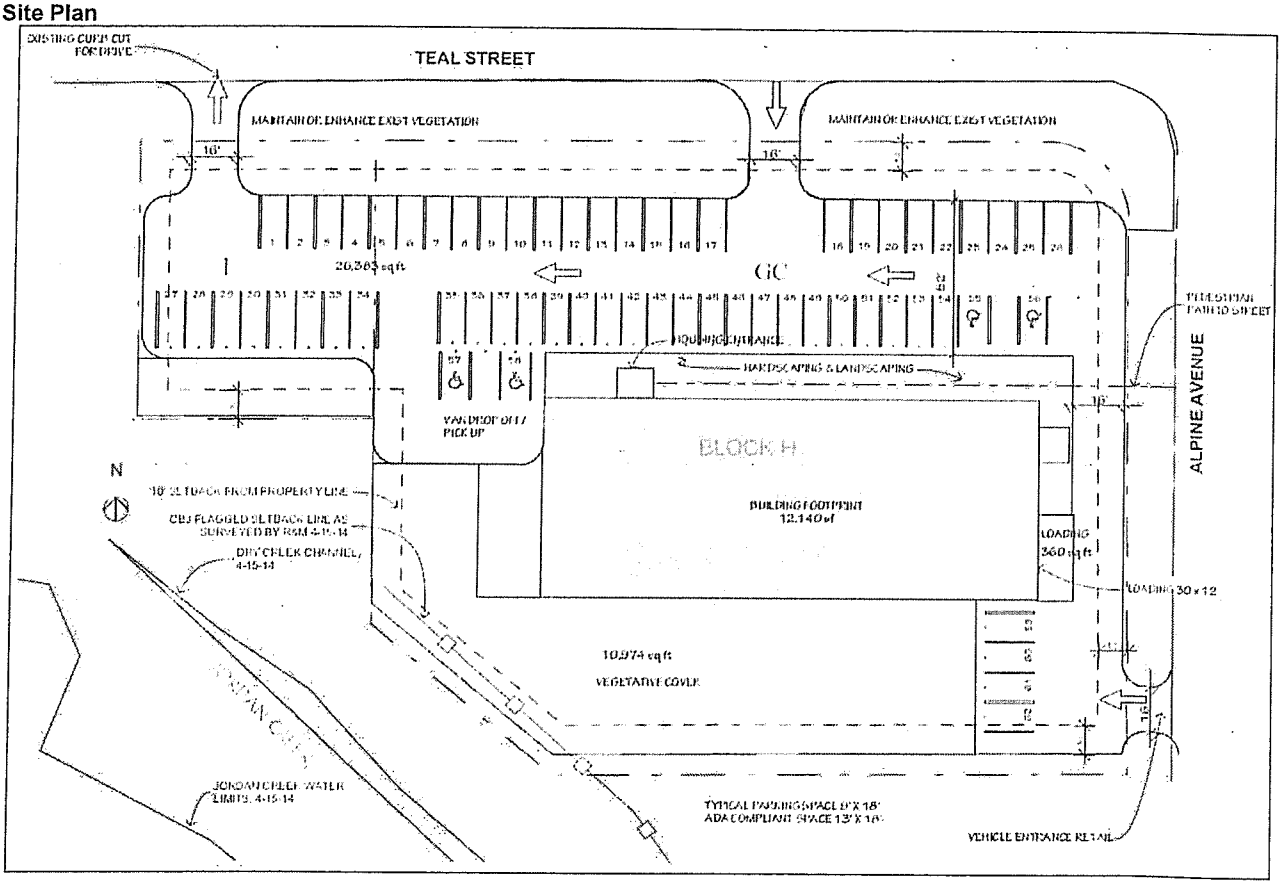
Suitability of the Site

The subject contains a total site area of 59,846 SF, or ±1.37 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.

[19] CBJ Code of Ordinances 49.25.230 - Commercial districts (Serial No. 87-49, § 2, 1987; Serial No. 2012-24, § 2, 5-14-2012, eff. 6-14-2012).

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

Site Plan



Black-Smith, Bethard and Carlson LLC

As-Proposed

As proposed, the subject will be constructed as a 41-unit, 4-story, apartment building consisting of (5) studios, (28) one-bedroom units, (8) two-bedroom units, and an 8,000 SF ground floor retail space, with a gross building area (GBA) of 46,441 SF.[20] The net rentable area (NRA) is reported at 33,955 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	0	Retail unit(s)	Common area entrance/ hallways, community living room, mechanical, lobby	12,138 SF
2nd Floor	14	(1) studio (10) 1BR/1BA (3) 2BR/1BA	Common hallway, stairs, elevator, storage	12,138 SF
3rd Floor	14	(2) studios (9) 1BR/1BA (3) 2BR/1BA	Common hallway, stairs, elevator, storage	11,493 SF
4th Floor	13	(2) studios (9) 1BR/1BA (2) 2BR/1BA	Common hallway, stairs, elevator, storage	10,672 SF
TOTALGBA	**41**			**46,441 SF**

Unit Mix	Units	SF / Unit	NRA
Studio/1 BA	5	473	2,365 SF
1BR/1BA	28	615	17,220 SF
2BR/1BA (Type A)	6	815	4,890 SF
2BR/1BA (Type B)	2	740	1,480 SF
Retail	1	8,000	8,000 SF
TOTAL NRA	**41**	---	**33,955 SF**

TOTAL Common Area	Total GBA – Total NRA	**12,486 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 families and individuals. The building intentionally orients towards the abutting greenbelt with creek, and there will be a common room with an outdoor patio overlooking the area. The units are open concept, with the kitchens at the heart of the space. 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.

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20 Per Statistics from Northwind Architects, LLC .

21 Unit rentable areas; includes retail space and excludes common areas.

Foundation
The foundation will be concrete.

Framing
The subject will consist of (1) four-story, wood-framed building totaling 41 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.

The retail space will have finished (taped, textured, and painted) sheetrock walls with open, 10' ceiling grid. Per the developer, the flooring is "to be determined; anything additional will be the responsibility of the tenant."

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 a geothermal system with a heat pump 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 (2) 4-fixture common bathrooms. 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, (2) Arctic entrances, and lobby area. The community room will offer free wifi and have an outdoor patio overlooking the creek 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.

Site Improvements

The site will be improved with asphalt paving/concrete area striped for 62 spaces; 4 of which are handicapped. Typical landscaping, paved walks, signage and building mounted exterior lighting throughout.

Americans with Disabilities Amendment

The subject will be constructed to current building code and will have two 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.

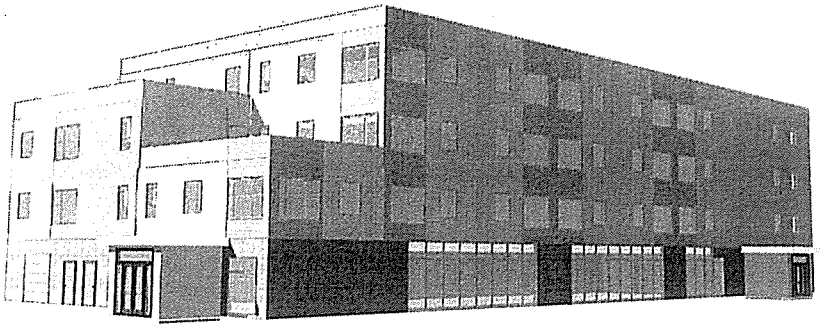
Overall Suitability

As proposed, the subject will be superior in quality and condition to the existing inventory of market rate and low-income housing alternatives in the immediate area. The near term trend is for stable occupancies and the subject should be well positioned to capture at least, its prorated share of demand.

HOME RUN HOUSING - ST.VINCENT DE PAUL

CONCEPT DESIGN

11/14/2014



3D PERSPECTIVE

BUILDING BY SPACE TYPE

	RESIDENCE							RETAIL			BLDG
	STUDIO	1 Bedroom	2 Bedroom	Storage	Comm.	Office	Laundry	Office	Storage	Retail	Utility
	#	#	#								
1st Floor	0	0	0	0	X	X	X	X	X	X	X
2nd Floor	1	10	3	X							
3rd Floor	2	9	3	X							
4th Floor	2	9	2	X							

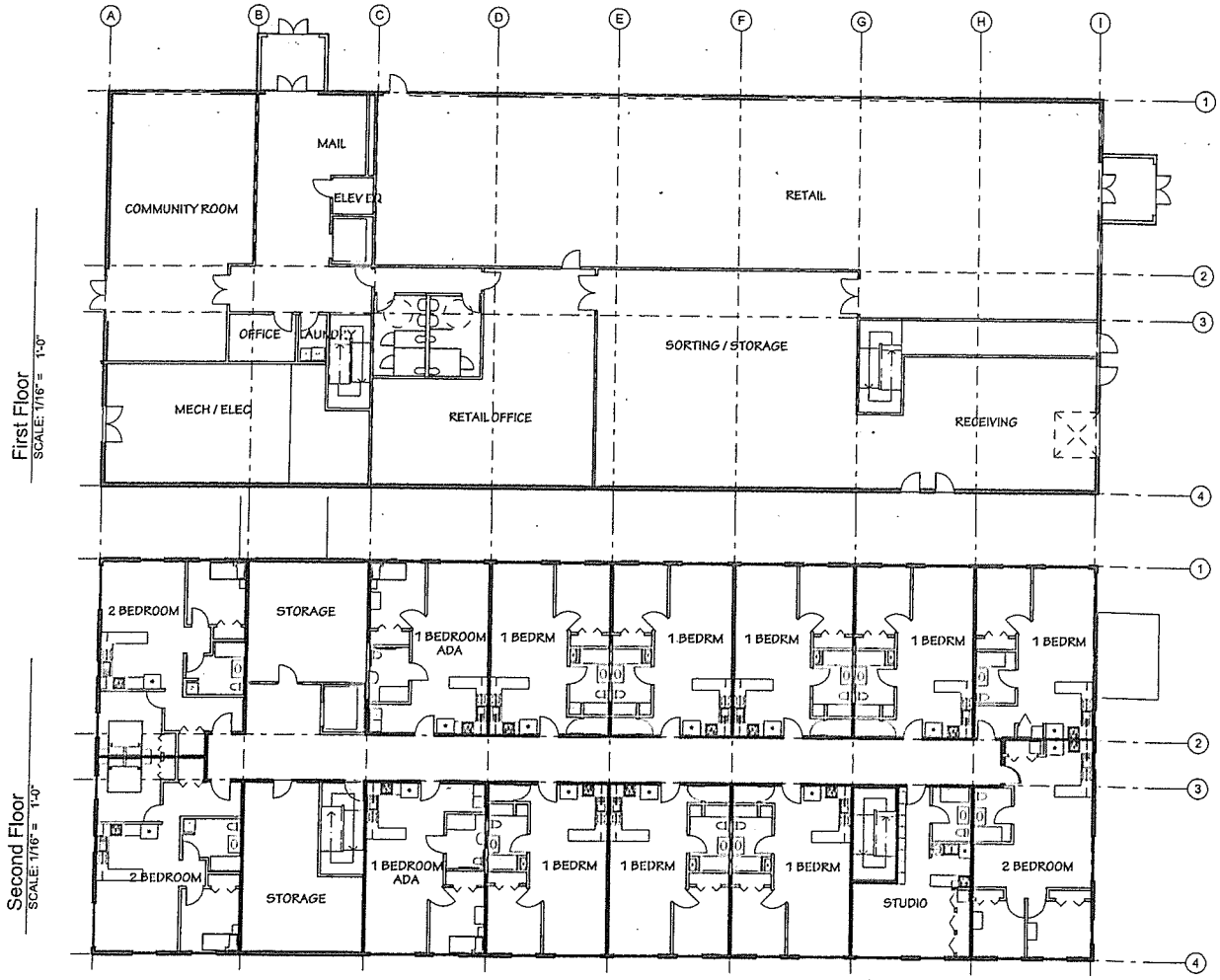
BUILDING BY SQUARE FOOT

	#	SF @ unit	TOTAL	
STUDIO	5	473	2,365	
1 BEDROOM	28	615	17,220	
2 BEDROOM A	6	815	4,890	
2 BEDROOM B	2	760	1,520	
STORAGE			1,990	
LAUNDRY			40	
OFFICE			55	
COMMUNITY			1,000	
UTILITY			934	
CIRCULATION			6,039	
Subtotal			36,013	81.83%
RETAIL			8,000	18.17%
Total			44,013	

Drawing Sheet Index

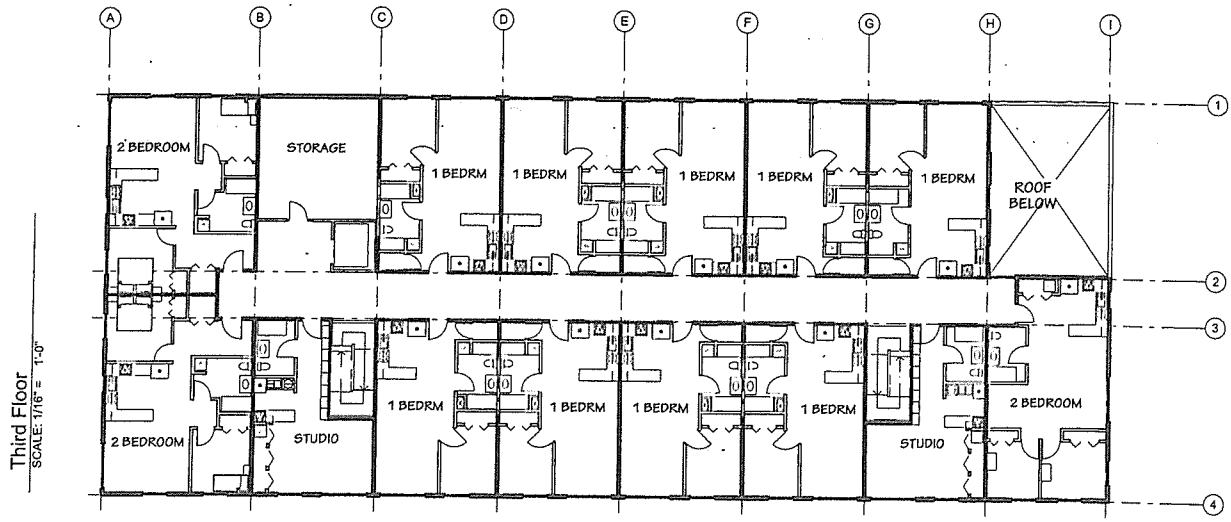
A COVER
B SITE PLAN
C PLANS LVL 1 & 2
D PLANS LVL 3 & 4
E ENLARGED PLANS
F ELEVATION

COVER

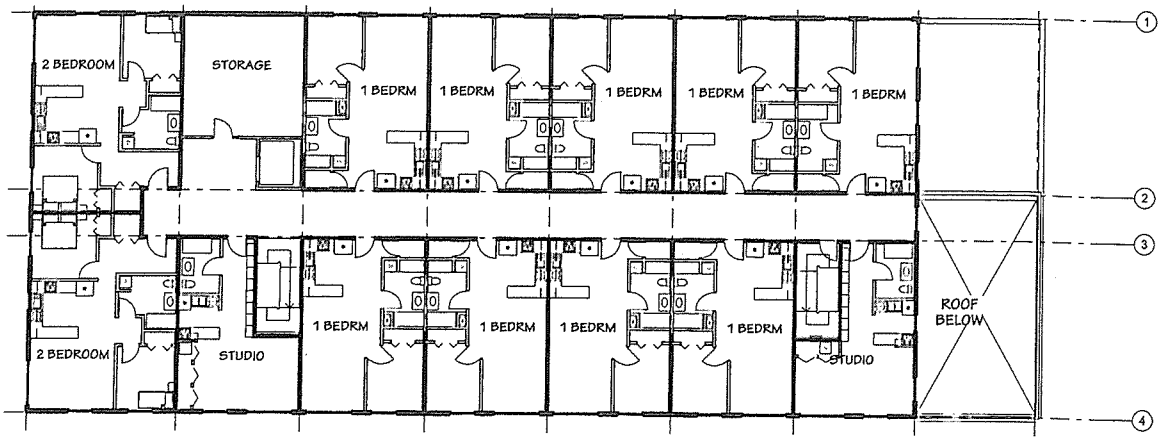


NorthWind Architects
125 Seward St • Juneau AK

PLANS LVL 1 & 2

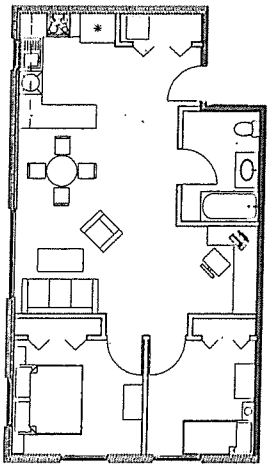


Third Floor
SCALE: 1/16" = 1'-0"

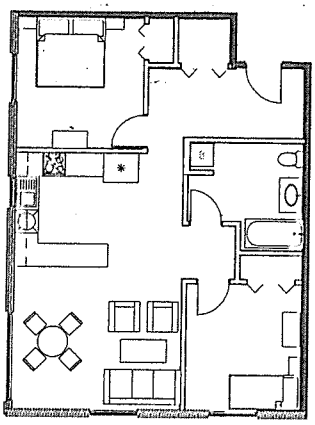


Fourth Floor
SCALE: 1/16" = 1'-0"

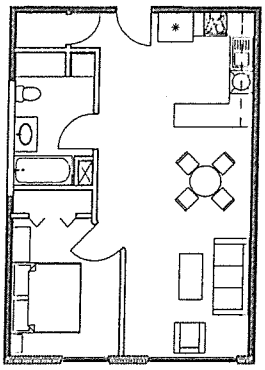
PLANS LVL 3 & 4



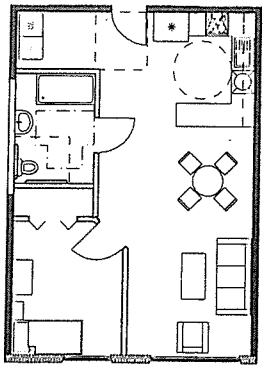
2 bedroom ALT



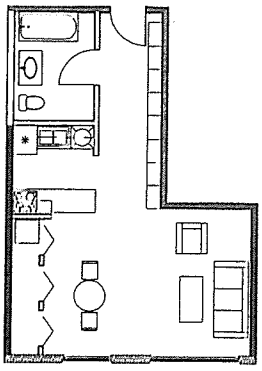
2 bedroom



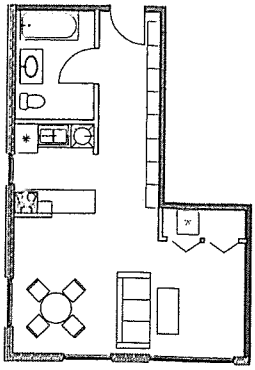
1 bedroom



1 bedroom ada



studio



studio corner

ENLARGED PLANS

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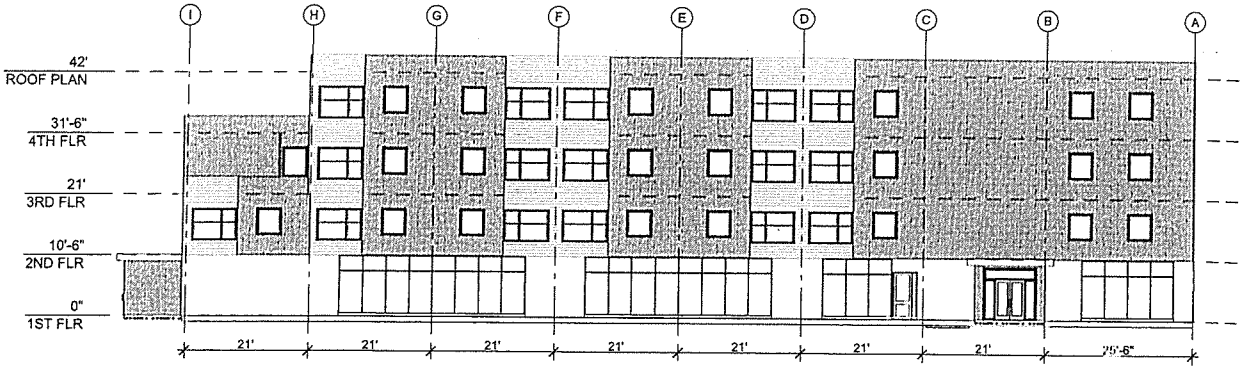
126 Seward St • Juneau AK



NORTH ELEVATION
SCALE: 1/16" = 1'-0"

NorthWind Architects

ELEVATION

Home Run
appraisal

Rental In.	From Bedrooms	Sq.Ft.	# of Units Units	Unit Rent	Gross Annual
50% MFI	Eff	473	5	$ 669.00	$ 40,140.00
50% MFI	1	615	20	$ 679.00	$ 162,960.00
60% MFI	1	615	8	$ 804.00	$ 77,184.00
60% MFI	2	740	2	$ 963.00	$ 23,112.00
60% MFI	2	815	6	$ 963.00	$ 69,336.00
					$ -
					$ -
Total Rental Income		43821	**41**		$ 372,732.00
Other Income - retail lease					$ 66,198.00
					$ 438,930.00
Less Vacancy/Credit Loss residential			7.0%		$ 26,091.24
Less Vacancy/Credit Loss commerical			20.0%		$ 13,239.60
Effective Gross Income					$ 399,599.16
Total Adjusted Income					$ 399,599.16

EXPENSES			
Management	$90,053	22.54%	%EGI
Administration	$17,200	4.30%	%EGI
Insurance	$16,400	$400.00	per unit
Taxes	$18,450	$450.00	per unit
Utilities	$35,937	$0.82	per square foot
Maintenance & Repairs	$36,500	9.13%	%GEI
Replacement/Reserves	$12,300	$ 300.00	per unit
Total Expenses	$226,840	$5,532.68	per unit
% of EGI	56.77%		
Net Operating Income	**$172,759**		
Mortgage	$118,218	$1,600,000 @ 6.25% over 30 years	

DSCR **1.46**

Net Cash Flow $54,541

Income Decrease= 13.65%

Expense Increase= 24.04%

Vacancy Increase= 21.39%

Appendix Seven

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.

CITY/BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

CITY & BOROUGH OF JUNEAU
City Manager's Office
155 S. Seward St., Juneau, AK 99801
Phone: (907) 586-5240 Fax: (907) 586-5385
Kim.Kiefer@juneau.org

October 29, 2014

Daniel Delfino
Alaska Housing Finance Corporation
P.O. Box 101020
Anchorage, Alaska 99510
ddelfino@ahfc.us

Dear Mr. Delfino,

Since 2011, St. Vincent de Paul Society (SVdP) diligently carried out due diligence for its Home Run project working with the City and Borough of Juneau (CBJ) and its commissions collaboratively to address an urgent local issue: housing shortage.

In 2011 the Juneau Affordable Housing Commission (JAHC) extended its first pre-development loan to SVdP from its newly established Affordable Housing Fund for predevelopment costs of the Smith Hall Studios, Phase I of the total Home Run project. The JAHC expressed continued support of the Home Run Project when Dan Austin, General Manager of St. Vincent's, provided updated plans for the Home Run project at a later meeting. In a spring 2013 meeting of the Juneau Commission on Aging, continued support for the Home Run project was unanimous. The JCOA provided a letter to the Juneau Assembly requesting their support for the Home Run project, as the project will provide options for senior housing within its design plans.

CBJ is pleased to continue its support of St. Vincent de Paul and its Home Run project which will provide 35-50 newly constructed affordable rental units. The property will offer units affordable to senior households qualifying at less than 60% of area median income.

With the needs of housing in Juneau reaching a critical level, particularly for the increasing demographic of seniors, this project is well designed and situated to provide housing for some of our city's most vulnerable population.

The City and Borough of Juneau fully supports St. Vincent de Paul's Home Run project.

Sincerely,

Kimberly A. Kiefer
City and Borough Manager

Southeast Senior Services
Helping elders in Southeast Alaska stay healthy, safe and independent

419 6th Street
Juneau, AK 99801
Telephone: 907.463.6192
Fax: 907.586.9018
www.ccsjuneau.org

October 31, 2014

Daniel Delfino
Alaska Housing Finance Corporation
P.O. Box 101020
Anchorage, Alaska 99510
907-330-8273
907-338-2585 FAX
ddelfino@ahfc.us

Dear Mr. Delfino,

Southeast Senior Services, a division of Catholic Community Service, is pleased to support St. Vincent de Paul's grant application in its effort to increase housing availability in Juneau. Their Home Run Project proposes to create up to 50 units of new construction with the help of AHFC's GOAL funding. The property will create a unit mix affordable to senior households qualifying below 60% of area median income.

The Juneau community has one of the fastest growing senior populations in state. Alaska has the fastest growing senior population in the country. Today, approximately one half of seniors live solely on their Social Security benefit. With 1 bedroom rental rates at around $1,000, no single senior with only Social Security income can afford to rent at market rates.

As the Boomer generation ages out of employment and moves to limited fixed-incomes, they will comprise a growing proportion of low-income households. The Home Run project will ensure that 42 Low and Very Low Income senior households will find decent, affordable housing in their community.

Catholic Community Service and St. Vincent de Paul Society have a long history of collaboration and commitment to ending homelessness by providing opportunities for safe, decent, affordable housing in our community. Both organizations are co-founders of the Juneau Coalition on Housing and Homelessness. The St. Vincent de Paul Society has for more than 15 years demonstrated its skill and leadership in developing, building and managing quality affordable housing for low-income and special needs households.

With the needs of housing in Juneau holding at a critical level, this project is well designed and situated to provide housing for some of our city's low income senior residents. Thank you for your consideration of this worthy project.

Sincerely,

Marianne Mills

Marianne Mills
SESS Program Director

Juneau
Coalition on
Housing &
Homelessness

Daniel Delfino
Planning & Program Development
Alaska Housing Finance Corporation
PO Box 101020
Anchorage, Alaska 99510

Dear Mr. Delfino,

This letter is in support for St. Vincent de Paul's Home Run affordable housing project in Juneau, currently applying for AHFC's GOAL program funding. The Juneau Coalition on Housing and Homelessness is well acquainted with the work of St. Vincent de Paul. For 15 years SVDP has focused on local homeless issues. In that time they have built 15 transitional housing units for families with children, 11 housing units for single homeless disabled, 29 housing units for low income families and individuals, and 24 housing units for low income seniors. In 2013 they acquired through merger another 22 units for low income families preventing a loss to the affordable housing stock of Juneau. More than 120 households are housed or kept from eviction by the Society.

The Juneau community has one of the fastest growing senior populations in state. Alaska has the fastest growing senior population in the country. Today, approximately one half of seniors live solely on their Social Security benefit. With 1 bedroom market rents at around $1,000, no single senior with only Social Security income can afford to rent at market rates.

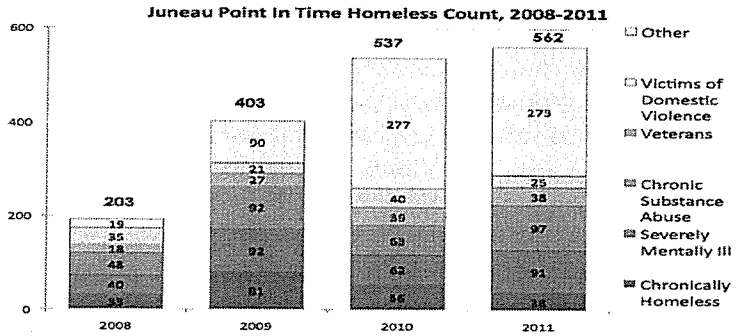
As the Boomer generation ages out of employment and moves to limited fixed-incomes, they will comprise a growing proportion of low-income households. The Home Run project will ensure that up to 50 Low and Very Low Income senior households will find decent, affordable housing in their community.

The Home Run project, creating up to 50 units of senior housing, will balance affordability and sustainable building technologies with well-designed and efficient living spaces for seniors. The complex will be located within walking distance to area shopping, services and public transportation. Home Run will create a project the community can be proud of, while addressing the real need for additional units of senior affordable housing in Juneau.

The Novogradac Market Study of the project recommended that; "...the Subject will be a positive addition to the existing housing inventory.... senior population is growing and the majority of LIHTC and market-rate units are full." And; "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. ....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."

The Juneau Coalition on Housing and Homelessness knows well the issues homelessness brings to individuals and their surrounding community here in Alaska's Capital City of Juneau. We have seen the improved lives of residents in our own client populations when permanent and affordable housing is the first step to stability and productive participation in one's community.

For many years, the Juneau Coalition on Housing and Homelessness has recognized that there is a shortage of housing in the community – in both the low-income supportive housing category *and* the fair market rental and single-family home market – that adversely affects the communities poor and most vulnerable. The 2012 Juneau Housing Needs Assessment[1] calculated unmet housing need between 611 and 671 housing rental units and the 2011 Point-In-Time Homeless Count shows that 562 residents were homeless at the time of the survey. Both reports suggest a need to encourage the development of more housing units in our community.



The Coalition is pleased to offer this letter of support for the Home Run development, which will address the documented need for housing in our city.

The Juneau Coalition on Housing and Homelessness is a group of committed social service providers, non-profit housing agencies, state and local planners, and concerned citizens that further the goals of ending homelessness in our community. If you have any questions, feel free to contact members of the Coalition's steering committee. More information on Coalition activities can be found online at http://www.homelessinjuneau.org/.

Sincerely,

Scott Ciambor, JCHH Steering Committee

[1] Juneau Economic Development Council, "City and Borough of Juneau Housing Needs Assessment", November 2012.

DOVE COTTAGE
A Place of Peace
SHAA-KA UT-YATX̌-NÓOW

Aiding Women in Abuse and Rape Emergencies

"Serving Juneau and Nine Southeastern Communities"

P.O. Box 20809 • Juneau, Alaska 99802-0809
(907) 586-6623 (business)
(907) 586-2479 (fax)
(907) 586-1090 (crisis)
1-800-478-1090 (toll free in state)
E-mail: aware@alaska.com

Daniel Delfino
Alaska Housing Finance Corporation
P.O. Box 101020
Anchorage, Alaska 99510
ddelfino@ahfc.us

Dear Mr. Delfino,

Aiding Women in Abuse and Rape Emergencies (AWARE) is pleased to continue its support of St. Vincent de Paul's effort to offer safe and affordable housing projects. Their current Home Run Project, the creation of up to 50 units of new construction, will apply for AHFC's GOAL funding with three financing versions. The property will create a unit mix affordable to senior households qualifying below 60% of area median income.

The Juneau community has one of the fastest growing senior populations in state. Alaska has the fastest growing senior population in the country. Today, approximately one half of seniors live solely on their Social Security benefit. With 1 bedroom market rents at around $1,000, no single senior with only Social Security income can afford to rent at market rates. As the Boomer generation ages out of employment and moves to limited fixed-incomes, they will comprise a growing proportion of low-income households. The Home Run project will ensure that 42 Low and Very Low Income senior households will find decent, affordable housing in their community.

AWARE and St. Vincent de Paul Society have a long history of collaboration and commitment to ending homelessness by providing opportunities for safe, decent, affordable housing in our community. Both organizations are co-founders of the Juneau Coalition on Housing and Homelessness.

The St. Vincent de Paul Society has for more than 15 years demonstrated its skill and leadership in developing, building and managing quality affordable housing for low-income and special needs households.

With the needs of housing in Juneau holding at a critical level this project is well designed and situated to provide housing for some of our city's low income senior residents. AWARE fully supports St. Vincent de Paul Society's Home Run project applications for GOAL.

Sincerely,

Mandy O'Neal Cole
Acting Executive Director

247 S. Franklin Street
Open 24 Hours a day
365 days a year
Food
Shelter
Hospitality

Daniel Delfino
Alaska Housing Finance Corporation
P.O. Box 101020
Anchorage, Alaska 99510
907-330-8273
907-338-2585 FAX
ddelfino@ahfc.us

Dear Mr. Delfino,

The Glory Hole is pleased to continue its support of St. Vincent de Paul in its effort to offer safe and affordable housing projects. Their current Home Run Project, the creation of up to 50 units of new construction will apply for AHFC's GOAL funding with three financing versions. The property will create a unit mix affordable to senior households qualifying below 60% of area median income.

The Juneau community has one of the fastest growing senior populations in state. Alaska has the fastest growing senior population in the country. Today, approximately one half of seniors live solely on their Social Security benefit. With 1 bedroom market rents at around $1,000, no single senior with only Social Security income can afford to rent at market rates.

As the Boomer generation ages out of employment and moves to limited fixed-incomes, they will comprise a growing proportion of low-income households. The Home Run project will ensure that 42 Low and Very Low Income senior households will find decent, affordable housing in their community.

The Glory Hole and St. Vincent de Paul Society have a long history of collaboration and commitment to ending homelessness by providing opportunities for safe, decent, affordable housing in our community. Both organizations are co-founders of the Juneau Coalition on Housing and Homelessness.

The St. Vincent de Paul Society has for more than 15 years demonstrated its skill and leadership in developing, building and managing quality affordable housing for low-income and special needs households.

With the needs of housing in Juneau holding at a critical level this project is well designed and situated to provide housing for some of our city's low income senior residents. (Agency Name) fully supports St. Vincent de Paul Society's Home Run project applications for GOAL.

Sincerely,

Mariya Lovishchuk

Executive Director, TGH

GASTINEAU HUMAN SERVICES CORPORATION • 5597 AISEK STREET • JUNEAU, ALASKA 99801
Behavioral Health Services • Community Corrections • Transitional Housing • (907) 780-4338 • Fax (907) 780-4098

November 6, 2014

Daniel Delfino
Alaska Housing Finance Corporation
P.O. Box 101020
Anchorage, Alaska 99510

Dear Mr. Delfino,

Gastineau Human Services (GHS) is pleased to support St. Vincent de Paul's (SVdP) in their efforts provide safe and affordable housing. SVdP's current Home Run Project, which will create up to fifty units of new construction, will apply for AHFC's GOAL funding with three financing versions. The project will create affordable housing for senior households qualifying below 60% of area median income.

Approximately one half of seniors currently live solely on their Social Security benefit. With one of the fastest growing senior populations in state, and with typical one-bedroom market rents at around $1,000, seniors living with only Social Security income struggle to balance their many needs. SVdP's Home Run project will provide a much needed opportunity for Low and Very Low Income senior households to secure safe, decent, and affordable housing.

GHS and SVdP enjoy a long collaborative relationship with a mission to end homelessness and expand the possibility for positive change in people's lives. As the past and current recipient of the AHFC BHAP grant on behalf of the Juneau Coalition on Housing and Homelessness, we are well aware of the contributions of the St. Vincent de Paul Society to the struggle against homelessness. SVdP is one of our first "go to" agencies to which we refer our clients.

Adding affordable housing specifically targeted at seniors will satisfy a growing and urgent need in Juneau. We urge you to favorably consider St. Vincent's application.

Sincerely,

Michael Pellerin
Executive Director

Serving Alaskans
Since 1965

United Way

JAMHI
Juneau Alliance for Mental Health, Inc.

"We help adults with mental illness live their own best lives"

Quality Community Behavioral Health Services Since 1985

October 27, 2014

Daniel Delfino
Alaska Housing Finance Corporation
P.O. Box 101020
Anchorage, Alaska 99510
907-330-8273
907-338-2585 FAX
ddelfino@ahfc.us

Dear Mr. Delfino,

Juneau Alliance for Mental Health, Inc. (JAMHI) is pleased to continue its support of St. Vincent de Paul in its effort to offer safe and affordable housing projects. Their current Home Run Project, the creation of up to 50 units of new construction will apply for AHFC's GOAL funding with three financing versions. The property will create a unit mix affordable to senior households qualifying below 60% of area median income.

The Juneau community has one of the fastest growing senior populations in state. Alaska has the fastest growing senior population in the country. Today, approximately one half of seniors live solely on their Social Security benefit. With 1 bedroom market rents at around $1,000, no single senior with only Social Security income can afford to rent at market rates.

As the Boomer generation ages out of employment and moves to limited fixed-incomes, they will comprise a growing proportion of low-income households. The Home Run project will ensure that 42 Low and Very Low Income senior households will find decent, affordable housing in their community.

JAMHI and St. Vincent de Paul Society have a long history of collaboration and commitment to ending homelessness by providing opportunities for safe, decent, affordable housing in our community. Both organizations are co-founders of the Juneau Coalition on Housing and Homelessness.

The St. Vincent de Paul Society has for more than 15 years demonstrated its skill and leadership in developing, building and managing quality affordable housing for low-income and special needs households.

With the needs of housing in Juneau holding at a critical level this project is well designed and situated to provide housing for some of our city's low income senior residents. JAMHI fully supports St. Vincent de Paul Society's Home Run project applications for GOAL.

Sincerely,

Pamela Watts
Executive Director

3406 Glacier Hwy
Juneau, Alaska 99801

Tel. (907) 463-3303
Fax (907) 463-6858
www.jamhi.org
info@jamhi.org

Juneau Youth Services, Inc.

907.789.7610
907.789.2106 Fax

P.O. Box 32839
Juneau, AK 99803

November 5, 2014

Daniel Delfino
Alaska Housing Finance Corporation
P.O. Box 101020
Anchorage, Alaska 99510
907-330-8273
907-338-2585 FAX
ddelfino@ahfc.us

Dear Mr. Delfino,

Juneau Youth Services is pleased to continue its support of St. Vincent de Paul in its effort to offer safe and affordable housing projects. Their current "Home Run Project," the creation of up to 50 units of new construction will apply for AHFC's GOAL funding with three financing versions. The property will create a unit mix affordable to senior households qualifying below 60% of area median income. According to recent research, the Juneau community has one of the fastest growing senior populations in state, and Alaska has the fastest growing senior population in the country. Today, approximately one half of seniors live solely on their Social Security benefit. With 1-bedroom apartments renting at around $1,000, no single senior with only Social Security income can afford to rent at market rates.

As the Boomer generation ages out of employment and moves to limited fixed-incomes, they will comprise a growing proportion of low-income households. The Home Run Project will ensure that 42 Low- and Very-Low Income senior households will find decent, affordable housing in their community.

Juneau Youth Services and St. Vincent de Paul Society have a long history of collaboration and commitment to ending homelessness by providing opportunities for safe, decent, affordable housing in our community. Both organizations are co-founders of the Juneau Coalition on Housing and Homelessness.

The St. Vincent de Paul Society has for more than 15 years demonstrated its skill and leadership in developing, building, and managing quality affordable housing for low-income and special needs households. With the needs of housing in Juneau holding at a critical level, this project is well designed and situated to provide housing for some of our city's low income senior residents. Juneau Youth Services fully supports St. Vincent de Paul Society's Home Run Project applications for GOAL.

Sincerely,

Walter Majoros

Walter Majoros
Executive Director

Appendix Nine

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): St. Vincent de Paul Society

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

SVdP Property Management Resume attached to item #23 of on-line application.

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):

The current project management staff for the 124 units in 6 buildings under SVdP management is outlined below as well as the organization chart included in resume. We believe the Division of Housing Operations will be able to absorb an additional 40 units with an increase of .5FTE Compliance Assistant. We also anticipate employing at least another .5FTE Maintenance Person.

Housing Administration STAFF:

General Manager

Director of Administration and Development

Director of Housing Programs—Compliance, Reporting, Auditing

Housing Manager—Tenant Relations

Compliance Assistant—Tenant certification and Reporting

Housing Maintenance STAFF:

Maintenance Chief, 4FTE Maintenance Persons.

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

St. Vincent de Paul Division of Housing staff are available Monday – Friday, 9 am to 5:30 pm at our administrative offices which will be located on site or at 8617 Teal Street, across the street from the Home Run project. Management staff will also hold regularly scheduled office hours on –site three days a week for two hours a day minimum.

Days/hours staff will be available for maintenance issues?

Monday - Friday, 9 am to 5:30 pm. Emergency on-call, weekends and after hours, 7 days/ week.

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

Each unit is inspected at move-in and move-out, with additional scheduled building and individual unit inspections completed at a minimum of once per every six months. Any maintenance issues are identified and responded to within 48 hours and addressed as soon as possible. Maintenance emergencies are responded to immediately. Tenants may make specific maintenance and repair requests at any time, utilizing the attached forms.**

Currently, St. Vincent de Paul Society employs four full-time Maintenance Positions and 1 part-time position. An additional part time position will be added to meet the needs of Home Run. The Home Run operating pro forma reflects expenditures for this position.

In addition to daily office and maintenance staff, Home Run, as with all properties managed by St. Vincent de Paul Society, will strive to have an income and age qualified employee housed in an available unit on-site. This individual responds to after-hours tenant issues and facility emergencies.

St. Vincent de Paul Society
Juneau, Alaska

svdpjuneau.org

Theresa Harris, President
Ida Barnack
Terry Elder
Robert Rehfeld
Mindy Voigt
Anna Marie Rear
Charles Van Kirk
Thomas Smith
Kelly Hansen

We provide material and spiritual dignity, and work for social justice for all people.

St. Vincent de Paul Society

Diocesan Council of Southeast Alaska, Inc.

8617 Teal St., Juneau, Alaska 99801 (907) 789-5535 phone
st.vincentdepaul.juneau@gci.net (907) 789-2557 fax

St. Vincent de Paul Society
Affordable Housing Management

Over a period of 30 years. The St. Vincent de Paul Society of Juneau (SVdP) developed, built, purchased, and now manages 124 units of affordable housing under a variety of financing and supportive housing programs. These include Low-Income Housing Tax Credits, U.S. HUD "202" supportive housing for low-income elderly, HUD HOME program assisted housing, Transitional Family and emergency shelter and permanent Single Room Occupancy for the independent elderly and disabled.

In 2014, the Society, in partnership with a private developer, purchased for rehabilitation two additional Rural Development projects in Juneau and Haines, Alaska. When these are completed, SVdP will be actively managing 146 units and will be a Co-General Partner Owner of an additional 32 units. The portfolio will total 178 units at 7 sites.

SVdP is a 501(c)(3) charitable organization affiliated with the International Society of St. Vincent de Paul, founded in Paris in 1832. We entered the affordable housing field in response to the moral imperative of the parent organization under "The Rule" promulgated by its founder the Blessed Frederick Ozanam: Look to your local community, find the greatest need of the poor and work diligently to fulfill that need.

In Juneau, Alaska and for many of the communities in the Diocese of Southeast Alaska, the greatest need of the poor is for permanent affordable housing. For example, the City and Borough of Juneau has a per capita homeless rate 3 times that of Los Angeles County (often cited as the "homeless capital of America"). For the more than 3,000 Juneau households identified in the U.S. Census eligible for supportive or low-income housing, there exists only about 1,100 units of affordable housing.

Key to the successful development and management of affordable housing is adherence to sound business principles and a commitment to due diligence in asset management, operational efficiencies and tenant satisfaction. We recognize that affordability depends on cost-efficient operations that render the greatest value for the owner and the tenant.

EQUAL HOUSING OPPORTUNITY

St. Vincent de Paul Society
8617 Teal St., Juneau, Alaska 99801

We have developed a model of affordable housing management that meets the needs of projects located in our small, isolated community. Rather than depend on absentee management companies, we employ a professional, certified local staff of low-income housing specialists to fulfill the complex and time-consuming elements of tenant eligibility and property management in the unique and demanding business of low-income affordable housing. We also manage a variety of rental assistance grant programs and provide direct rent and other assistance to needy Juneau households from our own sources.

Our Housing Maintenance Division is staffed by experienced professional carpenters, plumbers, painters and general maintenance staff. They deliver quality, full spectrum renovation and maintenance services at a fraction of the cost of independent contractors. They are certified operators of our own heat treatment pest control equipment.

Economies of scale and our non-profit status and mission allow us to provide more responsive, higher quality services. Greater productivity and cost-effective operations and management are part of the answer to the development and preservation of low-income affordable housing in our community. And therefore, an essential part of the St. Vincent de Paul mission.

EQUAL HOUSING OPPORTUNITY

Appendix Ten

Job Training Program
The job training program must target low and moderate income families during the construction or rehabilitation of the planned project. The trainees must be prepared for meaningful employment opportunities after the program is completed. Apprenticeship training in a recognized trade union is one example. **No points** will be awarded under this criteria **without written commitments, a Memorandum of Understanding, and a detailed program summary** which specifies the goals and objectives for the program, the number of training positions, the target group of people, how the program will be funded, the skills learned by the trainees, the duration of the training and what future employment opportunities will be available to trainees. AHFC will recapture any reservation or funding commitment made from GOAL funds if the applicant fails to implement and complete the proposed training program.
1. Generally, please describe the Job Training Program you propose. Also, please specifically identify the skills that will be learned during the program and the future employment opportunities that will be available to trainees. The job training program to be used during the construction of the Home Run Apartments will be implemented by the General Contractor, Dawson Construction. Through its sub-contractors, Dawson will provide instruction in construction techniques and materials. The sub-contractors will have a core crew of experience and trained personnel who will provide the actual on-the-job instruction for the trainees.
2. Please identify the duration and concisely describe the specific outcomes for the program: Duration: The duration will be about equal to the job duration, 12 months Outcomes: The goal of the program is to train unskilled low income moderate income individuals in the construction fields and provide hands on experience on multifamily construction. Four trainees will participate in this program and the experience will include significant progress towards obtaining journeyman status, and be able to find and sustain employment in the construction trades following the construction of Home Run. Trainees will be taught specific on the job skills that will help them to become valuable, successful and qualified employees in the fields in which they were trained.
3. Identify the names and relationships of all participating training partners, including who will be doing the actual training:
Name: Schmolk Mechanical Relationship: mechanical sub-contractor Will they be doing the actual Training? Yes, plus associated union class room training
Name: Dawson Construction Relationship: general contractor Will they be doing the actual Training? Yes
Name: n/a Relationship: Will they be doing the actual Training?
Name: n/a Relationship: Will they be doing the actual Training?
4. Identify how the program will be funded (include costs as separate line in Project Development Cost Table): On-the-job and class room training will be covered through the respective union training program. The Owner will pay for the cost of program administration and reporting.
5. Identify the number of training positions and the target group of people who will be trained:
Number of positions: 2 Position Type: mechanical trainee Target Group to be Trained: apprentices with the mechanical union working for the mechanical sub-contractor
Number of positions: 2 Position Type: electrical trainee Target Group to be Trained: apprentices with the carpenters union
Number of positions: Position Type: Target Group to be Trained:

6. Identify the number of hours that classroom training will be provided under this plan
Number of classroom training hours: 20 per trainee Number of persons receiving classroom training: 2 Target Group to be Trained: apprentices with either the mechanical or electrical sub-contractors

BOARD CONSIDERATION MEMORANDUM

MULTI-FAMILY LOAN PURCHASE PROGRAM

Date: July 17, 2015 **Staff: Michelle Graves**
Lender: First National Bank Alaska

****

BORROWER:	Branche, LLC
CO-BORROWER:	American Multiplex, LLC
CO-BORROWER:	Richard E. Mystrom
CO-BORROWER:	Mary E. Mystrom
CO-BORROWER:	Richard T. Mystrom
PROPOSAL OVERVIEW:	Term financing for the refinance of a forty-seven unit multi-family apartment complex located at 4003 Minnesota Drive, Anchorage, Alaska.
Loan Amount:	$1,925,000
Project Value:	$2,960,000 "At Completion"
Appraised By:	Jacqueline L. Dooley, of Certified Appraisal Services, LLC See Appendix I
Loan to Value Ratio:	65%
Loan Terms:	Fixed monthly payments based on a 30 year amortization.
Interest Rate:	6.625% fixed*

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

Debt Service Coverage Ratio: 1.69

(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.)

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

Sources and Uses of Funds:

Sources:

Loan Amount	$1,925,000
Borrower's Funds	$ 10,359
Total Sources	$1,935,359

Uses:

Loan Payoff	$1,861,382
Closing Costs/Pre-paids	$ 73,977
Total Uses	$1,935,359

BORROWER ORGANIZATION:

Branche, LLC

Branche, LLC is an Alaska limited liability company that was formed as a single asset entity in 2000 to hold multi-family investment property. In 2006, Branche, LLC took title to the subject property. The LLC is 100% owned by the co-borrower American Multiplex, LLC.

American Multiplex, LLC

American Multiplex, LLC is an Alaska limited liability company that was formed in 1978 for the operation and management of multi-family properties. The ownership interest is 45% by co-borrower Richard E. Mystrom, 45% by co-borrower Mary E. Mystrom, and 10% by co-borrower Richard T. Mystrom.

Richard E. Mystrom and Mary E. Mystrom

Richard E. and Mary have been owners of American Multiplex, LLC since it was formed in 1978 and they both have a background in advertising, owning Mystrom Advertising from 1975 to 1990. Richard also has a political background dating back to 1979 when he was a Member of the Anchorage Municipal Assembly from 1979 to 1985; he was also Chairman of the Anchorage Municipal Assembly from 1983 to 1984. He was most recently the Mayor of the Municipality of Anchorage from 1994 to 2000.

Richard T. Mystrom

Richard T. Mystrom has acted as managing member and handled day to day operations of American Multiplex, LLC for the past seven years and now owns ten percent of the corporation. He graduated from the University of Northern Arizona with a Bachelor of Arts in English in 1997.

See Appendix II

Financial Information:

Branche, LLC
Branche, LLC submitted a multi-family application dated May 11, 2015 that reflects total assets of $2,960,000 and total liabilities of $1,861,382 for a net worth of $1,098,618.

American Multiplex, LLC
American Multiplex, LLC submitted a multi-family loan application dated May 11, 2015 that reflects total assets of $7,492,455 and total liabilities of $4,966,883 for a net worth of $2,525,572. The subject property was not included as an asset since it is already accounted for under Branche, LLC.

Richard E. Mystrom and Mary E. Mystrom
Richard and Mary Mystrom submitted a multi-family loan application dated May 19, 2015 reflecting total assets of $3,002,413 and total liabilities of $1,496,444 for a net worth of $1,505,969. Richard and Mary's adjusted gross income over the last three years, according to their federal tax return, was $411,228.

Richard T. Mystrom
Richard T. Mystrom submitted a multi-family loan application dated May 11, 2015 reflecting total assets of $328,256 and total liabilities of $288,783 for a net worth of $39,473. Richard's adjusted gross income over the last three years, according to his federal tax return, was $161,778.

Credit History
A recent credit report reflects an acceptable credit history for all borrowers and none of the borrowers presently have a loan with AHFC. The co-borrowers currently have another loan for $595,000 in application status with AHFC.

PROJECT CHARACTERISTICS:

Description and Location
The site is located in Anchorage at 4003 Minnesota Drive. The subject neighborhood is located approximately four miles southwest of the Anchorage central business district, in an area known as midtown. The general neighborhood is a mixed use ranging from residential, multi-family, condominiums, office, retail, and light industrial development. The subject property consists of three rectangular lots totaling 25,535 square feet and is level to street grade. It is served by all available public utilities which include; water, sewer, natural gas, electric, and telephone. See Appendix III

Project Overview:
The subject property was constructed in 1971 and 1976 with a total gross building area of 27,732 square feet. The subject property consists of a forty-seven unit apartment project which is comprised of four separate buildings, two on the east side and two on the west side of the lots. The easterly two buildings are tied together by roof lines. This is the same for the westerly two buildings.

The front westerly buildings were built in 1976; they are two-story over a crawlspace with a total of 19 units. The easterly buildings were built in 1971 and have two stories plus a daylight basement with 28 units. All of the structures are wood framed covered with stucco siding and wood accents. The roofs are flat style with bonded membrane surface and soffit venting. All of the units have exterior access; there are three sets of exterior stairways from a main exterior central corridor extending the length of the buildings. The property interiors are finished with painted, textured sheetrock and floor coverings are carpet and vinyl. There are two laundry rooms, one on the first floor of the westerly buildings and one in the daylight basement area of the easterly buildings. There are also storage rooms, utility rooms in the same areas as the laundry rooms. Each of the laundry rooms have three sets of coin operated washers and dryers. Each utility room has a high efficiency boiler and two high recovery hot water heaters. The subject has a total of three electric meters, one gas meter and one water meter. Therefore the rents include electric, water and sewer, gas heat, and rubbish disposal. All units have the normal assortment of appliances, including dishwashers. There are (6) efficiency, one bath units that are 392 square feet and rent for $800 per unit, per month; (13) one-bedroom, one bath units that are 476 square feet and rent for $850 per unit, per month; (28) one-bedroom, one bath units that are 578 square feet and rent for $900 per unit, per month. Parking is considered adequate with 54 open, paved parking spaces. An application for a Legal Non-Conforming Rights Determination has been submitted to the Municipality of Anchorage in regards to density and set-back requirements. The approval of this request by the MOA will be a condition of closing. The remaining economic life of the improvement is estimated by the appraiser to be 35-40 years. See Appendix IV

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

Environmental Assessment:
A Phase I Environmental Site Assessment was completed on May 11, 2015 by Richard Renk of FOCUS Property Consulting and Inspection, LLC. Under the Findings and Conclusions section of the report Mr. Renk concludes that there is a non-existent risk to the subject property. An environmental assessment questionnaire completed by the owners, dated April 22, 2015, states that there are no environmental concerns with the subject property. Staff concurs with the lender that no further investigation is warranted.

Health and Safety Inspection Report:
A Health & Safety Inspection was completed by Richard Renk of FOCUS Property Consulting and Inspection, LLC. The inspection was done on May 11, 2015 noting life safety and significant repair items. All of the life safety and significant repair items will be completed prior to purchasing this loan from First National Bank Alaska. Receipt of Mr. Renk's re-inspection indicating all items in his report have been adequately addressed 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 market rent comparables as chosen by the appraiser and are supported by actual rents. A 5% vacancy and credit loss factor was used by the appraiser based on the project's historical operating history. The property will be self-managed by American Multiplex, LLC but in the pro-forma an 8% management fee has been accounted for based on market comparables as chosen by the appraiser. The replacement reserve in the amount of $295.74, 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 1.69, 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 22% or expenses could increase by 49%, 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 26% vacancy rate. The ratio, by industry standards, is considered to be an excellent ratio.

Property Management:
The property will be self-managed by American Multiplex, LLC. American Multiplex, LLC manages approximately 329 units and has over 37 years of experience in property management. 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. Staff concurs with the lender that American Multiplex, LLC has the experience to successfully manage the project.

SUMMARY:

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

1. The excellent debt service coverage ratio of 1.69
2. The loan to value of 65%

RECOMMENDATION:

The request comes from First National Bank Alaska on behalf of the borrower. Staff recommends approval of this loan subject to the conditions noted below:

1. Alaska Housing Finance Corporation (AHFC) to provide long-term financing in an amount not to exceed $1,925,000;

2. First deed of trust in the amount of $1,925,000 to be amortized over thirty years with fixed monthly payments. Interest rate to be 6.625% fixed;

3. Borrower: Branche, LLC;
   Co-Borrower: American Multiplex, LLC;
   Co-Borrower: Richard E. Mystrom;
   Co-Borrower: Mary E. Mystrom;
   Co-Borrower: Richard T. Mystrom;

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

5. Commitment to expire October 17, 2015 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, if required by the title company;

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

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

8. Funds for the establishment of insurance and property tax reserves to be collected at closing;

9. Monthly loan payment to include funds, as determined by AHFC, for principal and interest, and reserves for taxes, insurance and replacement reserves. Replacement reserves deposits to be $1,158.33 per month or $13,900 annually;

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

11. The payment of a $9,625 loan fee. The review fee of $1,000 will be credited toward payment of this fee;

12. Completion of all Life Safety and Significant Repairs as identified in Mr. Renk's inspection report. Receipt of Mr. Renk's re-inspection indicating all items in his report have been adequately addressed; 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	Michael Buller	Michael Strand
CEO/Executive Director	Deputy Executive Director	Chief Financial Officer
Date: 7-17-15	Date: 7/17/15	Date: 7/17/15

ALASKA HOUSING FINANCE CORPORATION
RESOLUTION NO. 2015-

Resolution Approving Term Financing for a
Multi-Family Housing Project to
Branche, 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. Branche, LLC through First National Bank Alaska has applied to Alaska Housing Finance Corporation to receive funds under the Multi-Family Loan Purchase Program for term financing for the refinance of a multi-family apartment complex 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 29, 2015 Board Consideration Memorandum prepared in support of the application.

This resolution shall take effect immediately.

DATED THIS 29th Day of July, 2015

_____

Frank Roppel
Chair

June 15, 2015

First National Bank Alaska
Mr. Denver Hudson
P.O. Box 100720
Anchorage, Alaska 99510-0720

RE: ***SELF-CONTAINED APPRAISAL REPORT***
Camlett Apartments
a 47 unit apartment project
located at 4003 Minnesota Drive
Anchorage, Alaska 99503

Dear Mr. Hudson:

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 completed 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 21, 2015, of the **Fee Simple Estate**, "As Complete" with Repairs is:

$2,960,000

Two Million Nine Hundred Sixty 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 L. Dooley, Appraiser
State Certified General Real Estate Appraiser
#381-State of Alaska

Resume

Branche LLC

Branche LLC is an entity created in 2000. The entity has operated the property at 4003 Minnesota Drive since 2006.

The entity is wholly owned by American Multiplex LLC.

4/22/15

Richard Mystrom Date

Resume

American Multiplex LLC

American Multiplex was formed in 1978 as a multifamily investment company. American Multiplex owns and operates multifamily properties in Anchorage, Kenai and Soldotna. American Multiplex manages nearly 193 units as the managing partner and 136 units wholly owned by American Multiplex for a total of 329 units under management.

The entity ownership is: Rick Mystrom 45%, Mary Mystrom 45%, Richard Mystrom 10%

Following are the buildings under management:

734 E. 76th
724 E. 76th
817/821 N. Hoyt
1110 W. 20th
1306 W. 6th
2614 Redoubt
2616 Redoubt
2618 Redoubt
202/204 S. Forest
4003 Minnesota Dr.
1509 W. 40th
1511 W. 40th
1023 W. 26th, *Place* (Partnership Interest)
1353 W. 27th, *Manor* (Partnership Interest)
1414 W. 26th, *Village* (Partnership Interest)
1327 W. 27th, *Gardens* (Partnership Interest)
1423/1425 W. 27th, *Pointe* (Partnership Interest)
44485 Sterling Highway (Partnership Interest)

Richard Mystrom

4/22/15
Date

Rick Mystrom
6370 E. Finger Lake View Drive
Wasilla, Alaska 99654
(907) 440-7425 mystrom@gci.net

ABBREVIATED RESUME

Personal

Married, father of three; Alaska resident since 1972
BA Political Science, Economics; University of Colorado

Career

Mayor, Municipality of Anchorage 1994-2000
Owner, American Multiplex Properties 1978-Present
President, Mystrom Advertising 1975-1990
President, Alaska Conference of Mayors 1995-1996
Chairman, Anchorage Municipal Assembly 1983-1984
Member, Anchorage Municipal Assembly, 1979-1985
Founder and past president, Big Brothers/ Big Sisters of Anchorage
Chairman, 1991 United Way Fund Drive, Anchorage
Founder and Chairman, Anchorage Olympic Bid Committee
Chairman, America's bid for the 1992, 1994 Olympic winter games
President, Advertising Federation of Alaska
President, Anchorage East Rotary Club
Founding Director, Alaska Sports Hall of Fame
Founder, "Rotarians Sharing" program
Chairman of Anchorage's winning All-American City Bid
Co-Chairman, 1992 Great Alaska High School Basketball Classic
Trustee, University of Alaska Foundation
Trustee, Rasmuson Foundation
Coached over 20 boys and girls sports teams

Awards

Alaska's Advertising Person of the Year, 1977
Alaska Small Business Person of the Year, 1982
One of America's Top Three Small Businessmen, 1982
Boys and Girls Club Golden Man Award, 1984
Anchorage Convention and Visitors Bureau Member of the Year
American Diabetes Assoc. Ak. Golden Rose Award
Alaskan of the Year Denali Award, 1987
National Multiple Sclerosis Society Hope Award, 1990
Alaska's Elected Official of the Year 1996 and 1998
Alaska Toastmasters Most Outstanding Speaker Award

Mary Mystrom has owned and operated American Multiplex Properties since 1978.

Mary Mystrom 5-11-15

Signed Date

Richard T. Mystrom

4101 Romanzof Circle, Anchorage, AK 99517
Phone: 830-1895 Fax: 243-5663 E-Mail: rmystrom@gmail.com

Experience

President- American Multiplex Properties **2003-Present**

Run the day-to-day operations for a multifamily investment company consisting of 336 apartments in 18 properties. Since taking over, brought in partners and increased units under management from roughly 100 units to our current size.

Park Golf USA **2001-2003**

General Manager of a golf course in the Sequim, WA

Alaska Public Radio Network **1999-2001**

Underwriting Sales Manager

Education

West Anchorage High School **Class of 1992**

Northern Arizona University **Class of 1997**

BA English

Other

Covenant House Alaska-

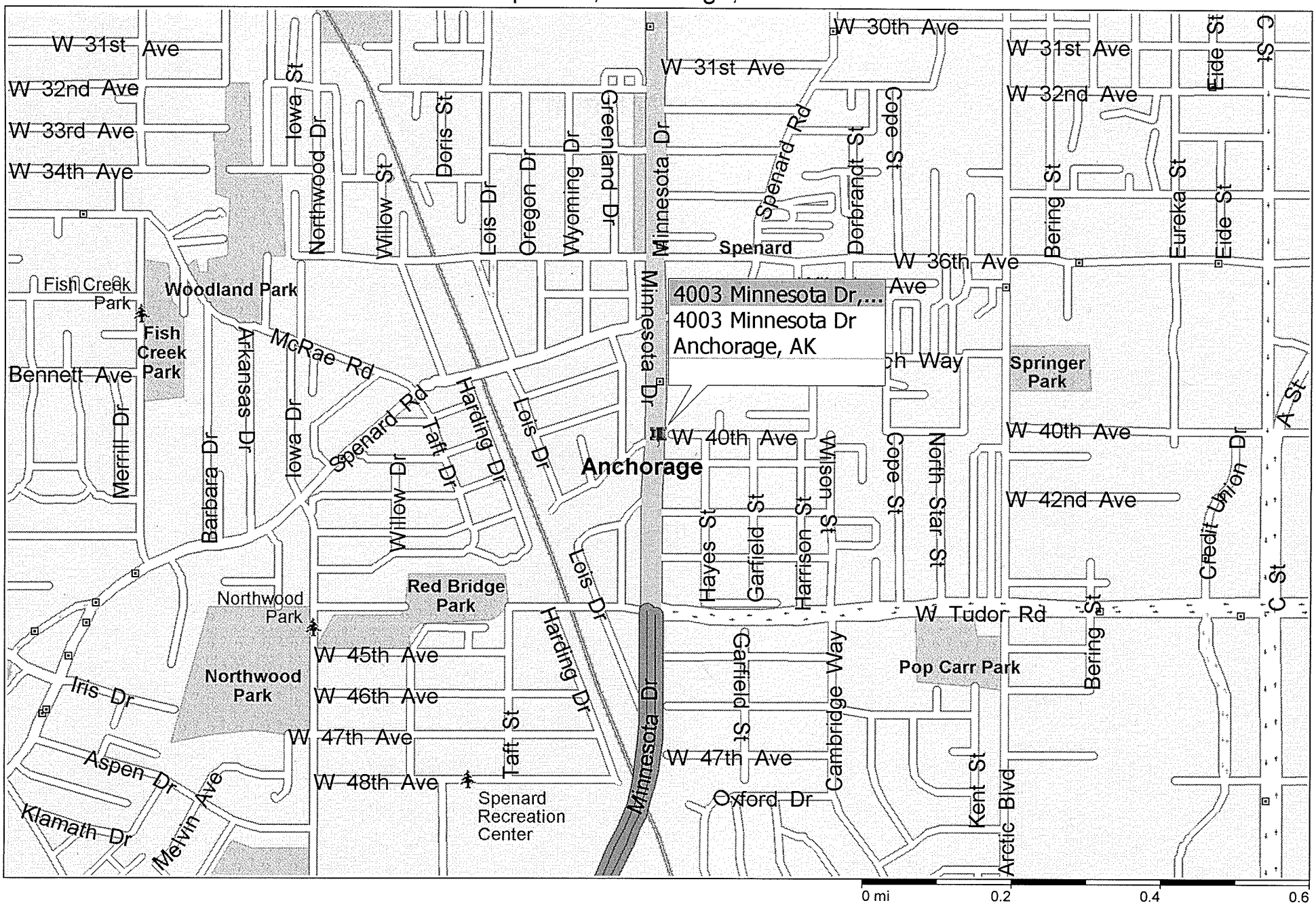
Started the Mustache March Fundraiser, generating over $100,000 in donations for CHA from 2009-2012.

Anchorage Parks and Recreation Commission-

Commissioner 2009-Present

4/24/15

Spenard, Anchorage, Alaska



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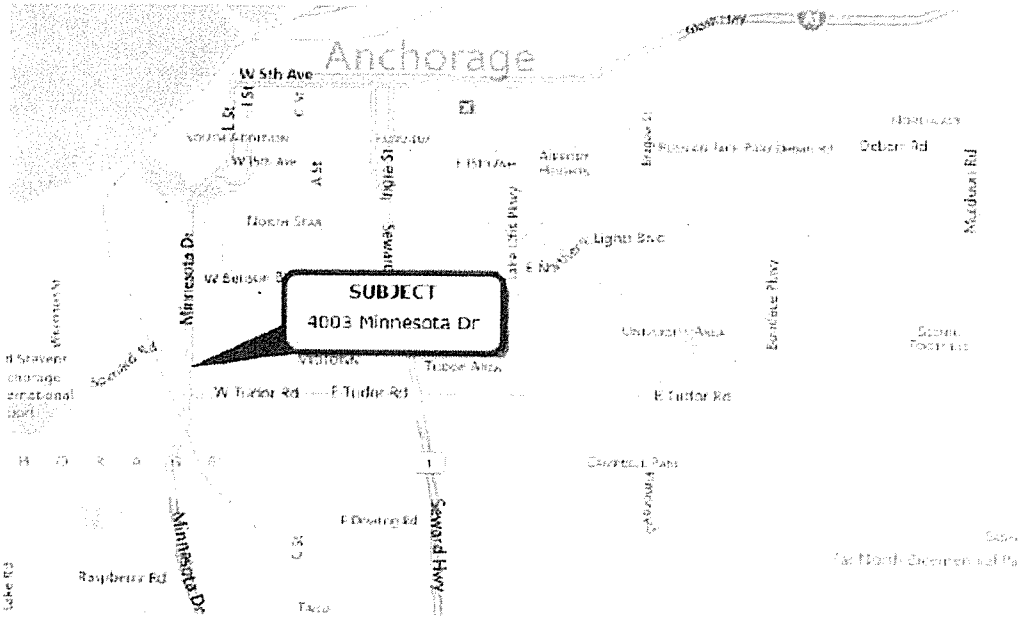
DESCRIPTION OF REAL PROPERTY APPRAISED



Anchorage Area Map

General Market Area

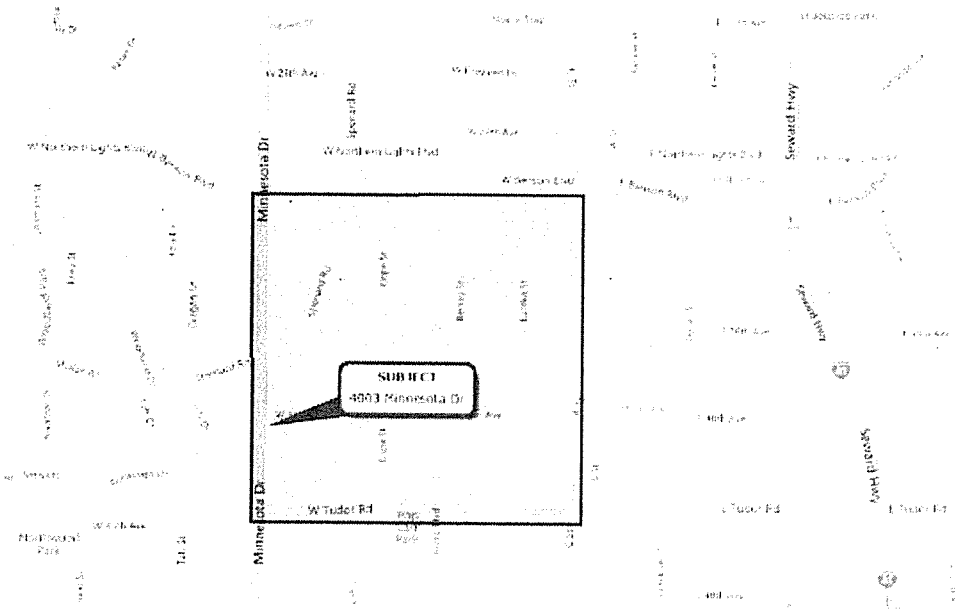
The subject is located within the Municipality of Anchorage, Alaska. It is situated within the northwest quadrant of the city in an area known as Midtown Anchorage, approximately three and a half miles southwest of the Downtown Anchorage Central Business District (CBD). Specifically, the subject is located at 4003 Minnesota Drive, Anchorage, Alaska.

Immediate Neighborhood

The subject is located in an area of Anchorage known as Midtown. The Subject Neighborhood is best described by its physical boundaries; Minnesota Drive on the west, West Benson Boulevard to the north, "C" Street to the East and Tudor Road to the south.

The general neighborhood is best described as mixed use ranging from residential, multi-family, condominiums, office, retail and light industrial development. This mix of uses is typical throughout the city, a direct result of the tremendous level of city-wide growth in the early part of the 1980's. Commercial improvements in the area range from small single tenant retail centers to Class "A" office buildings.

Subject Neighborhood Map

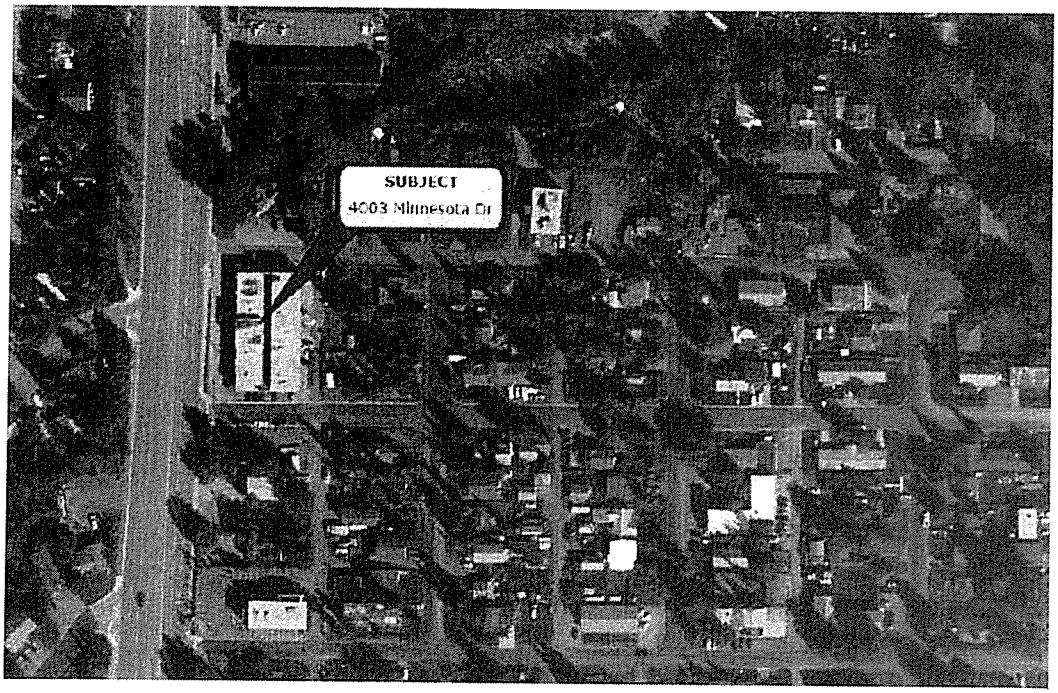


Access to the subject's midtown neighborhood is good from all parts of the city. Major north/south corridors include Minnesota Drive, Spenard Road, Arctic Boulevard, the A/C Street Couplet and the New Seward Highway. East/West connection arterials include 15th Avenue, Tudor Road, the Benson/Northern Lights couplet and Fireweed Lane. All traffic moving north/south or east/west along these corridors is likely to pass through midtown.

All public utilities are available in the neighborhood including water, sewer, telephone, electricity and natural gas. Elementary, junior high and senior high schools are all located within two miles of the subject. Neighborhood shopping is located north of the subject at the Benson/Minnesota intersection. 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.

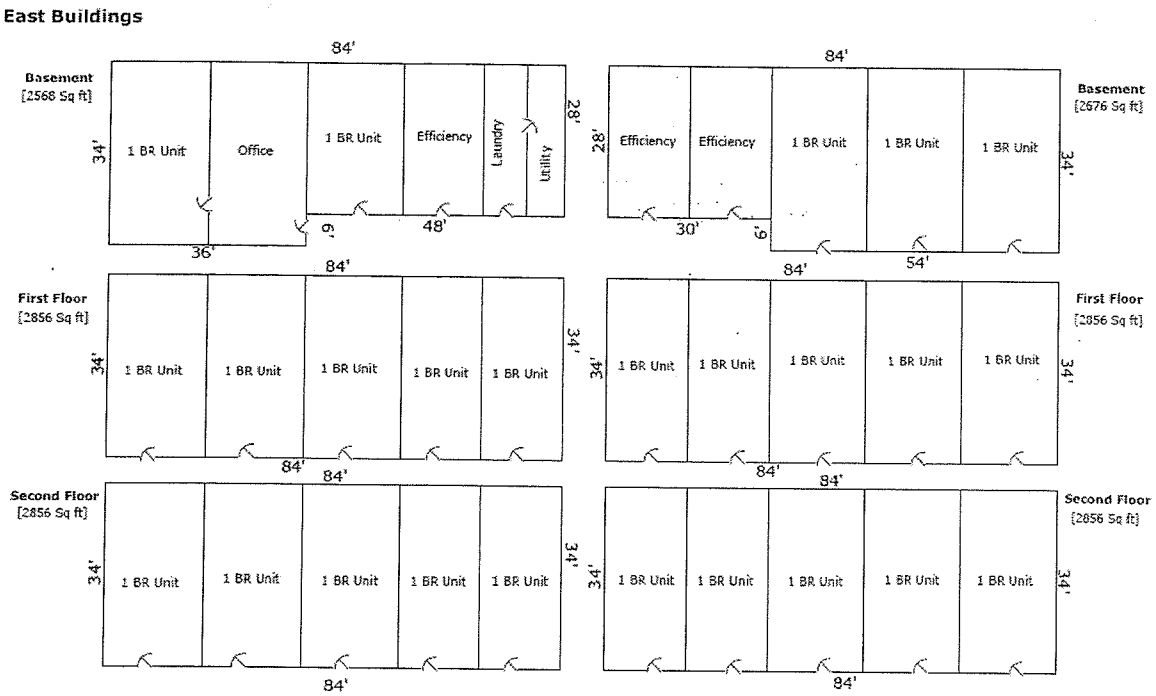
The subject's immediate area is primarily developed with high density residential and commercial uses along the major arterials and older residential and smaller 2-4 family uses on interior roadways to the east and west of the subject. The multi-family buildings are varied in age, with maintenance and upkeep considered average. Multi-family properties range from duplexes to large multi-family improvements and condominium projects.

Subject Aerial Map



In summary, the subject neighborhood is a combination of mixed commercial and residential developments. The area has been accepted by renters due to its central location to shopping, schools, recreational facilities and employment centers. The midtown location strongly influences commercial land use with its good accessibility and market recognition as a commercial center. The subject has easy access to employment centers, including the Ted Stevens International Airport. The subject neighborhood is well suited for multi-family development.

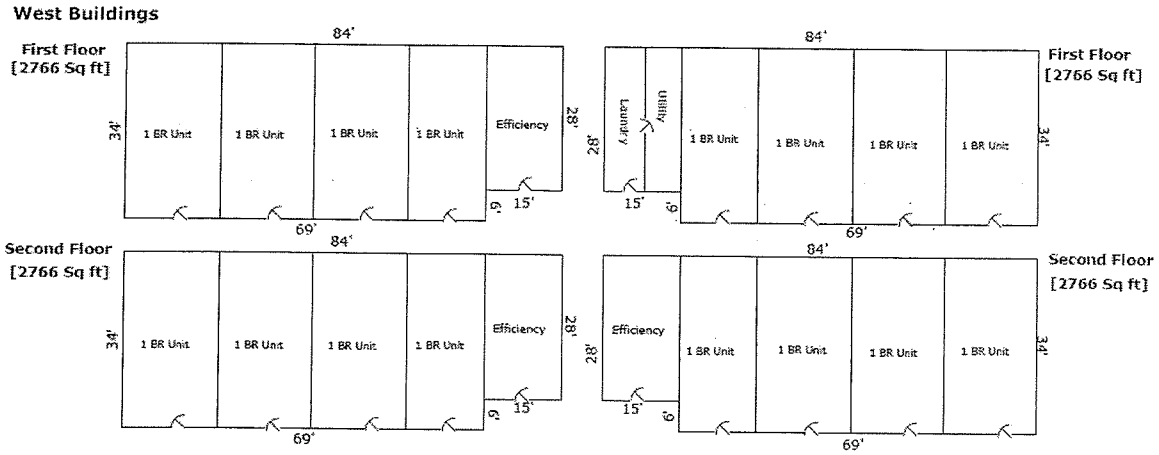
SUBJECT PROPERTY IMPROVEMENT DESCRIPTION



"Easterly Building Sketch"

The subject property consists of a forty-seven unit apartment project, consisting of a four buildings, however the easterly two and westerly two buildings are tied together by roof lines. The front westerly buildings are two story, wood framed buildings built in 1976, over crawlspace with a total of 19 units. There are 3 efficiency units and 16 one bedroom units. The easterly buildings were built in 1971 and have two stories plus a daylight basement and are wood framed, average quality apartment buildings. These buildings have 3 efficiency units, and 25 one bedroom units. Overall there are 6 Efficiency units (392sf), 13 one-bedroom, one bath units (476sf) and 28 one-bedroom, one bath units (578sf), for a total of 47 units. All of the units have exterior access, and there are three sets of exterior stairways from a main exterior central corridor extending the length of the buildings. The buildings area situated on a 25,535 square foot parcel consisting of three lots. The project was constructed in 1971 and the total Gross Building Area is 27,732 square feet.

"Westerly Building Sketch"



I have relied upon calculated areas from the survey and my own taped measurements for building area calculations. The total Gross Building area is 27,732 square feet, with a Net Rentable area of 24,724 square feet. The complex efficiency rate is 89.15%. Parking consists of 54 open, paved parking spaces situated around the buildings, with head bolt heater plug-ins.

The westerly buildings top floor has ten units accessed by two sets of exterior stairwells, at each end of the building. The first floor has nine units and a laundry room, storage room and utility room. The easterly buildings have ten units on the top floor accessed by two shared stairwells with the westerly building and ten first floor units and eight units on the daylight basement level. There are two additional half staircases accessing the first level units. There is a laundry room, storage room, utility room, and an office and storage room in the daylight basement area of the building. Each of the laundry facility has three sets of coin operated washers and dryers. Amenities in each unit include a full bath, breakfast bars, ample closet space and dishwashers. Each mechanical room has a newer, high efficiency boiler and two high recovery hot water heaters. The buildings have had all the windows replaced with vinyl sliders approximately 10 years ago and the buildings have undergone a weatherization program through Rural Cap.

The subject has a total of three electric meters, therefore electric is included in the rent. There is one gas meter and one water meter to service the entire project. Therefore the rents include electric, water and sewer, gas heat, and rubbish disposal. A breakdown of the building and unit sizes are provided on the following page.

I personally inspected 9 units including #6 #13, #15, #20, #21, #22, #23, #36, and #41. In addition, laundry rooms and utility rooms were also viewed. The managers unit and attached office/storage area were not available for viewing. All of the units viewed present average to above average interior condition for the building's age, 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 1-9 and Maintenance items 1-8 is provided in Summary Format in the addendum. Repairs include installation of smoke alarms, ground fault circuit interrupters; and baluster picket spacing, and installation of guardrails and repair of wiring in electrical junction boxes. 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 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
Daylight Bsmt	8	3: Eff/1Ba	392sf	1,176sf	
		1: 1Br/1Ba	476sf	476sf	
		4: 1Br/1Ba	578sf	2,312sf	5,244sf
1st Floor	19	1: Eff/1Ba	392sf	392sf	
		6: 1Br/1Ba	476sf	2,856sf	
		12: 1Br/2Ba	578sf	6,936sf	11,244sf
2nd Floor	20	2: Eff/1Ba	392sf	784sf	
		6: 1Br/1Ba	476sf	2,856sf	
		12: 1Br/1Ba	578sf	6,936sf	11,244sf
Totals	**47**			**24,724sf**	**27,732sf**

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

Land-To-Bldg Ratio:	*25,535 SF / 27,732 SF*	*0.9207 to 1*
Building Efficiency:	*24,724 SF / 27,732 SF*	*89.15%*
Actual Age:		*-39 and 44- YEARS*
Effective Age:		*-20- YEARS*
Estimated Remaining Economic Life:		*35-40 YEARS*

Structure

The basic structure of the westerly buildings is a 2 story, wood framed apartment building over crawlspace. The buildings are connected by roof canopies. The easterly buildings are a 2 story plus daylight basement, wood framed apartment and are also connected by roof canopies. The foundation has a masonry block system along the perimeter of the building and there is a wood floor framing system consisting of wood floor joists supported by interior wood beams and posts. Exterior walls are 2" by 6" wood studs covered with stucco siding and wood accents. The roofs are flat style surface with bonded membrane surface and soffit venting. The building appears to have been recently painted and reflects good condition. The windows have been replaced and the buildings underwent a Weatherization program through Rural Cap.

Interior Finish

Interior wall partitioning is 2" x 6" stud construction, covered with 5/8 inch gypsum board. Walls and ceiling coverings are taped, textured and painted. 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 composite 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. Most of the units viewed are dated to updated with counter tops, flooring and appliances. Most of the flooring was in above average to newer condition. The interior of the units reflect above average condition, overall and have been well maintained (see photos). The exterior stairways and corridor appears to have been well maintained.

All kitchens are improved with an electrical range/oven with fan/hood, dishwasher, and a refrigerator. The counter tops are laminate, there is a breakfast bar in each unit and the

cabinets are oak or laminate and appear to be in above average condition. The kitchens appear to be of average size with an adequate amount of cabinetry, particularly for efficiency units. Bathrooms have tiled or plastic surrounds and vinyl flooring. 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 easterly and westerly buildings each have a mechanical room in the daylight basement or first floor, with new, high efficiency gas fired boilers and high recovery hot water heaters. Electrical and plumbing are assumed to be installed to code and commensurate with the overall quality of the project. Each unit is improved with a three fixture bathroom and a two fixture kitchen. Tub enclosures have tile, plastic, tile or composite surrounds. All wiring is assumed to meet code at the time of construction.

Site Improvements

The subject is improved with asphalt paved drives, signage, concrete corridors with picnic tables and planters, designated parking, lighting, head bolt heater outlets, concrete walks, and landscaping.

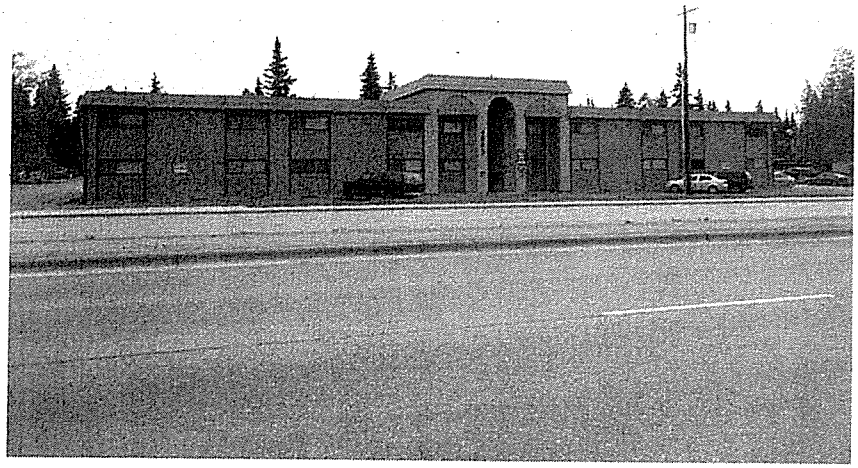
Americans with Disabilities Amendment

The subject was constructed in 1976, prior to the Americans with Disabilities Act, and none of the units appear to be handicap accessible. There are two handicap parking spaces at the front of the westerly building.

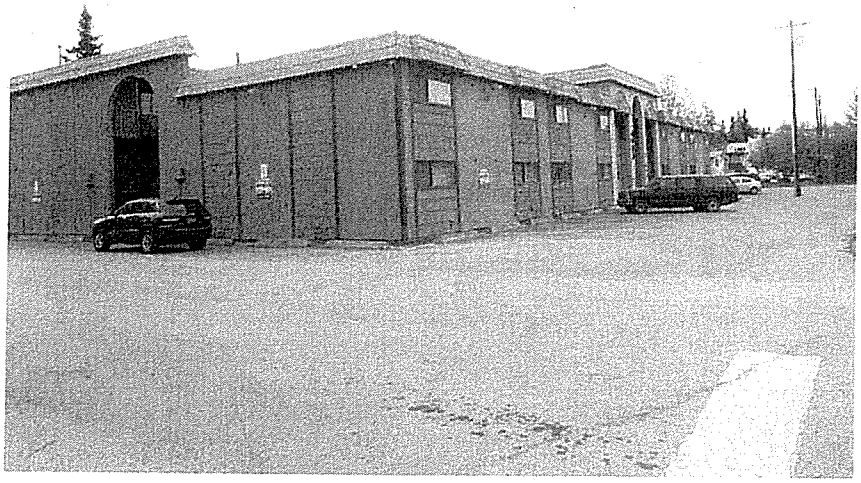
Summary

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 Easterly



Subject Front View Facing Southeasterly

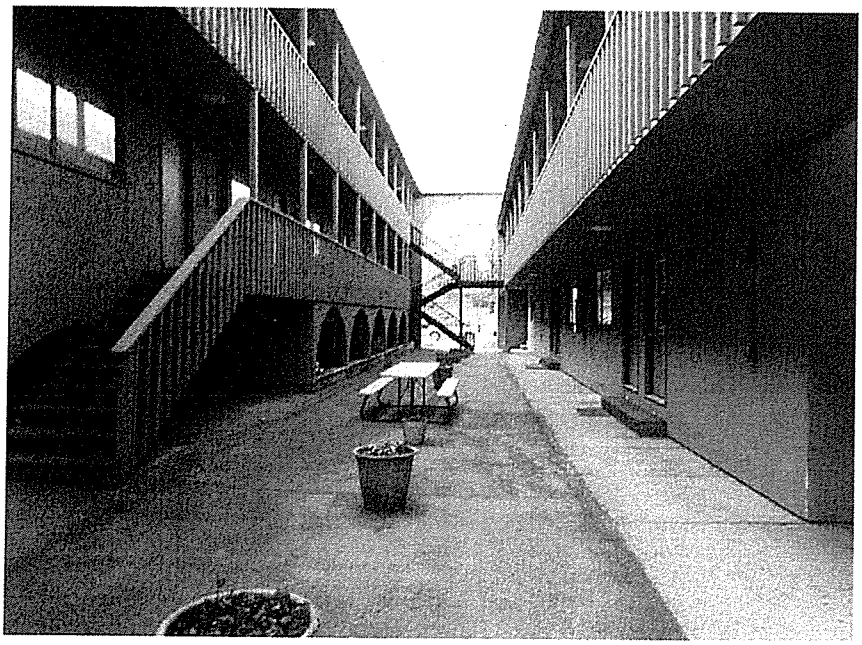
Subject Photos

Subject Front View Looking Northeasterly

Subject Rear View facing Southwesterly from W 40th Ave

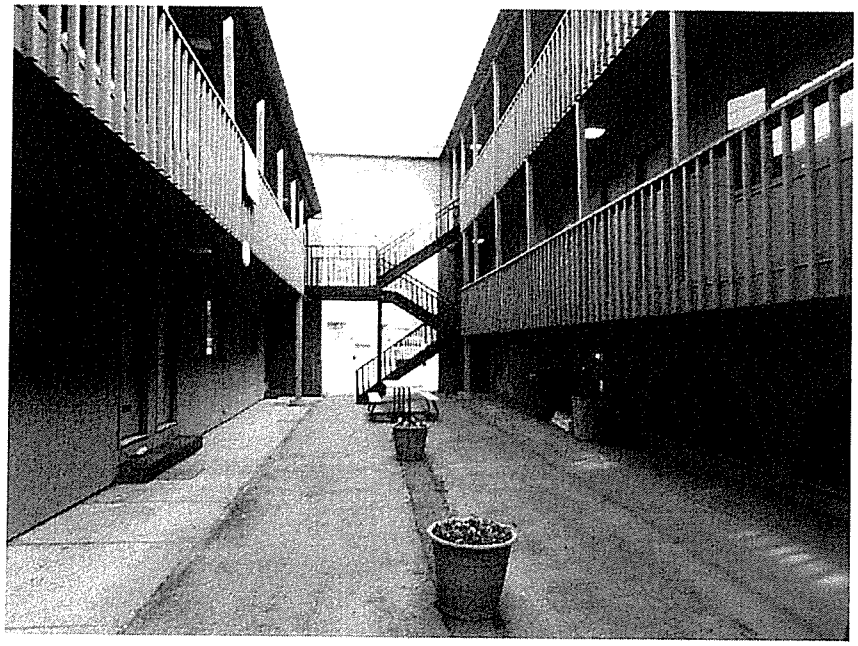
Subject Photos

Subject Rear View facing Northwesterly from W. 41st Avenue



Subject View between Buildings/Unit Entrances

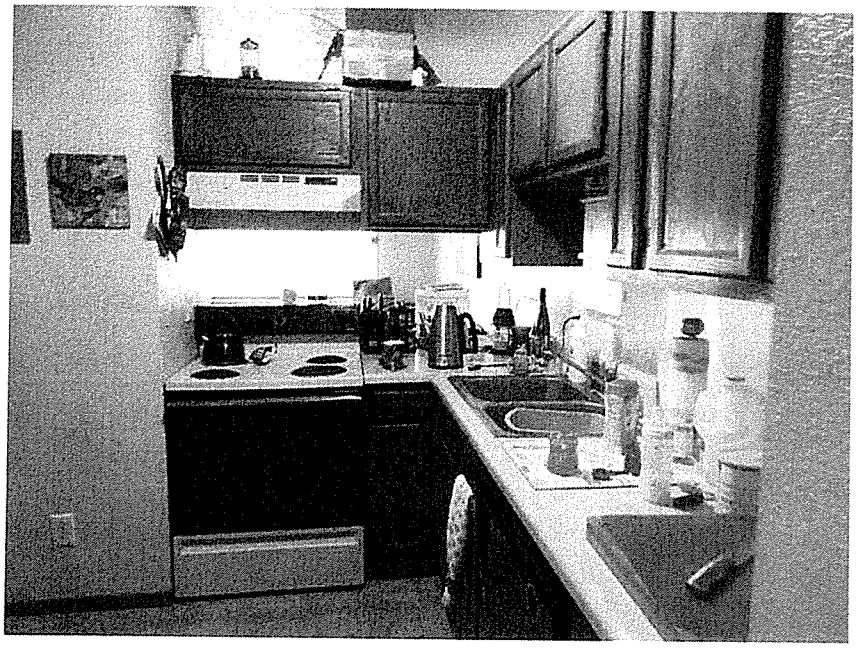
Subject Photos



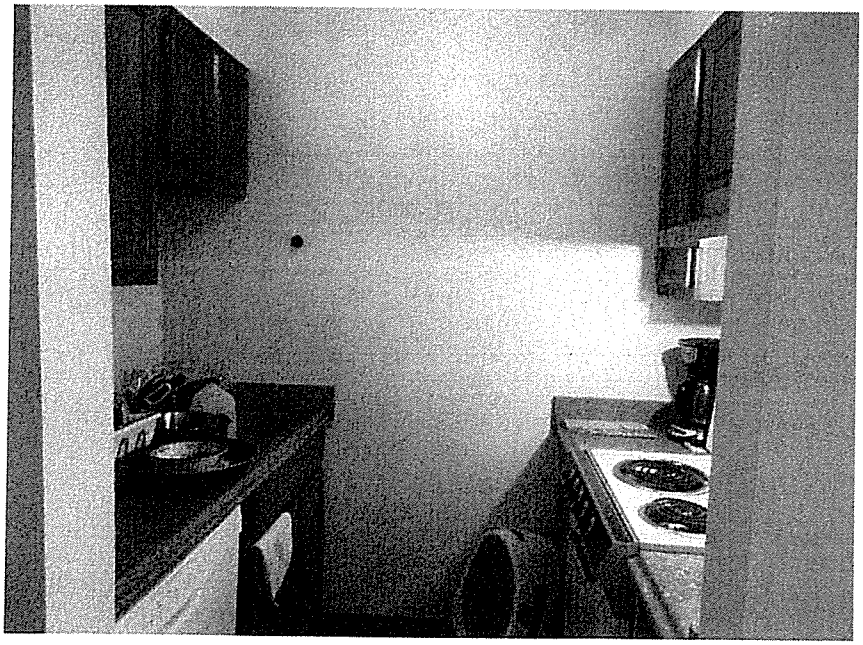
Subject View between Buildings/Unit Entrances

Subject Typical One-Bedroom Kitchen

Subject Photos

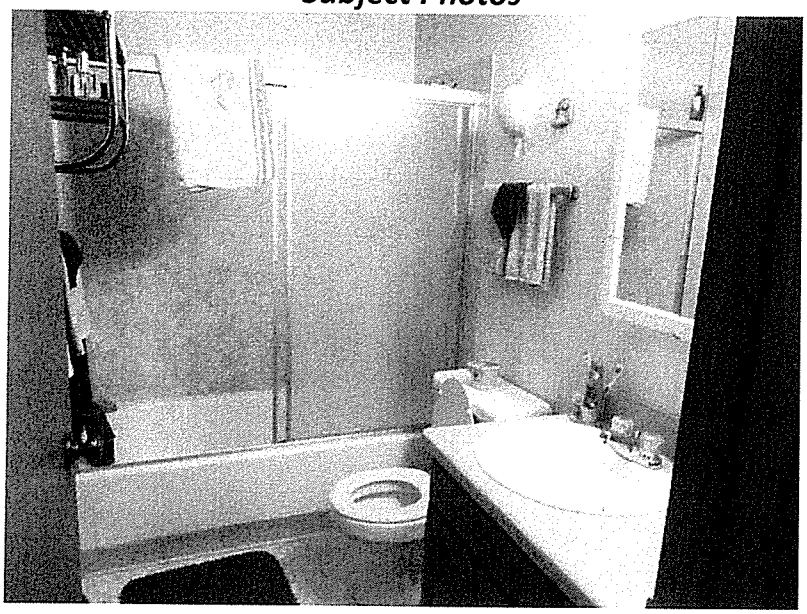


Subject Typical One-Bedroom Kitchen



Subject Typical Efficiency Kitchen

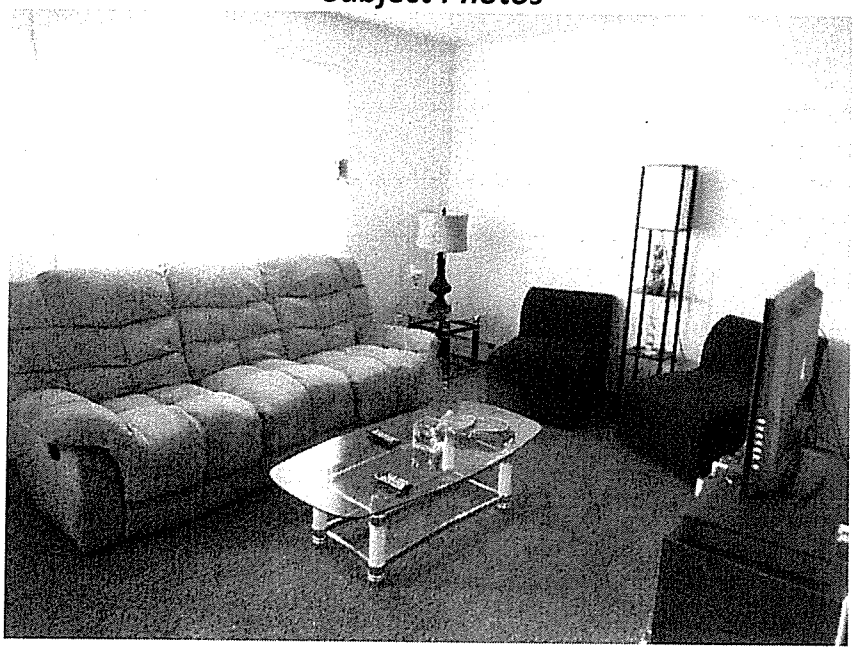
Subject Photos



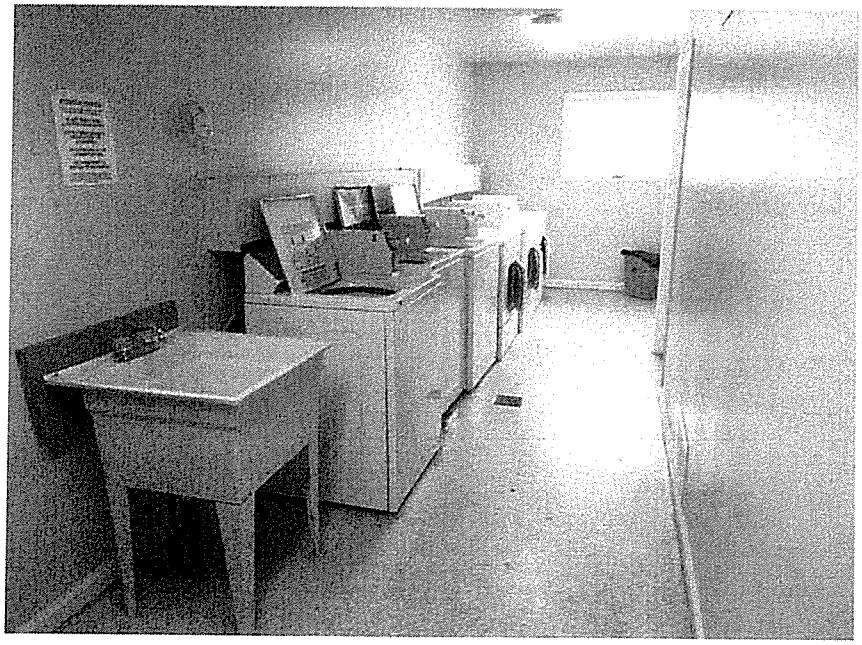
Subject Typical Bath

Typical Bath

Subject Photos

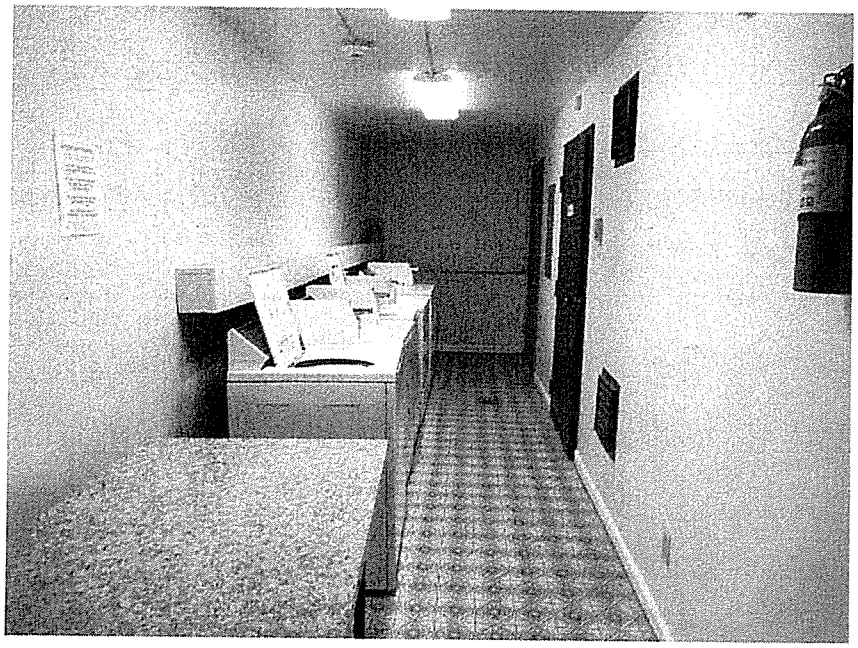


Typical Living Room

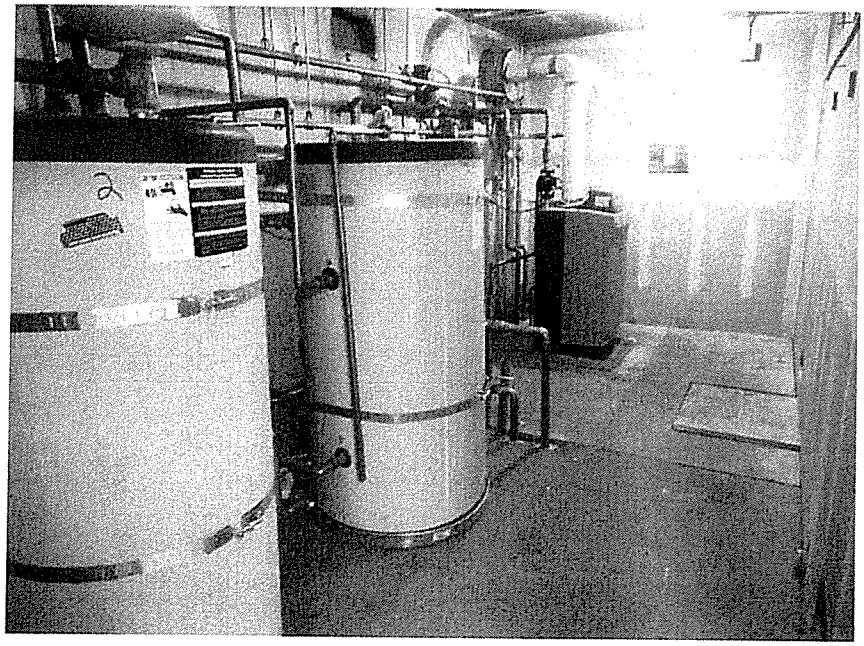


Laundry Room-Westerly Building

Subject Photos

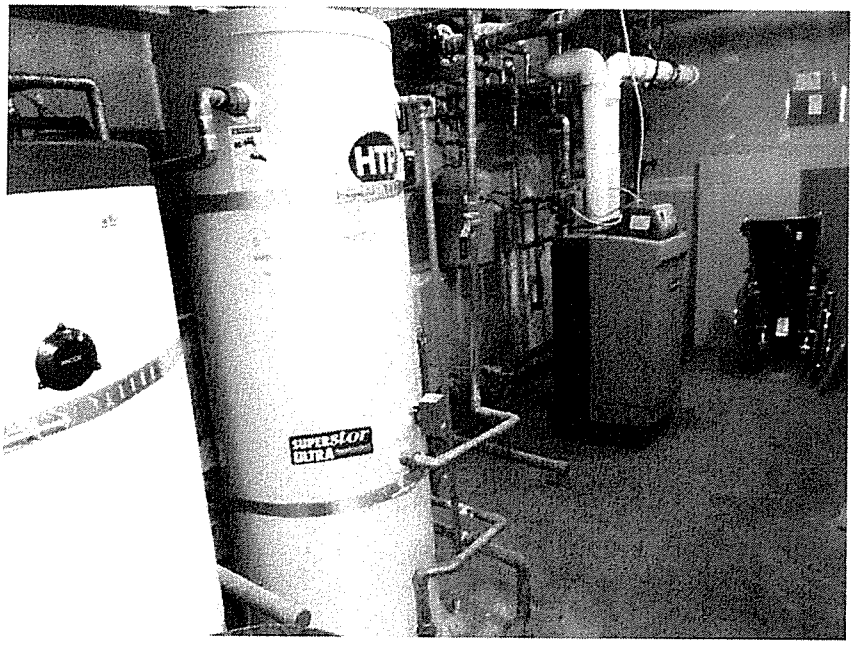


Laundry Room-Easterly Building

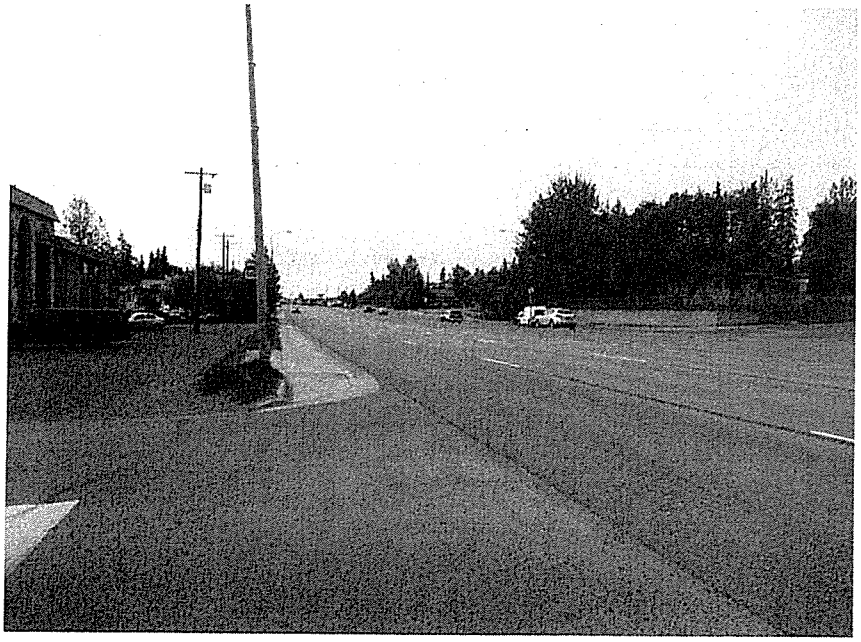


Utility Room-Westerly Building

Subject Photos



Utility Room-Easterly Building



Street Scene-Minnesota Drive facing Southerly

LIFE SAFETY

1. The walkways for the lower level units of the east buildings do not have a guardrail installed at grade to prevent from falling into the walkways. Install a minimum 42" tall guardrail system.
2. Ensure all above grade exterior walkway guard rails are a minimum of 42 inches tall and the baluster separation does not exceed 4 inches.
3. The ground wires in the circuit breaker panels, except unit 21 and 45, are not properly bonded to the inside of the panel box. Install a proper clamp or busbar to bond all the circuits ground wires to the metal box.
4. The inspected units did not have GFCI protection in all of the kitchen countertop outlets. Ensure all outlets that can serve a kitchen countertop have functioning GFCI protection installed.
5. Not all of the kitchen stoves in the inspected units had a anti-tip bracket installed. Ensure all kitchen stoves have a properly installed anti-tip bracket.
6. Exposed wiring splice in the cabinet above the stove in unit 13. Properly secure splice in a junction box with a cover plate installed.
7. The bathroom outlet in unit 14 had an open ground. Repair open ground and ensure outlet has proper GFCI protection installed.
8. The hardwired smoke alarm is missing from unit 23, 36, 41, 45. Replace all missing hardwired smoke alarms in the units.
9. 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. The crawlspaces of the west side buildings do not have adequate ventilation installed. Install proper cross ventilation through the crawlspace areas. Recommend mechanical ventilation.

2. The northwest building has a large section of the vapor barrier on the crawlspace floor removed. Replace missing section of vapor barrier.
3. The entry door frame for unit 3 is broken. Replace broken door frame.
4. The dishwasher drain lines did not have the sink mounted air gap feature. Install a proper sink mounted air gap on the drain lines.
5. Moisture detected under the floor coverings at the base of the toilet in unit 6 and 36. Remove and replace wax ring seal ensuring any/all moisture damage materials encountered during the repair process are removed and replaced.
6. Water shut off valve leaking under the kitchen sink in unit 21. Repair leak.
7. The kitchen sink in unit 23 has a section of corrugated drainpipe which is not permitted. Replace corrugated drainpipe with smoothbore rigid drainpipe.
8. Water leak noted in the ceiling area of the boiler room of the east side building. Repair leak.

AHFC #274678 Branche, LLC

Pro Forma

Rental In.	From Bedrooms	Sq.Ft.	# of Units Units	Unit Rent	Gross Annual
market	Eff	392	6	$800.00	$ 57,600.00
market	2	476	13	$850.00	$ 132,600.00
market	2	578	27	$900.00	$ 291,600.00
mgr unit	2	578	1	$0.00	$ -
Common Area		3008			
Total Square Footage		27154			
Total Rental Income			47		$ 481,800.00
					$ 481,800.00
Less Vacancy & Credit Loss			5.0%		$ 24,090.00
Effective Gross Income					$ 457,710.00
Total Adjusted Income					$ 457,710.00

EXPENSES			
Management/Admin	$38,000	8.00%	%EGI
Insurance	$15,300	$325.53	per unit
Taxes	$36,200		
Utilities	$70,500	$2.60	per square foot
Acct./Legal/Advertising	$5,900		
Maintenance & Repairs	$28,200	6.16%	%EGI
Replacement Reserves	$13,900	$ 295.74	per unit
Total Expenses	$208,000	$4,425.53	per unit
% of EGI	45.44%		
Net Operating Income	$249,710		
Mortgage	$147,912	$1,925,000 @ 6.625% over 30 years	

DSCR 1.69

Net Cash Flow $101,798

Income Decrease= 22.24%

Expense Increase= 48.94%

Vacancy Increase= 26.13%

BOARD CONSIDERATION MEMORANDUM

MULTI-FAMILY LOAN PURCHASE PROGRAM

Date: July 29, 2015 **Staff: Melanie Smith**

Lender: First National Bank Alaska

****

BORROWER(S):	Kona, LLC
CO-BORROWER:	Keith T. Reed
PROPOSAL OVERVIEW:	Term financing for the refinance with rehabilitation of a thirty unit multi-family apartment complex located at 3700 & 3720 West 86th Avenue in Anchorage, Alaska.
Loan Amount:	
AHFC:	$1,500,000
FNBA:	$ 175,000
	$1,675,000
Project Value:	$2,260,000
Appraised By:	Jacqueline L. Dooley with Certified Appraisal Services, LLC. (See Appendix I)
Loan to Value Ratio:	
AHFC:	66%
FNBA:	8%
	74% (Combined LTV)
Loan Terms:	
AHFC:	Fixed monthly payments based on a 30 year amortization.
Interest Rate:	5.875% (10 year balloon amortized over 30 years)*
Principal Balance:	$1,251,069.53 (after 10 years of payments)

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

FNBA:	First National Bank Alaska's portion of the loan is amortized over 10 years.
Interest Rate:	The note rate is the Wall Street Journal prime rate plus 2%, with a 6% floor and an 11% cap. Annual adjustments will not exceed 1%.

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

Combined Debt Service Coverage Ratio: 1.44 (at maximum interest rate)

(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:	$ 1,500,000
First National's Loan:	$ 175,000
Borrower's Funds:	$ 10,775
Total Sources:	$ 1,685,775

Uses:

Loan Payoff:	$ 1,449,905	(Current Interest rate 6.375% / Loan matures 8/1/2015)
Loan Payoff HELOC:	$ 100,000	FNBA Loan
Roof Escrow:	$ 58,500	
Closing Costs:	$ 77,370	
Total Uses:	$ 1,685,775	

BORROWER ORGANIZATION:

Kona, LLC: is a single asset entity created in 2004 for the retention of commercial multi-family properties. Title to the subject property has been vested in the name of Kona, LLC since 2008. Ownership interest of the LLC is 99% by the co-borrower Keith T. Reed with the remaining 1% owned by his wife.

Keith T. Reed: Keith graduated from Chugiak High School in 1980 and subsequently obtained a Bachelor of Science in Mechanical Engineering from Montana State University. He has worked in various aspects of construction and engineering since 1978. Occupations have ranged from a residential construction worker to project manager and outside sales.

Keith has self-managed investment properties since 1994 and currently manages over 70 units. (See Appendix II.)

Financial Information:
Kona, LLC multi-family loan application dated May 15, 2015 reflects assets of $2,260,000; total liabilities of $1,549,905; for a net worth $710,095.

Keith T. Reed's financial statement dated May 15, 2015 reflects total assets of $4,801,864; total liabilities of $2,664,117; for a net worth of $2,137,747. Mr. Reed's average income over the last three years according to his federal income tax return was $151,573.

Credit History:
A recent credit report reflects an acceptable credit history for Kona, LLC and Keith T. Reed. Neither the borrower nor co-borrower has any loans with AHFC.

PROJECT CHARACTERISTICS:

Description and Location:
The site is located approximately seven miles southwest of the Anchorage's central business district, in an area commonly referred to as jewel lake. The general neighborhood has a mixture of single family residences, duplexes, four-plexes, condominiums, and multi-family apartment complexes with commercial uses along major arterials. The subject site consists of two lots each containing 19,055 square feet, for a total of 38,110 square feet and is level to street grade. The site is served by all available public utilities which include water, sewer, natural gas, electric, and telephone. (See Appendix III)

Project Overview:
Built in 1978, the improvements consist of two, similar 15 unit two-story plus daylight basement apartment buildings containing a total of 30 units. The exteriors are covered with T1-11 siding with composition shingle roofs. Each building has two sets of covered stairwells and all of the units have exterior entrances. All unit interiors are finished with painted, textured sheetrock, with carpet and vinyl floor coverings and contain the normal assortment of appliances and dishwashers. Heat is provided by a gas-fired hot water baseboard heating systems as well as gas fired hot water heaters. Each unit is individually metered for electric and is paid by the tenant. Each building has a separate laundry area each consisting of three coin operated washers/dryers. The unit mix consists of six, one-bedroom, one bath units, containing 576 square feet, and renting for $900, per unit, per month; 24, two-bedroom, one bath units, each containing 846 square feet, and renting for between $1,000 to $1,050, per unit, per month. Parking is provided by 53 open paved parking spaces, of which 30 spaces have head bolt heater plug-ins within unit controls, which is considered to be adequate for a property of this size. The improvement is considered to be a legal conforming use of the site under current zoning. The economic life of the improvement is estimated by the appraiser to be 35 to 40 years. (See Appendix IV)

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:
An Environmental Data Resources assessment report completed April 9, 2015, disclosed the property was free of any contamination and that no known reports of contamination are within a 1/8 mile of the subject property indicating a level of "Low Risk". An environmental assessment questionnaire completed by the owner, dated February 17, 2015, states that there are no environmental concerns with the subject property. Staff concurs with the lender that no further investigation is warranted.

Health and Safety Inspection Report:
A Health & Safety Inspection was completed by Richard Renk of FOCUS Property Consulting and Inspection, LLC on March 19, 2015 noting health/safety and significant repairs items. All required health/safety and significant repair items to be completed and re-inspected prior to loan closing.

The inspection report estimates the remaining economic life of the roofs to be between 2-4 years. New roofs are being made a condition of this loan. An escrow in the amount of $58,500 (1.5 X $39,000) will be established at loan closing. Any funds remaining after the new roofs are completed will be applied as a principal reduction to the loan. (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 market rent comparables as chosen by the appraiser and are supported by actual rents. A 5% vacancy and credit loss factor was used by the appraiser based on the project's historical operating experience. An 8.95% property management expense was included, even though the property will be managed by the borrower. The replacement reserve in the amount of $353.33, per unit, per year is considered to be average for a 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 1.44, 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 17% or expenses could increase by 41% 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 22% vacancy rate. The ratio, by industry standards, is considered to be an excellent ratio.

Property Management:
The property will be self-managed by Mr. Reed. Staff concurs with the lender that his credentials are acceptable to successfully manage the project, noting he has managed his own property since 1994. 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. The loan servicer will also be performing annual monitoring of the borrower's management efforts.

SUMMARY:

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

1. The excellent debt service coverage ratio of 1.44;
2. The loan to value of 74%;

3. Co-borrower's previous management experience; and
4. The borrower has other sources of income that could be used to support the project should there be a reduction in income from the property.

RECOMMENDATION:

The request comes from First National Bank Alaska on behalf of the borrower. Staff recommends approval of this loan based upon: The subject's excellent cash flow at 1.44 debt coverage; loan to value of 74%; and subject to the conditions noted below:

1. Alaska Housing Finance Corporation (AHFC) to provide long-term financing in an amount not to exceed $1,500,000. First National Bank Alaska to provide a share lien position in the amount of $175,000;

2. First deed of trust in the amount of $1,675,000. AHFC's participation portion of $1,500,000 to be amortized over 30 years with fixed monthly payments and a ten year balloon payment. The interest rate is 5.875% fixed;

3. First National Bank Alaska's participation portion of $175,000 to be amortized over 10 years. The note rate is the Wall Street Journal prime rate plus 2%, with a 6% floor and an 11% cap. Annual adjustments will not exceed 1%.

4. The Borrower: Kona, LLC
   Co-Borrower: Keith T. Reed

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

6. Commitment to expire September 29, 2015 and an extension may be considered by staff, subject to extension guideline criteria and applicable extension fees;

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

8. Receipt and acceptance by AHFC of the following:

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

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

   c. ALTA title policy with applicable endorsements; and

9. Lender to have a lien interest in all personal property, fixtures, furniture and contracts;

10. Funds for the establishment of insurance and property tax reserves;

11. An escrow in the amount of $58,500 will be established at loan closing for the new roofs. Any funds that remain after completion of the repairs will be applied as a principal reduction to the loan;

12. A final re-inspection by Richard Renk of FOCUS Property Consulting and Inspection, LLC certifying that all health/safety and significant repairs have been satisfactorily completed;

13. Monthly loan payment to include funds, as determined by AHFC, for principal and interest, and reserves for taxes, insurance and replacement reserves. Replacement reserves deposits to be $883.33 per month;

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

15. The payment of $7,500 loan fee; the review fee of $1,000 will be applied to the payment of this fee; and

16. 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	Michael Buller	Michael Strand
CEO/Executive Director	Deputy Executive Director	Chief Financial Officer
Date: 7-17-15	Date: 7/17/15	Date: 7/17/15

ALASKA HOUSING FINANCE CORPORATION
RESOLUTION NO. 2015-

Resolution Approving Term Financing for a
Multi-Family Housing Project to
Kona, LLC and Keith T. Reed

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. Kona, LLC and Keith T. Reed through First National Bank Alaska have applied to Alaska Housing Finance Corporation to receive funds under its Multi-Family Loan Purchase Program for term financing for the refinance with rehabilitation of a multifamily apartment complex 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 29, 2015 Board Consideration Memorandum prepared in support of the application.

This resolution shall take effect immediately.

DATED THIS 29th Day of July, 2015

_____

Frank Roppel
Chair

Appraisal 1.

Resume 2.

Site & Location 3.

Improvements 4.

Health & Safety Report 5.

Pro-Forma Statement 6.

1. Appraisal

April 27, 2015

First National Bank Alaska
Mr. Anson Renshaw
P.O. Box 100720
Anchorage, Alaska 99510-0720

RE: ***SELF-CONTAINED APPRAISAL REPORT***
a 30 unit apartment project
located at 3700-3720 West 86th Avenue
Anchorage, Alaska 99502

Dear Mr. Renshaw:

In accordance with your request, I have appraised the above referenced property. The Self-Contained 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 completed 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, and limiting conditions set forth in the attached report, as of April 14, 2015, of the **Fee Simple Estate**, "As Complete" with Repairs, is:

$2,260,000

Two Million Two Hundred Sixty 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 L. Dooley
State Certified General Real Estate Appraiser
#381-State of Alaska

2. Resumes

KOA Properties

FAX: (907) 349-0929 *TELEPHONE: (907) 884-14002* *E-MAIL: koa@acsalaska.net*

P.O. Box 244992
Anchorage, AK 99524

Resume – KOA Properties – Keith and Rebecca Reed

Keith Reed –

Education – Chugiak High School Graduate 1980
BS Mechanical Engineering – Montana State University, Bozeman, MT
Various Courses in management and property management, by Johnson Controls Inc and Honeywell Corporation.

Work History –
Residential Construction 1978-1984
Johnson Controls Inc - 1985-1989
Engineer and sales for commercial building construction
Project management
Building maintenance management
RGB Contractors 1989-1990
Project Manager Mechanical Commercial Contruction
Honeywell Corporation Anchorage 1990-1993
Branch manager in charge of new construction and building maintenance
Johnson Controls Inc – 1993-1995
Branch Manager
Alaska Winter Inc – Outside Sales Engineering 1995-2001
Summit Sales Inc – Owner Outside Sales and Engineering 2002-Current
KOA Properties Inc Owner Property Manager 1994-Current
In charge of Building Maintenance work and scheduling

Rebecca Jo Reed

Education – Ely High School, Ely MN

Vermilion Community College 1982-1983 Medical Clerical

Work History: Ely Bloomenson Community Hospital 1983-1985 Admitting Clerk

H. A. P. Enterprises, 6041 Mackay Street Anchorage, AK 502
Bookkeeper 1985-1990

Charter North Hospital, Anchorage, AK 1990-1992 Accounting

Pen-Air Anchorage, AK 1992-1993 Accounting

Honeywell Inc. 1993-1995 Adminstrative Service Disptach

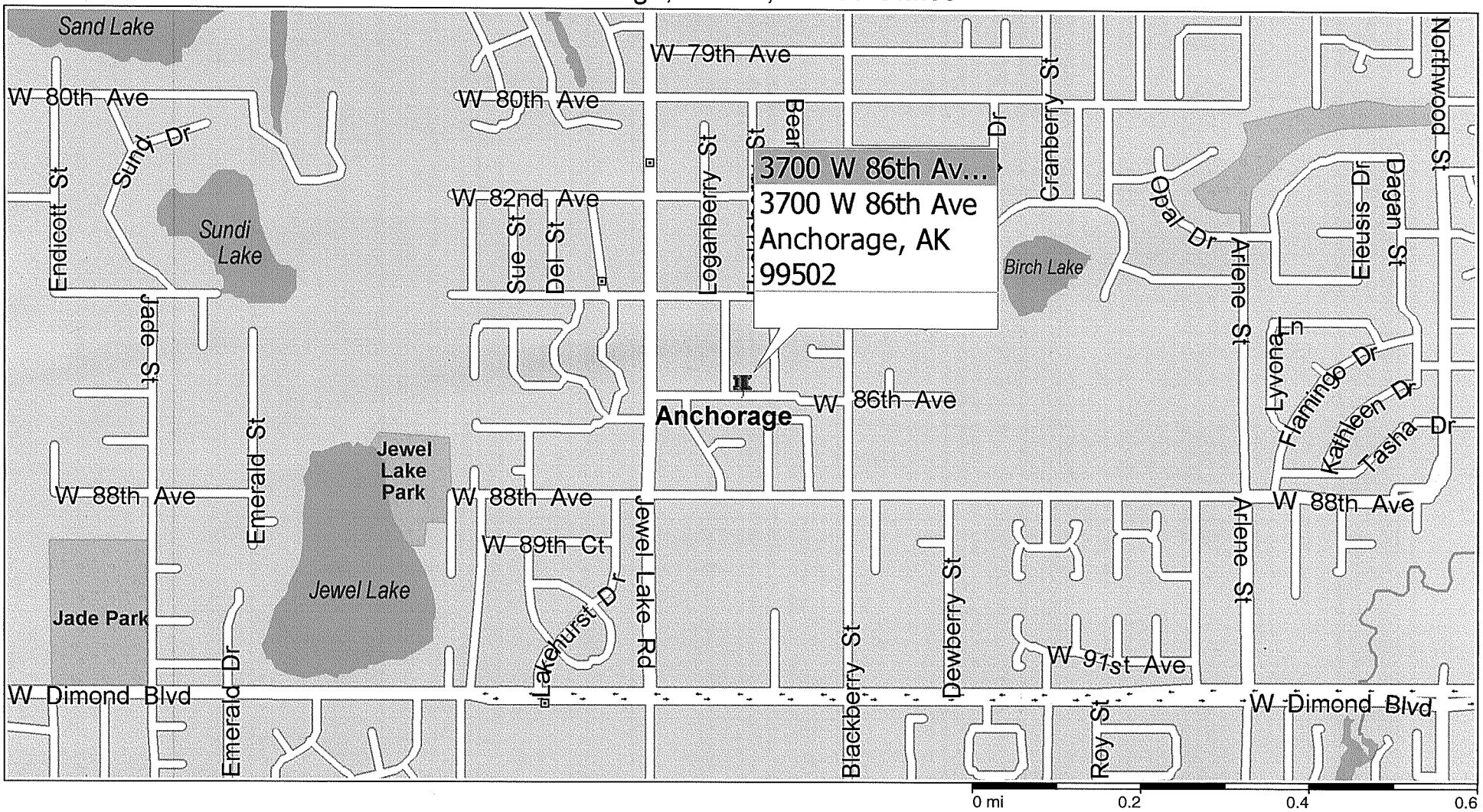
Johnson Controls 1995-1997 Adminstrative Service Dispatch

KOA Properties 1998-Current

2/27/15

3. Site & Location

Anchorage, Alaska, United States



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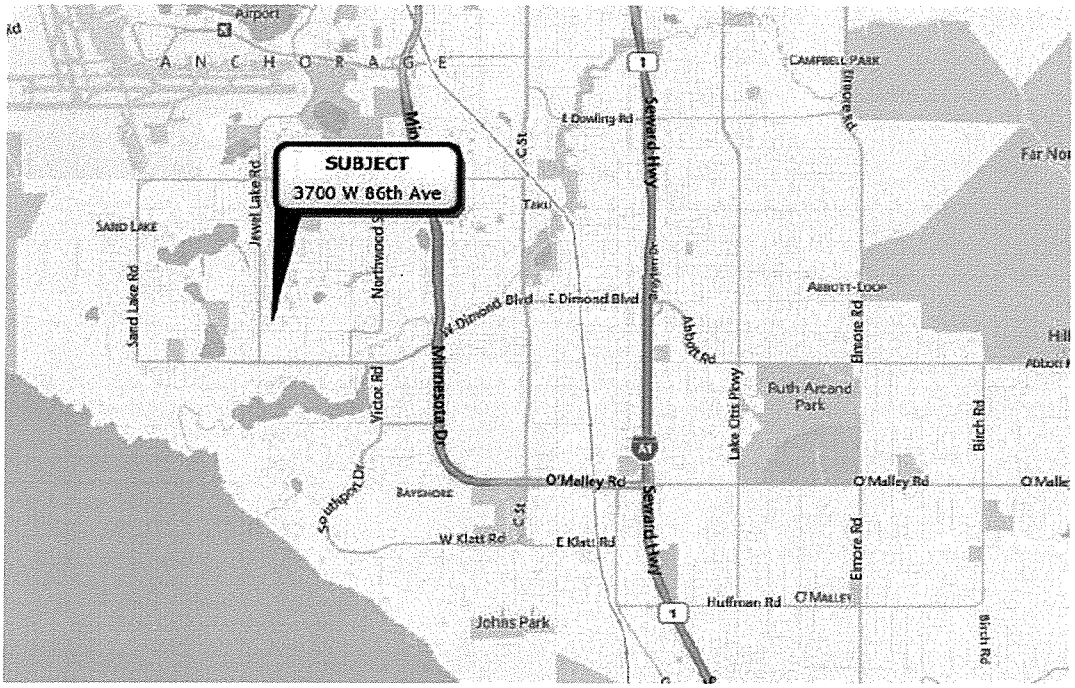
DESCRIPTION OF REAL PROPERTY APPRAISED



Anchorage Area Map

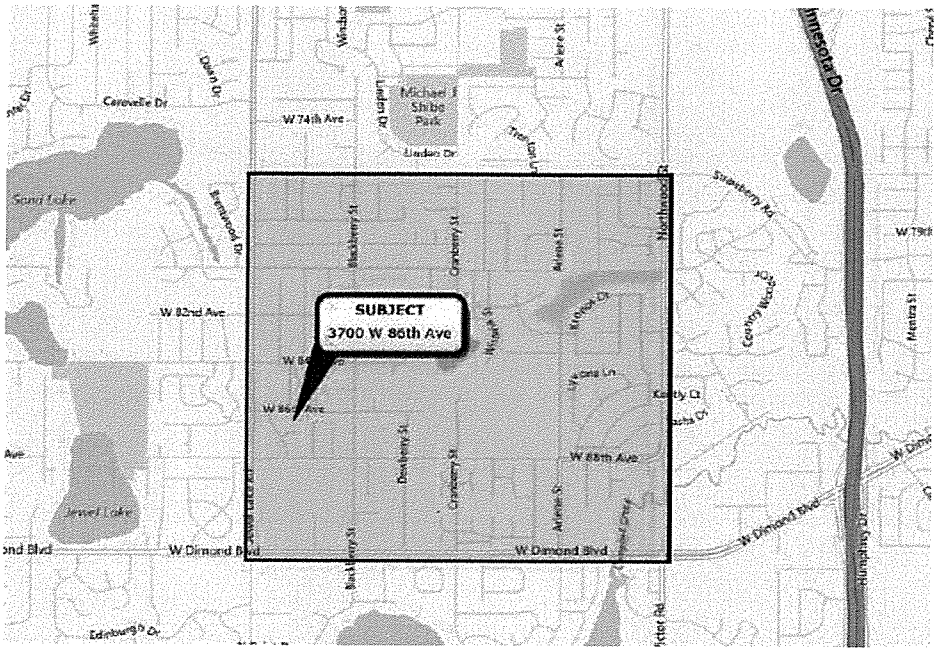
General Market Area

The subject is located within the Municipality of Anchorage, Alaska. It is situated within the southwest quadrant of the city in an area known as Jewel Lake, approximately seven miles south of the Downtown Anchorage Central Business District (CBD). Specifically, the subject is located at 3700-3720 West 86th Avenue, Anchorage, Alaska.

Immediate Neighborhood

The subject's immediate neighborhood is located in an area known as Jewel Lake. The neighborhood is generally bound by Strawberry Road to the North, West Dimond Boulevard to the south, Northwood Drive to the east and Jewel Lake Road to the west. Jewel Lake Road and the Minnesota Bypass are the major north/south arterials within the subject neighborhood and Raspberry Road and West Dimond Boulevard are the major east/west arterials. The general neighborhood is serviced by the aforementioned major arterials, providing good access to schools, shopping, employment centers, Ted Stevens International Airport and area University's and Hospitals.

Subject Neighborhood Map



The neighborhood is best described as older in character, with most of the properties being constructed in the early 1970's to early 2,000's, with some newer development noted. The defined subject neighborhood is considered to be mature, and in a Stable neighborhood cycle. The general neighborhood is built up with multi family, two to four family properties, condominiums, and single family dwellings, with commercial uses along major corridors. There are few parcels of vacant land available for development in the immediate neighborhood. A network of paved secondary streets provides access to the interior neighborhood.

The areas along main arterials on the neighborhood periphery are improved with small shopping centers, office buildings, commercial strip centers, fast food restaurants and service stations. Areas to the west of Jewel Lake Road are improved with Jewel Lake, Jewel Lake Park and Jade Park. Campbell Lake is located just south of West Dimond Boulevard. Kincaid Park is located three miles to the west of the subject.

Subject Aerial Map

The Ted Stevens International Airport is the closest employment center to the subject, and is located just 2.5 miles northwest of the subject. The Dimond Center Mall is located two and a half miles to the east of the subject, and has a Best Buy as its Anchor tenant. A city shopping center is located across from the mall, and has anchor tenants including Sports Authority, Office Max, Sportsman's Warehouse and a Sam's Club. The University of Alaska, Anchorage and Alaska Pacific University are located five and a half miles to the northeast from the subject. The most recent development in the area includes recent construction of a new Cabela's Outdoors Store, which recently opened a 110,000 square foot store in the Spring of 2014 approximately 2 miles southeast from the subject.

All public utilities are available in the neighborhood including water, sewer, telephone, electricity and natural gas. Elementary, Middle, High Schools are located within a one 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 the afore mentioned facilities, several parks including Kincaid Park, many smaller parks and public facilities, including bike trails and cross

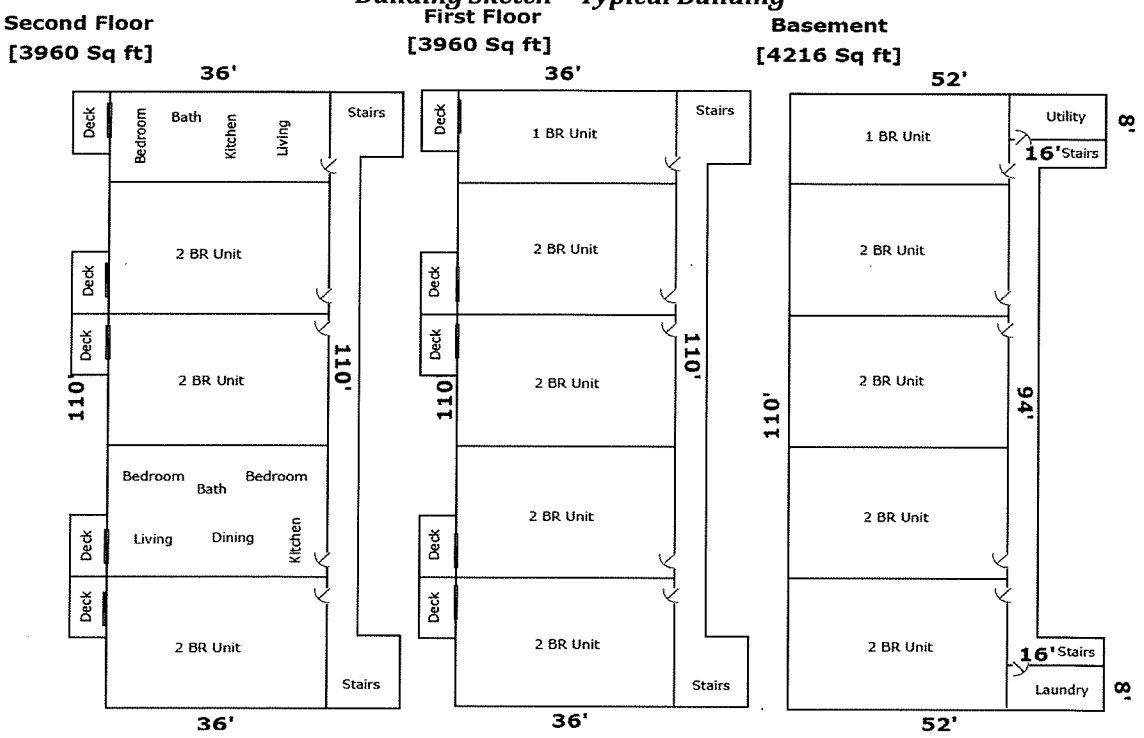
country ski trails. These parks provide a variety of indoor and outdoor recreational activities in the subject neighborhood.

In Summary, the subject neighborhood has a predominate mix of multi-family and condominium developments, single family development and commercial uses along feeder arterials. The subject has easy access to area universities, parks, employment centers and support services. The neighborhood has good access from South, West, Downtown and Midtown 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 medium density residential development.

4. Improvement Description

SUBJECT PROPERTY IMPROVEMENT DESCRIPTION

"Building Sketch – Typical Building"



The subject property consists of a two, identical 15 unit apartment buildings situate on two adjacent lots. As per the request of the lender, the two properties are treated as one project. The buildings are not known to be economically tied together. The buildings are each two story plus daylight basement style buildings. There are 6 one-bedroom, one bath units (576sf) and 24 two bedroom, one bath units (846sf) for a total of 30 units. Each building has two sets of covered exterior stairwells, and all of the units have exterior entrances. Each building also has a small utility room in the daylight basement area which houses the boilers and hot water heaters, and a laundry room at the opposite end of the building. The buildings each situated on a 19,055 square foot parcel for a total site area of 38,110 square feet. The project was constructed in 1978 and is accessed via the south side of East 86th Avenue. On-site paved parking is provided in front of the buildings. There is buffer landscaping, fencing, usable yard and landscaped areas at the subject site.

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 24,272 square feet,

with a Net Rentable area of 23,760 square feet. The complex efficiency rate is 97.89%. Parking consists of 53 open, paved parking spaces, and 30 of the units have head bolt heater plug-ins with in-unit controls.

Each building has three 1 bedroom, one bath units, and 12 two bedroom, one bath units. The top floor units have decks and fireplaces. The middle floor units have decks. The one bedroom units have breakfast bars and the two bedroom units have kitchen pantries and a dining area. Amenities in each unit include a full bath, a dining area, ample closet space, dishwashers, and a head bolt heater outlet with in unit controls. The one bedroom units in building 3700 do not have decks. Each unit is individually metered for electric, therefore electric is a tenant expense. The rents include heat, water and sewer, and rubbish disposal.

I personally inspected 7 units including #3, #5, #7 and #13 in building 3700 and Units #B, #J and #K in Building 3720. In addition, the laundry and utility rooms in each building were also viewed. All of the units viewed present average to above average interior condition, overall. One 1-Bedroom unit was vacant, and was being readied for a new tenant at of the time of my inspection.

A Property Condition Report dated March 19, 2015 by Focus Inspections was reviewed. The Summary Report is provided in the addendum. The subject appears to be in 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 Significant Repair items is provided in Summary Format in the addendum, and include installation of smoke detectors, carbon monoxide detectors and ground fault circuit interrupters; repair of electrical deficiencies, repair of the retaining wall in building 3720, and service of the boilers and hot water heaters. Appraisal is subject to completion of all Life, health and Safety repairs and Significant Repair Items. The subject property is appraised under a *Hypothetical Condition*, "As Complete" with all Life, Health and Safety Repairs and plumbing items. If a later report indicates any additional Life, Health, Safety or structural deficiencies, I reserve the right to revise this report accordingly.

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:	38,110 *SF / 24,272 SF*	*1.57 to 1*
Site Coverage:	*24,272 SF / 38,110 SF*	*63.69%*
Building Efficiency:	*23,760 SF / 24,272 SF*	*97.89%*
Actual Age:		*-37- YEARS*
Effective Age:		*25 YEARS*
Estimated Remaining Economic Life:		*35-40 YEARS*

Structure

The basic structure of each building is a 2 story plus basement, wood framed apartment building. The foundation has a masonry block system along the perimeter of the building and there is a concrete slab floors. Exterior walls are 2" by 6" wood studs covered with T1-11 siding. The buildings were painted in 2014. Each roof is gable style and are reportedly in fair condition and have gutters installed. Flooring on the upper levels are wood joists with plywood underlayment.

Interior Finish

Interior wall partitioning is 2" x 6" stud construction, covered with 5/8 inch gypsum board. Walls and ceiling coverings are taped, textured and painted. The main living areas have carpet or wood laminate flooring with pad. The kitchens, unit entry and bathrooms have vinyl floor covering. All kitchens are improved with an electrical range/oven with fan/hood, dishwasher, and a refrigerator. The counter tops are laminate, the cabinets are in overall average condition. The two bedroom units have kitchen pantries and the one bedroom units have breakfast bars. Tub and shower enclosures in each unit's bathroom have composite 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 and raised panel doors in wood frames. Several of the units viewed have newer paint and flooring. Almost all of the upper level units have covered decks off the living areas accessed by sliding glass or French doors. The top floor units have fireplaces, except for the one bedroom units. The interior of the units reflect average to above average condition, overall, and have been adequately maintained (see photos). In general, the interior finish of the building has average cost of materials and average quality workmanship.

Mechanical, Plumbing and Electrical

Each building has a mechanical room with two or three boilers which heats the building via a hot water hydronic heat, and one high recovery gas fired hot water heaters. Electrical and plumbing are assumed to be installed to code and commensurate with the overall quality of the project. Each laundry room has three sets of coin operated washers and dryers operated by Reliable who splits the laundry income with the owner of the subject. Each unit is improved with a three fixture bathroom and a two fixture kitchen. Tub enclosures have tile, plastic, tile or composite surrounds. All wiring is assumed to meet code at the time of construction. The subject units have individual electric meters therefore electric is a tenant expense.

Site Improvements

The subject is improved with asphalt paved drives, designated parking, lighting, concrete walks, and landscaping.

Americans with Disabilities Amendment

The subject was constructed in 1978, 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 average to above average condition, overall. The units have above average amenities, including decks, breakfast bars or kitchen pantries, some fireplaces and ample closet space. The subject is expected to remain a competitive project in the Anchorage rental market.

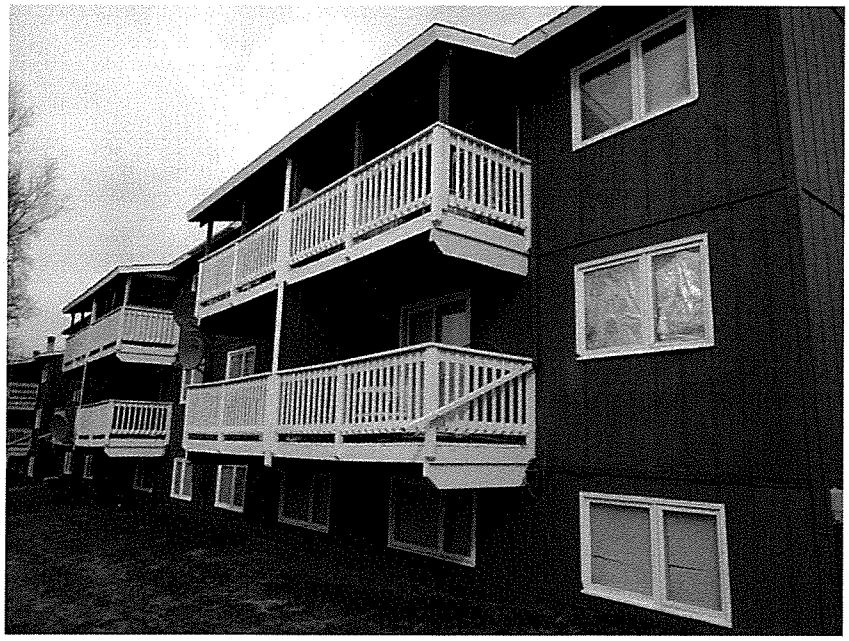
Subject Photos

Subject Building 3700 Front View

Subject Building 3700 Rear View

Subject Photos

Subject 3720 Building Front View



Subject Building 3720 Rear View

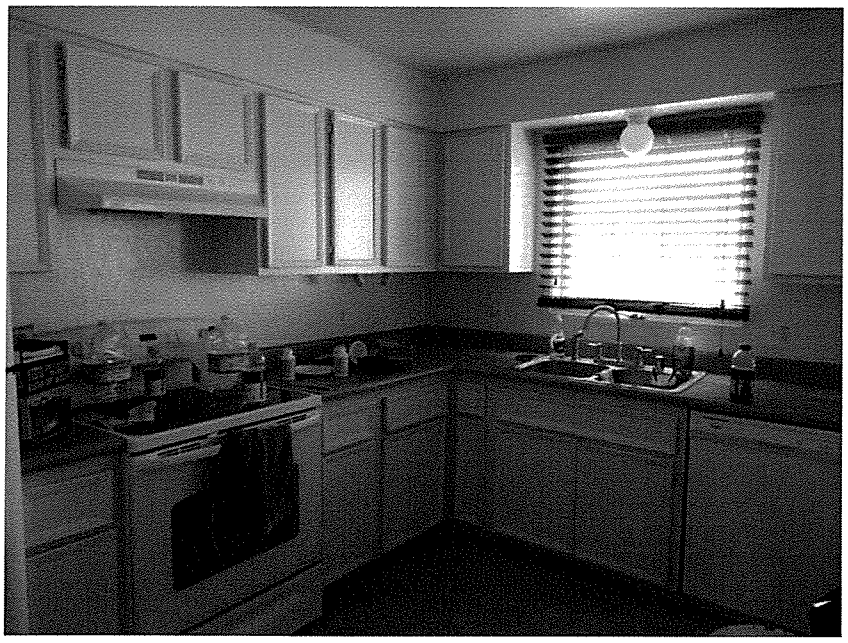
Subject Photos

Subject Typical Hallway

Subject Typical Kitchen- Two Bedroom Unit

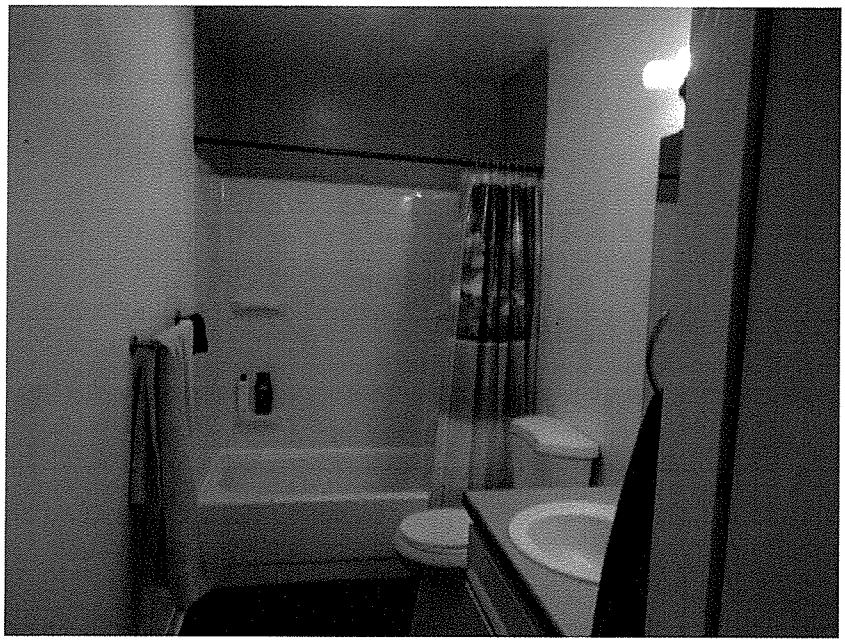
Subject Photos

Subject Typical Kitchen – Two Bedroom Unit

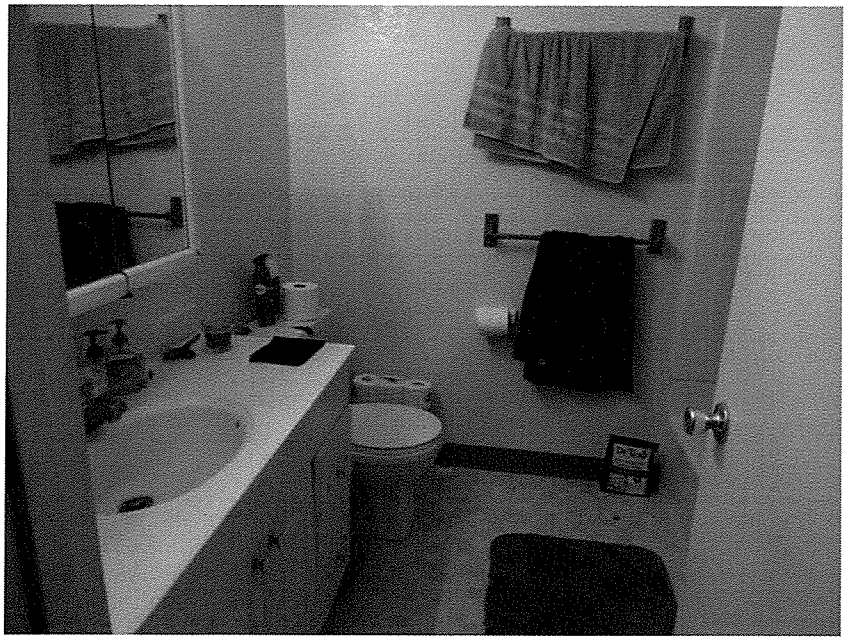


Subject Typical Kitchen – One Bedroom Unit

Subject Photos



Subject Typical Bath



Subject Typical Bath

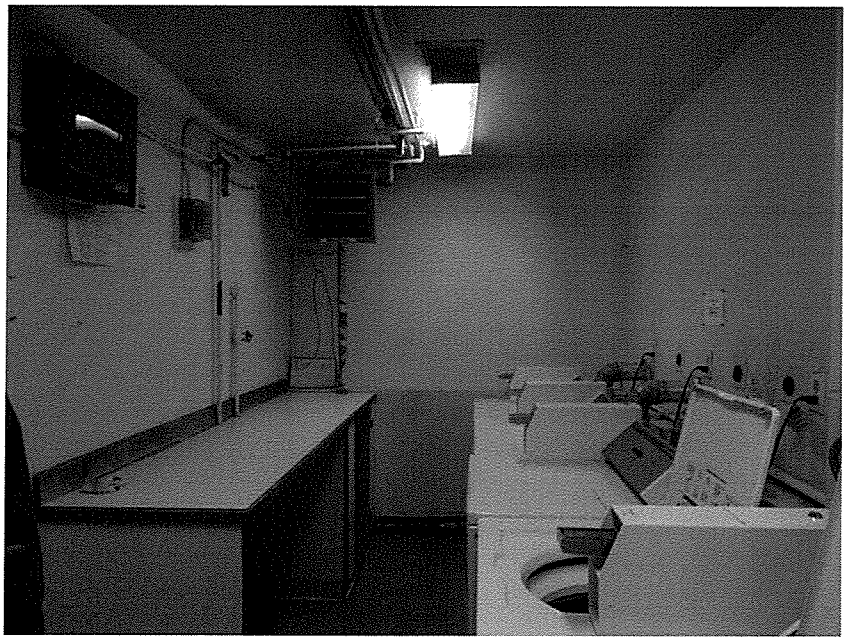
Subject Photos

Subject Typical Bath

Typical Living Room

Subject Photos

Typical Dining and Kitchen Area



Typical Laundry Room

5. Health & Safety

INSPECTION SUMMARY

LIFE SAFETY

1. Ensure each unit of each building has a carbon monoxide detector installed in the common area living space or hallway of the unit.
2. The rear exterior and not all kitchen countertop outlets have GFCI protection installed. Inshore all exterior outlets, and all outlets that serve any kitchen countertop have functioning GFCI protection.
3. The kitchen stoves do not have the anti-tip bracket installed. Install a proper anti-tip bracket on each kitchen stove.
4. Exposed electrical wires in the laundry room of building 3700 should be protected within conduit.
5. Repair hole in the sheet rock of the ceiling in the boiler room of building 3720 to provide proper fire resistance.
6. 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. The supporting retaining wall for the exterior stairway on the left side of building 3720 has failed. It appears repairs are currently in progress. Repair to ensure stairway is adequately supported.
2. The bathroom sink drain in unit 7 and 15 has a section of corrugated drainpipe which is not permitted. Replace corrugated drainpipe with smoothbore rigid drainpipe.
3. Replace the broken window pane in unit 5.

4. Unit 13 has minor moisture detected under the floor coverings at the base of the toilet. Re-seat toilet with new wax ring seal.
5. The garbage disposal housing is cracked through in unit 15. Replace disposal.
6. The bathroom sink in unit 15 has significant rust in the basin, and the bathroom sink in unit J is rusted through at the overflow. Replace sinks.
7. The entry door for unit K is damaged where the lock set is installed. Repair or replace door.
8. The bathroom exhaust fan directly inside the attic hatch for a building 3720 is not connected to the roof top termination vent and the fan assembly is not properly insulated. Connect ducting and insulate fan assembly.
9. The lower-level units in these buildings do not have a proper termination vents for the kitchen exhaust on the exterior. Install proper termination vents.

6. Pro-Forma

AHFC #274726 Kona, LLC

Pro Forma

Rental In.	From Bedrooms	Sq.Ft.	# of Units Units	Unit Rent	Gross Annual
	1	576	6	$900.00	$ 64,800.00
	2	846	16	$1,000.00	$ 192,000.00
	2	846	8	$1,050.00	$ 100,800.00

Common Area			
Total Square Foortage	23760		
Total Rental Income		30	$ 357,600.00
			$ 357,600.00
Less Vacancy & Credit Loss		5.0%	$ 17,880.00
Effective Gross Income			$ 339,720.00
Total Adjusted Income			$ 339,720.00

EXPENSES			
Management/Admin	$30,400	8.95%	%EGI
Insurance	$11,399	$380	per unit
Taxes	$32,900		
Utilities	$42,000	$1.77	per square foot
Maintenance & Repairs	$18,000	5.30%	%EGI
Replacement/Reserves	$10,600	$ 353.33	per unit
Total Expenses	$145,299	$4,843.30	per unit
% of EGI	42.77%		
Net Operating Income	**$194,421**		
Mortgage	$135,404	$1,500,000 @ 5.875% over 30 yrs/10 yr balloon	
		$175,0000 @ 11% over 10 yrs	
DSCR	**1.44**		
Net Cash Flow	$59,017		
Income Decrease=	17.37%		
Expense Increase=	40.62%		
Vacancy Increase=	21.50%		

REPORT TO THE BOARD

DATE: July 29, 2015
ITEM: Identity Theft/Red Flags Program Update **Staff: Dianna Erwin**

BACKGROUND:

The Federal Trade Commission (FTC) estimates 9 million Americans have their identity stolen each year. Because the cost to individuals and businesses can be staggering, the FTC and several other agencies created the Red Flags Rule which requires some businesses to implement a program to help prevent the crime of identity theft and mitigate its damage. In September of 2011, AHFC determined it was, by definition, a "creditor" under the FTC rule and that it was a business that must comply with the Fair and Accurate Credit Transaction (FACT) Act by developing an "Identity Theft Red Flags Program."

The Corporation previously determined that it is at low risk for identity theft for the following reasons: (1) it has not experienced an incident of identity theft; (2) it handles relatively few loans covered under the rule; (3) the bulk of the loans covered under the rule are underwritten by AHFC approved lenders, thereby reducing the risk of identity theft; and (4) the Corporation is in a business where identity theft is uncommon.

According to the FTC, when a business is at low risk for identity theft, complying with the Rule is straightforward:

- a business, even a business at low risk, is required to have a written program
- the program should focus on responding to a claim of potential identity theft

Therefore, to comply with the Rule, AHFC has established, in writing, an Identity Theft Red Flags Program. The administration of the program requires the following:

- address matters such as the effectiveness and procedures of the program
- monitor AHFC service providers
- evaluate significant incidents involving Identity Theft/Data Fraud and resolution
- address material program changes
- report activities to the Board annually

REPORT:

Since our last report, AHFC's Identity Theft Red Flags Program has been administered and evaluated as follows:

- there have been no reported incidents of identity theft

- the Red Flags Program is discussed with mortgage staff, at minimum, annually
- new hires are provided the Identity Theft Red Flags Program policy for review and acknowledgment
- service providers, e.g. lenders and servicers are reviewed on an ongoing basis
- according to the information found at the FTC website for the Red Flags Program, there have been no material changes to the program
- over the reporting period, the mortgage department has developed two new documents, implemented a new policy, and addressed electronic security to help prevent and mitigate identity theft:
    - mortgage developed two forms that are used with all Direct (in-house) Multifamily loan originations: (1) Authorization to Release Information, and (2) Proof of Identity Statement
    - mortgage staff monitors the CFPB Consumer Complaint Database on an on-going basis
    - an application for secure electronic file transfers (Biscom) is available on all mortgage PCs

Attached:
AHFC – Identity Theft Red Flags Program

Alaska Housing Finance Corporation

Identity Theft Red Flags Program

Scope of Program

Identity theft and related fraud has become a national concern to the financial services industry. The Alaska Housing Finance Corporation (the "Corporation") has an affirmative and continuing obligation to protect the privacy of its borrower's and other customers' ("Borrowers") nonpublic personal information and, therefore, is committed to providing them with prudent identity theft protection. Identity theft has the potential to cause personal and financial harm to our Borrowers, while at the same time damaging the Corporation's reputation, and placing the Corporation at financial risk.

The Corporation has historically taken comprehensive measures to maintain customer confidentiality and the security of personal information entrusted to the Corporation. Therefore, the Corporation is committed to, as an enhancement (the "Program') to its existing measures, taking reasonable steps to protect the privacy and non-public personal information of its customers.

Background

The Federal Trade Commission, (FTC), the federal bank regulatory agencies, and the National Credit Union Administration (NCUA) have issued regulations (the Red Flags Rules, "RFR") requiring financial institutions and creditors, with "covered accounts", to develop and implement written identity theft prevention programs, as part of the Fair and Accurate Credit Transactions (FACT) Act of 2003.The program must provide for the identification, detection, and response to patterns, practices, or specific activities – known as "red flags" – that could indicate identity theft. The regulations became effective on January 1, 2008, with an initial mandatory compliance date of November 1, 2008. After numerous extensions, compliance with the RFR was to take place by January 1, 2011.

COMPLIANCE WITH RED FLAG IDENTITY THEFT PREVENTION & DETECTION REQUIREMENTS

Under the rules, a creditor is defined as any entity that regularly extends, renews, or continues credit to its customers; any entity that arranges for such credit, or any assignee of an original creditor who is involved in a decision to extend, renew, or continue credit. It is further defined that a creditor is an entity that uses consumer reports in connection with a credit transaction, provides information to consumer reporting agencies in connection with a credit transaction, or advances funds to or on behalf of an individual in exchange for an obligation of the person to repay the funds.

Under the rules, a covered account is defined as: (1) consumer accounts (primarily for personal, family, or household purposes) designed to permit multiple payments or transactions, and (2) any other account for which there is a reasonably foreseeable risk of identity theft. Covered accounts include credit card accounts, mortgage loans, automobile loans, margin accounts, cell phone accounts, utility accounts, checking accounts, and savings accounts.

The rules provide for flexibility of an organization's program, depending on the nature of the organization and on the degree or risk for identity theft. A low-risk organization's program may be relatively simple. Guidelines for determining a propensity for low risk for identity theft include: (1) do you know your clients personally?; (2) do you usually provide your services at your customers' homes?; (3) have you ever experienced an incident of identity theft?; and (4) are you in a business where identity theft is uncommon?

Corporation's Determination

The Corporation has determined that it falls within the definition of creditor, as it uses consumer reports in connection with a credit transaction. The Corporation processes a relatively small number of mortgage loans that fall within the definition of covered accounts. These consist of: (1) first residential mortgage loans, originated by the Corporation's approved lenders, wherein the Corporation may jointly, with the lender, fully underwrite the loans, prior to purchasing them (these account for approximately 10 loans a year); (2) 2nd residential, relatively low risk, low balance, home improvement loans, originated by a Corporation's approved lender, wherein the Corporation may jointly, with the lender, fully underwrite the loans, prior to purchasing them (these account for approximately 60 loans annually for the last three years, but due to an affiliated program's lack of funding, demand has substantially dropped in 2011); and (3) the Corporation, under its Multi-Family program directly originates first and second mortgages; as well as, jointly, with the lender, fully underwrites first mortgage loans originated by the Corporation's approved lenders, prior to purchasing them (both direct and lender originated loans account for approximately 40 loans annually). In very rare cases, the Corporation services these loans in-house, but the vast majority is serviced under contract by third-party approved servicers.

Finally, the Corporation has determined that it is at low risk for identity theft for the following reasons: (1) the Corporation has not experienced an incident of identity theft; (2) it handles relatively few loans that meet the definition of Covered Account; (3) many of these loans are also underwritten by an AHFC approved lender, thus reducing the risk of identity theft; and (4) the Corporation is in a business where identity theft is uncommon.

Program Administration

The Corporation's Board of Directors has approved the Program and delegated administration of the Program to the Deputy Executive Director (Program Administrator). The Program Administrator will be responsible for the development, implementation, and maintenance of the Program and related procedures, as well as ongoing compliance with the FACT Act and the FCRA.

The Program Administrator will periodically review the Covered Account listing in the FACT Act to determine if the Corporations' Covered Account, as afore-stated, remains accurate due to changes in loan product offerings or other relevant changes. Additionally, the Program Administrator will periodically review the Relevant Red Flags to determine if they remain accurate.

The Program Administrator will coordinate any necessary staff training, monitor Program compliance, review reports regarding the detection of any instances of Identity Theft, and supervise steps taken to resolve such instances and prevent future occurrences.

The Program Administrator may, as deemed necessary, implement changes to the Program including, but not limited to: 1) the list of Covered Accounts and the list of potential Red Flags; and 2) those needed to reflect changes in risks to Borrowers or to the Corporation, based on factors such as:

- the Corporation's experiences with Identity Theft/Data Fraud;
- changes in methods of Identity Theft/Data Fraud;
- changes in methods to detect, prevent, and mitigate Identity Theft/Data Fraud;
- changes in the types of Covered Accounts that the Corporation offers or maintains; or
- changes in business arrangements, including Service Provider arrangements.

Program

This Program is established to:

- identify relevant Red Flags for Covered Accounts;
- detect Red Flags;
- respond appropriately to Red Flags to prevent and mitigate Identity Theft in connection with the opening of new Covered Accounts;
- reduce or eliminate potential risks to the Corporation; and,
- ensure the Program and procedures are updated periodically to reflect changes in risks to Borrowers and the Corporation.

Identifying Relevant Red Flags

The Corporation will examine each type of Covered Account for relevant Red Flags by:

- identifying which functional areas within the Corporation offers and/or maintains Covered Accounts;
- considering the methods used to open a Covered Account;
- considering the methods used to access a Covered Account; and,
- considering previous experiences with Identity Theft.

Risk Assessment

The Corporation will conduct a risk assessment on each type of Covered Account that includes:

- Credit risk - Identity Theft that may result in loan fraud;
- Financial risk - Borrower Identity Theft or erroneous data that could have a significant impact on the Corporation's earnings and/or capital;
- Reputation risk - Developing and maintaining marketplace confidence in handling a Borrowers' financial transactions and confidential information; and,
- Strategic risk - Failure to accomplish complete, satisfactory handling of Customer information may result in diversion of management attention to address Identity Theft which may, in turn, impact the Corporation's ability to devote sufficient time to fulfilling its core mission.

Detecting Red Flags

The Corporation is committed to detecting situations in which Identity Theft might occur. The Corporation will combat Identity Theft by detecting Red Flags in connection with the

opening of new Covered Accounts. In developing this list, Corporation management and staff will incorporate relative insights regarding Red Flags from sources such as:

- incidents of Identity Theft/Data Fraud in which the Corporation was involved, if any;
- alerts, notifications, or other warnings received from consumer reporting agencies or fraud detection services;
- the presentation of suspicious supporting documents;
- the presentation of suspicious personal identifying information;
- notification from Borrowers, victims of Identity Theft, law enforcement authorities, or other persons regarding possible Identity Theft in connection with Covered Accounts held by the Corporation; and

Examples of Red Flags from each of these categories are detailed in Exhibit A. This list will be updated with additional Red Flags as they are discovered.

Responding to and Mitigating Instances of Identity Theft or Data Fraud

Should an instance of suspicious activity that could be Identity Theft or Data Fraud occur, the Corporation will take immediate actions to either prevent or mitigate the situation. Toward this goal, the Corporation will provide appropriate responses to the Red Flag as follows:

- monitor Covered Accounts for evidence of Identity Theft/Data Fraud;
- contact the Borrower;
- notify law enforcement.; and/or
- determine that no response is warranted under the particular circumstances.

The Corporation's response to these Red Flags will be commensurate with the degree of risk posed to either the Borrower or the Corporation based on the Corporation's risk assessment.

Service Provider(s)

The Corporation will oversee our Service Providers who perform origination or servicing activity in connection with one or more Covered Accounts. The Corporation will take steps to ensure that the activity of the Service Provider is conducted in accordance with reasonable policies and procedures designed to detect, prevent, and mitigate the risk of Identity Theft/Data Fraud.

All Service Providers will be required to assure the Corporation that the Service Provider:

- has policies and procedures in place to detect relevant Red Flags that may arise in the performance of their activities;
- will report any incidents of Red Flags relative to the Corporation's Covered Accounts to the Corporation; and
- will take appropriate measures to prevent or mitigate Identity Theft/Data Fraud.

Staff Training

As applicable, Corporation staff will be trained to effectively implement the Identity Theft Red Flags Program and procedures to follow when a Red Flag is detected. As applicable, periodic training will occur thereafter to acquaint staff with Program changes, as well as provide reminders of the regulatory requirements.

Audit

The Corporation's Internal Audit Department will initiate periodic reviews of Program and its procedures to determine the effectiveness of the Program.

The Program Administrator will report activities under the Program, at least annually, to the Board of Directors. The report will address material matters related to the Program and evaluate issues such as:

- the effectiveness of the Program and underlying procedures in addressing the risk of Identity Theft/Data Fraud in connection with the opening of Covered Accounts.
- Service Provider monitoring and findings;
- significant incidents involving Identity Theft/Data Fraud and the resolution of those incidents; and
- material Program changes that have been implemented.

EXHIBIT A

Potential Red Flags

Alerts, Notifications or Warnings from a Consumer Reporting Agency

A fraud or active duty alert is included with a consumer report.

A consumer reporting agency provides a notice of credit freeze in response to a request for a consumer report.

A consumer reporting agency provides a notice of address discrepancy.

A consumer report indicates a pattern of activity that is inconsistent with the history and usual pattern of activity of an applicant or customer.

A recent and significant increase in the volume of inquiries.

An unusual number of recently established credit relationships.

A material change in the use of credit, especially with respect to recently established credit relationships.

An account that was closed for cause or identified for abuse of account privileges by a financial institution.

Suspicious Supporting Documents

Documents provided for identification appear to have been altered or forged.

The photograph or physical description on the identification is not consistent with the appearance of the applicant or customer presenting the identification.

Other information on the identification is not consistent with information provided by the person opening a new covered account or customer presenting the identification.

An application appears to have been altered or forged, or gives the appearance of having been destroyed and reassembled.

Suspicious Personal Identifying Information

Personal identifying information provided is inconsistent when compared against external information sources used by the Corporation. For example:

- the address does not match any address in the consumer report, or
- the Social Security Number (SSN) has not been issued, or is listed on the Social Security Administration's Death Master File.

Personal identifying information provided by the customer is not consistent with other personal identifying information provided by the customer. For example, there is a lack of correlation between the SSN range and date of birth.

Personal identifying information provided is associated with known fraudulent activity as indicated by internal or third party sources used by the Corporation or Service Provider. For example:

- the address on an application is the same as the address provided on a fraudulent application,
- the phone number on an application is the same as the number provided on a fraudulent application.

Personal identifying information provided is of a type commonly associated with fraudulent activity as indicated by internal or third party sources used by the Corporation. For example:

- the address on an application is fictitious, a mail drop, or prison,
- the phone number is invalid, or is associated with a pager or answering service, or
- the SSN provided is the same as that submitted by other persons opening an account or other borrowers.

The address or telephone number provided is the same as or similar to the account number or telephone number submitted by an unusually large number of other persons opening accounts or other borrowers.

The person opening the covered account or the customer fails to provide all required personal identifying information on an application or in response to notification that the application is incomplete.

Personal identifying information provided is not consistent with personal identifying information that is on file with the Corporation.

Notice from Borrowers, Victims of Identity Theft, Law Enforcement Authorities, or Other Persons Regarding Possible Identity Theft in Connection with Covered Accounts Held by the Authority.

The Authority is notified by a customer, a victim of identity theft, a law enforcement authority, or any other person that it has opened a fraudulent account for a person engaged in identity theft.

It is not necessary to implement all of these Red Flags. This is a potential list and may be changed based on an internal risk assessment. The first step is to identify what the Authority is doing currently and then identify any Red Flag compliance that should be adopted, if any.

ALASKA HOUSING FINANCE CORPORATION
BOARD CONSIDERATION MEMORANDUM

Date: July 29, 2015 **Staff:** Catherine Stone

Item: Approval of Amendment One to the FY2016 Moving to Work Plan

---

Background

The proposed amendment was developed as part of AHFC's Moving to Work Plan Activity 2014-1 Reasonable Rent and Family Self-Sufficiency Initiative. The proposed amendment revises the Family Self-Sufficiency Program and expands it to all AHFC public housing and housing choice voucher jurisdictions.

Currently, the Family Self-Sufficiency Program is limited to the Anchorage and Juneau jurisdictions as that is where available FSS staff is located. The program was expanded to include southeast Alaska communities, and these are served from the Juneau office. AHFC also works with the Division of Public Assistance (DPA) under the YES Program whereby AHFC and DPA identify their mutual clients, and DPA provides the case management piece.

The redesigned FSS Program addresses AHFC's MTW statutory goal to give incentives to families with children whose head of household is either working or seeking work or participating in programs that assist them to become economically self-sufficient.

Jumpstart Overview

In order to encourage and facilitate economic self-sufficiency, AHFC has developed the Jumpstart Program which offers intensive case management as well as educational, employment, and financial incentives to families. The Jumpstart Program has two levels of participation: Level One for intensive case management and Level Two for family-directed activities and incentives.

Jumpstart will be available in every AHFC housing choice voucher and public housing jurisdiction. Case management will be accomplished through a mix of dedicated FSS staff and housing management staff. Local AHFC representatives will process family requests for incentives.

AHFC will be tracking changes in average family income, full-time employment, and participation numbers as part of its MTW reporting.

Jumpstart Level One

This level includes families automatically enrolled in Jumpstart due to a shelter burden of greater than 50 percent of monthly income. These families will sign a Jumpstart Participation Agreement and receive intensive case management. This includes the establishment of family goals, family rights and responsibilities, and individual training and

service plans for each participating adult member. Families may identify and complete goals that qualify them for financial incentives.

Families that decline participation in Level One will still be eligible to participate in Level Two.

Jumpstart Level Two

At this level, families are largely self-directed (although they can ask for assistance or guidance from FSS staff) and can take advantage of financial incentives. Incentives are organized under work, education, and long-term categories. Available incentives include:

- Work – initial and sustained employment
- Education – tuition, GED, and college/vocational course completion
- Long-Term – a savings match program to encourage budgeting, long-term planning, and savings.

Public Input

Amendment One to the FY2016 Moving to Work Annual Plan was posted on its web site on June 19, 2015 for the required 30-day public comment period with the comment period closing at Noon on July 20, 2015. Notification of the plan was made through public notices published on AHFC's web site and a display ad published in the *Alaska Dispatch News* announcing the plan and public hearing date.

The public hearing was held on July 9, 2015 with a court reporter transcript as documentation. Members of the Resident Advisory Board attended.

A Resident Advisory Board meeting was held July 15, 2015, and members were encouraged to offer comments. Members supported the expansion of both the available jurisdictions and types of incentives.

Staff Recommendation

Staff recommends Board approval of the attached resolution that approves its Amendment One to the FY2016 Moving to Work Plan.

Board Action Requested

Adoption of the attached resolution is requested.

ALASKA HOUSING FINANCE CORPORATION
RESOLUTION NO. 2015-24

APPROVAL OF AMENDMENT ONE TO
THE FY2016 MOVING TO WORK PLAN

WHEREAS, the Alaska Housing Finance Corporation, a statewide public housing agency, developed its Public Housing Division Moving to Work (MTW) Plan in compliance with the June 24, 2008 Moving to Work Agreement executed by the U.S. Department of Housing and Urban Development (HUD) and AHFC; and

WHEREAS, the FY2016 Moving to Work Annual and Capital Fund Plan was approved by the AHFC Board of Directors on April 29, 2015; and

WHEREAS, the scope of the plan covers activities falling within the Public Housing Program, the Capital Fund Program, and the Housing Choice Voucher program, including but not limited to rental subsidy, operations, administration, and modernization as expressly outlined in the MTW Agreement; and

WHEREAS, Amendment One to the FY2016 Moving to Work Plan includes a revised activity, 2014-1d Jumpstart Program, to revise and expand the Family Self-Sufficiency Program; and

WHEREAS, AHFC sought input on its revised Family Self-Sufficiency Program from other Moving to Work housing authorities, community advocates, State agencies, and service providers; and

WHEREAS, in accordance with the MTW Agreement, a draft plan was published on June 19, 2015 allowing for a 30-day comment period with a public hearing held on July 9, 2015; and

WHEREAS, AHFC invited comment through notices posted on its website and notices in the *Alaska Dispatch News*; and

WHEREAS, responses to public comments are contained within the plan;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Alaska Housing Finance Corporation hereby recommends said plan and directs staff to submit it to the U.S. Department of Housing and Urban Development for approval.

This resolution shall take effect immediately.

PASSED AND APPROVED this 29th day of July, 2015.

_____

Frank Roppel, Chair
Board of Directors

Moving to Work Plan
FY2016
Public Housing Division

Original Submission:
- Public Comment: March 5, 2015
- Public Hearing: March 12, 2015
- Board Approval: April 29, 2015
- To HUD: May 1, 2015

Amendment One:
- Public Comment: June 19, 2015
- Public Hearing: July 9, 2015
- Board Meeting: July 29, 2015

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I. Introduction

A. Table of Contents

B. Goals 7
B.1 Overview 7
B.2 Long Term Plan 8

II. General Housing Authority Operating Information 9

A. Housing Stock Information 9
A.1 Planned New Public Housing Units to be Added During the Fiscal Year 9
A.2 Planned Public Housing Units to be Removed During the Fiscal Year 9
A.3 New Housing Choice Vouchers to be Project-Based During the Fiscal Year 9
A.4 Other Changes to the Housing Stock Anticipated During the Fiscal Year 10
A.5 General Description of All Planned Capital Fund Expenditures During the Plan Year 10

B. Leasing Information 10
B.1 Planned Number of Households Served at the End of the Fiscal Year 10
B.2 Reporting Compliance with Statutory MTW Requirements 11
B.3 Description of any Anticipated Issues Related to Leasing of Public Housing, Housing Choice Vouchers, and/or Local, Non-Traditional Units and Possible Solutions 11

C. Wait List Information 11

III. Proposed MTW Activities 12

2014-1d Jumpstart Program 12

2016-1 Housing First Sponsor-Based Assistance RFP 16

IV. Approved MTW Activities 17

A. Implemented 17
2010-5 HQS Inspections 17
2010-6 HQS Inspections on AHFC Properties 18
2010-7 Project-Based Vouchers – Owner-Managed Waiting Lists 20
2010-9 Prisoner Re-Entry 21
2010-10 Moving Home Program 22
2011-1 Simplification of Utility Allowance Schedules 24
2011-2 Local Payment Standards 25
2011-3 Project-Based Vouchers – Waiver of Tenant-Based Requirement 26
2011-5 Project-Base Vouchers at AHFC Properties and Exceed 25 Percent Limit per Building 27
2012-1 Raise HCV Maximum Family Contribution at Lease-Up to 50 Percent 28
2012-2 Nonpayment of Rent 29

2012-4 Sponsor-Based Rental Assistance Program, Karluk Manor 31
2013-1 Youth Aging Out of Foster Care 31
2013-2 Empowering Choice Housing Program (ECHP) 33
2014-1 Reasonable Rent and Family Self-Sufficiency Initiative 34
2014-1a Population Definitions 39
2014-1b Minimum Rent 39
2014-1c Utility Reimbursement Payments 40
2014-1d Jumpstart Program 40
2014-1e Family Choice of Rent and Flat Rents 41
2014-1f Ineligible Noncitizen Proration 41
2014-1g Annual Recertification Requirement 42
2014-1h Annual and Adjusted Annual Income Calculation 42
2014-1i Portability 43
2014-1j Income from Assets 44
2014-1k Earned Income Disallowance 45
2014-1l Hardship Policy and Process 47
2014-3 PBV Inspection Requirements 51
2014-4 Ridgeline Terrace and Susitna Square 52

B. Not Yet Implemented 54

C. On Hold 54
2010-11 Project-Based Voucher Assistance in Transitional Housing 54
2010-13 Homeownership Program 55
2015-1 Modify Reasonable Rent Procedure for 5 Percent FMR Decrease 55

D. Closed Out 57
2010-1 Reexamination of Income 57
2010-4 Rent Simplification 58
2010-8 Live-In Aides 58
2010-12 Local Preferences 59
2010-14 AHFC Alternate Forms 59
2011-4 Establish a Sponsor-Based Rental Assistance Program 59
2012-3 Waiver of Automatic Termination of HAP Contract 60
2013-3 Income Limits 60
2014-2 Use of TIC Sheets for PBV Income Calculations 61

V. MTW Sources and Uses of Funds 61

A. Estimated Sources of MTW Funding for the Fiscal Year 61

B. Estimated Uses of MTW Funding for the Fiscal Year 62

C. Activities Using Only MTW Single Fund Flexibility 62

D. Local Asset Management Plan 62

VI. Administrative 62

A.1 Board Resolution 64

A.2 Certifications of Compliance 65

A.3 Board Resolution (Amendment One) 67

B. Public Review Process 68
B.1 Public Notice (FY2016 Plan) 68
B.2 Public Comments from the March 12, 2015 Public Hearing 70
B.3 Written Public Comments (FY2016 Plan) 71
B.4 Public Notice (Amendment One) 71
B.5 Public Comments from the July 9, 2015 Public Hearing 73
B.6 Resident Advisory Board Comments (Amendment One) 73
B.7 Written Public Comments (Amendment One) 73

C. PHA Evaluations 74

D.1 Replacement Housing Factor (RHF) Plan 74

D.2 Non-MTW Activities 75
2014N-1 Smoke Free Housing 76
2014N-2 Electronic Fund Transfers for All HAP Distributions 77

E. Annual Statement/Performance and Evaluation Reports 79

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B. Goals

B.1 Overview

"There is no passion to be found playing small, in settling for a life that is less than the one you are capable of living." ***– Nelson Mandela***

When our fiscal year began in July 2013, we were at the early stages of our Rent Reform program. Almost a year later, by June 2014, we had partially implemented in our voucher program and were readying to begin the public housing implementation. Looking back through this past year, we are feeling positive about our first year's implementation and energized by the challenges and successes that lie ahead. Bearing in mind where we are with Rent Reform and how we can best help those that we serve, this year's plan is once again minimal on new activities, which will allow us to focus our efforts on one of our main objectives – creating opportunities for self-sufficiency.

As the State of Alaska's only Public Housing Authority, we continue to manage approximately 1,600 rental units and administer 4,700 vouchers in Alaska. The numbers tell us that this assistance results in helping over 11,000 Alaskans each day with their housing needs. We are in sixteen locations throughout the state, most of which are only accessible by plane or boat and are separated by hundreds or even thousands of miles. With locations that are above the Arctic Circle and in rain forests that are closer to Seattle than to our headquarters in Anchorage, our management costs are very high. Despite this fact, we strive to provide the best possible service that we can to each family that we assist, regardless of where they live.

Fiscal year 2016 will provide AHFC with its eighth year as a Moving to Work agency. As an MTW Agency, we always keep in mind the three statutory goals:

1. Reduce cost and achieve greater cost effectiveness in federal expenditures;
2. Create incentives for families to work, seek work, or prepare for work; and
3. Increase housing choices for low income families.

This year's plan will once again focus on the Congressional mandate that MTW agencies develop a plan that establishes "A reasonable rent policy, which shall be designed to encourage employment and self-sufficiency by participating families, consistent with the purpose of this demonstration, such as by excluding some or all of a family's earned income for purposes of determining rent."

"There is a point in every contest when sitting on the sidelines is not an option." ***– Dean Smith***

Our guiding principles continue to be as follows:

1. Reforms in the calculation of family income and rent shall be designed with the purpose of reducing administrative costs, making the program more transparent to

the user, and ensuring changes are as close to revenue neutral as possible for families.

2. Provide housing assistance to the neediest, eligible populations in each community, with acknowledgement that multiple "categories" of need exist among extremely low income families.
3. Develop or revise policies that contribute to the achievement of excellence in asset management or administration of the Housing Choice Voucher and Public Housing Programs.
4. Prioritize capital expenditures dictated by physical needs assessments and the opportunity to maximize housing choice among low-income families.

Year in Review

"It is a common insight of psychology that human beings need a sense of efficacy, a feeling that their actions are effective and that they have a meaningful degree of control over their own lives." ***– Edward William Brooke III***

After spending the prior year educating and reaching out to our clients for feedback and information, we turned our attention this year to training our staff. In order to properly implement, we had to make sure those running the program were schooled and prepared for the coming challenges. Toward that goal, we did the following:

- Conducted three full days of statewide training in the fall for all staff. At that training we discussed the recently developed policies, procedures, and forms for rent reform.
- Created an interactive monthly training schedule based on subject matter.
- Hired an outside trainer to conduct specialized customer service training to help staff navigate the frustrations our clients may feel toward the new rent reform program.

B.2 Long Term Plan

For the FY2016 Plan, AHFC plans to have its five goals align with its long term plan. In this section AHFC explains its long-term MTW Plan and includes its non-MTW activities. We believe that the inclusion of both MTW and non-MTW activities in this section clarifies our vision for AHFC and its subsidiary, ACAH.

AHFC's Goals and Proposed Activities

"Things don't have to change the world to be important." ***– Steve Jobs***

<u>Our Proposed FY2016 Goals</u>

1. Reduce cost and achieve greater cost effectiveness in federal expenditures.
2. Create incentives for families to work, seek work, or prepare for work.
3. Increase housing choices for low income families.
4. Maintain stability and be supportive of our elderly and disabled families, while creating administrative efficiencies.
5. Operate our subsidiary, Alaska Corporation for Affordable Housing, to increase the supply of affordable housing in the state of Alaska.

II. General Housing Authority Operating Information

A. Housing Stock Information

A.1 Planned New Public Housing Units to be Added During the Fiscal Year

AMP Name and Number	Bedroom Size							Total Units	Population Type *	# of UFAS Units	
	0	1	2	3	4	5	6+			Fully Accessible	Adaptable
N/A	0	0	0	0	0	0	0	0	N/A	0	0
N/A	0	0	0	0	0	0	0	0	N/A	0	0
N/A	0	0	0	0	0	0	0	0	N/A	0	0
N/A	0	0	0	0	0	0	0	0	N/A	0	0
Total Public Housing Units to be Added									**0**		

AMP 274, Anchorage East

In the FY2014 Plan, AHFC was in the process of securing permission to rezone the public housing property at 1021 Boston Street to build a four-plex in that location. The request was not approved by the Municipality. AHFC is still pursuing options for that parcel.

A.2 Planned Public Housing Units to be Removed During the Fiscal Year

PIC Dev. # / AMP and PIC Dev. Name	Number of Units to be Removed	Explanation for Removal
N/A	0	N/A
N/A	0	N/A
N/A	0	N/A
Total to be Removed	**0**	

A.3 New Housing Choice Vouchers to be Project-Based During the Fiscal Year

Property Name	Number of New PBV Vouchers	Description of Project
Ridgeline Terrace	63	Development of 70 new affordable housing units under AHFC's subsidiary corporation, Alaska Corporation for Affordable Housing. Planned units will be 1- and 2-bedroom with 20 reserved for seniors. Property will be managed by a third party.
Susitna Square	18	Development of 18 new affordable housing units under AHFC's subsidiary corporation, Alaska Corporation for Affordable Housing. Planned units will be 1- and 2-bedroom for families. Property will be managed by a third party.

Anticipated Total New Vouchers to be Project-Based	81	Anticipated Total Number of Project-Based Vouchers Committed at the End of the Fiscal Year	81
		Anticipated Total Number of Project-Based Vouchers Leased Up or Issued to a Potential Tenant at the End of the Fiscal Year	40

A.4 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.

A.5 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 AMP operating costs 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.

B. Leasing Information

B.1 Planned Number of Households Served at the End of the Fiscal Year

MTW Households to be Served Through:	Planned Number of Households to be Served*	Planned Number of Unit Months Occupied/ Leased***
Federal MTW Public Housing Units to be Leased[1]	1,217	14,604
Federal MTW Voucher (HCV) Units to be Utilized[2]	4,221	50,652
Number of Units to be Occupied/Leased through Local, Non-Traditional, MTW Funded, Property-Based Assistance Programs[3]	46	552
Number of Units to be Occupied/Leased through Local, Non-Traditional, MTW Funded, Tenant-Based Assistance Programs[4]	479	5,748
Total Households Projected to be Served	**5,963**	**71,556**

1 – Public Housing (98%)
2 – Moving to Work (98%)
3 – Karluk Manor (100%)
4 – Empowering Choice Housing Program (254), Moving Home Program (150), and Tenant-Based Rental Assistance (75).
Note: NonElderly Disabled (45) and Veterans Affairs Supportive Housing (230) vouchers administrative costs are supported with MTW funds; however, these are not included in the totals.

B.2 Reporting Compliance with Statutory MTW Requirements

N/A

B.3 Description of any Anticipated Issues Related to Leasing of Public Housing, Housing Choice Vouchers, and/or Local, Non-Traditional Units and Possible Solutions

Housing Program	Description of Anticipated Leasing Issues and Possible Solutions
N/A	N/A
N/A	N/A
N/A	N/A

C. Wait List Information

As of 03/01/2014, AHFC had the following waiting list statistics.

Housing Program(s)	Wait List Type*	Number of Households on List**	Wait List Open, Partially Open or Closed***	Are There Plans to Open the Wait List During the Fiscal Year
Anchorage Housing Choice Voucher	Community-Wide	810	Closed	No
Anchorage Public Housing	Community-Wide	1546	Partially Open	Yes
Bethel Public Housing	Community-Wide	40	Open	Yes
Cordova Public Housing	Community-Wide	7	Open	Yes
Fairbanks Housing Choice Voucher	Community-Wide	295	Open	Yes
Fairbanks Public Housing	Community-Wide	106	Partially Open	Yes
Homer Housing Choice Voucher	Community-Wide	58	Open	Yes
Juneau Housing Choice Voucher	Community-Wide	145	Open	Yes
Juneau Public Housing	Community-Wide	239	Partially Open	Yes
Ketchikan Housing Choice Voucher	Community-Wide	113	Open	Yes
Ketchikan Public Housing	Community-Wide	92	Open	Yes
Kodiak Housing Choice Voucher	Community-Wide	28	Open	Yes
Kodiak Public Housing	Community-Wide	43	Open	Yes
Mat-Su Housing Choice Voucher	Community-Wide	548	Closed	Yes
Mat-Su Public Housing	Community-Wide	128	Closed	Yes
Nome Public Housing	Community-Wide	28	Open	Yes
Petersburg Housing Choice Voucher	Community-Wide	3	Open	Yes
Sitka Housing Choice Voucher	Community-Wide	17	Open	Yes
Sitka Public Housing	Community-Wide	54	Partially Open	Yes

Housing Program(s)	Wait List Type*	Number of Households on List**	Wait List Open, Partially Open or Closed***	Are There Plans to Open the Wait List During the Fiscal Year
Soldotna Housing Choice Voucher	Community-Wide	175	Open	Yes
Valdez Housing Choice Voucher	Community-Wide	2	Open	Yes
Valdez Public Housing	Community-Wide	17	Open	Yes
Wrangell Housing Choice Voucher	Community-Wide	6	Open	Yes
Wrangell Public Housing	Community-Wide	26	Open	Yes

***** For Partially Open Wait Lists, provide a description of the populations for which the waiting list is open.**

All partially open waiting lists are for specific bedroom sizes, not populations.

If Local, Non-Traditional Housing Program, please describe:

N/A

If Other Wait List Type, please describe:

N/A

If there are any changes to the organizational structure of the wait list or policy changes regarding the wait list, provide a narrative detailing these changes.

N/A

III. PROPOSED MTW ACTIVITIES

2014-1d Jumpstart Program

Description

This activity was formerly called Family Self-Sufficiency Program. AHFC has operated a voluntary Family Self-Sufficiency Program since 1994. In order to meet the needs of families participating in the Step Program, AHFC proposes to expand its program to all its Public Housing and Housing Choice Voucher jurisdictions, as well as increasing the number of families eligible to participate. This new FSS Program is called Jumpstart. The Jumpstart Action Plan detailing the specifics of program policies and organizational structure is attached.

Statutory Objective

- Reduce costs and achieve greater cost effectiveness in federal expenditures
- Give 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

Anticipated Impact

Analysis of Step Program families (shown in the chart below), shows that 56 percent of families with a work-able adult have no source of earned income. These families are not prepared to transition into the private rental market in their communities.

	Voucher	Public	Total	% Total
Total Step Program Families	1,762	739	2,501	
Households with Wages (W code only)	**711**	**344**	**1,055**	**42.2%**
Wages > $7,750 (20 hrs/wk at $7.75/hr)	635	300	935	37.4%
Wages > $15,500 (40 hrs/wk at $7.75/hr)	429	235	664	26.5%
Wages > $23,250 (60 hrs/wk at $7.75/hr)	229	160	389	15.6%
Wages > $31,000 (80 hrs/wk at $7.75/hr)	86	101	187	7.5%
Households with Wages (All wage codes*)	**748**	**352**	**1,100**	**44.0%**
Wages > $7,750 (20 hrs/wk at $7.75/hr)	655	304	959	38.3%
Wages > $15,500 (40 hrs/wk at $7.75/hr)	431	237	668	26.7%
Wages > $23,250 (60 hrs/wk at $7.75/hr)	229	161	390	15.6%
Wages > $31,000 (80 hrs/wk at $7.75/hr)	86	101	187	7.5%
**incl. W, fed (F)., self-employ. (B), military (M), PHA (HA)*				
Households with No Earned Income	**1,014**	**387**	**1,401**	**56.0%**
TANF (T)	162	73	235	9.4%
TANF (T) and General Assist. (G)	368	125	493	19.7%
Unemployment (U)	156	50	206	8.2%
General assistance (G)	206	52	258	10.3%
Indian Trust (I)	123	75	198	7.9%

AHFC has established a shelter burden calculation to determine family need for services under Jumpstart. Shelter burden is defined as the family's rent portion and utility allowance as a percentage of family monthly income. HFC has established two service levels to better meet the needs of low-income families, Level 1 and Level 2.

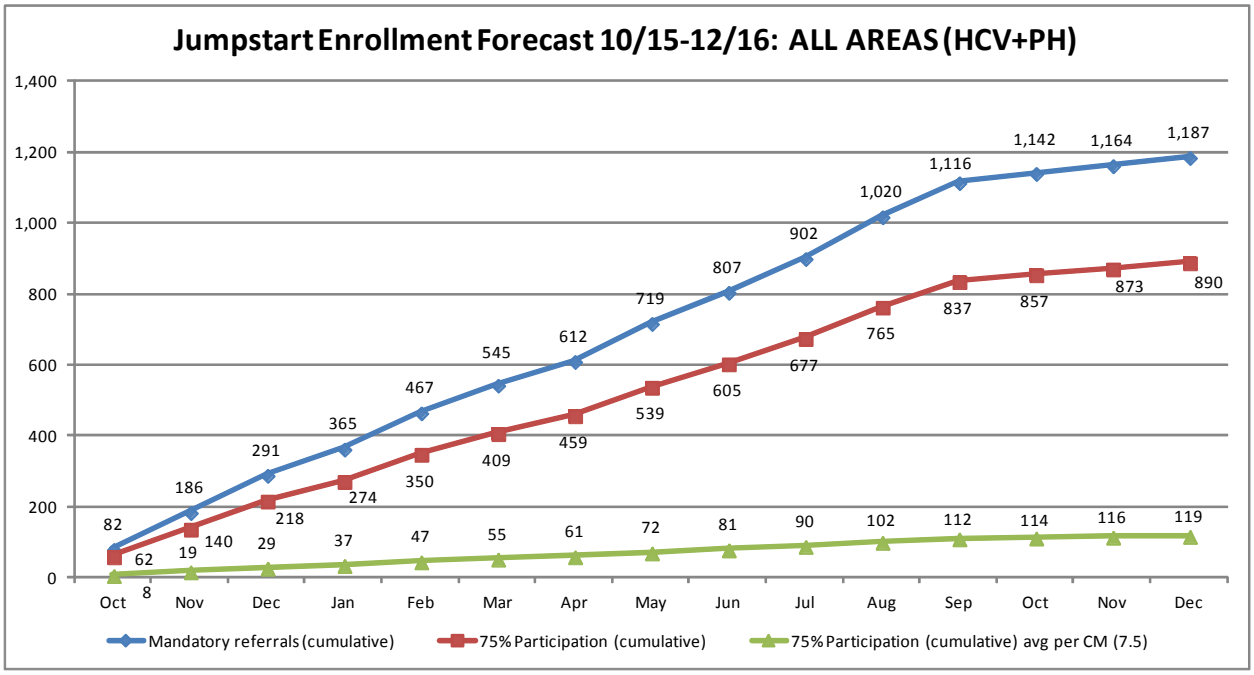
- Level 1 - This level contains financial incentives for participation and/or completion of employment, education, and long-term financial activities along with intensive case management. This program will be managed by AHFC Jumpstart staff and includes frequent monitoring of family goals and activities. Using the shelter burden calculation, Step Program families with the greatest need (shelter burden above 50 percent) will be automatically enrolled in this level. They are prioritized as follows:

    1. Families with a shelter burden of 50 percent or more within thirteen (13) months, or
    2. Families with a shelter burden near 50 percent that identify barriers toward achieving economic independence within their five (5) years of participation.

- Level 2 – This level contains financial incentives for participation and/or completion of employment, education, and long-term financial activities. This program will be managed by the family's local AHFC housing representative with limited case management.

  Families that desire to increase their employment income and work toward economic independence will be offered enrollment in Jumpstart Level 2.

All families may choose to participate or decline without penalty. Analysis of the expected impact of Level 1 enrollments on AHFC staff is shown in the chart below. The graph assumes that approximately 75 percent of all referrals to Level 1 will remain active.



Anticipated Schedule

The following is the suggested implementation timeline.

- Staff training for the new Jumpstart program will be conducted during the Public Housing Division's annual workshop in September 2015.
- Written notification to all current FSS program participants and Moving to Work program participants will be sent in August 2015.
- Beginning October 1, 2015, all families participating in Moving to Work rental assistance will be eligible to enroll in Jumpstart. At regular examinations, each family's shelter burden will be assessed. Families will either be automatically enrolled in Level 1 or provided written information and reminded of the opportunity to enroll in Level 2.

Metrics

All metrics for this sub-activity are shown under Activity 2014-1.

MTW Authorization and Need
Attachment C, paragraph E

Regulation Citation
24 CFR 984 operated in conformance with regulations at parts 5, 882, 887, 960, 966, and 982 (except where specifically exempted by this Plan). Requested waivers to:

- 24 CFR 984.103 – Definition of self-sufficiency; AHFC has developed its own definition
- 24 CFR 984.105 – Minimum program size; AHFC will be expanding the size and jurisdictions under the Jumpstart Program
- 24 CFR 984.202 – Program Coordinating Committee composition; AHFC will be establishing an alternate composition for this committee based on AHFC's geographic challenges
- 24 CFR 984.203 – Family selection; AHFC has defined Jumpstart family selection priorities
- 24 CFR 984.303 – Contract of Participation; AHFC has developed two Agreements for its Jumpstart participants – Jumpstart Participation Agreement (Level 1) and Jumpstart Incentive Eligibility Agreement (Level 2)
- 24 CFR 984.303(a) – Signature of head of household; AHFC is adding a procedure for an alternate head of household
- 24 CFR 984.303(b)(2) – Independence from welfare assistance; AHFC is waiving this condition for fulfillment of a Jumpstart Agreement
- 24 CFR 984.303(b)(4) – Suitable employment; Any adult family member who signs the Agreement can fulfill this requirement.
- 24 CFR 984.303(c) – Contract term; the Jumpstart Agreement will coincide with the Step Program family's subsidized housing term (this may be less than 5 years)
- 24 CFR 984.303(d) – Contract extension; AHFC Jumpstart staff may extend an Agreement at their discretion or if authorized by the Bridge Committee
- 24 CFR 984.303(d)(5)(iii) – Consequences of noncompliance; AHFC will not terminate a family's rental assistance for failure to comply with their Agreement
- 24 CFR 984.303(g) – Completion; An Agreement is complete when the family has fulfilled all of its obligations under the Agreement and the family must be in good standing with AHFC the month they complete the Agreement
- 24 CFR 984.304 – Total tenant payment; AHFC will calculate total tenant payment in compliance with policy in its Housing Choice Voucher Administrative Plan and Public Housing Program Admissions and Occupancy Policy
- 24 CFR 984.305 – FSS Account; AHFC will not offer an FSS Account. AHFC has developed an alternate system of incentives
- 24 CFR 984.306 – Residency and portability requirements; families are not eligible to port Jumpstart participation. Families are not eligible to port FSS Program participation into AHFC's jurisdiction. AHFC will not accept FSS Account balances from other PHAs. Jumpstart incentives must be earned while in an AHFC jurisdiction.

2016-1 Housing First Sponsor-Based Assistance RFP

Description

Under the Moving to Work Demonstration Program, approved housing authorities have the authority to fund rental assistance outside of Section 8 and 9 regulations under the 1937 Housing Act. Based on its success with the Housing First project, Karluk Manor in Anchorage (see Activity 2012-4), AHFC is proposing to offer additional rental assistance using authority granted under Attachment D to provide long-term rental assistance for Alaskan developments using the Housing First model.

A Housing First development moves a homeless individual or household immediately from the streets or homeless shelters into his/her own apartment and often targets those individuals in "hard-to-serve" populations. A Request for Proposal process will be used to solicit for new or existing developments using this model.

AHFC plans to monitor these funds with the same quality assurance measures as those used at Karluk Manor. AHFC also plans to grant possible waivers to its screening and admission criteria based upon the level of supportive services offered at selected developments.

Statutory Objective

Increase housing choices for low-income families.

Anticipated Impact

Alaskan nonprofit groups have been interested in expanding the availability of this type of housing in Alaska, but lack the ongoing funding to support a Housing First development. AHFC plans to set aside a portion of its Moving to Work Block Grant to fund these additional rental units. The goal is with the addition of regular subsidy payments, a nonprofit group will be able to leverage additional funds to either develop or improve a property as well as pay for necessary supportive services.

Sponsor-based assistance will allow AHFC to expand rental assistance to vulnerable populations that would not pass the Housing Choice Voucher (HCV) screening criteria contained in the AHFC Administrative Plan due to their chronic homelessness, lack of financial resources, and references necessary to secure private sector rental housing.

Anticipated Schedule

AHFC is in the process of outlining the parameters for the proposal and selection process. AHFC anticipates that it will be able to begin the initial solicitation process by July 1, 2015. Based on the proposal responses, AHFC will set is final budget and select proposals.

Metrics
HC #1: Additional Units of Housing Made Available

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase). If units reach a specific type of household, give that type in this box.	0	Expected housing units of this type after implementation of the activity (number).	Actual housing units of this type after implementation of the activity (number).	Whether the outcome meets or exceeds the benchmark.

Benchmarks will be set once the proposals have been evaluated; this should be no later than the FY2016 Annual Report.

MTW Authorization and Need
Attachment D of the MTW Agreement signed January 30, 2012.

Regulation Citation
None

IV. APPROVED MTW ACTIVITIES

These activities were approved by HUD in a prior year's plan. Activities are identified by their activity number, the first four digits being the fiscal year the activity was first added to the plan.

A. Implemented

2010-5 HQS Inspections

Description and Status
Establish an alternate HQS inspection schedule by allowing for biennial inspections. Allow inspections conducted by other AHFC HQS-qualified staff to serve as quality control inspections.

This activity was started with Numbered Memo 12-13 dated April 17, 2012. The new policy started May 1, 2012.

- AHFC has implemented a biennial schedule for annual inspections.
- AHFC continues to ensure a unit passes HQS before it goes under a HAP contract.
- AHFC continues to conduct inspections regarding possible HQS violations in between biennial inspections.

All families, where appropriate, have been transitioned to the biennial schedule. This activity has reduced AHFC's inspection activity significantly. This activity is ongoing.

Changes or Modifications
No changes to this activity during this fiscal year.

Metrics, Baselines, Benchmarks
CE #1: Agency Cost Savings

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Reduce staff cost associated with annual HCV inspections	$155,312 (4,096 units as of 6/30/12)	$77,656 (reduce by 50 percent)	2013 - $79,514 2014 - $26,429	Yes

AHFC is using an average staff cost of $25.00 per hour (2015 HPS II, Level 6) to determine agency cost.

CE #2: Staff Time Savings

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Reduce staff time associated with annual HCV inspections	4,096 hours per year	2,048 hours per year	2013 – 2,097 hours 2014 – 1,394 hours	Yes

The baseline is set based on the number of vouchers leased as of May 1, 2012 and allowing for one hour per inspection.

CE #3: Decrease in Error Rate of Task Execution

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average error rate in completing a task as a percentage (decrease).	0	0		

AHFC did not have errors in the execution of the annual inspection process. All annual inspections were conducted as required.

Authorization
Attachment C, paragraph D.5 (no change) and paragraph D.7(d) (additional)

Regulation Citation
24 CFR 982.405

2010-6 HQS Inspections on AHFC Properties

Description and Status
Allow AHFC staff to inspect AHFC-owned units and determine rent reasonableness instead of paying a third party to conduct these inspections. This was created to reduce costs associated with voucher holders wanting to use an AHFC voucher in an AHFC-owned property.

This activity was implemented by staff by Numbered Memo 11-11 dated March 22, 2011. It became effective April 1, 2011. Activity is ongoing.

Changes or Modifications
No changes to this activity during this fiscal year.

Metrics, Baselines, Benchmarks
CE #1: Agency Cost Savings

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Reduce the cost of annual inspections at AHFC properties by contracted inspectors.	$150 per inspection or $12,000 per year for 80 HQS inspections on AHFC properties.	Save $12,000 per year	Savings (difference between staff cost & contractor cost): 2011 - $3,250 2012 - $3,250 2013 - $2,130 2014 - $2,242	Yes

AHFC is using an average staff cost of $25.00 per hour (2015 HPS II, Level 6) to determine agency cost.

CE #2: Staff Time Savings

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	80 hours	80 hours		

The baseline and benchmark were set based on the original number of AHFC-owned units with the potential to be leased by a voucher family. No time is expected to be saved in this activity as AHFC staff accompanied the third-party inspector at all inspections.

CE #3: Decrease in Error Rate of Task Execution

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average error rate in completing a task as a percentage (decrease).	0	0		

As an AHFC staff member accompanied the inspector, there were no errors during the inspection process. As AHFC implemented this activity in 2011 and there are no longer any third-party inspectors, AHFC does not have any data to report.

Authorization
Attachment C, paragraph D.2.c and paragraph D.5 (no change)

Regulation Citation
24 CFR 982.507

2010-7 Project-Based Vouchers – Owner-Managed Waiting Lists

Description and Status

Owner management of site-based waiting lists for project-based vouchers. Owners are responsible for advertisement, collection of applications, application screening, maintaining a waiting list, and selecting applicants in the appropriate order when filling a vacant unit. AHFC continues to conduct all project-based voucher eligibility functions.

Policy for management of project-based vouchers was issued to staff with Numbered Memo 12-32 on August 21, 2012 with a start date of September 1, 2012.

- MainTree in Homer – 10 units – came on-line in March 2012.
- Loussac Place in Anchorage – 60 units – the first phase came on-line in July 2012.

Changes or Modifications

No changes to this activity during this fiscal year.

Metrics, Baselines, Benchmarks

CE #1: Agency Cost Savings

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	$300 (8 Issued)	$0	2014 - $37.50 (1 failure)	Yes

AHFC anticipates that staff spends 1.5 hours per application to collect, post, maintain, and select an applicant family from a waiting list. AHFC used an average cost of $25.00 per hour (2015 HPS II, Level 6). AHFC is still responsible for the eligibility process and has not included that time or cost in this activity.

CE #2: Staff Time Savings

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Decrease time to fill PBV units – Loussac Place	30 days per unit	15 days between referral and return back to owner or leasing	2012 – 7.9 days 2013 – 13 .0 days 2014 – 12.50 days	Yes
Decrease time to fill PBV units – Main Tree	30 days per unit	15 days between referral and return back to owner or leasing	2013 – 19.7 days 2014 – 26.33 days	Yes

An additional savings that cannot be calculated is the time it takes to interview families from an AHFC waiting list that would be rejected by an owner as not suitable for tenancy. Having an owner-managed waiting list insures that every family interviewed by AHFC is a successful candidate for tenancy.

CE #3: Decrease in Error Rate of Task Execution

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average error rate in completing a task as a percentage (decrease).	0	0		

This activity is not designed to reduce staff errors with processing applications for a waiting list. This activity was designed to reduce the number of applicant families that would be approved by AHFC and then later rejected by an owner due to failure under his/her screening criteria.

HC #3: Decrease in Wait List Time

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average applicant time on wait list in months (decrease).	770 days per applicant	Pending – will be available in FY2015 Report		

AHFC has never run a project-based voucher waiting list, so we don't have any historical data for the time spent on this type of waiting list. We have chosen to use the average waiting list time for our 2- and 3-bedroom waiting list (average 770 days per application) in Anchorage as the baseline as those units tend to turn over faster than other units (average 40 per year). The Benchmark will have to be measured by the property manager who is a third party.

Authorization
Attachment C, paragraph D.4 (no change)

Regulation Citation
24 CFR 983.251

2010-9 Prisoner Re-Entry

Description and Status
Develop a tenant-based assistance program targeting civilian re-entry of individuals released from the prison system. HAP payments are made with HOME Investment Partnership funds. The purpose of this activity is to assist with the reduction of recidivism due to prisoner homelessness upon release from incarceration.

Operational and staff costs are supported with MTW funds. AHFC has a fee-for-service for each housing unit month. These HOME administrative fees are booked as non-MTW revenue. Families are eligible for 24 months of rental assistance.

AHFC is following HOME rules at 24 CFR 92 for tenant-based assistance. Family annual income is calculated using the rules at 24 CFR 5.630, and families meet HOME income eligibility limits.

Changes or Modifications
Due to the success of this program, AHFC will set aside a portion of its Moving to Work Block Grant to assist parolees/probationers released into Anchorage's jurisdiction. This program will be modeled on the current HOME-funded program. AHFC is currently in negotiations with the Department of Corrections to set the parameters for the Anchorage program.

Metrics, Baselines, Benchmarks
HC #1: Additional Units of Housing Made Available

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Increase rental assistance opportunities for families under the supervision of the State of Alaska Department of Corrections – Balance of State	0	20 per year	2010 – 3 2011 – 6 2012 – 42 2013 – 55 2014 – 57	Yes
Increase rental assistance opportunities for families under the supervision of the State of Alaska Department of Corrections – Anchorage	0	Pending		

Original Benchmark:

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Increase housing choice for families who are typically homeless upon release from incarceration.	0	20 per year	2010 – 3 2011 – 6 2012 – 42 2013 – 55 2014 – 57	Yes.

Authorization

- HOME Funds authorization: Attachment D of the MTW Agreement signed January 30, 2012 allows for "broader uses of funds." AHFC will rely on that authority to use MTW block grant funds to partially offset administrative costs to support this HOME-funded activity.
- MTW authorization: Attachment C, paragraph D.2.d and paragraph D.3.a.

2010-10 Moving Home Program

Description and Status

This activity was formerly called Use of HCV Program for Persons with Disabilities. The Moving Home Program is a referral-based rental assistance program designed to enable persons with disabilities to rent affordable housing. Continuing operation of Moving Home is contingent upon available funding and continuing appropriations.

AHFC has signed a Memorandum of Agreement with the State of Alaska Department of Health and Social Services. For the purposes of the agreement, persons with a disability who are eligible for Moving Home will be very low-income households (less than 50 percent of Area Median Income) and will meet the criteria below:

- Be eligible for community-based, long-term services as provided through Medicaid waivers, Medicaid state plan options, state funded services, or other appropriate services related to the target population, **and**

- Meet the U.S. Department of Housing and Urban Development's definition of a disabled family (24 CFR 5.403), **or**
- Be an Alaska Mental Health Trust Authority beneficiary
- Once an applicant family has leased, families are not required to maintain services in order to remain eligible for Moving Home continuing assistance.

This program is available in every community currently offering an AHFC Housing Choice Voucher Program. This program was approved by the AHFC Board of Directors on July 23, 2014 with Resolution 2014-40. The program was issued to staff under Numbered Memo 14-33 on December 1, 2014 and was effective on that date.

Changes or Modifications
The program began on December 1, 2014 and is in the process of soliciting applicants.

Metrics, Baselines, Benchmarks
HC #1: Additional Units of Housing Made Available

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of new housing units made available for households meeting the criteria above at or below 80% AMI as a result of the activity (increase).	0	150 during the coming fiscal year		

AHFC anticipates that as this program is rolled out, additional funds from Department of Health and Social Services may be available to fund additional rental assistance units. Preliminary data will be available in the FY2015 Annual Report.

HC #7: Households Assisted by Services that Increase Housing Choice

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase housing choice (increase).	0	150		

DHSS is the designated state Medicaid agency and has developed methods for identifying, referring, and conducting outreach to persons with disabilities requiring services and supports. DHSS oversees community service providers and will ensure they conduct outreach and intake services to locate and engage participants for the program. Preliminary data will be available in the FY2015 Annual Report.

Authorization and Changes to Authorization
Attachment C, paragraph D.3.a (no change)

2011-1 Simplification of Utility Allowance Schedules

Description and Status

Combine existing multiple utility allowance tables into a single utility allowance table in Anchorage, Mat-Su, and Valdez. AHFC does not plan to change its evaluation methods of local utility providers when creating a new simplified table for each area identified.

Implemented on February 1, 2011 with Numbered Memo 11-04. Monitoring of the combined forms continues. Activity is ongoing.

Changes or Modifications

No changes to this activity during this fiscal year.

Metrics, Baselines, Benchmarks

CE #1: Agency Cost Savings

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Reduce staff cost by decreasing the number of utility allowance schedules for Anchorage, Mat-Su, and Valdez.	$1,400	$600	$600	Yes.

AHFC has assigned a value of $25.00 per hour (2015 HPS II, Level 6) to determine agency cost.

CE #2: Staff Time Savings

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Reduce staff time by creating one schedule each for Anchorage, Mat-Su, and Valdez	56 hours (8 hours per schedule)	24 hours	2012 – 24 hours 2013 – 24 hours 2014 – 24 hours	Yes.

AHFC has calculated the baseline hours (seven schedules into three schedules) as follows:

- Three electric providers in Anchorage to one combined electric schedule
- Two unit type groupings in Mat-Su combined into one schedule
- Two unit type groupings in Valdez combined into one schedule

CE #3: Decrease in Error Rate of Task Execution

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average error rate in completing a task as a percentage (decrease).	0	0		

AHFC has set the baseline and benchmark to zero as this was implemented in 2012, and data is not available. Staff has noticed that participants are having an easier time with the leasing process by only having one utility sheet to use. Feedback from shoppers has been universally positive as many were confused by the multiple schedules and rates.

CE #5: Increase in Agency Rental Revenue

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Rental revenue in dollars (increase).	0	0		

AHFC did not design this activity as a cost savings method, but rather as a simplification for ease of participant use. Staff noticed that paperwork turned in by families was incomplete or incorrect because they could not determine how to use the multiple utility schedules. AHFC feels that this is a revenue neutral activity.

Authorization
Attachment C, paragraph C.11 and D.2 (no change)

Regulation Citation
24 CFR 982.517

2011-2 Local Payment Standards

Description and Status
This activity proposes establishing payment standards that do not rely on HUD's Fair Market Rents for AHFC housing choice voucher jurisdictions. AHFC will continue to examine each market on an annual basis to determine if the payment standard is appropriate. AHFC will also ensure that it establishes a payment standard that reflects, not leads, the market. As one of its tools, staff will use an annual, independent study conducted by AHFC's Planning and Program Development Department in cooperation with the State of Alaska Department of Labor. This study surveys Alaska's communities and landlords about its housing markets including vacancy rates, market conditions, rentals, and utilities. Staff will also continue to collect its own survey data on rentals in the local market.

Revised Payment Standards were developed and began on February 1, 2014 with the issuance of Numbered Memo 14-01.

Changes or Modifications
No changes to this activity during this fiscal year.

Metrics, Baselines, Benchmarks
CE #1: Agency Cost Savings

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	0	0		

AHFC anticipates that this will be a revenue neutral activity as staff will still survey local rental markets as well as consider additional rental market data gathered by the State of Alaska. AHFC will then compare that data to Fair Market Rents to determine an appropriate payment standard.

CE #2: Staff Time Savings

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	0	0		

AHFC anticipates that this will not impact time devoted to this task as staff will still survey local rental markets as well as consider additional rental market data gathered by the State of Alaska. AHFC will then compare that data to Fair Market Rents to determine an appropriate payment standard.

Original Metric

Metric	Baseline	Benchmark	Outcome
Reduce voucher turn-back rate to less than five (5) percent.	Currently, a 21.8 percent turn-back rate.	Less than five (5) percent for inadequate payment standard	

Authorization
Attachment C, paragraph D.2.a. (no change)

Regulation Citation
24 CFR 982.503.

2011-3 Project-Based Vouchers – Waiver of Tenant-Based Requirement

Description and Status
Waive the requirement to provide a tenant-based voucher to a family upon termination of project-based voucher assistance. The purpose of this activity was to prevent families using PBV developments as a shortcut to tenant-based assistance. As many of AHFC's voucher waiting lists were long at the time of this proposed activity, it did not seem reasonable to allow families to jump over persons on those waiting lists by securing a tenancy at a PBV development.

The project-based voucher policy was approved by AHFC's Board of Directors and implemented in 2011. AHFC monitors the turnover at each PBV development. Activity is ongoing.

Changes or Modifications
No changes to this activity during this fiscal year.

Metrics, Baselines, Benchmarks
CE #1: Agency Cost Savings

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Decrease cost to examine and brief families.	2.0 hours per family to examine and brief.	0	2012 - $0 2013 – Savings $683 2014 – Savings $400	Yes.

Savings are based on a cost of $25.00 per hour (2015 HPS II, Level 6) with an average of eight (8) vacancies per year at current project-based voucher properties.

CE #2: Staff Time Savings

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Decrease staff time to examine and brief families.	2.0 hours per family to examine and brief.	0	2012 - 0 2013 – 16 hours 2014 – 16 hours	Yes.

Savings are based on an average of eight (8) vacancies per year at current project-based voucher properties.

Authorization
Attachment C, paragraph D.1 (no change)

Regulation Citation
24 CFR 983.205(2)(d), 983.257, and 983.260

2011-5 Project-Base Vouchers at AHFC Properties and Exceed 25 Percent Limit per Building

Description and Status
Allow AHFC to project-base vouchers at market rental properties it owns and exceed the building cap in project-based voucher developments. This waiver was requested as part of the development of new units at Loussac Place (replaced the old public housing development Loussac Manor). In accordance with recently developed PBV policy, rent to owner will be determined by an independent entity approved by HUD.

Loussac Place contains 120 affordable housing units of which 60 are project-based vouchers. The vouchers are distributed throughout the bedroom sizes (one through four bedroom units) in a variety of buildings throughout the development. Based on the configuration of the development (townhouse-style units), it would have been impossible to successfully use project-based vouchers without this waiver. The units have been fully occupied since November 2012.

New developments are trending toward a townhouse-style of development with five or less units per building. The building cap limits the number of units that can be made available for families at 50 percent or less of area median income. AHFC wants to ensure that families will have a wide variety of units from which to choose without worrying about the number of project-based vouchers in each building. AHFC has used this waiver in its development of units reserved for those with disabilities (all 10 units funded with PBV at MainTree). AHFC plans to use this waiver as part of its development of new affordable housing units at Ridgeline Terrace and Susitna Square (see activity 2014-4).

Changes or Modifications
No changes to this activity during this fiscal year.

Metrics, Baselines, Benchmarks
HC #1: Additional Units of Housing Made Available

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase).s	0	60	2012 – 10 units 2013 – additional 60 units 2014 – 4 additional units Total – 74 units	Yes.

HC #4: Displacement Prevention

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households at or below 80% AMI that would lose assistance or need to move (decrease). If units reach a specific type of household, give that type in this box.	0	0		

AHFC will not be displacing any families as these are brand new units.

Original Benchmark:

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Increase the number of affordable housing units.	0	60	2012 – 10 units 2013 – additional 60 units 2014 – 4 additional units Total – 74 units	Yes.

Authorization
Attachment C, paragraphs D.1.e , paragraph D.7.a , and paragraph D.7.b (no change)

Regulation Citation
24 CFR 983.56

2012-1 Raise HCV Maximum Family Contribution at Lease-Up to 50 Percent

Description and Status
Waive HUD regulations at 24 CFR 982.508 which limit a family to paying no more than 40 percent of their adjusted monthly income toward their rental portion. Allow families to contribute up to 50 percent of their monthly income. With implementation of 2014-1 Reasonable Rent and Family Self-Sufficiency Initiative, this activity was slightly modified to account for Step Program families that transition to a fixed HAP subsidy. Once on a fixed subsidy amount, these families will no longer be subject to a maximum family contribution if they decide to move.

This activity was implemented with Numbered Memo 12-09 on February 14, 2012 with a start date of February 16, 2012. This activity is included as part of AHFC's reasonable rent plan (Activity 2014-1). Reference activity 2014-1h.

Changes or Modifications
AHFC will require those families on an income-based formula (Classic and Set Aside) to adhere to this maximum family contribution of 50 percent. Families on a traditional voucher calculation will be required to adhere to the 40 percent limit. Families that are on a fixed subsidy will not have a family maximum due to the automatic decrease in subsidy each year.

Metrics, Baselines, Benchmarks
HC #5: Increase in Resident Mobility

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0	0	2014 – 87.8 percent in better unit	

Alaska does not have any designated poverty zones, but does have neighborhoods with a concentration of lower rents. As of the date of this report, of the 2,296 families leased in Anchorage's jurisdiction, 12.2 percent of families are leased in lower rent neighborhoods. AFHC does not have any baseline data as this measurement was added after the implementation of the activity.

Original Metrics:

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Increase the number of voucher clients able to lease due to increased income contribution from families.	Zero	No rejections due to units being more than 40 percent of income.	2012 – 24 Leased 2013 – 29 Leased 2014 – 25 Leased	Yes

The lease-ups shown in the Outcome are those families that have leased between 40 and 50 percent.

Authorization
Attachment C, paragraph D.2.a. (no change)

Regulation Citation
24 CFR 982.508

2012-2 Nonpayment of Rent

Description and Status
Waive HUD regulations at 24 CFR 966.4(l)(3)(i)(A) that require AHFC to allow 14 days for tenants to cure nonpayment of rent. The nonpayment of rent period was shortened to seven days to match the Alaska Landlord-Tenant Act. In addition, the grace period for payment of rent without a penalty was extended to the 7th calendar day of each month. The net result is that residents have the first 14 calendar days of each month to pay their rent.

AHFC implemented its new Public Housing Program Residential Lease Agreement effective January 1, 2012 with Numbered Memo 12-03. The new lease was offered to each family at their annual anniversary appointment.

AHFC began this activity on September 1, 2013 with Numbered Memo 13-36. A letter was sent to all public housing residents in July 2013 to remind them of their lease provision and the new shortened period to pay their late rent. Activity is ongoing.

Changes or Modifications
No changes to this activity during this fiscal year.

Metrics, Baselines, Benchmarks
CE #1: Agency Cost Savings

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	Cost of task prior to implementation of the activity (in dollars).	Expected cost of task after implementation of the activity (in dollars).	Actual cost of task after implementation of the activity (in dollars).	Whether the outcome meets or exceeds the benchmark.

This data will be reported in the FY2015 MTW Annual Report.

CE #2: Staff Time Savings

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	0	0		

AHFC anticipates that this will be a time neutral activity as staff must still process the same paperwork in order to evict a family.

Original Metric

Metric	Baseline	Benchmark	Outcome
Reduce the amount of rent owed by vacated tenants	36 percent of annual vacated tenant debt is rent.	Reduce rent to 25 percent of annual vacated tenant debt	Tenant notification was in July 2013 with a start date set for September 1, 2013.

Authorization
Attachment C, paragraph C.9.b. (no change)

Regulation Citation
24 CFR 966.4(l)(3)

2012-4 Sponsor-Based Rental Assistance Program, Karluk Manor

Description and Status

Fund rental assistance outside Section 8 rules consistent with 'broader uses of funds' authority in Attachment D of the Agreement. Provide the funding equivalent for rental assistance of 35 project-based voucher units at a Housing First development, Karluk Manor. Karluk Manor's 46 units are fully leased, and AHFC continues to monitor the funding requests each month. Activity is ongoing.

Changes or Modifications

Prior to the end of FY2015, AHFC plans to extend rental assistance to all 46 units at Karluk Manor. Records each month show that all individuals at Karluk Manor are income eligible under voucher income limits. An amendment to the contract is in process to begin this increased funding no later than July 1, 2015.

Metrics, Baselines, Benchmarks

HC #1: Additional Units of Housing Made Available

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Increased rental assistance made available to households at or below 50 percent of area median income.	0	-35 units -Increase to 46 units by 7/1/15	35 units	Yes.

Original Metric

Metric	Baseline	Benchmark	Outcome
Serve 35 chronic homeless individuals with a physical or mental disability, substance abuse, or chronic health condition.	0	Fill 35 units each year	AHFC monitors the occupancy each month to ensure payment equivalent to 35 vouchers. For FY2013 average HAP per month is $20,115 or $575 per voucher per month. 35 units occupied each month.

Authorization

Attachment D of the MTW Agreement signed January 30, 2012.

2013-1 Youth Aging Out of Foster Care

Description and Status

A time-limited (36 months), tenant-based rental assistance program targeting youth ages 18 to 24 aging out of Alaskan foster care. The program serves direct referrals from the State of Alaska Department of Health and Social Services. These referrals are eligible for three years of rental assistance. Due to the success of the TBRA Parolee/Probationer program with the Alaska Department of Corrections, AHFC partnered with the State of Alaska Office of Children's Services to provide a similar program for youth aging out of foster care. A Memorandum of Agreement was executed in July 2012. The program began on November 1, 2012.

HOME Investment Partnership Program funds pay for the monthly HAP. Operational and staff costs are supported with MTW funds. AHFC has developed a fee-for-service for each housing unit month. These HOME administrative fees are booked as Non-MTW revenue.

To serve additional youth wishing to reside in Anchorage, the State of Alaska provides additional monies each month to pay the monthly HAP for these youth. AHFC supports the program by using MTW block grant funds for administrative costs.

AHFC is following HOME rules at 24 CFR 92 for tenant-based assistance. Family annual income is calculated using the rules at 24 CFR 5.630.

Changes or Modifications

No changes to this activity during this fiscal year.

Metrics, Baselines, Benchmarks

HC #1: Additional Units of Housing Made Available

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Serve 40 youth aging out of foster care through direct referral from the State of Alaska Office of Children's Services	0	40 per year	2013 – 15 leased; 6 shopping 2014 – 21 leased; 6 shopping	No

AHFC has leveraged additional monies from the Office of Children's Services which provides rental assistance to youth in Anchorage, mirroring the balance of state program. Anchorage cannot be served by HOME funds as the Municipality of Anchorage receives those funds. This activity has allowed for the expansion of services to a traditionally underserved population.

HC #3: Decrease in Wait List Time

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average applicant time on wait list in months (decrease).	0	0		

AHFC does not have any baseline or benchmark data for this metric as this was a population that was not traditionally served by AHFC in the past. The program was developed because AHFC felt that this population was not utilizing rental assistance and was becoming part of the homeless population.

Authorization

Attachment D of the MTW Agreement signed January 30, 2012 allows for "broader uses of funds." AHFC will rely on that authority to use MTW block grant funds to partially offset administrative costs to support this HOME-funded activity.

2013-2 Empowering Choice Housing Program (ECHP)

Description and Status

In partnership with the State of Alaska Council on Domestic Violence and Sexual Assault and the Alaska Network on Domestic Violence and Sexual Assault (ANDVSA), a set aside of MTW vouchers to exclusively serve families displaced due to domestic violence and sexual assault. This is a time-limited (36 month) program for families referred directly from the ANDVSA member agency.

For those communities without a Voucher Program (Bethel, Cordova, Nome), AHFC continues to offer preferential placement on its Public Housing Program waiting lists for families displaced due to domestic violence. The ANDVSA member agency is responsible for referring those families.

This program is available in every community currently offering an AHFC Housing Choice Voucher Program. This proposal was approved by the AHFC Board of Directors with Resolution 2012-29 and begun on November 1, 2012 with Numbered Memo 12-42. Activity is ongoing.

Changes or Modifications

No changes to this activity during this fiscal year.

Metrics, Baselines, Benchmarks

CE #4: Increase in Resources Leveraged

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increase).	0	2013-$1.34M from State of Alaska 2014-$1.5M from State of Alaska	$2.84 million	Yes.

AHFC's block grant HAP is supplemented by an additional appropriation from the State of Alaska to increase the number of ECHP vouchers available to families. These additional funds would not be available to AHFC for rental assistance without this program.

HC #1: Additional Units of Housing Made Available

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Serve 100 families displaced due to domestic violence by referral from the Alaska Network on Domestic Violence and Sexual Assault.	0	100 families per year	2013 – 57 leased; 38 shopping 2014 – 146 leased	Yes.

This program is responsible for leveraging additional funds from the State of Alaska to provide additional units of housing not previously available to AHFC through traditional federal funding.

HC #3: Decrease in Wait List Time

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average applicant time on wait list in months (decrease).	0	0	2014 – 66 days	

AHFC does not have baseline data for the actual decrease in waiting list time. Also, AHFC does not maintain a waiting list for ECHP vouchers for voucher locations outside of Anchorage. As of the date of this report, families are spending an average of 66 days on the Anchorage ECHP waiting list.

HC #5: Increase in Resident Mobility

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0	254 – all are eligible		

AHFC provides a waiver to families to move to any Alaskan voucher community upon issuance of a voucher to assist with safety issues.

Original Metric

Metric	Baseline	Benchmark	Outcome
Serve 150 families with monies provided by the State of Alaska. Serve 100 families with monies provided in AHFC's MTW Block Grant.	0	250 per year	As of 06/30/2013, 57 families were leased in nine voucher communities. An additional 38 were shopping.

In June and July 2013, the average HAP decreased to approximately $765 per unit. As of the end of September 2013, HAP was averaging $716 per unit. AHFC and its partners anticipate an increase in the leasing rates for FY2014 to get closer to an increased leasing of 250 families.

Authorization

Attachment C, paragraph B.1.b.iv, paragraph D.2.d, and paragraph D.4. (no change)

2014-1 Reasonable Rent and Family Self-Sufficiency Initiative

Description and Status

This activity addresses the MTW Agreement requirement to establish a reasonable rent policy designed to encourage employment and self-sufficiency by participating families (MTW Agreement, Section III).

- Vouchers – This activity was issued to staff on January 13, 2014 with Numbered Memo 14-01. The program began February 1, 2014 for all new admissions and transitioned families with annual examinations effective May 1, 2014 and later.

- Public Housing – This activity was issued to staff on April 21, 2014 with Numbered Memo 14-09. The program began May 1, 2014 for all new admissions and transitioned families with annual examinations effective August 1, 2014 and later.

Changes or Modifications
Further clarification of this activity was sent to HUD with amendments 1 and 2 to the FY2014 MTW Plan.

Metrics, Baselines, Benchmarks
CE #1: Agency Cost Savings

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	Cost of task prior to implementation of the activity (in dollars).	Expected cost of task after implementation of the activity (in dollars).		

Setting an income-based rent of 28.5 percent allows AHFC to break even in its first year of operation under the new model. Conservative estimates put annual HAP savings at approximately $1.5 million per year for the voucher program once families begin to transition from Year 2 to Year 3 (projected savings are based on AHFC paying 50 percent of the current payment standard). Preliminary data will be available in the FY2015 Annual Report.

CE #2: Staff Time Savings

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	Total amount of staff time dedicated to the task prior to implementation of the activity (in hours).	Expected amount of total staff time dedicated to the task after implementation of the activity (in hours).		

Preliminary data will be available in the FY2015 Annual Report.

CE #3: Decrease in Error Rate of Task Execution

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average error rate in completing a task as a percentage (decrease).	Average error rate of task prior to implementation of the activity (percentage).	Expected average error rate of task after implementation of the activity (percentage).		

Preliminary data will be available in the FY2015 Annual Report.

CE #5: Increase in Agency Rental Revenue

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Rental revenue in dollars (increase).	Rental revenue prior to implementation of the activity (in dollars).	Expected rental revenue after implementation of the activity (in dollars).		

Preliminary data will be available in the FY2015 Annual Report.

SS #1: Increase in Household Income

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average earned income of households affected by this policy in dollars (increase).	Average earned income of households affected by this policy prior to implementation of the activity (in dollars).	Expected average earned income of households affected by this policy prior to implementation of the activity (in dollars).		

Preliminary data will be available in the FY2015 Annual Report.

SS #2: Increase in Household Savings

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of savings/escrow of households affected by this policy in dollars (increase).	Average savings/ escrow amount of households affected by this policy prior to implementation of the activity (in dollars). This number may be zero.	Expected average savings/escrow amount of households affected by this policy after implementation of the activity (in dollars).		

Preliminary data will be available in the FY2015 Annual Report.

SS #3: Increase in Positive Outcomes in Employment Status

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Report the following information separately for each category:	Head(s) of households in <<category name>> prior to implementation of the activity (number). This number may be zero.	Expected head(s) of households in <<category name>> after implementation of the activity (number).		
(1) Employed Full- Time	Percentage of total work-able households in <<category name>> prior to implementation of activity (percent). This number may be zero.	Expected percentage of total work-able households in <<category name>> after implementation of the activity (percent).		
(2) Employed Part- Time	Percentage of total work-able households in <<category name>> prior to implementation of activity (percent). This number may be zero.	Expected percentage of total work-able households in <<category name>> after implementation of the activity (percent).		

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
(3) Enrolled in an Educational Program	Percentage of total work-able households in <<category name>> prior to implementation of activity (percent). This number may be zero.	Expected percentage of total work-able households in <<category name>> after implementation of the activity (percent).		
(4) Enrolled in Job Training Program	Percentage of total work-able households in <<category name>> prior to implementation of activity (percent). This number may be zero.	Expected percentage of total work-able households in <<category name>> after implementation of the activity (percent).		
(5) Unemployed	Percentage of total work-able households in <<category name>> prior to implementation of activity (percent). This number may be zero.	Expected percentage of total work-able households in <<category name>> after implementation of the activity (percent).		
(6) Other	Percentage of total work-able households in <<category name>> prior to implementation of activity (percent). This number may be zero.	Expected percentage of total work-able households in <<category name>> after implementation of the activity (percent).		

Preliminary data will be available in the FY2015 Annual Report.

SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving TANF assistance (decrease).	Households receiving TANF prior to implementation of the activity (number)	Expected number of households receiving TANF after implementation of the activity (number).		

Preliminary data will be available in the FY2015 Annual Report.

SS #5: Households Assisted by Services that Increase Self Sufficiency

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase self sufficiency (increase).	Households receiving self sufficiency services prior to implementation of the activity (number).	Expected number of households receiving self sufficiency services after implementation of the activity (number).		

AHFC does not expect a large number of enrollments in the first year as subsidy is still based on income, but we expect the number of enrollees to increase in Year 2. Preliminary data will be available in the FY2015 Annual Report.

SS #6: Reducing Per Unit Subsidy Costs for Participating Households

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of Section 8 and/or 9 subsidy per household affected by this policy in dollars (decrease).	Average subsidy per household affected by this policy prior to implementation of the activity (in dollars).	Expected average subsidy per household affected by this policy after implementation of the activity (in dollars).		

Preliminary data will be available in the FY2015 Annual Report.

SS #7: Increase in Agency Rental Revenue

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
PHA rental revenue in dollars (increase).	PHA rental revenue prior to implementation of the activity (in dollars).	Expected PHA rental revenue after implementation of the activity (in dollars).		

Preliminary data will be available in the FY2015 Annual Report.

SS #8: Households Transitioned to Self Sufficiency

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self sufficiency (increase). The PHA may create one or more definitions for "self sufficiency" to use for this metric. Each time the PHA uses this metric, the "Outcome" number should also be provided in Section (II) Operating Information in the space provided.	Households transitioned to self sufficiency (<<PHA definition of self-sufficiency>>) prior to implementation of the activity (number). This number may be zero.	Expected households transitioned to self sufficiency (<<PHA definition of self-sufficiency>>) after implementation of the activity (number).		

Preliminary data will be available in the FY2015 Annual Report.

Authorization
Attachment C, paragraph C.4 and paragraph C.11 (no change)
Attachment C, paragraph D.2 and paragraph D.3 (no change)

2014-1a Population Definitions

Description and Status
HUD definitions of Working Family, Disabled Family, Elderly Family, and Full-Time Student are currently provided at 24 CFR 5.403. AHFC is using the following definitions as part of its rent reform activity.

1. **Classic Program Family** is defined as 100 percent of adult household members are either a person with a disability (as defined in 24 CFR 5.403) or 62 years of age or older. These families may include a live-in aide (as defined in 24 CFR 5.403), minors, or full-time dependent students.
2. **Full-Time Student** is defined as a dependent adult under the age of 24 who is enrolled as a student at an institution of higher education and meets the school's definition of full-time enrollment. AHFC will continue to disregard any income earned by an individual while full-time student status is maintained.
3. **Step Program Family** is defined as any household that does not meet the definition of a Classic Program family.

Changes or Modifications
No changes to this activity during this fiscal year.

Authorization
Public Housing – Attachment C, paragraph C.2. (no change)
Housing Choice Voucher – Attachment C, paragraph D.4. (no change)

Requested Regulation Waiver
HUD definitions of Working Family, Disabled Family, Elderly Family, and Full-Time Student are currently provided at 24 CFR 5.403 and 24 CFR 5.612.

2014-1b Minimum Rent

Description and Status
This supporting activity is for the purpose of establishing a minimum rent in exception to HUD regulations. HUD regulations require AHFC to establish a minimum monthly rent for the Public Housing and Housing Choice Voucher programs that does not exceed $50 per month. AHFC has set the following minimum rents as part of its rent reform activity.

1. **Classic Program family** – the minimum rent will be $25. This is lower than the current $50 minimum rent. Because AHFC is anticipating that these families will not have wage earners and will be subject to fixed income sources, staff felt that it was more reasonable to set a $25 rate. AHFC does not require a waiver for this proposal.

2. **Step Program family** – the minimum rent will be $100. Staff felt that this was a more reasonable minimum rent and prepared the family for the increase in their monthly rental obligation in year 2.

Changes or Modifications
No changes to this activity during this fiscal year.

Authorization
Public Housing – Attachment C, paragraph C.11. (no change)
Housing Choice Voucher – Attachment C, paragraph D.2.a. (no change)

Requested Regulation Waiver
HUD regulations at 24 CFR 5.630.

2014-1c Utility Reimbursement Payments

Description and Status
HUD regulations require AHFC to establish utility allowance schedules for each Voucher and Public Housing jurisdiction, to update those schedules annually, and to pay a utility reimbursement payment when the utility allowance exceeds the family contribution. This supporting activity eliminates utility reimbursement payments for the Voucher and Public Housing programs. Families that may need an adjustment of their subsidy due to unusual or excessive utility requirements may ask for a hardship. See supporting activity 2014-1l for a discussion of the hardship policy.

Changes or Modifications
No changes to this activity during this fiscal year.

Authorization
Public Housing – Attachment C, paragraph C.11. (no change)
Housing Choice Voucher – Attachment C, paragraph D.2.a. (no change)

Requested Regulation Waiver
Housing Choice Voucher - HUD regulations at 24 CFR 982.517.
Public Housing – HUD regulations at 24 CFR 960.253, 965.502 through 965.506, and 966.4.
Both – HUD regulations at 24 CFR 5.632.

2014-1d Jumpstart Program

See Section III. Proposed MTW Activities

2014-1e Family Choice of Rent and Flat Rents

Description and Status

This supporting activity waives the annual requirement to offer a public housing family the choice of a flat or income-based rent. AHFC currently sets a market rent rate for its Public Housing units. This market rent is called the flat rent. If a family's income rises to a point where their required contribution would exceed the flat rent, AHFC offers the family the flat rent rate. With the implementation of time limits and subsidy steps, families will be allowed to keep any earnings over their required contribution. The need for a maximum rent cap is eliminated through the new proposed rent calculation method.

Changes or Modifications

No changes to this activity during this fiscal year.

Authorization

Attachment C, paragraph C.11. (no change)

Requested Regulation Waiver

HUD regulations at 24 CFR 960.253.

2014-1f Ineligible Noncitizen Proration

Description and Status

This supporting activity offers an alternate methodology for prorating the assistance available to families with ineligible noncitizen members. Current regulations require:

- Public Housing - AHFC must formulate a "maximum" subsidy each year and update it.
- Voucher - AHFC can give families an estimated figure of their prorated subsidy, but the final figure depends upon the gross rent of the unit rented.

Both procedures are administratively burdensome for the low numbers of ineligible noncitizens in AHFC's portfolio. For a family with ineligible noncitizen members in the household, AHFC will deduct $50 from the family's subsidy as long as the ineligible noncitizen members reside in the household.

Changes or Modifications

No changes to this activity during this fiscal year.

Authorization

Attachment C, paragraph C.4 and paragraph C.11. (no change)
Attachment C, paragraph D.2.a and D.3.a. (no change)

Requested Regulation Waiver

HUD regulations at 24 CFR 5.520.

2014-1g Annual Recertification Requirement

Description and Status

This supporting activity develops an alternate recertification schedule for families subject to rent reform activities. AHFC continues to require all families to report changes in family composition within ten business days. AHFC continues to pull the Enterprise Income Verification (EIV) report to track income and how the rent reform activity is affecting its clientele.

- **Classic Program** – these families are moved to a triennial (every three years) examination schedule. In the no examination years for Public Housing, AHFC will continue to verify household composition and certify compliance with community service obligations.
- **Step Program** – these families will receive an income examination at time of admission to determine eligibility under income limit guidelines and set their income-based rent for the first year. AHFC will not conduct any additional income verification processes unless the family requests a hardship. Each year, AHFC will discuss the EIV report with the family, and the family will self-certify to its accuracy. AHFC will report those figures on the 50058.
- **Transitioning Current Clientele** – AHFC is conducting a full income examination at each family's annual anniversary prior to transitioning the family to the new subsidy model. These families are placed in the model in accordance with their current income level. For example, if a family is currently receiving 50 percent of the payment standard, they will enter the program at step three of the model. They will receive assistance for three years at the 50 percent level before transitioning to 40 percent in year 4 and then 30 percent in year 5.

Changes or Modifications

No changes to this activity during this fiscal year.

Authorization

Public Housing - Attachment C, paragraph C.4 and paragraph C.11. (no change)
Housing Choice Voucher - Attachment C, paragraph D.1.c, D.2.a, and D.3.b. (no change)

Requested Regulation Waiver

Public Housing – HUD regulations at 24 CFR 960.257.
Housing Choice Voucher – HUD regulations at 24 CFR 982.516

2014-1h Annual and Adjusted Annual Income Calculation

Description and Status

This supporting activity develops an alternate methodology for calculating a family's annual income. AHFC does not propose to deviate from the following regulations:

- Guidelines provided for income sources and which sources are included or excluded as part of a family's annual income.
- Guidelines provided for determining an asset and when an asset becomes annual income.

- Guidelines provided for determining when a welfare benefit reduction affects annual income.

AHFC has waivers for the following regulations and plans to continue using the waiver.

- Activity 2010-2 raising the asset threshold from $5,000 to $10,000. Now moved under supporting activity 2014-1j.
- Activity 2010-3 eliminating the Earned Income Disallowance program for persons with disabilities and families engaging in work activities. Now moved under supporting activity 2014-1k.
- Activity 2012-1 which raises the allowable voucher family contribution towards rent from 40 percent of monthly adjusted income to 50 percent of monthly adjusted income when leasing.

As part of this plan, AHFC is implementing the following waivers. Families that believe they will suffer a financial hardship due to the elimination of these allowances will be able to request a hardship (see supporting activity 2014-1l of this Plan).

- Elimination of the annual $400 allowance for an elderly/disabled family.
- Elimination of the allowance of $480 for each minor dependent in a household.
- Elimination of the medical allowance for out-of-pocket expenses for elderly/disabled families.
- Elimination of the handicap allowance for out-of-pocket expenses which allow a person with disabilities to engage in work activities.
- Elimination of the childcare allowance for out-of-pocket expenses for care of minors under the age of 13 to allow an adult household member to engage in work activities.

Changes or Modifications
No changes to this activity during this fiscal year.

Authorization
Attachment C, paragraph C.4 and paragraph C.11. (no change)
Attachment C, paragraph D.2.a and D.3.a. (no change)

Requested Regulation Waiver
Both Programs - HUD regulations at 24 CFR 5.611, 24 CFR 5.617, and 24 CFR 5.628
Public Housing - 24 CFR 960.225 and 24 CFR 966.4(b)(1)
Housing Choice Voucher – 24 CFR 982.503, 24 CFR 982.505, and 24 CFR 982.508

2014-1i Portability

Description and Status
This supporting activity changes AHFC's Housing Choice Voucher Administrative Plan requirements that Step Program families must meet before allowing a family to port AHFC's voucher to another housing authority's jurisdiction. These changes will not impact current HUD regulations regarding portability for Nonelderly Disabled (NED) Vouchers or Veterans Affairs Supportive Housing (VASH) Vouchers. AHFC will also continue to offer portability

under current HUD regulations to all MTW tenant-based voucher holders that are classified as Classic Program.

AHFC does not plan to make any changes to the rules governing port-in vouchers, except to streamline the calculation of family income as specified in Activity 2014-1h. AHFC will continue to enforce the regulations regarding nonresident applicants under 24 CFR 982.353(c). AHFC will also continue to enforce the regulations regarding income eligibility under 24 CFR 982.353(d). AHFC does not propose any changes to the regulations under 24 CFR 982.355 regarding administration by receiving PHAs.

AHFC proposes the following limitations for Step Program families seeking to port a voucher from AHFC's jurisdiction.

- **Absorption by the Receiving PHA** – if a receiving PHA is absorbing vouchers, the Step Program family may port their tenant-based voucher if they meet the requirements under 24 CFR 982.353(b).
- **Reasonable Accommodation** – if a Step Program family needs to move their tenant-based voucher to another PHA's jurisdiction in order to accommodate a family member with a disability, AHFC will allow those with appropriate documentation. The family must meet the requirements under 24 CFR 982.353(b).
- **VAWA Protections** – if a Step Program family needs to move their tenant-based voucher to another PHA's jurisdiction in order to receive protections afforded under the Violence Against Women Act (VAWA), AHFC will allow those with appropriate documentation. The family must meet the requirements under 24 CFR 982.353(b).

Changes or Modifications
No changes to this activity during this fiscal year.

Authorization
Housing Choice Voucher - Attachment C, paragraph D.1.g. (no change)

Requested Regulation Waiver
Housing Choice Voucher – HUD regulations at 24 CFR 982.353

2014-1j Income from Assets

Description and Status
AHFC allows a family to self-certify total family assets up to $10,000 and excludes the income generated from a family's total assets when assets total less than $10,000.

Implemented on October 26, 2009 with Numbered Memo 09-28. Staff continues to monitor, and as shown in the FY2011 MTW Report, this appears to be a successful activity.

Changes or Modifications
This was formerly numbered as activity 2010-2 and updated as part of the FY2016 Annual Plan. This was wrapped into Activity 2014-1 because it is part of the new AHFC rent calculation method.

Previous Metrics, Baselines, Benchmarks

CE #1: Agency Cost Savings

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
HCV - Decrease cost of performing asset verifications for small asset accounts	$9,432 – 2,985 asset transactions (as of 10/31/09)	$8,500 (reduce time by 10 percent)	2010 – 1,580 transactions 2011 – 182 transactions 2012 – 104 transactions	Yes
PH - Decrease cost of performing asset verifications for small asset accounts	$3,311 - 1,048 asset transactions (as of 10/31/09)	$2,980 (reduce time by 10 percent)	2010 – 771 transactions 2011 – 43 transactions 2012 – 53 transactions	Yes

CE #2: Staff Time Savings

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
HCV - Decrease time spent performing asset verifications for small asset accounts	PH – 1,048 clients with assets entered (as of 10/31/2009)	87.33 staff hours	2010 – 64.25 hours 2011 – 3.58 hours 2012 – 4.42 hours	Yes
PH - Decrease time spent performing asset verifications for small asset accounts	HCV – 1,580 clients with assets entered (as of 10/31/2009)	248.75 staff hours	2010 – 131.67 hours 2011 – 15.17 hours 2012 – 8.67 hours	Yes

Authorization
Attachment C, paragraphs C.11 and D.2.a. (no change)

Regulation Citation
24 CFR 5.609

2014-1k Earned Income Disallowance

Description and Status
Eliminate the Earned Income Disallowance (EID) and its associated tracking/paperwork times. Existing clients are allowed to finish the program.

Implemented on October 26, 2009 with Numbered Memo 09-28. Staff continues to monitor, and as shown in the FY2012 MTW Report, no further activity occurred. This appears to be a successful activity.

Changes or Modifications
This was formerly numbered as activity 2010-3 and updated as part of the FY2016 Annual Plan. This was wrapped into Activity 2014-1 because methods for disregarding new earned family income were considered when developing the new AHFC rent calculation method.

Previous Metrics, Baselines, Benchmarks
In order to calculate a time savings, AHFC calculated that staff spent an average of 20 hours total per adult during an EID activity. It is difficult to provide a measure of actual time saved for an activity that does not occur.

AHFC did observe that once the disregard incentive was exhausted, individuals did not retain employment. A short-term incentive does not appear to encourage families to increase current earnings or secure long-term employment.

CE #1: Agency Cost Savings

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
HCV - Decrease the cost associated with EID calculations	$9,859 (13 clients)	$2,465 (reduce costs by 75 percent)	2010 - $1,517 2011 - $5,309 2012 - $0 2013 - $0 2014 - $0	Yes
PH - Decrease the cost associated with EID calculations	$21,992 (29 clients)	$5,498 (reduce costs by 75 percent)	2010 - $6,067 2011 - $18,959 2012 - $0 2013 - $0 2014 - $0	Yes

CE #2: Staff Time Savings

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
HCV - Decrease staff time associated with EID calculations	260 hours (13 clients at 20 hours each)	65 hours (reduce times by 75 percent)	2010 – 40 hours 2011 - 140 hours 2012 - 0 hours 2013 - 0 hours 2014 - 0 hours	Yes
PH - Decrease staff time associated with EID calculations	580 hours (29 clients at 20 hours each)	145 hours (reduce times by 75 percent)	2010 - 160 hours 2011 - 500 hours 2012 - 0 hours 2013 - 0 hours 2014 - 0 hours	Yes

Authorization
Attachment C, paragraphs C.11 and D.2.a. (no change)

Regulation Citation
24 CFR 5.617 and 960.255

2014-1l Hardship Policy and Process

Description and Status

As a Moving to Work agency, AHFC must develop a reasonable rent policy that encourages employment and self-sufficiency. AHFC refers to this policy as Rent Reform. As part of this overall rent reform, AHFC must also adopt a hardship policy to meet the individual needs of families that request a modification to, exemption from, or temporary waiver to:

- Family requirements under Moving to Work Activity 2014-1 Reasonable Rent and Family Self-Sufficiency; or
- A family's requirement to pay a minimum rent under 24 CFR 5.630; or
- AHFC's elimination of interim examinations under Moving to Work Activity 2014-1.

Each of these hardship policies is summarized below. AHFC continues to offer a Minimum Rent Exemption procedure for those families subject to the minimum rent.

1. Bridge Policy

The Bridge Policy is designed to address hardships that occur due to extraordinary financial situations. In order to qualify for a Bridge hardship:

1. The family must have an extraordinary change in life circumstances that significantly impacts the family's income; AND
2. The hardship must be of long-term duration (anticipated to last at least 90 days); AND
3. The hardship event must cause the family to experience a shelter burden in excess of 50 percent of gross or adjusted monthly income.

In addition, all families must:

1. Be in compliance with AHFC policies (including completion of a financial literacy course); AND
2. Submit a Bridge Application with appropriate documentation.

1.1 Shelter Burden

Shelter burden is calculated by adding any allowance for tenant-paid utilities to the unit's contract rent, then subtracting AHFC's portion and dividing the result by the family's gross or adjusted monthly income. Adjusted income will only be considered if the family's need is based upon medical, disability, or child care expenses for which they would have been eligible for deductions prior to rent reform. Any gross rent that exceeds the family's applicable payment standard is the family's responsibility to pay and is not included when calculating the shelter burden.

1.2 Hardship Requests

All families will be advised of the availability of the Bridge Process at initial and regular examinations and at voucher briefing classes. Families must submit a Bridge Application to begin the Bridge Process. The application collects the necessary information to enable the Bridge Committee to review the family's request.

This includes:

- The family's current income and asset information;
- A description of the circumstances resulting in the hardship;
- Steps the family has taken to meet their financial needs;
- An explanation of what the family is seeking from the Bridge Committee; and
- Family-provided documentation to verify the circumstances presented in the request.

1.2.1 Local AHFC Office

Local AHFC offices will collect Bridge Applications from families and provide information and assistance with the process. Local offices will also offer families counseling, referrals, and information about available community resources to assist families.

1.2.2 Preliminary Review

The Director of Housing Operations or designee will complete a preliminary review of the family's request. The review will determine whether the request:

- Meets the Bridge minimum qualifications and will go forward to the Bridge Committee
- Can be addressed through other avenues available to AHFC outside of the Bridge Policy

AHFC will provide a written determination regarding the outcome of the Preliminary Review within ten (10) business days of the local office's receipt of the request. The notice will contain the following information:

- A brief statement regarding the outcome of the review and reason for the determination
- A statement advising the family of their options should they disagree with the determination
- An estimated timeframe for the next meeting of the Bridge Committee

1.2.3 Dispute Preliminary Review

Families that meet the qualifying criteria for the Bridge Process and disagree with the Preliminary Review decision have the following options.

- They may request their Bridge Application be presented to the Bridge Committee for a final decision;
- They may submit any additional information they wish the Bridge Committee to consider in their decision. Their written request as well as any additional information the family would like the Bridge Committee to consider must be postmarked or received by AHFC within ten calendar days of the date of the Preliminary Review written decision;

1.3 Central Office Process

The Central Office is responsible for scheduling the Bridge Committee and assembling the documentation for the Committee to review. AHFC will assemble packets containing a summary of the family's information for the Committee. All personal and identifying information will be redacted from the Committee packets. No names will be included so that the Committee will not have any information identifying a particular family.

1.4 Family Rent Awaiting a Bridge Committee Decision

To avoid the family facing continued hardship while awaiting a Bridge Committee decision, AHFC will temporarily adjust the family's minimum family contribution to 50 percent of gross or adjusted (if asking for expenses) monthly income. The temporary rent will begin on the first of the month following receipt of the family's Bridge Application and remain in effect until the Committee's written decision has been rendered.

1.5 Bridge Committee

The committee is composed of five members with the intent of encompassing a balance of individuals representing minority, urban, rural, disability, landlord, and social work viewpoints. These members do not work for the Public Housing Division and are not involved in the daily case management functions of PHD clientele.

The Director of Housing Operations or designee will serve as a liaison to attend committee meetings and record committee decisions. The liaison will be responsible for:

- evaluating family packets to ensure families meet qualifying factors and have included sufficient information for the committee;
- assembling family informational packets for committee review;
- clarifying any information in family packets or providing program operational information to the committee; and
- communicating committee decisions to families;

Three members will constitute a quorum for purposes of conducting business. The liaison is not a voting member of the committee.

1.5.1 Decision Qualifiers

The Committee may consider the following factors when determining a response:

- family requests for a hardship within the previous twelve (12) months;
- the family's participation in AHFC's Family Self-Sufficiency Program and any completed activities;
- any family efforts towards financial independence; and
- any family efforts to remediate the financial hardship.

The Committee may also consider whether a family resides in an Enhanced Economic Impact Area. These are areas of Alaska that may have more challenging economic conditions. This information will be provided as part of the family's information packet. Impact areas meet at least two of the following three factors:

- Unemployment in the community exceeds ten percent (10%).
- The local rental market has a vacancy rate below three percent (3%).
- The community's area median income is less an 80 percent (80%) of Alaska's statewide median income.

1.5.2 Decision Options

The Committee may:

1. Determine the level and duration of any family rent reductions in accordance with each family's request and circumstances;
2. Decide to extend a family's rental assistance beyond the five-year period;
3. Change the family's classification;
4. Deny the family's request;
5. Any combination of the above.

The Public Housing Division Director has the discretion to overrule a decision of the Committee if the decision falls outside of the Committee's authority.

1.5.3 Bridge Application Decision

Once a decision has been made, a Bridge Program Decision will be issued to the family. The decision will include:

- The date of the Committee meeting.
- The determination of whether the request is approved or denied.
- The family's rent and rent period will be specified.
- The family's right to submit a new Bridge Application with additional facts or documentation.
- The Committee's recommendations, if any.

2. Safety Net

For families transitioning from the current public housing or voucher program to the rent reform program, AHFC will provide a "safety net" during the initial transition year. Once a family has been transitioned from the traditional program into the new Step or Classic Program, the family will be granted one opportunity for a temporary income change to address an unanticipated change to family income or composition.

At the family's transition appointment, staff will counsel the family about their opportunity to process one income change while in the first year of their Step or Classic Program participation. The change is offered for a maximum period of 60 days.

2.1 Request

It is the family's responsibility to request the safety net. To qualify for the safety net:

- The income change must be anticipated to last for more than 30 days;
- The family must provide appropriate documentation.

2.2 Approval

The safety net is available for a maximum of 60 days (two rental months) or until the effective date of the family's next regular examination, whichever is first. The safety net option is only available to families that were participants in AHFC's public housing or voucher programs prior to February 1, 2014. Families housed from the waiting list after February 1, 2014, will not be eligible. AHFC expects this process to be eliminated once all

current public housing and voucher families are transitioned into either the Classic or Step Program.

Staff will notify families and landlords of changes to the rent using the appropriate program Rent Change Notice.

Changes or Modifications
This was formerly listed in the Appendix of the Annual Plan and updated as part of the FY2016 Annual Plan. This was wrapped into Activity 2014-1 as establishing a method for families to grieve an adverse impact due to a rent reform activity is an MTW Agreement obligation.

Authorization
Attachment C, paragraphs C.11 and D.2.a. (no change)

Regulation Citation
24 CFR 5.617 and 960.255

2014-3 PBV Inspection Requirements

Description and Status
For project-based voucher (PBV) developments, AHFC requires flexibility when determining the number of annual and quality control inspections. The number required may vary depending on the development configuration and number of PBV units.

AHFC is basing its initial and annual inspection requirement on the needs of each individual development. AHFC reserves the right to inspect any time it suspects that the owner is not in compliance with Housing Quality Standards (HQS) or if the fail rate reaches 20 percent at the development. AHFC will continue to investigate tenant complaints regarding the condition of a PBV unit. AHFC will also continue to conduct the initial property and unit inspections before entering into a HAP Contract for the development.

AHFC has an additional quality assurance process for those developments with PBV and Low Income Housing Tax Credit Programs, as AHFC's Internal Audit Department conducts reviews of the property which includes unit inspections. AHFC's quality assurance staff will review Internal Audit's findings and consider those inspections as part of its inspection universe.

Changes or Modifications
No changes to this activity during this fiscal year.

Metrics, Baselines, Benchmarks
CE #1: Agency Cost Savings

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	0	0		

AHFC anticipates that this will be a revenue neutral activity as staff will still perform inspections whether it be done by voucher, audit, or quality assurance staff.

CE #2: Staff Time Savings

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	0	0		

AHFC anticipates that this activity will not result in time savings as staff will still perform inspections whether it be done by voucher, audit, or quality assurance staff.

CE #3: Decrease in Error Rate of Task Execution

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average error rate in completing a task as a percentage (decrease).	0	0		

AHFC does not have errors for completion of annual or quality assurance inspections. All are completed as required, and AHFC does not anticipate that this will change.

Authorization

Attachment C, paragraph D.5 and paragraph D.7.d. (no change)

Requested Regulation Waiver

- HUD regulations at 24 CFR 983.103(c) for turnover inspection requirements.
- HUD regulations at 24 CFR 983.103(d)(1) for annual inspection random sample requirements.
- HUD regulations at 24 CFR 983.103(d)(2) for annual inspection failed unit inspection requirements.
- HUD regulations at 24 CFR 983.103(e)(2) for failed inspection follow-up requirements.

2014-4 Ridgeline Terrace and Susitna Square

Description and Status

This activity was formerly named Mountain View and San Roberto Development. AHFC has updated the name to match the newly named developments. AHFC will use its MTW funds and its development expertise to support affordable housing acquisition and development. AHFC will also pursue disposition and redevelopment of its current Public Housing portfolio through its subsidiary entity, Alaska Corporation for Affordable Housing (ACAH).

Construction of the new units and buildings continues at both Ridgeline Terrace and Susitna Square. The first units are anticipated to be available for occupancy at both developments in December 2015.

Changes or Modifications

No changes to this activity during this fiscal year.

Metrics, Baselines, Benchmarks
CE #4: Increase in Resources Leveraged

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increase).	Amount leveraged prior to implementation of the activity (in dollars). This number may be zero.	Expected amount leveraged after implementation of the activity (in dollars).		

Preliminary data will be available in the FY2016 Annual Report.

HC #1: Additional Units of Housing Made Available

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Add new units of housing for seniors at or below 80 percent of area median income.	0	20 new units in Mountain View		
Add new units of housing for families at or below 80 percent of area median income.	0	50 new units in Mountain View		
Add new units of housing for families at or below 80 percent of area median income.	16 public housing family units on San Roberto Avenue	18 new units on San Roberto Avenue		

Preliminary data will be available in the FY2016 Annual Report.

HC #2: Units of Housing Preserved

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of housing units preserved for households at or below 80% AMI that would otherwise not be available (increase). If units reach a specific type of household, give that type in this box.	16 units of family housing at 80 percent of area median income	16 units of family housing at 50 percent of area median income		

Preliminary data will be available in the FY2016 Annual Report.

HC #5: Increase in Resident Mobility

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0	81		

This is a new construction development consisting of 70 units; 20 units are reserved for elderly/disabled families and 50 units are reserved for families. These units will be a combination of project-based vouchers, tax credit, and market rate rental units. Preliminary data will be available in the FY2016 Annual Report.

Authorization
MTW Agreement Attachment D signed January 30, 2012.
AHFC will follow the guidance set forth in PIH Notice 2011-45.

B. Not Yet Implemented

None

C. On Hold

2010-11 Project-Based Voucher Assistance in Transitional Housing

Description and Status
Project-base vouchers for no longer than 24 months in transitional housing that serves homeless populations. AHFC is serving part of the homeless population through its Prisoner Re-Entry (Activity 2010-9), Youth Aging Out of Foster Care (2013-1) and Empowering Choice Housing Program (2013-2).

Reason for Hold
AHFC has not pursued project-based vouchers in a transitional facility as AHFC has not had excess funds in its Voucher Program to fund these vouchers. Activity is still in development.

Implementation Plan and Timeline
None at this time. Once AHFC is able to operate its voucher program without a loss, AHFC will again explore this activity.

Changes or Modifications
No changes to this activity during this fiscal year.

Authorization and Changes to Authorization
Attachment C, paragraph B.4 (no change)

Regulation Citation
24 CFR 983.53

2010-13 Homeownership Program

Description and Status

Offer down payment assistance in lieu of a monthly HAP payment.

AHFC currently has 41 homeowners receiving assistance for homeownership under a HAP plan. AHFC suspended applications for this program in 2008, when administrative costs exceeded budget authority. The Board of Directors approved the permanent closure on March 9, 2011.

Reason for Hold

Further development of this activity is tied to future leasing rates and available funds. Staff is also exploring the possibility of other funding sources that may be available to fund the down payment while using MTW funds to cover the administrative cost. Activity is on hold.

Implementation Plan and Timeline

None at this time. Once AHFC is able to operate its voucher program without a loss, AHFC will again explore this activity.

Changes or Modifications

No changes to this activity during this fiscal year.

Original Benchmarks

Metric	Baseline	Benchmark	Outcome
Reduce administrative costs of the homeownership program.	$6,250 per participant	$1,562 per participant	Lack of available funds has postponed implementation.

Authorization and Changes to Authorization

Attachment C, paragraph D.8.a (no change)

Regulation Citation

24 CFR 982.625

2015-1 Modify Reasonable Rent Procedure for 5 Percent FMR Decrease

Description and Status

Current HUD regulations require a PHA to re-determine rent reasonableness for any unit under contract within 60 days of a five percent decrease in the Fair Market Rent (FMR). Under Moving to Work Activity 2011-2, Local Payment Standards, AHFC sets each voucher jurisdiction's payment standard to respond to local market conditions. These are monitored annually and any changes of 5 percent or more in the local market require an adjustment of the payment standard. Payment standard evaluation and adjustment will not typically occur at the same time that HUD publishes revised FMRs.

AHFC will continue to evaluate rent reasonableness prior to signing any new HAP contracts for families that wish to move and for landlord rent increase requests. For those families that are renewing their HAP Contract for their current unit, AHFC would like to conduct rent reasonableness as part of each family's regular examination process. The revised payment standard and rent reasonableness would coincide with the effective date of the family's examination.

Reason for Hold
AHFC's FY2015 Annual Plan which introduced this activity was still in the review process by HUD at the time of this plan's submission for public comment.

Implementation Plan and Timeline
Once the FY2015 Plan has completed the review process with HUD, AHFC will make the appropriate policy changes to implement this activity.

Changes or Modifications
No changes to this activity during this fiscal year.

Metrics
CE #1: Agency Cost Savings

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	Cost of task prior to implementation of the activity (in dollars).	Expected cost of task after implementation of the activity (in dollars).		

Preliminary data will be available in the FY2015 Annual Report.

CE #2: Staff Time Savings

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	Total amount of staff time dedicated to the task prior to implementation of the activity (in hours).	Expected amount of total staff time dedicated to the task after implementation of the activity (in hours).		

Preliminary data will be available in the FY2015 Annual Report.

CE #3: Decrease in Error Rate of Task Execution

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average error rate in completing a task as a percentage (decrease).	Average error rate of task prior to implementation of the activity (percentage).	Expected average error rate of task after implementation of the activity (percentage).		

Preliminary data will be available in the FY2015 Annual Report.

Authorization and Changes to Authorization
Attachment C, paragraph D.2.c (no change)

Regulation Citation
24 CFR 982.507(a)(2)(ii)

D. Closed Out

2010-1 Reexamination of Income

Description and Status
Transition elderly and disabled families on fixed income to a biennial examination schedule.

This activity was implemented by staff with Numbered Memo 10-45 on December 7, 2010. After comments from staff, AHFC implemented this for elderly/disabled Public Housing residents only with Numbered Memo 11-08 on January 27, 2011.

Reason for Closure and Year Closed
This activity is closed as AHFC's reasonable rent plan implements an alternate annual family income calculation. This activity has been incorporated into MTW Activity 2014-1 Reasonable Rent and Family Self-Sufficiency Initiative. This activity is completed.

Metrics, Baselines, Benchmarks
Because this activity was changed from all elderly/disabled households to just Public Housing elderly/households, the original benchmark was revised.

Metric	Baseline	Benchmark	Outcome
Number of reexaminations a year	Zero	Reduction of 1,300 reexaminations a year	Modified in January 2011

Revised Metric	Baseline	Revised Benchmark	Outcome
Staff time to perform annual examinations for a population on fixed income	Zero	Reduction of hours spent in reexamination of 100 percent elderly/disabled families.	462 families are 100 percent elder/disabled. This equates to a savings of 347 staff hours every year (1.5 hrs/exam x (462 ÷ 2) exams/yr.).

Authorization
Attachment C, paragraph C.4 (changed, HCV eliminated)

Regulation Citation
24 CFR 960.257

2010-4 Rent Simplification

Description and Status
Alternate rent structure. This activity began with non-MTW activity Interim Reexamination Policy and MTW activities 2010-2 and 2010-3. With the implementation of Activity 2014-1 Reasonable Rent and Family Self-Sufficiency, this activity is no longer needed. This activity is now closed.

Reason for Closure and Year Closed
This activity was closed in the FY2013 MTW Report for the period ending June 30, 2013.

Authorization and Changes to Authorization
Attachment C, paragraph C.11 and paragraph D.2.a (no change)

Regulation Citation
24 CFR 5.609

2010-8 Live-In Aides

Description and Status
Restructure the live-in aide program to coordinate with the state-funded agencies that provide most of the live-in aides for low-income Alaskans.

Reason for Closure and Year Closed
PIH Notice 2009-22 revised guidance issued in 2008-20. With issuance of revised guidance, the waiver was not needed. Activity completed.

Authorization and Changes to Authorization
Attachment C, paragraph D.4 (no change)

Regulation Citation
24 CFR 982.316

2010-12 Local Preferences

Description and Status
Remove a homeless or substandard housing preference from a family that refuses to accept an offer of one or more Public Housing units.

Reason for Closure and Year Closed
On July 1, 2012, AHFC altered its application process to remove the availability of preferences in favor of a list that is ranked by date and time of application. AHFC continues to honor those families who applied for a preference-based waiting list. Because AHFC is exhausting those lists, this activity is no longer necessary. This activity is closed.

Authorization and Changes to Authorization
Attachment C, paragraph C.2 (no change)

Regulation Citation
24 CFR 982.205

2010-14 AHFC Alternate Forms

Description and Status
Using HUD forms as a base, develop customized AHFC forms to coincide with MTW activities. All custom forms are forwarded to the MTW coordinator for review.

Reason for Closure and Year Closed
As suggested by HUD, this activity is closed with the publication of the FY2015 Annual Plan. AHFC will continue to develop forms for implementation of rent reform activities that are based on HUD forms and will identify those needed forms as part of each activity.

Changes or Modifications
No changes to this activity during this fiscal year.

Authorization and Changes to Authorization
Attachment C, paragraph D.1 (no change)

2011-4 Establish a Sponsor-Based Rental Assistance Program

Description and Status
Serve additional families through a program that mirrors the Voucher Program with savings from HAP efficiencies.

Reason for Closure and Year Closed
After advice from the MTW office in 2011, AHFC discovered this was a two-part process. As each opportunity is identified, AHFC will seek individual approval. This activity is closed.

Authorization and Changes to Authorization
Attachment D signed by HUD on January 30, 2012

2012-3 Waiver of Automatic Termination of HAP Contract

Description and Status
Waive HUD regulations at 24 CFR 982.455 that require AHFC automatically terminate a HAP contract 180 days after the last housing assistance payment to the owner.

Reason for Closure and Year Closed
With the implementation of Activity 2014-1 Reasonable Rent and Family Self-Sufficiency Initiative, AHFC has already time-limited its work-able families. The remaining population, Classic Program families, consist of elderly and disabled families. These are the most vulnerable families, and AHFC does not wish to place restrictions on these families.

This activity is closed as part of the submission of the FY2016 Annual Plan.

Authorization and Changes to Authorization
Attachment C, paragraph D.1.a and paragraph D.2.d. (no change)

Regulation Citation
24 CFR 982.455 and language in the Housing Assistance Payments Contract, Part B, Section 4, Term of HAP Contract.

2013-3 Income Limits

Description and Status
In order to address community concerns about services to those most disadvantaged due to inadequate access to decent, safe, and sanitary housing, AHFC is proposing to lower its income limits to serve those populations most in need.

Reason for Closure and Year Closed
This activity has been incorporated into MTW Activity 2014-1 Reasonable Rent and Family Self-Sufficiency Initiative. With the implementation of time limits for work-able families and set asides for vulnerable populations, AHFC feels it has addressed the need for affordable housing for its poorest families.

Authorization and Changes to Authorization
Attachment C of the MTW Agreement, paragraph C.5 (Public Housing admission) (no change)
Attachment C of the MTW Agreement, paragraph D.3 (Housing Choice Voucher admission) (no change)

Regulation Citation
In the Moving to Work Agreement (Section II.D), AHFC agreed to ensure that at least 75 percent of families assisted are very low income (50 percent of area median income) families. AHFC continues to measure this compliance each year as part of its annual reporting process.

2014-2 Use of TIC Sheets for PBV Income Calculations

Description and Status
For project-based voucher (PBV) developments that also utilize Low Income Housing Tax Credit (LIHTC) Program financing, AHFC would like to substitute the LIHTC Tenant Income Certification (TIC) for income and asset verification and determination of subsidy.

Reason for Closure and Year Closed
AHFC began talks with the operator for its project-based vouchers and discovered after further consultation that AHFC staff would prefer to mirror traditional Classic and Step Program calculations for ease of administration. AHFC will begin the process of converting its current traditional project-based voucher families to a streamlined rent calculation instead.

This activity is closed as part of the submission of the FY2016 Annual Plan.

Authorization and Changes to Authorization
Attachment C, paragraph D.2.a. and paragraph D.3. (no change)

Requested Regulation Waiver
HUD regulations at 24 CFR 983.2(c)(6)(ii) which refers to 24 CFR 982.516.

V. MTW Sources and Uses of Funds

A. Estimated Sources of MTW Funding for the Fiscal Year

FDS Line Item	FDS Line Item Name	Dollar Amount
70500 (70300+70400)	Total Tenant Revenue	$6,633,142.00
70600	HUD PHA Operating Grants	$52,225,887.00
70610	Capital Grants	$0.00
70700 (70710 + 70720 + 70730 + 70740 + 70750)	Total Fee Revenue	$0.00
71100+72000	Interest Income	$9,972.00
71600	Gain or Loss on Sale of Capital Assets	$2,065.00
71200 + 71300 + 71310 + 71400 + 71500	Other Income	$341,134.00
70000	**Total Revenue**	**$59,212,200.00**

B. Estimated Uses of MTW Funding for the Fiscal Year

FDS Line Item	FDS Line Item Name	Dollar Amount
91000 (91100 + 91200 + 91400 + 91500 + 91600 + 91700 + 91800 + 91900)	Total Operating - Administrative	$8,091,121.00
91300 + 91310 + 92000	Management Fee Expense	$2,353,714.00
91810	Allocated Overhead	$0.00
92500 (92100 + 92200 + 92300 + 92400)	Total Tenant Services	$331,092.00
93000 (93100 + 93600 + 93200 + 93300 + 93400 + 93800)	Total Utilities	$3,515,991.00
93500 + 93700	Labor	$0.00
94000 (94100 + 94200 + 94300 + 94500)	Total Ordinary Maintenance	$5,004,499.00
95000 (95100 + 95200 + 95300 + 95500)	Total Protective Services	$0.00
96100 (96110 + 96120 + 96130 + 96140)	Total insurance Premiums	$1,015,440.00
96000 (96200 + 96210 + 96300 + 96400 + 96500 + 96600 + 96800)	Total Other General Expenses	$902,571.00
96700 (96710 + 96720 + 96730)	Total Interest Expense and Amortization Cost	$0.00
97100 + 97200	Total Extraordinary Maintenance	$22,175.00
97300 + 97350	Housing Assistance Payments + HAP Portability-In	$32,482,776.00
97400	Depreciation Expense	$5,489,051.00
97500 + 97600 + 97700 + 97800	All Other Expenses	$3,770.00
90000	**Total Expenses**	**$59,212,200.00**

C. Activities Using Only MTW Single Fund Flexibility

N/A.

D. Local Asset Management Plan

Is the PHA allocating costs within statute?	Yes	or	
Is the PHA implementing a local asset management plan (LAMP)?		or	No
Has the PHA provided a LAMP in the appendix?		or	No

VI. ADMINISTRATIVE

A. Board Resolution and Certifications of Compliance
B. Public Review Process

C. PHA Evaluations

D. Appendix Items

1. Replacement Housing Factor (RHF) Plan
2. Non-MTW Activities

E. Annual Statement/Performance and Evaluation Report

Pending

1. Capital Fund Program – AK06P001501-15
2. Capital Fund Program Five Year Action Plan
2. Capital Fund Program, Replacement Housing Factor – AK06R001501-15
3. Capital Fund Program, Replacement Housing Factor – AK06R001502-15

A.1 Board Resolution

ALASKA HOUSING FINANCE CORPORATION
RESOLUTION NO. 2015-13

RESOLUTION OF THE BOARD OF DIRECTORS ALASKA HOUSING FINANCE CORPORATION APPROVAL OF THE STATE FISCAL YEAR 2016 MOVING TO WORK AND CAPITAL FUND PLAN

WHEREAS, the Alaska Housing Finance Corporation, a statewide public housing agency, developed its Public Housing Division Moving to Work (MTW) Plan in compliance with the June 24, 2008 Moving to Work Agreement executed by the U.S. Department of Housing and Urban Development (HUD) and AHFC; and

WHEREAS, this annual plan is due to HUD at least 75 days before the AHFC fiscal year end; and

WHEREAS, the scope of the plan covers activities falling within the Public Housing Program, the Capital Fund Program, and the Housing Choice Voucher program, including but not limited to rental subsidy, operations, administration, and modernization as expressly outlined in the MTW Agreement; and

WHEREAS, in accordance with the MTW Agreement, a draft plan was published on March 5, 2015 allowing for a 30-day comment period with a public hearing held on March 12, 2015; and

WHEREAS, AHFC invited comment through notices posted in AHFC offices, on its website, and notices in the *Alaska Dispatch News*; and

WHEREAS, responses to public comments are contained within the plan;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Alaska Housing Finance Corporation hereby recommends said plan and directs staff to submit it to the U.S. Department of Housing and Urban Development for approval.

This resolution shall take effect immediately.

PASSED AND APPROVED this 29th day of April, 2015.

Frank Roppel, Chair
Board of Directors

A.2 Certifications of Compliance

OMB Control Number: 2577-0216
Expiration Date: 05/31/2016

Annual Moving to Work Plan
Certifications of Compliance

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

Certifications of Compliance with Regulations:
Board Resolution to Accompany the Annual Moving to Work Plan*

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the Annual Moving to Work Plan for the PHA fiscal year beginning July 1, 2015, hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

1. The PHA published a notice that a hearing would be held, that the Plan and all information relevant to the public hearing was available for public inspection for at least 30 days, that there were no less than 15 days between the public hearing and the approval of the Plan by the Board of Commissioners, and that the PHA conducted a public hearing to discuss the Plan and invited public comment.
2. The PHA took into consideration public and resident comments (including those of its Resident Advisory Board or Boards) before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan.
3. The PHA certifies that the Board of Directors has reviewed and approved the budget for the Capital Fund Program grants contained in the Capital Fund Program Annual Statement/Performance and Evaluation Report, form HUD-50075.1.
4. The PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
5. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
6. The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the PHA's jurisdiction and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan.
7. The PHA will affirmatively further fair housing by examining its programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions.
8. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
9. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
10. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
11. The PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
12. The PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with

Attachment B
1

restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.

13. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
14. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
15. The PHA will provide HUD or the responsible entity any documentation needed to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58. Regardless of who acts as the responsible entity, the PHA will maintain documentation that verifies compliance with environmental requirements pursuant to 24 Part 58 and 24 CFR Part 50 and will make this documentation available to HUD upon its request.
16. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
17. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
18. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
19. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments).
20. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan.
21. All attachments to the Plan have been and will continue to be available at all times and all locations that the Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its Plan and will continue to be made available at least at the primary business office of the PHA.

Alaska Housing Finance Corporation (AHFC)
PHA Name

AK001 / AK901
PHA Number/HA Code

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

Franklin C. Roppel
Name of Authorized Official

Chair
Title

Signature

4/29/2015
Date

*Must be signed by either the Chairman or Secretary of the Board of the PHA's legislative body. This certification cannot be signed by an employee unless authorized by the PHA Board to do so. If this document is not signed by the Chairman or Secretary, documentation such as the by-laws or authorizing board resolution must accompany this certification.

Attachment B
2

A.3 Board Resolution (Amendment One)

Pending

B. Public Review Process

B.1 Public Notice (FY2016 Plan)

Alaska Housing Finance Corporation published a public notice seeking comment on the FY2016 Annual Plan in the *Alaska Dispatch News*. In addition, AHFC published the public comment notice on its web site.

Public Comment and Hearing Notice
Alaska Housing Finance Corporation
Moving to Work Plan and Capital Fund Program

The public is invited to participate in a public comment period and a statewide teleconference to provide comments on the Alaska Housing Finance Corporation (AHFC) FY2016 Moving to Work (MTW) Plan and Capital Fund Program.

The Plan is available on the AHFC website at www.ahfc.us. From the "Home" page, click on the "Notices" link (at the bottom). On the left side, the plan is available under the "Public Hearings" or "Requests for Comments" links. The public may also obtain a copy of the Plans by calling Regina O'Keefe at 907-330-8432 or 800-478-2432, outside of Anchorage.

AHFC provides for a 30 day public comment period and welcomes community input. Written comments will be accepted until **12:00 Noon, April 6, 2015**. Please submit comments to pstantorf@ahfc.us or mail to:

Alaska Housing Finance Corporation (AHFC)
ATTN: Pamela Stantorf
PO Box 101020
Anchorage, AK 99510-1020

AHFC has scheduled a public hearing to accept public comments on both Plans. Individuals unable to attend the hearing in person may participate by telephone. Please dial **1-877-668-4493**; the "**meeting number**" to the hearing is **921625394**. No password is required. The hearing is scheduled for:

Thursday, March 12, 2015, 4:00-6:00 p.m.
4300 Boniface Parkway, Anchorage
Fourth Floor Conference Room

Section 230 of the Consolidated Appropriations Act of 2008 designates AHFC as an MTW site. The MTW designation allows AHFC to waive parts of the 1937 Housing Act and regulations to address local needs. Any requested waivers are detailed in the Plan. The Plan also outlines general information about resources and operations of the Public Housing Division of AHFC.

AHFC complies with Title II of the Americans with Disabilities Act of 1990 and the Rehabilitation Act of 1973. Individuals with disabilities who may need auxiliary aids or services or special modifications to participate in this public meeting should call **907-330-8432** three business days prior to the scheduled meeting date to arrange an accommodation.

Alaska Dispatch News Affidavit of Publication

268423
0001360554
$ 254.00

AFFIDAVIT OF PUBLICATION

STATE OF ALASKA
THIRD JUDICIAL DISTRICT

Leesa Little
being first duly sworn on oath deposes and says that he/she is a representative of the Alaska Dispatch News, a daily newspaper. That said newspaper has been approved by the Third Judicial Court, Anchorage, Alaska, and it now and has been published in the English language continually as a daily newspaper in Anchorage, Alaska, and it is now and during all said time was printed in an office maintained at the aforesaid place of publication of said newspaper. That the annexed is a copy of an advertisement as it was published in regular issues (and not in supplemental form) of said newspaper on

March 06, 2015

and that such newspaper was regularly distributed to its subscribers during all of said period. That the full amount of the fee charged for the foregoing publication is not in excess of the rate charged private individuals.

Signed _____

Subscribed and sworn to before me this 6th day of March, 2015

Britney Thompson

Notary Public in and for
The State of Alaska.
Third Division
Anchorage, Alaska
MY COMMISSION EXPIRES
05/18/2015

Public Comment and Hearing Notice
Alaska Housing Finance Corporation
Moving to Work Plan and Capital Fund Program

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Published: March 6, 2015

BRITNEY THOMPSON
My Commission Expires
NOTARY PUBLIC
May 18, 2015
STATE OF ALASKA

B.2 Public Comments from the March 12, 2015 Public Hearing

A transcript of the entire proceeding is on record at the AHFC Public Housing Division headquarters.

Catherine Stone provided an introduction to the public hearing and explained the purpose of the hearing. AHFC Resident Advisory Board members attending the hearing then identified themselves.

RAB members asked about the proposed 2016-1 activity to put out a request for proposal to expand AHFC sponsor-based assistance to Housing First developments. Ms. Stone reviewed the proposal and explained AHFC's reasons for proposing the activity.

Ronald Mallott, Resident Advisory Board member, commented:
Mr. Mallott was concerned that services such as Bean's Café and the Brother Francis Shelter do not provide any type of rehabilitation services and do not affiliate with other agencies that might provide them. Mr. Mallott likes that Karluk Manor tries to provide those services. Mr. Mallott feels that additional services would better serve the target population.

Mr. Mallott asked for further clarification on how AHFC's funding would be used by applicants under activity 2016-1. AHFC replied that the funding would help support monthly operations by providing subsidy for those individuals residing in the facility. The assistance would be based on an individual's income.

Mr. Mallott further asked if some type of referral system or working arrangement could be set-up to help those individuals who are reluctant to approach a Housing First provider on their own. Ms. Stone clarified that AHFC has already developed partnerships with other agencies to reach out to hard-to-serve individuals.

Mr. Mallott asked if, when qualifying an individual, any homeownership is evaluated as part of their income eligibility. He was specifically concerned about individuals that come to Anchorage from rural villages or locations and already own a home, but are homeless in Anchorage. Michael Courtney clarified that preferences were eliminated several years ago. He added that any family assets, including homeownership, would be factored into annual income when determining eligibility. Mr. Mallott stated that he thought that persons who were truly homeless in Anchorage needed to be considered ahead of those who had homes in other locations.

Lastly, Mr. Mallott was concerned that some of AHFC's specialty programs were not being advertised as well as they could be. He said that it appears that individuals are responsible for finding out what resources are available on their own.

Sean Reilly, Resident Advisory Board member, commented:
Mr. Reilly expressed concerns about decreasing state and federal budgets and the support that will be available for housing programs. He also expressed concerns about limiting the time that assistance was available. He stated that some individuals may not have the skills to get the kinds of jobs that will allow them to pay the full rent.

He was also concerned that AHFC was encouraging people to work, but was not considering the costs that went along with working such as transportation, child care, and skills. He is concerned that families leaving rental assistance are really prepared to pay for their full rent and not end up homeless.

Lastly, Mr. Reilly asked what happened if there were changes in a family that caused the work able adult to no longer be in the household. He wanted to know if a family could go back to being under the Classic Program. Mr. Courtney stated that changes like that are covered under AHFC's Bridge Process, and families would be eligible for changes between the Step and Classic Programs.

Ronny Caton, Resident Advisory Board member, commented:
Ms. Caton expressed concerns about a person with a disability receiving five years of assistance and having their subsidy reduced each year. Ms. Caton said that some of these individuals will never go back to being not disabled, and therefore, there should be no time limit. Mr. Courtney clarified that persons with disabilities fall under the Classic Program, not the Step Program. He stated that only those families that contained a work able adult were in the Step Program.

Ms. Caton then commented on a specific letter that talked about no longer being eligible for Social Security Ticket to Work Program. Mr. Courtney clarified that AHFC is not involved with that program, and it sounded like a program conducted by Social Security.

B.3 Written Public Comments (FY2016 Plan)

There were no written public comments submitted during the public comment period.

B.4 Public Notice (Amendment One)

Alaska Dispatch News Affidavit of Publication

This document was not available at the time this was submitted to the Board as the notice was republished on July 2, 2015 for the public hearing.

Alaska Housing Finance Corporation published a public notice seeking comment on Amendment One to the FY2016 Annual Plan in the *Alaska Dispatch News*. In addition, AHFC published the public comment notice on its web site.

Public Comment and Hearing Notice
Alaska Housing Finance Corporation
FY2016 Moving to Work Plan Amendment One

The public is invited to participate in a public comment period and a statewide teleconference to provide comments on the Alaska Housing Finance Corporation (AHFC) FY2016 Moving to Work (MTW) Plan Amendment One. This Amendment sets forth AHFC's proposed Family Self-Sufficiency Program called Jumpstart. This comment period and public hearing includes the Jumpstart Action Plan.

The Plan is available on the AHFC website at www.ahfc.us. From the "Home" page, click on the "Notices" link (at the bottom). On the left side, the plan is available under the "Public Hearings" or "Requests for Comments" links. The public may also obtain a copy of the Plan by calling Regina O'Keefe at 907-330-8432 or 800-478-2432, outside of Anchorage.

AHFC provides for a 30 day public comment period and welcomes community input. Written comments will be accepted until **12:00 Noon, July 20, 2015**. Please submit comments to pstantorf@ahfc.us or mail to:

Alaska Housing Finance Corporation (AHFC)
ATTN: Pamela Stantorf
PO Box 101020
Anchorage, AK 99510-1020

AHFC has scheduled a public hearing to accept public comments on the Plan. Individuals unable to attend the hearing in person may participate by telephone. Please dial **1-877-668-4493**; the "**meeting number**" to the hearing is **924710179**. No password is required. The hearing is scheduled for:

Thursday, July 9, 2015, 4:00-6:00 p.m.
4300 Boniface Parkway, Anchorage
First Floor Conference Room

Section 230 of the Consolidated Appropriations Act of 2008 designates AHFC as an MTW site. The MTW designation allows AHFC to waive parts of the 1937 Housing Act and regulations to address local needs. Any requested waivers are detailed in the Plan. The Plan also outlines general information about resources and operations of the Public Housing Division of AHFC.

AHFC complies with Title II of the Americans with Disabilities Act of 1990 and the Rehabilitation Act of 1973. Individuals with disabilities who may need auxiliary aids or services or special modifications to participate in this public meeting should call **907-330-8432** three business days prior to the scheduled meeting date to arrange an accommodation.

B.5 Public Comments from the July 9, 2015 Public Hearing

A transcript of the entire proceeding is on record at the AHFC Public Housing Division headquarters.

Michael Courtney provided an introduction to the public hearing and explained the purpose of the hearing. AHFC Resident Advisory Board members attending the hearing then identified themselves.

No public testimony or comments were offered on Amendment One to the FY2016 Moving to Work Plan.

B.6 Resident Advisory Board Comments (Amendment One)

AHFC conducted a quarterly Resident Advisory Board meeting on July 15, 2015. The Board members were given an overview of the proposed amendment and given the opportunity to provide comment.

Board members enthusiastically supported the expansion of the Family Self-Sufficiency program through Jumpstart. They felt that this was a good opportunity for families who were previously unable to participate.

B.7 Written Public Comments (Amendment One)

There were no written public comments submitted during the public comment period.

Ms. Lisa Mariotti, Alaska Network on Domestic Violence and Sexual Assault provided verbal comments to AHFC. She asked for the following clarifications to the FSS Action Plan.

- AHFC Fair Housing Statement: Ms. Mariotti asked that AHFC include persons protected under the Violence Against Women Act (VAWA) in our Fair Housing Statement. *AHFC: An individual who qualifies for protections under VAWA is not excluded from also qualifying as a member of a protected class under AHFC's Fair Housing Statement and filing a claim of discrimination*.
- Under Confidentiality of Records, Ms. Mariotti asked that AHFC specify available protections under VAWA to victims of domestic violence, dating violence, sexual assault, and stalking. *AHFC added language per Ms. Mariotti's request.*
- Under Unavailability of Supportive Services, Ms. Mariotti asked for a clarification regarding services "pledged" by a social service agency. *AHFC has added a clarification to this section.*
- Lastly, a discussion was held regarding family breakup and the release of a victim's new address information to a former head of household. AHFC clarified that if a family breaks up, the new head of household is eligible to participate in Jumpstart under a separate agreement, and no information regarding the new head of household or his/her location would be disclosed to the former household.

C. PHA Evaluations

None.

D.1 Replacement Housing Factor (RHF) Plan

First Increment Funding

Alaska Housing Finance Corporation (AHFC) has received first increment Replacement Housing Factor (RHF) funds from HUD's Federal Fiscal Year (FFY) 2006 appropriation and expects to continue to receive RHF funding. AHFC intends to combine the RHF funds received into the MTW Block Grant, be eligible for the second increment of RHF Funds, and utilize these RHF funds pursuant to one of three options of AHFC's Amended MTW Agreement. AHFC needs to accumulate the RHF grants in order to have sufficient funds to develop new affordable housing units. The subject grants are:

FFY Grant Year	Grant Number	Amount
2006	AK06R001501-06	$ 176,769
2007	AK06R001501-07	$ 155,875
2008	AK06R001501-08	$ 53,245
2009	AK06R001501-09	$ 42,130
2010	AK06R001501-10	$ 82,805
	Total	**$ 510,824**

This funding will be used to fill gaps in financing as needed to develop affordable housing units at the following scattered that are currently owned by AHFC and located in Anchorage, Alaska. AHFC will ensure that the requisite number of affordable housing units required under the "Proportionality Test" will be developed. AHFC plans to commit RHF funds to develop up to 16 affordable housing rental units at development sites listed below:

Central Terrace

It is AHFC's understanding from the information posted on the HUD Capital Fund webpage that the obligation end date for these funds will be October 29, 2012 and the disbursement end date will be October 29, 2014. AHFC will develop new units in accordance with the requirements found in AHFC's MTW Agreement.

AHFC confirms that its Amended FY2012 MTW Annual Plan was submitted to HUD on November 23, 2011. AHFC is in compliance with the obligation and expenditure deadlines on all of its Capital Fund Grants and is current on its LOCCS reporting.

Second Increment Funding

AHFC has received second increment Replacement Housing Factor (RHF) funds. AHFC intends to combine the RHF funds received into the MTW Block Grant and utilize these RHF funds pursuant to one of three options of AHFC's Amended MTW Agreement. AHFC needs to accumulate the RHF grants in order to have sufficient funds to develop new affordable housing units.

The subject grants are:

FFY Grant Year	Grant Number	Amount
2006	AK06R001502-06	$ 3,719
2007	AK06R001502-07	$ 4,319
2008		$ 0.00
2009	AK06R001502-09	$ 53,111
2010	AK06R001502-10	$ 89,738
	Total	**$ 150,887**

This funding will be used to fill gaps in financing as needed to develop affordable housing units at the following scattered sites that are currently owned by AHFC and located in Anchorage, Alaska. AHFC will ensure that the requisite number of affordable housing units required under the "Proportionality Test" will be developed. AHFC plans to commit RHF funds to develop up to 16 affordable housing rental units.

Anchorage Area AMP 271 and 274 (Central Terrace, Fairmount, and New Willows)
It is AHFC's understanding from the information posted on the HUD Capital Fund webpage that the obligation end date for these funds will be October 29, 2012 and the disbursement end date will be October 29, 2014. AHFC will develop new units in accordance with the requirements found in AHFC's MTW Agreement.

AHFC confirms that its Amended FY 2012 MTW Annual Plan was submitted to HUD on November 23, 2011. AHFC is in compliance with the obligation and expenditure deadlines on all of its Capital Fund Grants and is current on its LOCCS reporting.

D.2 Non-MTW Activities

AHFC submits these activities to its Board of Directors for approval as part of its overall Plan. These activities fall within current authority granted under HUD regulations and do not require HUD MTW approval.

1. Preliminary Development Activities

Anchorage East

Boston Street
AHFC demolished three units of Public Housing on Boston Street under a *de minimis* disposition process in FY2012. AHFC is working with the Municipality of Anchorage to construct a new complex of three to four Public Housing units that will be similar to the four-unit complex built at 1248 East 9th Avenue. That complex consists of four efficiency and one-bedroom units with an accessible unit in each bedroom size. AHFC is still in the planning process with the Municipality and is not currently showing these units as part of its Public Housing unit portfolio.

Kodiak

AHFC has been asked by members of the legislature about development options on a nine acre parcel AHFC owns on Kodiak Island. Since a recent increase in U.S. Coast Guard personnel, vacancy rates in Kodiak are less than one percent. The AHFC lot is steep and located on bedrock making utility upgrades expensive. No funding sources are currently available to pursue development of the site. If access to financing were available, AHFC would consider using its Faircloth subsidy to add additional, affordable units for low income families or seniors.

2. Activities

2.1 On-Going

2014N-1 Smoke Free Housing

To increase the quality of indoor air, reduce smoking-related fires, and reduce maintenance costs associated with units occupied by smokers, AHFC is considering a "smoke-free" environment in all its units, buildings, and common areas.

Description

The number one cause of preventable disease in the United States is cigarette smoking according to studies by the American Lung Association. Tobacco smoke has been linked to respiratory illness, heart disease, and cancer. Smoking is also a source of many fires, fire-related deaths, and fire-related injuries.

As a responsive and responsible landlord, AHFC is committed to decent, safe, sanitary housing for all its residents. Sanitary housing includes reduction of indoor air pollution.

Maintenance Costs

AHFC incurs significant costs to prepare units formerly occupied by smokers for new residents. These costs include:

- Applying additional primer products that cover stains and odors that have discolored unit walls.
- Replacing materials such as carpeting and blinds that absorb odors, as the odor cannot be eliminated.
- Replacing unit carpet, Formica, or linoleum that has been damaged by burns or dropped cigarettes. Often, these cannot be patched.
- Increased common area cleaning required for common areas and entryways used by smokers. The curb appeal is diminished by discarded smoking materials in these areas.
- Significant damage to building siding around units that house a heavy or chain smoker.

Plan

AHFC sent a second survey regarding smoke-free units to its residents in April 2014. AHFC is currently following pending legislation in the State of Alaska. Once the current legislative

session is complete, AHFC will develop an action plan for those buildings that are ready to go smoke-free.

Anticipated Impact
An immediate, positive impact is expected by implementing a smoke-free policy at AHFC's senior/disabled buildings. These are large, multi-storied buildings joined by interior hallways and shared interior common spaces. AHFC can easily collect data and gather resident feedback at these properties. AHFC will then examine each of its properties and implement a smoke-free policy as appropriate.

2014N-2 Electronic Fund Transfers for All HAP Distributions

AHFC would like to pay 100 percent of its Housing Assistance Payment (HAP) distributions through direct deposit to vendor accounts.

Description
With the implementation of its new software program, AHFC began offering direct deposit to vendors in 2012. At the time, AHFC requested that all vendors new to AHFC sign up for the electronic fund transfer method, but it allowed current vendors to continue receiving a printed check.

Anticipated Impact
One immediate cost benefit is expected to come through savings of annual mailing costs. As of December 31, 2012, AHFC was distributing payments on 1,809 vendor accounts.

- At $0.45 per check, the cost to mail is $814.05 per month ($9,768.60 per year).
- After January 27, the price is increasing to $0.46, which means the cost will be $832.14 per month ($9,985.68 per year).
- Currently, AHFC pays almost half (863 accounts) of its payments through EFT, savings of $388.35 per month in postage.

The numbers shown above account for one processing run, once per month. As a courtesy to vendors, AHFC runs the payment process several times per month to accommodate new lease-ups which occur during the month. Those additional processing runs only increase AHFC's postage and administrative costs.

Plan
AHFC plans to conduct outreach to its landlords to explain the electronic fund transfer process and begin transitioning its landlords to the electronic process.

- For all new contracts, AHFC is no longer allowing printed checks.
- For current landlords, AHFC is continuing to work with those remaining vendors receiving printed checks.
- Finally, AHFC will set a deadline for all existing vendors with existing contracts to transition to electronic deposit.

Activity	Description	Status
2010N-7 Designated Housing	Designation of certain Public Housing buildings as elderly or disabled only	HUD approved the designation of 104 units at Chugach Manor as elderly. Sixteen units are reserved for persons with disabilities. HUD granted approval of the designated housing plan on May 10, 2011. Numbered Memo 12-10 dated February 24, 2012 with an effective date of March 1, 2012 issued waiting list and operational procedures for staff. Activity ongoing.
2010N-8 Recognition of Outstanding Performance	Recognition of staff innovations and outstanding performance	Activity ongoing.
2011N-2 Utilize HUD's Operating Subsidy-Only Regulation	Use the "banked" units (Faircloth Amendment) under Annual Contribution Contract (ACC) and apply them to existing units in the market using a competitive procurement process	AHFC continues to investigate available properties and possible development options. Activity ongoing.
2011N-6 Elder Housing Preference	Mimic the policies governing the Section 8 Multifamily project-based assistance units that AHFC owns and operates to allow for an elderly super-preference, with a clause reserving at least ten percent of the units for younger, disabled households	AHFC is monitoring its use of the "super elderly" preference at its buildings in Fairbanks and Anchorage. AHFC will be investigating elder/disabled buildings in other communities to research if this option is appropriate for those communities. Activity ongoing.

E. Annual Statement/Performance and Evaluation Reports

Annual Statement /Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 06/30/2017

Part I: Summary

PHA Name:	Grant Type and Number	FFY of Grant: 2015
ALASKA HOUSING FINANCE CORPORATION	Capital Fund Program Grant No: AK06P001501-15 Replacement Housing Factor Grant No: Date of CFFP:	FFY of Grant Approval: 2015

Type of Grant

[X] **Original Annual Statement** [ ] **Reserve for Disasters/Emergencies** [ ] **Revised Annual Statement (revision no:)**
[ ] **Performance and Evaluation Report for Period Ending:** [ ] **Final Performance and Evaluation Report**

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost[1]	
		Original	Revised[2]	Obligated	Expended
1	Total Non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21)[3]	$0.00	$0.00	$0.00	$0.00
3	1408 Management Improvements	$0.00	$0.00	$0.00	$0.00
4	1410 Administration (may not exceed 10% of line 21)	$0.00	$0.00	$0.00	$0.00
5	1411 Audit	$0.00	$0.00	$0.00	$0.00
6	1415 Liquidated Damages	$0.00	$0.00	$0.00	$0.00
7	1430 Fees and Costs	$0.00	$0.00	$0.00	$0.00
8	1440 Site Acquisition	$0.00	$0.00	$0.00	$0.00
9	1450 Site Improvement	$0.00	$0.00	$0.00	$0.00
10	1460 Dwelling Structures	$0.00	$0.00	$0.00	$0.00
11	1465.1 Dwelling Equipment-Nonexpendable	$0.00	$0.00	$0.00	$0.00
12	1470 Non-dwelling Structures	$0.00	$0.00	$0.00	$0.00
13	1475 Non-dwelling Equipment	$0.00	$0.00	$0.00	$0.00
14	1485 Demolition	$0.00	$0.00	$0.00	$0.00
15	1492 Moving to Work Demonstration	$1,877,019.00	$0.00	$0.00	$0.00
16	1495.1 Relocation Costs	$0.00	$0.00	$0.00	$0.00
17	1499 Development Activities[4]	$0.00	$0.00	$0.00	$0.00
18a	1501 Collateralization or Debt Service paid by the PHA	$0.00	$0.00	$0.00	$0.00
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment	$0.00			$0.00
19	1502 Contingency (may not exceed 8% of line 20)	$0.00	$0.00	$0.00	$0.00
20	**Amount of Annual Grant: (sum of lines 2-19)**	**$1,877,019.00**	**$0.00**	**$0.00**	**$0.00**
21	Amount of line 20 Related to LBP Activities	$0.00	$0.00	$0.00	$0.00
22	Amount of line 20 Related to Section 504 Activities	$0.00	$0.00	$0.00	$0.00
23	Amount of line 20 Related to Security -- Soft Costs	$0.00	$0.00	$0.00	$0.00
24	Amount of line 20 Related to Security -- Hard Costs	$0.00	$0.00	$0.00	$0.00
25	Amount of line 20 Related to Energy Conservation Measures	$0.00	$0.00	$0.00	$0.00

Signature of Executive Director	Date	Signature of Public Housing Director	Date

[1] To be completed for the Performance and Evaluation Report.
[2] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[3] PHAs with under 250 units in management may use 100% of CFP Grants for operations.
[4] RHF funds shall be included here.

form **HUD-50075.1** (4/2008)

Annual Statement /Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
Expires 06/30/2017

Part II: Supporting Pages

PHA Name:
ALASKA HOUSING FINANCE CORPORATION

Grant Type and Number
Capital Fund Program Grant No: **AK06P001501-15**
CFFP (Yes/No): **No**
Replacement Housing Factor Grant No:

Federal FY of Grant: **FFY 2015**

Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised[1]	Funds Obligated[2]	Funds Expended[2]	
HA Wide	**Moving to Work Demonstration**	1492	HA Wide	$1,877,019.00	$0.00	$0.00	$0.00	

[1] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[2] To be completed for the Performance and Evaluation Report.

Capital Fund Program - Five-Year Action Plan

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 8/30/2011

Part I: Summary

PHA Name/Number	Locality (City/County & State)	[X] Original 5-Year Plan	[ ] Revision No:
ALASKA HOUSING FINANCE CORPORATION	ALASKA		

A.	Development Number and Name	Work Statement for Year 1	Work Statement for Year 2	Work Statement for Year 3	Work Statement for Year 4	Work Statement for Year 5
	FFY	2015	FFY Grant: 2016 PHA FY: 2017	FFY Grant: 2017 PHA FY: 2018	FFY Grant: 2018 PHA FY: 2019	FFY Grant: 2019 PHA FY: 2020
		Annual Statement				
	HA - WIDE		$2,056,771	$2,056,771	$2,056,771	$2,056,771
	Moving to Work Demonstration					

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
Expires 4/30/2011

Capital Fund Program - Five-Year Action Plan

Part I: Summary (Continuation)

PHA Name/Number	Locality (City/County & State)	X Original 5-Year Plan	Revision No:
ALASKA HOUSING FINANCE CORPORATION	ALASKA		

	Development Number and Name	Year 1	Work Statement for Year 2	Work Statement for Year 3	Work Statement for Year 4	Work Statement for Year 5
A.	FFY	2015	FFY Grant: 2016 PHA FY: 2017	FFY Grant: 2017 PHA FY: 2018	FFY Grant: 2018 PHA FY: 2019	FFY Grant: 2019 PHA FY: 2020
		Annual Statement				
	HA-Wide Physical Activities		$0	$0	$0	$0
B.	Physical Improvements Subtotal		$2,056,771	$2,056,771	$2,056,771	$2,056,771
C.	Management Improvements		$0	$0	$0	$0
D.	PHA-Wide Non-dwelling Structures and Equipment		$0	$0	$0	$0
E.	Administration		$0	$0	$0	$0
F.	Other		$0	$0	$0	$0
G.	Operations		$0	$0	$0	$0
H.	Demolition		$0	$0	$0	$0
I.	Development		$0	$0	$0	$0
J.	Capital Fund Financing -- Debt Service		$0	$0	$0	$0
K.	**Total CFP Funds**		**$2,056,771**	**$2,056,771**	**$2,056,771**	**$2,056,771**
L.	Total Non-CFP Funds		$0	$0	$0	$0
M.	Grand Total		**$2,056,771**	**$2,056,771**	**$2,056,771**	**$2,056,771**

Capital Fund Program Five-Year Action Plan
Part II: Supporting Pages---Work Activities

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 8/30/2011

Activities for Year 1 2015	Activities for Year 2 FFY Grant: 2016 PHA FY: 2017			Activities for Year 3 FFY Grant: 2017 PHA FY: 2018		
	Development Name/Number	Major Work Categories	Estimated Cost	Development Name/Number	Major Work Categories	Estimated Cost
See Annual Statement	HA - WIDE	Moving to Work Demonstration	$2,056,771.00	HA - WIDE	Moving to Work Demonstration	$2,056,771.00

Capital Fund Program Five-Year Action Plan
Part II: Supporting Pages---Work Activities

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 8/30/2011

Activities for Year 1 2015	Activities for Year 4 FFY Grant: 2018 PHA FY: 2019			Activities for Year 5 FFY Grant: 2019 PHA FY: 2020		
	Development Name/Number	Major Work Categories	Estimated Cost	Development Name/Number	Major Work Categories	Estimated Cost
See Annual Statement	HA - WIDE	Moving to Work Demonstration	$2,056,771.00	HA - WIDE	Moving to Work Demonstration	$2,056,771.00

Annual Statement /Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 06/30/2017

Part I: Summary

PHA Name:	Grant Type and Number	FFY of Grant: 2015
ALASKA HOUSING FINANCE CORPORATION	Capital Fund Program Grant No: AK06R001501-15 Replacement Housing Factor Grant No: Date of CFFP:	FFY of Grant Approval: 2015

Type of Grant

[X] **Original Annual Statement** [ ] **Reserve for Disasters/Emergencies** [ ] **Revised Annual Statement (revision no:)**
[ ] **Performance and Evaluation Report for Period Ending:** [ ] **Final Performance and Evaluation Report**

Line	Summary by Development Account		Total Estimated Cost		Total Actual Cost[1]	
			Original	Revised[2]	Obligated	Expended
1	Total Non-CFP Funds					
2	1406	Operations (may not exceed 20% of line 21)[3]	$0.00	$0.00	$0.00	$0.00
3	1408	Management Improvements	$0.00	$0.00	$0.00	$0.00
4	1410	Administration (may not exceed 10% of line 21)	$0.00	$0.00	$0.00	$0.00
5	1411	Audit	$0.00	$0.00	$0.00	$0.00
6	1415	Liquidated Damages	$0.00	$0.00	$0.00	$0.00
7	1430	Fees and Costs	$0.00	$0.00	$0.00	$0.00
8	1440	Site Acquisition	$0.00	$0.00	$0.00	$0.00
9	1450	Site Improvement	$0.00	$0.00	$0.00	$0.00
10	1460	Dwelling Structures	$0.00	$0.00	$0.00	$0.00
11	1465.1	Dwelling Equipment-Nonexpendable	$0.00	$0.00	$0.00	$0.00
12	1470	Non-dwelling Structures	$0.00	$0.00	$0.00	$0.00
13	1475	Non-dwelling Equipment	$0.00	$0.00	$0.00	$0.00
14	1485	Demolition	$0.00	$0.00	$0.00	$0.00
15	1492	Moving to Work Demonstration	$114,807.00	$0.00	$0.00	$0.00
16	1495.1	Relocation Costs	$0.00	$0.00	$0.00	$0.00
17	1499	Development Activities[4]	$0.00	$0.00	$0.00	$0.00
18a	1501	Collateralization or Debt Service paid by the PHA	$0.00	$0.00	$0.00	$0.00
18ba	9000	Collateralization or Debt Service paid Via System of Direct Payment	$0.00			$0.00
19	1502	Contingency (may not exceed 8% of line 20)	$0.00	$0.00	$0.00	$0.00
20	**Amount of Annual Grant: (sum of lines 2-19)**		**$114,807.00**	**$0.00**	**$0.00**	**$0.00**
21	Amount of line 20 Related to LBP Activities		$0.00	$0.00	$0.00	$0.00
22	Amount of line 20 Related to Section 504 Activities		$0.00	$0.00	$0.00	$0.00
23	Amount of line 20 Related to Security -- Soft Costs		$0.00	$0.00	$0.00	$0.00
24	Amount of line 20 Related to Security -- Hard Costs		$0.00	$0.00	$0.00	$0.00
25	Amount of line 20 Related to Energy Conservation Measures		$0.00	$0.00	$0.00	$0.00

Signature of Executive Director	Date	Signature of Public Housing Director	Date

[1] To be completed for the Performance and Evaluation Report.
[2] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[3] PHAs with under 250 units in management may use 100% of CFP Grants for operations.
[4] RHF funds shall be included here.

form **HUD-50075.1** (4/2008)

Annual Statement /Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
Expires 06/30/2017

Part II: Supporting Pages

PHA Name:
ALASKA HOUSING FINANCE CORPORATION

Grant Type and Number
Capital Fund Program Grant No: **AK06R001501-15**
CFFP (Yes/No): **No**
Replacement Housing Factor Grant No:

Federal FY of Grant: **FFY 2015**

Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised[1]	Funds Obligated[2]	Funds Expended[2]	
HA Wide	**Moving to Work Demonstration**	1492	HA Wide	$114,807.00	$0.00	$0.00	$0.00	

[1] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[2] To be completed for the Performance and Evaluation Report.

Annual Statement /Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 06/30/2017

Part I: Summary

PHA Name:	Grant Type and Number	FFY of Grant: 2015
ALASKA HOUSING FINANCE CORPORATION	Capital Fund Program Grant No: AK06R001502-15 Replacement Housing Factor Grant No: Date of CFFP:	FFY of Grant Approval: 2015

Type of Grant

[X] **Original Annual Statement** [ ] **Reserve for Disasters/Emergencies** [ ] **Revised Annual Statement (revision no:)**
[ ] **Performance and Evaluation Report for Period Ending:** [ ] **Final Performance and Evaluation Report**

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12	1470 Non-dwelling Structures	$0.00	$0.00	$0.00	$0.00
13	1475 Non-dwelling Equipment	$0.00	$0.00	$0.00	$0.00
14	1485 Demolition	$0.00	$0.00	$0.00	$0.00
15	1492 Moving to Work Demonstration	$64,945.00	$0.00	$0.00	$0.00
16	1495.1 Relocation Costs	$0.00	$0.00	$0.00	$0.00
17	1499 Development Activities[4]	$0.00	$0.00	$0.00	$0.00
18a	1501 Collateralization or Debt Service paid by the PHA	$0.00	$0.00	$0.00	$0.00
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment	$0.00			$0.00
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Signature of Executive Director	Date	Signature of Public Housing Director	Date

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U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
Expires 06/30/2017

Part II: Supporting Pages

PHA Name:
ALASKA HOUSING FINANCE CORPORATION

Grant Type and Number
Capital Fund Program Grant No: **AK06R001502-15**
CFFP (Yes/No): **No**
Replacement Housing Factor Grant No:

Federal FY of Grant: **FFY 2015**

Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised[1]	Funds Obligated[2]	Funds Expended[2]	
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[1] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[2] To be completed for the Performance and Evaluation Report.

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Public Housing Division

Family Self-Sufficiency Action Plan
Jumpstart Program

Public Notice:	June 19, 2015
Public Hearing:	July 9, 2015
Resident Advisory Board:	July 15, 2015
Public Comment Closes:	July 20, 2015, Noon
AHFC Board of Directors:	July 29, 2015

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Table of Contents

1. Overview 5
- 1.A Regulatory Authority 5
- 1.B Use of Term "Family" 5
- 1.C Moving to Work Authority 5
  - 1. Moving to Work Designations 6
  - 2. Family Self-Sufficiency Program 7
- 1.D Plan Content 8
- 1.E Waiver of Requirements 8
- 1.F Fair Housing and Equal Opportunity 9
  - 1. Reasonable Accommodation 9
  - 2. Outreach [24 CFR 984.201(d)(6)] 9
  - 3. Limited English Proficiency (LEP) Plan 9
- 1.G Confidentiality of Records 10

2. Program Coordinating Committee 10

3. Jumpstart Overview 11
- 3.A Measures of Success (24 CFR 984.102) 11
- 3.B Minimum Program Size 12
- 3.C Family Demographics [24 CFR 984.201(d)(1)] 12
- 3.D Estimate of Participating Families [24 CFR 984.201(d)(2)] 13
- 3.E Families in Other Self-Sufficiency Programs [24 CFR 984.201(d)(3) and 24 CFR 984.201(d)(12)] 13
- 3.F Service Level Determination 13
- 3.G Activities and Supportive Services (24 CFR 984.103) 14
  - 1. Referrals 14
  - 2. AHFC Case Management Referrals and Services 14
- 3.H Implementation Time Table [24 CFR 984.201(d)(11)] 15

4. Family Selection 15

5. Program Implementation (24 CFR 984.301) 16
- 5.A Existing FSS Participants 16
- 5.B New Housing Admissions After October 1, 2015 16
- 5.C Housing Participants Prior to October 1, 2015 17
- 5.D Assurance of Non-Interference with Rights of Non-Participating Families (24 CFR 984.201) 17

6. Contract of Participation 17
- 6.A Agreement Content [24 CFR 984.303(b)] 17
- 6.B Execution 18
- 6.C Term 18
- 6.D "Suitable Employment" 19

6.E Extension 19
6.F Modification [24 CFR 984.303(f)] 19
6.G Consequences of Noncompliance [24 CFR 984.303(d)(5)] 20
6.H Inactivity 20
6.I Moving Between Levels 20
6.J Completion 21
6.K Termination [24 CFR 984.303(h)] 21
6.L Unavailability of Supportive Services [24 CFR 984.303(e)] 22

7. Incentive Eligibility Agreement 23

8. Total Tenant Payment 23

9. FSS Account 23

10. Jumpstart Incentives [24 CFR 984.201(d)(5)] 24

10.A Maximum Incentive 24
10.B Work Incentives 24
1. Initial Employment 24
2. Sustained Employment 24
10.C Educational Incentives and Rewards 24
1. Tuition Assistance 24
2. Educational Rewards 25
10.D Long-Term Financial Incentives 25
10.E Incentives and Family Debt 26

11. Residency and Portability Requirements 26

12. Transfer Between AHFC Jurisdictions 26

13. Grievance Procedures 27

14. Reporting Requirements (24 CFR 984.401) 27

14.A 50058 Reporting 27
14.B Moving to Work Reporting 27

1. Overview

This Family Self-Sufficiency Action Plan (hereinafter called "Plan") has been prepared by the Alaska Housing Finance Corporation (AHFC) in conformance with the requirements of 24 CFR 984.201. The Plan sets forth AHFC's policies and operating procedures for the administration of the program in accordance with the requirements of the U. S. Department of Housing and Urban Development (HUD) and the AHFC Public Housing Division Moving to Work Plan.

1.A Regulatory Authority

Requirements for this program are incorporated by reference, as follows:

- **24 CFR 5** General HUD Program Requirements; Waivers
- **24 CFR 960** Admission to, and Occupancy of, Public Housing
- **24 CFR 966** Public Housing Lease and Grievance Procedure
- **24 CFR 982** Section 8 Tenant-Based Assistance: Housing Choice Voucher Program
- **24 CFR 984** Section 8 and Public Housing Family Self-Sufficiency Programs

1.B Use of Term "Family"

Throughout this plan, AHFC utilizes the term "family" to denote applicants and participants. A family may consist of a single individual. AHFC uses the term family in order to correspond with HUD's definition of family for purposes of eligibility. See Exhibit 2-1 of the Housing Choice Voucher Administrative Plan or the Public Housing Admissions and Occupancy Policy for additional definitions related to family.

1.C Moving to Work Authority

Alaska Housing Finance Corporation is a Public Housing Authority participating in the Moving to Work (MTW) Demonstration Program created in Section 204 of the Omnibus Consolidated Rescissions and Appropriations Act of 1996. AHFC's Moving to Work Agreement is dated June 24, 2008 ends on June 30, 2018. As a Moving to Work Agency, AHFC has the flexibility to design and test various approaches for providing and administering housing assistance that:

- Reduce cost and achieve greater cost effectiveness in federal expenditures;
- Give 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
- Increase housing choices for low-income families.

Moving to Work agencies are permitted to request exemptions from provisions of the 1937 Housing Act as well as its implementing regulations. These agencies may also combine funds appropriated under sections 8 and 9 of the 1937 Housing Act.

Exemptions from current HUD regulations and the corresponding AHFC Moving to Work policy are shown in boxes throughout this policy.

In February 2013, the AHFC Board of Directors approved AHFC's FY2014 MTW Annual Plan which contained Activity 2014-1 Reasonable Rent and Family Self-Sufficiency, commonly called Rent Reform. Activity 2014-1d Jumpstart Program outlines AHFC's family self-sufficiency activity as well as required waivers.

1. **Moving to Work Designations**
   Under Rent Reform, Jumpstart-eligible families are divided into three classifications:

   a. Classic Program
      All adult family members are at least 62 years of age or a person with a disability. These families may include minors, dependent full-time students under the age of 24, and persons residing with the family as live-in aides.

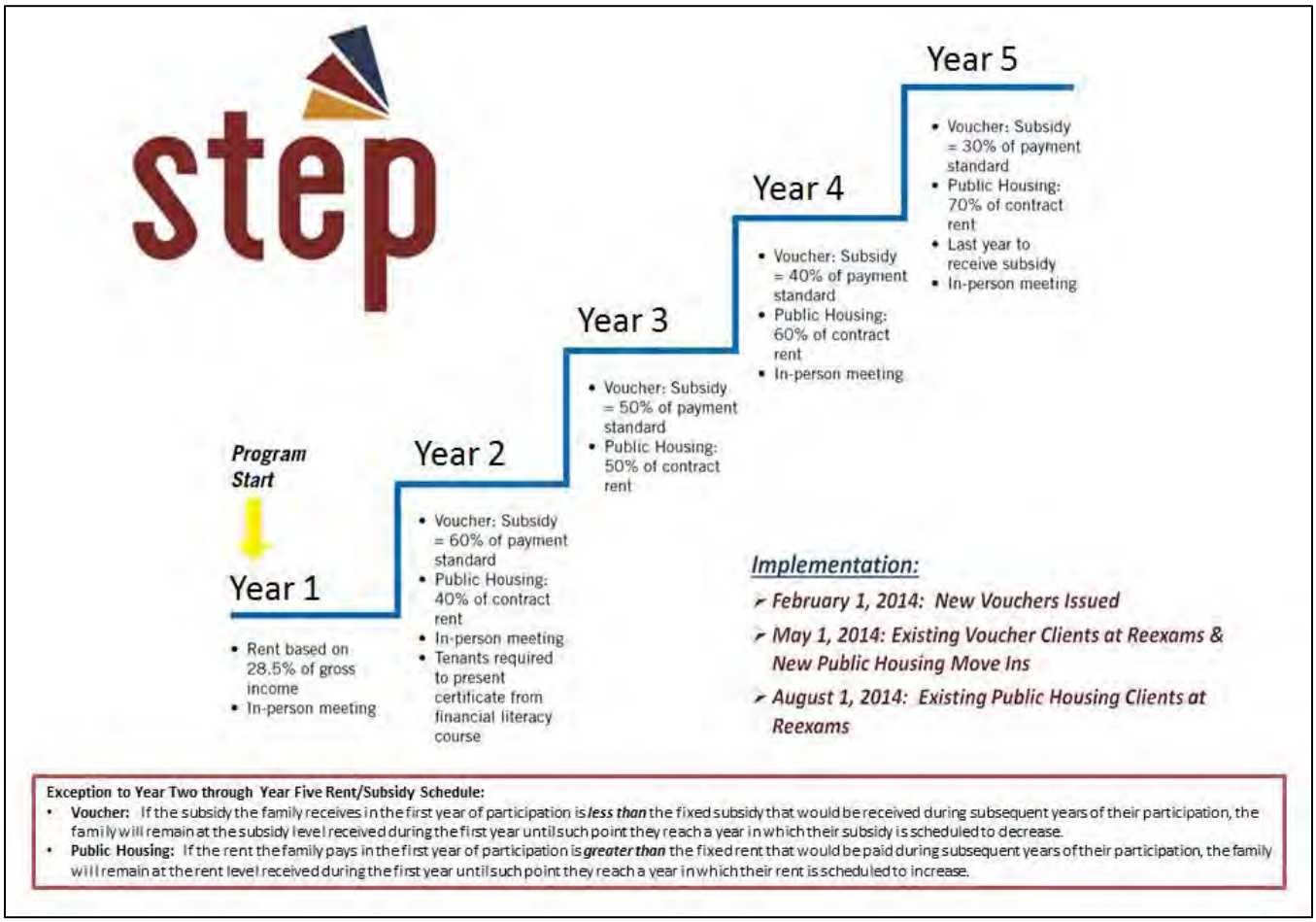
      These families pay an income-based rent (28.5 percent of monthly income) and have no time-limits on assistance.

   b. Set-Aside Program
      These families meet specific criteria targeting them for assistance in cooperation with services provided by other State services or social service providers.

      These families pay an income-based rent (28.5 percent of monthly income) and some have time limits on their rental assistance.

   c. Step Program
      All families that do not meet the Classic Program definition or are not in a Set Aside Program will be placed in this category. These families contain a work-able adult.

      These families pay rent based on income in the first year. During years 2 through 5, rent is based on a percentage of the payment standard (voucher) or contract rent (public housing) of the unit. Under the Step Rent/Subsidy schedule, each year the family's share of rent increases as AHFC's subsidy decreases. Under the Step program, families are limited to five (5) years of assistance. See graphic below.



2. **Family Self-Sufficiency Program**
   AHFC has operated a Family Self-Sufficiency Program since 1994, and this Action Plan expands and improves its current program. Activity 2014-1d was amended in AHFC's FY2016 MTW Annual Plan with Amendment 1 submitted to HUD on July XX, 2015.

HUD Regulations (24 CFR 984.103)

Family Self-Sufficiency (FSS) program means the program established by a PHA within its jurisdiction to promote self-sufficiency among participating families, including the provision of supportive services to these families, as authorized by section 23 of the 1937 Act.

AHFC MTW Policy

AHFC has named their FSS program Jumpstart. AHFC has established a shelter burden calculation to determine family need for services under Jumpstart. Shelter burden is defined as the family's rent portion and utility allowance as a percentage of family monthly income. AHFC has established two service levels to better meet the needs of low-income families, Level 1 and Level 2.

1. Jumpstart Level 1

This level contains financial incentives for participation and/or completion of employment, education, and long-term financial activities along with intensive case management. This program will be managed by AHFC Jumpstart staff and includes frequent monitoring of family goals and activities.

Using the shelter burden calculation, Step Program families with the greatest need (shelter burden above 50 percent) will be automatically enrolled in this level.

2. Jumpstart Level 2

This level contains financial incentives for participation and/or completion of employment, education, and long-term financial activities. This program will be managed by the family's local AHFC housing representative with limited case management.

1.D Plan Content

This Action Plan contains the following required sections:

- Family Demographics
- Estimate of Participating Families
- Eligible Families from Other Self-Sufficiency Programs
- Family Selection Procedures
- Incentives to Encourage Participation
- Outreach Efforts
- Activities and Supportive Services
- Method for Identification of Family Support Needs
- Program Termination, Withholding of Services, and Available Grievance Procedures
- Assurances of Non-Interference with Rights of Non-Participating Families
- Timetable for Program Implementation
- Certification of Coordination
- Other Information

1.E Waiver of Requirements

The CEO/Executive Director of AHFC or the Public Housing Division Director may waive all or part of any requirements set forth in these policies and procedures, to the

extent that such a waiver would not conflict with state or federal law and is found to be in the best interest of AHFC.

1.F Fair Housing and Equal Opportunity

AHFC Fair Housing Statement

"No person shall on the grounds of age, race, color, sex, religion, national or ethnic origin, familial status, disability, sexual orientation, gender identity, or marital status be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under AHFC housing programs."

It is the policy of AHFC to comply fully with all federal, state, and local nondiscrimination laws, including the Fair Housing Act; Title VI of the Civil Rights Act; Section 504 of the Rehabilitation Act; the Americans with Disabilities Act; and the U.S. Department of Housing and Urban Development regulations governing Fair Housing and Equal Opportunity. A copy of AHFC's 504 Equal Access Statement and the Fair Housing Poster (HUD-928.1A) is posted at each AHFC office site.

1. **Reasonable Accommodation**
   Because disabilities are not always apparent, AHFC will ensure that all families are aware of the opportunity to request reasonable accommodations. Guidelines for granting a Reasonable Accommodation are in Exhibit 1-1 of the Housing Choice Voucher Administrative Plan and the Public Housing Admissions & Occupancy Policy.

2. **Outreach [24 CFR 984.201(d)(6)]**
   AHFC will make every reasonable effort to attract families who are representative of the total eligible population to enable it to achieve selection goals specified in this Plan. Outreach efforts take into consideration applicants with special needs, families who are least likely to apply, and other eligible families. All Moving to Work families will receive written notification of the ability to participate in Jumpstart.

3. **Limited English Proficiency (LEP) Plan**
   AHFC is committed to ensuring that Limited English Proficient individuals have meaningful access to information and/or services regardless of their ability to communicate in English. LEP individuals are defined as individuals who do not speak English as a primary language or are limited in their ability to read, write, speak, or understand English.

AHFC will follow the procedures below to assist LEP families:

a. AHFC will use the *Census Bureau Language Identification Flashcard*, whenever necessary, to identify the language spoken by the LEP customer. See Exhibit 1-2 of each policy manual.
b. AHFC staff will communicate with LEP customers by using, in descending order: in-house bilingual staff, adult family members, volunteer interpreters, telephonic interpretation services, or contract interpreters.
c. AHFC will honor a customer's request to use a bilingual case manager or social service worker as the interpreter, when the customer is accompanied to a housing assistance appointment by an interpreter.
d. AHFC will honor a customer's request to use an adult family member or adult friend as interpreter, if the customer is accompanied by the interpreter at an appointment.

1.G Confidentiality of Records

It is the policy of AHFC to facilitate the full exercise of rights conferred on individuals pursuant to Article I, Section 22 of the Alaska Constitution, and to insure the protection of privacy of individuals about whom AHFC maintains records under housing assistance programs it administers. See the Housing Choice Voucher Administrative Plan or the Public Housing Admissions and Occupancy Policy for a full description of AHFC confidentiality protections.

All information provided to AHFC regarding the fact that an individual is a victim of domestic violence, dating violence, sexual assault, or stalking, shall be retained in confidence by AHFC and shall not be entered into any shared database or provided to any other third party.

2. Program Coordinating Committee

HUD Regulations (24 CFR 984.202)

Each participating PHA must establish a PCC whose functions will be to assist the PHA in securing commitments of public and private resources for the operation of the FSS program within the PHA's jurisdiction, including assistance in developing the Action Plan and in implementing the program. Membership shall consist of the following:

- Representatives of the PHA.
- For a public housing FSS program, residents of public housing.
- For a Section 8 FSS program, residents assisted under the Section 8 program.

AHFC MTW Policy

Development of this Plan consisted of PHA representatives from the public housing and Section 8 voucher programs as well as current FSS program staff. Members of AHFC's Resident Advisory Board provided comment for this Plan. The following organizations provided input and advice to the development of this Plan:

- Center for Community, Juneau
- Cook Inlet Tribal Council
- Housing authorities – Delaware, Portland, San Bernardino, San Mateo, Tacoma
- State of Alaska Department of Labor – Job Center assistant director, career support and training, Wasilla office manager, and Juneau office manager
- State of Alaska Division of Public Assistance
- State of Alaska Division of Vocational Rehabilitation – chief of vocational rehabilitation services
- University of Alaska Anchorage, Continuing Education
- University of Alaska Anchorage, Institute of Social and Economic Research

AHFC shall establish a Jumpstart Coordinating Committee consisting of representatives from AHFC as well as representatives from the Alaskan communities served by AHFC's public housing and housing choice voucher programs.

3. Jumpstart Overview

HUD Regulations (24 CFR 984.103)

Self-sufficiency means that an FSS family is no longer receiving Section 8 or public or Indian housing assistance, or any federal, state, or local rent or homeownership subsidies or welfare assistance.

AHFC MTW Policy

Under Jumpstart, AHFC defines self-sufficiency as "a family is able to rent a private market unit with a shelter burden of less than 50 percent of monthly income."

3.A Measures of Success (24 CFR 984.102)

The objective of Jumpstart is to reduce the dependency of low-income families on welfare assistance and on Housing Choice Voucher, Public Housing, or any federal, state, or local rent or homeownership subsidies. AHFC will measure the success of Jumpstart not only by the number of families who achieve self-sufficiency, but also by the number of Jumpstart families who, as a result of participation in the program:

- Have family members who obtain their first job;
- Have family members who obtain higher paying jobs;
- No longer need benefits received under one or more welfare programs;

- Obtain a high school diploma, General Educational Development (G.E.D.) certificate, or higher education degree; or
- Accomplish goals that assist the family in obtaining economic independence.

3.B Minimum Program Size

HUD Regulations (24 CFR 984.105)

In the FY2009 AHFC FSS Action Plan, AHFC certified that it had met its requirement for a mandatory minimum program size as its graduation rate exceeded the HUD mandated program size. The plan was approved by HUD, and the mandatory requirement ended on September 30, 2006. From that point, AHFC operated a voluntary FSS Program.

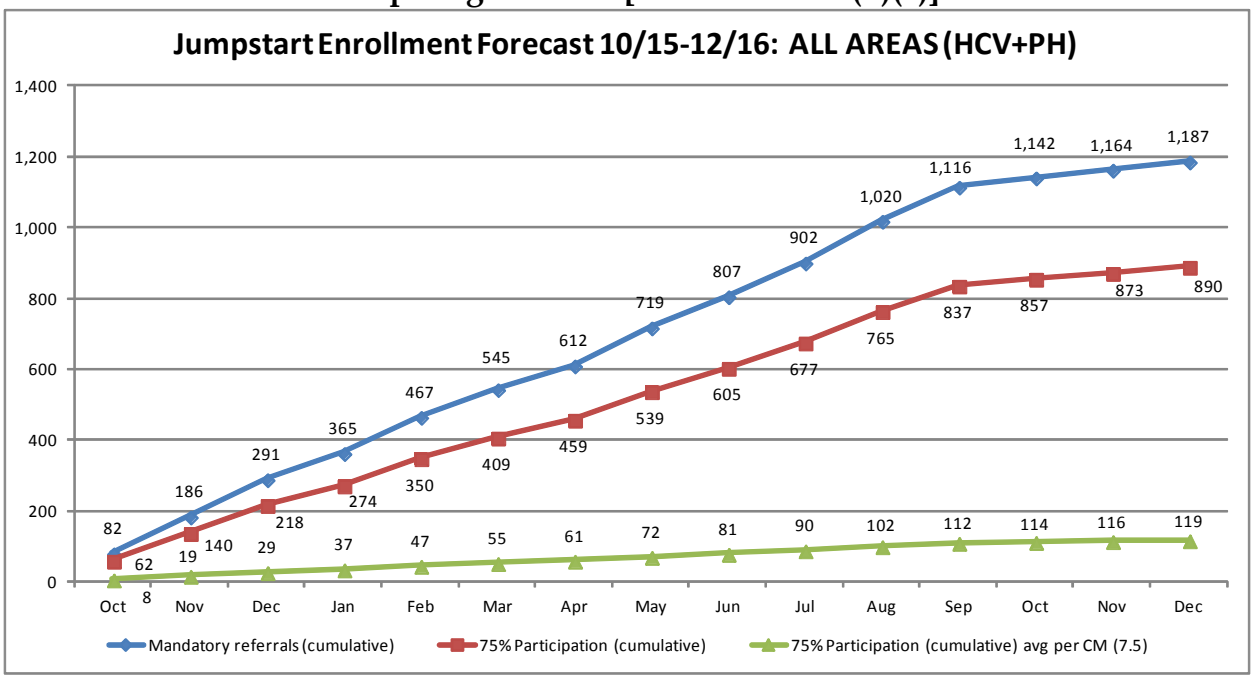
AHFC MTW Policy

Jumpstart will be available to all families participating in its Public Housing and Housing Choice Voucher Programs.

3.C Family Demographics [24 CFR 984.201(d)(1)]

	Voucher	Public	Total	% Total
Total Step Program Families	1,762	739	2,501	
Households with Wages (W code only)	**711**	**344**	**1,055**	**42.2%**
Wages > $7,750 (20 hrs/wk at $7.75/hr)	635	300	935	37.4%
Wages > $15,500 (40 hrs/wk at $7.75/hr)	429	235	664	26.5%
Wages > $23,250 (60 hrs/wk at $7.75/hr)	229	160	389	15.6%
Wages > $31,000 (80 hrs/wk at $7.75/hr)	86	101	187	7.5%
Households with Wages (All wage codes*)	**748**	**352**	**1,100**	**44.0%**
Wages > $7,750 (20 hrs/wk at $7.75/hr)	655	304	959	38.3%
Wages > $15,500 (40 hrs/wk at $7.75/hr)	431	237	668	26.7%
Wages > $23,250 (60 hrs/wk at $7.75/hr)	229	161	390	15.6%
Wages > $31,000 (80 hrs/wk at $7.75/hr)	86	101	187	7.5%
**incl. W, fed (F)., self-employ. (B), military (M), PHA (HA)*				
Households with No Earned Income	**1,014**	**387**	**1,401**	**56.0%**
TANF (T)	162	73	235	9.4%
TANF (T) and General Assist. (G)	368	125	493	19.7%
Unemployment (U)	156	50	206	8.2%
General assistance (G)	206	52	258	10.3%
Indian Trust (I)	123	75	198	7.9%

3.D Estimate of Participating Families [24 CFR 984.201(d)(2)]



Projection: By the end of 2016, approximately 1,200 Moving to Work families will be automatically enrolled in Jumpstart using the shelter burden calculation and current income.

3.E Families in Other Self-Sufficiency Programs [24 CFR 984.201(d)(3) and 24 CFR 984.201(d)(12)]

AHFC is currently working with the State of Alaska Department of Health and Human Services and the State of Alaska Department of Labor and Workforce Development to develop cooperative agreements that will outline the exchange of family data and relevant services.

3.F Service Level Determination

For Step Program participants, AHFC will determine the appropriate Jumpstart level by calculating shelter burden at their housing program intake, examination, or at the family's request. The following families will receive an automatic enrollment to Jumpstart Level 1.

1. Families with a shelter burden of 50 percent or more within 13 months, or
2. Families with a shelter burden near 50 percent that identify barriers toward achieving economic independence within their five years of participation.

All other eligible families that desire to increase their employment income and work toward economic independence will be offered enrollment in Jumpstart Level 2.

3.G Activities and Supportive Services (24 CFR 984.103)

AHFC recognizes that in order for a family to meet their long-term housing needs, they may require assistance from a variety of resources to become self-sufficient. Local AHFC offices regularly assist families in immediate need by referring them to resources and services. To assist families, AHFC has developed relationships to coordinate resources and compiled a list of statewide government agencies, social service programs, and educational organizations that provide services throughout Alaska. AHFC will utilize local or regional resource lists and the knowledge of AHFC personnel at each office as a guide when referring participants.

1. **Referrals**
   Typical supportive service referrals offered through Jumpstart.

   a. Child Care – child care of a type that provides sufficient hours of operation and serves an appropriate range of ages.

   b. Transportation – transportation necessary to enable a participating family to receive available services, or to commute to their places of employment.

   c. Education – remedial education; high school diploma or equivalent; education for completion of secondary or postsecondary schooling.

   d. Employment – job training, preparation, and counseling; job development and placement; and follow-up assistance after job placement and completion of the contract of participation.

   e. Personal Welfare – substance/alcohol abuse treatment and counseling and referrals for domestic violence counseling/services.

   f. Household Skills and Management – training in homemaking and parenting skills; household management; and money management.

2. **AHFC Case Management Referrals and Services**
   AHFC will offer the following supportive services and referrals as part of its Jumpstart case management.

   a. Counseling
      AHFC case managers will work with families to help them develop individualized goals and then introduce or direct them to resources and support services that can assist in their progress toward meeting these goals. Case managers are able to access resources and guide participants to programs or entities they might not have previously known about or even considered.

b. Other Services
Brochures and flyers developed by various agencies are utilized in AHFC offices with information on a multitude of topics that participants find helpful; i.e., materials from Money Smart; USAA Educational Foundation; Federal Trade Commission; Consumer Federation of America; State of Alaska, Consumer Protection; among many others.

Handout lists of existing local and regional resources are also available at each local AHFC office. AHFC newsletters, brochures, orientations, and briefings routinely contain information promoting the benefits of the self-sufficiency program to public housing and voucher participants.

3.H Implementation Time Table [24 CFR 984.201(d)(11)]

The following is the suggested implementation timeline.

- Staff training for the new Jumpstart program will be conducted during the Public Housing Division's annual workshop in September 2015.
- Written notification to all current FSS program participants and Moving to Work program participants will be sent in August 2015.
- Beginning October 1, 2015, all families participating in Moving to Work rental assistance will be eligible to enroll in Jumpstart. At regular examinations, each family's shelter burden will be assessed. Families will either be automatically enrolled in Level 1 or provided written information and reminded of the opportunity to enroll in Level 2.

4. Family Selection

Any participant family in the Housing Choice Voucher or Public Housing program is eligible for Jumpstart at any time during their rental assistance participation. If a family is receiving services through the State of Alaska Department of Health and Human Services or Department of Labor, AHFC will coordinate with that agency to prevent duplication of services.

HUD Regulations (24 CFR 984.203)

A PHA has the option of giving a selection preference for up to 50 percent of its public housing FSS Slots and of its Section 8 FSS slots respectively to eligible families who have one or more family members currently enrolled in an FSS related service program or on the waiting list for such a program.

AHFC MTW Policy

Jumpstart Level 1 will automatically enroll families with the following needs first.

1. Step Program families with a shelter burden greater than 50 percent at the time of application.
2. Step Program families with a shelter burden greater than 50 percent within 13 months of their most recent examination.
3. Step Program families with a shelter burden near 50 percent who have identified barriers to achieving economic independence within their five years of participation.

If Jumpstart case management staff can accommodate additional families, enrollment into Level 1 will be prioritized as follows.

1. Moving to Work families paying AHFC minimum rent.
2. Step Program families with a shelter burden greater than 50 percent within 25 months of their most recent examination.
3. Step Program families with a shelter burden greater than 50 percent within 37 months of their most recent examination.
4. Step Program families with a shelter burden greater than 50 percent within 49 months of their most recent examination.

All Moving to Work families not automatically enrolled in Level 1 are eligible to enroll in Jumpstart Level 2.

5. Program Implementation (24 CFR 984.301)

As stated above, the Jumpstart Program is a voluntary program. AHFC has developed the following plan to transition existing FSS Program participants and existing and new Moving to Work families.

5.A Existing FSS Participants

All existing FSS Program participants will be given the opportunity to enroll in Jumpstart. AHFC will send written notification to these families with suggested enrollment in the Level 1 or Level 2 program.

5.B New Housing Admissions After October 1, 2015

AHFC will offer the Jumpstart program to every new admission to the public housing and housing choice voucher program in writing.

5.C Housing Participants Prior to October 1, 2015

AHFC will offer the Jumpstart program to every current participant family in the public housing and housing choice voucher program. A written notification will be sent to all families announcing the Jumpstart program as well as a reminder given at the families' next regular examination.

5.D Assurance of Non-Interference with Rights of Non-Participating Families (24 CFR 984.201)

A family's election not to participate in Jumpstart will not affect the family's admission to public housing or to the Section 8 program or the family's right to occupancy in accordance with its lease.

6. Contract of Participation

HUD Regulations (24 CFR 984.303)

Each family that is selected to participate in an FSS program must enter into a contract of participation with the PHA that operates the FSS program in which the family will participate. The contract of participation shall be signed by the head of the FSS family.

AHFC MTW Policy

Using the HUD Program Contract of Participation (HUD-52650), AHFC has developed its own Jumpstart Participation Agreement (hereinafter "Agreement") in order to incorporate its Moving to Work flexibility. This Agreement shall be signed by the head of household for all Jumpstart Level 1 participants.

For Jumpstart Level 2 participants, the head of household will sign the Jumpstart Incentive Eligibility Agreement.

6.A Agreement Content [24 CFR 984.303(b)]

The Agreement between AHFC and the family shall contain the following:

1. Principal terms and conditions governing participation in Jumpstart
2. Agreement term
3. Names of each adult in the family that elects to participate
4. Rights and responsibilities of the family

    a. Statement that the head of family is required to seek and maintain "suitable" employment during the term of the Agreement (and any extension)
    b. Statement that the family must continue to comply with public housing or Section 8 lease terms

HUD Regulations [24 CFR 984.303(b)(2)]

For each participating FSS family that is a recipient of welfare assistance, the PHA must establish as an interim goal that the family become independent from welfare assistance and remain independent from welfare assistance at least one year before the expiration of the term of the contract of participation, including any extension thereof.

AHFC MTW Policy

AHFC chooses to waive this requirement as a condition of fulfilling a Jumpstart Agreement.

5. Rights and responsibilities of AHFC
6. Individual training and services plan (ITSP) containing the following

    a. Services to be provided
    b. Activities to be completed
    c. Interim and final goals of the family

7. Consequences of noncompliance

6.B Execution

HUD Regulations [24 CFR 984.303(a)]

The contract of participation shall be signed by the head of the FSS family.

AHFC MTW Policy

The Agreement shall be signed by the family head of household. If the family head ends his/her rental assistance during the term of the Agreement, the remaining adult family members may designate a new head and complete the term of the Agreement. An amendment to the Agreement will be signed and dated by the new head and AHFC. AHFC and the newly designated family head will determine any need for revision of the ITSP.

6.C Term

HUD Regulations [24 CFR 984.303(c)]

The contract of participation shall provide that each FSS family will be required to fulfill those obligations to which the participating family has committed itself under the contract of participation no later than 5 years after the effective date of the contract.

AHFC MTW Policy

The Agreement term will coincide with the Step Program subsidized housing term. For families not in the Step Program, the term shall be five (5) years.

6.D "Suitable Employment"

HUD Regulations [24 CFR 984.303(b)(4)]

The head of the FSS family shall be required under the contract of participation to seek and maintain suitable employment during the term of the contract and any extension thereof. Although other members of the FSS family may seek and maintain employment during the term of the contract, only the head of the FSS family is required to seek and maintain suitable employment.

Seek employment. The obligation to seek employment means that the head of the FSS family has applied for employment, attended job interviews, and has otherwise followed through on employment opportunities.

Determination of suitable employment. A determination of suitable employment shall be made by the PHA based on the skills, education, and job training of the individual that has been designated the head of the FSS family, and based on the available job opportunities within the jurisdiction served by the PHA.

AHFC MTW Policy

Any adult family member named on the Agreement can fulfill this requirement.

6.E Extension

HUD Regulations [24 CFR 984.303(d)]

The PHA shall, in writing, extend the term of the contract of participation for a period not to exceed two years for any FSS family that requests, in writing, an extension of the contract, provided that the PHA finds that good cause exists for granting the extension. The family's written request for an extension must include a description of the need for the extension. As used in this paragraph, ''good cause'' means circumstances beyond the control of the FSS family, as determined by the PHA, such as a serious illness or involuntary loss of employment.

AHFC MTW Policy

AHFC may extend an Agreement term upon written request by the family and at the discretion of AHFC Jumpstart staff for up to two years. If the Bridge Committee authorizes an extension to the participation of the housing assistance program, participation in the Jumpstart program may also be extended.

6.F Modification [24 CFR 984.303(f)]

AHFC and the FSS family may mutually agree to modify the Agreement. The Agreement may be modified in writing with respect to the individual training and services plans, the contract term, and designation of the head of the family. All modifications will be made in writing with a copy of any modification provided to the family.

6.G Consequences of Noncompliance [24 CFR 984.303(d)(5)]

The Agreement shall specify that if the family fails to comply, without good cause, with the terms and conditions of the Agreement, AHFC may:

1. Withhold the supportive services;
2. Terminate the family's participation; or

HUD Regulations [24 CFR 984.303(d)(5)(iii)]

For the Section 8 program, terminate or withhold the family's Section 8 assistance, except in the case where the only basis for noncompliance with the Agreement is noncompliance with the lease, or failure to become independent from welfare assistance. However, failure to become independent from welfare assistance because of failure of the head of household to meet the employment obligation described in section Suitable Employment above, or failure of the family to meet any other obligation under the Agreement, except the interim goal concerning welfare assistance, is grounds for AHFC to terminate or withhold Section 8 assistance.

AHFC MTW Policy

AHFC will not terminate a family's rental assistance for failure to comply with their Agreement. A family in noncompliance with their Agreement will not be eligible for incentives.

6.H Inactivity

A family will be considered inactive if they fail to maintain contact, attend appointments, or respond to contact from AHFC. A family will also be considered inactive if they fail to meet specific milestones or goals in a timely manner. AHFC will notify a family in writing before placing them in inactive status.

- Inactive families are not eligible for incentive payments.
- Previously inactive participants must renew their ITSP and be compliant for 90 days before being eligible to receive a financial incentive.

6.I Moving Between Levels

Families that withdraw from Level 1 will not be eligible to receive incentives unless they demonstrate an increase in income which adjusts their shelter burden to less than 50 percent of their income for the next 13 months, and they comply with the enrollment requirements of Level 2.

6.J Completion

HUD Regulations [24 CFR 984.303(g)]

The contract of participation is considered to be completed, and a family's participation in the FSS program is considered to be concluded when one of the following occurs:

a. The FSS family has fulfilled all of its obligations under the contract of participation on or before the expiration of the contract term, including any extension thereof; or
b. 30 percent of the monthly adjusted income of the FSS family equals or exceeds the published existing housing fair market rent for the size of the unit for which the FSS family qualifies based on the PHA's occupancy standards. The contract of participation will be considered completed and the family's participation in the FSS program concluded on this basis even though the contract term, including any extension thereof, has not expired, and the family members who have individual training and services plans have not completed all the activities set forth in their plans.

AHFC MTW Policy

The Agreement is considered complete when:

1. The family has fulfilled all of its obligations under the Agreement on or before the expiration of the Agreement term, including any extension thereof; and
2. Families must be in good standing with AHFC the month they complete the Agreement.

Families will not be eligible to receive the financial long-term incentives until their rental assistance ends.

6.K Termination [24 CFR 984.303(h)]

HUD Regulations [24 CFR 984.303(h)]

Federal Register dated December 29, 2014, FR Doc. 2014-30342 states that a PHA may have a policy that allows a PHA to withhold or terminate HCV or PH assistance for those families that fail to comply with their FSS contracts without good cause. This waiver allows PHAs to establish alternative conditions for compliance before proceeding to termination of rental assistance.

AHFC MTW Policy

AHFC will not terminate a family's rental assistance for failure to comply with their Agreement (see Inactivity section above). A family in noncompliance with their Agreement will not be eligible for incentives.

The Agreement is automatically terminated if the family's public housing or Section 8 assistance is terminated in accordance with HUD requirements. The Agreement may be terminated before the expiration of the contract term, and any extension thereof, by:

1. Mutual consent of the parties;
2. The failure of the family to meet its obligations under the Agreement without good cause, including in the Section 8 program the failure to comply with the contract requirements because the family has moved outside the jurisdiction of AHFC;
3. The family's withdrawal from the program;
4. Such other act as is deemed inconsistent with the purpose of the program; or
5. Operation of law.

AHFC may declare the Agreement null and void:

- if the resources and services necessary to complete the Agreement are not available; or
- if an act occurs that is inconsistent with the purpose of the program; or
- if a change in family circumstances results in the family no longer requiring Level 1 services. The family will be eligible to transfer to Level 2.

Families that terminate their Agreement with AHFC without successfully completing the Agreement are not eligible for any long-term financial incentives.

6.L Unavailability of Supportive Services [24 CFR 984.303(e)]

If a family is unable to access the supportive services under a family member's individual training and services plan, AHFC shall make a good faith effort to obtain these services from another agency.

If the PHA is unable to obtain the services from another agency, AHFC shall reassess the family member's needs and determine whether other available services would achieve the same purpose. If other available services would not achieve the same purpose, AHFC shall determine whether the unavailable services are integral to the family's advancement or progress toward self-sufficiency. If the unavailable services are:

1. Determined not to be integral to the family's advancement toward self-sufficiency, AHFC shall revise the individual training and services plan to delete these services and modify the Agreement to remove any obligation on the part of the family to accept the unavailable services, in accordance with the Agreement Modification section above; or

2. Determined to be integral to the family's advancement toward self-sufficiency (which may be the case if the affected family member is the family head), AHFC shall declare the Agreement null and void.

7. Incentive Eligibility Agreement

The Jumpstart Incentive Eligibility Agreement shall specify that the family will be automatically transferred to Level 1 if, at a future examination, the family:

1. Has a shelter burden of 50 percent or more within thirteen (13) months, or
2. Has a shelter burden near 50 percent of income and identifies barriers to achieving economic independence within their five (5) years of participation.

8. Total Tenant Payment

HUD Regulations (24 CFR 984.304)

Any increase in the earned income of an FSS family during its participation in an FSS program may not be considered as income or a resource for purposes of eligibility of the FSS family for other benefits, or amount of benefits payable to the FSS family, under any other program administered by HUD, unless the income of the FSS family equals or exceeds 80 percent of the median income of the area (as determined by HUD, with adjustments for smaller and larger families).

AHFC MTW Policy

AHFC's Rent Reform Program discounts increases in earned income between regular examinations. AHFC will calculate family income and total tenant payment as specified in its Housing Choice Voucher Administrative Plan or Public Housing Admissions and Occupancy Policy.

9. FSS Account

HUD Regulations (24 CFR 984.305)

The PHA shall deposit the FSS account funds of all families participating in the PHA's FSS program into a single depository account. The PHA must deposit the FSS account funds in one or more of the HUD-approved investments.

AHFC MTW Policy

AHFC does not offer the FSS Account to Jumpstart families. AHFC has developed an alternate system of financial incentives for employment, education, and long-term financial planning.

10. Jumpstart Incentives [24 CFR 984.201(d)(5)]

Once enrolled, Jumpstart families are eligible for both short and long-term financial incentives as they work toward the goal of being off rental assistance in five years. Financial incentives have been designed to support and encourage each participant's investment in his/her own immediate employment and human capital development for their longer-term economic well-being.

The AHFC CEO/Executive Director or the Public Housing Division Director may waive all or part of these financial incentives if necessary due to limited resources or budgetary constraints.

10.A Maximum Incentive

A participating family can receive a maximum of $3,000 in Work, Education, and Savings Match Incentives during the term of their Jumpstart program participation.

10.B Work Incentives

Work incentives will be available to families with an adult family member who is verified to be working less than thirty (30) hours a week upon entering the program. Eligible adults will be required to provide appropriate documentation from their employer (paystubs, letter, etc.) to receive this incentive.

1. **Initial Employment**
   To receive this one-time $250 reward, the eligible family member must obtain and maintain employment averaging at least 30 hours a week for three (3) consecutive months.

2. **Sustained Employment**
   To receive this one-time $250 reward, the eligible family member must maintain employment averaging a minimum of 30 hours a week for nine total months in a one year period. For self-employment, the individual family member's earnings must equal or exceed the current Alaska minimum wage for 30 hours a week for nine total months in a one year period.

10.C Educational Incentives and Rewards

1. **Tuition Assistance**
   AHFC will provide tuition assistance of up to $1,000 for a participant's family during the term of their participation. Tuition assistance must be utilized for courses or training programs that support employment opportunities or career advancement of the family. The assistance may be used for tuition, books, or fees associated with the course.

Tuition assistance may be used for courses necessary for a family member to obtain their General Educational Development (G.E.D.) certificate. Courses taken must help the family work toward, or reach, an identified goal. Tuition assistance must be repaid if the course is not completed.

Tuition assistance is paid directly to the qualifying institution. In order to qualify, the institution must be recognized by the Alaska Post-Secondary Education Commission. Correspondence courses (not distance courses) will only be considered if the required course is not offered, accessible, or available timely through a school located within the state of Alaska or if the financial assistance is being applied to finishing a program.

2. **Educational Rewards**
   Families providing verification of the completion of courses/training programs that support employment opportunities or career advancement, may earn up to $500 as a reward for course completion.

   a. General Educational Development (GED) Certificate Completion: $500 reward.

   b. College Courses/Vocational Training Completion
      AHFC will pay up to $100 per credit/credit equivalent. One credit equivalent is 15 hours of course work (i.e., a 3 hour/3 credit course over a period of 15 weeks would equal a reward of $300).

10.D Long-Term Financial Incentives

Developing savings habits to meet long-term financial needs is a critical component of self-sufficiency. To support efforts to establish savings and prepare for the end of their participation in housing assistance, AHFC will provide a matched savings incentive to households who participate in the Jumpstart program.

Once households have completed AHFC's required financial literacy course, they will be eligible to enroll in the Savings Match Program. To qualify for the annual savings match, the family must provide verification of funds placed into a savings account. Each subsequent year the verified account balance must document growth of the family's savings by at least the amount to be matched for the year. AHFC will match the household's savings up to $300 each year for a maximum savings of $1,500 per participating household. Households will only be eligible to receive the savings match upon successful completion of the Jumpstart program and ending their participation in the AHFC housing assistance program.

10.E Incentives and Family Debt

No incentives or rewards will be paid if a family has an outstanding debt with AHFC. Families may choose to apply an incentive to an outstanding balance. Rewards/ incentives will be paid:

- if the participant is current and in good standing under a Tenant Payment Agreement, or
- when the debt is otherwise satisfied.

11. Residency and Portability Requirements

HUD Regulations (24 CFR 984.306)

Regulations pertaining to a "relocating FSS family", Initial Occupancy, Occupancy after the First 12 Months, Portability of FSS Participation, and Loss of FSS Account are included under this section.

AHFC MTW Policy

Families that move from AHFC's jurisdiction are not eligible to continue in the Jumpstart program. These Agreements will be terminated.

Families that move into AHFC's jurisdiction are not eligible to continue prior FSS Program participation. These families are eligible for AHFC's Jumpstart Program in accordance with Family Selection policies detailed above.

AHFC does not hold an FSS Account for a Jumpstart family (see FSS Account section above); therefore, AHFC will not transfer any balances a family earns under its incentive program to another PHA; AHFC will also not accept any FSS Account balances from another PHA.

Payment of incentives will be conditioned upon eligibility for the incentive while the family was in AHFC's jurisdiction. AHFC will not allow a family to complete eligibility for a financial incentive while in another PHA's jurisdiction.

12. Transfer Between AHFC Jurisdictions

A Jumpstart family may move to another AHFC jurisdiction upon proper completion of the Move process (see the Housing Choice Voucher Administrative Plan).

- The initial Agreement will remain in effect at the new location.
- The initial agreement may be modified to meet the family's new circumstances.
- The transfer may result in assignment of a new Jumpstart case manager.

13. Grievance Procedures

Any adverse action taken by AHFC due to the family's action or inaction is subject to AHFC grievance procedures. See Chapter 9 of the Housing Choice Voucher Administrative Plan or the Public Housing Admissions and Occupancy Policy for the grievance procedure available to the family.

14. Reporting Requirements (24 CFR 984.401)

AHFC shall submit to HUD, in the form prescribed by HUD, a report regarding its Jumpstart program. The report shall include the following information:

1. A description of the activities carried out under the program;
2. A description of the effectiveness of the program in assisting families to achieve economic independence and self-sufficiency;
3. A description of the effectiveness of the program in coordinating resources of communities to assist families to achieve economic independence and self-sufficiency; and
4. Any recommendations by the PHA or the appropriate local program coordinating committee for legislative or administrative action that would improve the FSS program and ensure the effectiveness of the program.

14.A 50058 Reporting

The 50058 MTW-FSS addendum will be updated for enrollment, changes, and termination/completion of the Jumpstart program for each enrolled family. Updates will occur within sixty (60) business days of the change.

14.B Moving to Work Reporting

AHFC will submit data regarding the progress of the Jumpstart program as part of its annual Moving to Work Report process.

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 2015 COMPARATIVE ACTIVITY SUMMARY

Mortgage & Bond Portfolio:	As Of/Through Fiscal Year End			As Of/Through Fiscal Month End		
	FY 2013	FY 2014	% Change	06/30/14	06/30/15	% Change
Total Mortgage Portfolio	**2,299,455,291**	**2,520,778,596**	**9.6%**	**2,520,778,596**	**2,649,246,997**	**5.1%**
Mortgage Average Rate %	5.06%	4.93%	(2.6%)	4.93%	4.77%	(3.1%)
Delinquency % (30+ Days)	5.49%	4.87%	(11.3%)	4.87%	3.88%	(20.3%)
Foreclosure % (Annualized)	0.50%	0.58%	16.0%	0.58%	0.46%	(21.9%)
Mortgage Purchases	398,531,914	538,531,088	35.1%	538,531,088	463,471,744	(13.9%)
Mortgage Payoffs	531,627,435	218,635,522	(58.9%)	218,635,522	240,116,152	9.8%
Purchase/Payoff Variance	**(133,095,521)**	**319,895,566**	**340.4%**	**319,895,566**	**223,355,592**	**(30.2%)**
Purchase Average Rate %	3.76%	4.55%	21.0%	4.55%	4.10%	(9.7%)
Bonds - Fixed Rate	1,312,630,000	1,344,705,000	2.4%	1,344,705,000	1,207,110,000	(10.2%)
Bonds - Floating Hedged	796,440,000	783,795,000	(1.6%)	783,795,000	743,025,000	(5.2%)
Bonds - Floating Unhedged	150,045,000	150,045,000	0.0%	150,045,000	190,045,000	26.7%
Total Bonds Outstanding	**2,259,115,000**	**2,278,545,000**	**0.9%**	**2,278,545,000**	**2,140,180,000**	**(6.1%)**
Requiring Self-Liquidity	455,750,000	445,895,000	(2.2%)	445,895,000	254,755,000	(42.9%)
Bond Average Rate %	3.71%	3.77%	1.6%	3.77%	3.65%	(3.4%)
New Bond Issuances	482,015,000	124,400,000	(74.2%)	124,400,000	423,005,000	240.0%
* Special Bond Redemptions	599,975,000	54,815,000	(90.9%)	54,815,000	*434,800,000*	693.2%
Issue/Redemption Variance	**(117,960,000)**	**69,585,000**	**159.0%**	**69,585,000**	**(11,795,000)**	**(117.0%)**
Issuance Average Yield %	2.27%	3.27%	43.8%	3.27%	2.03%	(38.1%)
Mortgage/Bond Spread %	**1.35%**	**1.16%**	**(14.1%)**	**1.15%**	**1.13%**	**(2.3%)**
Mortgage/Bond Ratio	**1.02**	**1.11**	**8.7%**	**1.11**	**1.24**	**11.9%**

Cash & Investments:	Investment Amounts as of Month End			Annual Returns as of Month End		
	06/30/14	06/30/15	% Change	06/30/14	06/30/15	% Change
GeFONSI SLR/Escrow	681,227,838	446,242,685	(34.5%)	0.58%	0.44%	(22.8%)
Bond Trust Funds	188,915,963	227,441,338	20.4%	0.87%	0.54%	(37.1%)
SAM General Fund	129,765,015	160,217,049	23.5%	0.19%	0.19%	0.0%
Mortgage Collections	30,574,707	40,801,756	33.4%	0.19%	0.17%	(5.9%)
HAP/Senior Funds	32,678,930	28,638,235	(12.4%)	0.29%	0.34%	20.7%
Total Investments	**1,063,162,454**	**903,341,063**	(15.0%)	**0.56%**	**0.41%**	(26.9%)

** Does not include partial refunding of SC06A & SC07AB bonds that were defeased by SC15B but can't be redeemed until earliest dates of 6/1/16 & 6/1/17.*

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 2015 COMPARATIVE ACTIVITY SUMMARY

AHFC Financial Statements: *(in Thousands of Dollars)*	Fiscal Year Annual Audited			Third Quarter Unaudited		
	FY 2013	FY 2014	% Change	FY 2014	FY 2015	% Change
Mortgage & Loan Revenue	125,059	120,740	(3.5%)	89,718	94,519	5.4%
Investment Income	9,088	9,019	(0.8%)	7,392	4,706	(36.3%)
Externally Funded Programs	168,152	163,739	(2.6%)	116,724	101,302	(13.2%)
Rental Income	8,701	8,951	2.9%	6,601	6,765	2.5%
Other Revenue	4,325	5,637	30.3%	3,832	7,728	101.7%
Total Revenue	**315,325**	**308,086**	**(2.3%)**	**224,267**	**215,020**	**(4.1%)**
Interest Expenses	94,409	81,184	(14.0%)	60,718	57,662	(5.0%)
Housing Grants & Subsidies	150,460	149,188	(0.8%)	109,366	95,903	(12.3%)
Operations & Administration	56,663	58,771	3.7%	42,109	45,946	9.1%
Rental Housing Expenses	13,924	14,159	1.7%	10,383	12,824	23.5%
Mortgage and Loan Costs	10,098	9,442	(6.5%)	6,762	7,725	14.2%
Financing Expenses	12,419	4,415	(64.4%)	3,396	3,880	14.3%
Provision for Loan Loss	(4,753)	(5,688)	(19.7%)	(4,417)	(7,514)	(70.1%)
Total Expenses	**333,220**	**311,471**	**(6.5%)**	**228,317**	**216,426**	**(5.2%)**
Operating Income (Loss)	**(17,895)**	**(3,385)**	**81.1%**	**(4,050)**	**(1,406)**	**65.3%**
Contributions to the State	10,720	1,380	(87.1%)	1,223	3,754	207.0%
Change in Net Position	**(28,615)**	**(4,765)**	**83.3%**	**(5,273)**	**(5,160)**	**2.1%**
Total Assets/Deferred Outflows	3,981,230	4,055,203	1.9%	4,039,454	3,983,736	(1.4%)
Total Liabilities	2,455,702	2,545,295	3.6%	2,530,054	2,478,988	(2.0%)
* Net Position	**1,525,528**	***1,509,908***	**(1.0%)**	**1,509,400**	**1,504,748**	**(0.3%)**

AHFC Dividend Calculation: *(in Thousands of Dollars)*	Through Fiscal Year End			Through FY 2015 - Fourth Quarter	
	FY 2013	FY 2014	% Change	AHFC Dividend Summary	
Change in Net Position	(28,615)	(4,765)	83.3%	SOA General Fund Transfers	788,921
Add - State Contributions	10,720	1,380	(87.1%)	SCPB Projects Debt Service	422,438
Add - SCPB Debt Service	10,730	11,329	5.6%	SOA Capital Projects	253,761
Add - AHFC Capital Dividend	17,118	17,467	2.0%	AHFC Capital Projects	466,112
Adjusted Net Position Change	**9,953**	**25,412**	**155.3%**	Total Dividend Appropriations	**1,931,232**
Factor % from Statutes	75%	75%	0.0%	Total Dividend Expenditures	**1,884,595**
Dividend Transfer Available	**7,465**	**19,059**	**155.3%**	Total Dividend Remaining	**46,636**

** Reduced beginning FY 2014 Net Position by $10.855 million for GASB 65 accounting change to expense debt issuance costs recorded as FY 2013 assets.*

MORTGAGE ACTIVITY SUMMARY
LOANS PURCHASED BY PROGRAM

LOAN PROGRAM	June 2015		FY 2015 Thru 6/30/2015		FY 2014 Thru 6/30/2014	
	# of Loans	Total Dollar Volume	# of Loans	Total Dollar Volume	# of Loans	Total Dollar Volume
Tax-Exempt First-Time Homebuyer	38	6,530,818	437	79,260,192	587	108,447,400
Taxable First-Time Homebuyer	37	9,468,966	374	93,373,952	369	93,314,206
Veterans Mortgage Program	1	279,891	24	6,652,317	51	17,554,293
Taxable	53	17,561,121	578	171,927,731	530	156,399,599
Non-Conforming	2	547,675	39	11,751,435	58	19,770,620
Rural Loan Program	26	5,728,949	238	53,114,054	217	48,870,249
Residential Loan Program Totals	157	40,117,420	1,690	416,079,681	1,812	444,356,367
Multi-Family	4	3,720,000	44	28,228,700	35	27,941,850
Rural Multi-Family	0	0	0	0	0	0
Residential & Multi-Family Loan Program Totals	161	43,837,420	1,734	444,308,381	1,847	472,298,217
Streamline Refinance	4	922,990	12	2,359,482	39	6,890,607
Rural Streamline Refinance	2	523,177	24	5,132,692	44	7,684,897
Total Loans Purchased	167	45,283,587	1,770	451,800,555	1,930	486,873,721
LOAN PROGRAM OPTIONS (Included in Total Loans Purchased)						
Interest Rate Reduction Low Income Borrowers	8	1,049,287	69	10,172,804	102	13,499,322
Energy Efficiency Interest Rate Reduction	11	3,507,387	140	35,402,453	230	64,146,052
Closing Cost Assistance Program	6	1,497,250	20	4,472,043	10	1,870,829

RESIDENTIAL PIPELINE 6/30/15

	#	Amount
Lock-ins:	225	62,244,999
Commitments:	421	109,986,927
Total:	646	172,231,926
CCAP Reservation	0	0

RESIDENTIAL PIPELINE 5/31/15

	#	Amount
Lock-ins:	194	49,939,384
Commitments:	397	101,760,082
Total:	591	151,699,466
CCAP Reservation	5	1,197,775

RESIDENTIAL PIPELINE 4/30/15

	#	Amount
Lock-ins:	214	55,879,961
Commitments:	349	92,324,487
Total:	563	148,204,448
CCAP Reservation	1	206,196

MORTGAGE INTEREST RATE COMPARISON - AVERAGE 06/15

AHFC Programs							Market	
Taxable Conv	Exempt FTHB	Exempt VETS	Taxable FTHB	Rural Owner	CCAP	Multi-Family	Conv	FHA
4.170	3.869	3.994	4.045	4.045	4.392	6.386	4.210	4.017

MORTGAGE INTEREST RATE COMPARISON - AVERAGE 05/15

AHFC Programs							Market	
Taxable Conv	Exempt FTHB	Exempt VETS	Taxable FTHB	Rural Owner	CCAP	Multi-Family	Conv	FHA
4.031	3.725	3.850	3.906	3.906	4.294	6.231	4.056	3.769

MORTGAGE INTEREST RATE COMPARISON - AVERAGE 04/15

AHFC Programs							Market	
Taxable Conv	Exempt FTHB	Exempt VETS	Taxable FTHB	Rural Owner	CCAP	Multi-Family	Conv	FHA
3.807	3.545	3.670	3.682	3.682	4.017	5.898	3.835	3.625

Multi-Family Loans Committed
6/1/15 to 7/31/15

Loan Amount	Type	Commitment Date	Program	Location
$ 518,400	8plx	6-04-15	M	Eagle River
$ 337,600	7plx	6-12-15	M	Anchorage
$ 385,000	SFR	6-12-15	N	Anchorage
$ 595,000	10plx	7-17-15	M	Eagle River
$ 310,000	SFR	7-17-15	N	Anchorage

Total: $ 2,146,000 in 5 loans

M = Multi-family N = Special Needs E = Energy

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

R2D2 Board Report for July 29, 2015

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
Total	$350 million

Program update as of April 30, 2015:

Total expended	$311.1 million
Units complete	16,569

Projected totals for March 31, 2016:

Current obligation	$349 million
Projected units complete	18,000

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 6.10.15:

Total expended[iii]	$199.6m
Current obligation[iv]	$26.3m
Initial ratings	38,920
Rebates paid	23,496
5 star plus paid	2,822
6 star paid	107
Active energy raters	59

Waitlist as of 6.12.15:

Statewide	114
Anchorage	28
Fairbanks	6
Juneau	6

Total Estimated Energy Saved Annually – 3.4 trillion BTUs

(Includes Rebate and Weatherization program completions multiplied by average energy savings)

Equivalent to: (589,730 Barrels of Oil) or (34,204,344 Therms of Gas) or (24,785,757 Gallons of Fuel Oil) or (1,002,472 MWH of Electricity)

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[i] Appropriation amounts reflect state investment only.

[ii] A sample of 17,233 homeowners was taken on December 19, 2012 and the average homeowner spent $11,681. A $6,889 average rebate results in a $4,792 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 6.1.15.

[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.

Public Housing Operations Update

July 2015

Public Housing	
Units Statewide	1628
Housing Waiting List	1224

Housing Choice Vouchers	
Vouchers statewide	4381
Voucher Waiting List	1384

Family Self-Sufficiency	
Family Self Sufficiency Total Enrolled	148

Operations Updates:

- Sherrie Hinshaw, the new Family Self Sufficiency Statewide Manager started on July 13. She will be working at the Anchorage Family Investment Center and will be tasked with implementing the new Jumpstart program. Sherrie comes to AHFC from DHSS having been the Supported Housing Program Coordinator and has experience in assisting at risk populations through case management, and in developing programs, agreements and partnerships. Welcome Sherrie!
- Attended the Moving to Work agencies meeting in Atlanta to discuss the latest HUD response to the draft MTW Agreement and Amendments. Consensus was reached amongst agencies about cash management, how HUD will evaluate agencies, and ensuring maintenance of our High Performer status. Negotiations with HUD continue.
- Received final HUD approval for our FY15 Moving to Work Plan.
- HUD inspectors from its Real Estate Assessment Center canvassed the state and assessed our properties. We are pleased to report our scores on a 100 point scale:

Location	Score
Anchorage	85
Bethel	87
Cordova	87
Fairbanks	95
Juneau	87
Ketchikan	91
Kodiak	93
Nome	82
Valdez	95
Wasilla	95
Wrangell	94

Facilities Management & Construction Updates:

- Nome – Beringvue sight and sound compliant unit doorbell interface is in need of repair, contractor and consultant working out the details.
- Bethel - H-Construction has ordered the Triodetic foundations with site work to begin this fall. The Bethel window replacement project design submittals are approved, windows are on order; Wolverine is trying to direct ship to location.
- Seward –Siding replacement project has been awarded to Wolverine, color and material has been selected.
- Juneau –Mt. View ADA is in the second phase with the contract being extended due to a manufacturer error. Mt. View dumpster building roof repair project is in close out, all work has been completed.
- Wrangell – Project development for sidewalk, heating piping, and sewer line replacement is underway. Johnson Construction and Supply is currently working on site.
- Anchorage – Parkview sprinkler project is wrapping up; multiple other projects are in progress ranging from Chugach View fire detection and suppression upgrade, fireplace removals, and scattered site infrastructure survey and repair. Chugach Manor plate exchanger replacement/repair ongoing. (unchanged)
- Facilities Management Extraordinary Maintenance Team (Road Crew) is currently working in Fairbanks closing heating oil tanks that are no longer needed, Kodiak is scheduled for late August and back to Bethel in early August to assist on Powerventer installation before winter.

Alaska Corporation for Affordable Housing:

- Negotiations have been ongoing on the Housing Assistance Payment Agreement. We are on schedule to complete that prior to leasing activity in early fall.
- Ridgeline Terrace is proceeding as scheduled. Most buildings are framed, interior work, landscaping and paving still to be completed.

AHFC BOARD OF DIRECTORS

SCHEDULE 2015

~~January 21, 2015 BOD (AHCC Annual)~~

~~March 10, 2015 AHFC BOD Workshop (1-5 pm)~~
~~March 11, 2015 BOD~~

~~April 29, 2015 BOD (Audit Committee)~~

~~June 10, 2015 BOD (NTSC)~~

July 29, 2015 BOD (Audit Committee)

August 26, 2015 (Ketchikan) ANNUAL BOD Meeting
(Best Western Landing)

(NCSHA Annual Conference 9/26 thru 9/29 in Nashville, TN.)

October 28, 2015 BOD (Audit Committee) **(ACAH Annual)**

November 23, 2015 BOD