

Greater Opportunities for Affordable Living (GOAL)

Program Introduction

Presentation Outline

- Program Overview
- Funding Sources
 - Low-income Housing Tax Credit: Background
- Timeline – General Description
- Stages and Events Sequence
 - Pre-Application: invitation and review
 - Invitation: invitation to apply and application review
 - Notice of Intent to Award
 - Post Award

GOAL Program: Overview

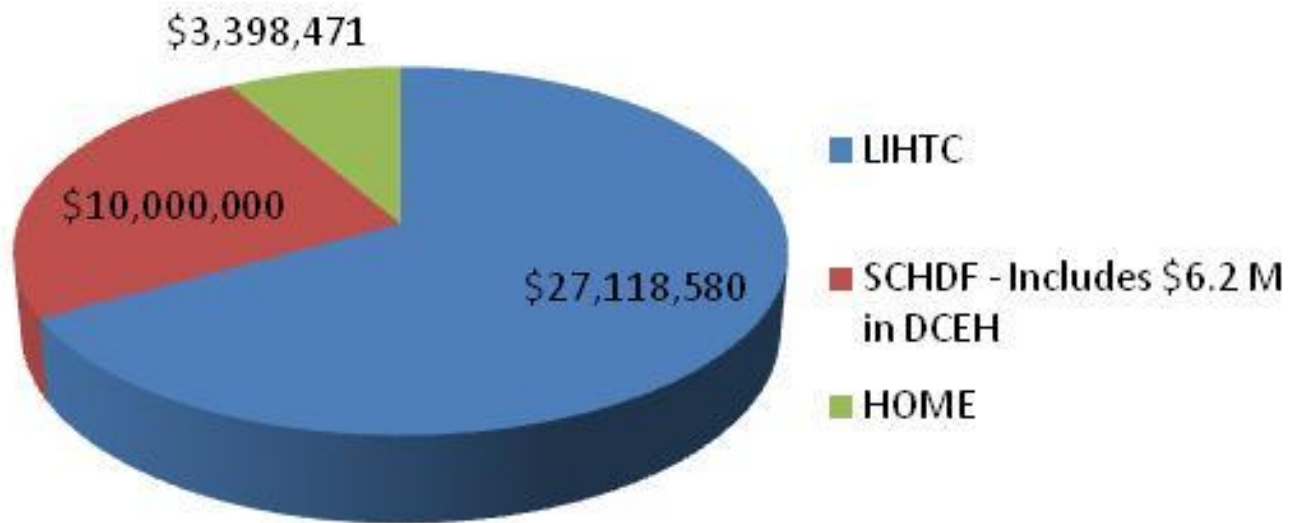
- Provides gap funding for the development of new construction and rehabilitation of rental housing for low-income and senior households across Alaska
- Gap funding covers the difference between the total project cost and the identified sources of funds (including debt capacity) that will contribute to the project.

GOAL Program Funding

- HOME Investment Partnership funds
 - Sources: HUD & AHFC Match
- Senior Citizens Housing Development Funds
 - Source: AHFC Corporate Receipts
- *Denali Commission Elder Housing Funds
 - Source: Federal Denali Commission
- Low-income Housing Tax Credits
 - Source: IRS, Section 42 of the tax code

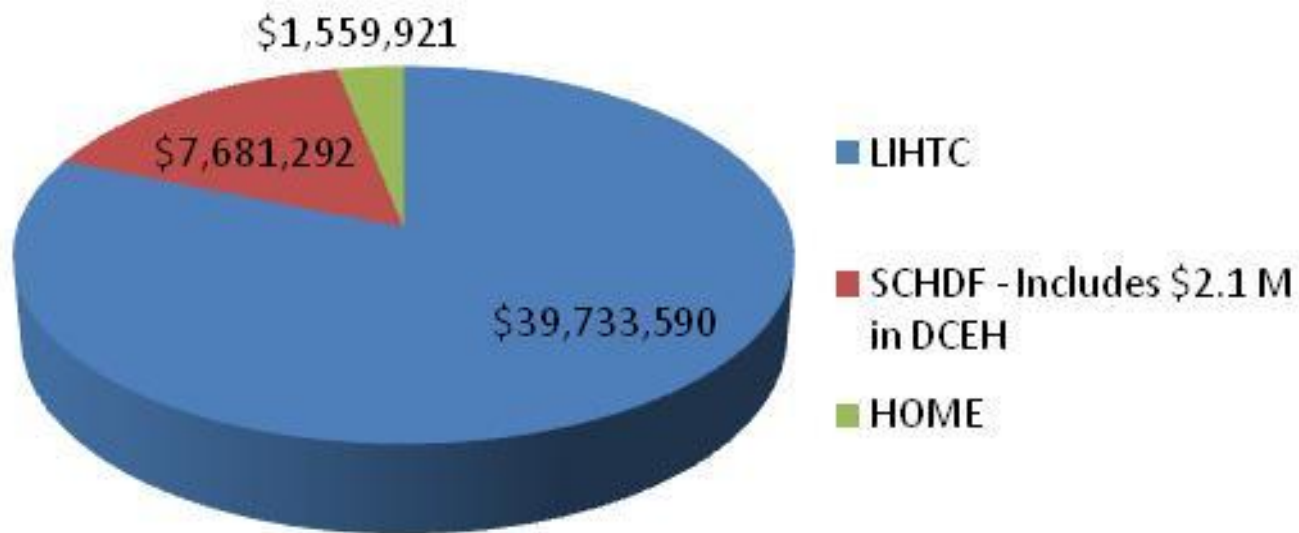
Historical GOAL Program Funding – FY 2008 through FY 2010

FY 2008 GOAL Sources



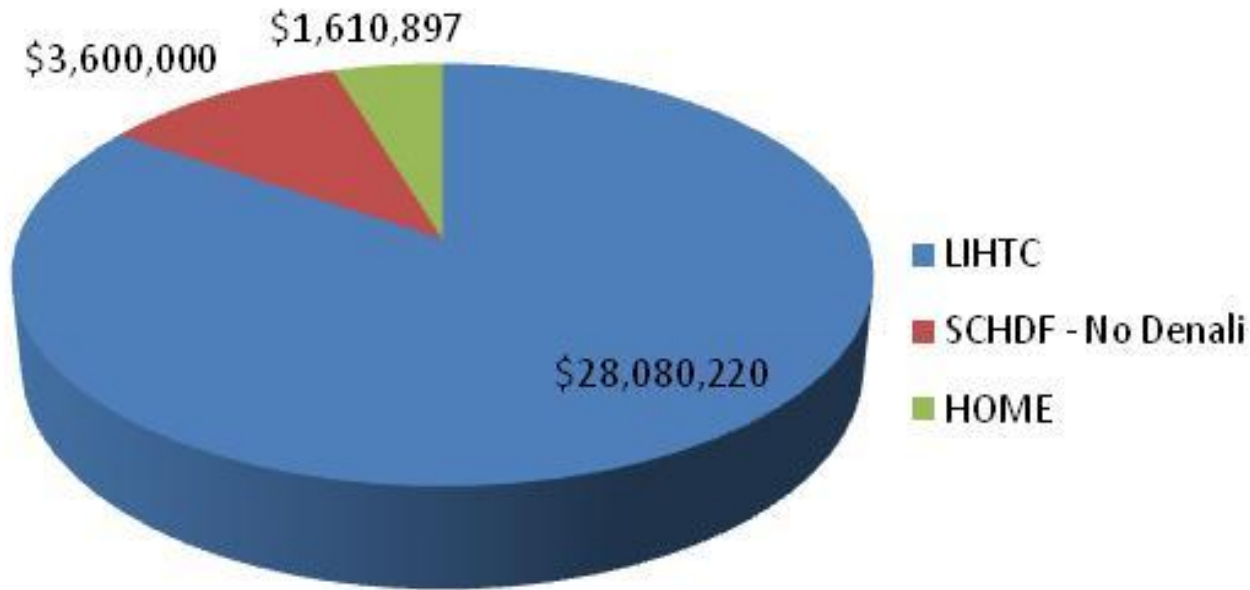
Historical GOAL Program Funding – FY 2008 through FY 2010 – cont'd

FY 2009 GOAL Sources



Historical GOAL Program Funding – FY 2008 through FY 2010 – cont'd

FY 2010 GOAL Sources



GOAL Program Funding – LIHTC Background

- LIHTC awards are determined by “eligible basis” items in the project budget
- AHFC’s authority to award LIHTCs is based on Section 42 of the tax code.
- Once AHFC awards LIHTCs to a project, the award of LIHTCs do not generate equity until those credits are sold to an investor

GOAL Program Funding – LIHTC

Background – Cont'd

- How do LIHTCs become cash for construction?
 - AHFC awards LIHTCs to a project
 - The project attempts to sell the awarded LIHTCs to investors in the equity market
 - The project sponsor and investor negotiate a sales price for the LIHTCs and reach an agreement
 - The project sponsor and investor finalize an agreement and form a limited partnership or LLC
 - The investor then contributes funds for the project development, based on the sale price for the LIHTCs, according to scheduled payouts (usually linked to project milestones)
 - Once the project is completed, the investor can then use the LIHTCs to offset their tax liability

LIHTC Projects By Community

	Anchorage	Cordova	Dillingham	Eagle River	Fairbanks	Girdwood
Units	1533	22	40	57	437	30
Projects	24	1	2	1	7	1
	Haines	Hooper Bay	Juneau	Kenai	Ketchikan	King S / Nak
Units	32	19	204	48	87	16
Projects	1	1	8	1	3	1
	Kotzebue	Manokotak	Mt. Village	Naknek	Nome	Palmer
Units	16	12	10	11	17	143
Projects	1	1	1	1	1	5
	Scattered*	Seward	Sitka	Soldotna	Tanacross	Togiak
Units	239	2	96	16	49	20
Projects	2	4	1	1	1	1
	Unalaska	Valdez	Wasilla	Yakutat		
Units	16	20	383	11		
Projects	1	1	13	1		

*Scattered-site locations = Kenai, Soldotna, North Pole, Kodiak, Homer, Palmer

Total Projects = 87, Total Units = 3,600

GOAL Program Timeline - General

- Spring – Pre-Application Round Announced
- Late Spring – Online Application System Registrations due to AHFC *-required to submit Pre-Application*
- June – Pre-applications Due *-submitted online*
- June through August – Pre-application Review
- August / September – Invitations to Apply Issued *-via online system*
- November – Application Deadline *-submitted online*
- December / January – Awards Announced
- Spring – Environmental Reviews / construction begins

Stages and Event Sequence – Pre-Application Announced

- Rating and Award Criteria finalized
- Pre-application notice is distributed and published state-wide
- Reference materials for Pre-Application are posted on AHFC's website
- Pre-application teleconference announced
- Deadline for online registration is set to access application system
- Deadline for online submission of Pre-Applications is set (typically in June)

Stages and Event Sequence – Pre-Application Review

- Threshold items
- Experience: Developer, Owner, Property Manager
- Feasibility: Are sources and uses reasonable for the proposed project?
- Penalty Points: Evaluation of project team members' past performance with AHFC
- Market Studies: Evaluation of the following
 - Need for the project
 - Impact on community and neighboring properties
 - Reasonableness of assumptions incorporated into the project proposal (i.e. rent-up, proposed rents, operating costs).
- Recommendations: Penalty points, project modifications, invitations to apply

Stages and Event Sequence – Invitations to Apply Issued

- Invitations, rejections, and recommendations for project changes are issued to pre-applicants
- NOFA and application materials are distributed to applicants receiving an invitation through the online application system
- Applicant training scheduled
 - All day event at AHFC which covers application requirements, steps required for complete submissions, scoring process, etc.
- Application deadline is finalized

Stages and Event Sequence – Application Review

- Feasibility: Review of the following
 - Are development costs reasonable?
 - Are expected costs documented, proposed within limits, and supported with third party evidence?
 - Are sources of funding reasonable? (i.e. debt capacity, rents, other forms of income, etc.)
- Experience thresholds verified
- Objective scoring and ranking of applications
 - Scoring and ranking based on criteria outlined in the Qualified Allocation Plan (aka QAP) for GOAL program funds.
- Funding recommendations: Presented to senior management and CEO

Stages and Event Sequence – Notice of Intent to Award

- Notice of intent to award issued to all applicants
- Conditional awards, if present, are communicated
- Protest period begins
- Protest period ends 10-days following the NOI, or 10-days following the final response to any outstanding appeal(s).

Stages and Event Sequence – Post Award

- Awards are finalized
- Awards are published, press release is typically issued
- Environmental reviews begin
- Once environmental review requirements have been satisfied, grant agreements and / or reservations are issued