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

May 25, 2016 10:00 a.m.

Anchorage/Fairbanks/Juneau

I. ROLL CALL
II. APPROVAL OF AGENDA
III. MINUTES: April 27, 2016
Next Resolution: #16-09
IV. PUBLIC COMMENTS
V. OLD BUSINESS:
VI. NEW BUSINESS:

A. Consideration of a term loan financing request in the amount of $2,907,750 for the acquisition and rehabilitation of an affordable mixed-use multifamily project containing 65 units and known as “Juneau Super 8” located in Juneau, Alaska.

B. Consideration of a resolution to adopt the SFY2017 Annual Action Plan.

C. Consideration of a Resolution approving the GOAL Program Rating and Award Criteria.

D. Consideration of a resolution to modify and extend its Moving to Work Agreement with the Department of Housing and Urban Development through June 2028.

VII. REPORT OF THE CHAIR
VIII. BOARD COMMITTEE REPORTS: None
IX. REPORT OF THE EXECUTIVE DIRECTOR
X. ANY OTHER MATTERS TO PROPERLY COME BEFORE THE BOARD
X. Monthly Reports – Finance, Mortgage, R2D2, PHD, GRPA, Meeting Schedules
XI. EXECUTIVE SESSION: Corporation’s operational matters that may have an impact on the Corporation’s financial matters. Board action related to this matter, if any, will take place in the public session following the Executive Session.

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

ALASKA HOUSING FINANCE CORPORATION
BOARD OF DIRECTORS

REGULAR MEETING

April 27, 2016 10:00 a.m.
Anchorage/Juneau/Fairbanks

The Board of Directors of Alaska Housing Finance Corporation met April 27, 2016, 2016 in the AHFC board room, 4300 Boniface Parkway in Anchorage, AK at 10:00 a.m. Board members present were:

BRENT LEVALLEY Anchorage	BOARD CHAIR Member of the Board
MARTY SHURAVLOFF Via teleconference	BOARD VICE CHAIR Member of the Board
ALAN WILSON Via teleconference	Member of the Board
CAROL GORE Via teleconference	Member of the Board
TARA HORTON Anchorage	Designee for Commissioner Department of Health & Social Services Member of the Board
JERRY BURNETT Anchorage	Designee for Commissioner Department of Revenue Member of the Board
MIKE HLADICK Anchorage	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 LEVALLEY proposed the agenda be approved as presented. Seeing and hearing no objections, the agenda was approved as presented.

III. MINUTES OF FEBRUARY 24, 2016. CHAIR LEVALLEY asked for revisions or acceptance of the minutes. Seeing and hearing no objection, the minutes were approved as presented.

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

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

VI. A. CONSIDERATION OF A RESOLUTION TO APPROVE THE STATE FISCAL YEAR 2017 MOVING TO WORK AND CAPITAL FUND PLAN. BRYAN BUTCHER introduced the item and CATHY STONE presented. Ms. Stone stated that AHFC is not proposing any new activities in this fiscal year's plan. We plan, instead, to continue our focus on our rent reform activities and expansion of our family self-sufficiency program, Jumpstart. We also plan to work on our next development opportunity through our subsidiary corporation, the Alaska Corporation for Affordable Housing. Discussion followed. CAROL GORE made a motion to approve Resolution 2016-07. JERRY BURNETT seconded the motion. The resolution was unanimously approved. (7-0)

RESOLUTION #2016-07

RESOLUTION APPROVING THE STATE FISCAL YEAR 2017 MOVING TO WORK AND CAPITAL FUND PLAN.

VI. B. CONSIDERATION OF A RESOLUTION TO APPROVE THE INCREASE OF INCOME LIMITS FOR TWO NEW DEVELOPMENTS IN FY16 MOVING TO WORK PLAN. BRYAN BUTCHER introduced the item and CATHY STONE presented. MS. Stone stated that The FY2016 MTW Plan was approved by the AHFC Board of Directors on April 29, 2015 and contained an activity, 2014-4, to develop two new affordable housing developments in partnership with Cook Inlet Housing Authority. These new developments, Susitna Square and Ridgeline Terrace, have rental subsidy from AHFC in the form of project-based vouchers. Families with incomes up to 50 percent of area median income (very low income) are eligible for admission. Ridgeline Terrace and Susitna Square also have low income housing tax credits attached to their units. Families with incomes up to 60 percent of area median income are eligible. For ease of administration, the contracting documents for these new developments will allow admissions to project-based voucher units to families with incomes up to 60 percent of area median income. This Amendment to AHFC's FY2016 MTW Plan allows AHFC to implement this alternative admission standard. No other changes to AHFC's admission policy are planned. Discussion followed. JERRY BURNETT made a motion to approve Resolution 2016-08. TARA HORTON seconded the motion. The resolution was unanimously approved. (6-0) CAROL GORE abstained from voting due to conflict of interest.

RESOLUTION #2016-08

RESOLUTION APPROVING THE INCREASE TO INCOME LIMITS FOR TWO NEW DEVELOPMENTS IN THE FY2016 MOVING TO WORK PLAN.

VII. REPORT OF THE CHAIR. CHAIR LEVALLEY stated that the next AHFC Board of Directors meeting will be May 25, 2016 in Anchorage.

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.) Resident Advisory Board introductions; 2.) Moving To Work updates; 3.) The sign up for the Home Energy Rebate program has been suspended as of Friday 3/25; 4.) Follow up meeting on Rural Homeownership Forum Wed. 4/13; 5.) Alaska Federal Executive Meeting at AHFC Wed 4/13; 6.) AO 281 update, AHFC Presentation to Consultants Wed 4/13; 7.) Retirement announcements for Cindy Hanson (27 years), Ineke Benkers (26 years) and Bob Kelly (25 years); 8.) May retirements include Mike Buller (29 Years) and Brenda Glaze (28 years); 9.) Mark Romick will step up as acting Deputy Director and Daniel Delfino will be acting Planning Director; 10.) Governor's Council on Homelessness will be Thurs. 5/19.

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

1. <u>Monthly Loan Reports</u>. Finance, Mortgage, R2D2 Public Housing and GR&PA reports were presented for discussion and review.

2. <u>Schedule of Board Meetings:</u>

   AHFC Regular BOD Meeting | May 25, 2016 | 10:00am | Anchorage

XI. EXECUTIVE SESSION: CORPORATION'S OPERATIONAL MATTERS THAT MAY HAVE AN IMPACT ON THE CORPORATION'S FINANCIAL MATTERS.

Off Record: 10:40 a.m. EXECUTIVE SESSION
On Record: 11:08 a.m.

No Board action was requested nor taken during the Executive Session.

XII. OTHER MATTERS. CHAIR LEVALLEY asked if there were any other matters to properly come before the board. JERRY BURNETT made a motion to adjourn. Seeing and hearing no objections, the meeting was adjourned at 11:10 a.m.

ATTESTED:

Brent LeValley Board Chair	Bryan Butcher CEO/Executive Director

ALASKA HOUSING FINANCE CORPORATION
BOARD CONSIDERATION MEMORANDUM

DATE: May 4, 2016
ITEM: Multi-Family Loan Request STAFF: Eric A. Havelock
****

BORROWER: **Alaska Joint Venture Partners, LLC**
Co-Borrower(s): **Hawk Technologies LLC; Shore Investments LLC; TBW LLC**
Randy Kaer; Xochiti Stafford; Bruce Chambers

PURPOSE: Term loan financing for the acquisition and rehabilitation of an affordable mixed-use multifamily project containing 65 units and known as "Juneau Super 8" located in Juneau, Alaska.

PROPOSAL OVERVIEW:

Loan Amount:

First Deed of Trust: $2,907,750

Project's Market Value: $4,000,000 "At Completion and Stabilized Occupancy."
$3,622,000 "less allocation to personal property (FF&E)"

Appraised by: Michael Forsland and Brian Bethard, MAI, appraisers for Black-Smith, Bethard & Carlson, LLC **See Appendix I.**

Loan-to-Value Ratio:

First Deed of Trust: 80% "Real estate less FF&E"

Loan Terms:

First Deed of Trust: 30 years amortizing fixed monthly payments.

Interest Rate:

First Deed of Trust: 6.375%*

*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:

First Deed of Trust: 1.49

(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)

Recourse to Borrower and Co-Borrowers: **YES**

Sources and Uses of Funds:

Sources:	
AHFC's First DOT:	$ 2,907,750
Borrower cash:	$ 392,225
Total Sources:	$ 3,299,975
Uses:	
Purchase Price:	$ 1,660,000
Rehabilitation Costs:	$ 1,468,331
Soft costs/contingency:	$ 70,644
Tax & Insurance reserves:	$ 61,000
Term Loan Closing Costs:	$ 40,000
Total Uses:	$ 3,299,975

BORROWER ORGANIZATION: Description & Background:

Alaska Joint Venture Partners LLC.: Created on March 2, 2016 for any lawful purpose including the owning and operating of hotels and hotels, Alaska Joint Venture Partners LLC is an Alaska limited liability company created to hold and operate the subject property. Membership interest is held by Hawk Technologies LLC, Shore Investments LLC, and TBW LLC each vesting in 50%, 25% and 25% member shares respectively.

Hawk Technologies LLC.: A Wyoming limited liability company created in December of 2015 and registered to do business in Alaska for any lawful purpose. The LLC was created as a sole asset entity for the project with member shares held by Randy Kaer.

Shore Investments LLC: A Wyoming limited liability company created in December of 2015 and registered in Alaska for any lawful purpose. The LLC was created as a sole asset entity for the project with member shares held by Xochiti (Troy) Stafford through an irrevocable trust.

TBW LLC: An Alaska limited liability company created in December of 2010 for any legal purposes with 512AP, LLC as the 100% member. 512AP, LLC is wholly owned by Bruce Chambers.

Randy Kaer: Mr. Kaer has been in the real estate development industry since 1998 having worked in the construction field specializing in commercial buildings. He is a 1982 graduate of Southern Oregon University.

Bruce Chambers: Mr. Chambers has been in the real estate industry serving various capacities since he moved to Alaska in 1983 mostly focusing on the commercial real estate. He is a 1974 graduate of the University of Oregon. **See Appendix II.**

Financial Information:
Alaska Joint Venture Partners LLC. was recently created to hold and operate the project, which has yet to be acquired. Therefore, financial data reflects the value of the project: (i) total assets: of $4,000,000; (ii) total liabilities: $2,907,750; (iii) net worth: $1,092,250. The project's annual cash flow is projected to be $105,697.

Hawk Technologies LLC: was recently created to hold and operate the project, which has yet to be acquired. Therefore, financial data reflects the pro-rata value of the LLC's interest in the project: (i) total assets: of $2,000,000; (ii) total liabilities: $1,453,875; (iii) net worth: $546,125.

Shore Investments LLC: was recently created to hold and operate the project, which has yet to be acquired. Therefore, financial data reflects the pro-rata value of the LLC's interest in the project: (i) total assets: of $1,000,000; (ii) total liabilities: $726,938; (iii) net worth: $273,062.

TBW LLC: was recently created to hold and operate the project, which has yet to be acquired. Therefore, financial data reflects the pro-rata value of the LLC's interest in the project: (i) total assets: of $1,000,000; (ii) total liabilities: $726,938; (iii) net worth: $273,062.

Randy Kaer: A balance sheet dated April 11, 2017 indicates: (i) total assets of $7,198,786; (ii) total liabilities: $3,298,000; (iii) net worth: $3,900,786.

Credit History:
A recent credit report reflects an acceptable credit history for the borrower and the co-borrowers, neither of whom have any loans with AHFC.

PROJECT CHARACTERISTICS:

Location and Site Description:
The neighborhood is described as being in the international airport/Mendenhall Valley area of Juneau, and is located approximately 8.5 miles northwest of the Juneau Central Business District. The immediate neighborhood is comprised of commercial and multifamily residential uses including hotel, retail shopping malls and affordable housing complexes. Located at 2295 Trout Street just south of Egan Drive and east of the Mendenhall Loop Road, all paved and publicly maintained roadways, the site contains 75,865 square feet and enjoys 297 feet of Trout Street frontage. The site is served by all available public utilities (water, sewer, electric and telephone). Heating fuel is available for delivery which is customary for this area. **See Appendix III.**

Note: The subject site is encumbered by a ten year land lease executed in 2014 that offers three, ten year extensions at the sole option of the lessee. AHFC requires an assignment of the land lease for collateral purposes as a condition of this commitment, which allows AHFC to extend the land lease if necessary.

Project Overview:
The subject is currently a wood-framed, three-story, 78 room hotel built in 1983. The subject is proposed to be converted to a mixed use facility that retains 45 hotel rooms and five extended stay suites all located on the first two floors, and converts the third floor to contain 15 affordable housing units. The building's exterior is finished with hardi-board siding and a clay shingled roof. The unit interiors will all be finished with taped and textured sheetrock with carpet and vinyl floor

coverings as well as hardwood flooring in the kitchen area. The first floor lobby area flooring will be tile and the hallways and other common areas will be finished with carpet. The first floor will contain 20 hotel rooms ranging in size from 264 square feet to 430 square feet, a common area entrance with a front desk, public bathrooms, a coin-operated laundry containing two washers and two dryers for project use, a workout room, the elevator and mechanical room. The second floor will contain 25 hotel rooms ranging in size from 264 square feet to 730 square feet; and one, one-bedroom unit containing 792 square feet and utilized as an extended stay unit. The third floor will contain 17 units ranging in size from 396 square feet to 468 square feet; and two, one-bedroom units containing between 641 and 736 square feet. Each residential unit will contain appliances for a kitchenette including a refrigerator and electric range. Bathrooms will contain a sink, vanity, toilet, and shower. The one-bedroom units will contain a full bathroom. Proposed project upgrades include replacing the existing water distribution system with PEX piping; replacing the oil-fired water heaters with on-demand water heaters, new floor coverings, exterior painting, upgrades to the existing fire alarm system, upgrades to the existing elevator, a rock-wall fireplace for the main lobby, and bathroom exhaust fans for all units. Rents are projected to be approximately $108 per night for the hotel rooms, $3,540 per month for the extended stay units, and range from $847 to $908 per month for the apartments. Parking is provided by 103 on site, paved spaces which are considered to be adequate for a project of this size, use, and location. The proposed use is a legal, conforming use of the site, and the appraiser estimates the remaining economic age of the improvement to be 35 years. See Appendix IV.

Note: Each hotel room will be furnished with beds, a table, a couch, sitting chairs, dressers, lamps, a mini-fridge, a microwave, and a television. The value associated with the furniture, fixtures, and equipment (FF&E) is not a part of this financing proposal even though these items are included in the sale contract and will be transferred to the borrower. The workout room will be available for the use of the affordable unit residents. For the affordable units, additional fees are not allowable above the maximum rents.

Soil Conditions:
Neither the appraiser nor the inspector noted any concerns with the property. The subject's site, as proposed and as developed, is considered adequate to support the proposed improvements.

Environmental Assessments:
The appraiser, the home inspector, and the borrower did not note any environmental concerns with the property. A Phase I environmental report acceptable to AHFC will be made a condition of the term loan commitment.

Health and Safety Inspection Report:
A Health and Safety inspection report was completed by Greatland Home Inspections on April 7, 2016 noting several areas of concern. All identified items are to be addressed as a condition of the loan commitment. An unconditional certificate of occupancy from the City and Borough of Juneau for the residential units is also being required as a condition of this commitment. See Appendix IV.

PROJECT OPERATIONS:

Pro-Forma Statement: Staff reviewed the application, the market analysis, and the appraisal in developing the pro-forma operating budget and believes it fairly depicts the expected performance of this mixed-use affordable housing project. The appraiser utilized an apartment vacancy percentage of 3% which is supported by comparable projects chosen by the appraiser and adjusted by staff to 5% for underwriting purposes. Based on data provided by the appraiser, borrower, and the market analysis, it is anticipated that the affordable apartments will maintain a high occupancy rate due to the high demand for affordable units in the Juneau area. The appraiser utilized a vacancy percentage of 35% for the hotel rentals based on comparable properties chosen by the appraiser. Staff supports this conclusion noting the new condition of the units will attract daily tenants, the proximity to the Juneau International Airport, and the projected increase in tourism visitors to the community. The replacement reserves of $500, per unit, per year, is considered to be above average for property of this age, type, and condition and will facilitate ongoing property improvements. See Appendix VI.

Debt Service Coverage Ratio:
The 1.49 debt service coverage ratio indicates that in addition to the 5% vacancy factor for the apartments and the 35% vacancy factor for the hotel rooms, income could fall by 7% or expenses could increase by 10% 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 38% vacancy rate. The ratio, by industry standards, is considered to be an excellent ratio.

Unit Set-Asides:
Borrower has elected to set aside 15 of the 65 units for residents earning 50% of median income or less as determined by the Department of Housing and Urban Development. The remaining 50 units will be rented at market rents with five targeting corporate rentals. Additional fees shall not be charged if said fees increase the amount paid above the maximum rent. Access to building amenities for all residents will not be restricted. Anticipated rents are set out in the pro-forma.

Market Study Report:
Black-Smith, Bethard & Carlson, LLC performed a market analysis in conjunction with the appraisal dated March 9, 2016 providing evidence that there is a sufficient market demand for the project once completed. The two markets analyzed for this conclusion were the lodging industry and multifamily residential housing market. Local lodging supply consists of 433 rooms of which the subject will have 15% of the competing inventory. Daily rates were compared to these properties with a range of peak season room rates from $149 to $219 per day, and off-season rates ranging from $80 to $149 per day supporting the proposed $108 per day hotel rate. Occupancy was projected to range from 53% to 70.5%, which was adjusted to 65% by the appraiser considering the newer condition of the units and the appraiser's Alaska hotel data base. Staff concurs with this assessment noting that no new daily rental projects are being proposed for the Juneau area. Juneau area multifamily residential housing has seen additional inventory in the last several years including 75 affordable family units, 41 proposed elderly units, as well as substantial rehabilitation of 24 rent assisted units. The appraiser also identified 83 non-income restricted units that are being added to the market. The subject is not expected to compete with this additional affordable inventory targeting families as the subject units are efficiency units which are noted to be extremely limited in the Juneau area. Staff concurs with the analyst's conclusions supporting strong market demand noting the continued high occupancy percentage of affordable apartments in the Juneau area and the extensive waitlists reported by local affordable housing providers. See Appendix VII.

Rent-Up Reserve:

Typically there is time involved for renovation, marketing and move-in requiring a rent-up reserve to be established to cover operating losses during rent-up operations. As a condition of this commitment, the project is required to meet a minimum debt service coverage ratio of 1.25 and is required to reach sustained occupancy for the affordable units. Sustained occupancy is defined as 90% occupied for 90 consecutive days. As the borrower will carry the lease up risk through the construction loan, staff does not recommend the establishment of a rent-up reserve.

COMMUNITY SUPPORT:

Letters of community support were not provided.

COMMUNITY OPPOSITION:

AHFC and the borrower are not aware of any community opposition.

PROPERTY MANAGEMENT:

Alaska Resort Condos, Inc will be the property management entity for this project. Created in September of 2006, the sole owner is Susan Kaer. She has been in hotel management for the last 17 years and has been in the food and beverage management industry for the last 28 years. Most recently she was the owner/general manager of the Ramada Anchorage Downtown until 2015, a position she held since 2003 and left to focus on the subject property. Ms. Kaer will be using hotel management software published by Oracle for the tracking of room occupancy and income eligibility providing an easily identifiable track record for affordable housing compliance. Additional on-site staff will be available for room intake and tenant application screening. Staff concurs that she has sufficient qualifications and experience to successfully manage the subject property, noting that income verification procedures and AHFC mortgage staff counseling will be a part of the loan closing process. Further assurance is provided in the deed of trust which allows AHFC to replace the property manager. **See Appendix VIII**

RECOMMENDATION:

Alaska Joint Venture Partners LLC has presented the corporation with a unique opportunity to provide safe and needed affordable housing in Juneau. The request falls within the parameters of the Multi-Family Housing Lending Program; it is reasonable to expect that the loan will be repaid; and it is considered to be an acceptable risk; therefore, staff recommends approval of the request subject to the conditions noted below.

COMMITMENT CONDITIONS:

1. Alaska Housing Finance Corporation (AHFC) to provide long term financing in an amount not to exceed $2,907,750 amortized over thirty (30) years with monthly payments. Interest to be 6.375% at AHFC's thirty 30-year taxable cost of funds including administrative and servicing costs;

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

3. Borrower to be: Alaska Joint Venture Partners LLC.
   Co-Borrowers to be: Hawk Technologies LLC; Shore Investments LLC; TBW LLC
   Randy Kaer; Xochiti Stafford; Robert Chambers;

4. Commitment to expire August 27, 2017. If necessary, an extension may be considered by staff subject to extension guideline criteria and extension fees;

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

6. Loan Agreement to include covenants which require the borrower, at a minimum, to restrict the rental of 15 of the 65 units for residents earning 50% of median income or less as determined by the Department of Housing and Urban Development. Additional fees shall not be charged if said fees increase the amount paid above the maximum rent. Access to building amenities for all residents will not be restricted;

7. Receipt and acceptance by AHFC of the following:

   a. a Phase I environmental data report acceptable to AHFC;

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

   c. an unconditional Certificate of Occupancy from the city and borough of Juneau unless otherwise approved by AHFC;

   d. assignment for collateral purposes of the land lease with an expiration date no sooner than 2047;

   e. ALTA title policy with applicable endorsements;

   f. evidence that all the items identified in the Home Inspection Report dated April 7, 2016 have been satisfactorily addressed;

   g. copy of Super 8 franchise approval for the mixed use of the property;

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

   i. 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.

8. Prior to closing the long term loan the borrower must satisfy the following conditions:

   (a) Provide evidence that the project is performing at a debt service coverage ratio of 1.25; and

(b) Provide evidence that the project has reached a sustained occupancy for the affordable units. Sustained occupancy is defined as 90% occupied for 90 consecutive days;

9. Monthly loan payment to include funds, as determined by AHFC, for (i) principal and interest, and (ii) reserve for taxes, insurance, and property replacement reserves of $2,708.33 per month;

10. 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;

11. The payment of a $24,308.13 loan fee;

12. A commitment fee of $12,154.06 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

13. 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 CEO/Executive Director	Michael Buller Deputy Executive Director	Mike Strand CFO/Finance Director
Date: 5-4-16	Date: 5/4/16	Date: 5/11/16

ALASKA HOUSING FINANCE CORPORATION
RESOLUTION NO. 2016-09

RESOLUTION APPROVING FUNDS FOR THE TERM FINANCING OF A MIXED-USE MULTI-FAMILY HOUSING PROJECT FOR ALASKA JOINT VENTURE PARTNERS, 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 affordable, safe, and accessible housing;

B. Alaska Joint Venture Partners, LLC; have applied to Alaska Housing Finance Corporation under its Multi-Family Housing Loan Program, to provide funds for the term financing of a mixed-use affordable multi-family housing project, located in Juneau, Alaska;

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

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

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

II. Conclusion:

Pursuant to the foregoing findings, the Board hereby approves the request substantively as stated in the May 4, 2016 Board Consideration Memorandum prepared in support of the application.

This resolution shall take effect immediately.

DATED THIS 25th Day of May, 2016

____

Brent LeValley
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

March 9, 2016

Client: Alaska Housing Finance Corporation
4300 Boniface Parkway
Anchorage, Alaska 99504

Attn.: Attn: Mr. Eric Havelock

RE: Juneau Super 8 Motel
65-Room Hotel / Restricted Apartment Project
Located at 2295 Trout Street, in Juneau, Alaska

Dear Mr. Havelock:

In fulfillment of our agreement as outlined in the letter of engagement dated January 25, 2016, we submit our *appraisal report* of the estimated market value of the leasehold 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" 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 of the Total Assets of the Business (MVTAB) "At Market Rent" [1]		
At Stabilized Occupancy	as of February 1,2017	**$4,000,000**
Less: Allocation to Tangible Personal Property		($378,000)
Less: Allocation to Intangible Personal Property		($0)
Residual Allocation to the Real Estate		**$3,622,000**

Prospective Market Value of the Total Assets of the Business (MVTAB) "At Market Rent"		
At Stabilized Occupancy	as of February 1,2017	$4,000,000
Less: Income Loss During Rent-up	-	($26,000)
Market Value "At Completion"	as of September 1, 2016	**$3,974,000**
Less: Allocation to Tangible Personal Property		($378,000)
Less: Allocation to Intangible Personal Property		($0)
Residual Allocation to the Real Estate		**$3,596,000**

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

Resume of Randy Kaer

Background / Experience

Current, Developing Housing projects in Alaska.

2007 - 2013 Alpine Energy LLC. Worked on developing various Electrical Generation projects, Teamed and partnered with different companies, such as J power USA, Kawasaki, estimating, bidding, developing various projects. In Alaska and Lower 48.

2007 Condos Soldotna Alaska 28 each 1200 sq. ft units. Owner builder.

2000 - 2006 developed subdivision morning side loop developed and built 12 4-plex units.

I Hop Constructed Restaurant Tudor Road Anchorage.

General Contractor Hacienda Restaurant Wasilla Alaska.

2006 Developer Contractor Big Lake Resort Condo's built 23 Resort condos Big lake Alaska

2003 2004, Owner, Titan Manufacturing Alpine TrussSteel, Manufactured steel roof trusses and floor joists, customers were military projects. Company bought out by Spenard Builders Supply. Link to example project on Fort Wainwright. http://www.trussteel.com/green/applications-projects/36-military/138-projects-fort-wainwright.html

2002 purchased and renovated 90 room hotel in Anchorage Ramada Anchorage Downtown

1998 Ramada Limited Hotel Anchorage 207 Muldoon Road, Kaer Mayo LLC. Built and owned 50 room property

1983 to 1999 construction contractor specializing in commercial building interiors commercial remodeling and tenant improvements. 80 employees, Estimating and active in all phases of construction. Owned company. Completed over 2500 Tenant improvements, some new construction, shopping mall, warehouses etc.

81-82 Southern Oregon University – Business Major

Bruce A. Chambers
Commercial Real Estate --Broker /Investor/Developer
Chambers Commercial Real Estate
2600 Denali St. #711
Anchorage, AK 99503

Bruce A. Chambers
10400 Schuss Dr.
Anchorage, AK 99507

DOB: 6/12/53
Age: 56
Married w/5 children

1971-1974 ***University of Oregon***
Major: Business & Construction
Minor: Finance & Real Estate

6/2000-Present
Chambers Commercial Real Estate
Real Estate Brokerage/Investment/Development

Major Transactions:

Solar Turbines	Warehouse	$ 1,100,000
Grace (Centerpoint Church)	Land	2,450,000
Best Buy	First Alaska Location-Lease	4,500,000
The Alaska Club	New location-Lease	4,000,000
FAA/BLM	Lease	650,000
National Park Service	Lease	860,000
Fred Meyer	New location-Sale	5,400,000
Alaska Energy Building	Sale	10,550,000
7941 Sandalwood Building	Sale	1,400,000
2000 Abbott Rd	Condo Office--Sales	3,355,000
AMC Engineers, Inc	Lease	900,000
3305 Arctic Building	Sale	1,100,000
1350 E. 1st Ave	Sale	1,825,000
200/250 Post Rd	Sale/Lease	1,500,000
Arctic Slope E & C	Lease	2,650,000

1988-Present
Seven C Investments, Inc.-President
Anchorage area real estate investment company. Originated as Compro Investments, Inc., in 1988. Personally acquired 7 major properties for a total value of $9 million. Completed divestiture/reorganization of company in 1995.

Owned or Developed properties:

Liberty Center--Retail Center	9220 Lake Otis Blvd
Hillside Plaza--Retail Center	9000 Lake Otis Blvd. Developed Property
SAN, LLC—Warehouse	200 Post Rd
512 W. International Airport Rd	Office/Warehouse
Liberty Village—Retail/Office	Retail/medical bldg
Abbott Medical Center	Medical Condominiums

1997-2000

Grubb & Ellis/Hoffmann Commercial Real Estate - Associate Real Estate Broker.

Sales and Leasing of commercial office and retail properties.

Major Transactions:

Magnum/Yukon Office Building	Sale/Renovation	$	6,300,000
Faulkner Banfield AAL (Office)	Lease		2,700,000
Wendy's Hamburger	Lease/Sale		1,150,000
Land Title Company (Office)	Lease		1,300,000
Trendwest Resorts (Office)	Lease		780,000
New Grace Lutheran Church	Sale		735,000
Radio Shack/Today's Elect.	Lease		650,000
Tesoro Office Building	Sale		1,350,000

1988-1996

Jackson Brayton, Inc.-Commercial Real Estate Agent

Original founder of Brayton Company, Inc., in 1987, merged company with TRF (the Rainier Fund Development Company), Bellevue, WA in September 1988. Exclusively represented "The Equitable Life Assurance Society of the United States (at the time the largest real estate investor in the United States) Average annual total sales from leasing and sales of commercial properties $12 million.

Major transactions:

New York Life Office Building	Sale	$	7,500,000
Belaire I Office Building	Sale		950,000
Interplaza I (retail/office)	Sale		2,200,000
Proctor's Grocery Muldoon (retail)	Sale		990,000
Proctor's Grocery Boniface (retail)	Sale		1,200,000
Compro Building (Office)	Sale		1,150,000
Arctic Building (Office)	Sale		450,000
Fred Meyer, Inc. (Retail)	Sale		3,200,000
National Bank of Alaska (Land)	Sale		2,900,000
Muldoon Mall (retail)	Sale		2,350,000
Mapco Petroleum (Exclusive Agent)	Sale		1,500,000
Mapco Petroleum (Exclusive Agent)	Sale		1,800,000
Mapco Petroleum (Exclusive Agent)	Sale		1,100,000
Mapco Petroleum (Exclusive Agent)	Sale		1,200,000

1986-1988

Jack White Company--Commercial Real Estate Agent

Established exclusive commercial retail real estate division. Hired and trained protégé Gary Petros in acquiring dominance of the Anchorage retail market for leasing and sales.

During partnership clients included:

Great Western Bank
Seafirst (Bank of America)
New York Life Insurance Company
USA-G

1983-1989

Northstore Corporation

(7-Eleven Stores exclusive licensee entire State of Alaska)

President /Founder 1983-1986, Board of Directors 1986-1989

Purchased exclusive rights to 7-Eleven convenience stores of Alaska (Southland Corporation, Dallas, Texas). Developed company from inception to 46 stores (convenience, liquor, gasoline). Original investment of $2 million expanded to company wide total sales of $50 million, annually, and 300 employees. Negotiated sale of company to Tesoro Alaska Petroleum Company in 1988 for $25 million.

Projects Developed:

Wisconsin & Spenard	11,000sf Strip Retail
68th & Lake Otis	Convenience Store
Lake Otis & Northern Lights	Convenience Store
Spenard & Fireweed	Convenience Store
Main & Parks Hwy (Wasilla)	Convenience Store
University & College (Fairbanks)	Convenience Store
Cushman Plaza (Fairbanks)	Strip Retail Development
North Pole	Convenience Store

1979-1983

Corbett Company/Cushman Wakefield Commercial Real Estate

Commercial RE Agent/ Partner-Portland, Oregon

Founded commercial brokerage firm which was purchased by Cushman Wakefield. Exclusively represented the State of Oregon in negotiations (1981-1983)

Major transactions concluded during term were:

Hillman Corporation	Sale	$ 7,500,000
State of Oregon	Lease Dept. of Veterans	3,000,000
State of Oregon	Lease Public Employ. RS	6,200,000
State of Oregon	Lease Human Resources	4,500,000
State of Oregon	Lease Children's Services	2,700,000
Daon Corporation	Sale	2,100,000
Fred Meyer S& L	Sale	5,500,000

1969--1978

<u>Chambers Construction Company-Eugene, Oregon</u>

Project Manager in charge of bidding and management of major construction projects throughout the State of Oregon.

Major construction projects included:

Pacific Northwest Bell	Service Center	$ 3,500,000
Pape Caterpillar (3)	Sales/Service/Parts	11,700,000
Rogue Valley College Facility		13,000,000
Performing Arts Center	Eugene Auditorium	26,000,000

<u>Business Education/Associations</u>

Associate of General Contractors (AGC)	Construction Management
Construction Specification Institute (CSI)	Local President/Director
Anchorage Board of Realtors	1987-1999
CCIM, 1979-1984	CCIM Instructor, 1981, CCIM Northwest
Muldoon Community Dev Corporation	Founder/Director 1997-1998
Rotary 1999-2004	Board of Directors 2001-2003
Anchorage Chamber of Commerce	Member 2000-2003
Municipality of Anchorage	Member Board of Equalization 2001-2003

ALASKA

Economic Outlook[29]

Alaska's economy faces significant headwinds in 2016, largely due to sustained low oil prices. The state is forecast to lose about 2,500 jobs in 2016, a 0.7 percent decline, after gaining 1,700 jobs in 2015. This would be the first year of job losses since 2009, when Alaska felt the wake from the national recession. The state's job growth rebounded quickly in 2010 and remained relatively strong through 2012, buoyed by the federal stimulus package, large capital budgets, and high oil prices. Growth slowed to a crawl in 2013, and employers added jobs at a yearly rate of half a percentage point or less between 2013 and 2015.

Anticipated job losses are tied directly to low oil prices, which averaged close to $53 per barrel in 2015, and to a lesser extent to declining oil production. Sustained low oil prices impinge Alaska's economy on two fronts: directly, through cuts to oil industry investment and employment, and indirectly, through state government budget deficits that lead to spending cuts. Consequently, job losses will be concentrated in the oil and gas industry and state government as well as the construction industry, which will be hit by reduced investment from oil companies and capital budgets. Despite downward pressure, 2016's job losses are anticipated to be fairly isolated. The ripple effects of lower employment and spending aren't likely to extend into other industries this year.

Population Trend[30]

Despite more people moving out of Alaska than moving in, the state's overall population actually grew slightly between 2014 and 2015, according to new state estimates.

Alaska's population increased by 271 people between July 2014 and July 2015, according to population estimates released Thursday by the Alaska Department of Labor and Workforce Development. That brings the state's new estimated population to 737,625, with growth in 11 of Alaska's 29 boroughs and census areas.

The Matanuska-Susitna Borough grew the most (between 2014 and 2015), adding 1,801 people. Anchorage, meanwhile, lost 1,458 people -- a larger dip than any other area -- dropping the city below 300,000 citizens to an estimated population of 298,908.

Overall, 6,774 more people moved out of Alaska during the time period than moved into the state. There were also 11,327 births between 2014 and 2015 but only 4,282 deaths, leading to a natural increase of 7,045 people.

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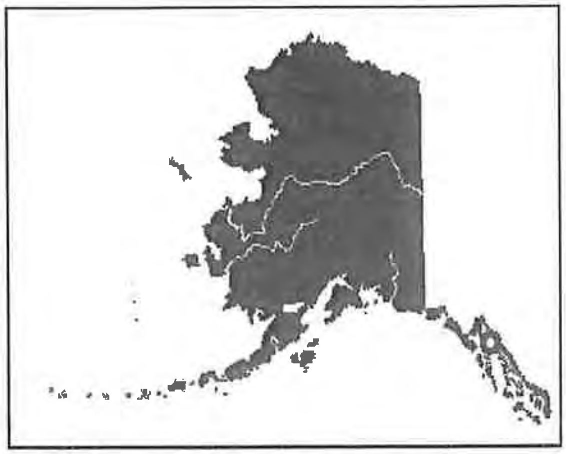
29 Caroline Schultz, Alaska Economic Trends January 2016
30 Alaska Dispatch News – January 14, 2016

"It is highly likely that the net out-migration growth is due to relatively more favorable employment opportunities outside Alaska than in Alaska," said Gunnar Knapp, director and professor of economics at the Institute of Social and Economic Research at the University of Alaska Anchorage.

This marks the third year in a row that more people left the state than arrived here.

JUNEAU, ALASKA[31]



Located on the mainland of Southeast Alaska, 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 offer 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

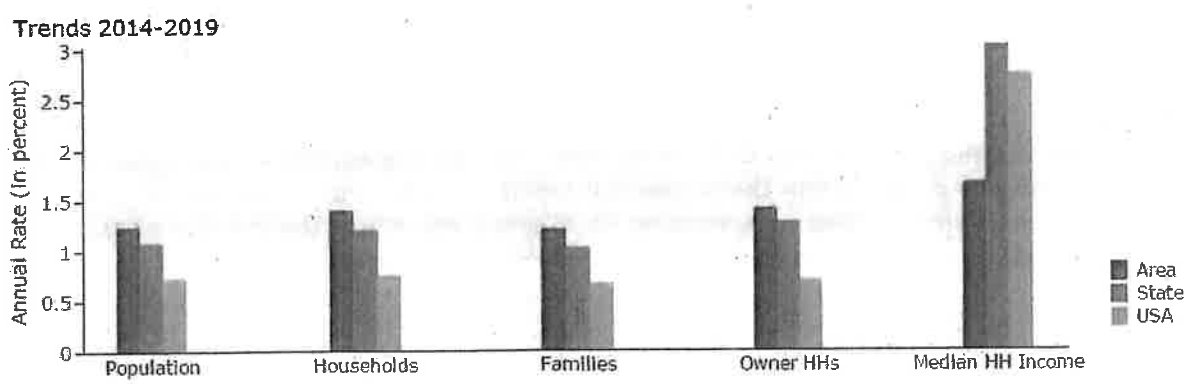
[31] Source: Alaska Department of Commerce Community Information Database.

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 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

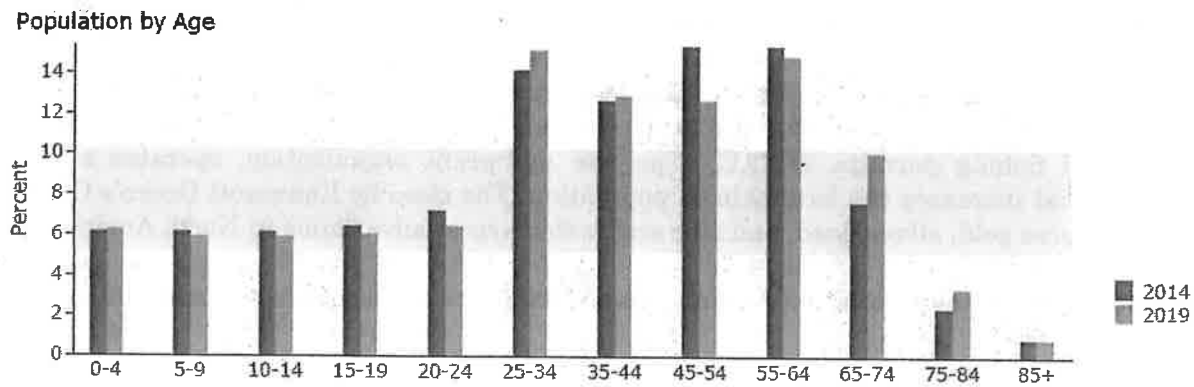
The most recent population and median income levels for the area are summarized in the following tables.[32]

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%

Households by Income	2014 Number	2014 Percent	2019 Number	2019 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	



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



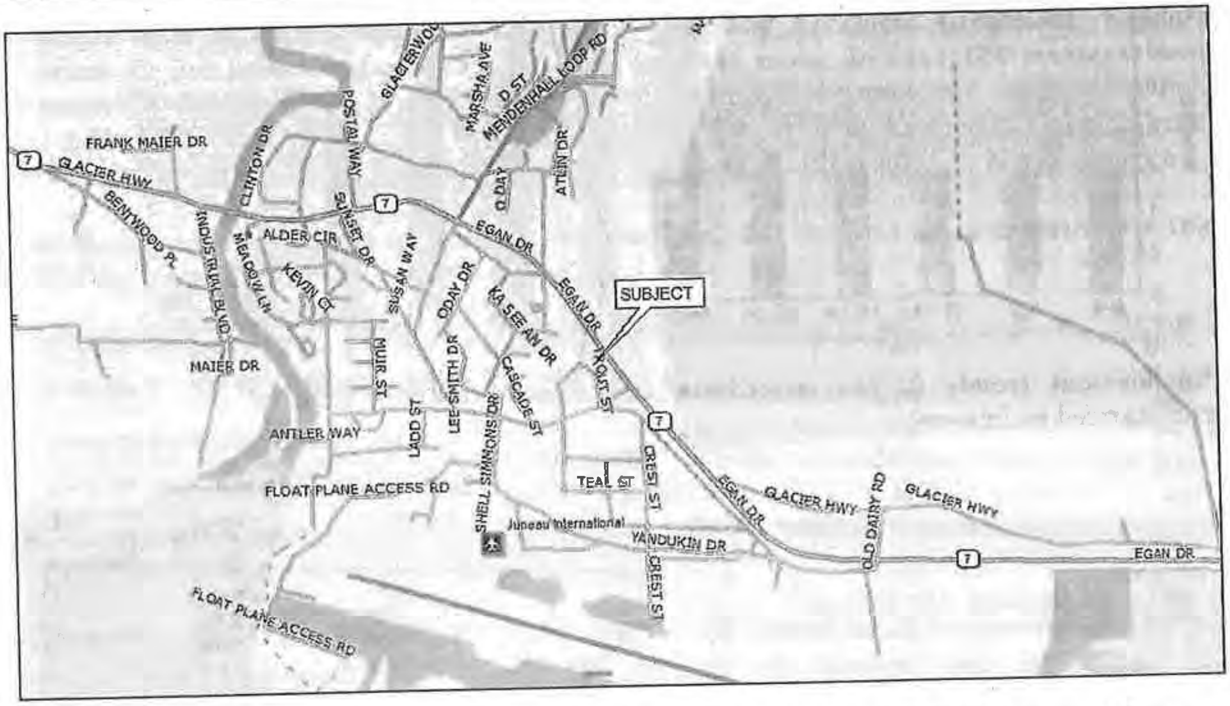
Employment trends in the immediate and general market area of the subject are summarized as follows:

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

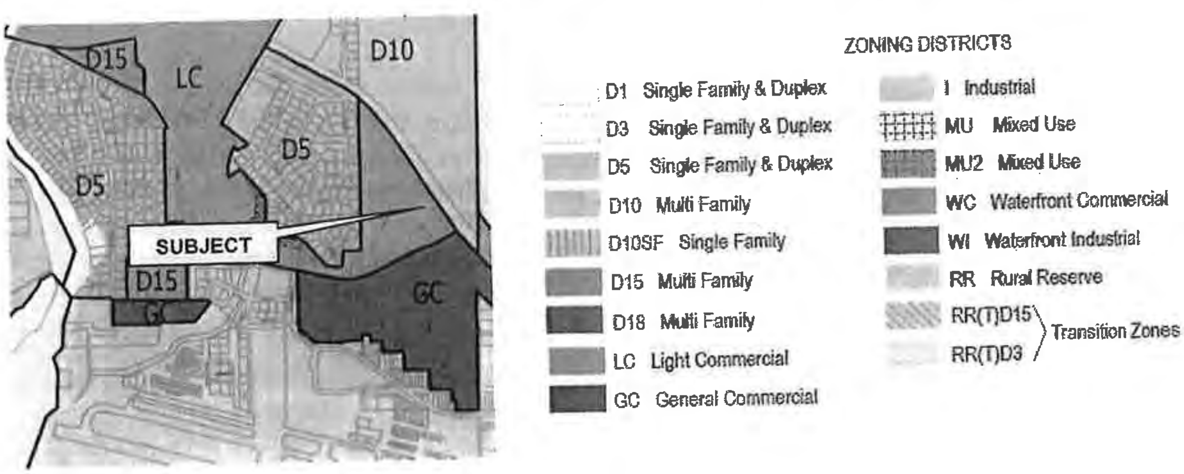
The Juneau economy continues to be supported by the legislative session and related government employment during the winter. Tourism and the cruise ship industry sustain the summer economy. There is always some concern regarding the moving of the state capital, but real estate values remain stable. The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

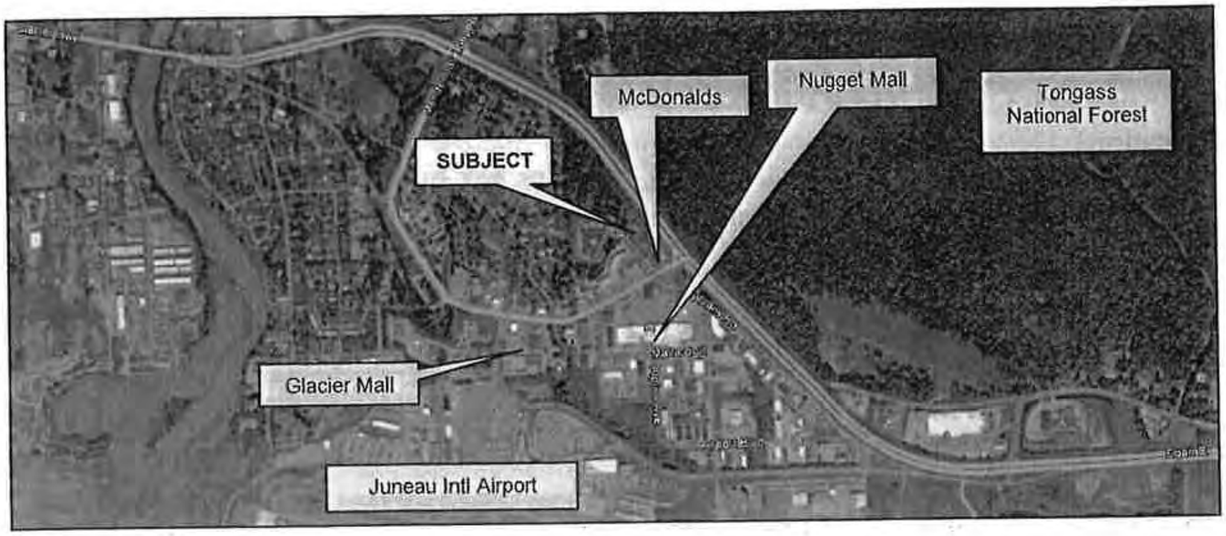
NEIGHBORHOOD DESCRIPTION



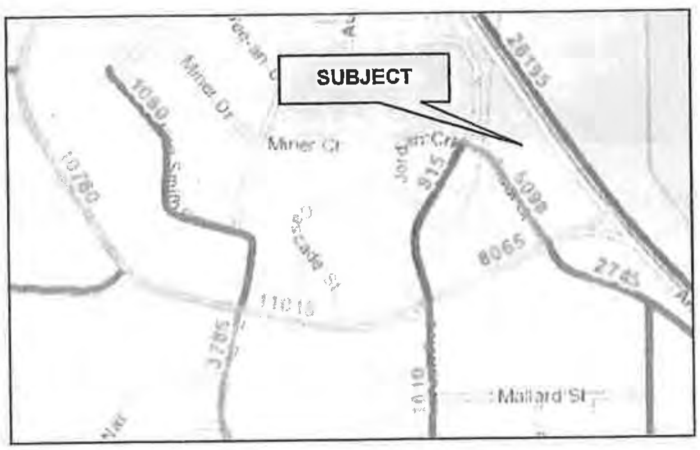
The *general neighborhood* is the international airport / Mendenhall Valley area of Juneau. This is the eastern border of the Mendenhall Valley which is bordered by the Mendenhall River and Gastineau Channel to the west and south, and the Glacier Highway / Egan Drive to the north and east of the subject.

The site is located just north of the airport on Trout Street, in a primarily commercial neighborhood, mixed with commercial office and retail with multi-family residential uses setback. Trout Street is a minor roadway that terminates near the subject's northwest corner, leading from Glacier Highway.





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



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

Utilities include water, sewer, electricity, and telephone.

The Alaska Department of Transportation reported the 2013 average daily traffic (ADT) count to be 5,098 along Trout Street, 8,065 along the Glacier Highway, and 26,195 along Egan Drive, 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.

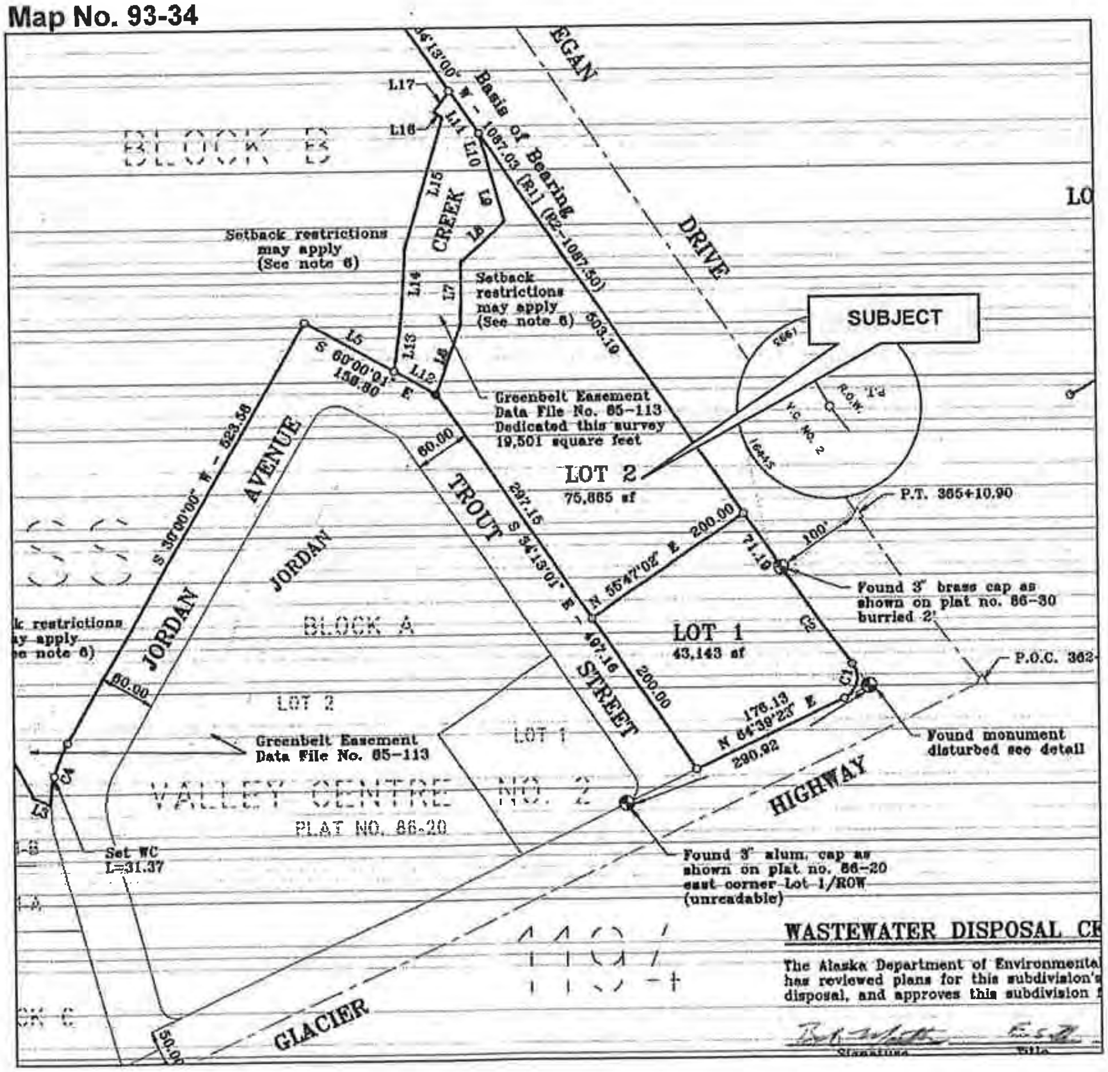
Location
The subject property consists one (1) lot totaling 75,865 SF (±1.742 acres), located on the east side of Egan Drive, just north of Glacier Highway , in Juneau, Alaska.

Site Area and Dimensions
The parcel is identified as follows:

Legal Description	Address	Tax ID No.	Owner	SF	AC
Lot 2 Valley Centre No. 3 Subdivision, Plat 93-34	2295 Trout Street	5B1501110026	Arctic Hospitality LLC	75,865	1.742

Shape
The subject lot is irregular in shape.

Plat Map No. 93-34



Utilities

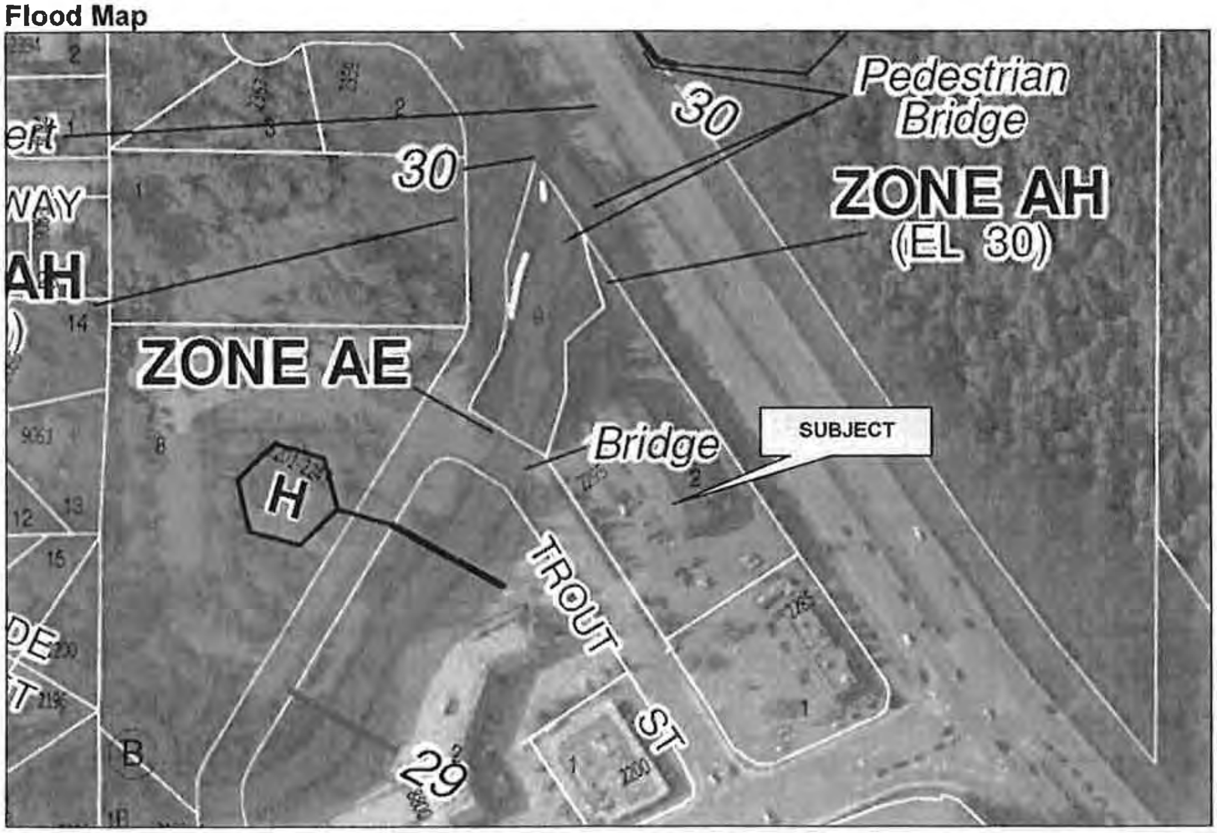
All public utilities are available, including electric, water and sewer. Oil or electric is used for heating in the area.

Topography and Soils

The site is cleared, generally level, and at grade of surrounding streets.

Jordan Creek runs along the north lot line. The property is located outside designated wetlands[33], but a small northern portion is located within flood zone AH: flood insurance risk zone that corresponds to the areas of 1% annual chance shallow flooding (usually areas of ponding) where average depths are between 1 and 3 feet.[34]

Flood Map



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

Access and Frontage

The site has ±300' of frontage along Trout Street (asphalt paved neighborhood street partially improved with sidewalks, curbs, and gutters). The subject also has ±500' along

33 Juneau Wetlands Management Plan, May 1994, page 16.

34 2013 FEMA Flood Overlay Map – Mendenhall Valley 2.

Egan Drive (a main paved arterial); however, a treed buffer is between the subject and Egan Drive, limiting exposure. Access is via Trout Street and 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.

Easements
A title report was not provided. The plat map reports the following easements:

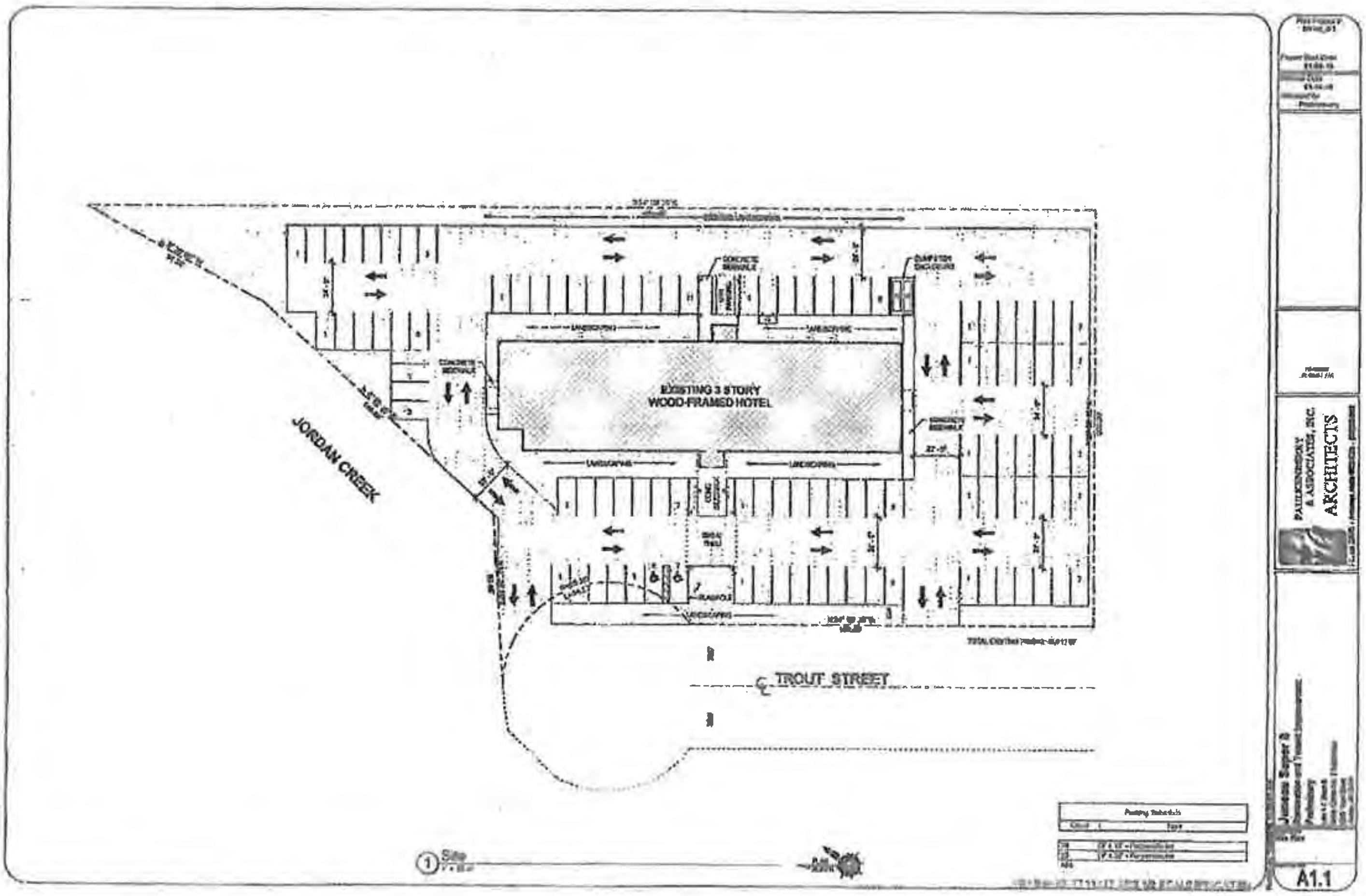
- Jordan Creek Setback Restrictions along the north lot line states: "development and/or further disturbance is prohibited within 50 feet of the banks of Jordan Creek, or as otherwise set forth in the City and Borough of Juneau code and other applicable local, state, and federal law.

The setback restriction is contained to the peripheral of the site. Based on the site plan 'as-is and as-proposed', the existing easements have been incorporated into a site plan without limiting utility.

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

The existing 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 75,865 SF (±1.742 acres). It is cleared, level, and at grade of surrounding streets. Access is adequate and all utilities are available. Overall, the subject site and neighborhood is suited for commercial / multi-family residential development.



Black-Smith, Bethard and Carlson LLC.

AS-PROPOSED

As proposed, the subject will be converted into a 65-room hotel / restricted apartment project. The units will consist of (45) standard hotel rooms, (5) extended stay rooms, and (16) restricted rental apartments (restricted at 50% AMI), with a gross building area (GBA) of 30,747 SF.[36]

A set of building plans was provided (copies are located in the addenda). The area calculations are presented as follows:

Floor	# Rooms	Room Summary	NRA	Other Rooms	GBA
Floor No. 1	**20**	(9) 264 SF rooms (2) 279 SF rooms (8) 312 SF rooms (1) 430 SF room	3,676 SF	Common area entrance/front desk, hallways/stairs, public bathrooms, laundry, workout, elevator, and mechanical	10,249 SF
Floor No. 2	**26**	(10) 264 SF rooms (2) 279 SF rooms (10) 312 SF rooms (1) 329 SF room (1) 425 SF room (1) 430 SF room (1) 792 SF unit * (1BR)	8,294 SF	Hallways/stairs and elevator	10,249 SF
Floor No. 3	**19**	(1) 641 SF unit * (1BR) (8) 396 SF units * (2) 411 SF units * (1) 430 SF unit * (6) 468 SF units * (1) 736 SF unit * (1BR)	8,605 SF	Hallways/stairs and elevator	10,249 SF
Total NRA	**65**		**20,575 SF**		

Total GBA		**30,747 SF**
Total Common	**10,172 SF**	Total GBA – Total NRA

* Rooms have a kitchenette.

The rooms are inventoried into four types:

Type	Available Rooms
Double Full	17
King	48
Total	***65***

36 As-is Building Plans provided by developer – see Addenda; 10,249 SF per floor x 3 floors = 30,747 SF GBA.

The subject "as proposed" is based on discussions with the developer. A detailed renovation cost break down was provided (see Addenda). Information regarding the acquisition / renovation of the project is as follows:

Summary of the Developer's Cost Estimate (as proposed)		
Estimated Construction Cost ***excluding*** entrepreneurial profit and land	30,747 SF	
Acquisition of Buildings *		* $1,660,000
Construction / Rehabilitation Costs **	$33/SF	** $1,468,331
Total Indicated Improvement Cost		$3,128,331
Total Indicated Improvement Cost (rounded):	$87/SF	**$3,128,000**

* Purchase and Sale Agreement (includes real estate and all tangible/intangible assets)
** Includes FF&E ($260,861)

CONSTRUCTION FEATURES

The following building description is based on building plans, information provided by the developer, and observations from our on-site inspection. The building description is presented as an overview of the basic construction features.

Foundation

The foundation is concrete.

Framing

The subject consists of (1) three-story, wood-framed hotel/apartment building totaling 65 units. Existing exterior walls are covered with hardi-board siding and will be repainted. Existing exterior wall covering will be re-painted. Interior ceilings are ±9 feet. Windows are double panel, vinyl.

Floors

Floors are wood joist, finished with plywood sheeting. Unit floor coverings will consist of new, average quality, carpeting and pad with tile in wet areas. Hallway floor coverings will consist of hardwood floors; lobby floor will be tile.

Roof

The roof is wood-framed trusses covered with clay shingles. The property manager reported roof leaks due to cracks in the shingles from winter snow loads and/or ice. Annual seasonal maintenance every spring was noted. Proposed roof work was not indicated on the renovation cost estimate. The developer reported no roof issues and that he is aware of the periodic maintenance. Regardless, the appraisal is developed according to the extraordinary assumption that the roof is in average, functional condition.

Interior Finish

Existing wall and ceilings are sheet-rocked, taped, textured and painted. The addition of walls on the 3rd floor and all hallway ceilings and walls will be re-rocked, taped and textured (walls will be redone for installation of new water piping throughout). Hallway walls will be covered with wallpaper. All units and common areas will have new paint. All doors (including in-unit and entry doors) will be new. The majority of the existing windows are glass set in metal frames and are in average condition. Several windows have been replaced and are glass set in vinyl frames. New window screens will be added to all existing windows.

In general, the interiors will be average to average-plus finishes with quality workmanship.

Insulation

All insulation is assumed to be adequate.

Mechanical, Plumbing, and Electrical

Each unit is heated by fuel-oil, hot water radiant baseboard. The existing oil-fired water heaters will be replaced with (2) new boiler fired water heaters.[37] One of two existing water pumps was recently replaced (±1 year ago). The existing water piping will be replaced with new PEX piping throughout the entire building. Electrical and plumbing are assumed to be adequate and commensurate with the overall quality and condition of the project. (20) units will have new kitchenettes, featuring cabinets, sink, refrigerator, and electric range. All bathrooms consist of a sink and vanity, shower/tub, and toilet. A new bathroom exhaust system will be added throughout. The existing fire alarm system will be upgraded; the existing elevator will be modernized. The ground floor laundry/linen room had a utility sink and (2) heavy duty washers and (2) commercial grade dryers – all relatively new per the on-site manager.

Amenities

The lobby / common area will be expanded, featuring a new rock-walled fireplace. The ground floor will feature a new workout room, coin-operated common laundry room, and public bathroom.

Site Improvements

Existing asphalt will be re-patched (where needed) and re-sealed with parking spaces re-painted. The site plan shows 103 spaces. Current CBJ standards are 1.0 space per 1-bedroom unit (multi-family) and/or 1.0 space per unit (for motels), totaling 65 spaces required.[38] On-site parking is considered adequate.

New landscaping, fence, signage, and exterior lights is proposed.

Condition and Effective Age

The Marshall Valuation Service estimates the life expectancy at 50 years ±. The actual age is ±33 years. After renovations, the subject will be in 'like new' condition for its age. The estimated age will be ±10 years as proposed, with an estimated remaining life of 35 years +.

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37 As of March 1, 2016 (date of inspection), there were (2) recently replaced 160 gallon oil-fired water heaters. The dates of installation were August 2014 and August 2015.

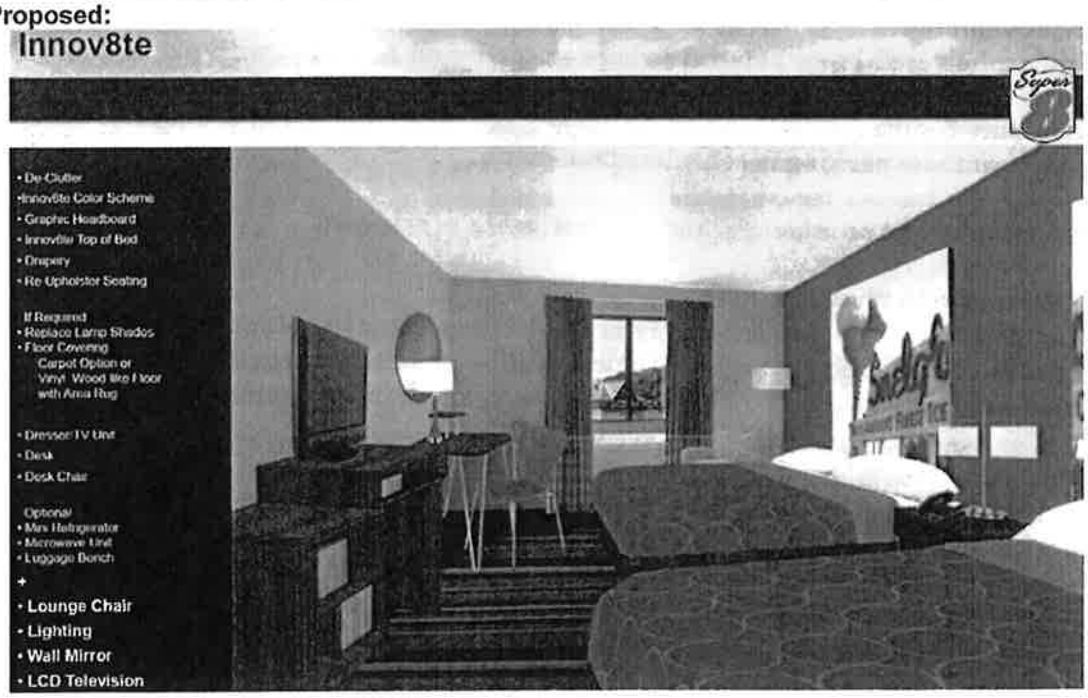
38 Juneau, AK Code of Ordinances: 49.40.210 Minimum space and dimensional standards for parking and off-street loading: Subject units = (20) studios x 1 space and (45) motel units x 1 space = 65 spaces required.

Furniture, Fixtures, and Equipment (FF&E)

As-proposed, all of the units are furnished beds, table(s), couch, chairs, dressers, lamps, and televisions. (15) units are furnished with kitchenettes – including refrigerator and electric range. Each standard room will have a mini-refrigerator and microwave unit. The developer provided a detailed cost estimate for the FF&E, totaling $260,861. A guestroom design plan is as follows:

As-Is:

As Proposed:



Functional Utility

Overall, functional utility is adequate for the intended use. The building is well situated to allow adequate ingress/egress. Room sizes and layouts are also functional. The subject represents a substantial improvement with a long-term economic life expectancy. The improvements represent a conforming, compatible use, and will be in "like new" condition for its age.

As proposed, the existing improvements will receive significant renovation, new construction, and rehabilitation. A review of plans and renovation list provide by the developer, indicates the following:

Demolition	
Demo carpet	3000 SQ YDS
demo tile	300 SQ FT
demo walls, Bathroom walls & room	521 LIN FT
demo/ store doors frames	171 EACH
demo ceilings in 1st & 2nd floor hall	1770 SQ FT
demo sheet rock from hall walls 1,2,3 floors	1020 lin ft
demo bathroom plumbing fixtures	1 allowance
demo plywood on floors for plumbing, patch	19 each
demo bath tubs for replacement	8 EACH
Refuse Fees	25 TONS
Exterior	
power wash and paint	13676 sq ft
man lift rental	1 each
drive through posts fix repair, rock base	4 each
seal parking lot	34712 sq ft
paint lines	105 each
replace asphault on portion	8800 sq ft
lanscape at perimiters, interior	1 allowance
sand blast parking bumpers, remove replace	1 allowance
fence at creek perimiter	198 lf
EXTERIOR SIGN PACKAGE	1 allowance
sink counter with install	66 allowance
Interior	
frame walls 3rd floor labor materials	120 lf
sound channel walls	960 lf
sound board walls	30 each
insulation in walls, rock wool	960 sq ft
double rock on room walls	960 sq ft
rock room walls	1920 sq ft
rock lobby walls	500 sq ft
frame and patch in door ways	13 each
paint walls 3rd floor, 2000lf	16000 sq ft

Interior Cont.

paint walls 1st floor	16864 sq ft
paint walls 2nd floor	16864 sq ft
paint ceilings 1,2,3 rd floor	28278 sq ft
paint accent walls 1st 2nd 3rd floor	8980 sq ft
acrylic paint in bathrooms	68 each
new doors	166 each
new Jambs	166 each
Install doors and jambs	166 each
Re rock hall walls	8496 sq ft
install ceilings in halls	1770 sq ft
ceiling tile lobby repair replace ect	500 sq ft
shafts for bathroom vents	1 each
Misc Jobsite Labor & clean, expadite ect.	720 hrs
fire caulking	30 hrs
materials for fire caulking	1 allowance
wallpaper hallways	8160 sq ft
misc patch drywall throughout	100 hrs
fright on doors	1 allowance
supply bathroom tile	2100 sq ft
supply room carpet	2210 SQ YDS
supply room pad	2210 sq yds
supply hall carpet	375 sq yds
supply lobby hardwood	452 sq ft
supply install carpet base, w	6000 lin ft
supply install wood base,w	2000 lin ft
install bathroom floor tile	1925 sq ft
install room carpet	2210 sq yds
intall hall carpet	321 sq yds
install lobby hard wood	452 sq ft
intall lobby tile	400 sq ft
supply hard wood floors 3rd floor	2400 sq ft
install hard wood 3rd floor	2178 sq ft
supply install kitchen cabinets	22 sets
install above cabinets tops	22 sets
reception counter lobby	12 lf
breakfast counters lobby	12 lf
cabinets in back desk area	12 lf
fire place supply lobby	1 each
fire place install lobby	1 each
river rock on fire place wall	80 sq ft
rough cut fir and logs lobby trim	1 allowance
window fix repair replace	1 allowance
window screens	66 each
door locks new	10
door lock controller	2
front door time magnetic locks	1

Mechanical

Install new water piping hot and cold	1 AS BID
Replace boilers	1 AS BID
replace hot water makers	1 AS BID
install new ducting for bath fans	66 each
replace convector covers	772 lf

Electrical

electrial in rooms	1 estimate
electrical in lobby include lighting	1 each
electrial in mechanical	1 each
em light replace	20 each
exterior lighting	15 allowance

Furniture, Fixtures, & Equipment (FF&E)

Beds	1 as bid
Bed frames	1 as bid
freight on beds	1 quote
freight on bed frames	1 allowance
furniture quote	1
install furniture	1 allowance
freight for furniture from seattle	1 allowance
blinds, new re use	1 na
soft goods	66 rooms
large refrigerators	22 each
refrigerators	44 each
TV's	66 each
wall mount bracket	66 each
full headboards	34 each
king headbords	49 each
Kitchen tables	22 each
Kitchen chairs	44 each
wall lamp	132 each
bath towel holders	66 each
sleeper sofa	8 each
Chairs	44 each
tables in rooms	22 each
freight on balance of furniture	1 allowance
TOTAL	
Lobby furnishings	
furniture	1 allowance
lobby art	1 allowance

Great Land Home Inspections

Website: http://www.reporthost.com/greatland
Email: greatlandhome@gci.net
Inspector's email: greatlandhome@gci.net
Phone: (907) 780-4400
Inspector's phone: (907) 780-4400
P.O. Box 210905
Auke Bay, AK 99821
Inspector: Phil Paramore
Alaska Business License #1023096
State of Alaska Registered Home Inspector #203
InterNACHI Member #NACHI15042326

Property Inspection Report

Client(s): **Randy Kaer**
Property address: **2295 Trout Street**
Juneau, AK 99801
Inspection date: **Thursday, April 07, 2016**

This report published on Friday, April 08, 2016 10:24:10 AM AKDT

 Summary items are recommended work.

How to Read this Report

This report is organized by the property's functional areas. Within each functional area, descriptive information is listed first and is shown in bold type. Items of concern follow descriptive information. Concerns are shown and sorted according to these types:

	Safety	Poses a safety hazard
	Repair/Replace	Recommend repairing or replacing
	Repair/Maintain	Recommend repair and/or maintenance
	Maintain	Recommend ongoing maintenance
	Evaluate	Recommend evaluation by a specialist
	Serviceable	Item or component is in servicable condition
	Comment	For your information

General Information

Report number: 20160407
Time started: 230 p.m.
Weather conditions during inspection: Dry (no rain)
Temperature during inspection: Cool

Inspection fee: 682.50

Grounds

Limitations: Unless specifically included in the inspection, the following items and any related equipment, controls, electric systems and/or plumbing systems are excluded from this inspection: detached buildings or structures; fences and gates; retaining walls; underground drainage systems, catch basins or concealed sump pumps; swimming pools and related safety equipment, spas, hot tubs or saunas; whether deck, balcony and/or stair membranes are watertight; trees, landscaping, properties of soil, soil stability, erosion and erosion control; ponds, water features, irrigation or yard sprinkler systems; sport courts, playground, recreation or leisure equipment; areas below the exterior structures with less than 3 feet of vertical clearance; invisible fencing; sea walls, docks and boathouses; retractable awnings. Any comments made regarding these items are as a courtesy only.
Site profile: Level
Condition of driveway: Appeared serviceable
Driveway material: Asphalt
Condition of sidewalks and asphalt parking area: Appeared serviceable
Sidewalk material: Poured in place concrete

Exterior and Foundation

Limitations: The inspector performs a visual inspection of accessible components or systems at the exterior. Items excluded from this inspection include below-grade foundation walls and footings; foundations, exterior surfaces or components obscured by vegetation, stored items or debris; wall structures obscured by coverings such as siding or trim. Some items such as siding, trim, soffits, vents and windows are often high off the ground, and may be viewed using binoculars from the ground or from a ladder. This may limit a full evaluation. Regarding foundations, some amount of cracking is normal in concrete slabs and foundation walls due to shrinkage and drying. Note that the inspector does not determine the adequacy of seismic reinforcement.
Wall inspection method: Viewed from ground
Condition of wall exterior covering: Required repairs, replacement and/or evaluation (see comments below)
Condition of foundation and footings: Appeared serviceable
Apparent foundation type: Crawl space
Foundation/stem wall material: Poured in place concrete
Footing material (under foundation stem wall): Poured in place concrete

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1) Some sections of siding and/or trim were deteriorated, split and/or damaged. Recommend that a qualified person repair, replace or install siding or trim as necessary.

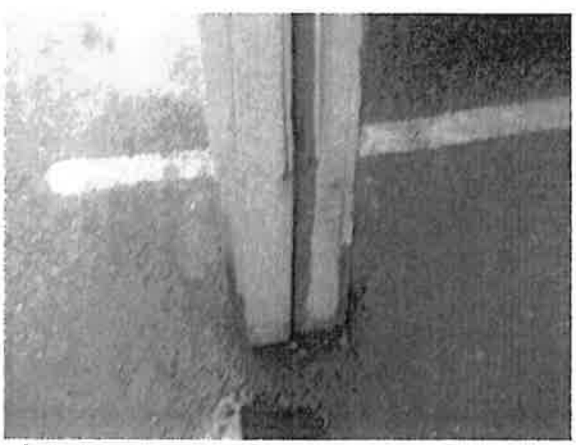

Photo 1-1

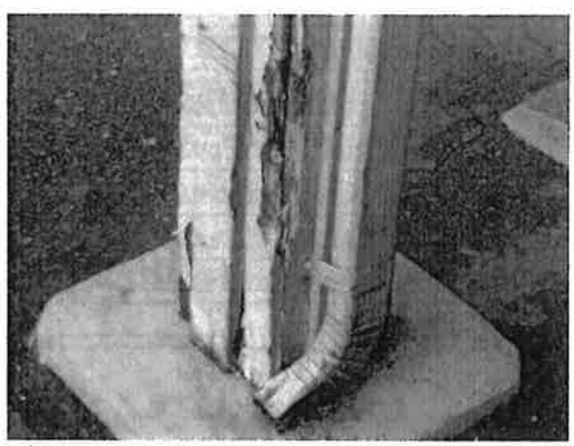

Photo 1-2

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2) The paint or stain finish in some areas was failing (e.g. peeling, faded, worn, thinning). Siding and trim with a failing finish can be damaged by moisture. Recommend that a qualified contractor prep (e.g. clean, scrape, sand, prime, caulk) and repaint or restain the building exterior where necessary and per standard building practices. Any repairs needed to the siding or trim should be made prior to this.

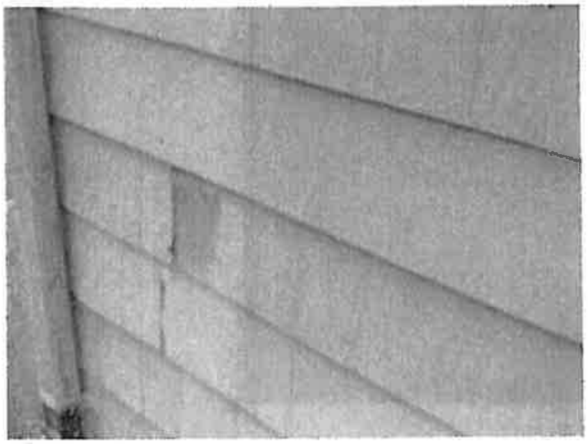
Photo 2-1

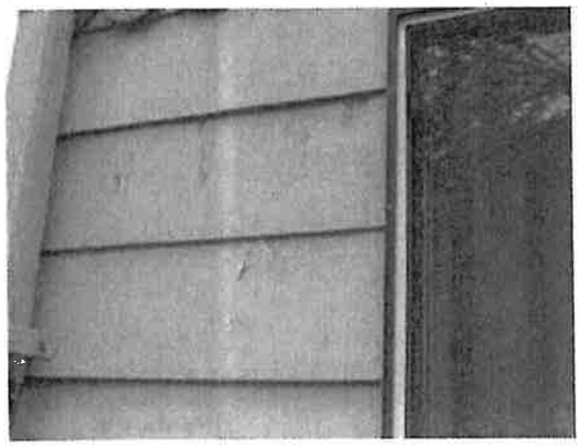
Photo 2-2


Photo 2-3

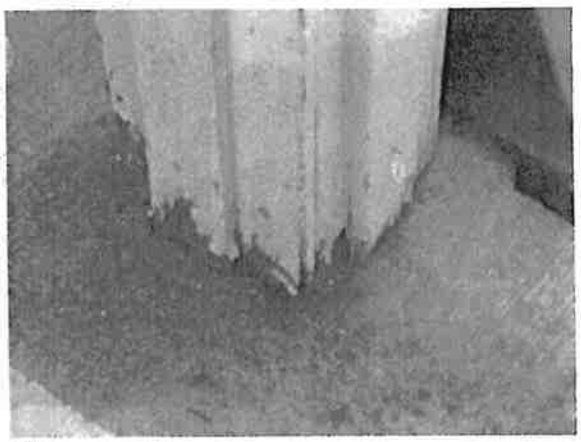
Photo 2-4

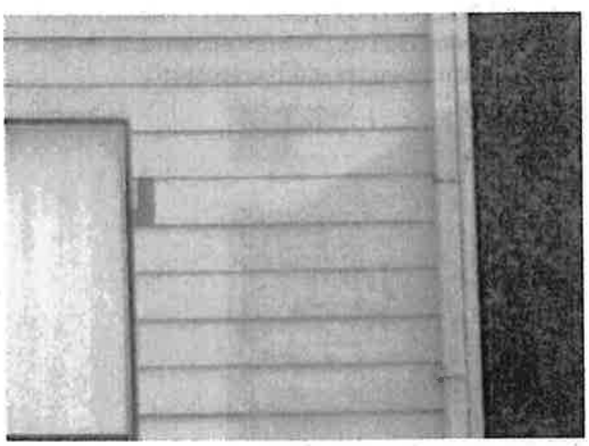
Photo 2-5


Photo 2-6

Photo 2-7

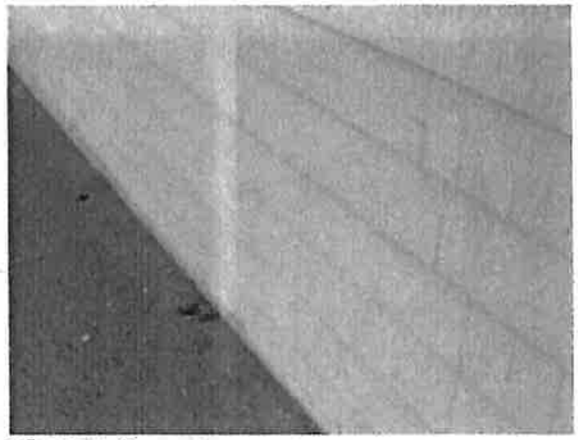

Photo 2-8

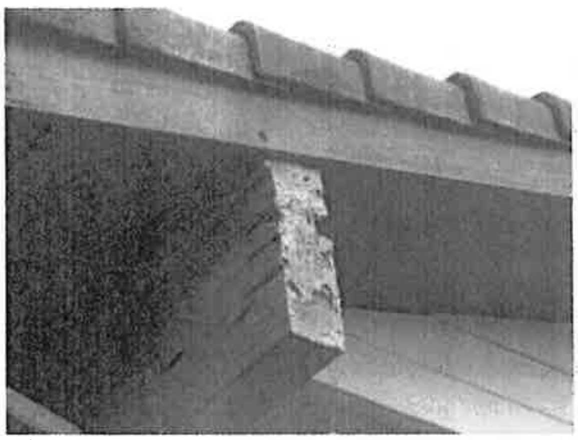

Photo 2-9

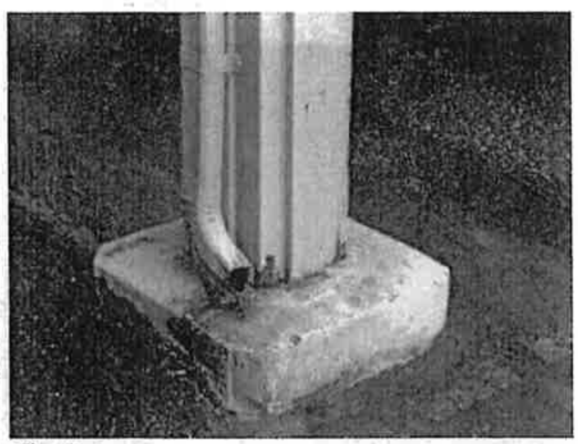

Photo 2-10

3) Failing paint or stain was found at one or more isolated areas of trim mainly at the end grains. There is moisture in the wood in some of these areas as a result. Conducive conditions for rot should be corrected (e.g. wood-soil contact, reverse perimeter slope). Recommend that a qualified contractor repair as necessary. All rotten wood should be replaced.

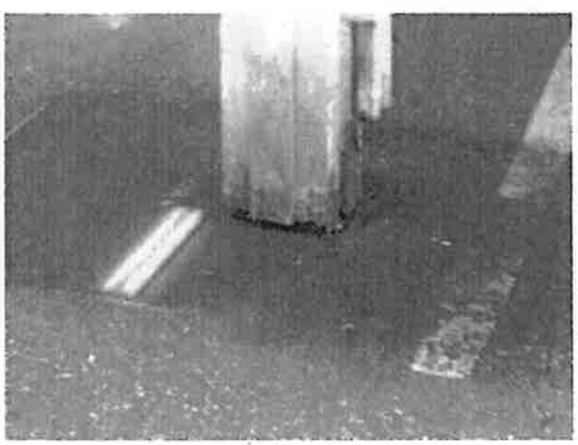

Photo 3-1

Photo 3-2

Photo 3-3

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4) Multiple areas of the exterior siding appear to have been repaired or replaced. There are many nail penetrations and exposed nail heads that are not sealed and could allow moisture to penetrate to the interior of the structure. These penetrations should be sealed to prevent moisture intrusion.

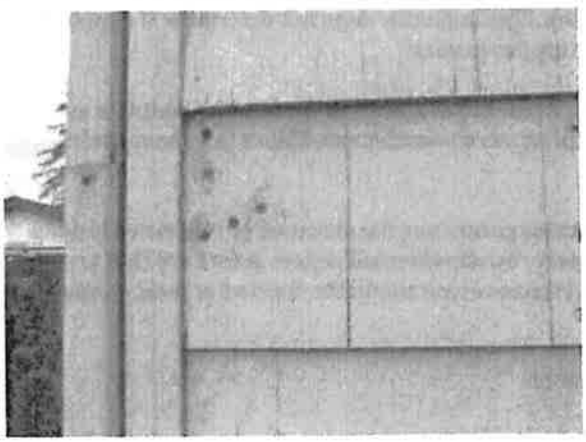

Photo 4-1

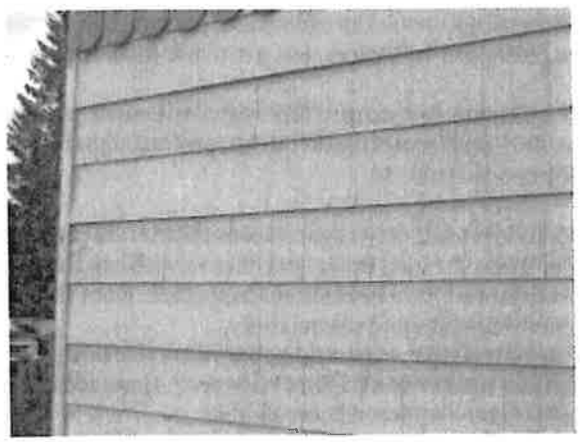

Photo 4-2

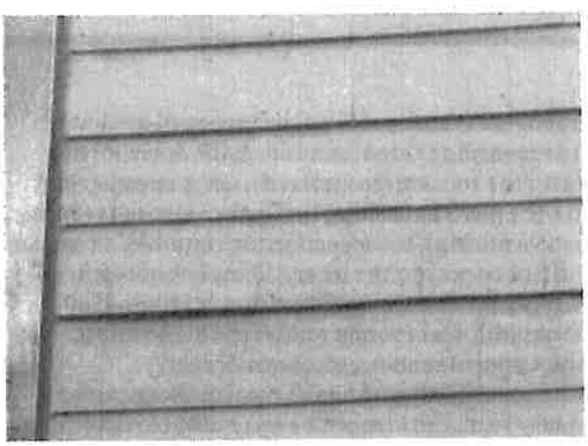

Photo 4-3

Photo 4-4

Photo 4-5

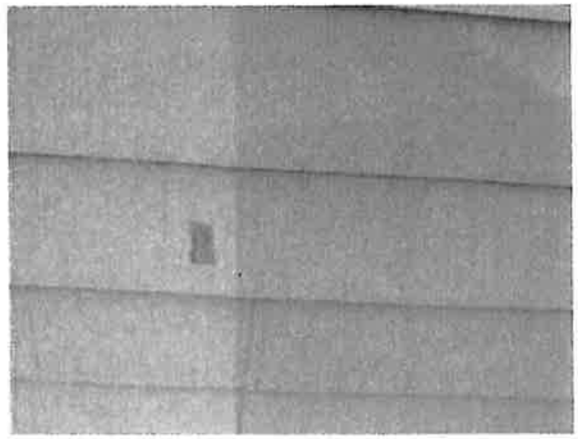

Photo 4-6

Crawl Space

Limitations: Structural components such as joists and beams, and other components such as piping, wiring and/or ducting that are obscured by under-floor insulation are excluded from this inspection. The inspector does not determine if support posts, columns, beams, joists, studs, trusses, etc. are of adequate size, spanning or spacing.

The inspector does not guarantee or warrant that water will not accumulate in the crawl spaces in the future. Complete access to all crawl space areas during all seasons and during prolonged periods of all types of weather conditions (e.g. heavy rain, melting snow) would be needed to do so.

The inspector attempts to locate all crawl space access points and areas. Access points may be obscured or otherwise hidden by furnishings or stored items. In such cases, the client should ask the property owner where all access points are that are not described in this inspection, and have those areas inspected. Note that crawl space areas should be checked at least annually for water intrusion, plumbing leaks and pest activity.
Condition of floor substructure above: Appeared serviceable
Condition of insulation underneath floor above: Appeared serviceable
Condition of vapor barrier: Appeared serviceable
Vapor barrier present: Yes
Condition of crawl space ventilation: Appeared serviceable

Roof

Limitations: The following items or areas are not included in this inspection: areas that could not be traversed or viewed clearly due to lack of access; solar roofing components. Any comments made regarding these items are made as a courtesy only. Note that the inspector does not provide an estimate of remaining life on the roof surface material, nor guarantee that leaks have not occurred in the roof surface, skylights or roof penetrations in the past. Regarding roof leaks, only active leaks, visible evidence of possible sources of leaks, and evidence of past leaks observed during the inspection are reported on as part of this inspection. The inspector does not guarantee or warrant that leaks will not occur in the future. Complete access to all roof and attic spaces during all seasons and during prolonged periods of all types of weather conditions (e.g. high wind and rain, melting snow) would be needed to do so. Occupants should monitor the condition of roofing materials in the future. For older roofs, recommend that a professional inspect the roof surface, flashings, appurtenances, etc. annually and maintain/repair as might be required. If needed, the roofer should enter attic space(s). Regarding the roof drainage system, unless the inspection was conducted during and after prolonged periods of heavy rain, the inspector was unable to determine if gutters, downspouts and extensions perform adequately or are leak-free.
Roof inspection method: Viewed from ground, Viewed from windows
Condition of roof surface material: Required repair, replacement and/or evaluation (see comments below)
Roof surface material: Concrete or clay tile
Condition of gutters, downspouts and extensions: Required repair, replacement and/or evaluation (see comments below)

5) Several downspouts were damaged. Recommend that a qualified person repair as necessary.

Photo 5-1

Photo 5-2

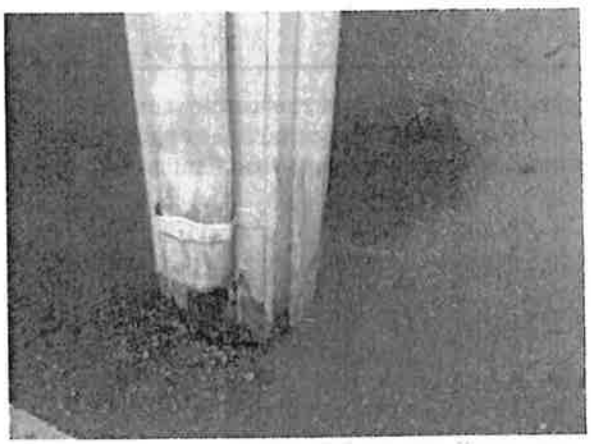

Photo 5-3

6) Extensions such as splash blocks or drain pipes for one or more downspouts were missing . Water can accumulate around the building foundation or inside crawl spaces or basements as a result. Recommend that a qualified person install, replace or repair extensions as necessary so rainwater drains away from the structure.

Photo 6-1

Photo 6-2
This downspout discharges water to a spot with reverse slope in relation to the foundation. Water should be diverted so it drains away from the foundation of the building.

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7) Moss was growing on the roof. As a result, tiles can be damaged. Leaks can result and/or the roof surface can fail prematurely. Efforts should be made to kill the moss during its growing season (wet months). Typically, zinc or phosphate-based chemicals are used for this and must be applied periodically. For information on various moss treatment products and their pros and cons, visit:
http://www.reporthost.com/?MOSS

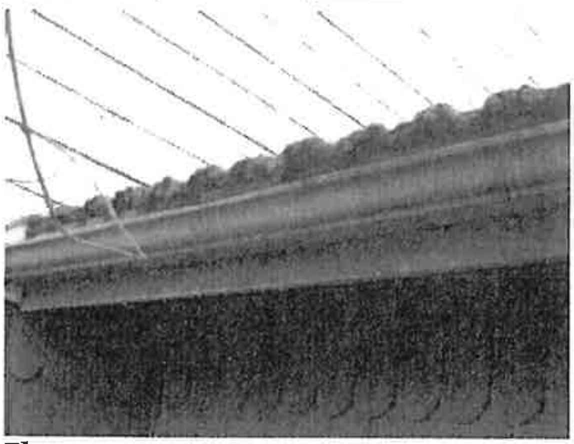

Photo 7-1

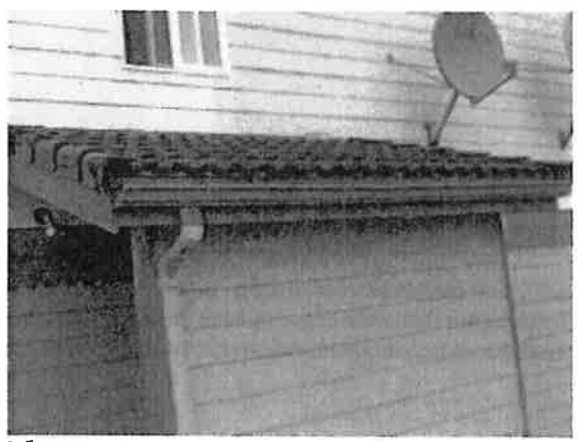

Photo 7-2

Photo 7-3

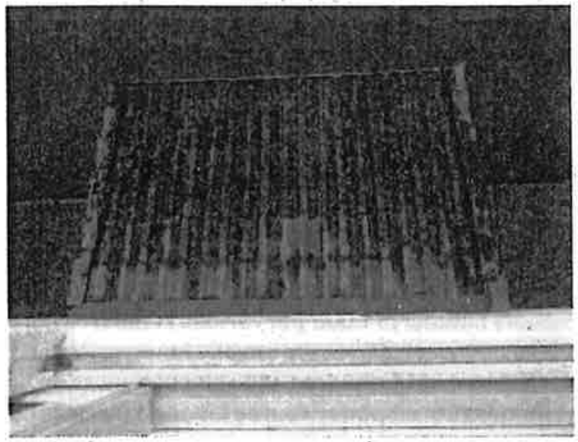

Photo 7-4

Photo 7-5

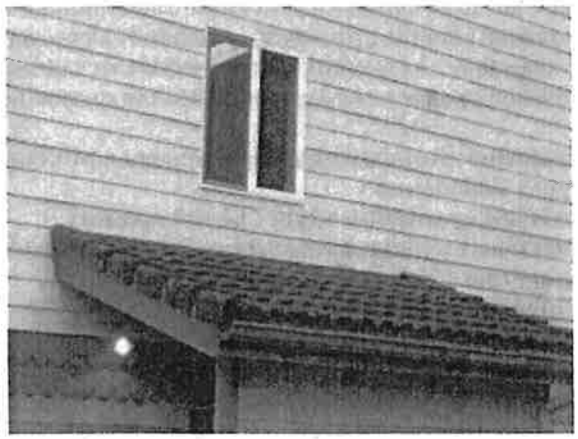

Photo 7-6

Attic and Roof Structure

Limitations: The following items or areas are not included in this inspection: areas that could not be traversed or viewed clearly due to lack of access; areas and components obscured by insulation. Any comments made regarding these items are made as a courtesy only. The inspector does not determine the adequacy of the attic ventilation system. Complete access to all roof and attic spaces during all seasons and during prolonged periods of all types of weather conditions (e.g. high/low temperatures, high/low humidity, high wind and rain, melting snow) would be needed to do so. The inspector is not a licensed engineer and does not determine the adequacy of roof structure components such as trusses, rafters or ceiling beams, or their spacing or sizing.
Attic inspection method: Viewed from hatch(es)
Condition of roof structure: Required repair, replacement and/or evaluation (see comments below)
Condition of insulation in attic (ceiling, skylight chase, etc.): Appeared serviceable
Condition of roof ventilation: Appeared serviceable

8) There is an active leak at the roof sheeting visible from the access hatch at the south end of the building. There is evidence that indicates this area has been moist for an extended period of time. Recommend the roofing system be evaluated by a qualified professional and all active leaks should be identified and repaired. Any active wood destroying organisms should be eliminated by a qualified professional.

Garage or Carport

Type: Carport

Condition of door between garage and house: Appeared serviceable

Electric

Limitations: The following items are not included in this inspection: generator systems, transfer switches, surge suppressors, inaccessible or concealed wiring; underground utilities and systems; low-voltage lighting or lighting on timers or sensors. Any comments made regarding these items are as a courtesy only. Note that the inspector does not determine the adequacy of grounding or bonding, if this system has an adequate capacity for the client's specific or anticipated needs, or if this system has any reserve capacity for additions or expansion. The inspector does not operate circuit breakers as part of the inspection, and does not install or change light bulbs. The inspector does not evaluate every wall switch or receptacle, but instead tests a representative number of them per various standards of practice. When furnishings, stored items or child-protective caps are present some receptacles are usually inaccessible and are not tested; these are excluded from this inspection. Receptacles that are not of standard 110 volt configuration, including 240-volt dryer receptacles, are not tested and are excluded. The functionality of, power source for and placement of smoke and carbon monoxide alarms is not determined as part of this inspection. Upon taking occupancy, proper operating and placement of smoke and carbon monoxide alarms should be verified and batteries should be changed. These devices have a limited lifespan and should be replaced every 10 years. The inspector attempts to locate and evaluate all main and sub-panels. However, panels are often concealed. If panels are found after the inspection, a qualified electrician should evaluate and repair if necessary. The inspector attempts to determine the overall electrical service size, but such estimates are not guaranteed because the overall capacity may be diminished by lesser-rated components in the system. Any repairs recommended should be made by a licensed electrician.
Electric service condition: Required repair, replacement and/or evaluation (see comments below)
Primary service type: Underground
Primary service overload protection type: Circuit breakers
Condition of branch circuit wiring: Required repair, replacement and/or evaluation (see comments below)
Branch circuit wiring type: Non-metallic sheathed
Smoke alarms installed: Yes, but not tested
Carbon monoxide alarms installed: Yes, but not tested

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9) Several electric receptacles at the exterior had no visible ground fault circuit interrupter (GFCI) protection, or the inspector was unable to determine if GFCI protection was present. If not GFCI-protected, receptacles in wet areas pose a shock hazard. Recommend that a qualified electrician evaluate and install GFCI protection if necessary and per standard building practices. General guidelines for GFCI-protected receptacles include the following locations:

- Outdoors (since 1973)
- Bathrooms (since 1975)
- Garages (since 1978)
- Kitchens (since 1987)
- Crawl spaces and unfinished basements (since 1990)
- Wet bar sinks (since 1993)
- Laundry and utility sinks (since 2005)

For more information, visit:
http://www.reporthost.com/?GFCI

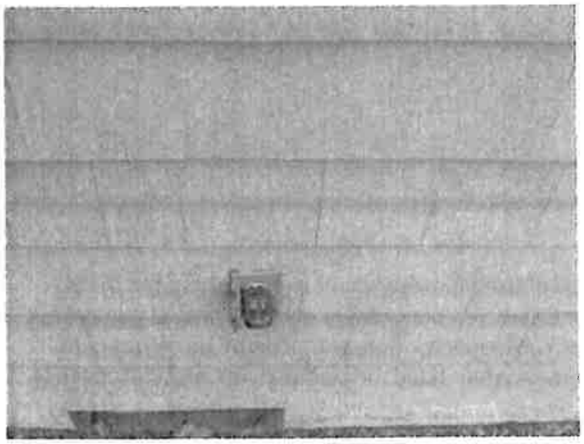

Photo 9-1

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10) One cover plate for junction boxes at the crawl space to the left of the access hatch was missing. These plates are intended to contain fire and prevent electric shock from occurring due to exposed wires. Recommend that a qualified person install cover plates where necessary.

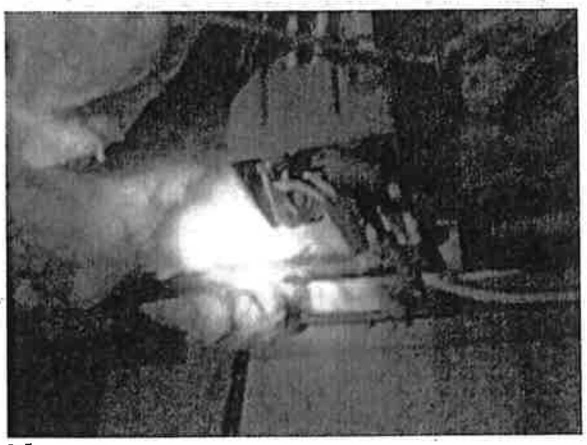

Photo 10-1

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11) Electrical wiring appears to run too close to hot water supply lines in multiple areas of the building. Recommend wiring be evaluated by a qualified professional and repaired and replaced as necessary.

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12) Elevator is dated and appears to be near the end of its serviceable life. Recommend elevator be evaluated and consider replacement now or in the near future.

Plumbing / Fuel Systems

Limitations: The following items are not included in this inspection: private/shared wells and related equipment; private sewage disposal systems; hot tubs or spas; main, side and lateral sewer lines; gray water systems; pressure boosting systems; trap primers; incinerating or composting toilets; fire suppression systems; water softeners, conditioners or filtering systems; plumbing components concealed within the foundation or building structure, or in inaccessible areas such as below tubs; underground utilities and systems; overflow drains for tubs and sinks; backflow prevention devices. Any comments made regarding these items are as a courtesy only. Note that the inspector does not operate water supply or shut-off valves due to the possibility of valves leaking or breaking when operated. The inspector does not test for lead in the water supply, the water pipes or solder, does not determine if plumbing and fuel lines are adequately sized, and does not determine the existence or condition of underground or above-ground fuel tanks.
Condition of service and main line: Appeared serviceable
Water service: Public

Condition of supply lines: Appeared serviceable
Supply pipe material: Copper
Condition of drain pipes: Appeared serviceable
Condition of waste lines: Appeared serviceable
Vent pipe condition: Appeared serviceable
Condition of fuel system: Appeared serviceable

Water Heater

Limitations: Evaluation of and determining the adequacy or completeness of the following items are not included in this inspection: water recirculation pumps; solar water heating systems; Energy Smart or energy saver controls; catch pan drains. Any comments made regarding these items are as a courtesy only. Note that the inspector does not provide an estimate of remaining life on water heaters, does not determine if water heaters are appropriately sized, or perform any evaluations that require a pilot light to be lit or a shut-off valve to be operated.
Condition of water heaters: Appeared serviceable
Type: Tank
Energy source: Oil
Condition of burners: Appeared serviceable
Condition of venting system: Appeared serviceable

Heating, Ventilation and Air Condition (HVAC)

Limitations: The following items are not included in this inspection: humidifiers, dehumidifiers, electronic air filters; solar, coal or wood-fired heat systems; thermostat or temperature control accuracy and timed functions; heating components concealed within the building structure or in inaccessible areas; underground utilities and systems; safety devices and controls (due to automatic operation). Any comments made regarding these items are as a courtesy only. Note that the inspector does not provide an estimate of remaining life on heating or cooling system components, does not determine if heating or cooling systems are appropriately sized, does not test coolant pressure, or perform any evaluations that require a pilot light to be lit, a shut-off valve to be operated, a circuit breaker to be turned "on" or a serviceman's or oil emergency switch to be operated. It is beyond the scope of this inspection to determine if furnace heat exchangers are intact and free of leaks. Condensation pans and drain lines may clog or leak at any time and should be monitored while in operation in the future. Where buildings contain furnishings or stored items, the inspector may not be able to verify that a heat source is present in all "liveable" rooms (e.g. bedrooms, kitchens and living/dining rooms).
General heating system type: Furnaces
Last service date of primary heat source: 2015
Source for last service date of primary heat source: Label
Condition of burners: Required repair, replacement and/or evaluation (see comments below)
Condition of controls: Required repair, replacement and/or evaluation (see comments below)

13) ✔ Oil fired furnaces, controls and much of the plumbing is at or near the end of it's useful life. Recommend evaluating furnace and heating control system and repairing or replacing as necessary. Modern equipment and controls will reduce maintenance and operating costs.

Interior, Doors and Windows

Limitations: The following items are not included in this inspection: security, intercom and sound systems; communications wiring; central vacuum systems; elevators and stair lifts; cosmetic deficiencies such as nail-pops, scuff marks, dents, dings, blemishes or issues due to normal wear and tear in wall, floor and ceiling surfaces and coverings, or in equipment; deficiencies relating to interior decorating; low voltage and gas lighting systems. Any comments made regarding these items are as a courtesy only. Note that the inspector does not evaluate any areas or items which require moving stored items, furnishings, debris, equipment, floor coverings, insulation or similar materials. The inspector does not test for asbestos, lead, radon, mold, hazardous waste, urea formaldehyde urethane, or any other toxic substance. Some items such as window, drawer, cabinet door or closet door operability are tested on a sampled basis. The client should be aware that paint may obscure wall and ceiling defects, floor coverings may obscure floor defects, and furnishings may obscure wall, floor and floor covering defects. If furnishings were present during the inspection, recommend a full evaluation of walls, floors and ceilings that were previously obscured when possible. Determining the cause and/or source of odors is not within the scope of

this inspection.
Condition of exterior entry doors: Appeared serviceable
Exterior door material: Metal, Glass panel
Condition of interior doors: Appeared serviceable
Condition of windows and skylights: Appeared serviceable
Condition of walls and ceilings: Appeared serviceable
Wall type or covering: Drywall
Ceiling type or covering: Drywall
Condition of flooring: Appeared serviceable
Condition of stairs, handrails and guardrails: Appeared serviceable

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14) One or more walls were damaged. Recommend that a qualified person repair as necessary.

Photo 14-1

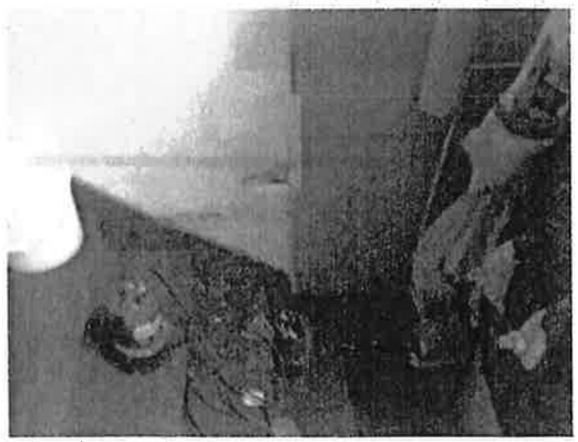

Photo 14-2

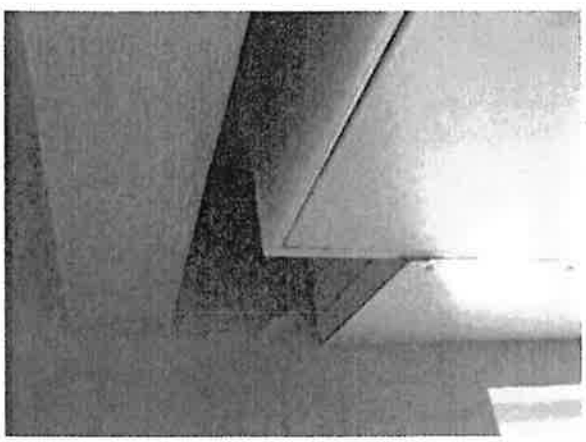

Photo 14-3

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15) Carpeting in several areas was damaged or deteriorated. Recommend that a qualified contractor replace as necessary.

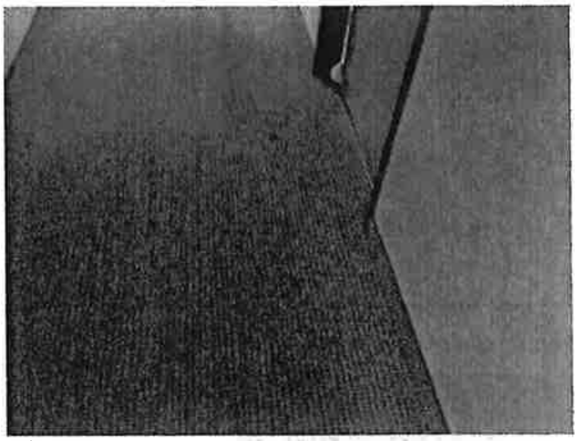

Photo 15-1

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Juneau Super 8
Pro Forma appraisal

Rental In.	From Bedrooms	Sq.Ft.	# of Units Units	Monthly Unit Rent	Gross Annual
50% MFI	Eff	425	12	$ 847.00	$ 121,968.00
50% MFI	1	723	3	$ 908.00	$ 32,688.00
ext stay	Eff	430	5	$ 3,540.00	$ 212,400.00
hotel	Eff	430	45	$ 3,240.00	$ 1,749,600.00
					$ -
Total Rental Income		30747	**65**		$ 2,116,656.00
Other Income - garages					$ -
					$ 2,116,656.00
Apartment Vacancy			5.0%		$ 7,732.80
Hotel Room Vacany			35.0%		$ 686,700.00
Gross Effective Income					$ 1,422,223.20
Total Adjusted Income					$ 1,422,223.20

EXPENSES			
Management/Admin	$173,553	12.20%	%GEI
Payroll	$340,470		
Insurance	$28,800	$443.08	per unit
Taxes	$32,500	$500.00	per unit
Utilities	$123,500	$4.02	per square foot
Land Lease	$107,963		
Franchise Fee	$156,960	8.00%	hotel revenue
Maintenance & Repairs	$42,593	2.99%	%GEI
Misc hotel expenses	$60,000	breakfast & airport shuttle	
Replacement/Reserves	$32,500	$ 500.00	per unit
Total Expenses	$1,098,839	$16,905.22	per unit
% of GEI	77.26%		
Net Operating Income	**$323,384**		
Mortgage	$217,687	$2,907,750 @ 6.375% over 30 years	
DSCR	**1.49**		
Net Cash Flow	$105,697		
Income Decrease=	7.43%		
Expense Increase=	9.62%		
Vacancy Increase=	37.80%		

ALASKA VISITOR INDUSTRY

The 2013-2014 visitor volume declined 1% from the previous study period based on the February 2015 Economic Impact of Alaska's Visitor Industry. Visitor volume for the summer and winter seasons are shown as follows: [40]

> "The state is expected to host a bumper crop of tourists this year, which will lead to job growth or at least off set loss in the leisure and hospitality, retail trade, and transportation industries. Retail and leisure and hospitality racked up strong job growth in 2015, mostly through new restaurants and stores catering to locals as well as visitors....The leisure and hospitality sector, which includes eating and drinking establishments, hotels, and entertainment and recreation employers, will benefit more directly from this year's strong tourism season, especially during the summer.
>
> Southeast tourism flourished in 2015, producing job growth for the leisure and hospitality sector. As the U.S. continues to rebound from the effects of the recession, domestic travel spending keeps increasing. An uptick in cruise traffic is predicted for Southeast in 2016. Because the vast majority of Southeast's visitors arrive by cruise ship, more visitors can be expected." [41]

JUNEAU, ALASKA

Tourism is the largest private-sector employer in Juneau. The number of non-Alaskan visitors to Juneau tops 800,000 each year, accounting for about half of the total Alaska visitor market. The majority of visitors travel between May 1 and October 1, though year-round travel is growing. During that time, the harbor is filled with cruise ships bringing tourists from the "Lower 48" and around the world.

Recent Additions to Inventory of Lodging Industry and Other Developments

As proposed, the subject is to be converted to a mixed-use, low-income apartment and hotel. It will receive extensive renovations; however, it will be reduced from an operating

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[40] Alaska's Visitor Industry- February 2015

[41] Alaska Economic Trends- January 2016, Economic Forecast for 2016

75-room hotel to a 65-room mixed use facility (offering 45 standard hotel rooms, 15 low-income apartment units, and 5 extended stay rooms/units). In regards to demand, the subject will replace an existing property that is becoming dated and does not represent new supply to the market.

Two Juneau designers wanted to transform the current location of the soon-to-be-demolished Gastineau Apartment buildings into a mixed use facility that incorporates a boutique hotel, high-rise condominiums, apartment rentals, and parking. When the city is finished demolishing the shuttered apartment buildings, it will place a lien for the total cost of the demolition on the property to recover the construction cost. The designers offered the Assembly to allow them to cover the cost of the lien by offering a portion of their parking facilities to the city as public parking and also to set aside some of the housing units as affordable housing.

A Seattle Company was considering buying and restoring the condemned buildings in October 2015 but the City and Borough of Juneau Assembly declined the proposal and proceeded with the demolition of the Gastineau Apartments (which have been vacant since November 2012 due to a fire). The plan was to restore the structures to create 44 affordable housing units.

The demolition of the Gastineau Apartments is currently in the process with a completion date set for April 2016. The actual plan of the site is still unknown. Multi-family recent additions are referenced in the Market Analysis – Multi-family & LIHTC Housing.

LODGING INDUSTRY - MARKET SEGMENTATION

Lodging operations and facilities can by categorized by price and type:[42]

Segmented by Price	Segmented by Property Type
- Budget / economy	- Budget / economy
- Mid-market / mid-price	- Limited service
- Upscale	- Full service
- All suites	- Upscale / resort
	- All suites
	- Extended stay

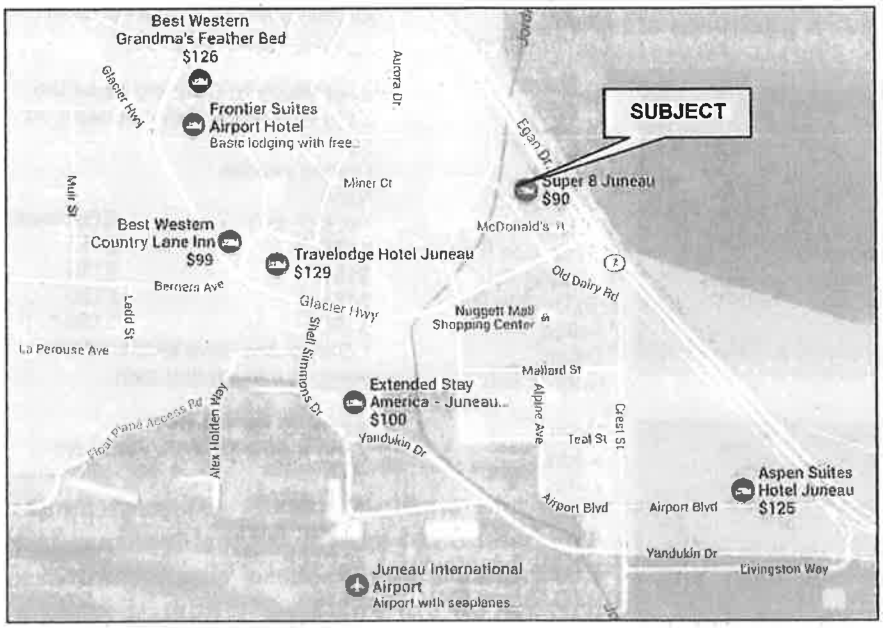
The subject is located within the airport district of Juneau. The general area represents a distinct sub-market, located situated several miles northwest of the downtown Juneau CBD. The subject is most similar to a branded (franchised and/or affiliation) *limited service hotel.*

42 Small Hotel / Motel Valuation - Limited Service Lodging, Appraisal Institute, 2003.

An inventory that includes the subject is presented on the following page. Their locations are shown on the aerial image below.

The subject's 65 rooms (as-proposed) represent 15% of this supply (65 ÷ 433 total rooms) and we are not aware of any proposed additions.

Operators often supplement peak-season daily room-sales with off-season weekly and monthly rentals. Five (including the subject) of the properties are nationally branded; industry data reported in national publications is considered relevant.



Name:	**Juneau Super 8 (SUBJECT)**	
Address:	2295 Trout Street, Juneau, AK	
# Rooms:	75	
Type:	Limited service	
Amenities:	None	
Rates:	Peak (+ tax)	Offseason (+ tax)
(1) Queen	\$149 - \$159	\$80 - \$90
(2) Queen	\$169 - \$179	\$105 - \$115
(2) Queen Ste.	\$186	\$122
(1) King Ste.	\$196	\$132
Other:	None	
Confirmation:	www.super8.com	

Name:	**Extended Stay America - Juneau**	
Address:	1800 Shell Simmons Dr., Juneau, AK	
# Rooms:	96	
Type:	All suites	
Amenities:	Pool, fitness room	
Rates:	Peak (+ tax)	Offseason (+ tax)
(1) Queen Ste.	\$175	\$100
(1) King Ste.	\$180	\$105
(2) Queen Ste.	\$190	\$115
Other:	All rooms have fully equipped kitchen w/utensils	
Confirmation:	www.extendedstayamerica.com; 907-790-6435	

Name: **Frontier Suites**
Address: 9400 Glacier Highway, Juneau, AK
Rooms: 104
Type: All suites
Amenities: Restaurant / lounge, fitness facility

Rates:	Peak (+ tax)	Offseason (+ tax)
(1) Queen Ste.	$174	$129
Queen Bunk	$219	$149
(1) Queen Deluxe	$169	$129
(2) Queen Deluxe	$189	$129
King Ste.	$219	$149
King Jacuzzi Rm.	$189	$129

Other: All rooms have full-size kitchens
Confirmation: www.frontiersuites.com

Name: **Best Western Country Lane Inn**
Address: 9300 Glacier Highway, Juneau, AK
Rooms: 55
Type: Limited service
Amenities: None

Rates:	Peak (+ tax)	Offseason (+ tax)
(1) Queen Rm.	$175	$110
(1) King Rm.	$180	$115
(2) Double Rm.	$185	$120
Suites	$195 *	$130 *

Other: * Only suites have kitchenettes
Confirmation: www.countrylaneinn.com

Name: **Aspen Suites Hotel**
Address: 8400 Airport Blvd., Juneau, AK
Rooms: 78
Type: All suites
Amenities: Fitness room

Rates:	Peak (+ tax)	Offseason (+ tax)
(1) Queen Ste.	$175	$125
(2) Queen Ste.	$195	$145

Other: Suites have fully equipped kitchens w/utensils
Confirmation: www.aspenhotelsak.com

Name: **Best Western Grandma's Feather Bed**
Address: 2358 Mendenhall Loop Rd., Juneau, AK
Rooms: 14
Type: Full-service B & B
Amenities: Restaurant

Rates:	Peak (+ tax)	Offseason (+ tax)
Queen Deluxe	$199	$139

Other: Rooms have refrigerator and microwave
Confirmation: www.grandmasfeatherbed.com

Name: **Travelodge Hotel Juneau**
Address: 9200 Glacier Highway, Juneau, AK
Rooms: 86
Type: Limited service
Amenities: Restaurant, pool, exercise room

Rates:	Peak (+ tax)	Offseason (+ tax)
(1) Queen Rm.	$179	$129
(2) Queen Rm.	$179	$129
(2) Double Rm.	$179	$129
(1) King Rm.	$199	$149

Other: Rooms have refrigerator and microwave
Confirmation: www.travellodge.com; 907-789-9700

Inferred Supply / Demand Analysis

In the following market overview, supply and demand characteristics are inferred from the available data.

Market Exposure Time may be defined as "the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market." [43]

The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. Marketing time is also a function of the amount and quality of the available inventory, asking prices and investor requirements.

MULTI-FAMILY RESIDENTIAL

Apartment Sales / Listings in the Market Area

The Juneau market is relatively small and there are very few multi-family dwellings that sell in any one year.

Statistics obtained from the Alaska Multiple Listing Service [MLS] generally provide a reliable gauge of reasonable market time parameters. MLS data is limited, there has been several smaller, multi-family properties sold since 2002+; all of which consisted of 2 to 4 units. Sales activity is minimal. There are no active listings of large (10 unit +) multi-family properties available on Statewide MLS within the Southeast Alaska Region.

The Korpacz 4th Quarter 2015 study indicates a national market period of 3.8 months for apartment properties, down ±7.9% from one year ago. The reported Korpacz Marketing period is a good barometer for the lower 48 states. Sales in other areas of Alaska suggest a marketing period of about 1 year, which is considered reasonable for the subject.

Recent Additions to Inventory of Multi-family Housing and Other Developments

Island Hills

The Island Hills Apartments, located on Cordova Street in Douglas, will be comprised of a total of 60 units anticipated to be completed by Spring 2016. 48 units have been completed; 24 of which just opened as of summer 2015.

The apartments are all two bedroom, 1.5 bath, 1,000 SF units with large windows having views of the channel and the City of Juneau. This is a market rate project built without tax credits or RD515 subsidy. However, the CBJ is subsidizing some unit rents in

[43] Source: Appraisal Standards Board Statement 6 and Advisory Opinion G-7.

exchange for the developer buying gravel from the city for the project. For every 35 tons of material they bought, they would give a rental unit per month for $1,200. (Normal rents were originally projected to be up to $1,600 for the finished units, depending upon floor level. Actual rents achieved, according to the developer are $1,400 on the upper floors and $1,300 on the lower levels).

Advertised rents per the website range from $1,300 to $1,480/unit. [44]

Affordable rents of $1,200 are subsidized by the city on the lowest level of this project.[45]

The owner is a contractor and has owned the land for 30 + years which helped to keep the costs lower for this project at a total of $7 million upon completion. The developer reported that they intend to apply for a permit to allow up to 12 more units on the site.

River Park

The River Park Apartments is a newly constructed 23 unit apartment complex in the Lemon Creek area, which reportedly went from concept to occupancy in a seven month period.[46] All units are one bedroom, one bath units, renting for $1,100 per month plus electric (lights, appliances, hot water and heat).

These projects contain units which have been recently completed and absorbed by the market quickly. River Park was not mentioned in the Novagradac report for the subject.[47] The influx of these units has had little to no impact on the demand for units at Wright Services, Inc., (a large multi-family property owner in the area) according to Theresa in that office. This is in addition to any influx of refurbished affordable units. These are the only recent 'market' additions of larger multi-family housing projects in the last several years other than the construction of smaller duplex style properties. [48] The most recent developments include the 2008 development of a mobile home park. [49]

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44 Islandhillsapartments.com – Buildings D – G: advertised for $1,200 to $1,300 for first floor units, $1,340 to $1,390 for 2nd floor units, and $2,410 to $1,480 for 3rd floor units.

45 JuneauEmpire.com, January 28, 2014 "About 50 New Units hit Juneau Market, More units to come in 2014"

46 "Juneau's housing market sees influx of rentals", posted on www.KTOO.org, by Lisa Phu, posted 1/20,2014 per KTOO report on topic, per project developer Bill Heumann, according to the report.

47 Market Feasibility Study for Juneau VOA Housing II, by Novogradac & Company LLP dated August 21, 2014. Absorption rate for Island Hills was estimated at 8 units per month – the building owner could not reveal specific absorption information.

48 Greg Chaney, Planning Manager for the Juneau Planning Department ... cited no recent completed multifamily developments of significant size, but discussed at length the rising development of accessory apartments in the Juneau rental housing market. Mr. Chaney stated these are primarily single unit developments which are constructed either in initial construction of a single family home or as a variance onto one at a later time. Mr. Chaney stated the growth of these small developments has played a significant role in absorbing some of the market rate renters within the Juneau market, as approximately 20 to 30 of these units were constructed in each of the past two years. – Novogradac & Company, Aug. 2011.

49 Was the first such mobile home development in Juneau in decades. This development has added several more units, and has planned the addition of three additional units to be constructed in the coming years - Novogradac & Company, Aug. 2011.

A 48-unit multi-family property located on Sunset Drive, outside of the downtown Juneau sub-market (consisting of 2-bedroom units) was planned for construction in 2012 but was on placed on hold and has not 'broken ground.' [50]

Terraces at Lawson Creek Phase I

Phase I of Juneau VOA Housing was completed in August 2015 and is Phase I of the subject project. It consists of mixed income residents (30%, 50% AMI) with 24 rent restricted units and 14 market rate units.[51]

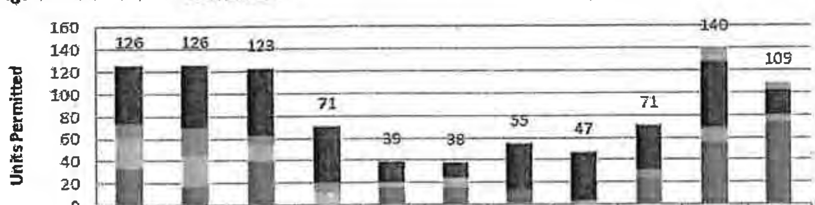
Terraces at Lawson Creek Phase II

Phase II of Juneau VOA Housing is scheduled to start construction in March 2016 with an estimated date of completion by July 2017. The project will have 35 units (all rent restricted at 30%, 50%, and 60% AMI). [52]

"Juneau's housing supply does not meet demand in terms of housing type, size, price, or location. In particular, there is a shortage of affordable housing in Juneau....A commonly accepted definition of affordability is for a household to spend no more than 30% of total household income on housing costs. Families who pay more than 30% of their income for housing are considered cost-burdened and may have difficulty affording necessities such as food, clothing, transportation, and medical care." [53]

The Juneau Economic Development Council's 2014 Economic Indicators report summarized a breakdown of housing permits for the area over the past 10 years, which shows a significant increase in multi-plex units permitted both in 2013 and 2014 through June.

Figure 30: New Units Permitted* to be Built in Juneau 2004 to 2014 (YTD June)



	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 YTD
Non-Resident Commercial										12	6
Single Family Detached	52	56	60	51	19	13	42	44	40	59	23
Single Family Attached	12	24	9	8	0	1	0	1	5	3	0
Duplex Units	28	28	14	12	4	8	0	2	2	10	6
Multi Plex Units	34	18	40	0	16	16	13	0	24	56	74
Total	126	126	123	71	39	38	55	47	71	140	109

Source: Alaska Housing Finance Corporation, Alaska Housing Market Indicators, "Quarterly Survey of Lenders" Datasets; City & Borough of Juneau Permit Center reports.

50 Mr. Eddie Quinto, Permit Specialist CBJ (907-586-0928).

51 Market rate units rent for $1,209/mo. (2BR) and $1,588/mo. (3BR) based on HUD Maximum Fair Market Rent. The rents appear to be below market based on rental comparables and are excluded from the market rent analysis.

52 B-SBC File No. 15-112

53 Juneau Economic Development Plan - Final Plan, February 23, 2015.

Juneau continues to maintain a very low vacancy rate due to its limited supply of housing units.

"Rental vacancy rates in Juneau for all size apartments are persistently below 5% (a rate considered "healthy"). For rental houses, vacancy rates have generally been falling, indicating a tightening availability."[54]

Juneau landlords reported a 3.4 percent vacancy rate in 2014, the second lowest vacancy rate in the state. Juneau's rate dropped since 2013, from 3.5 percent, indicating a slight increase in tension for the already tight rental market." [55]

"Part of the difficulty is that there are very few buildable land parcels in the city and borough that are readily suitable for development. Most undeveloped land in the CBJ is dominated by wetlands, forests, steep slopes and variable terrain, and/or is inaccessible by road. Even if such terrain were developable, the costs to engineer development and mitigate environmental impacts would be prohibitive to all but the highest priced, lowest density residences."[56]

Vacancy

According to the 2015 AHFC Alaska Rental Market Survey, the overall vacancy rate for multi-family complexes in the Juneau area was 3.87%, excluding 4-bedroom units. The study included all ages, conditions and location of apartments within the borough and may not accurately represent the vacancy for specific sub-segments of the market. Results for the AHFC study are shown as follows:

AHFC Apartment Vacancy Rate – Juneau Borough					
Unit	**2015**	**2014**	**2013**	**2012**	**2011**
0-bedroom	2.7%	3.6%	0.0%	1.6%	1.6%
1-bedroom	1.8%	2.1%	1.4%	0.6%	2.5%
Average	***2.25%***	***2.85%***	***0.70%***	***1.10%***	***2.05%***

54 Juneau Economic Development Plan - Final Plan, February 23, 2015.

55 Juneau Economic Development Council – 2014 – Construction and Housing.

56 *The 2011 Juneau & Southeast Alaska Economic Indicators*, Juneau Economic Development Council, Sept. 2011.

Local historic vacancy rates are as follows:

MARKET VACANCY				
Property	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Island Hills	Market	48	0 **	0.0%
River Park Apts	Market (NEW)	24	0 **	0.0%
Marine View Apts.	Market	66	0 *	0.0%
Mendenhall Apts.	Market	127	5 **	3.9%
Northwood Apts.	Market	20	0 **	0.0%
Alderwood Apts.	Market	30	1 **	3.3%
Auke Bay Post Office	Market	12	1 **	8.3%
Hillcrest Apts.	Market	22	2 **	9.1%
David Street Apts.	Market	12	0 **	0.0%
Lawson Creek Ph. I	Market	16▲	0 **	0.0%
TOTAL		**377**	**9**	**2.4%**

* Messages were left but unreturned during appraiser's survey in March 2015, July 2015, and December 21, 2015. We relied on data in our files including prior surveys as well as the Novagradac market study report (having effective rent date of August 21, 2014). The survey reflected a slight increase in rents for each unit type.

** Based on December 2015 / January 2016 survey.

▲ Lawson Creek Ph. I has a total of 40 units; 24 are restricted and 16 are market.

Section 8 and LIHTC VACANCY				
Property	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Glacier Village	LIHTC, Mkt.	66	1 ****	1.5%
Si'tuwan	HOME	20	1 ****	5.0%
Orca Point	LIHTC, Mkt.	47	3 ****	6.4%
Eaglewood	LIHTC / Sec. 8 / HOME	24	0 *	0.0%
Ravenwood	Sec. 8 / HOME	16	0 *	0.0%
Gruening Park	Sec. 8 / HOME	96	0 **	0.0%
Mackinnon Apts.	LIHTC	23	0 ***	0.0%
Hillview Apts.	LIHTC	15	0 ***	0.0%
Strasbaugh Place	LIHTC	7	0 ***	0.0%
Lawson Creek Ph. I	LIHTC	24 ▲	0 ****	0.0%
TOTAL		**338**	**5**	**1.5%**

* A phone message was left with property management (907-780-6666, January 19, 2016); a phone call was not returned. Vacancy rate is based on a January 2015 survey completed by B-SBC (File No. 14-111).

** A phone message was left with property management (907-780-6706, January 19, 2016); a phone call was not returned. Vacancy rate is based on a January 2015 survey completed by B-SBC (File No. 14-111).

*** A phone message was left with property management (907-789-3888, January 19, 2016); a phone call was not returned. Vacancy rate is based on a January 2015 survey completed by B-SBC (File No. 14-111).

**** Based on December 2015 / January 2016 survey

▲ Lawson Creek Ph. I has a total of 40 units; 24 are restricted and 16 are market.

The comparable market properties indicate an overall average vacancy rate of 2.4%, slightly more than AHFC vacancy rates. The overall weighted vacancy rate amongst the properties surveyed is nominal. Units are pre-leased prior to tenant turnover dates per our survey. Generally, areas with higher rental costs are characterized by lower vacancy rates. Greater numbers of tenants competing for limited available units may drive up costs due to increased demand. Conversely, areas with lower rental costs tend to have higher vacancy rates as landlords attempt to maintain competitive prices to attract a limited number of available tenants. Vacancy rates fluctuate from year to year, not only for these reasons, but also from changes in housing stock inventory, seasonal factors and other local economic factors.

The overall vacancy rate for the LIHTC properties is 1.5%. Most of the properties have waiting lists. As indicated from the Juneau Economic Development Council and both property managers and owners, there is demand in the market for additional LIHTC units.

As a good-quality housing project, the subject's income restricted units are expected to have low vacancy.

Overall, we believe that the subject will be able to stabilize at a vacancy rate of 3% or less as a LIHTC development which is considered conservative given the overall LIHTC vacancy rate of 1.5%.

Market Rents

Results for the last three years AHFC Alaska Rental Market Survey for are shown on the following charts.

Year	Survey Area	Average Rent ($) Contract	Average Rent ($) Adjusted	Median Rent ($) Contract	Median Rent ($) Adjusted
2015	0 Bedroom	$833	$892	$902	$936
	1 Bedroom	$979	$1,072	$950	$1,100
	2 Bedroom	$1,178	$1,330	$1,160	$1,316
	3 Bedroom	$1,604	$1,836	$1,600	$1,818
2014	0 Bedroom	$841	$901	$892	$926
	1 Bedroom	$940	$1,023	$950	$1,047
	2 Bedroom	$1,154	$1,306	$1,150	$1,287
	3 Bedroom	$1,559	$1,755	$1,600	$1,770
2013	Juneau Borough				
	0 Bedroom	824	875	865	898
	1 Bedroom	919	994	950	1,006
	2 Bedroom	1,100	1,249	1,100	1,250
	3 Bedroom	1,471	1,671	1,500	1,707

The AHFC study indicates that contract rents have continued to increase over the past few years (±1% to 8% since 2013). This historic trend is anticipated to continue for the near term. The outlook is for slightly increasing rental rates and stabile occupancies.

Landlords typically cover the cost of water, garbage, sewer and snow removal. Building owners and managers report operating expenses have remained relatively stable. Tenants typically pay for telephone, cable, and, in most cases also electricity.

LOW INCOME HOUSING MARKET

LIHTC Supply

Subsidized/restricted units in the CBJ market are summarized in the following table. Those surveyed (see following page) supported full occupancy status typically with waitlists.

Property	Type	
Glacier Village	LIHTC/Tlingit-Haida Regional HA - Family	LIHTC restricted
Hillview Apts	LIHTC/HOME - Family	LIHTC restricted
Strasbaugh Place	LIHTC/HOME - Family	LIHTC restricted
Eaglewood Apts	LIHTC/HOME - Family	LIHTC restricted
Mackinnon Apts	LIHTC - Family	LIHTC restricted
Orca Point Apts	LIHTC - Family	LIHTC restricted
Chinook Apts	Section 8 - Family	Subsidized
Coho Park	Section 8 - Family	Subsidized
Mendenhall Woods	Section 8 - Family	Subsidized
Douglas Terrace Apts	Section 8 - Disabled	Subsidized
Salmon Creek Housing	Section 8 - Disabled	Subsidized
Channel View	Section 8/LIHTC - Family	Subsidized
Gruening Park	Section 8/HOME - Family	Subsidized
Sleepy Spruce Apts	RD - Family	Subsidized
Channel Terrace Apts	RD - Family	Subsidized
Timber Manor	Tlingit-Haida Regional HA - Family	Subsidized
Cedar Park	Public Housing - Family	Subsidized
Geneva Woods	Public Housing - Family	Subsidized
Riverbend	Public Housing - Family	Subsidized
St. Vincent DePaul	HOME/Transitional	Special needs tenancy

Management for the LIHTC properties stated that there is no need for waiting lists as turnover is very low and when units become available, there are applicants readily available based on word-of-mouth without formal advertising. An overall shortage of supply for income restricted units was reported.

The following table depicts recent LIHTC allocations for the area.

Year Allocated	Name	Address	City	Zip	Units
2015	Home Run	SWC Teal / Alpine	Juneau	99824	41
2015	Sleepy Spruce	1050 Salmon Creek	Juneau	99824	24
2016	Juneau VOA Housing Ph. II	Vista Dr.	Juneau	99824	35
Total					100

Sleepy Spruce is an existing Rural Development property that will undergo renovations. Home Run is a proposed 41-unit project consisting of mixed income and age-restricted residents (50% and 60% AMI; 55 + in age). Phase II of Juneau VOA Housing is estimated to be completed in 2017 which will consist of mixed income residents (30%, 50%, and 60% AMI).

Subsidized apartment projects located within the Juneau area are summarized on the following table.

Comparable LIHTC Projects:

Description / Location	Structure	Age	Units	Asking Rent Rates	Tenant Utilities **	Rent – Adjusted to reflect no tenant paid utilities
Hillview Apartments 1801 Douglas Hwy	LIHTC 50%, 60%	1996	15	Studio @ 50%: $750 1BR @ 50%: $779 2BR @ 50%: $932	*No tenant utilities* No adjustment	Studio @ 50%: $750 1BR @ 50%: $779 2BR @ 50%: $932
Strasbaugh Place 231 Gastineau Blvd.	LIHTC 50%, 60%	1992	7	Studio @ 50%: $750 1BR @ 50%: $815 2BR @ 50%: $932	*No tenant utilities* No adjustment	Studio @ 50%: $750 1BR @ 50%: $815 2BR @ 50%: $932
MacKinnon Apts 236 3rd Street	LIHTC 50%, 60%	1938/ 2000	23	Studio @ 50%: $750 1BR @ 50%: $883	*Tenant pays C & L* Studio @ 50%: +$34 (C, L) 1BR @ 50%: +$44 (C, L)	Studio @ 50%: $784 1BR @ 50%: $927
Home Run Apts. SWC Teal St./Alpine Ave. (B-SBC #15-029)	LIHTC (Age) 50%, 60%	Proposed 2015	41	1BR @ 50%: $679 2BR @ 50%: $763	*Tenant pays He, Hwe, C, L (all electric)* 1BR: +$187 (He, Hwe, C, L) 2BR: +$238 (He, Hwe, C, L)	1BR @ 50%: $866 2BR @ 50%: $1,001
Lawson Creek Ph. I Vista Drive	LIHTC 30%, 50%	August 2015	24 *	1BR @ 50%: $864 2BR @ 50%: $1,037 3BR @ 50%:$1,194	*Tenant pays C & L* 1BR @ 50%: +$44 (C, L) 2BR@ 50%: +$53 (C, L) 3BR @ 50%: +$64 (C, L)	1BR @ 50%: $908 2BR @ 50%: $1,090 3BR @ 50%:$1,258
Lawson Creek Ph. II Vista Drive	LIHTC 30%, 50%, 60%	Proposed 2017	35	1BR @ 50%: $864 2BR @ 50%: $1,036 3BR @ 50%: $1,194	*Tenant pays C & L* 1BR @ 50%: +$44 (C, L) 2BR@ 50%: +$53 (C, L) 3BR @ 50%: +$64 (C, L)	1BR @ 50%: $908 2BR @ 50%: $1,089 3BR @ 50%: $1,258
SUBJECT **Super 8 Juneau**	LIHTC 50%	1983 / 2016	15 ***	Studio @ 50%: $1,050• 1BR @ 50%: $1,050•	*No tenant utilities*	Studio @ 50%: $1,050• 1BR @ 50%: $1,050•

*Lawson Creek Ph. I has a total of 40 units; 24 are restricted and 16 are market.
** Based on Utility Allowance HUD 52667 Form – U.S. Department of Housing and Urban Development, October 1, 2015:

JUNEAU Community Utilities	**	0 BR	1 BR	2 BR	3 BR
Heating – electric	(He)	$65	$91	$118	$144
Heating – fuel oil	(Ho)	$127	$177	$228	$279
Cooking – electric	(C)	$6	$9	$11	$14
Lights / refrig. – electric	(L)	$28	$35	$42	$50
Hot water – electric	(Hwe)	$37	$52	$67	$82
Hot water – fuel oil	(Hwo)	$52	$73	$94	$115
Trash	(T)	$29	$29	$29	$29

***The subject has as a total of 65 rooms; 15 are restricted (12-studios & 3-1BR), 5 are extended stays rooms, and the remaining 45 are standard hotel rooms
•Adjusted for furnishings (-$50).

The proposed restricted rent for the efficiency units and 1-bedroom units are at or above and are high based on comparable restricted income properties.

Current 2016 HUD Fair Market Rents and the subject's proposed restricted rents are as follows:

			2015 HUD LIHTC Rent % AMI *(2016 not yet available)*	SUBJECT – Proposed LIHTC Rent % AMI (2016)	SUBJECT – LIHTC Rent as a % of Market Rent *
Juneau Super 8	**Mo. Mkt. Rent***	**2016 HUD Fair Mkt. Rent****	**50%**	**50%**	**50%**
Studio (Max Gross Rent Limits) **	$900	$813	$847	$1,050▼	---
Studio (Utility Allowance)	*(No adj.)*	*(No adj.).*	*(No adj.)*	*(No adj.)*	---
Studio (Max Net Rent Limits)	**$900**	**$813**	**$847**	**$1,050**	**117%**
1BR (Max Gross Rent Limits) **	$1,050	$981	$908	$1,050▼	---
1BR (Utility Allowance)	*(No adj.)*	*(No adj.)*	*(No adj.)*	*(No adj.)*	---
1BR (Max Net Rent Limits)	**$1,050**	**$981**	**$908**	**$1,050**	**100%**

* Based on Fair Market Rent (see Income Approach)

** Includes all utilities.

▼Subject proposed restricted rents are adjusted (-$50) for furnishings.

The subject's proposed restricted rent (adjusted for furnishings) is above the 2015 maximum restricted rents allowed by HUD and LIHTC rent comparables. 2016 LIHTC rents are not yet available. We acknowledge that the subject's rents would need to be lowered to the concluded 2015 LIHTC rents at the maximum allowable. In general, LIHTC studio units in the Juneau area are extremely limited. The subject units do not have full kitchens, only kitchenettes with a sink, refrigerator, and electric range. They are located on the top floor of an operating hotel and are considered an experiment for the Juneau market place. We do recognize that the subject will be in "like new condition".

We do acknowledge that similar type hotel/motel conversion projects within the Anchorage market have slightly higher turnover vacancy rates at ±10% (restricted) compared to market rate vacancy, at ±4%.

A summary table showing the 2015 HUD maximum restricted rent, LIHTC rent comparables (adjusted to reflect landlord paid utilities) and the subject's proposed restricted rents, are as follows:

Unit	Restrictions	Source	LIHTC net rent
Studio	Restricted at 50% AMI	**Subject's Proposed Rate**	**$1,050**
Studio	Restricted at 50% AMI	HUD Maximum Rate	$847
Studio	Restricted at 50% AMI	LIHTC Rent Comparables	$750 to $784

1BR	Restricted at 50% AMI	**Subject's Proposed Rate**	**$1,050**
1BR	Restricted at 50% AMI	HUD Maximum Rate	$908
1BR	Restricted at 50% AMI	LIHTC Rent Comparables	$779 to $927 *

* based on 2014 data.

Given the data available, we estimate the subject's studio restricted rent, near the middle of the overall range, at **$800/mo.**; and 1BR restricted rent at **$900/mo.**

SUSAN KAER

7362 W. Parks Hwy, #213 Wasilla, Alaska 99623 *(907)-632-3464 *susankaer@gmail.com

GENERAL HOTEL MANAGEMENT

Dynamic, innovative, results driven, business professional with demonstrated success in General Management within the hospitality industry. History of delivering effective leadership, focusing on complete organizational coordination, which maximizes efficiency to ensure superior service in a fast paced and quality focused environment. Proven track record of exceeding sales goals while controlling costs positively impacting the bottom line.

QUANTIFIABLE ATTRIBUTES

- 28 years management of food and beverage
- 17 years of strong general hotel management and operations
- Successful franchisee and investment partnerships
- Multiple hotel and restaurant launches from ground up, to remodel and new concept, to thriving business.
- Concept generation and implementation, creative, innovative ideas and themes in each venture.
- Strong networking relationships throughout the city of Anchorage and the state of Alaska participating in numerous professional organizations. (Listed below)

PROFESSIONAL EXPERIENCE

Ramada Anchorage Downtown 2003 - 2015
Owner / General Manager
Oversee all operations of the Hotel, 90 Rooms
Staff of 40+ during peak times
Marketing and Sales

Ramada Limited Anchorage 1998 - 2003
Owner / General Manager
Oversee all operations of the Hotel, 50 rooms
Staff of 20+ during peak times
Marketing and Sales

How How Chinese Restaurant 1979 - 1998
Owner / Manager / Bartender / Food Server
Oversee all operations of the Restaurant, 15+ during peak times
Ordering and inventory of food, beverage and miscellaneous supplies

EDUCATION

American Hotel & Lodging Association
Educational Institute
Las Vegas, Nevada

Certified Hotel Administrator
University of Alaska, Anchorage
2 years of Business

New School For Social Research New York, New York
Restaurant Management Program

National Taiwan Normal University Taipei, Taiwan
Mandarin Training Program

COMMITTEES

- Visit Anchorage Board
- Anchorage Chamber of Commerce
- Mayors Advisory Committee for the Homeless
- Honorary Commander to the Air Force (Elmendorf)
- PNWRMA
(Pacific Northwest Ramada Mkt Board)
- Rotary

AWARDS AND PROFESSIONAL RECOGNITION

- Visit Anchorage Member of the Year
- Visit Anchorage Member of the Month
- Anchorage Chamber of Commerce Gold Pan recognition award as a small business member
- Assisted in recognizing the NCO and Soldier of the Quarter
- Support services welcoming the Chiefs of the USS Anchorage
- Received letters of appreciation from the AWACS team from Germany

AHFC BOARD CONSIDERATION MEMORANDUM

Date: May 25, 2016 Staff: Oscar Cedano

Item: Approval of the Consolidated Housing and Community Development Plan
State Fiscal Year 2017 (FFY 2016) Annual Action Plan

Action Requested

Staff requests Board approval of this Consolidated Housing and Community Development Plan for the State of Alaska, SFY2017 (FFY2016) Annual Action Plan. After Board approval, staff will submit the SFY2017 Annual Action Plan to the U.S. Department of Housing and Urban Development for final review and approval.

Background

In order to receive approximately $8.8 million annually from certain programs within the U.S. Department of Housing and Urban Development (HUD), the State of Alaska must engage in an ongoing statewide housing and community development planning process. Alaska Housing Finance Corporation (AHFC) is designated to facilitate this for all areas outside the Municipality of Anchorage. This process results in the creation of the overarching Consolidated Housing and Community Development 5-Year Plan (HCD Plan), the Consolidated Annual Performance Evaluation Report (CAPER) and the Annual Action Plan, which is the subject of the action requested here.

The AAP acts as the state's annual application to HUD for the HOME Investment Partnerships (HOME) Program, Community Development Block Grant (CDBG) Program, and Emergency Solution Grant (ESG) Program. The Plan also includes the National Housing Trust Fund Allocation Plan. The AAP presented here will be effective for SFY2017; July 1, 2016 through June 30, 2017.

The AAP outlines specific activities for the upcoming year which will implement the broad goals and objectives of the HCD Plan. The AAP forecasts the anticipated amount and availability of housing and community development resources, identifies funding allocation priorities, describes anticipated activities and explains program administration, all within the framework of federal regulation requirements. During SFY2017, it is estimated that CDBG will receive approximately $2.6 million; HOME, approximately $3 million ESG, $225,884, and NHFT $3 million through HUD appropriations.

An Interagency Steering Committee provides guidance and direction to the overall HCD Planning process. This Committee is composed of representatives of AHFC, the Department of Commerce, Community and Economic Development (DCCED), the Alaska Mental Health Trust Authority (The

Trust), the Department of Health and Social Services (DHSS), and the Governor's Council on Disabilities and Special Education.

Development of the Annual Action Plan for SFY2017

The nearly year-long process to develop the SFY2017 AAP began with review of annual data regarding current housing and community development conditions, and housing and community development needs. On January 26, 2016, the Interagency Steering Committee was convened. At this meeting, the Steering Committee members reviewed annually updated information, projected activities, funding estimates and the timeline for producing the SFY2017 AAP.

Public input into the AAP was accomplished according to the HUD approved Citizen Participation Plan. Before release of the draft AAP for the 30-day required public comment period beginning on March 17, 2016, a number of citizen participation activities occurred. These activities included:

- Discussion regarding housing conditions at the Alaska Coalition on Housing and Homelessness statewide teleconferences during 2015 and 2016;
- Three Public Hearings, teleconferenced statewide, on March 16, April 5, and May 6, 2016 respectively
- The meetings of the Alaska Council on the Homeless;
- Submission of Development Plans from Community Housing Development Organizations (CHDOs); and,
- Input from the Balance of State Continuum of Care Process.

Notifications of the three Public Hearings and the availability of the Draft AAP for public comment were posted on the AHFC's website and Facebook pages, emailed to individuals and organizations using several AHFC list serves that reach approximately 400 recipients and advertised in all of the state's major newspapers. Seven comments from the public were received through May 20, 2016.

Highlights for the SFY2017 Annual Action Plan

- The State of Alaska received notice of funding available through the National Housing Trust Fund (NHTF), a new affordable housing production program to increase and preserve the supply of decent, safe, and sanitary affordable housing for extremely low-income and very low-income families. HTF funding for the State of Alaska is expected to be $3 million dollars. A formal award from HUD is expected to be received prior to June 30, 2016.
- As the regulations for the new HTF are so similar to those of the HOME program, AHFC will allocate Trust Funds to the Greater Opportunities for Affordable Living (GOAL) Program.
- During SFY16, the Alaska Housing Finance Corporation announced the suspension of the Home Energy Rebate Program waitlist with an effective date of March 25, 2016. The call center and online portal will no longer be accepting new applicants. The suspension is in response to the budgetary challenges faced by the State. The Home Energy Rebate program has set aside funds to honor all those that are already in the program.

- The state also received a three-year HOPWA award of $781,269 to provide rental assistance and supportive services for patients with HIV/AIDS residing in Anchorage for the next three years.
- This Word document represents the second yearly implementation of the 2016-2020 Consolidated Plan. This Annual Action Plan will be submitted to HUD in electronic format by utilizing the online IDIS template and no paper copies will be necessary. The two versions might differ in the way they look, however, the contents are the same.

Conclusion

Approval of the SFY2017 Annual Action Plan will allow AHFC staff to submit it to HUD and make any required revisions to obtain HUD approval so that funds are available at the outset of the subject Program Year (July 1, 2016).

Thank you for your time and consideration.

ALASKA HOUSING FINANCE CORPORATION
RESOLUTION NO. 2016-10

RESOLUTION ADOPTING THE STATE FISCAL YEAR 2017 (FFY2016) ANNUAL ACTION PLAN FOR THE CONSOLIDATED HOUSING AND COMMUNITY DEVELOPMENT PLAN FOR THE STATE OF ALASKA, SFY2016-2020, AND DIRECTING STAFF TO FILE THE PLAN WITH THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

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

WHEREAS, the State must submit to HUD an Annual Action Plan, implementing said Consolidated Housing and Community Development Plan; and

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

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

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

WHEREAS, in accordance with federal regulation at 24 CFR Part 91 and with the Consolidated Housing and Community Development Plan Citizen Participation Plan, three public hearings were held, on March 16, April 5, and May 6, 2016 respectively and the draft plan was published for a comment period of beginning on March 17, 2016 and ending on May 20, 2016; and

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

WHEREAS, this final draft is in a Word document format and will be submitted to HUD in an electronic format through the Integrated Disbursement & Information System (IDIS).

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Alaska Housing Finance Corporation hereby adopts the State Fiscal Year 2017 (FFY2016) Annual Action Plan for the Consolidated Housing and Community Development Plan for the State of Alaska, 2016-2020, and directs staff to submit said Plan in an electronic format to the U.S. Department of Housing and Urban Development for its review and approval and to accomplish any revisions required by HUD in order to obtain approval.

This resolution shall take effect immediately.

PASSED AND RESOLVED this, the 25th day of May, 2016.

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Brent LeValley, Board Chair

CONSOLIDATED HOUSING AND COMMUNITY DEVELOPMENT PLAN FOR THE STATE OF ALASKA

ANNUAL ACTION PLAN

State Fiscal Year 2017
(Federal Fiscal Year 2016)

May 13, 2016

Table of Contents

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

1. Introduction

The U.S. Department of Housing and Urban Development (HUD) provides funding for housing and community development through several formula grant programs. Alaska receives approximately $5.8 million annually for four of them: the HOME Investment Partnership Act (HOME), the Community Development Block Grant Program (CDBG), and the Emergency Solutions Grant Program (ESG). In order to maintain eligibility for these, the State must engage in a consolidated planning process, which results in the development of this Annual Housing and Community Development Plan (HCD Plan) as well as several other documents.

In Alaska, two Participating Jurisdictions (PJs) receive formula funding for the CDBG, HOME, and ESG programs; the Municipality of Anchorage and the State of Alaska. The Municipality of Anchorage is responsible for the preparation and maintenance of its own HCD Plan. The State of Alaska's HCD Plan covers all geographic areas of Alaska outside of the Municipality of Anchorage; often referred to as the "balance of state."

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

This Annual Action Plan (AAP) identifies housing and community development resources expected to be available and it provides the details for the use of HOME, CDBG and ESG funds during the year. The AAP includes a description of how funds will be allocated, the program activities to be undertaken, and the amount of funds to be distributed for each program activity. Also included in the AAP is an overview of homelessness needs and actions to be undertaken to address homelessness, special needs housing, lead based paint hazards, collaboration with the public housing agency, and non-housing community development concerns. The AAP will provide a basis for assessing effectiveness through completion of the Consolidated Annual Performance Evaluation Reports (CAPER).

As the Plan was developed, the following points were recognized:

- The seven Guiding Principles developed during the drafting of the Plan are the same as those found in the current HCD Plan based on public comment and with recognition of the increasing necessity to consider transportation when determining cost and location of housing development.

- The population of Alaska has grown approximately 4%, from 710,249 in 2010 to 738,432 in 2015[i]. During the same time period, the population in the "balance of state" (all areas, but Anchorage) grew 5.1%, from 418,423 to 439,737[ii].
- The two biggest housing related issues moving forward into the next five years are in-state migration from rural areas to urban areas and the growth in the senior population.
- Some people are aware of fair housing laws, who to call if they have a complaint, but more work is needed to continue to increase awareness of the protections these laws provide tenants.
- Homelessness remains an important concern, particularly as uncertainty exists with the national and State economy and recidivism in the corrections system remains high.
- The availability of housing accessible for persons with a disability remains a barrier for many households.
- Compared to the rest of the country, Alaska has weathered much of the real estate turmoil from recent years. This has helped maintain the general health of the housing industry and demand for affordable housing and community development projects.
- Title 1 of the Housing and Economic Recovery Act of 2008 established the Housing Trust Fund. The HTF may be used for the production or preservation of affordable housing through the acquisition, new construction, reconstruction, and/or rehabilitation of non-luxury housing with suitable amenities. All HTF-assisted units will be required to have a minimum affordability period of 30 days. A Cost Allocation plan must be developed by the participating states. AHFC has been designated by the State Governor to be the recipient of the HTF and to administer the funds. AHFC, as part of the planning process for the Annual Plan has requested the participation of the public for the allocation of HTF as part of the GOAL program and its activities. https://www.hudexchange.info/programs/htf/.
- The Alaska Housing Finance Corporation (AHFC), on behalf of the State of Alaska, will administer the National Housing Trust Fund. Under NHTF regulations, the only jurisdiction, other than the state of Alaska, eligible to receive a sub-grant of NHTF is the Municipality of Anchorage (MOA). The MOA has requested a sub-grant of NHTF to administer directly in Anchorage. Pursuant to 24 CFR 91.320(k)(5), the State must submit and HUD must approve an HTF allocation plan that addresses its intent to award HTF funds to MOA.
- AHFC is considering providing the MOA with a sub-grant of $545,085 in NHTF equivalent to the MOA FY2016 allocation of HOME funds. The remaining NHTF will be administered for the area of Alaska outside of Anchorage consistent with the participating jurisdictional boundaries of the HOME program. The balance of state funds will be allocated through the annual GOAL – Greater Opportunities for Affordable Living program. The Rating and Award Criteria Plan for the GOAL program will set the priorities for the allocation of NHTF. In this way it will be coordinated with the Low Income Housing Tax Credit, HOME Investment Partnership and Senior Citizens Housing development Fund programs, within a single annual

application process. Please visit the following URL for more information regarding the GOAL Program: https://www.ahfc.us/pros/grants/development-grants/goal/

- A sub-grant of NHTF to MOA would be made subject to a number of conditions regarding liability for non-compliance and repayment of funds that protects AHFC from damage. HUD has informed AHFC that AHFC will retain liability for non-compliance and repayment of any sub-granted funds to MOA. Pursuant to 24 CFR 93.404(b), the State must execute a written agreement awarding funds to the MOA for HTF activities. The MOA HTF allocation plan must address all required elements of the written agreement with the State.
- If a sub-grantee agreement is not reached with MOA, the funds will be allocated with the other NHTF through the GOAL program.

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

i United States Census Bureau - Census.gov/quickfacts
ii Alaska Department of Labor and Workforce Development - labor.alaska.gov

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

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

Guiding Principles

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

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

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

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

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

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

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

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

Outcome Performance Measures

The State uses the Outcome Performance Measurement System for Community Planning and Development Formula Grant Programs implemented in SFY 2007 (FFY 2006). In addition to comparing quantifiable achievements (i.e. units built) with projected goals to determine program success, performance evaluation includes a review of needs fulfillment. Each Goal is correlated with a Need of Priority, a measured outcome relevant to the activity type and purpose.

Outcome categories are:

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

Evaluation of past performance

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

During SFY16, the Alaska Housing Finance Corporation announced the suspension of the Home Energy Rebate Program waitlist with an effective date of March 25, 2016. The call center and online portal will no longer be accepting new applicants. The suspension is in response to the budgetary challenges faced by the State. The Home Energy Rebate program has set aside funds to honor all those that are already in the program.
Please visit https://akrebate.ahfc.us/rebate_home_energy.aspx for more information.

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

The process to develop the SFY2016 CAPER will begin in early July 2016 with a fifteen-day public comment period on the draft CAPER anticipated in late August or early September of 2016. The SFY2016 CAPER will be submitted to HUD by September, 2016. The SFY2015 Annual Performance Report is available at: https://www.ahfc.us/pros/references/plans/

THE PROCESS

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

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

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

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

Alaska's size and wide range of social, economic and physical environments present many challenges to any planning process. A variety of approaches were used to ensure the public had opportunities to participate in the SFY2017 AAP. The Interagency Steering Committee met on January 26, 2016 and provided ongoing input and review of the AAP. Two statewide teleconferenced public hearings were held on March 16, and April 5, 2016 to obtain public comment regarding housing and community development in preparation for drafting the SFY2017 Annual Action Plan.

The draft AAP was made available for public review and comment on March 17, 2016 for a minimum of 30 days which ended on April 15, 2016. Notification of the availability of the draft plan, and the public hearings were advertised in the Anchorage Daily News, a newspaper of statewide circulation, and in a number of regional and community newspapers.

Announcements of the availability of the draft plan were sent to many individuals, organizations and local governmental entities via electronic list serve. The draft plan was made available on AHFC's website or in hard copy by contacting the HCD Plan Coordinator. The availability of the draft plan was posted on the AHFC Facebook page. Public comments on the draft Plan were received from March 17 to April 15, 2016 and from April 21 to May 20, 2016 and considered. The AHFC's Board of Directors reviewed the plan at their May 25, 2016 meeting prior to the plan being submitted to HUD in May, 2015.

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

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

Table 1 – Responsible Agencies

Consolidated Plan Public Contact Information

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

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

1. Introduction

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

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

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

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

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

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

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

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

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

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

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

During the year leading up to, and in preparation for, the drafting of the SFY2016 Annual Action Plan, AHFC representatives have also gathered information on housing needs with such groups and in such forums as:

-Alaska Association of Housing Authorities
-Alaska Coalition on Housing and Homelessness
-Annual Conference of the Alaska Coalition on housing and homelessness
-Alaska Commission on Aging Quarterly Meetings
-Alaska Council on Domestic Violence and Sexual Assault
-Alaska Council on the Homeless (The Governor's Council)
-Alaska Department of Public Safety
-Alaska Federation of Natives Annual Convention
-Alaska Gateway School District
-Alaska Department of Labor Research & Analysis – Market Indicators Report
-Alaska Homeless Management Information System Advisory Board
-Alaska Mental Health Board
-Alaska Mental Health Trust Authority Affordable Housing Work Group
-Alaska Prisoner Reentry Task Force and Housing Work Group
-Alaska State Demographers Report
-Aleutian Housing Authority
-Anchorage Continuum of Care
-Anchorage Coordinated Entry Design Team
-Anchorage Mayor's Transition Team on Housing and Homelessness
-Anchorage's Ad Hoc Committee on Alcohol and Drug Abuse
-Anchorage Chamber of Commerce Presentations on Affordable Housing
-Anchorage Economic Development Corporation Presentations on State Economy

-Anchorage Downtown Partnership, Inc. – Housing Anchorage
-Annual Tax Credit Conference by Novogradac & Co
-Annual report of statistics from the United Way of Anchorage on the Statewide 211 Information and Referral System
-Association of Village Council Presidents Regional Housing Authority
-Bering Strait School District
-Council of State Community Development Agencies Annual HOME, Supportive Housing Program Manager Training
-Governor's Housing Summit - 2016
-Governor's Council on Disabilities and Education - Developmental Disability Committee
-Juneau Affordable Housing Commission
-Local Homeless Coalitions (Anchorage, Fairbanks, Juneau, Mat-Su, Kenai, Kodiak)
-Meetings with State Legislative Representatives from Juneau, Anchorage, Nome, and Kotzebue regarding affordable housing and related issues.
-Municipality of Anchorage Live Work Play Working Group
-National Council of State Housing Agencies (NCSHA) Spring and Winter Meetings
-National Finance Development Seminar Sponsored by NAHRO
-News Service Monitoring – Statewide and National Housing News
-Norton Sound Health Corporation
-Program Monitoring of thirty-four AHFC Grantees
-Public Housing Forums regarding Preferences and administration of Section 8 Program
-Southwest Region School District
-Statewide Independent Living Council
-Valley Charities, Inc. Wasilla, AK
-Wells Fargo Alaska Advisory Committee
-Weatherization Summit
-Yukon Kuskokwim School District

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

Cooperation and coordination among the State and any units of general local government, in the implementation of the Consolidated Plan (91.315(l))

A number of other sources of data and planning input in the area of housing and community development have been used in the preparation of this SFY2017 Plan. The Consolidated Planning process is designed to incorporate a broad scope of input and perspectives, and a wide range of resources targeted towards housing and community development. Examples of input from other planning and research efforts are included above:

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

-Comparative Analysis of Prescriptive, Performance-Based and Outcome-Based Energy Code Systems, May 2011, AHFC with Cascadia Green Building Council
-"Moving to Work" National Conference – February 2015
-Alaska Continuum of Care for the Homeless---Homeless Strategy for All Areas Outside of Anchorage.
-AHFC---Moving to Work Plan SFY17
-AHFC --- Housing Needs Assessment, 2014
-AHFC's Annual Homeless Point in Time Survey Results
-Alaska Homeless Management Information System Data
-Alaska Council on the Homeless, Alaska's Plan to End Long-term Homelessness
-Alaska Council on the Homeless, Ten-Year Plan to reduce Homelessness – Five-year update Working Group
-Cold Climate Housing Research Center Publications
-NCSHA Federal Liaisons Monthly Telephone Round Table
-Alaska Department of Environmental Conservation---Village Safe Water
-Alaska Department of Health and Social Services---Comprehensive Integrated Mental Health Plan.
-Alaska Department of Transportation ---Statewide Transportation Improvement Program
-Kenai Peninsula Borough---Quarterly Report of Key Economic Indicators
-2014 Mat-Su Borough Housing Assessment and 2015 Housing Forum Report
-Alaska Tribally Designated Housing Entities--- NAHASDA Indian Housing Plans
-Spring and Fall 2015 Alaska Housing Market Indicators:

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

Alaska Economic Development Corporation Annual Economic Forecast Presentation – January 27, 2016
-Alaska Prisoner Reentry Task Force, Five Year Prisoner Reentry Strategic Plan 2011-2016; February, 2011
-State of Alaska – 2016 recidivism Reduction Plan: Cost-Effective Solutions to Slow Prison Population Growth and Reduce Recidivism
-State Interagency Working Group – 2015 National Resiliency Disaster Competition – Division of Emergency Services and Homeland Security, Department of Environmental Conservation, Department of Commerce, Community and Economic Development
-Alaska Long-term Disaster Recovery Housing Task Force – Galena Recovery Project

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

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

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

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

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

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

The public hearings held in conjunction with the development of the Plan were extensively advertised on the AHFC website, in statewide and local newspapers and via emails. An overview of the HCD planning process, anticipated timelines for completion and program performance were discussed at the events mentioned below; comments were encouraged. On March 16, and April 5, and May 6, 2016 public hearing and statewide teleconference were held to obtain public input prior to drafting the HCD Plan. Additionally, AHFC consulted with the following entities in drafting the HCD Plan:

Governor's Council on Disabilities and Special Education – February and March, 2016
Alaska Coalition on Housing and Homelessness – March, 2016

Alaska Interagency Steering Committee – January, 2016
Fairbanks Homeless Coalition
Kenai Homeless Coalition
Association of Alaska Housing Authorities
Juneau Homeless Coalition
Affordable Housing Partnership
Anchorage Coalition to End Homeless – March 2015
Matanuska Susitna Homeless Coalition
Anchorage Coalition General Meeting

The draft plan was released on March 17, 2016 with public comments accepted through April 15, 2016. The draft was also posted for additional comments from April 21 to May 20, 2016. A third Public Hearing was also scheduled on May 6, 2016. AHFC's Board of Directors approved the SFY 2017-HCD Plan on May 25, 2016 and directed AHFC staff to submit it to HUD. All public comments and the State's responses to the comments are in Appendix D.

SP-10 Geographic Priorities – 91.315(a)(1)

The State does not target specific geographic areas in the Consolidated Plan. The allocation criteria of several competitive programs have a priority that awards points to projects located in small communities, as defined by AHFC. A small community is a community of 6,500 or less that is not connected by road or rail to Anchorage or Fairbanks. Or, a community of 1,600 or less that is connected by road or rail to Anchorage or Fairbanks and is located at least 50 statute miles outside of Anchorage or 25 statute miles outside of Fairbanks. In this definition, "connected by road" does not include a connection by the Alaska Marine Highway System or roads outside the boundary of the State of Alaska.

Geographic Area

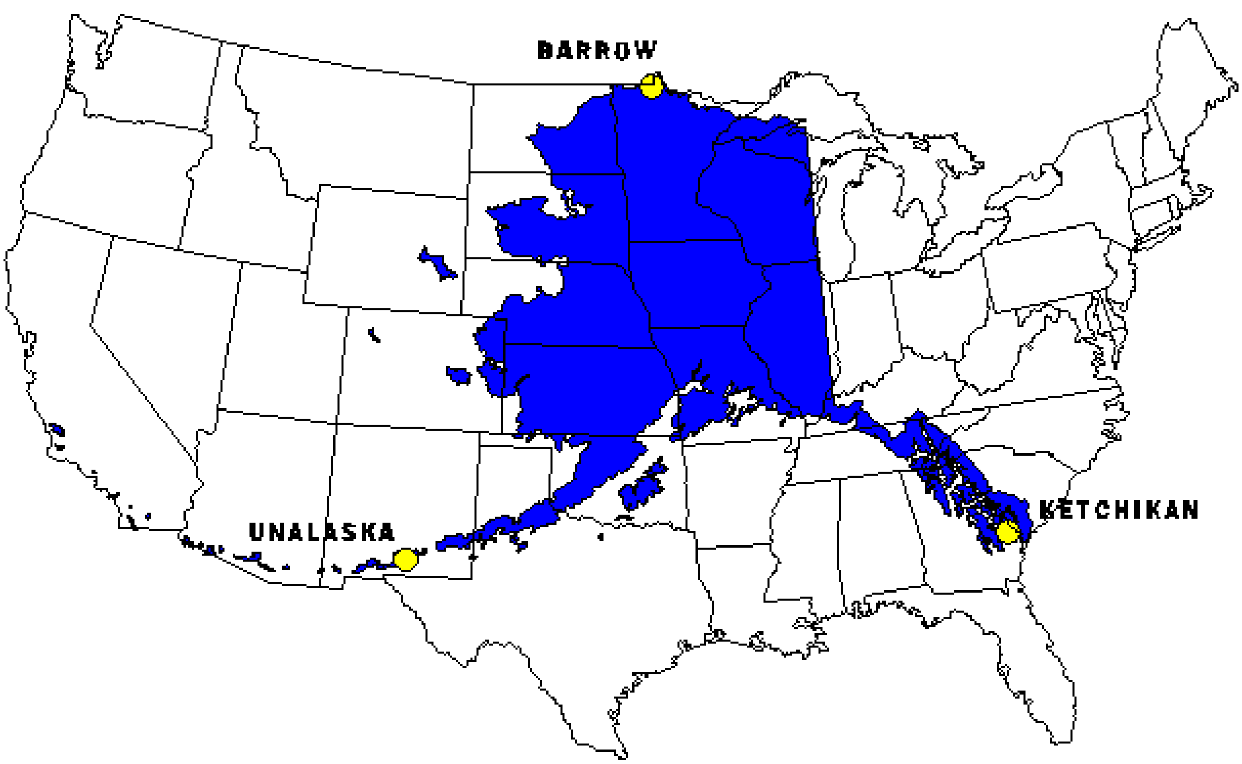


Table 2 - Geographic Priority Areas

General Allocation Priorities

Alaska's wide range of housing and community development conditions makes the use of guiding principles the most practical and effective approach of targeting scarce HCD resources. The seven guiding principles were developed from HCD public hearings; consultation with federal, state and local entities; involvement with housing and community development in both the private and public sectors over the past year; and an analysis of the Consolidated Annual Performance Evaluation Report (CAPER) for state fiscal years 2015. Data gathered in the development of this Annual Action Plan support the seven guiding principles above.

SP-25 Priority Needs – 91.315(a)(2)

The following have been identified as housing and economic development needs around the State, even though it is not a reflection of the priorities given by the funded programs.

Priority Need	Population	Geographic Areas	Priority Level	Associated Goal
Outreach	Unsheltered Persons Chronic Homeless		Medium	☒Reduce & Prevent homelessness
Emergency Shelter and Transitional Housing	Unsheltered Persons Families Low/Extremely Low Income Veterans		High	☒Reduce & Prevent
Rapid Re-Housing	Unsheltered Persons Families Families with Children Low/Extremely Low Income Veterans		High	☒Reduce & Prevent
Permanent Supportive Housing	Unsheltered Persons Mentally Ill Chronic Substance Abuse		High	☒Reduce & Prevent homelessness

	Veterans			
Homeless Prevention	Low/Extremely Low Income Families with Children Veterans		High	☒Reduce & Prevent homelessness
Public Facilities	Rural Communities	Balance of State	High	Community Development
Public Improvements	Rural Communities	Balance of State	High	Community Development
Public Services	Rural Communities	Balance of State	High	Community Development
Continuing Education	Grant Administrators, Private Developers, Non-Profits, Construction Contractors, Architectural and Engineering, Non-Profits, Landlords	Statewide	High	Community Development
Rural Economic Opportunities	Grant Administrators, Teachers, Health Professionals, Public Safety Personnel, Construction Laborers, Construction Supply	Rural Alaskan Communities	High	Community Development
Rural Housing Energy Efficiency	Non-Profits, Public Service Professionals	Rural Alaskan Communities	High	Community Development
Skills Training	Rural Residents	Rural Alaskan Communities	High	Community Development

Rental Assistance	Families Low/Extremely low Income	Balance of State	High	Provide Decent Housing
Production of new homeownership units	Families Low/Extremely Low Income	Balance of State	High	Provide Decent Housing
Acquisition of existing homeownership units	Families Low/Extremely Low Income	Balance of State	High	Provide Decent Housing

Table 3 – Priority Needs Summary

Narrative

SFY14 AKHMIS Statewide data reports that 75% of persons experiencing homelessness or threatened with homelessness transitioned into a permanent housing situation within 30 days and 11% transitioned within 31 – 60 days for a total of 86% of individuals transitioning into permanent housing within 60 days of connecting with services.

Data for this measure was collected from the Alaska Homeless Management Information System (HMIS) for individuals experiencing homelessness or at-risk of homelessness. This data is input into the system by many homeless programs throughout the state. AHFC, in conjunction with the Anchorage and Balance of State Continuum of Care, are currently restructuring the HMIS so that data can be reported for each individual community. This community specific reporting will allow homeless programs to dive into the data for their community.

Connecting individuals to permanent housing is a challenge in Alaska as available and affordable housing is limited. Affordable housing is being developed as funding becomes available; however, funding is limited and does not meet current demand. As housing development levels are expected to remain consistent, Alaska will continue to see similar trends in the number of persons experiencing homelessness or threatened with homelessness.

SP-45 Goals Summary – 91.315(a)(4)

GOAL	Category	Geographic Area	Addressed Need	Funding
Provide Decent Housing	Affordable Housing	Balance of State	Rental Assistance Production of new homeownership units Acquisition of existing homeownership units	HOME Investments Partnership Program allocation $3,000,000/year
	Star Year 2016	End Year 2020		
	Description: Funds will be used to provide rental assistance and production or acquisition of decent and affordable housing.			
	Goal Outcome Indicator:		Unit or Measure	Quantity
	Rental Assistance		Vouchers	150
	Production of new homeownership units		Units	45
	Acquisition of existing homeownership units		Units	100
Reduce and Prevent Homelessness	Category	Geographic Area	Addressed Need	Funding
	Homeless	Balance of State	Outreach, Emergency Shelter & Transitional Housing, Rapid Re-housing, Permanent supportive	$1,075,000 ($215,000/year)

			Housing, homeless Prevention	
	Star Year 2016	End Year 2020	Objective: To Reduce and Prevent Homelessness	Outcome: Reduce and Prevent Homelessness
	Description: Funds will be used to assist chronically homeless, families with children, veterans, unaccompanied youth and other homeless persons and those at-risk of homelessness. Planned activities include outreach, emergency shelter and transitional housing support, rapid re-housing assistance, and prevention assistance.			
	Goal Outcome Indicator Outreach **Unit of Measure** Alaska Housing Locator and Alaska 211 **Quantification** Increased Reporting **Goal Outcome Indicator** Emergency Shelter & Transitional Housing **Unit of Measure** PIT/HIC **Quantification** Reduction in # of Unsheltered & No Net Loss of Beds **Goal Outcome Indicator**			

<table>
<tr><td rowspan="4"></td><td colspan="4">Permanent Supportive Housing Rapid Re-housing

Unit of Measure

HMIS & APR Reports

Quantification

ES Average Length of stay is 2 months or less & 80% exiting TH for permanent housing

Goal Outcome Indicator

Homeless Prevention

Unit of Measure

HMIS AHAR Reports

Quantification

Reduce % of persons discharged into homelessness from institutions. Increase # of persons assisted with prevention funds.</td></tr>
</table>

<table>
<tr><td rowspan="5">Community Development</td><td>Category</td><td>Geographic Area</td><td>Addressed Need</td><td>Funding</td></tr>
<tr><td>Non-housing Community Development</td><td>Balance of State</td><td>Public Facilities & Improvements</td><td>2.4 Million</td></tr>
<tr><td>Start Year 2016</td><td></td><td>End Year 2020</td><td></td></tr>
<tr><td colspan="4">**Description:** Funds will be used for a variety of public facility, public improvement, and special economic development projects primarily in rural communities with high proportions of low-and moderate-income persons. Specific projects will be determined by a competitive application process focusing on improving self-sufficiency, eliminating public health and safety hazards, and reducing the costs of essential community services.</td></tr>
<tr><td>**Geographic Area**</td><td colspan="2">**Addressed Need**</td><td>**Funding**</td></tr>
</table>

	Balance of State	Public Facilities & Improvements	2.4 Million/year
	Goal Outcome Indicator Create Suitable Living Environment	**Unit or Measure** Communities	**Quantity** 17-25

Table 4 – Goals Summary

Projected number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.215(b):

Outcome/Objective Specific Annual Objectives	Population Benefitted	Performance Indicators	Program Year	Expected Number	Actual Number	Percent Completed
Availability/Accessibility of Decent Housing						
Home Opportunity Program and Creating opportunities for home ownership through education, financial assistance	Moderate Income	Number of homebuyers receiving assistance.	2015	20/30	40/83	200/276
			2016	20/30		
			2017	20/30		
			2018	20/30		
Tenant Based Rental Assistance: Improving the availability of affordable housing options through rental subsidies. 20% of beneficiaries are very-low Income	Low Income	Number of tenant households receiving rental assistance.	2019	20/30		
		MULTI-YEAR GOAL		**100/150**	**40/83**	40%/50%
Affordability of Decent Housing						
Homeownership Dev. Program: Creating affordable housing through assistance with the cost of development.	Low Income and Moderate Income	Number of affordable units developed. NOTE: For the rental development program, only the federal HOME units are reported.	2015	9	7	77%
			2016	9		
			2017	9		
			2018	9		
			2019	9		
		MULTI-YEAR GOAL		**45**		15%

STATE FISCAL YEAR 2016 ANNUAL ACTION PLAN

AP-15 Expected Resources – 91.320(c)(1,2)

Introduction

The State anticipates that there will be approximately $19 million in federal funds and $22 million in State funds for a total of $41 million available for programs that affect beneficiaries statewide. The Annual Funding Plan for Housing Table, reflects anticipated funding levels for SFY2017 (July 1, 2016 through June 30, 2017), and covers all areas of Alaska outside of Anchorage. The state funding indicated in the funding table reflects the amounts in the Governor's SFY2017 Capital Budget request to the Alaska Legislature. AHFC updated the Federal figures in the table based on the latest information available at the time of the release of the final SFY2017 Annual Action Plan. The recent developments in the price of crude oil around the country may affect the funding allocations for various state programs administered by AHFC; however, those programs shown to have received a $0.00 budget for the 2017 Fiscal Year will continue to be active programs pending higher funding in subsequent years.

Anticipated Resources for SFY 2017

HCD Plan Annual Action Plan

Annual Funding Plan For Housing
State of Alaska (Excluding Municipality of Anchorage)
Fiscal Year 2017 (July 1, 2016 - June 30, 2017)

		Anticipated Funding			
Program Name	**Program Type**	**Federal**	**State**	**Other**	**Total**
Beneficiary and Special Needs Housing	Housing for people with disabilities		$ 1,500,000		$ 1,500,000
Capital Fund Program	Public Housing Improvements	$ 2,500,000	$ -		$ 2,500,000
CDBG	HUD - Community Development Block Grant Program	$ 2,592,884	$ 42,622		$ 2,635,506
Competitive Grants for Public Housing	Matching Funds Public Housing Resident Programs	$ 750,000	$ 350,000		$ 1,100,000
Energy Programs	Weatherization Assistance and Home Energy Rebates	$ 1,500,000	$ 6,600,000		$ 8,100,000
ESG	HUD - Emergency Solutions Grant Program	$ 225,884	$ 125,884		$ 351,768
Federal and Other Competitive Grants	Matching Funds for Federal Grant Programs	$ 3,023,400	$ 1,500,000		$ 4,523,400
AHFC Facility Management Program	Maintenance of Fire Systems AHFC Public Housing	$ 5,000,000			$ 5,000,000
HOME	Rehab, new const, rental and homebuyer assistance	$ 3,000,000	$ 750,000		$ 3,750,000
Homeless Assistance Program	Funding For Homeless Programs and Prevention		$ 4,396,600	$ 1,700,000	$ 6,096,600
Housing Opportunities for Persons with AIDS	Rental Assistance - HOPWA	$ 781,269	$ 100,000		$ 881,269
National Housing Trust Fund	Rehab, rental and homebuyer assistance for low income	$ 3,000,000			$ 3,000,000
Senior Citizen Housing Development Fund	Senior Housing Rehabilitation and Construction		$ 1,750,000	$ 1,750,000	$ 3,500,000
Supplemental Housing Development Program	Rural Housing Infrastructure Improvements and Rehab.		$ 3,000,000		$ 3,000,000
Teacher, Health, and Public Safety Housing	Rental Housing for Teachers, Health Prof, Public Safety		$ 1,000,000	$ 1,300,000	$ 2,300,000
Cold Climate Housing Research Center			$ 1,000,000		$ 1,000,000
Total Grants:		**$22,373,437**	**$22,115,106**	**$4,750,000**	**$49,238,543**

Table 5 - Expected Resources – Priority Table

Federal funds will leverage additional resources (private, state and local funds), (A description of how matching requirements will be satisfied)

Affordable Housing is a big issue in Alaska and as a result, the Participating Jurisdiction (PJ) works with the Department of Health and Social Services, the Alaska Mental Health Trust Authority, and among others, private foundations like the Rasmuson Foundation to get the most out of all the available resources, specifically the State has taken forward steps as follows: merged the HOME Rental Development funds with the Senior housing and Low-Income Housing Tax Credit programs; provided HOME assistance to the RurAL CAP and the Alaska Community Development Corporation for self-help programs under the USDA program so that a small amount of the HOME Ownership Development Program can help purchase the land and contribute to low-income clients becoming home owners. AHFC combines state Special Needs Housing Grant funds with HOME funds to make it possible to fund projects for people with mental illness and supportive housing. AHFC has created a preference in the Low-Income Housing Tax Credit (LIHTC) allocation plan for the preservation of USDA projects. This way HOME and LIHTC are leveraged in with USDA financing to preserve affordable housing.

a. On an annual basis through the Greater Opportunities for Affordable Living (GOAL) program and/or the Special Needs Housing Grant (SNHG) program, AHFC announces the availability of HOME funds for rental development. The SNHG program allocates capital development funds to develop rental housing projects that will serve special needs, and low-income households. In SFY2017, HOME rental development funds may also be awarded through the SNHG award process, in addition to the GOAL process. If awarded, the State of Alaska intends to make available the SFY17 allocation of the National Housing Trust Fund to the GOAL program.
b. The SFY2017 (FFY 2016) allocation of HOME funds carries a twenty-five percent (25%) matching requirement. The PJ anticipates meeting the match through a contribution of AHFC general funds. This contribution effectively increases the total amount of HOME funds available during SFY2017 (FFY 2016) to $3,750,000. Whenever feasible, recipients of HOME funds will be encouraged to make additional contributions to HOME projects that will qualify as match under the federal regulations. This will allow the PJ to further stretch HOME funds to assist low-income Alaskans. If for some reason these strategies do not meet the twenty-five percent (25%) matching requirement, AHFC will utilize banked HOME match.
c. HOME funding, where appropriate, will continue to be used with other federal and state funds to achieve the goal of upgrading existing housing stock. Such funding sources include, but are not limited to AHFC/DOE Weatherization funds, Senior Citizen Housing Development Funds, DHSS Accessibility Brokerage Program funds, and USDA Housing Preservation funds.

The State of Alaska Department of Commerce, Community, and Economic Development (DCCED) will encourage applicants to secure at least 25% matching funds in order to obtain the highest score possible during the competitive application cycle. All matching funds needed to complete the project must be in place prior to award. Applicants frequently coordinate with other funding sources such as the United States Department of Agriculture (USDA) Rural Development, the Economic Development Administration, the State of Alaska Designated Legislative Grant Program, the Administration for Native Americans, Native Corporations, tribes, and other appropriate federal, state, and private funding sources.

Publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan.

The State encourages the utilization and leverage of publicly-owned land that is available to be leased and to consider all opportunities to protect these public properties from being privately acquired. Potential publicly-owned property located in the Balance of State that could be available to help address the needs identified in the Plan includes land that AHFC owns, property owned by different cities across the State, properties owned by the Alaska Mental Health Trust Authority, and Alaska Native corporations and tribes.

Discussion:

Over the last several years, AHFC has increased the emphasis on rehabilitation and preservation of existing affordable housing resources in the rating criteria for the LIHTC, HOME and Senior Citizen Housing Development Fund (SCHDF) programs. As a result, more affordable housing rental units have been renovated and several federally subsidized rental projects have remained in the affordable housing stock. Yet, throughout the state, there are still serious shortages of affordable, decent housing for low-income Alaskans.

Constraints of financial feasibility impede the development of affordable housing, in both rural and urban communities. Critical to the implementation of the strategies contained in this Plan is a dedicated source of funds to leverage other funding sources for the development of new affordable housing opportunities, as well as the acquisition and rehabilitation of existing structures. Of the funds available under the CDBG program, the majority of project funds will be targeted toward community development and planning activities which address health and safety needs, or which support future economic development and community self-sufficiency.

Special emphasis will be placed on coordinating with other funding sources such as United States Department of Agriculture (USDA) Rural Development, the office of Native Americans Programs, HUD, private foundations and local governments; and other appropriate federal, state, and private funding sources. The State of Alaska Department of Commerce, Community, and Economic Development (DCCED) will encourage applicants to include or secure outside funding for design, engineering, and feasibility planning for projects as appropriate, prior to applying for CDBG funding for construction or project implementation.

AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

<table>
<tr><th>GOAL</th><th>Category</th><th>Geographic Area</th><th>Addressed Need</th><th>Funding</th></tr>
<tr><td rowspan="6">Provide Decent

Housing</td><td>Affordable Housing</td><td>Balance of State</td><td>Rental Assistance

Production of New Homeownership Units

Acquisition of existing Homeownership units</td><td>HOME Investment Partnership Program & National Housing Trust Fund allocation

$6,000,000</td></tr>
<tr><td colspan="4">Fiscal Year 2016 – July 1, 2016 to June 30, 2017</td></tr>
<tr><td colspan="4">Description: Funds will be used to provide rental assistance and production or acquisition of decent and affordable housing</td></tr>
<tr><td colspan="4"></td></tr>
<tr><td colspan="4"></td></tr>
<tr><td colspan="4">Goal Outcome Indicator: | Unit or Measure | Quantity

Rental Assistance | Vouchers | 30

Production of new

homeownership units | Units | 9

Acquisition of existing

homeownership units | Units | 25</td></tr>
</table>

<table>
<tr><td rowspan="6">Reduce and Prevent Homelessness</td><td>Category</td><td>Geographic Area</td><td>Addressed Need</td><td>Funding</td></tr>
<tr><td>Homeless</td><td>Balance of State</td><td>Outreach, Emergency Shelter & Transitional Housing, Rapid Re-housing, Permanent supportive Housing, homeless Prevention</td><td>$215,000/year</td></tr>
<tr><td colspan="2">Period Covered 7-1-2016 /6-30-2017</td><td>Objective: Reduce and Prevent Homelessness</td><td>Outcome: Reduce and Prevent Homelessness</td></tr>
<tr><td colspan="4">Description: Funds will be used to assist chronically homeless, families with children, veterans, unaccompanied youth and other homeless persons and those at-risk of homelessness. Planned activities include outreach, emergency shelter and transitional housing support, rapid re-housing assistance, and prevention assistance.</td></tr>
<tr><td colspan="4">Goal Outcome Indicator
Outreach
Unit of Measure
Alaska Housing Locator and Alaska 211
Quantification
Increased Reporting
Goal Outcome Indicator
Emergency Shelter & Transitional Housing</td></tr>
</table>

	Unit of Measure PIT/HIC **Quantification** Reduction in # of Unsheltered & No Net Loss of Beds **Goal Outcome Indicator** Permanent Supportive Housing Rapid Re-housing **Unit of Measure** HMIS & APR Reports **Quantification** ES Average Length of stay is 2 months or less & 80% exiting TH for permanent housing **Goal Outcome Indicator** Homeless Prevention **Unit of Measure** HMIS AHAR Reports **Quantification** Reduce % of persons discharged into homelessness from institutions. Increase # of persons assisted with prevention funds.

	Category	Geographic Area	Addressed Need	Funding
Develop Commun ity		Balance of State	Public Facilities & Improvements	2,400,000
	Fiscal Year 2017			
	Description: Funds will be used for a variety of public facility, public improvement, and special economic development projects primarily in rural communities with			

	high proportions of low-and moderate-income persons. Specific projects will be determined by a competitive application process focusing on improving self-sufficiency, eliminating public health and safety hazards, and reducing the costs of essential community services.
	Goal Outcome Indicator **Unit or Measure** **Quantity** Create Suitable Living Environment Communities 5-6

Table 6 – Goals Summary

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.215(b)

Specific Obj. #	Outcome/Objective Specific Annual Objectives	Sources of Funds	Performance Indicators	Program Year	Expected Number	Actual Number	Percent Completed
DH-1	**Availability/Accessibility of Decent Housing**						
DH-1.1	Home Opportunity Program: Creating opportunities for home ownership through education and financial assistance.	HOME	Number of homebuyers receiving assistance.	2015	22 10	40 83	181% 830%
				2016	22 10		
DH-1.2	Tenant Based Rental Assistance: Improving the availability of affordable housing options through rental subsidies.	HOME	Number of tenant households receiving rental assistance.	2017	22 10		
				2018	22 10		
				2019	22 10		
			MULTI-YEAR GOAL		**110** **50**	**36%** **166%**	
DH-2	**Affordability of Decent Housing**						
DH-2.1	Rental Housing Dev - Creating affordable decent housing opportunities through rehabilitation and preservation of existing housing resources.	HOME	Number of affordable units developed. NOTE: For the rental development program, only the federal HOME units are reported.	2015	6 8	0 7	0% 87%
				2016	6 8		
DH-2.2	Homeownership Dev. Program- Creating affordable housing for LMI families through assistance with the cost of development.	HOME		2017	6 8		
				2018	6 0		
				2019	6 0		
			MULTI-YEAR GOAL		**30** **24**	**0** **7**	0% 29%
DH-3	**Sustainability of Decent Housing**						
DH-3.1	Owner Occupied Rehab- Create decent housing with improved or new sustainability.	HOME	Number of homeowners receiving assistance.	2015	14	7	11%
				2016	14		
				2017	14		
				2018	14		
				2019	14		
			MULTI-YEAR GOAL		70	7	10%

AP-25 Allocation Priorities – 91.320(d)

Introduction:

AHFC did not allocate any SFY2015 HOME funds to ORP. Any uncommitted ORP funds in SFY2016 will be reallocated to another eligible activity in accordance with the priorities outlined in Section VII. L. HOME Program Development.

Funding Allocation Priorities

Percentage of Federal Funds per Program					
	Rental Development	Reduce and Prevent Homeless	Home Ownership	Community Development	Total %
CDBG				100%	100%
HOME	50%	22%	23%		100%
HOPWA					
ESG		100%			100%

Table 51 – Funding Allocation Priorities

Reason for Allocation Priorities

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

AHFC is considering providing the MOA with a sub-grant of $545,085 in NHTF equivalent to the MOA FY2016 allocation of HOME funds. The remaining NHTF will be administered for the area of Alaska outside of Anchorage consistent with the participating jurisdictional boundaries of the HOME program. The balance of state funds will be allocated through the annual GOAL – Greater Opportunities for Affordable Living program. The Rating and Award Criteria Plan for the GOAL program will set the priorities for the allocation of NHTF. In this way it will be coordinated with the

Low Income Housing Tax Credit, HOME Investment Partnership and Senior Citizens Housing development Fund programs, within a single annual application process.

A sub-grant of NHTF to MOA would be made subject to a number of conditions regarding liability for non-compliance and repayment of funds that protects AHFC from damage. HUD has informed AHFC that AHFC will retain liability for non-compliance and repayment of any sub-granted funds to MOA. Pursuant to 24 CFR 93.404(b), the State must execute a written agreement awarding funds to the MOA for HTF activities. The MOA HTF allocation plan must address all required elements of the written agreement with the State.

If a sub-grantee agreement is not reached with MOA, the funds will be allocated with the other NHTF through the GOAL program.

<u>HOME:</u> Based on an assessment of projected growth in the need for rental housing and rental assistance for low-income and more vulnerable households, funding was eliminated in the ORP program in SFY2016.

AHFC has identified the need to provide Tenant Based Rental Assistance (TBRA) to eligible households that are at or below 60% of the median area income. Preference is given to special needs and at-risk populations as articulated in the Five Year (SFY2016 through 2020) Consolidated Housing and Community Development Plan. In SFY2017 (FFY2016), HOME funding for TBRA will be allocated in the amount of up to $660,000.

The State recognizes that a few HOME rental housing development properties that are in the fifteenth year of the affordability period have deferred maintenance, limited or negative net operating income, or have high vacancy rates and marketability issues. The State has included in this AAP a process and criteria for identifying "troubled" rental housing development projects and a process for evaluating whether additional HOME funds may be needed in order to preserve existing HOME affordable housing stock. AHFC may pursue a waiver from HUD regarding the prohibition against investing additional HOME dollars in rental properties past the first year of project completion if AHFC deems it to be necessary to preserve units.

ESG: In addition to administrative activities, ESG funds may be used for five program components: street outreach, emergency shelter, homeless prevention, rapid re-housing assistance and Homeless Management Information Systems (HMIS). All of the previously mentioned components pertain to the goal of Reduce and Prevent Homelessness.

CDBG: The State's CDBG program allocates funding towards the acquisition, construction, reconstruction, installation, and improvements of public facilities and public improvements and occasionally special economic development.

Ways in which the proposed distribution of funds address the priority needs and specific objectives described in the Consolidated Plan

Alaska's Continuum of Care for the Homeless. This portion of the Annual Action Plan describes the actions addressing the emergency shelter (including ESG) and transitional housing needs of homeless families and individuals, as well as those who meet the definition of "at-risk" of homelessness. Activities to assist homeless households will be discussed. The goal of Alaska's Continuum of Care is to help homeless persons make a rapid transition to permanent, affordable housing. For some individuals, appropriate supportive services will be a critical component of this strategy.

AP-30 Methods of Distribution – 91.320(d)&(k)

Introduction:

HOME Investment Partnerships Program (HOME)

State program addressed by the Method of Distribution.

The Home Investment Partnerships Program (HOME) was created by the National Housing Affordability Act of 1990. The statutory purposes of this Act are:

Expanding the supply of safe, decent, energy-efficient housing for low income families;
Strengthening the abilities of state, local and non-profit agencies to design and implement strategies for affordable housing; and Creating and strengthening partnerships to produce and manage affordable housing.

The State of Alaska's HOME allocation for SFY2017 is anticipated to be $3,000,000. Additionally, AHFC will provide $750,000 in state matching funds to contribute to the federal matching requirements under the HOME program; subject to legislative authorization.

AHFC (AHFC) is responsible for the administration of the State's formula HOME allocation. As a separate Participating Jurisdiction, the Municipality of Anchorage receives its own formula allocation of HOME funds. Anchorage is the only Alaska community receiving separate HOME funds. No State HOME funds will be used within the Municipality of Anchorage.

Priorities for the use of HOME funds are established in the Consolidated Housing and Community Development Plan (HCD). The following program description outlines HOME funded activities for State Fiscal Year 2017 (July 1, 2016 through June 30, 2017) funded from Federal Fiscal Year 2016 (FFY 2016) appropriations.

Rental Development Activities; Homeownership Development Activities; Community Housing Development Organization (CHDO) Development Activities; Rental and Homeownership Housing Development Technical Assistance or Pre-development Activities; Tenant Based Rental Assistance; Operating Expense Assistance for CHDOs; and Homebuyer Assistance Programs.

All HOME Program activities work towards the statutory goal of the 2016-2020 HCD Plan to provide decent housing, create suitable living environments, and expand economic opportunities for Alaskans with incomes at or below eighty percent (80%) of the median income. The seven general principles from this five-year HCD Plan guide the direction and implementation of HOME Program activities. Priorities and Objectives for the coming program year are summarized in the Appendix C table and are detailed in the program descriptions that follow. Additionally, program achievements from SFY2016 are included in Appendix C as a measure of how the State is meeting its stated goals as outlined under the Five Year Consolidated Plan (2016-2020).

Criteria that will be used to select applications and the relative importance of these criteria.

Applicants for HOME funds now use an online application system that affords them an equal opportunity to submit within the same timeframe regardless of their remote location or transportation challenges. Most agencies applying for HOME funds are returning grantees seeking funding to continue their services into the next program year. Past performance in achieving service projections and unit construction constitutes a significant portion of the ranking factors each year.

If the applicant is not a returning grantee, they must provide a narrative explanation for 1) how they developed their service projections, 2) what they will do to monitor and report on housing creation, and 3) the applicant's experience and capability to construct or create affordable housing for low income families and meet all of the regulatory and administrative requirements. Up to 10 points may be deducted for a pattern of late reports or unresolved findings. In the next competition cycle, repeated findings for the same infraction in the 36 months prior to the application date will be added to the point deduction section. With the exception of the narrative answers, AHFC has converted to an objective scoring system.

How resources will be allocated among funding categories.

Resources are allocated competitively by need and by local area population among funding categories. The Home Opportunity Program is the only HOME component where a percentage of the total grant is allocated among census or large geographical areas.

Threshold Factors

- For all HOME activities: Applicants are required to possess, or partner with entities that have, experience with the HOME program for the activity being proposed (i.e. rental development, owner occupied rehabilitation, etc.).
- For Rental Development activities: Applicants are required to possess, or partner with entities that have, experience operating properties encumbered by HOME Program use restrictions.

Grant size limits and outcome measures expected as a result of the method of distribution

Grant Size Limits for HOME Program – outcome measures in sub-bullets

- Home Ownership Opportunity Program (HOP) – up to $30,000 per homeowner
  - Outcomes are geographic areas served by program funds
- Homeownership Development Program (HDP) – up to $40,000 per unit
  - Units funded within close proximity to public services and facilities
- Owner Occupied Rehabilitation Program (ORP) – up to $50,000 per homeowner
  - Units funded in specific geographic areas
- Rental Development (RD) – none
  - Units funded and income targeting level

Emergency Solutions Grant

State program addressed by the Method of Distribution.

All Emergency Solutions Grants (ESG) program activities work towards providing safe, secure housing for Alaska's homeless and those at risk of homelessness. This is accomplished by providing operating support to emergency shelters and funding programs designed to prevent homelessness and/or rapidly re-house homeless persons. The estimated amount the State will receive in SFY2017 is $215,000. ESG funds will be awarded on a competitive basis to units of local government and non-profit organizations.

Criteria that will be used to select applications and the relative importance of these criteria
The ESG regulations now restrict the use of funds for emergency shelter or street outreach activities to "the greater of 60 percent of the recipient's fiscal year grant; the amount of Fiscal Year 2010 grant funds committed" for emergency shelter or street outreach activities. The remaining 40 percent of the annual allocation must be used for homeless prevention, rapid re-housing, or HMIS activities.

To qualify for ESG assistance, program participants must meet the expanded definitions of "homeless" or "at risk of homelessness" described in 24 CFR 2.

Program participants in the "at-risk of homelessness" category must also have incomes below 30% of area median income to qualify for ESG assistance. In addition to documenting client eligibility, agencies providing rental assistance are required to inspect all units to document compliance with HUD's habitability standards and to execute a written rental assistance payment agreement with the landlord.

Process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)

ESG funds will be awarded on a competitive basis to units of local government and non-profit organizations. Applications are received annually, in response to a Notice of Funding Availability (NOFA). To incentivize coordination between the state HAP grant and ESG, AHFC conducts a joint application process for both of these resources. Applicants requesting funding for Emergency Shelter or Street Outreach may request no less than $20,000 and no more than $30,000. The reason for these funding limitations is to achieve both administrative efficiency and broader geographic distribution of funds among Alaska's shelters. Should ESG allocations for this component rise above $160,000, the funding limit will rise commensurately to $40,000. No funding limits for the Homeless Prevention/Rapid Re-Housing set-aside will be considered until after a funding cycle occurs in which multiple applicants seek ESG funding for these activities.

How resources will be allocated among funding categories.

The ESG regulations restrict the use of funds for emergency shelter or street outreach activities to "the greater of 60 percent of the recipient's fiscal year grant; the amount of Fiscal Year 2010 grant funds committed" for emergency shelter or street outreach activities. The remaining 40 percent of the annual allocation must be used for homeless prevention, rapid re-housing, or HMIS activities.

Threshold factors and grant size limits.
Applicants for ESG/HAP funding now use an online application system that affords them an equal opportunity to submit within the same timeframe regardless of their remote location or transportation challenges. Most agencies applying for HAP/ESG funding are returning grantees seeking funding to continue their services into the next program year. Following the lead of the CoC process, past performance in achieving service projections and housing stability constitutes a significant portion of the ranking factors each year. If the applicant is not a returning grantee, they must provide a narrative explanation for 1) how they developed their service projections, 2) what they will do to monitor and report on housing retention, and 3) the applicant's experience and capability to serve homeless persons and meet all of the regulatory and administrative requirements.

Another ranking factor is relationship of their proposed activities to achieving the goals of state & local homeless plans. Other ranking factors include local progress toward a centralized or coordinated assessment process, the extent to which efforts are made to link program participants to mainstream resources, policies and procedures for prioritizing the delivery of homeless services and the degree to which each budget line item requested is thoroughly explained. Bonus points for small, rural communities and multi-agency partnerships are also part of the rating criteria.

Up to 10 points may be deducted for a pattern of late reports or unresolved findings. In the next competition cycle, repeated findings for the same infraction in the 36 months prior to the application date will be added to the point deduction section. With the exception of the narrative answers, AHFC has converted to an objective scoring system. Applications from agencies that did not receive funding in the prior year will be forwarded to a Project Evaluation Committee (PEC) to assign points to any subjective (narrative) sections of the application.

Outcome measures expected as a result of the method of distribution?

3000 unduplicated persons through ES-operations
10HH/25PP: homeless households/persons moving to permanent housing through –Homeless Assistance
10HH/25PP: households/persons stabilized with rent/utility through Homeless Prevention
20HH/50pp: households/persons receiving case management through RRH/HP Case Management

<u>Community Development Block Grant</u>

Criteria that will be used to select applications and the relative importance of these criteria
Project Description & Selection/Citizen Participation Plan (15%), Project Plan & Readiness (25%), Project Impact (25%), Budget/Match/In-Kind (25%), Administrative Capabilities (10%)

If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG Only)

Each application cycle DCCED sends a letter to every community in the state, including those over 51% low- to moderate-income informing them of the application deadline and how to access the application manual and application materials. This information is also available on the DCCED website. Hard copies may be requested from DCCED and electronic copies can be accessed online.

How resources will be allocated among funding categories N/A

Threshold factors and grant size limits.

Grants are limited to $850,000 or less. Threshold factors include, but are not limited to: establishing a benefit to low- to moderate-income persons, meeting the federal requirements for public participation, application by eligible municipality, providing all requested application materials, and substantially completing prior CDBG-funded projects.

Recaptured funds are unspent funds which DCCED recovers from grantees when it is clear that an approved activity is no longer viable or that the recapture will not preclude local ability to complete the approved activities or when the activities have not been completed and funds remain in the grant agreement.

Recaptured funds will either be reallocated to existing grantees who demonstrate a need for additional funds (not exceeding a grant cap of $850,000) or be reallocated to applicants between award cycles when it is demonstrated to the satisfaction of the Department that an immediate and pressing need exists and it is in the best interests of the program and applicant to award funds immediately.

Reallocated funds will be reported by year of annual grant.

Outcome measures expected as a result of the method of distribution
The State of Alaska expects CDBG projects to benefit approximately 700 low- to moderate-income individuals.

National Housing Trust Fund

The GOAL Program includes the criteria for the distribution of the National Housing Trust Fund available at: https://www.ahfc.us/files/8914/6307/0229/2016_QAP_Draft_051116.pdf

State program addressed by the Method of Distribution.

The National Housing Trust Fund (NHTF) addresses the State's Greater Opportunities for Affordable Living (GOAL) program. The GOAL Program provides grants, federal tax credits and zero-interest federal loans to developers and project sponsors who build affordable rental housing for low to moderate income families and seniors.

Criteria that will be used to select applications and the relative importance of these criteria.

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

1. Project Location (up to 21 points)
2. Project Design (Maximum 43 points)

3. Project Characteristics (Maximum 37 points)
4. Market Conditions (Up to 45 points)
5. Underwriting (40 Points)
6. Project Leveraging (Maximum 28 points)
7. Project Team Characteristics (1 point)
8. Job Training Program (Maximum 6 points)
9. Geographic Distribution, Sponsor Award Limits, and Tie-break Provisions

For a more complete description of the application rating and ranking criteria, please visit the GOAL Program section at www.ahfc.us

How resources will be allocated among funding categories.

AHFC's policy is to encourage the responsible development of housing for seniors, lower income persons and families through the allocation of GOAL program funds. **A separate policy and procedures manual for the GOAL program is available from AHFC.** (See www.ahfc.us). Additionally, AHFC's policy is to minimize any adverse impact on existing residents of buildings that will be acquired or rehabilitated with GOAL program funds. Where relocation of existing residents will occur as the result of GOAL program funding, a relocation assistance plan will be required from all applicants.

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

Threshold Factors

Please see a complete description of Threshold Requirements to be considered for GOAL Program funding at: https://www.ahfc.us/index.php?cID=223

Grant size limits and outcome measures expected as a result of the method of distribution

Per Unit Limits - NHTF awards will be limited to the applicable project cost standards plus 20%. Funding limits will apply to the specific units funded through the NHTF award. Refinancing Limits – NHTF awards may not be used to refinancing existing debt. NHTF awards may be used to fund renovations in projects with a debt restructure, but the NHTF dollars may not be used to restructure and / or refinance the debt itself.

AP-35 Projects

Introduction:

1	Project Name	Rental Housing Development
	Target Area	
	Goals Supported	Availability and Accessibility of Decent Housing
	Needs Addressed	Renter Small Related extremely low and low income Renter Small Related Medium Income Renter Large extremely low and low income Renter Large medium income Renter Elderly Extremely low and Low Income Renter All Other Types Elderly -Special Needs Homeless Special Needs
	Funding	HOME: $**1,570,000**
	Description	Over the last several years, AHFC has increased the emphasis on rehabilitation and preservation of existing affordable housing resources in the rating criteria for the LIHTC, HOME and Senior Citizen Housing Development Fund (SCHDF) programs. As a result, more affordable housing rental units have been renovated and several federally subsidized rental projects have remained in the affordable housing stock. Yet, throughout the state, there are still serious shortages of affordable, decent housing for low-income Alaskans. Constraints of financial feasibility impede the development of affordable housing, in both rural and urban communities. Critical to the implementation of the strategies contained in this Plan is a dedicated source of funds to leverage other funding sources for the development of new affordable housing opportunities, as well as the acquisition and rehabilitation of existing structures.
	Target Date	

	Estimate the number and type of families that will benefit from the proposed activities	This program meets the HUD objective of providing decent housing with improved or new affordability. The following outcomes are estimations that will be used to measure the progress of this program: · It is estimated that five (5) units will be HOME assisted. · It is estimated that five (5) units will be AHFC HOME set asides. · It is estimated that none of those units will be made available to the elderly. It is estimated that two (2) of those units will be made accessible.
	Location Description	
	Planned Activities	

2	Project Name	Homeownership Development Program
	Target Area	
	Goals Supported	Affordability of Decent Housing
	Needs Addressed	Creating affordable housing for LMI families through assistance with the cost of development.
	Funding	**HOME: $300,000**
	Description	The project sponsor is responsible for identifying homebuyer assistance resources that may be necessary for low-income homebuyers to purchase the home for the proposed sales price. Units assisted with homeownership development funds under this program are not eligible for buy down assistance under the Home Opportunity Program (HOP) but are eligible to receive down payment and closing cost assistance.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	This program meets the HUD objective of providing decent housing with improved affordability. The following outcomes are estimations that will be used to measure the progress of this program: It is estimated that twelve units will be developed. It is estimated that twelve units will meet the Alaska equivalent of the Energy Star standard.
	Location Description	
	Planned Activities	

3	Project Name	Home Opportunity Program
	Target Area	Balance of State
	Goals Supported	Affordability of Decent Housing
	Needs Addressed	Creating affordable housing for LMI families through down payment assistance
	Funding	**HOME: $870,000**
	Description	In the State of Alaska the greatest obstacles to achieving homeownership is generally an inability to qualify for conventional financing at the loan amount necessary to purchase homes; accumulate savings sufficient to satisfy down-payment and closing cost requirements. A total of $**870,000 in SFY2017** (FFY 2016) HOME funds is reserved to provide down-payment, closing costs and buy down assistance to lower income homebuyers. The Home Opportunity Program (HOP) will be administered by non-profit corporations and/or public agencies that have been competitively awarded funds by AHFC. A Notice of Funding Availability (NOFA) or a Request for Qualification (RFQ) will be announced. Interested agencies are invited to respond by the published deadline and proposals are evaluated by AHFC. Prospective borrowers will be required to complete an orientation to homeownership through AHFC's innovative HOME CHOICE workshop offerings, or an equivalent program offered by private lenders and other qualified entities. Eligible borrowers must have annual incomes at or below 80 percent of the area median, as determined by HUD, adjusted for household size. Additionally, they must exhibit the ability to meet the on-going responsibilities of homeownership, including the repayment of the primary mortgage loan. The HOP program will primarily utilize the recapture model. The resale model is only allowable when HOP funds are being used in conjunction with other HOME projects that have received prior approval from AHFC to utilize the resale model.
	Target Date	

	Estimate the number and type of families that will benefit from the proposed activities	This program meets the HUD objective of providing decent affordable housing with improved availability. The following outcomes are estimations that will be used to measure the progress of this program: It is estimated that forty homebuyers will receive assistance. It is estimated that twenty will be first-time homebuyers. It is estimated that twenty homebuyers will receive down payment or closing cost assistance. It is estimated that thirty homebuyers will receive buy downs. There are several factors that will influence these outcomes such as: market conditions, interest rates, changes in lending criteria and the income of households who apply.
	Location Description	
	Planned Activities	
4	Project Name	Tenant-Based Rental Assistance
	Target Area	Balance of State
	Goals Supported	Affordability of Decent Housing
	Needs Addressed	Renter extremely low and low income Renter Medium Income Renter All Other Types
	Funding	HOME: $660,000
	Description	AHFC has identified the need to provide Tenant Based Rental Assistance (TBRA) to eligible households that are at or below 60% of the median area income. Preference is given to special needs and at-risk populations as articulated in the Five Year (SFY2015 through 2019) Consolidated Housing and Community Development Plan. In SFY2017 (FFY2016), HOME funding for TBRA will be allocated in the amount of $660,000. AHFC has partnered with State of Alaska Department of Corrections and Office of Children's Services to target special needs and at-risk populations who will be transitioning from State supervision or programs into permanent housing. In addition, AHFC may select sub-recipients through a NOFA or RFQ process to assist with the administration of TBRA. TBRA is essential to meeting the unmet needs of special needs and at-risk populations by providing opportunities for those seeking individual living options in normal residential settings or in need of subsidized rental housing; TBRA will help narrow the gap in benefits and services received.
	Target Date	

	Estimate the number and type of families that will benefit from the proposed activities	It is estimated that sixty-two LMI households will be assisted.
	Location Description	
	Planned Activities	TBRA is an essential part of AHFC's housing strategy and market conditions make TBRA a viable option; rental unit availability data indicates that there is an ample supply of units to make TBRA a viable housing strategy. TBRA Vouchers may not be used within the Municipality of Anchorage. The TBRA service area will include communities that are served by the AHFC Public Housing Division, outside of Anchorage. There are a number of factors that will influence this outcome such as the length of the assistance provided to each household and the time it takes to perfect the TBRA delivery system. If households are renewed or require additional months of assistance than initially planned for, the number of households served may be reduced. In addition, outcomes may not be realized until future plan years as AHFC perfects the TBRA delivery system and forges partnerships necessary to implement TBRA.

5	Project Name	CHDO Operating Expense Assistance (OEA)
	Target Area	Balance of State
	Goals Supported	Community Development
	Needs Addressed	
	Funding	HOME: $150,000
	Description	CHDO Program Funds are set aside for Community Housing Development Organizations to own, develop or sponsor HOME assisted units through the RHD program, subject to the limitations of 24 CFR 92.300
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	5
	Location Description	

6	Project Name	13-CDBG-01 City of Stebbins
	Target Area	Balance of State
	Goals Supported	Community Development
	Needs Addressed	Public Improvements
	Funding	CDBG: $850,000
	Description	This project creates an overhead electrical power line between the communities of Stebbins and St. Michael in western Alaska. The intertie consists of 11 miles of overhead line and will allow the two communities to utilize a consolidated power plant in Stebbins and a new standby module in St. Michael. The new electrical system will utilize renewable resources and provide more reliable and affordable electric service.
	Target Date	
	Number and type of families that will benefit	This project will provide an area-wide benefit to both communities, affecting a total population of 957.
	Location Description	Stebbins, St. Michael
	Planned Activities	

7	Project Name	13-CDBG-02 City of Coffman Cove
	Target Area	Balance of State
	Goals Supported	Community Development
	Needs Addressed	Public Improvements
	Funding	CDBG: $609,791
	Description	This project replaces the drive-down ramp to the Coffman Cove Boat Harbor. The old ramp is nearly 40-years-old and is closed to all but foot traffic due to the weakened condition of the structural frames. Replacing the ramp guarantees the stability of the local economy, which is heavily dependent on harbor access, and it eliminates the imminent public safety threat posed by the old ramp.
	Target Date	
	Number and type of families that will benefit from the proposed activities	This project will provide an area-wide benefit to Coffman Cove, affecting a total population of 176.
	Location Description	Coffman Cove
	Planned Activities	

8	Project Name	13-CDBG-05 City of Unalakleet
	Target Area	Balance of State
	Goals Supported	Community Development
	Needs Addressed	Public Facilities
	Funding	CDBG: $225,000
	Description	This project provides funding for the development of design and construction documents to enable the City of Unalakleet to construct an elders' assisted living facility. No such facility currently exists within 180 miles of the community despite a strong local commitment to maintaining elders as close to home as possible.
	Target Date	
	Number and type of families that will benefit from the proposed activities	This project will provide an area-wide benefit to Unalakleet, affecting a total population of 688.
	Location Description	Unalakleet
	Planned Activities	

9	Project Name	13-CDBG-06 City of Aleknagik
	Target Area	Balance of State
	Goals Supported	Community Development
	Needs Addressed	Public Improvements
	Funding	CDBG: $150,000
	Description	This project provides funding for the development of design and construction documents to enable the City of Aleknagik to construct a public safety and heavy equipment warm storage building. The new facility will ensure that essential equipment is stored in a warm and dry place in order to save parts, emergency medical supplies, and the fire truck's water supply from freezing. This will allow the City to be better prepared for emergency response and maintaining public services during the winter months.
	Target Date	
	Number and type of families that will benefit	This project will provide an area-wide benefit to Aleknagik, affecting a total population of 219.
	Location Description	Aleknagik

10	Project Name	13-CDBG-07 City of Pilot Point
	Target Area	Balance of State
	Goals Supported	Community Development
	Needs Addressed	Public Facilities
	Funding	CDBG: $172,500
	Description	This project purchases a fire tanker vehicle for the community of Pilot Point on the Alaska Peninsula. The old fire truck has a ruptured water tank and is in major disrepair. This project increases the safety of firefighters and the entire community, and provides the Fire Department with modern equipment which meets current safety and regulatory requirements.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	This project will provide an area-wide benefit to Pilot Point, affecting a total population of 68.
	Location Description	Pilot Point
	Planned Activities	

11	Project Name	13-CDBG-08 City of Pilot Station
	Target Area	Balance of State
	Goals Supported	Community Development
	Needs Addressed	Public Facilities
	Funding	CDBG: $84,725
	Description	This project provides funding for the development of a feasibility study for a new landfill. The current landfill is less than 200 feet away from a primary educational institution and is nearing its total capacity. The plan for the new landfill will comply with all state and federal guidelines concerning air and water quality, and solid waste management.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	This project will provide an area-wide benefit to Pilot Station, affecting a total population of 568.
	Location Description	Pilot Station
	Planned Activities	

12	Project Name	13-CDBG-09 City of Scammon Bay
	Target Area	Balance of State
	Goals Supported	Community Development
	Needs Addressed	Public Facilities
	Funding	CDBG: $198,437
	Description	This project provides funding for the development of design and construction documents to enable the City of Scammon Bay to construct a community hall which will act as a gathering place for public meetings and cultural events. It will also act as a teen center to help combat the recent high suicide rate among the growing youth population.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	This project will provide an area-wide benefit to Scammon Bay, affecting a total population of 474.
	Location Description	Scammon Bay
	14 - Project Name	13-CDBG-10 City of Eek
	Target Area	Balance of State
	Goals Supported	Community Development
	Needs Addressed	Public Improvements
	Funding	CDBG: $400,876
	Description	This project constructs a new solid waste facility for the community of Eek that complies with all state and federal regulations. The current facility is out of compliance and poses a significant health threat to the community.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	This project will provide an area-wide benefit to Eek, affecting a total population of 296.
	Location Description	Eek

13	Project	14-CDBG-01 City of Saxman
	Targer Area	Balance of State
	Goals Supported	Community Development
	Needs Addressed	Public Improvements
	Funding	CDBG: $180,000

	Description	This project provides funding for the expansion and renovation to the 40-year-old Edwin Dewitt Carving Center. The expansion and renovation will improve energy efficiency and ADA accessibility, and provide additional carving bays for local carvers to work on traditional Alaska Native arts.
	Targert Date	
	Estimate the number and type of families that will benefit from the proposed activities	This project will provide an area-wide benefit to Saxman, affecting a total population of 411.
	Location description	Saxman

14	Projet Name	14-CDBG-02 City of Allakaket
	Target Area	Balance of State
	Goals Supported	Community Development
	Needs Addressed	Public Improvement
	Funding	CDBG: $850,000
	Description	This project provides funding for the construction of a new health clinic. The new clinic facility will improve the health and safety of all residents by providing comprehensive preventive and primary medical, behavioral, and oral health care services to all residents of the Allakaket region in a medically safe and functional clinic environment.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	This project will provide an area-wide benefit to Allakaket, affecting a total population of 105
	Location Description	Allakaket

15	Project Name	14-CDBG-03 Lake and Peninsula Borough
	Targer Area	Balance of State
	Goals Supported	Community Development
	Needs Addressed	Public Improvements
	Funding	CDBG: $850,000

	Description	This project provides funding to mitigate riverbank damage adjacent to the Igiugig fuel farm, which is located near the bank of Kvichak River. This project will prevent the fuel tanks from sliding into the river and the subsequent community disaster that would follow. It will also prevent costly fuel farm repairs, interruption of services to the community, and loss of local business.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	This project will provide an area-wide benefit to Iguigig, affecting a total population of 50
	Location Description	Iguigig

16	Project Name	14-CDBG-04 Alleutians East Borough
	Target Area	Balance of State
	Goals Supported	Community Development
	Needs Addressed	Public Improvements
	Funding	CDBG: $532,000
	Description	This project provides funding to mitigate erosion in Nelson Lagoon by replacing the seawall with geotextile containers. The borough and the community of Nelson Lagoon recognize that erosion is a concern and that they need to take action to minimize its impacts on the community. This project will improve the safety and welfare of Nelson Lagoon residents.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	This project will provide an area-wide benefit to Nelson Lagoon, affecting a total population of 50
	Location Description	Nelson Lagoon

17	Project Name	14-CDBG-05 City of Ekwok
	Target Area	Balance of State
	Goals Supported	Community Development
	Needs Addressed	Public Improvements
	Funding	CDBG: $850,000
	Description	This project provides funding to construct a landfill access road to a new landfill site. The new landfill will allow the city to start operating solid waste service in compliance with all state and federal solid waste regulations, eliminate multiple health and safety issues presented by the current landfill, and meet FAA runway separation distance requirements.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	This project will provide an area-wide benefit to Ekwok, affecting a total population of 115
	Location Description	Ekwok

18	Project Name	14-CDBG-06 City of Saint Mary's
	Target Area	Balance of State
	Goals Supported	Community Development
	Needs Addressed	Public Improvements
	Funding	CDBG: $250,000
	Description	This project will provide funding for the development of design and construction documents to enable the City of Saint Mary's to construct a community hall. The new facility will provide an adequate and safe space for community-wide gatherings and events.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	This project will provide an area-wide benefit to Saint Mary's affecting a total population of 507
	Location Description	Saint Mary's

Table 52 – Project Information

The reasons for allocation priorities and obstacles to addressing underserved needs

The main three obstacles that complicate the process of addressing needs in the State of Alaska are cost and the lack of capacity and resources.

Most applicants find it very challenging to identify funding sources to fill the gap between HOME funds and other grants and the actual cost of projects. The cost of construction in rural Alaska is much higher than in urban areas and the cost of construction in the urban areas of Alaska is much higher than in other states.

The building season in Alaska is shorter than in most states and it shortens more dramatically the farther north the project. Costs are driven higher where materials must be flown or barged to the project site. In order to obtain experience and develop the qualifications necessary to create the efficiencies that keep project costs within budget, workers and organizations in rural areas face challenges not always evident in urban Alaska. Training, modern technologies and other resources may not be readily available in small communities. Local organizations or communities and regional Housing Authorities continue to work diligently, and successfully, to identify and bridge these gaps.

Another obstacle is the growing number of labor-intensive requirements to administer the ESG program, especially the Homeless Prevention and Rapid Re-Housing components. Many homeless service providers around the state are small, faith-based operations with only one or two paid staff and a corps of volunteers. The complexity of qualifying and assisting ESG program participants requires significant capacity building efforts.

AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)

Will the state help non-entitlement units of general local government to apply for Section 108 loan funds?

The State has no plans to make available Section 108 Loan Guarantees through CDBG.

Available Grant Amounts

N/A

Acceptance process of applications

N/A

AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)

Will the state allow units of general local government to carry out community revitalization strategies?

No

State's Process and Criteria for approving local government revitalization strategies

N/A

AP-50 Geographic Distribution – 91.320(f)

Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed

The State does not target specific geographic areas in the Consolidated Plan. The allocation criteria of several competitive programs have a priority that awards points to projects located in small communities, as defined by AHFC. A small community is a community of 6,500 or less that is not connected by road or rail to Anchorage or Fairbanks. Or, a community of 1,600 or less that is connected by road or rail to Anchorage or Fairbanks and is located at least 50 statute miles outside of Anchorage or 25 statute miles outside of Fairbanks. In this definition, "connected by road" does not include a connection by the Alaska Marine Highway System or roads outside the boundary of the State of Alaska.

Rationale for the priorities for allocating investments geographically

Because funds are distributed through a competitive process, the State cannot predict who will apply or how funds will be distributed geographically. The State does, however, emphasize funding for rural community needs, especially as they relate to low- and moderate-income (LMI) population.

Alaska's wide range of housing and community development conditions makes the use of guiding principles the most practical and effective approach of targeting scarce HCD resources. The seven guiding principles were developed from HCD public hearings; consultation with federal, state and local entities; involvement with housing and community development in both the private and public sectors over the past five years; and an analysis of the Consolidated Annual Performance Evaluation Reports (CAPERs) for state fiscal years 2006, 2007, 2008 and 2009. Data gathered in the development of this five year plan support the seven guiding principles above.

Affordable Housing

AP-55 Affordable Housing – 24 CFR 91.320(g)

Introduction: Over the last several years, AHFC has increased the emphasis on rehabilitation and preservation of existing affordable housing resources in the rating criteria for the LIHTC, HOME and Senior Citizen Housing Development Fund (SCHDF) programs. As a result, more affordable housing rental units have been renovated and several federally subsidized rental projects have remained in the affordable housing stock. Yet, throughout the state, there are still serious shortages of affordable, decent housing for low-income Alaskans. Constraints of financial feasibility impede the development of affordable housing, in both rural and urban communities. Critical to the implementation of the strategies contained in this Plan is a dedicated source of funds to leverage other funding sources for the development of new affordable housing opportunities, as well as the acquisition and rehabilitation of existing structures.

One Year Goals for the Number of Households to be Supported	
Homeless	10
Non-Homeless	40
Special-Needs	15
Total	**65**

Table 7 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	20
The Production of New Units	45
Rehab of Existing Units	20
Acquisition of Existing Units	20
Total	**65**

Table 8 - One Year Goals for Affordable Housing by Support Type

Discussion:
On average, our rental and homeownership development programs facilitate the new construction and / or rehabilitation of approximately 160 units throughout the State. While our programs collectively achieve a significant geographic distribution of resources, the majority of these units created through the Low-Income Housing Tax Credit program.

Using historical production date and assumptions for leverage funding, the numbers reported in tables 58 and 59 represent conservative performance targets for the Balance of State.

*the total household goal of 65 assumes that the 20 units paired with rental assistance will be connected to acquisition and rehabilitation activities.

On an annual basis through the Greater Opportunities for Affordable Living (GOAL) program and/or the Special Needs Housing.

Grant (SNHG) program, AHFC announces the availability of HOME funds for rental development. The SNHG program allocates capital development funds to develop rental housing projects that will serve special needs, and often low-income households. In SFY2017, HOME rental development funds may also be awarded through the SNHG award process, in addition to the GOAL process, if AHFC deems that it is in the best interest of the HOME program to do so.

Community Housing Development Organizations (CHDOs) Development Activities

The National Housing Affordability Act placed a high priority on using community-based non-profit organizations to develop affordable housing. A set-aside of 15 percent of each Participating Jurisdiction's HOME funds was mandated for the exclusive use of CHDOs. The standards for certification as a CHDO were established by federal regulation. Only certified CHDOs will be eligible to access the set-aside of CHDO funds for the development of affordable housing. This program meets the HUD objective of providing decent housing with improved affordability.

CHDO set-aside funds are a sub-set of HOME funds reserved for the development of affordable housing. In the State of Alaska HOME Program, these funds may be used for allowable HOME activities outlined in the Rental Development Activities, through the GOAL and SNHG programs described above, subject to the limitations of 24 CFR 92.300. If an eligible CHDO is awarded HDP funding, those funds may be designated as CHDO set-aside or CHDO reserve funds. To participate in the CHDO set-aside, an organization must complete the following steps:

a. Complete and submit an annual application to AHFC for certification as a CHDO with the appropriate supporting documentation;
b. Receive certification from AHFC, after compliance with CHDO criteria about legal status, board structure and composition and demonstrated capacity;
c. Submit a Greater Opportunities for Affordable Living (GOAL), Special Needs Housing Program (SNHG) or HDP program proposal for evaluation. Proposals will be solicited through a NOFA process.

Operating Expense Assistance Program for Community Housing Development Organizations (CHDOs)

HUD gives the option to states of providing a limited amount of operating support funds to CHDOs actively expanding affordable housing opportunities with HOME funds. A maximum of five percent (5%) of the state's annual HOME allocation may be used for this purpose.

A total of $150,000 in SFY2017 (FFY 2016) HOME funds may be used for the Operating Expense Assistance Program for Community Housing Development Organizations (CHDOs). If these funds are not used for CHDO operating support they will be used for rental housing development or other eligible HOME activities.

AP-60 Public Housing - 24 CFR 91.320(j)

Introduction:
AHFC produces an annual Moving to Work Plan and an annual Moving to Work Report. These are available for review on AHFC's website http://bit.ly/1Xbkfq8 as well as HUD's Moving to Work website - http://1.usa.gov/1I0t0we

Actions planned during the next year to address the needs to public housing

See AHFC's Moving to Work Plan and an Annual Moving to Work Report at:
https://www.ahfc.us/publichousing/resources/mtw-plans-and-reports/

Actions to encourage public housing residents to become more involved in management and participate in homeownership

The purpose of AHFC's Resident Advisory Board (RAB) is to provide advice and comment to AHFC on proposed operations, the annual Moving to Work Plan, proposed construction activities, and other items of interest to AHFC's public housing and housing choice voucher clients. Comments received from the RAB are reported to AHFC's Board of Directors. The RAB is composed of eleven members from AHFC's Public Housing (PH), Section 8 New Multifamily Housing (S8N), and Housing Choice Voucher (HCV) programs

The RAB is composed of eleven members from AHFC's Public Housing (PH), Section 8 New Multifamily Housing (S8N), and Housing Choice Voucher (HCV) programs:

- Two (2) members from Anchorage
- Two (2) members from Juneau
- Two (2) members from Fairbanks
- One (1) member from Mat-Su
- One (1) member from Soldotna and Homer
- Three (3) members from Bethel, Cordova, Ketchikan, Kodiak, Nome, Petersburg, Seward, Sitka, Valdez, and Wrangell

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

N/A

AP-65 Homeless and Other Special Needs Activities – 91.320(h)

Introduction

Alaska Housing Finance Corporation will administer federal and state resources throughout the Alaska Continuum as appropriate to meet the specific needs of each community as identified through community plans and data gathered from the annual Point-In-Time Count of homeless persons, Housing Inventory Chart, and Alaska Homeless Management Information System. Funding considerations include maintaining current homeless facilities, supporting homeless prevention services, providing homeless outreach, and activities to assist homeless persons transition to permanent housing and independent living.

The jurisdictions one-year goals and actions for reducing and ending homelessness including:

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

Alaska Housing Finance Corporation will continue to assist local homeless coalitions and the Alaska Coalition on Housing and Homelessness to conduct outreach activities to homeless persons through the annual Point-In-Time Count and events such as Project Homeless Connect. In addition, the state will continue to coordinate with Alaska 2-1-1 to ensure that persons in need are connected to appropriate services. Goal: Increase in utilization of the Alaska Housing Locator and 2-1-1 system for housing resources. Indicators: Annual 2-1-1 report to AK Council on the Homeless & Annual Housing Locator Report.

Addressing the emergency shelter and transitional housing needs of homeless persons

The State will use a combination of federal and state resources to ensure that no homeless persons are forced to sleep in places not meant for human habitation. Alaska will use the maximum amount of ESG funds allowable to help shelters meet their operating costs. Funding to adequately staff and operate emergency shelters and transitional housing facilities will also remain a high priority for the State's Basic Homeless Assistance Program (BHAP). Goal: ES-Reduction in the number of unsheltered homeless count; ES/TH-no net loss of beds where utilization remains 75% or higher. Indicators: ES-# of Unsheltered persons in Point-In-Time count; ES/TH-# of beds vs. utilization rate in Homeless Inventory Chart.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable

housing units, and preventing individuals and families who were recently homeless from becoming homeless again

The State will use a combination of federal and state resources to rapidly re-house and stabilize homeless persons, especially chronically homeless individuals & families, families with children, veterans and their families and unaccompanied youth. ESG-funded medium-term rental assistance, VASH vouchers for homeless veterans, state-funded permanent housing placement programs and properties funded under the Special Needs Housing Grant (SNHG) are just some of the examples of resources that will be utilized to shorten the period of time that individuals and families experience homelessness. Goal: ES- maintain average length of stay at 2 months or less; TH-80% exiting TH for permanent housing. Indicators: ES-HMIS report; TH-Annual Performance Reports drawn from HMIS of TH providers.

AHFC has partnered with the State of Alaska Department of Corrections and Office of Children's Services to target special needs and at-risk populations who will be transitioning from State supervision or programs into permanent housing. TBRA is essential to meeting the unmet needs of special needs and at-risk populations by providing opportunities for those seeking individual living options in normal residential settings or in need of subsidized rental housing; TBRA will help narrow the gap in benefits and services received.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

Alaska Housing Finance Corporation will continue to provide funding through the Basic Homeless Assistance Program (BHAP) that provides direct financial assistance with rent, mortgage, and utility arrearages for low-income individuals and families threatened by homelessness.

AHFC will continue to implement the TBRA program that assists persons discharged from publicly funded institutions and systems of care. Council members will continue to support the Department of Correction's review of and strengthening policies that require housing plans prior to discharge. Resources targeting persons leaving state custody such as HOME TBRA vouchers and assisted living facilities will be utilized and new resources such as the HUD 811 PRA program will be developed for this purpose. Goal: Reduction in the percentage of persons entering homeless facilities from public institutions or systems of care. Indicator: AHAR reports drawn from HMIS.

The State will incentivize agencies that apply for funding by awarding significant points to those that endeavor to ensure that homeless persons are receiving assistance from public and private agencies that address housing, health, social services, employment, education or youth needs. The State will also coordinate through the Alaska Council on the Homeless and the Alaska Coalition on Housing & Homelessness activities and programs that more effectively connect homeless persons to those support connections. GOAL: 30% of persons in TH/PSH programs employed at end of program year/65% of persons in TH/PSH receiving non-cash (mainstream) supports at end of program year. Indicator: Annual Performance Reports drawn from HMIS of TH/PSH providers.

Nursing Facilities

In its efforts to help elderly persons and individuals with disabilities transition from nursing facilities back into the community, AHFC would like to include to its list of partnerships, future work with The Governor's Council on Disabilities and Special Education and the Division of Senior and Disability Services' Nursing Facility Transition Fund. Directly from SDS's website http://1.usa.gov/1W7xw2I

"The funds from the Nursing Facility Transition Program can be used to help an elderly person or individual with a disability transition from a nursing facility back into the community. We can provide one-time funds for:

1. *Home or environmental modifications;*
2. *Travel/room/board to bring caregivers in from a rural community to receive training;*
3. *Trial trips to home or an assisted living home;*
4. *Payment for an appropriate worker for skill level needed;*
5. *Security deposits;*
6. *One-time initial cleaning of home;*
7. *Basic furnishings necessary to set up a livable home;*
8. *Transportation to the new home.*
9. *Other needed items or services may be approved by Program Coordinators."*

AP-75 Barriers to affordable housing – 91.320(i)

Introduction:

Actions planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

Development costs and stagnant incomes are the two biggest barriers to affordable housing across the State. In response, HOME Investment Partnership funding has been focused on rental development and homeownership assistance to reduce the cost of buying or renting a home. Furthermore, rental assistance through the HOME program has also been used to support the most vulnerable populations from children aging out of foster care to newly released prisoners whose abilities to generate income and fine housing are hampered by criminal histories.

Please see section AP-85 for a description of the Teacher, Health Professional, and Public Safety Housing Grant Program.

AP-85 Other Actions – 91.320(j)

Introduction:

Other activities to be undertaken during SFY2017 (FFY2016) including actions to promote the development and maintenance of affordable housing, including the use of public housing resources and the development of public housing resident initiatives.

Actions planned to address obstacles to meeting underserved needs

A number of actions during SFY2017 will address housing and community development barriers. These actions include the improvement of organizational capacity; the development of infrastructure for housing and community development; the role of local governments in this area targeting and leveraging resources; and protecting and improving housing and community development assets.

The three most significant obstacles to meeting needs addressed by the CDBG program are (1) a short construction season, (2) high cost of construction in remote communities, and (3) lack of administrative capability in rural communities. Obstacle (1) is being addressed by an accelerated application selection process that will make grant funding available for many projects one construction season earlier than in past years. Obstacle (2) is addressed by encouraging communities to access multiple funding sources through required matching funds and encouraging cost-saving measures when possible. Obstacle (3) is addressed by tightening threshold requirements to ensure only those communities with the highest administrative capabilities are considered for funding, continuing to develop accessible training materials, and holding management workshops for communities awarded CDBG funding.

Actions planned to foster and maintain affordable housing:

<u>Teacher, Health Professional, and Public Safety Housing Grant Program</u>

Constant turnover of public service professionals plague our rural communities. Housing has been cited as a major contributor to their decision in leaving their position. Attracting and maintaining qualified teachers, health professionals, and public safety officials in rural Alaska is a priority for the State of Alaska. In order to achieve this, housing for these professionals must be available, affordable and of a quality that encourages these professionals to locate in rural settings. Under the Teacher, Health Professional and Public Safety Housing (THHP) Grant Program, funding is available for the acquisition, rehabilitation, and/or new construction of dedicated professional housing for eligible staff in rural Alaska.

In SFY 2016, AHFC received a total of fifteen applications requesting over $18.17 million in funding. With $2.6 million available for funding, AHFC awarded $2.54 million in THHP funds to five projects for the new construction of 16 units.

Project	Applicant	AHFC Funding Recommendation
Alakanuk teacher and Public Safety Housing	Lower Yukon School District	$850,000
Minto Teacher Housing	Yukon Koyukik School District	$334,445
Port Alsworth Teacher Housing	Lake and Peninsula School District	$371,921
Savoonga Health and Public Safety Housing	Norton Sound Health Corporation	$441,873
Saxman Teacher and Public Safety Housing	City of Saxman	$540,350
	TOTAL	$2,538,589

AHFC will solicit applications for the SFY 2017 THHP Application Round in the spring of 2016. Applicants will submit their proposals to AHFC through a web-based application. Subject to Legislative Appropriation, AHFC will announce the SFY 2017 THHP Awards in the fall of 2016.

Since program inception in SFY 2004, the Teacher, Health Professional, and Public Safety Grant Program has funded the construction or rehabilitation of 434 units of housing totaling $151 million in total project cost. 392 of these units are completed and in service.

<u>Actions planned to reduce lead-based paint hazards</u>

The Consolidated Housing and Community Development Plan supports actions to evaluate and reduce lead-based paint hazards. The Interagency Steering Committee for the Consolidated Plan will continue to work with the Alaska Division of Public Health, Section of Epidemiology to monitor the blood lead levels in tested Alaskan children.

All covered projects under the HOME, CDBG, HOPWA, Public Housing and Section 8 programs will be administered to conform to the applicable lead based paint regulations. Rehabilitation of housing constructed pre-1978 using HUD housing assistance programs covered by the lead based paint rule (Subpart of the Rule Within 24 CFR Part 35), will follow the applicable HUD procedures, reporting and record keeping standards outlined.

Section 1018 of the Residential Lead-Based Paint Hazard reduction Act of 1992 requires that sellers, landlords and agents warn homebuyers and tenants of lead-based paint and lead-based paint hazards in pre-1978 housing. A prospective home purchaser or prospective tenant must receive the following information prior to becoming obligated under any contract to lease or purchase a property covered by this Act:

An EPA approved information pamphlet on identifying and controlling lead-based paint hazards.

Any known information concerning lead-based paint or lead-based paint hazards.

Any records or reports on lead-based paint which are available to the seller or landlord.
An attachment to the contract or lease which includes a Lead Warning Statement and confirms that the seller or landlord has complied with all of the notification requirements.

Sellers must provide homeowners a 10-day period to conduct a paint inspection or risk assessment for lead-based paint or lead-based paint hazards. Parties may mutually agree, in writing, to lengthen or shorten the time period for inspection. Homebuyers may waive this inspection. Sellers are not required by law to allow homebuyers to void their contract based on the results of the lead based paint evaluation.

Beginning in April 2010 and according to EPA-issued new rule, contractors performing renovation, repair and painting projects that disturb lead-based paint in homes, child care facilities and schools built before 1978 must be certified and must follow specific work practices to prevent lead contamination.

Although the testing done so far does not point to a great lead-based paint hazard in Alaska, an estimated 15% to 20% of all of the housing stock in the state may contain lead based paint. The State concurs with the U.S. Environmental Protection Agency that increased education about the potential health risks from exposure to lead based is an important step in reducing health related problems involving lead poisoning. AHFC will continue to seek alliances with other agencies invested in the pursuit of eradicating the potential for Lead-Based Paint in the state's housing stock. These agencies might include the Environmental Conservation Agency (EPA), the Alaska Center for Disease Control (ACDC), and the Department of Health and Social Services (HSS).

Actions planned to reduce the number of poverty-level families

AHFC entered into a Moving To Work Agreement (MTW Agreement) with the US Department of Housing and Urban Development (HUD). MTW is a demonstration program authorized by Congress that gives AHFC the flexibility to waive certain statutes and HUD regulations to test approaches for providing housing assistance. A waiver of statutory or regulatory language must address at least one of three goals:

Reduces cost and achieves greater cost effectiveness in Federal expenditures; Gives incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient; and, Increases housing choices for low-income families.

For a comprehensive review of MTW programs nationwide, please visit the HUD website at: http://www.hud.gov/offices/pih/programs/ph/mtw/index.cfm
Please also visit the AHFC website to view the full text of the fiscal year 2012 Moving to Work Program Annual Plan at: http://www.ahfc.us/reference/plans.cfm

Actions planned to develop institutional structure:

Across Alaska, organizational capacity for the effective delivery of housing and community development programs is very unevenly distributed. Many communities, particularly in rural areas, lack the organizational capacity to effectively implement projects using the multitude of housing and community development programs available. The involvement of several agencies and a variety of funding programs in a single project usually complicates the development process, and places additional demands on the project sponsor.

Limited state-funded technical assistance will also be offered to HOME and CHDO grantees and other non-profit housing providers, including those serving Alaska's homeless and special needs populations. Training and technical assistance opportunities, due to the loss of local HUD CPD-TA dollars, will be limited. A menu of opportunities will be offered, which will include direct technical assistance, topic-based Alaska Training Events, as well as scholarship opportunities to attend local, regional or national training events.

AHFC plans to host one or more Alaska Training Events each year and offer scholarships to approved trainings and conferences for eligible attendees. Participants are required to document the objectives that will be achieved through attendance at a specific training activity. Activities will be available to other providers and/or the general public on a space-available basis on topics such as

Fair Housing/Section 504 that affect a broad spectrum of Alaskan providers. AHFC will also plan training events in coordination with training activities hosted by other groups, such as HUD or the homeless coalition, to maximize training resources and training availability.

AHFC will hold application workshops and grant management workshops based on need as identified through the respective programs. The workshops may cover application processes and technical criteria such as design, energy efficiency, environmental review, Davis-Bacon, fair housing, section 504, and other HUD or AHFC requirements. AHFC may also elect to host grant management training for new or less regular grantees. In addition, AHFC may provide manuals, technical assistance, and templates to develop institutional structure.

The State of Alaska will hold a series of application workshops and management workshops for awarded grantees each year. The workshops will cover specific environmental review, civil rights, Davis-Bacon and other CDBG program requirements. Limited state-funded technical assistance may be offered to municipality personnel, which may include scholarship opportunities for attendance at regularly scheduled application and grant management workshops. In addition the state will provide manuals and technical assistance.

<u>Actions planned to enhance coordination between public and private housing and social service agencies.</u>

The State of Alaska hosts its own trainings by contracting with experienced housing. AHFC participates in all Project Homeless Connect events and supports the Alaska Coalition on Housing and Homelessness, which integrates members from private and public agencies.

AP-90 Program Specific Requirements – 91.320(k)(1,2,3)

Introduction:

The State will consider funding only those projects that meet the first national objective. The overall mission of the State's CDBG program is to enhance the quality of life for LMI persons, particularly in rural Alaska. The CDBG program fulfills this mission by emphasizing the following objectives during the selection process:

- Potential for long-term positive impact and increase in community self-sufficiency

- Reduction of clear and imminent threats, and conditions detrimental to the health and safety of local residents

- Construction and improvement of public facilities and the reduction of maintenance and operation costs

- Development and use of design, engineering, architectural, or feasibility plans as appropriate

- Economic development—including business development, job creation, planning, and special projects

- Evidence of strong local support, i.e., inclusion in a local community, economic, or capital improvement plan

- Use of local resources in combination with CDBG funding

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan	0
The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income	0

Other CDBG Requirements

1. The amount of urgent need activities: $0

HOME Investment Partnership Program (HOME)

Reference 24 CFR 91.320(k)(2)

1. **A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:** No other forms of investments will be used by the HOME program

2. **A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:**

   a. <u>Resale Model</u>
   The HDP resale model requires that when a homeowner sells their home, he or she sells it for a restricted price to a low income household (80% below the median income). HDP funds up to $40,000 may be provided in assistance. HOP funds can only be used for down payment and closing cost assistance in a project assisted with HDP funds. Interest buy downs are not an eligible cost.

   b. <u>Recapture Model</u>
   Under the recapture model the first $10,000 in direct assistance is provided as a forgivable loan. Direct assistance is defined as the difference between the market value and sales price of the home in addition to any HOME assistance. For every year the homeowner continues to own the home and make it his or her primary residence, the loan will be forgiven by a maximum of $2,000, or twenty percent (20%) of the loan, whichever is less. Any remaining HDP assistance provided will be secured against the home as a loan with zero percent (0%) interest, repayable at the time the homebuyer no longer owns the property. If the homeowner fails to meet the primary residency requirement during the affordability period, the full amount of assistance is due and owing. The recapture provisions will be triggered by a sale prior to the completion of the affordability period. The amount subject to recapture is the total amount of direct assistance less the prorated amount of the first $10,000 forgiven per the terms described above plus any amounts that are not forgiven.

   c. In the case of a sale (voluntary or otherwise) the maximum amount of funds subject to recapture is limited to whatever net proceeds (if any) are available. The homeowner must show that the appraised value of the home is not sufficient to pay off the HOME loan(s) in addition to any other lien in superior position, and standard and customary seller's closing costs. Net proceeds are calculated by the sales price less any non-HOME loans or repayments less closing costs.

3. **A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:**

Please see Appendix H for a more complete description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds according to 24 CFR 92.254(a)(4)

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

AHFC has no plans to refinance existing debt for the SFY2017 for the Balance of State

Emergency Solutions Grant (ESG)

Reference 91.320(k)(3)

Written standards for providing ESG assistance

As of this writing, the Emergency Solutions Grant (ESG) program is still operating under the Interim Rule issued December 5, 2011. In addition to administrative activities, ESG funds may be used for five program components: street outreach, emergency shelter, homeless prevention, rapid re-housing assistance and Homeless Management Information Systems (HMIS).

The ESG regulations restrict the use of funds for emergency shelter or street outreach activities to 60 percent of the recipient's fiscal year grant. The remaining 40 percent of the annual allocation must be used for homeless prevention, rapid re-housing, or HMIS activities.

To qualify for ESG assistance, program participants must meet the definitions of "homeless" or "at risk of homelessness" described in 24 CFR 2. Program participants in the "at-risk of homelessness" category must also have incomes below 30% of area median income to qualify for ESG assistance. In addition to documenting client eligibility, agencies providing rental assistance are now required to inspect all units to document compliance with HUD's habitability standards and to execute a written rental assistance payment agreement with the landlord.

Written Standards

In recognition of the large geographic area covered in the Alaska CoC geography and the varying needs and conditions of local communities, Alaska is adopting the provision outlined in 24 CFR 576.400(e)(2)(i)(B) that enables states to require each sub-recipient to establish their own written standards for providing ESG assistance and apply them consistently within the sub-recipient's program. This approach is consistent with the guiding principles of the Alaska HCD Plan which supports the use of local strategies for determining unmet needs and targeting of resources. All requirements for written standards and policies will be incorporated in the grant agreement issued to the sub-recipient, including the following:

a) Standard policies and procedures for evaluating individuals' and families' eligibility for assistance under Emergency Solutions Grant (ESG).
b) Policies and procedures for coordination among emergency shelter providers, essential service providers, homeless prevention and rapid re-housing assistance providers, other homeless assistance providers and mainstream service and housing providers.
c) The sub-recipient will incorporate into their ESG policies and procedures, by reference, existing cooperative agreements they have in place with the local Public Housing agency, the Indian

Housing Agency, the domestic violence shelter, the Dept. of Public Assistance (TANF), and the community behavioral health center.

d) Policies and procedures, consistent with CoC-adopted guidelines, for determining and prioritizing which eligible families and individuals will receive homeless prevention assistance and which eligible families and individuals will receive rapid re-housing assistance.

e) Standards, consistent with CoC-adopted guidelines, for determining the share of rent and utility costs that each program participant must pay, if any, while receiving homeless prevention or rapid re-housing assistance.

f) Standards for determining how long a particular program participant will be provided with rental assistance and whether and how the amount of that assistance will be adjusted over time. Due to the amount of funding available to Alaska, assistance is likely to be limited to no more than 12 months. Adjustments to rental assistance in the event of changes in income will be addressed in a manner similar to the local housing authority for consistency and preparation of the program participant to transfer to a longer term program should the opportunity arise.

g) Standards for determining the type, amount, and duration of housing stabilization and/or relocation services to provide a program participant, including the limits, if any, on the homeless prevention or rapid re-housing assistance that each program participant may receive, such as the maximum amount of assistance; or the maximum number of times the program participant may receive assistance.

Due to funding limitations, the only housing stabilization service anticipated is case management. The sub-recipient will revise their written policies to incorporate the requirement for program participants to meet with their case manager at least monthly while receiving ESG assistance.

If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

The CoC is increasing efforts toward compliance with the requirement for a centralized or coordinated assessment system including discussions with technical assistance advisors to determine how best to coordinate assessment among so many distinctly different communities in a standardized way.

Process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

ESG funds will be awarded on a competitive basis to units of local government and non-profit organizations. Applications are received annually, in response to a Notice of Funding Availability (NOFA). To incentivize coordination between the state BHAP grant and ESG, AHFC conducts a joint application process for both of these resources. Applicants requesting funding for Emergency Shelter or Street Outreach may request no less than $20,000 and no more than $30,000. The reason for these funding limitations is to achieve both administrative efficiency and broader geographic distribution of funds among Alaska's shelters. When ESG allocations for this component rise above $160,000, the funding limit rises commensurately to $40,000. No funding limits for the Homeless Prevention/Rapid Re-Housing set-aside will be considered until after a funding cycle occurs in which multiple applicants seek ESG funding for these activities.

Applicants for ESG/HAP funding now use an online application system that affords them an equal opportunity to submit within the same timeframe regardless of their remote location or transportation challenges. Most agencies applying for HAP/ESG funding are returning grantees seeking funding to continue their services into the next program year. Following the lead of the CoC process, past performance in achieving service projections and housing stability constitutes a significant portion of the ranking factors each year. If the applicant is not a returning grantee, they must provide a narrative explanation for 1) how they developed their service projections, 2) what they will do to monitor and report on housing retention, and 3) the applicant's experience and capability to serve homeless persons and meet all of the regulatory and administrative requirements.

Another ranking factor is relationship of their proposed activities to achieving the goals of state & local homeless plans. Other ranking factors include local progress toward a centralized or coordinated assessment process, incorporation of the Opening Doors Federal Homeless plan, the extent to which efforts are made to link program participants to mainstream resources, policies and procedures for prioritizing the delivery of homeless services and the degree to which each budget line item requested is thoroughly explained. Bonus points for small, rural communities and multi-agency partnerships are also part of the rating criteria. Up to 10 points may be deducted for a pattern of late reports or unresolved findings. Points are also deducted for repeated findings for the same infraction in the 36 months prior to the application date.

With the exception of the narrative answers, AHFC has converted to an objective scoring system. Applications from agencies that did not receive funding in the prior year will be forwarded to a Project Evaluation Committee (PEC) to assign points to any subjective (narrative) sections of the application.

The PEC will primarily be recruited from members of the CoC Decision Making Group that do not have a conflict of interest.

Due to the small amount of ESG funds that are allocated to Alaska each year and the documented high need among shelters for operating assistance, the State will award the maximum amount of its allocation for that purpose, by rank order in the competition. The remaining amount will be awarded to projects that proposed a financially feasible medium-term rental assistance program to prevent homelessness or rapidly re-house those who have been displaced.

If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

Homeless participation requirement (not applicable to states)

Performance standards for evaluating ESG.

Consistent with HUD/CoC performance measures and Alaska's 10-Year Plan to End Long Term Homelessness, the following standards will be used to evaluate ESG activities (and source to determine performance):
Emergency Shelters: Utilization rate of at least 65% (Source: AHAR)
Rapid Re-Housing: 6+ months housing stability rate at least 82% (Source: HMIS/Provider reports)
Homeless Prevention: 90-day housing retention rate of at least 80% (Source: Provider reports).

APPENDIX A

Home Unexpended Funds By Fiscal Year

As of March 11, 2016

Source	Year	Category	Allocated	Committed	Expended	Uncommitted	Unexpended
HOME - Corp	SFY 2010	DHSS - OCS TBRA Admin	$12,000.00	$12,000.00	$ 7,177.75	$ 0.00	$ 4,822.25
HOME - Corp	SFY 2012	GOAL Housing Production	$350,000.00	$350,000.00	$341,477.50	$ 0.00	$ 8,522.50
HOME - Corp	SFY 2013	GOAL Housing Production	$410,633.86	$394,030.58	$157,213.86	$16,603.28	$253,420.00
HOME - Corp	SFY 2013	HOME-HDP	$50,000.00	$50,000.00	$45,000.00	$ 0.00	$ 5,000.00
HOME - Corp	**Sub-Total**					**$16,603.28**	**$271,764.75**
HOME - HUD	FFY 2009	HOME - ORP	$278,737.15	$278,737.15	$276,548.76	$ 0.00	$ 2,188.39
HOME - HUD	FFY 2011	GOAL Housing Production	$148,183.28	$148,183.28	$ 0.00	$ 0.00	$148,183.28
HOME - HUD	FFY 2012	GOAL Housing Production	$760,586.19	$760,586.19	$527,501.09	$ 0.00	$233,085.10
HOME - HUD	FFY 2012	HOME-HDP	$400,000.00	$400,000.00	$349,010.32	$ 0.00	$ 50,989.68
HOME - HUD	FFY 2013	HOME - HOP	$981,700.85	$981,700.85	$973,530.77	$ 0.00	$ 8,170.08
HOME - HUD	FFY 2013	HOME - ORP	$ 95,493.10	$ 95,493.10	$ 76,849.00	$ 0.00	$ 18,644.10
HOME - HUD	FFY 2013	HOME - ORP Admin	$ 33,516.27	$ 33,516.27	$ 30,507.20	$ 0.00	$ 3,009.07
HOME - HUD	FFY 2013	HOME - TBRA	$295,000.00	$206,877.00	$206,877.00	$ 88,123.00	$ 88,123.00
HOME - HUD	FFY 2014	GOAL Housing Production	$624,226.95	$290,000.00	$261,000.00	$334,226.95	$363,226.95
HOME - HUD	FFY 2014	GOAL Housing Production	$367,608.79	$ 0.00	$ 0.00	$367,608.79	$367,608.79
HOME - HUD	FFY 2014	HOME - CHDO	$452,683.05	$ 0.00	$ 0.00	$452,683.05	$452,683.05
HOME - HUD	FFY 2014	HOME - HOP	$750,000.00	$750,000.00	$451,962.58	$ 0.00	$298,037.42
HOME - HUD	FFY 2014	HOME - HOP Admin	$ 72,032.15	$ 72,032.15	$ 46,204.11	$ 0.00	$ 25,828.04
HOME - HUD	FFY 2014	HOME - OEA	$150,894.35	$ 95,365.78	$ 92,665.78	$ 55,528.57	$ 58,228.57
HOME - HUD	FFY 2014	HOME - TBRA	$300,000.00	$210,000.00	$210,000.00	$ 90,000.00	$ 90,000.00
HOME - HUD	FFY 2014	HOME - TBRA Admin	$ 30,000.00	$ 25,033.15	$ 25,033.15	$ 4,966.85	$ 4,966.85
HOME - HUD	FFY 2014	HOME-HDP	$438,293.95	$138,293.95	$134,293.95	$300,000.00	$304,000.00
HOME - HUD	FFY 2015	GOAL Housing Production	$781,516.90	$ 0.00	$ 0.00	$781,516.90	$781,516.90
HOME - HUD	FFY 2015	HOME - CHDO	$450,325.05	$ 0.00	$ 0.00	$450,325.05	$450,325.05
HOME - HUD	FFY 2015	HOME - HOP	$750,000.00	$ 0.00	$ 0.00	$750,000.00	$750,000.00
HOME - HUD	FFY 2015	HOME - HOP Admin	$ 70,000.00	$ 0.00	$ 0.00	$ 70,000.00	$ 70,000.00
HOME - HUD	FFY 2015	HOME - OEA	$150,108.35	$ 0.00	$ 0.00	$150,108.35	$150,108.35
HOME - HUD	FFY 2015	HOME - TBRA	$300,000.00	$157,016.00	$157,016.00	$142,984.00	$142,984.00
HOME - HUD	FFY 2015	HOME - TBRA Admin	$ 30,000.00	$ 16,864.06	$ 16,864.06	$ 13,135.94	$ 13,135.94
HOME - HUD	FFY 2015	HOME-HDP	$270,000.00	$ 0.00	$ 0.00	$270,000.00	$270,000.00
HOME - HUD	SFY 2015	GOAL Housing Production	$55,003.00	$0.00	$0.00	$55,003.00	$55,003.00
HOME - HUD	**Sub-Total**					**$4,376,210.45**	**$5,200,045.61**
HOME-GF	SFY 2014	HOME - HOP Admin	$137,621.00	$137,621.00	$133,204.76	$ 0.00	$ 4,416.24
HOME-GF	SFY 2014	HOME - ORP	$107,903.03	$107,903.03	$106,797.67	$ 0.00	$ 1,105.36
HOME-GF	SFY 2014	HOME - TBRA	$295,000.00	$264,753.94	$264,753.94	$ 30,246.06	$ 30,246.06
HOME-GF	SFY 2015	GOAL Housing Production	$340,000.00	$ 0.00	$ 0.00	$340,000.00	$340,000.00
HOME-GF	SFY 2015	HOME - HOP	$ 25,000.00	$ 25,000.00	$ 15,384.21	$ 0.00	$ 9,615.79
HOME-GF	SFY 2015	HOME - HOP Admin	$ 25,000.00	$ 25,000.00	$ 0.00	$ 0.00	$ 25,000.00
HOME-GF	SFY 2015	HOME - TBRA	$300,000.00	$210,000.00	$210,000.00	$ 90,000.00	$ 90,000.00
HOME-GF	SFY 2015	HOME - TBRA Admin	$ 30,000.00	$ 25,000.00	$ 25,000.00	$ 5,000.00	$ 5,000.00
HOME-GF	SFY 2015	HOME-HDP	$ 30,000.00	$ 30,000.00	$ 13,500.00	$ 0.00	$ 16,500.00
HOME-GF	**Sub-Total**					**$ 465,246.06**	**$521,883.45**

APPENDIX B

Alaska’s Plan to End Long-term Homelessness

Alaska's Plan to End Long Term Homelessness

Alaska Council on the Homeless
Adopted October 13, 2015

Vision

Every Alaskan will have access to safe, affordable, and accommodating housing and no man, woman, or child should be forced to sleep on the streets, in the woods, or in a shelter. Ending homelessness is a statewide priority.

As stated in *Opening Doors: Federal Strategic Plan to Prevent and End Homelessness*, ending homelessness is an ambitious goal, however, "we believe it is important to set goals, even if aspirational, for true progress to be made." It is critical that, as a state, we work together to provide the most vulnerable members of our society with access to the housing, services, and income supports they need.

Addressing homelessness must come from the local community. Each community is unique in how homelessness impacts them, the types of resources they have access to, and their ability to engage partners and the public to address homelessness. This plan is a framework for communities to build upon through collaboration with local constituent groups: shelters, housing providers, service providers, state and local agencies, foundations, education entities, businesses, faith-based organizations and private citizens. Communities know what they need in terms of resources, housing units, and services in order to successfully intervene in the lives of those who are homeless. With this information they can work with other local, state, and federal government agencies as well as private and nonprofit sources to address the needs of their community. These local efforts are instrumental to the success of this Plan.

This Plan is for the State of Alaska to identify responsibility and accountability within its systems to address and end homelessness. In developing this Plan, the State identified agencies to take the lead in strengthening existing partnerships and exploring new collaborations in order to achieve overall success. State funding is consistently in a state of flux and, as such, the State recognizes possibilities and limitations to providing support annually. It is at this stage that lead partners (state agencies) can identify collaborations within and between other state agencies and non-governmental organizations and agencies. This Plan is intended to gather information from local communities and, using data and knowledge, prepare a report to be presented annually during the Fall meeting of the Alaska Council on the Homeless.

History

On April 30, 2004, Governor Frank H. Murkowski signed an executive order establishing the Alaska Council on the Homeless as a cabinet-level interagency task force comprised of state commissioners and the executive directors of the Alaska Housing Finance Corporation and the Alaska Mental Health Trust Authority. This order tasked the Council with developing a plan to combat homelessness in Alaska.

In October 2005, the Council released the report *Keeping Alaskans Out of the Cold* which contained key recommendations for addressing homelessness throughout the state. In May 2007, Governor Sarah Palin reauthorized the Council and expanded its membership to include representatives from local government, Native Housing Authorities, homeless advocates, and members of the public-at-large. The Council was then charged with building on the strategies established in the 2005 report, developing a statewide homeless action plan, and monitoring progress during the implementation of the plan. This resulted in the creation of the *10 Year Plan to End Long Term Homelessness in Alaska* which was adopted in May 2009.

Council Structure

Chaired by the executive director of the Alaska Housing Finance Corporation, the Council meets biannually with council membership appointed by the governor. The Council is responsible for reporting to the Governor on progress made throughout Alaska to reduce and end homelessness and recommends future action to achieve this goal.

To encourage cross departmental collaboration on issues addressing homelessness, the Alaska Council on the Homeless is comprised of four (4) commissioners from the following State departments.

- Department of Corrections
- Department of Education
- Department of Health and Social Services
- Department of Public Safety

Eight (8) additional members comprise the remaining seats on the Council. Members include:

- Executive Director of the Alaska Housing Finance Corporation
- Executive Director of the Alaska Mental Health Trust Authority
- Representative of Municipal Government
- Representative of a Regional Housing Authority
- Public Members

The Council may also invite non-voting representatives from federal and local government agencies, the business community, providers of services to the homeless, philanthropic agencies, faith-based organizations, homeless advocacy organizations, homeless persons, and community leaders to participate in meetings. Historically, representatives from the Office of Veterans Affairs and the Department of Labor and Workforce Development have participated in this capacity.

Accomplishments

Alaska has made significant progress in achieving the goals adopted in the *10 Year Plan to End Long Term Homelessness*. Some Plan accomplishments from 2009 – 2014 include:

- Point-in-Time Count data reports a 56% decrease in unsheltered homeless persons, 25% decrease in veterans experiencing homelessness, and 44% decrease in persons experiencing chronic homelessness.
- More than thirteen new supportive housing programs were developed throughout the state which resulted in the creation of over 350 new permanent supportive housing beds through the Special Needs Housing Grant program.
- Development of the Tenant Based Rental Assistance program with over 140 vouchers available for youth aging out of foster care and prisoner re-entry clients.

- Increased collaboration between the Department of Corrections and homeless housing and service providers to develop strategies to increase the number of individuals exiting incarceration into stable housing.
- The Alaska Homeless Management Information System (HMIS) reports that 57% of households with children experiencing homelessness were rehoused within 90 days.
- Creation of a coordinated homeless fund through the Basic Homeless Assistance Program (BHAP) to support households at risk of homelessness through rent, mortgage, and utility arrearage assistance. BHAP reporting indicates that this resulted in an increase of 164% among the number of households receiving prevention assistance with 79% maintaining stable housing.
- Creation of the Empowering Choice Housing Program to provide housing assistance to 250 families displaced due to domestic violence and sexual assault throughout Alaska.
- An additional 156 Veterans Affairs Supportive Housing (VASH) vouchers were made available throughout the state.
- Increased service provider participation in the HMIS.

Alaska's Homeless

Alaska's homeless housing and service providers collect and report data on homeless persons through various methods. Annually, the two Alaska Continua of Care (CoC) recognized by the U.S. Department of Housing and Urban Development (HUD) are required to participate in a Point-in-Time Count (PIT) of homeless persons. During this effort, both CoC's work with state partners and homeless housing and service providers to conduct a count of all persons experiencing homelessness on one night in January. The PIT report captures sheltered persons staying in emergency shelters and transitional housing in addition to unsheltered persons sleeping in places not meant for human habitation; such as on the street, in a car, or in the woods.

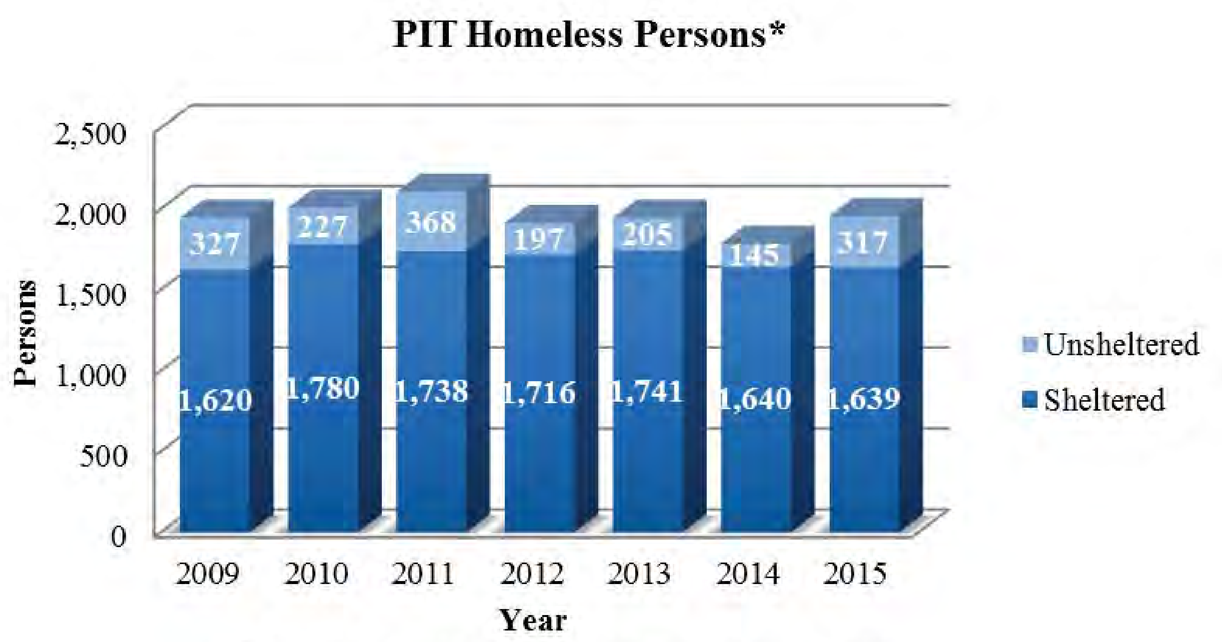
Housing and service providers connected to the Homeless Management Information System (HMIS) submit PIT data through that system. Services which are not connected to the HMIS system are reported through paper forms. Service providers may coordinate street outreach efforts to coincide with the PIT count to capture data for those individuals who do not access homeless services the night of the count. In addition, some communities conduct a Project Homeless Connect event which is a one-stop-shop for persons experiencing homelessness to connect with housing and service providers in their community. Data collected through street outreach and Project Homeless Connect events are also included in the PIT data collection process.

Data collected through the HMIS, paper forms, street outreach, and project homeless connect efforts are combined and reviewed to ensure that information is unduplicated and individuals are only included once in the final PIT report. The HMIS system is further described in Appendix D.

The PIT report includes data for a number of homeless subpopulations. These subpopulations include veterans, individuals under age 18 who are not accompanied by an adult, victims of domestic violence and/or sexual assault, families with children which includes at least one adult and one child under the age of 18, and chronic homeless. The definition of chronic homeless for the PIT count is defined by HUD as "an unaccompanied homeless individual with a disabling condition or a family with at least one adult who has a disabling condition who has either been continuously homeless for a year or more or has had at least four (4) episodes of homelessness in the past three (3) years."

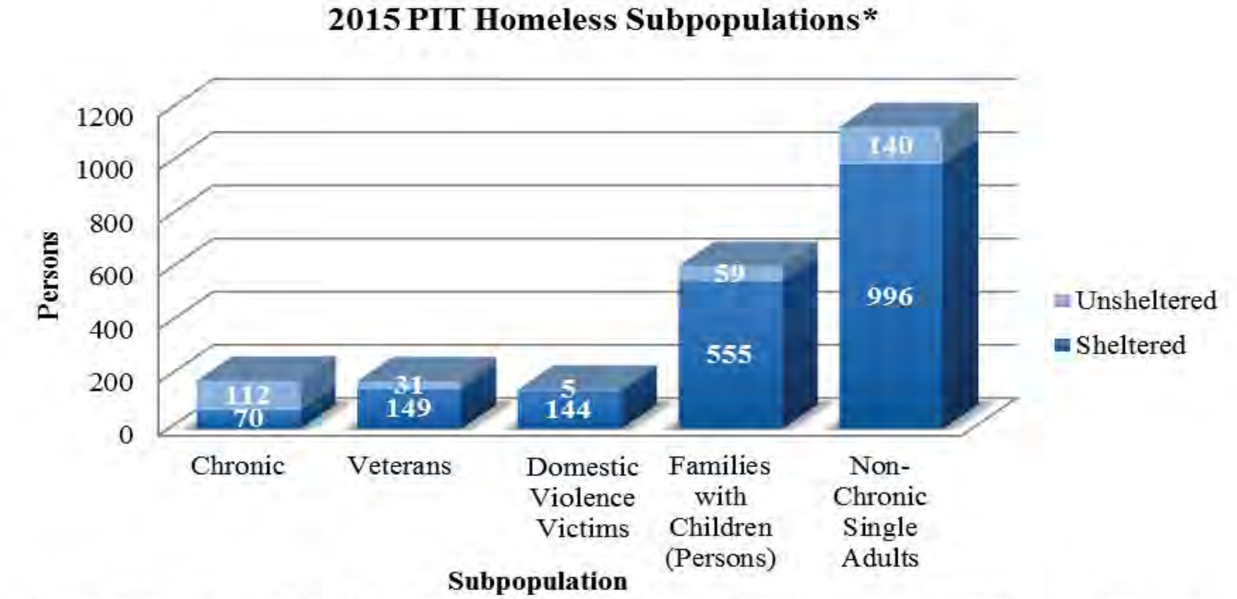
Persons experiencing a disability are another notable subpopulation among the homeless. However, PIT disability data is limited to adults with a serious mental illness and adults with a substance use disorder. This limited reporting only captures a portion of the population who experience a disability. As a result, disability is not included as a subpopulation in this report.

The 2015 PIT Count of homeless persons reports a total of 1,956 Alaskan's experiencing homelessness on one night in January. This is a 3% decrease in unsheltered persons and 1% increase in sheltered persons compared to the 2009 count. The gender, age, race, and ethnicity characteristics of homeless persons from the 2015 report can be found in Appendix A.



* Point-in-Time Count data from one day in January.

Of the 1,956 homeless Alaskan's reported in the 2015 Point-in-Time Count, 180 (9%) were veterans, 182 (9%) were chronic homeless, 614 (31%) were families with at least one adult and one child under the age of 18, and 1,136 (58%) were non-chronically homeless single adults without children.

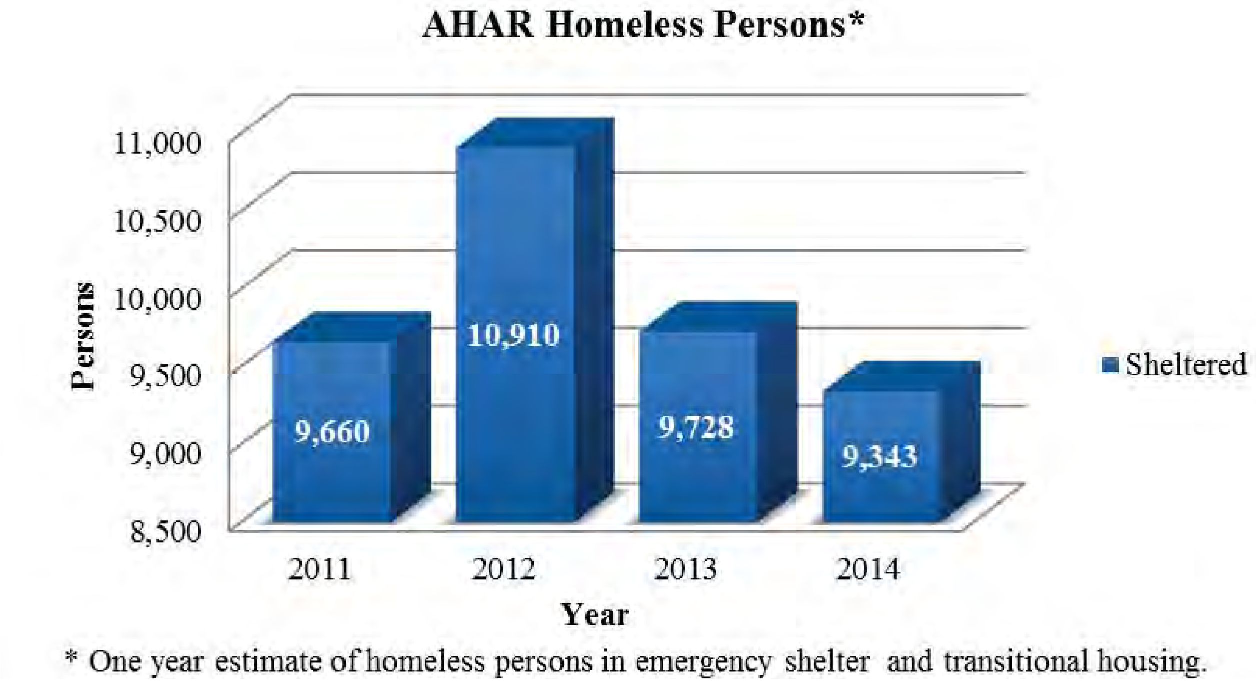


*Point-in-Time Count data from one day in January. Excludes unaccompanied youth subpopulation (under age 18) with 18 sheltered and 6 unsheltered for a total of 24 homeless.

A comparison of subpopulation reporting from 2009 - 2015 indicates a decrease in chronic homelessness of 43%, decrease in veteran homelessness of 24%, 40% decrease in homelessness among victims of domestic violence, decrease in homelessness for families with children of 18%, and increase in homelessness among non-chronically homeless single adults of 30%. Individual subpopulation data from the 2009 – 2015 Point-in-Time Count reports can be found in Appendix B.

In addition to the Point-in-Time Count, HUD produces an Annual Homeless Assessment Report (AHAR) that captures unduplicated data drawn from the HMIS during four points-in-time throughout the year. The AHAR incorporates a method of data extrapoplation to estimate the number of homeless persons not captured in the HMIS system. Unlike the Point-in-Time Count report, the AHAR does not include data for unsheltered persons. The result, is a report that estimates the total number of Alaskans receiving services through an emergency shelter or transitional housing program throughout the year. AHAR analysis within this document is limited to the 2011 – 2014 reports as consistent data was not available prior to 2011.

The most recent Alaska AHAR report, 2014, estimates that 9,343 persons slept in an emergency shelter or transitional housing during the twelve month reporting period. This is a 3.2% decrease compared to 2011.



The 2014 AHAR report estimates that there were 920 (9.8%) homeless veterans and 1,552 (16.6%) homeless persons in families with at least one adult and one child under the age of 18 who stayed in an emergency shelter or transitional housing. Compared to 2011, this is a decrease of 48% for homeless veterans and 2.8% for families. Individual subpopulation data from the 2011 – 2014 AHAR reports can be found in Appendix C.

Alaska's Plan to End Long Term Homelessness

Capturing the successes of local community efforts to end homelessness is an integral part to tracking statewide performance in achieving the strategies outlined in this Plan. In an effort to better inform the statewide homeless conversation, the Plan is designed as a framework for communities to utilize in their local planning efforts. Annually, communities will be encouraged to share those efforts with the Council which will be included in a yearly Plan progress report.

This framework is organized around the five priorities of *Opening Doors: Federal Strategic Plan to Prevent and End Homelessness*: housing development, supportive services, education, engagement and policy, prevention, and data.

Council membership representing state agencies and departments have been identified as central and lead partners to represent and direct the priorities and strategies outlined in the Plan. The central and lead partners will support community and state partners to facilitate the strategies and report annually on the Plan's progress. Supporting partners have been identified, however, this does not encompass a full list of collaborators and partners who help address homelessness in Alaska.

In addition to the efforts of local communities, the Council on the Homeless has committed to the following actions to address the priorities and strategies outlined in this Plan.

- Identify and review central and lead partners to assist with the strategies outlined in the plan.
- Develop a structure to support lead agencies to identify strategies and ensure follow through.
- Develop a structure for local coalitions to report homeless efforts to the Council.
- Request that the Governor appoint a representative from the Office of Veterans Affairs and Department of Labor and Workforce Development to the Council.
- Engage tribal housing authorities and encourage coordination with local coalitions.

Alaska's Plan to End Long Term Homelessness
Alaska Council on the Homeless

Priority 1: Housing Development | **Central Partner: AHFC**

Every Alaskan should have access to an affordable, accommodating, and safe place to call home.

Strategies	Lead Partners	Supporting Partners
a. Expand Housing Options (Construction/Rehab/Rental Assistance)	AHFC	Regional Housing Authorities
b. Increase Pool of Operating Support to Preserve Existing Housing Stock	AHFC, DHSS, AMHTA	
c. Increase Number of Units Available to Priority Populations	DHSS, AHFC	Volunteers of America, RurAL CAP, Neighborworks

Priority 2: Supportive Services | **Central Partner: DHSS/AMHTA/DOC**

Individuals and families experiencing or at-risk of homelessness should have access to all eligible services and supports.

Strategies	Lead Partners	Supporting Partners
a. Increase Funding and Sources of Supportive Services in Underserved Areas	DHSS, AMHTA, DOC	
b. Increase Income and Employment Opportunities for Persons in Transition	DHSS, DOL, VA, AMHTA. DOC	
c. Increase Outreach Services	DHSS, AMHTA, DOC	ACMHS, RurAL CAP, Re-Entry and Youth Providers
d. Maintain and/or Expand Emergency Lodging Options as Needed	AHFC, DHSS	Emergency Cold Weather Plan, Faith Based Groups, Anchorage Emergency Shelter Providers Group

Priority 3: Education, Engagement, and Policy — Central Partner: AHFC

Community and statewide education, engagement, and policy efforts among stakeholders and interested parties is central to addressing issues of homelessness.

Strategies	Lead Partners	Supporting Partners
a. Landlord Engagement, Education, and Support	AHFC, AMHTA	AKCH2, ACEH
b. Encourage Housing Policy at the Local Level	AML	AKCH2, ACEH, Homeless Coalitions
c. Support Local Housing Organizations to Coordinate Planning Services and Reporting		AKCH2, ACEH, Homeless Coalitions
d. Expand Outreach on Use of Alaska Housing Locator	AHFC	

Priority 4: Prevention — Central Partner: DHSS/AHFC

Prevention support is essential to mitigating episodes of homelessness.

Strategies	Lead Partners	Supporting Partners
a. Eliminate Discharge to Homeless Shelters and the Streets from State Institutions	DOC, DHSS	
b. Improve Outreach and Linkages to Housing Resources and Services	DHSS, DOC, DEED	2-1-1, AKCH2, ACEH
c. Maintain Centralized Pool of Prevention Resources	AHFC	Homeless Coalitions

Priority 5: Data — Central Partner: AHFC

Timely and accurate data is essential to making housing and homeless policy decisions.

Strategies	Lead Partners	Supporting Partners
a. Expand Homeless Service Provider HMIS Coverage	AHFC	AKCH2, ACEH, AKHMIS,
b. Develop Strategies for Gathering Homeless Data from Organizations Not Connected to HMIS	AHFC, DOC, DEED	AKCH2, ACEH, AKHMIS
c. Coordinate Community Prevention Services	AHFC	AKCH2, ACEH, Homeless Coalitions

Appendix A – 2015 Point-in-Time Count Characteristics of Homeless Persons

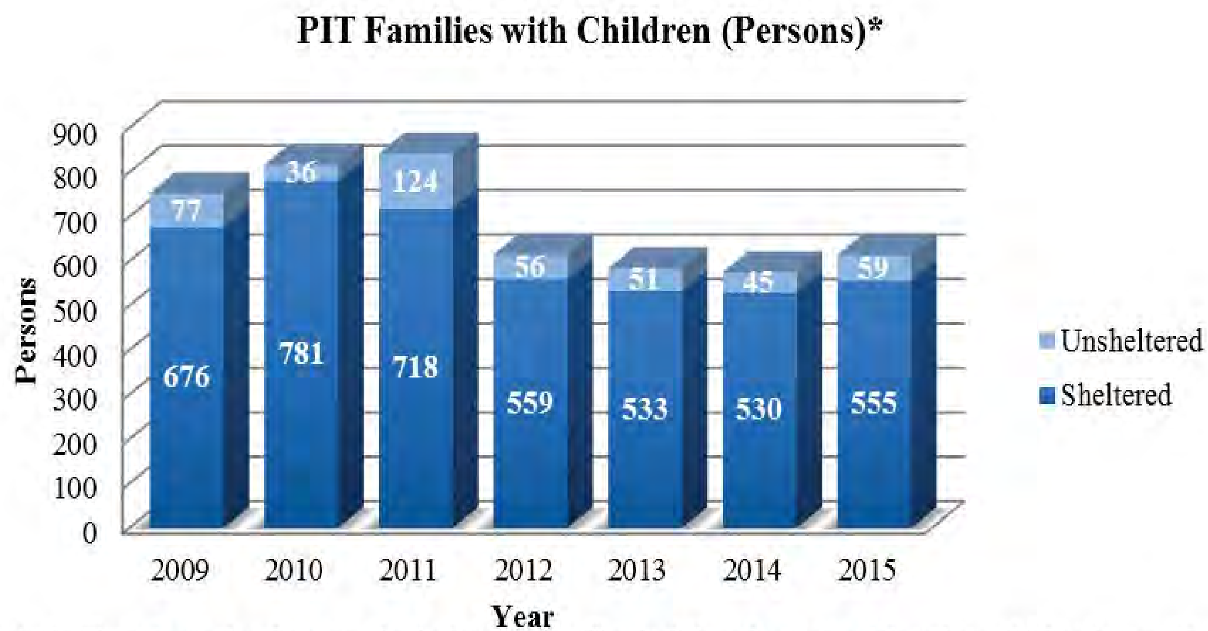
2015 Point-In-Time Count Characteristics of Homeless Persons*

	Client Characteristics	Families with Children** (Persons)	Unaccompanied Youth (Under Age 18)	Single Adults (Age 18+)	Total Homeless
	Total	614	24	1,318	1,956
Gender	Female	61.6%	50.0%	29.1%	39.5%
	Male	38.4%	50.0%	70.8%	60.4%
	Transgender Male to Female	0.0%	0.0%	0.1%	0.1%
	Transgender Female to Male	0.0%	0.0%	0.1%	0.1%
Age	Age 0-17	63.0%	100.0%	0.0%	21.0%
	Age 18-24	6.8%	0.0%	11.8%	10.1%
	Over Age 24	30.1%	0.0%	88.2%	68.9%
Race	White	31.8%	29.2%	41.2%	38.1%
	Black or African American	7.0%	16.7%	7.4%	7.4%
	Asian	0.5%	0.0%	1.1%	0.9%
	American Indian or Alaska Native	43.6%	50.0%	45.8%	45.1%
	Native Hawaiian or Other Pacific Islander	8.0%	4.2%	0.9%	3.2%
	Multiple Races	9.1%	0.0%	3.6%	5.3%
Ethnicity	Non-Hispanic/Non-Latino	91.2%	100.0%	97.0%	95.2%
	Hispanic/Latino	8.8%	0.0%	3.0%	4.8%

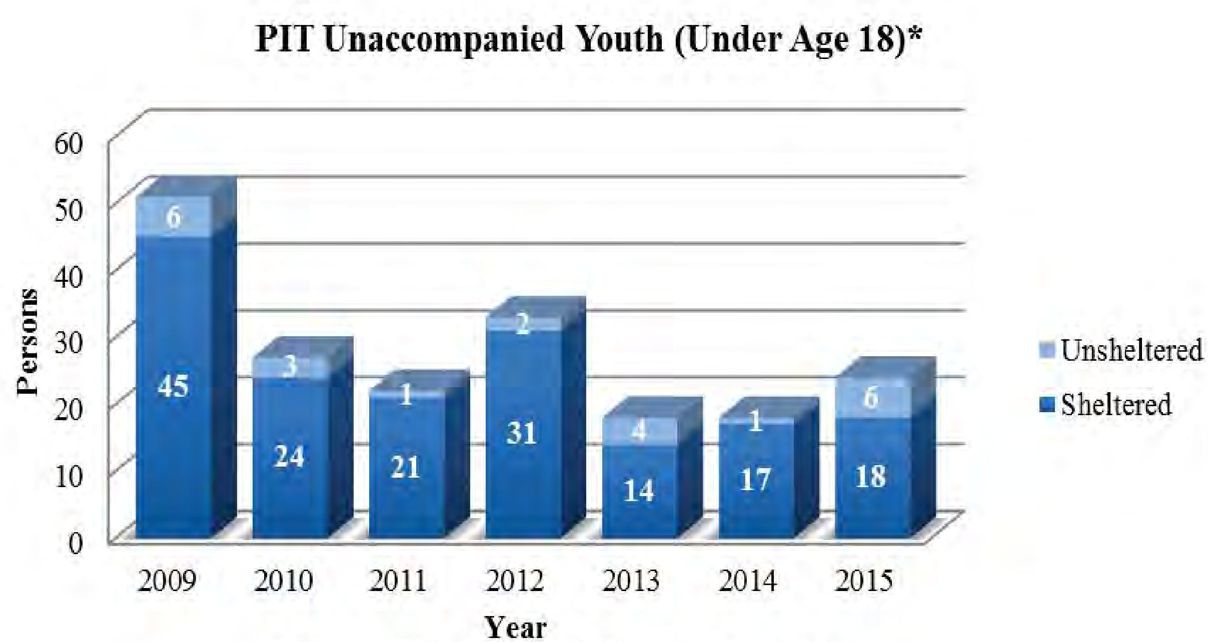
*Point-in-Time Count of homeless persons in emergency shelters, transitional housing, and unsheltered during one day in January.

** Families include at least one adult and one child under age 18.

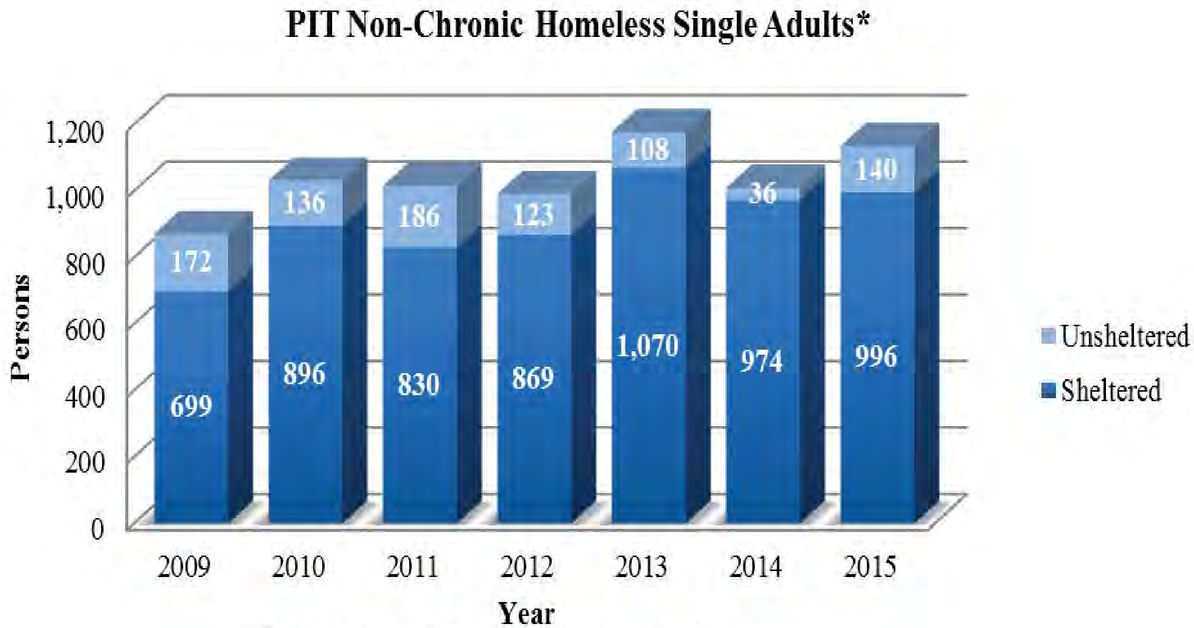
Appendix B – Point-In-Time Count Subpopulation Trends 2009 – 2015



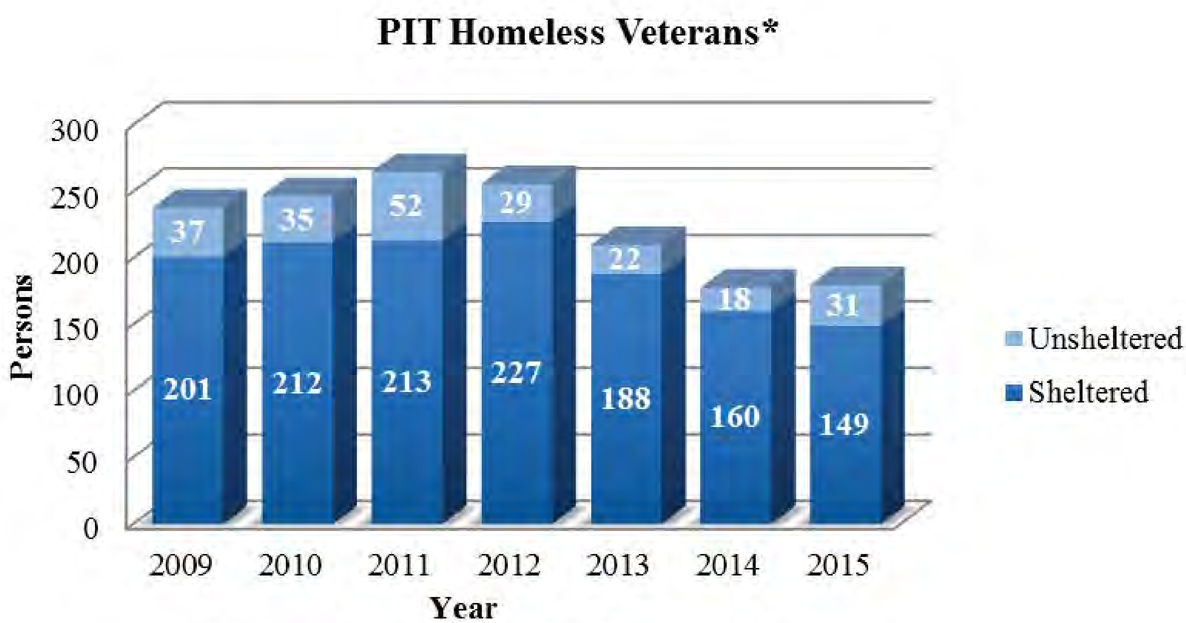
* Point-in-Time Count data from one day in January. Families include at least one adult and one child under age 18.



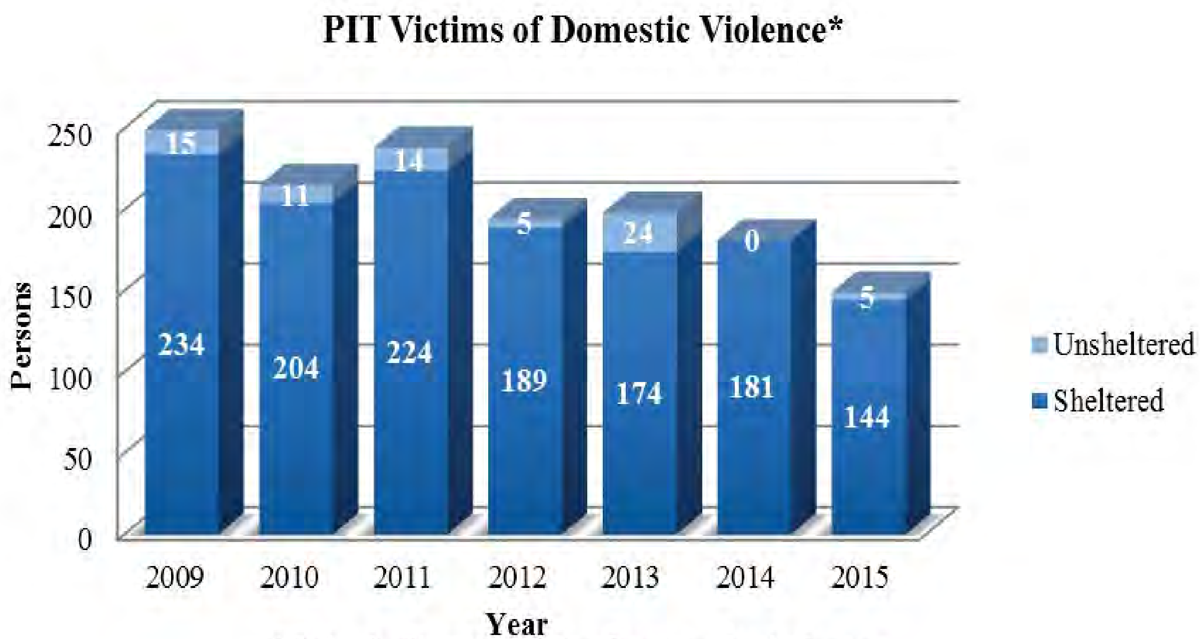
* Point-in-Time Count data from one day in January.



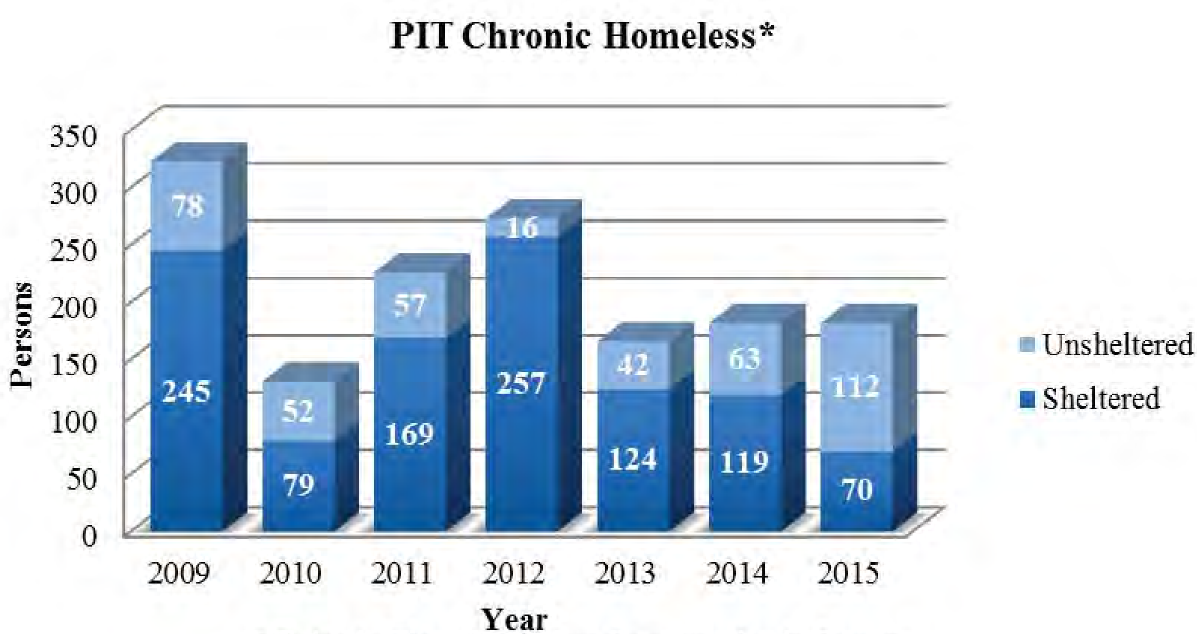
* Point-in-Time Count data from one day in January.



* Point-in-Time Count data from one day in January.

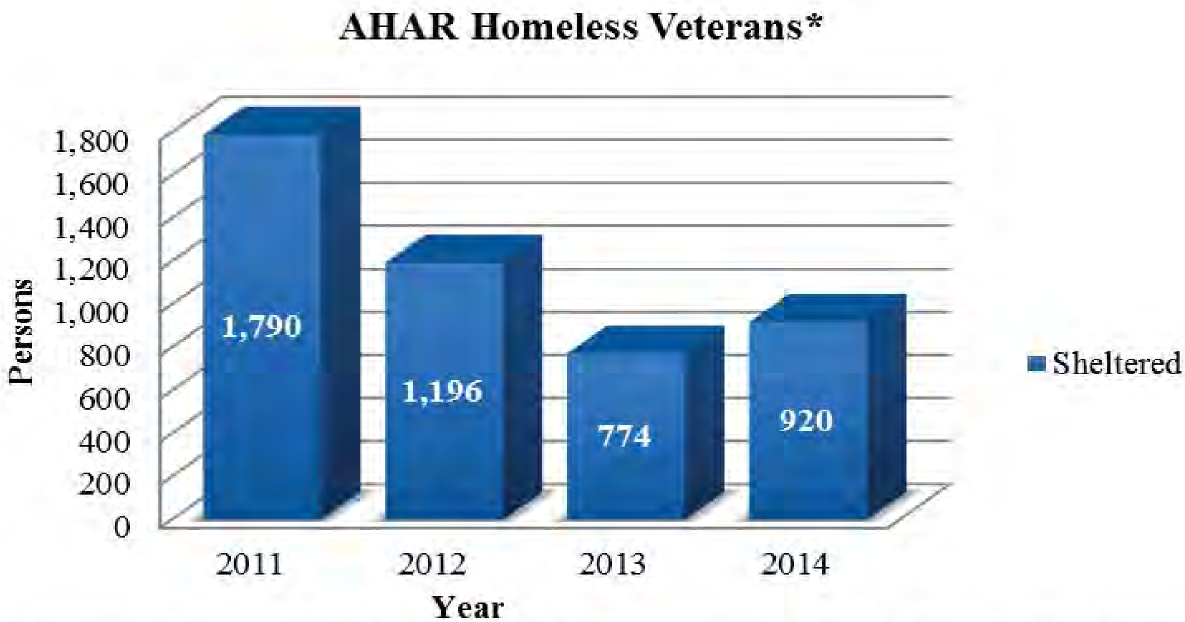


* Point-in-Time Count data from one day in January.

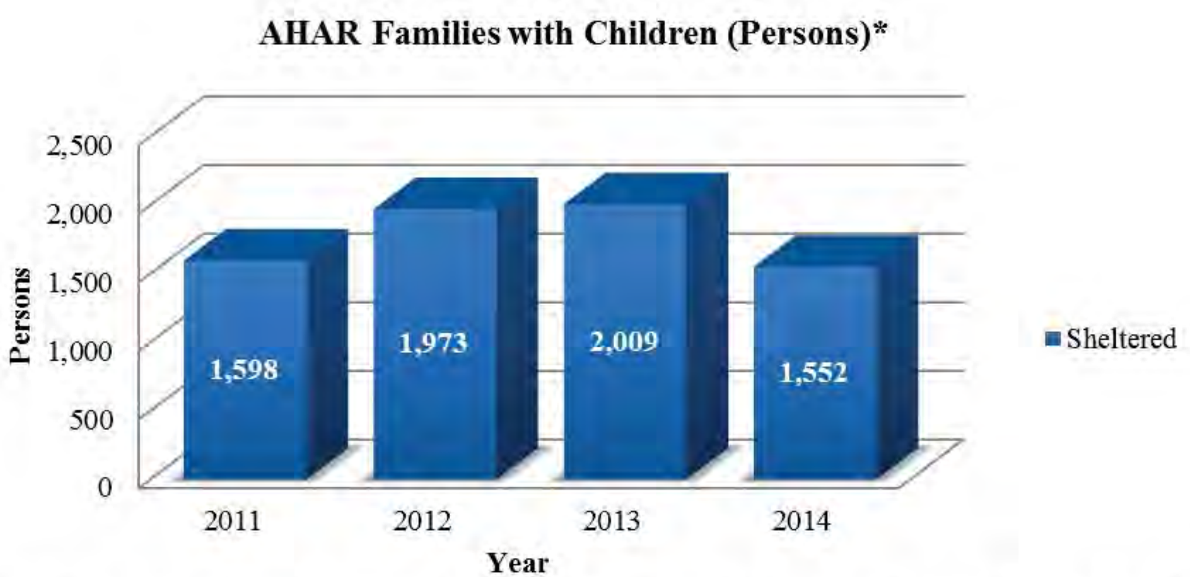


* Point-in-Time Count data from one day in January.

Appendix C – Annual Homeless Assessment Report Subpopulation Trends 2011 - 2014



* One year estimate of homeless persons in emergency shelter and transitional housing.



* One year estimate of homeless persons in emergency shelter and transitional housing. Families include at least one adult and one child under age 18.

Appendix D – Definitions, Acronyms, Statewide Programs and Funding Sources

Alaska Coalition on Housing and Homelessness (AKCH2): A statewide organization working to develop strategies to increase the availability of affordable housing and eliminate homelessness. AKCH2 is the lead agency for the Balance of State Continuum of Care (CoC) and, as such, responsible for management and oversight of the Homeless Management Information system in conjunction with the Anchorage CoC.

Alaska Council on the Homeless: Established by Governor Frank H. Murkowski in 2004 and reauthorized by Governor Palin in 2007, the role of the Alaska Council on the Homeless is to provide a public policy forum for recommendations on the use of state and federal resources to address homelessness. Council membership includes the Alaska Mental Health Trust Authority, the Alaska State Departments of Education, Public Safety, Corrections and Health and Social Services, six public members from the homeless provider community, rural housing authorities, local government and the real estate industry and is chaired by AHFC.

Alaska Department of Health and Social Services (DHSS): The mission of DHSS is to promote and protect the health and well-being of Alaskans. This is accomplished through grants to providers; certification and licensing of providers; emergency preparedness planning with partner agencies statewide; supporting and promoting child and family safety and wellness through educational campaigns and interventions; providing financial, medical and nutritional safety nets and self-sufficiency support for our most vulnerable residents; health care workforce development; and research and demonstration projects to improve and strengthen the overall health care system in Alaska.

Alaska Housing Finance Corporation (AHFC): AHFC's mission is to provide Alaskans access to safe, quality, affordable housing. This is accomplished by providing affordable loans, public housing programs, energy efficiency and weatherization programs, senior housing programs, programs for low-income Alaskans, and programs for homeless and near homeless individuals and families.

Alaska Mental Health Trust Authority (the Trust): The Trust is dedicated to assisting those who experience mental illness, developmental disabilities, chronic alcoholism, and Alzheimer's disease and related dementia. The Trust funds nonprofits, state agencies, projects and activities that promote long-term system change, including capacity building, demonstration projects, funding partnerships, and other activities to assist Trust beneficiaries.

Anchorage Coalition to End Homelessness (ACEH): One of the two Continuums of Care in Alaska as designated by the U.S. Department of Housing and Urban Development. As the Anchorage Continuum of Care lead agency, ACEH is one of the entities responsible for management and oversight of the Homeless Management Information system within Alaska.

Balance of State (BoS): All Alaska communities outside of Anchorage.

Basic Homeless Assistance Program (BHAP): The BHAP program provides funding to non-profit organizations providing emergency shelter, transitional housing, rapid re-housing, and homeless prevention services to homeless individuals or those threatened by homelessness. Administered by Alaska Housing Finance Corporation, this program is supported by State General Funds and Alaska Mental Health Trust Authority funds.

Chronic Homeless Definition: As defined by HUD, “an unaccompanied homeless individual with a disabling condition OR a family with at least one adult who has a disabling condition who has either been continuously homeless for a year or more OR has had at least four (4) episodes of homelessness in the past three (3) years”.

Community Development Block Grant (CDBG): Works to ensure decent affordable housing, to provide services to the most vulnerable in our communities, engage neighborhoods in long-term community development planning, and to create jobs through the expansion and retention of business. This program is supported by federal funds and managed by the Municipality of Anchorage for the Anchorage community and the Division of Community and Regional Affairs Department of Commerce, Community, and Economic Development for all other communities.

Continuum of Care Program (CoC): A federal program designed to promote communitywide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers, and State and local governments to quickly rehouse homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness; promote access to and effect utilization of mainstream programs by homeless individuals and families; and optimize self-sufficiency among individuals and families experiencing homelessness. There are two CoC’s in Alaska designated by the U.S. Department of Housing and Urban Development; one for Anchorage and one for the Balance of State which supports all other communities.

Emergency Shelter (ES): A facility whose primary purpose is to provide temporary or transitional shelter for the homeless in general or for specific populations of the homeless for a period of 90 days or less. Supportive services may be provided in addition to the provision of shelter.

Emergency Solutions Grant (ESG) Program: The ESG program awards funding to non-profit organizations providing emergency shelter, rapid re-housing, and homeless prevention services. This federally funded program is administered within Anchorage by the Municipality of Anchorage and by Alaska Housing Finance Corporation for all other communities.

Empowering Choice Housing Program: This federally funded program is a referral-based, transitional rental assistance program to assist families displaced due to domestic violence and sexual assault. Participants must be referred to Alaska Housing Finance Corporation through a program approved by the Alaska Council on Domestic Violence and Sexual Assault and are required to pay a portion of their income to rent.

Foraker Group: A nonprofit organization that provides a wide range of services, training, and educational opportunities to help assure the success of Alaska’s nonprofit organizations. Opportunities include organizational development, strategic planning, pre-development training, financial management, and fundraising and grant writing.

Grant Match Program (GMC): This program awards grants to organizations to meet match requirements of federal, state, or private foundation grant programs which provide affordable housing or supportive services for homeless, special needs, or other persons who are unable to achieve self-sufficiency. Supported by State General Funds and administered by Alaska Housing Finance Corporation.

Greater Opportunities for Affordable Living (GOAL) Program: The GOAL program provides a single application round for statewide rental development proposals to access three capital funding resources to build housing for low-income and senior Alaskans. Program funding includes federal **low-income housing tax credits**, state and corporate grants for senior housing through the **Senior Citizen Housing Development Fund** and federal grants for low-income housing through the **HOME Investment Partnership Act**. This program is administered through Alaska Housing Finance Corporation with HOME funds restricted to communities outside of Anchorage. The Municipality of Anchorage (MOA) manages HOME funds for that community and proposals for the use of HOME funds in Anchorage should be directed to the MOA.

HOME Investment Partnership Act (HOME): Federal funding available to develop new affordable rental housing through new construction, rehabilitation or acquisition. The Municipality of Anchorage administers this program for Anchorage and Alaska Housing Finance Corporation administers the program for all other communities through the GOAL program.

Homeless Definition: As defined by HUD.
(1) An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:

> (i) An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;
> (ii) An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or
> (iii) An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution;

(2) An individual or family who will imminently lose their primary nighttime residence, provided that:

> (i) The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;
> (ii) No subsequent residence has been identified; and
> (iii) The individual or family lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, needed to obtain other permanent housing;

(3) Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:

(i) Are defined as homeless under section 387 of the Runaway and Homeless Youth Act (42 U.S.C. 5732a), section 637 of the Head Start Act (42 U.S.C. 9832), section 41403 of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2), section 330(h) of the Public Health Service Act (42 U.S.C. 254b(h)), section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012), section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)) or section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a);
(ii) Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance;
(iii) Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and
(iv) Can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability, or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment; or

(4) Any individual or family who:
(i) Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;
(ii) Has no other residence; and
(iii) Lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, to obtain other permanent housing.

Homeless Management Information System (HMIS): The HMIS is an electronic database used to collect information on the characteristics and service needs of homeless individuals. This program is used by the U.S. Department of Housing and Urban Development to define the extent of homelessness throughout Alaska. Programs receiving federal funding to support homeless persons are required to enter data into the HMIS. This program is supported by state and federal funds and administered by the Alaska Coalition on Housing and Homelessness, the Anchorage Coalition to End Homelessness, and the Alaska Housing Finance Corporation.

Homeless Prevention Services: Used to help individuals and families at-risk of homelessness maintain their existing housing or transition to new permanent housing through housing relocation and stabilization services and/or short-and medium-term rental assistance.

Homeownership Development Program (HDP): Funding to support real property acquisition and site improvements for new construction of permanent, single-family housing. This program is supported with federal funding, administered by Alaska Housing Finance Corporation, and available in all communities outside of Anchorage.

Home Opportunity Program (HOP): Provides down payment and closing cost assistance to low-income individuals and families who are trying to purchase a home. This program is supported through federal funding and administered by Alaska Housing Finance Corporation in coordination with nonprofit intermediaries.

Housing Choice Vouchers: This program helps eligible low-income Alaskans lease privately owned rental units from participating landlords. Families whose income is at or below 50% of the area median income are eligible to apply for this program. Tenants pay 30% of their income directly towards rent. This program is administered by Alaska Housing Finance Corporation and supported through federal funding.

Housing First Model: An approach to ending homelessness that centers on providing individuals experiencing homelessness with housing as quickly as possible and then providing services as needed. Income, sobriety, and/or participation in treatment or other services are not a required condition for entering or retaining housing and all services are voluntary. This is a permanent housing model with no time limit for program participants.

Housing Opportunities for Persons with Aids (HOPWA): This is a program for nonprofit AIDS assistance organizations which provides supportive services and housing assistance so that persons with AIDS can find and maintain safe, affordable and decent housing. This program is supported by federal funding and administered by Alaska Housing Finance Corporation.

Low Income Housing Tax Credit Program (LIHTC): This program provides federal tax incentives to for-profit or nonprofit organizations to develop affordable rental housing for low and very low-income households through new construction, acquisition, and rehabilitation. This program is funded through federal support and administered by Alaska Housing Finance Corporation through the GOAL program.

Moving Home Program: Provides rental assistance for low-income, disabled individuals who are eligible for community-based, long-term services. This is a federally funded program administered by Alaska Housing Finance Corporation and the Alaska Department of Health and Social Services Division of Behavioral Health.

Municipality of Anchorage (MOA): Manages the Emergency Solution Grant, HOME Investment Partnership Act, and Community Development Block Grant funds for Anchorage.

Operating Expense Assistance Program (OEA): Provides direct operating expense funding to nonprofit organizations that are certified by Alaska Housing Finance Corporation (AHFC) as a Community Housing Development Organization (CHDO). This program is supported with federal funding and administered by AHFC in communities outside of Anchorage.

Permanent Housing: Community-based housing without a designated length of stay in which formerly homeless individuals and families live as independently as possible. As defined by HUD, there are two forms of permanent housing.

- **Permanent Supportive Housing (PSH):** Indefinite leasing or rental assistance paired with supportive services designed to assist homeless persons with a disability or families with an adult or child member with a disability.

- **Rapid Re-Housing (RRH):** Emphasizes housing search and relocation services and short-and medium-term rental assistance to move homeless persons and families (with or without a disability) as rapidly as possible into permanent housing.

Point-in-Time Count (PIT): Conducted within the last ten (10) days of January, this annual count of homeless persons provides a snapshot of the number of persons accessing homeless services that night. Homeless housing and service providers gather information on the individuals served and report it through the Homeless Management Information system for communication to the U.S. Department of Housing and Urban Development (HUD). This process includes street outreach activities to connect with individuals who are not engaged in homeless services the night of the count. This is a HUD mandated reporting process and one of the main sources of homeless data collection and reporting for Alaska.

Public Housing: Families whose income is at or below 80% of the area median income are eligible for this program which provides affordable rental units to families who pay a portion of their monthly income in rent. These units are owned and managed by Alaska Housing Finance Corporation and supported through federal funds.

Rasmuson Foundation: A private foundation that supports Alaskan non-profit organizations in the pursuit of their goals with emphasis on organizations that demonstrate strong leadership, clarity of purpose, and cautious use of resources. This is accomplished through grants for capital projects, technology updates, capacity building, and program expansion.

Section 811 Project Rental Assistance (811 PRA): This program provides rental assistance and supportive services to individuals with disabilities in assisted living facilities who are appropriate candidates for independent supportive housing. This program allows for transition from assisted living facilities to independent living with the individuals contributing a portion of their income to the monthly rent. This program is supported by State General Relief funds and federal funds and administered by Alaska Housing Finance Corporation and the Department of Health and Social Services.

Senior Access Program (SAP): Alaska Housing Finance Corporation (AHFC) provides funds to allow senior citizens (those over 55 years of age) to make accessibility modifications to their homes. Eligible properties include single-family homes up to fourplexes and should be the senior's primary residence. This program is supported with AHFC Corporate Receipts and State General funds and administered by AHFC.

Senior Citizens Housing Development Fund (SCHDF): Provides housing for Alaska's senior citizens so that they may remain in their home communities as they age. This funding is distributed under Alaska Housing Finance's (AHFC) GOAL program and can be used for acquisition, rehabilitation and new construction of senior housing. This program is funded with support from AHFC Corporate Receipts and State General funds and administered by AHFC.

Sheltered Homeless Persons: The U.S. Department of Housing and Urban Development defines sheltered persons as those residing in emergency shelter and transitional housing facilities.

Special Needs Housing Grant (SNHG) Program: The SNHG program provides a one-stop-shop for capital, operating and supportive service grants to expand long term housing for special needs persons with intensive supportive service requirements. Funding to support new rounds and renew existing grants is comprised of Alaska Housing Finance Corporation (AHFC) Corporate Receipts, Alaska Mental Health Trust Authority grants and State General funds. This program is administered by AHFC.

Sponsor-Based Rental Assistance (SRA) Program: The SRA program is a federally funded program that provides rental assistance to homeless individuals with disabilities throughout Alaska. It is designed to fund non-profit agencies that provide or procure the provision of housing and supportive services for the homeless population. This program is administered by Alaska Housing Finance Corporation.

Street Outreach: Activities designed to meet the immediate needs of unsheltered homeless persons by connecting them with emergency shelter, housing, and/or critical health services.

Supplemental Housing Development Grant Program: Provides funding to Regional Housing Authorities to supplement housing projects approved for development under the U.S. Department of Housing and Urban Development Housing Development Programs. Supported by State General funds and administered by Alaska Housing Finance Corporation.

Supportive Services: Services such as case management, medical or psychological counseling and supervision, childcare, transportation and job training provided for the purpose of facilitating independence and self-sufficiency.

Supportive Services for Veteran Families (SSVF): Federally funded program through the Department of Veterans Affairs (VA) to provide supportive services to very low-income veteran families living in or transitioning to permanent housing. Services include outreach, case management, and assistance in obtaining VA and other benefits. This program also includes time-limited rental and utility assistance to help veteran families stay in or acquire permanent housing.

Teacher, Health Professional and Public Safety Housing Program (THHP): Funds the development of teacher, health professional and public safety housing through the rehabilitation, construction or acquisition of rural housing projects. This program is administered by Alaska Housing Finance Corporation and supported through State General funds and the Rasmuson Foundation.

Technical Assistance Program: Funds are used to sponsor training workshops, direct technical assistance and training scholarships for grantees and potential grantees under the Supportive Housing or HOME Investment Partnership Programs and for Community Housing Development Organizations. Supported by State General funds and administered by Alaska Housing Finance

Corporation.

Tenant Based Rental Assistance (TBRA): The TBRA program provides eligible low-income families with 12 - 24 months of financial assistance to obtain affordable housing. Eligible applicants include persons who will remain under the Department of Corrections community supervision for the term of TBRA and youth aging out of foster care. This program is supported by federal funds and administered through AHFC.

Transitional Housing (TH): Designed to provide homeless individuals and families with the interim stability and support to successfully move to and maintain permanent housing. Most programs cover the costs of up to 24 months of housing and accompanying supportive services.

Unsheltered Persons: The U.S. Department of Housing and Urban Development defines unsheltered persons as those residing on the streets or other places not meant for human habitation (e.g., car, park bench, abandoned building).

U.S. Department of Housing and Urban Development (HUD): HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all. HUD provides federal funding for a number of programs throughout Alaska including HOME Partnership Investment Act, Emergency Solutions Grant, Sponsor Based Rental Assistance, Housing Opportunities for Persons with Aids, Continuum of Care, Public Housing, Supportive Services for Veterans Families, and Section 811 Project Rental Assistance.

U.S. Interagency Council on the Homeless (USICH): The mission of the USICH is to coordinate the Federal response to homelessness and to create a national partnership at every level of government and with the private sector to reduce and end homelessness in the nation while maximizing the effectiveness of the Federal Government in contributing to the end of homelessness. USICH is the author of *Opening Doors: Federal Strategic Plan to Prevent and End Homelessness* which identifies four key goals to ending homelessness throughout the nation.

Veterans Affairs Supportive Housing (VASH): This is a referral-based, rental assistance program for homeless veterans and their families. Program participants are referred to Alaska Housing Finance Corporation (AHFC) through the Alaska Veterans Affairs Healthcare System and contribute a portion of their income to rent. This program is supported through federal funding and administered by AHFC.

Weatherization and Energy Rebate Programs: Provides support for improving energy efficiency of low-income homes. Funding is provided through State General funds, Alaska Housing Finance Corporation, and the U.S. Department of Energy. This program is administered through Alaska Housing Finance Corporation.

APPENDIX C

TABLE 3A, Summary of Specific Annual Objectives

TABLE 3C, Planned Project Results

Table 3A, Summary of Specific Annual Objectives

Outcome/Objective Specific Annual Objectives	Population Benefitted	Performance Indicators	Program Year	Expected Number	Actual Number	Percent Completed
Availability/Accessibility of Decent Housing						
Home Opportunity Program and Creating opportunities for home ownership through education, financial assistance	Moderate Income	Number of homebuyers receiving assistance.	2015	20/30		
			2016	20/30		
			2017	20/30		
			2018	20/30		
Tenant Based Rental Assistance: Improving the availability of affordable housing options through rental subsidies. 20% of beneficiaries are very-low Income	Low Income	Number of tenant households receiving rental assistance.	2019	20/30		
		MULTI-YEAR GOAL		**100/150**		
Affordability of Decent Housing						
Homeownership Dev. Program: Creating affordable housing through assistance with the cost of development.	Low Income and Moderate Income	Number of affordable units developed. NOTE: For the rental development program, only the federal HOME units are reported.	2015	9		
			2016	9		
			2017	9		
			2018	9		
			2019	9		
		MULTI-YEAR GOAL		**45**		

Optional Table 3A Summary of Specific Annual Objectives (cont)

Specific Obj. #	Outcome/Objective Specific Annual Objectives	Sources of Funds	Performance Indicators	Program Year	Expected Number	Actual Number	Percent Completed
SL-1	**Availability/Accessibility of Suitable Living Environment**						
SL-1.1	Create a suitable living environment through new construction or renovation of public facilities to benefit low to moderate income persons.	CDBG	Number of persons with new access to a public facility or infrastructure benefit.	2015	700 0/0	2193 0/0	
				2016	2650 0/0		
SL-1.2	Create a suitable living environment by providing funding for owner-occupied housing rehabilitation services which address emergency needs and health and safety measures for LMI households.	CDBG		2017	1600 0/0		
				2018	1200 0/0		
			Number of LMI households receiving funding to address health and safety issues <u>and</u> number of persons in those households benefitting.	2019	1200 0/0		
			MULTI-YEAR GOAL		**7,350**		
SL-2	**Affordability of Suitable Living Environment**						
SL-2.1	N/A			2010			
				2011			
				2012			
				2013			
				2014			
			MULTI-YEAR GOAL				

Table 3C (Optional)			
Annual Action Plan Planned Project Results			
Outcomes and Objectives	**Performance Indicators**	**Expected Number**	***Activity Description***
DH 1.1	Number of homebuyers receiving assistance.	30	HOME Opportunity Program
DH 1.2	Number of tenant households receiving assistance.	50	Tenant Based Rental Assistance
DH 2.1	Number of HOME units developed.	8	Rental Development Program
DH 2.2	Number of affordable units developed.	12	Homeownership Development Program
DH 3.1	Number of homeowners receiving assistance.	0	Owner-Occupied Rehabilitation Program
SL 1.1	CDBG- Number of persons with new access to a public facility or infrastructure benefit.	2650	CDBG- Community Development
SL 1.2	CDBG- Number of LMI households receiving funding to address health and safety issues and number of persons in those households benefitting.	0	CDBG Owner-Occupied Rehabilitation Program
SL-1.3	ESG- Number of homeless facilities upgraded	0	Rehabilitation/ Renovation
SL-1.4	ESG- Number of bednights provided in homeless facilities	25,000	Maintenance & Operating Costs
SL-1.5	ESG- Number of homeless persons who benefited from shelter or services	3,000	Essential Services

***Use one of 9 outcome/objective categories**

	Availability/Accessibility	Affordability	Sustainability
Decent Housing	DH-1	DH-2	DH-3
Suitable Living Environment	SL-1	SL-2	SL-3
Economic Opportunity	EO-1	EO-2	EO-3

ALASKA HOUSING FINANCE CORPORATION

PUBLIC HEARING
SFY-2017 ANNUAL ACTION PLAN and
the NATIONAL HOUSING TRUST FUND

March 16, 2016
4300 BONIFACE PARKWAY
ANCHORAGE, ALASKA

APPENDIX D

SFY2017 Annual Action Plan

Public Hearing March 16, 2016 Full Transcript

Public Hearing April 5, 2016 Full Transcript

Public Hearing May 6, 2016 Full Transcript

P R O C E E D I N G S

(On record - 3:00 p.m.)

CEDANO: Good evening, for the record it is 3:00 o'clock p.m. on March 16th, 2016. My name is Oscar Cedano, I am a Planner for the Alaska Housing Finance Corporation.

We are here to take testimony for the Annual Action Plan for the State Fiscal Year 2017 and for the National Housing Trust Fund.

This Public Hearing is being recorded and the transcript will be available as part of the final document submitted to HUD.

I am going to give a brief description of what the plan is about, then I will describe the NHTF.

The Consolidated Housing and Community Development Plan is a federally mandated planning process that serves as an application for several formula grant programs of the U. S. Department of Housing and Urban Development, HUD. These formula grant programs are the Community Development Block Grant, CDBG, HOME Investment Partnership Act, HOME, and Emergency Solutions Grant, ESC.

In Alaska, two Participating Jurisdictions, PJ's, receive formula funding for the CDBG, HOME and ESG programs for Anchorage and the State of Alaska.

The Municipality of Anchorage is responsible for the preparation and maintenance of their own Consolidated Housing and Community Development Plan.

The State of Alaska's HCD or Housing and Community Development Plan covers all the geographic areas of Alaska outside of the Municipality of Anchorage which is known as the balance of state. And that's what we're here to talk about, the balance -- the plan for the balance of state.

The Plan is a cooperative effort of the Alaska Housing Finance Corporation, the Alaska Department of Commerce, Community and Economic Development, the Alaska Department of Health and Social Services, the Alaska Mental Health Trust Authority and the Alaska Governor's Council on Disabilities and Special Education, but AHFC is the lead agency in the preparation and maintenance of the plan.

So, so far the process has had a meeting with the Steering Committee which is formed by representatives from the departments I just mentioned, but I just (indiscernible - telephone interference). And the plan overs the period from July 1st, 2016 until June 30 of 2017.

Now, this plan will identify housing and community development resources expected to be available during the year and detail the State's plan for the use of HOME, CDBG and ESC funds.

We will also include a description of how funds will be allocated, program and activities to be undertaken and the amount of funds to be distributed for each program activity.

It will also include an overview of homelessness needs and proposed actions to address homelessness, special needs housing, lead-based paint, collaboration with the public housing agency and non-housing community development concerns. It will provide a basis for assessing effectiveness through annual performance reports.

So I'll describe a little bit about the three programs that we're talking about. The main three programs which are CDBG, HOME and ESG.

So the ESG Program or Emergency Solutions Grant is a program that receives around $155,000 per year and that -- those funds are to assist homeless individuals.

So it can be spent on rehab of temporary shelters, essential services such as health care and transportation, operating costs for temporary shelters or transitional housing or homelessness prevention services, so that is the ESG Program.

The HOME Program receives around approximately $3 million per year and that can be used for a wide range of activities that build, buy and/or rehab affordable housing for rent or home ownership or provide direct rental assistance to low income people.

The CDBG Program or Community Development Block Grant Program receives around $2 million per year to be used for community development such as clinics, fire stations, water/sewer, et cetera.

It can also be used for planning such as comprehensive community development plans and feasibility studies, special economic development that creates jobs and housing rehab, but it cannot be used for new construction.

Now, like I said, these amounts are only for the balance of state. It doesn't include -- they don't include Anchorage.

So this plan is going to be posted tomorrow for a 30 day public comment period and the way to access the plan to see it is by going to our web page, so AHFC's web page which is ahfc.us and then we go to a link called rents and then rental programs and then plans.

To submit the comments you can e-mail me at ocedano@ahfc.us, that is, o-c-e-d-a-n-o at ahfc.us and that's going to be on the AHFC website.

So those are the basics of the plan, the Annual Action Plan for 2017 fiscal year.

And included in that plan -- now I'm going to talk about the National Housing Trust Fund which is -- it's a fund that was created in 2008 as part of the Housing and Economic Recovery Act. And these funds are coming to the State probably by the -- before June 30 of this year.

And so in order for the State to receive these funds, the State is required to submit a cost allocation plan which is also included in the Annual Action Plan that I just described. So I will touch on a few basics about the National Housing Trust Fund even though there is an entire web page that we can go to, to get all the details.

So this trust fund, we're talking about approximately $3 million for the State of Alaska. And one of the requirements, like I said, is to submit a cost allocation plan and this is funding that will -- that covers the entire -- the Trust Fund is a fund that was intended to provide funding for the entire country. And it is around $120 million for the whole country and Alaska is receiving a portion of that.

The uses for this funding are very similar to the HOME regulations, the HOME Program that I described for the Annual Action Plan.

Now, the National Housing Trust Fund law requires money to be distributed to states by formula and this formula is based on the shortage of rental properties, affordable and available to extremely low income and very low income households.

It's also based on the number of extremely low income and very low income renter households paying more than 50 percent of their income for rent and utilities which are considered according to our planning efforts to be a severe cost burden.

And so priority will be given extremely low income households and, like I said, the amount is going to be approximately $3 million so we have -- the State has not received an allocation yet. We only have a notification that the funding is coming.

The law creating the National Housing Trust Fund requires that at least 90 percent of the State's funding be used to produce, preserve or rehab or operate rental housing and up to 10 percent may be for homeowner activity.

Now, in rural areas the National Housing Trust

Fund also considers households with income below poverty line as very low income. And the allocation plan for this funding must show how the states will distribute the funds that it's going to receive the following year.

So the reason these two plans are together and the reason we are including both in this Public Hearing is because the distribution of the funds of the Trust Fund will be based on priority housing needs stated in the Consolidated Plan which is the Annual Action Plan.

So since we already have -- we also have Daniel Delfino on the phone, if you have questions about the Trust Fund you can ask me or you can ask Daniel and -- but primarily we're here to take testimony for the two documents, for the two plans.

So with that I will ask for the record who has joined us and if you can please spell your name so that we can have it correctly for the record. So here with us we have.....

WACKROW: Paul Wackrow, W-a-c-k-r-o-w.

CEDANO: So we have Paul.

MYERS: Dana Myers.

CEDANO: Give me just one second.

MYERS: Okay.

CEDANO: How do you spell your last name, Paul?
WACKROW: W-a-c-k-r-o-w.
CEDANO: Okay. And who was the next person? Go ahead.
MYERS: Dana Myers.
CEDANO: Would you spell your name for the record, please?
MYERS: D-a-n-a M-y-e-r-s.
CEDANO: Okay, thank you.
HAWVER: Monte Hawver, M-o-n-t-e H-a-w-v-e-r.
CEDANO: Okay. And where are you calling from?
MYERS: Brother Francis Shelter in Kodiak.
CEDANO: Okay. Where are you calling from, Monte?
MYERS: Same (ph).
CEDANO: Monte?
HAWVER: Yeah, I'm calling from the same, Brother Francis, Kodiak.
CEDANO: Okay, thank you. So now if anyone wishes to render comment, we'll just hear your comment.

Now, let me remind you that all of these comments are going to be -- they're going to be recorded and the State will submit a response to all the comments that we receive.

They will also be included in the plan in an attachment that includes all the comments, all the public comments to the plan.
HAWVER: I just have a question, Oscar, do either one of

these -- either one of programs that you're talking about, does that have to do with the Moving to Work Program with AHFC or is that something down the line here we're talking about (ph)?

CEDANO: The Moving to Work Program is included in the plan because we work closely with the Public Housing Department, but my understanding is that the funding that we're talking about from the Trust Fund is separate, separate from the Moving to Work Program.

DELFINO: Yeah, I'll share -- this is Daniel, just to jump in. The Moving to Work Program is something that our Public Housing Division formally puts out for comment, Monte, and then presents to the Board separately. So the larger comments about the Public Housing Division and the way that they're operating their portfolio, I think that would be a little bit of a different process.

HAWVER: I see. Well, I appreciate that verfi- -- clarification. Yeah, I was asking -- more interested -- I guess I'm interested in ESG, but it -- we went through it (ph), it looks pretty straight forward. And I was more interested in the Moving to Work Program and, you know, it sunsets in 2018 and I was wondering what the process was and if that was going to be extended forward or apply for an extension forward or if they were going to let it sunset?

DELFINO: Do you have the contact information for Cathy Stone our Public Housing Director?

HAWVER: No, I'd love to have that.

DELFINO: Okay. I assume you get -- I'll get your e-mail address and I'll send you the contact infor for the folks to follow-up on that.

HAWVER: That would be great, thank you.

DELFINO: No problem.

HAWVER: Other than that, that's pretty much what we were interested in. I'm not sure that the rest of it -- we'll go through it and if we have any comments, I think, we'll just put them in writing.

CEDANO: Monte, I -- this is Oscar. I think the Public Housing Department is also having a Public Hearing today and.....

HAWVER: Is that right?

CEDANO: Yes. And that might -- that might interest you, too, because they're -- it's happening at the same time. If you go to our website --.....

HAWVER: Okay (ph).

CEDANO: .....if you go to our website where the -- where we have the comment -- the notices, you will find the information that if you -- if you still want to dial in.

HAWVER: Okay, Oscar, that's great information, thank you much. I think I'll switch over to there.

CEDANO: Okay, you're welcome. Do we have anybody else who would like to provide comment? Hello?

(Off record comments)

CEDANO: If we don't have anybody else who is going to provide comments, we'll wait a few minutes and see if somebody else dials in. If not, then we'll go off the air until about 3:45.

(Off record comments)

(Off record - 3:37 p.m.)

(On record - 4:00 p.m.)

CEDANO: Hello, this is Oscar Cedano again. It's 4:00 o'clock and we're here to take testimony for the development of the State Fiscal Year 2017 Annual Action Plan and the National Housing Trust Fund.

Do we have anybody else call in? Hearing none, we will get back off the air and we'll return in 15 minutes.

(Off record - 4:00 p.m.)

(On record - 4:17 p.m.)

CEDANO: Hello, this is Oscar Cedano again. We're here to receive comments for the 2017 Annual Action Plan and for the National Housing Trust Fund. It is 4:17 and I would like to see if someone else has joined us?

Well, seeing none and hearing none, we'll go off record until 4:30.

(Off record - 4:17 p.m.)

(On record - 4:35 p.m.)

CEDANO: Hello, this is Oscar Cedano. It is 4:35. We're taking comments for the State Fiscal Year 2017 Annual Action Plan and the National Housing Trust Fund.

I'm trying to see if we have anybody -- anybody join us since the last time we went on record? Well, hearing none and seeing none, we will get off record -- we'll go off record until 4:45.

(Off record - 4:36 p.m.)

(On record - 4:47 p.m.)

CEDANO: Hello, it is 4:47. This is Oscar Cedano and we're here to take testimony for the State Fiscal Year 2017 Annual Action Plan for Housing and Community Development.

Has anybody joined us? Has anybody dialed in? Well, we don't -- seeing none and hearing none, we'll go off record until 5:55 (sic) to check one last time to see if anyone is -- wants to join us to submit a comment. Thank you.

(Off record - 4:47 p.m.)

(On record - 5:00 p.m.)

CEDANO: Well, it is 5:00 o'clock. This is Oscar Cedano again and we're concluding the Public Hearing for the 20- -- the State Fiscal Year 2017 Annual Action Plan and the National Housing Trust Fund.

We will post the Annual Action Plan on our website, ahfc.us as of tomorrow. It will be out for comment for a period of 30 days and you can submit comments to me ocedano@ahfc.us, that's o-c-e-d-a-n-o @ a-h-f-c.u-s. Thank you.

(Adjourned - 5:00 p.m.)

C E R T I F I C A T E

UNITED STATES OF AMERICA)
) ss
STATE OF ALASKA)

I, Suzan Kay Olson, Notary Public in and for the State of Alaska, residing at Anchorage, Alaska, and Electronic Reporter, do hereby certify:

THAT the annexed and foregoing PUBLIC HEARING of the Alaska Housing Finance Corporation regarding **SFY-2017 ANNUAL ACTION PLAN and the NATIONAL HOUSING TRUST FUND**, was taken on the 16th day of March, 2016, commencing at the hour of 3:00 o'clock p.m., at the offices of Alaska Gasline Development Corporation, 3200 C Street, Anchorage, Alaska, pursuant to Notice;

THAT this Transcript, as heretofore annexed, is a true and correct transcription of said Public Hearing, thereafter transcribed by Suzan Olson;

THAT the original of the Transcript will be lodged with the Alaska Housing Finance Corporation;

THAT I am not a relative, employee or attorney of any of the parties, nor am I financially interested in this action.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal this 21st day of March, 2016.

Notary Public in and for Alaska
My Commission Expires: 08/13/19

ALASKA HOUSING FINANCE CORPORATION

PUBLIC HEARING
SFY-2017 ANNUAL ACTION PLAN and
the NATIONAL HOUSING TRUST FUND

April 5th, 2016
4300 BONIFACE PARKWAY
ANCHORAGE, ALASKA

PROCEEDINGS

(On record - 3:02 p.m.)

CEDANO: Good evening, for the record it is 3:00 o'clock -- 3:02 on April 5th, 2016. My name is Oscar Cedano, I am a Planner for the Alaska Housing Finance Corporation.

We are here to take testimony for the Annual Action Plan for the State Fiscal Year 2017 and for the National Housing Trust Fund.

This Public Hearing is being recorded and the transcript will be available as part of the final document submitted to HUD.

I am going to give a brief description of what the plan is about, then I will describe the National Housing Trust Fund, but before I do that I would like to ask if we have anybody on line?

AUSTIN: Yes.

CEDANO: It is you, Dan?

AUSTIN: Yes. Yeah, it's me, Dan Austin, St. Vincent DePaul, Juneau, Alaska.

CEDANO: Dan Austin. Would you -- yeah. Dan, would you mind spelling your name for the record?

AUSTIN: Yes, that's Dan Austin, A-u-s-t-i-n.

CEDANO: Okay.

AUSTIN: The St. Vincent DePaul Society in Juneau, Alaska.

CEDANO: Thank you. Do we have anyone else on line?

CIAMBOR: Hi, this is Scott Ciambor, CBJ Housing officer.

CEDANO: Thank's, Scott.

CIAMBOR: And.....

CEDANO: Okay. Go ahead.

AUSTIN: Hi -- hi, Scott.

CEDANO: Juneau is present. Okay. So.....

AUSTIN: (Indiscernible).....

CEDANO: .....the Consolidated Housing and Community Development Plan is a federally mandated planning process that serves as an application for several formula grant programs of the U. S. Department of Housing and Urban Development, HUD. These formula grant programs are the Community Development Block Grant or CDBG, HOME Investment Partnership Act or HOME, and the Emergency Solutions Grant, ESG.

In Alaska, two Participating Jurisdictions receive formula funding for the CDBG, HOME and ESG Programs for Anchorage and the State of Alaska.

The Municipality of Anchorage is responsible for the preparation and maintenance of their own Consolidated Housing and Community Development Plan.

The State of Alaska's HCD or Housing and Community Development Plan covers all the geographic areas of -- outside of Anchorage -- outside of the

Municipality of Anchorage which is known as the balance of state. And that's what we're here to talk about, the balance -- the plan for the balance of state.

The Plan is a cooperative effort of the Alaska Housing Finance Corporation, the Alaska Department of Commerce, Community and Economic Development, the Alaska Department of Health and Social Services, the Alaska Mental Health Trust Authority and the Alaska Governor's Council on Disabilities and Special Education. And AHFC is the lead agency in the preparation and maintenance of the plan.

So far the process has had a meeting with the Steering Committee which is formed by the representatives from the departments I just mentioned. And the plan overs the period from July 1st, 2016 to June 30 of 2017.

This plan will identify housing and community development resources expected to be available during the year and detail the State's plan for the use of HOME, CDBG and ESG funds.

We will also include a description of how funds will be allocated, program and activities to be undertaken and the amount of funds to be distributed for each program activity.

It will also -- the plan also include an overview of homelessness needs and proposed actions to address homelessness, special needs housing, lead-based paint, collaboration with the public housing agency and non-housing community development concerns. It will provide a basis for assessing effectiveness through annual performance reports.

And so I'll describe a little bit about these three programs -- these two (ph) programs that we're talking about CDBG, HOME and ESG.

The ESG Program or Emergency Solutions Grant is a program that receives about $155,000 per year and those funds are geared towards assisting homeless individuals. It can be spent on rehab of temporary shelters, essential services such as health care and transportation, operating costs for temporary shelters or transitional housing for homelessness prevention services, so that is the ESG Program.

The HOME Program receives around approximately $3 million per year and can be used for a wide range of activities that build, buy and/or rehab affordable housing for rent or home ownership or provide direct rental assistance to low income people.

The CDBG Program or Community Development Block Grant receives around $2 million per year to be used for community development such as clinics, fire stations, water/sewer, et cetera.

It can also be used for planning such as comprehensive community development plans and feasibility studies, special economic development that creates jobs and housing rehab, but it cannot be used for new construction.

These amounts are only for the balance of state. It does not include Anchorage.

At this time if you go to -- to be posted -- or is posted already for a 30 day period of comment and all comments will be replied to. They will be included in an attachment as part of the document that's going to be submitted to HUD.

You can also submit your comments to ocedano@ahfc.us, that is my e-mail address. That is o-c-e-d-a-n-o at ahfc.us.

Those are the basics of the plan, the Annual Action Plan for Fiscal Year 2017.

And included in the plan -- now I'm going to talk about the National Housing Trust Fund which is a fund that was created in 2008 as part of the Housing and Economic Recovery Act. And these funds are coming to the State probably by the end of June, prior to that most likely.

And so in order for the State to receive these funds, the State is required to submit a cost allocation plan which is also included in the Annual Action Plan that I just described. So I will touch on a few basics about the National Housing Trust Fund even though there is an entire website that we can go to, to get all the details.

The trust fund is approximately $3 million for the State of Alaska. And one of the requirements is to submit a cost allocation plan and this is funding that covers the entire. The trust fund is a fund that was intended to provide funding for the entire country. And the amount that covers the entire country is around $120 million.

(Telephone interruption)

CEDANO: Excuse me? The uses for this funding are very similar to the HOME regulations for the HOME Program that I described for the Annual Action Plan.

The National Housing Trust Fund law requires money to be distributed to states by formula. And this formula is based on the shortage of rental properties, affordable and available to extremely low income and very low income households.

It's also based on the number of extremely low income and very low income renter households paying more than 50 percent of their income for rent and utilities which is considered according to our planning efforts to be a severe cost burden.

(Telephone interruption)

CEDANO: And so priority will be -- priority will be given to extremely low households and the amount is going to be approximately three million, so the State has not received an allocation yet. We only have a notification that the funding is coming.

The law creating the National Housing Trust Fund requires that at least 90 percent of the State's funding be used to produce, preserve or rehab or operate rental housing and up to 10 percent may be for homeowner activity.

In rural areas the National Housing Trust Fund also considers households with incomes below poverty line as very low income. And the allocation plan for this funding must show how the states will distribute the funds that it's going to receive the following year.

The reason these two plans are together and the reason we are including both in this Public Hearing is because the distribution of the funds of the Trust Fund will be based on priority housing needs stated in the Consolidated Plan which is the Annual Action

Plan.

So since we already have -- we also have three people on line -- do we have somebody else on line?

Okay. If you have any more questions -- any questions about the Housing Trust Fund I can give you the website where we can go and get all the information, all the details.

So this Public Hearing is to gather testimony. If you have any comments about it or if you have any suggestions, then we will record all of your comments and the State will provide a reply to your comments and it will be also on record.

So, do we have anybody in the room that wants to provide testimony?

CIAMBOR: Oscar, this is Scott, I just have a quick question, please (ph)?

CEDANO: Yes.

CIAMBOR: So where -- what page in the Annual Action Plan is the cost allocation plan for the trust fund.

CEDANO: Say, what part, where in the plan?

CIAMBOR: Yeah.

CEDANO: Okay. The compilation is going to be part of the GOAL Program, the discussion of the GOAL Program since most likely those funds are going to be used for that program. And the GOAL Program is a

combination of different sources of funding.
And do we have -- if we have Daniel Delfino on line, he can explain that to you a bit more than me (ph). Let me check. But yeah, that's where -- that's where you're going to find it.

CIAMBOR: Okay. In the GOAL section of the.....

CEDANO: Yeah, in the description of the GOAL Program. So.....

CIAMBOR: Thank you.

CEDANO: Did that answer your question?

CIAMBOR: Yeah, I just -- I'll look it up.

CEDANO: Okay. So do we want -- do we have someone who wants to provide testimony?

AUSTIN: And this -- you talk -- 'cause this is particularly on the HTF that you're talking about or do you want just testimony in general?

CEDANO: Yeah, we would like testimony in general about the plan and/or the Housing Trust Fund.

AUSTIN: So this could be an appropriate time to raise comments and questions about the general action plan, as well as the Housing Trust Fund description that you just gave?

CEDANO: Correct. Most likely comments because we're not.....

AUSTIN: Okay.

CEDANO: Yeah, you can reply any comments.....

AUSTIN: Okay.

CEDANO: Go ahead.

AUSTIN: Right, okay, if I may, this is Dan Austin, St. Vincent DePaul in Juneau.

And Oscar, on page 20 of the Action Plan we discuss the -- there's a comment made in here about the HMIS data, the FY-14 AK HMIS data reports that 75 percent of persons experiencing homelessness or threatening with homelessness transitioned, past tense, into a permanent housing situation within 30 days and that 11 percent transitioned within 31 to 60 days meaning that 86 percent of the individual -- homeless individuals in Alaska transitioned to permanent housing within 60 days of connecting with services.

So what I'm trying to understand from that statement, Oscar, is what are we measuring? Are we measuring that from the time a perspective client, for example, a shelter plus care SRA eligible person walked into a room and we begin to take them in, input them into the system, the HMIS system, are we saying that from that moment it's an average of 30 days we'll be able to place them in housing or at least 75 percent of them and within 60 days 86 percent of them, as I correct in understanding that's what we're talking about here?

CEDANO: Actually, Dan, that's a very good question, but I'm not -- I'm trying to locate Carrie Collins who is our homelessness expert.

AUSTIN: Um-hum (ph). (Affirmative)

CEDANO: If she's here she'll answer your question. If not, then we'll get her to call you and reply to that question.....

AUSTIN: Great.

CEDANO: .....exactly, but I know what section you're talking about. So if you give me one second -- do you have any -- any other part of a comment?

AUSTIN: I do, I have two other comments and then I can shut-up. Should I go ahead then?

CEDANO: Yeah, go ahead.

AUSTIN: Okay. And then on page 29 there's a really nice statement in the last paragraph and it's talking about -- and I want -- I want to say I totally support this concept described here and want to do whatever we can to make it work.

In that last paragraph it talks about a special emphasis, and I quote here, will be placed on coordinating with other funding sources such as the United States Department of Agriculture, USDA, Rural

Development, Economic Development Administration, et cetera, et cetera, et cetera.

And I want to again say, you know, that is absolutely what we need to do. We need better cooperation and coordination with the different agencies that have a little piece, each having a little piece some larger than others of the resources we need to deal with homelessness and affordable housing.

My question, Oscar, is have we developed some sort of a specific plan that will enhance cooperation between AHFC and USDA Rural Development, for example?

And I say that in lieu -- in view of the fact that, you know, recently in this last year or so there's been quite a bit of problems back and forth that I've observed as a -- more as a spectator on the sidelines of issues between AHFC and for profit and not for profit developers and the Rural Development Program as we tried to bring the old Rural Development Program into the Tax Credit Program.

We don't seem to have a smooth way of expediting that cooperative process. And I'm just wondering has AHFC come up with some ideas on how we can better cooperate with USDA Rural Development, for example?

CEDANO: I would have to -- again, I would have to refer you to Daniel Delfino who might be here. And also, by the way, Carrie Collins is coming down to answer your first question.

AUSTIN: Great, thank you.

CEDANO: Yeah.

AUSTIN: And so let me finish up with my final question. The $3 million for the Housing Trust Fund I think that we're hoping to get, I was unclear is the $3 million for the entire State and how does that breakout in terms of Anchorage versus balance of state?

CEDANO: Oh, for the HOME Program?

AUSTIN: Right. Well, for the Housing Trust Fund that's being dumped into the GOAL Program.

CEDANO: Oh, yeah, that.....

AUSTIN: Does it go by the same allocation system? In other words, Anchorage will get the lion's share of everything and the rest of us will just, kind of, have to do with the scraps or how is that going to work?

CEDANO: That's also a good question. The funds -- the entirety of the funds is coming for the whole State and -- but because -- and Daniel Delfino will be able to verify this better, but because the GOAL Program covers the entire State, then that's how it will be distributed. As opposed to HOME, the HOME.....

AUSTIN: (Simultaneous speech).....

CEDANO: .....Program -- as opposed to the HOME Program which is -- in which the Municipality receives its own allocation and then the balance of state receives the $3 million hopeful (ph), that's a little different. In this case.....

AUSTIN: Sure.

CEDANO: .....the money comes from the HOME (ph) for the whole state, but.....

AUSTIN: Right.

CEDANO: .....he will be able to tell you how it is that we are planning to use the funds in or -- with or without Anchorage.

AUSTIN: Um-hum. (Affirmative)

CEDANO: Yeah.

AUSTIN: Okay. So one of the comments I'd like to make then is that it's my understanding from what I've read on the Housing Trust Fund is that, that money -- some of that money would be available, for example, to enhance our voucher program in this State.

So do we have -- are we go- -- it all goes to the GOAL Program, will any of it be able to be used to enhance the voucher program particularly -- for both classes of vouchers, those that are permanent for the disabled and the elderly or those that are Step Program vouchers because we're experiencing a lot of difficulty with the Step Program right now and if anything we could do to enhance the availability of funding for those vouchers would be really helpful?

CEDANO: So you're asking me or.....

AUSTIN: I'm trying to get an idea of how they're planning to spend the money and if any of it is going to go into vouchers or not.....

CEDANO: Oh,.....

AUSTIN: .....and we'll see more vouchers in for us (ph).

CEDANO: Well, we -- we wouldn't be able to -- I wouldn't be able to tell you exactly how it's going to be distributed yet. And the reason is because we only have a notification from HUD that the money's coming, but we don't know the amount, so until we have -- we don't know the exact amount.

We know that approximately every state is going to receive $3 million, so once we know that amount we will be able to say okay -- or if it's bigger or if it's a smaller amount, then we'll be able to say this much money is going into each -- each one of these.

However, I can tell you that this money is going to be -- most likely be used for the GOAL Program which is a combination of funding. So if you --.....

AUSTIN: Right.

CEDANO: .....if you know what the GOAL Program is going -- is going to go -- it's going to be used for.....

AUSTIN: Um-hum. (Affirmative)

CEDANO: .....then that -- that's most likely what's going to happen with that -- with those funds. And so.....

AUSTIN: (Simultaneous speech)

CEDANO: Oh, I do also have Carrie Collins here who is going to --.....

AUSTIN: Great.

CEDANO: .....who was very nice to come from her office.....

AUSTIN: Okay.

CEDANO: .....and give us a hand with your question. So would you mind repeating the question for her?

AUSTIN: Sure, sure. Hi, Carrie, how are you?

COLLINS: I'm good, thank you.

AUSTIN: Great, excellent. So my question was in regards to the way -- they made a statement on page 20 of the draft Action Plan. It says the SFY-14 AK HMIS data reports that 75 percent of persons experiencing homelessness or threatened with homelessness transitioned to permanent housing situations within 30 days, et cetera.

What I'm trying to understand is, is what are we actually measuring? You know, are we measuring the time from when a homeless person who is eligible for a shelter plus care voucher, for example, walks in the door and we get them into the HMIS system and if they're eligible and if we have voucher money, than are we saying that within 30 days they're going to find housing? They're going to be permanently situated?

COLLINS: Right. So this is showing those who were entered into HMIS, so once they entered the system, they were placed into permanent housing within 30 days whatever that permanent housing situation might have been. It may not have been a voucher for everyone. It just looks at all the data in the system during that time frame.

AUSTIN: Wow. I guess I -- I guess we're -- I have a problem with that because at least in my experience -- I mean, I have -- I have folks living in our homeless shelters that have been there two years and they've been entered in the system for more than two years.

And I have -- and we have folks that -- that come in and out of the system (indiscernible) of the time and I'm -- our experience is not that we're housing them in 30 days. There must be -- I must either be misinterpreting the way this is rolling up or there's some sort of a glitch in the system that I don't understand.

COLLINS: Okay. So.....

AUSTIN: The average -- for example -- Carrie, for example the vulnerability index that we ran, the vulnerability survey in Juneau indicates that the average -- the average time spent on the street homeless for our homeless population is nine years. And those -- and many of those folks are entered in the system, of course. So we're not -- there must be -- I must be missing something. I'm not understanding something correctly here, I guess.

COLLINS: Okay. So I can, Dan, see about providing you with some additional information about how that information was gathered. Please note that it is for -- for all communities, so it's not just one community so depending -- you know, they look different in different communities.

AUSTIN: Right, right. So maybe what we should do is see a breakdown by community and then we can find the communities that are doing a much better job than we are obviously and we can confer with them and find out how it is that they're getting that job done better. I don't.....

COLLINS: Absolutely.

AUSTIN: .....see that in my community. Yeah, great, thank you, Carrie.

COLLINS: You're welcome.

CEDANO: Dan, do you have any other comment?

AUSTIN: Those were my three comments.

CEDANO: Okay. So.....

AUSTIN: Thank you, thank you.....

CEDANO: .....Daniel Delfino is not here right now to answer your first question, but because your comments are going to be recorded -- or are being recorded, then you will get a reply -- a written reply from the State.

AUSTIN: Great, thank you, Oscar.

CEDANO: Thanks, thanks for calling, Dan. Do we have someone else on line that has joined us recently? We have someone else wanting to provide comment?

CIAMBOR: Yeah, so Oscar, this is Scott and so I'll just make one comment with my Alaska Coalition on Housing and Homelessness Chair hat. And.....

CEDANO: Yes, Scott.

CIAMBOR: .....it's just it would be great to get more clarification for the general public on how the National Housing Trust Fund will go into the GOAL Program and what those details are so that communities can start making plans to utilize those dollars.

CEDANO: There was a notification that came out before the Annual Action Plan in the month of February, I think, about the --.....

CIAMBOR: Um-hum. (Affirmative)

CEDANO: .....about the GOAL Program and there was a --.....

CIAMBOR: (Simultaneous speech)

CEDANO: .....there was a public comment period also that already expired. So what I can do is I can -- I can make available all those comments that were asked for that period and also the notification and the publication that went out for the GOAL Program and that is going to explain that in more detail.

CIAMBOR: Yeah, that's great 'cause I think we just want to be clear for communities on what's happening and how they can participate.

CEDANO: Yeah. Do we have any other comments?

CIAMBOR: No. Well, thanks, Oscar.

CEDANO: Thank you, Scott.

CIAMBOR: We'll see you later. (Simultaneous speech) Bye, Carrie.

COLLINS: Thanks.

CEDANO: Thanks for calling.

AUSTIN: Bye-bye, thank you.

CEDANO: Do we have someone else on line that has joined us recently?

DeLACEE: Are you asking who is listening, I guess, who got on?

CEDANO: Yes, please.

DeLACEE: My name is Catherine DeLacee and I'm calling from (indiscernible) to the Kenai Peninsula and I'm just listening in.

CEDANO: Okay. Cathy, would you mind spelling your name for the record?

DeLACEE: Okay. It's Catherine with a C and DeLacee is D-e capital L-a-c-e-e.

CEDANO: Thank you.

DeLACEE: Thank you.

CEDANO: Okay. Since we don't have anyone else join us recently, we will go off the record and we will come back at 3:45.

(Off record - 3:30 p.m.)

(On record - 3:47 p.m.)

CEDANO: Hello, this is Oscar Cedano again. It is 3:47 p.m. and we're here to take testimony for the development of the State Fiscal Year 2017 Annual Action Plan and the National Housing Trust Fund.

I would like to ask first if we have anyone else on line who has joined us recently? Okay. Seeing none and hearing none, we will go off the record until 4:00 o'clock.

(Off record - 3:48 p.m.)

(On record - 4:00 p.m.)

CEDANO: Good evening, this is Oscar Cedano. We're here to receive comments for the 2017 Annual Action Plan and for the National Housing Trust Fund. It is 4:00 o'clock right now and I would like to ask if we have someone else join us recently on line? Well, seeing none and hearing none, we will go off line until 4:30.

(Off record - 4:00 p.m.)

(On record - 4:30 p.m.)

CEDANO: Hello, this is Oscar Cedano again. It is 4:30 p.m. We're here to receive comments for the 2017 Annual Action Plan and for the National Housing Trust Fund.

I would like to ask if we have anyone join us recently or is anyone else on line? Well, seeing none and hearing none, we will go off the record until 5:00 p.m.

(Off record - 4:31 p.m.)

(On record - 5:02 p.m.)

CEDANO: Hello, this is Oscar Cedano again. It is 5:02

p.m. and we're here to collect comments for the State Fiscal Year 2017 Annual Action Plan.

We're concluding the Public Hearing and we will post the Annual Action Plan on our website at ahfc.us. It's (indiscernible) posted already until April 15th. And all the comments that we receive will be replied to and there will be a record of this hearing and the prior -- previous hearing that we had in March.

You can submit your comments still to ocedano@ahfc.us, that's o-c-e-d-a-n-o @ahfc.us. Thank you very much.

(Adjourned - 5:03 p.m.)

C E R T I F I C A T E

UNITED STATES OF AMERICA)
) ss
STATE OF ALASKA)

I, Suzan Kay Olson, Notary Public in and for the State of Alaska, residing at Anchorage, Alaska, and Electronic Reporter, do hereby certify:

THAT the annexed and foregoing PUBLIC HEARING of the Alaska Housing Finance Corporation regarding **SFY-2017 ANNUAL ACTION PLAN and the NATIONAL HOUSING TRUST FUND**, was taken on the 5th day of April, 2016, commencing at the hour of 3:00 o'clock p.m., at the offices of Alaska Housing Finance Corporation, 4300 Boniface Parkway, Anchorage, Alaska, pursuant to Notice;

THAT this Transcript, as heretofore annexed, is a true and correct transcription of said Public Hearing, thereafter transcribed by Suzan Olson;

THAT the original of the Transcript will be lodged with the Alaska Housing Finance Corporation;

THAT I am not a relative, employee or attorney of any of the parties, nor am I financially interested in this action.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal this 8th day of April, 2016.

Notary Public in and for Alaska
My Commission Expires: 08/13/19

ALASKA HOUSING FINANCE CORPORATION

PUBLIC HEARING

SFY-2017 ANNUAL ACTION PLAN and the NATIONAL HOUSING TRUST FUND

May 6th, 2016

4300 BONIFACE PARKWAY
ANCHORAGE, ALASKA

P R O C E E D I N G S

(On record - 3:02 p.m.)

CEDANO: Good evening, for the record it is 3:00 o'clock p.m. May 6th, 2016. My name is Oscar Cedano, I am a Planner for the Alaska Housing Finance Corporation.

We are here to take testimony for the Annual Action Plan for the State Fiscal Year 2017 and for the National Housing Trust Fund.

This Public Hearing is being recorded and the transcript will be available as part of the final document submitted to HUD.

I am going to give a brief description of what the plan is about, then I will describe the National Housing Trust Fund, which is primarily the reason for the Public Hearing, but first of all, I would like to ask do we have anybody -- anyone on line?

Okay. The Consolidated Housing and Community Development Plan is a federally mandated planning process that serves as the application for several formula grant programs of the U. S. Department of Housing and Urban Development, HUD. These formula grant programs are the Community Development Block Grant, CDBG, HOME Investment Partnership Act or HOME and Emergency Solutions Grant, ESG.

In Alaska, two Participating Jurisdictions takes place and these are to receive formula funding for the CDBG, HOME and ESG Programs and so one of them is Anchorage and the other one is the rest of the State.

The Municipality of Anchorage is responsible for the preparation and maintenance of their own Consolidated Housing and Community Development Plan.

The State of Alaska's HCD or Housing and Community Development Plan covers all the geographic areas of Alaska outside of the Municipality of Anchorage which is known as the balance of state. That's what we're here to talk about, the balance -- the plan for the balance of state.

The Plan is a cooperative effort of the Alaska Housing Finance Corporation, the Alaska Department of Commerce, Community and Economic Development, the Alaska Department of Health and Social Services, the Alaska Mental Health Trust Authority and the Alaska Governor's Council on Disabilities and Special Education, but AHFC is the lead agency in the preparation and maintenance of the plan.

So far the process has had a meeting with the Steering Committee which is formed by representatives from the departments that I just mentioned. And this plan -- and we have also had two Public Hearings, as well as two public comment periods prior to this one to collect comments for the Annual Action Plan, but also for the implementation of -- or for the National Housing Trust Fund which is funding that is coming to the State this year and is going to be part of this plan.

This plan will identify housing and community development resources expected to be available during the year and detail the State's plan for the use of HOME, CDBG and ESG funds.

We will also include a description of how funds will be allocated, program and activities to be undertaken and the amount of funds to be distributed for each program activity.

It will also include an overview of homelessness needs and proposed actions to address homelessness, special needs housing, lead-based paint, collaboration with the public housing agency and non-housing community development concerns. It will provide a basis for assessing effectiveness through annual performance reports.

I will describe a little bit about the three programs that we're -- the three programs that we are talking about.

The ESG Program or Emergency Solutions Grant is a program that receives approximately $155,000 per year and these funds are primarily to assist homeless individuals. It can be spent on rehab of temporary shelters, essential services such as health care and transportation, operating costs for temporary shelters or transitional housing or homeless prevention services.

The HOME Program receives around $3 million per year and can be used for a wide range of activities that build and/or buy -- to build, buy and/or rehab affordable housing for rent or home ownership or provide direct rental assistance to low income people.

The CDBG Program or Community Development Block Grant receives approximately $2 million per year that can be used for community development such as clinics, fire stations, water/sewer, et cetera.

The program can also be used for planning such as comprehensive community development plans and feasibility studies, special economic development that creates jobs and housing rehab, but it cannot be used for new construction.

These amounts are only for the balance of state, like I said before, which does not include -- these are all the areas of the State excluding Anchorage.

This plan, this Annual Action Plan is already posted on AHFC's website and we are in the middle of a 30 day public comment period which ends May 20.

The way to access the plan is by going to the website, but you can also call me or e-mail me and I will -- I can send you a copy of it. My phone number is 907-330-8417 or the AHFC website is ahfc.us. And you can then go to the link called Plans and there you will see each one of the plans by year.

To submit a comment you can e-mail me. The e-mail address that I just mentioned which is ocedano@ahfc.us or you can go to the website as well. You can e-mail you can call me, there are many ways to do it.

Those arc the basics of the plan for the Fiscal Year 2017.

Included in the plan -- now we're going to mention the National Housing Trust Fund which is a fund that was created in 2008 as part of the Housing and Economic Recovery Act. These funds are coming to the State most likely before June 30. There was an allocation already announced of $3 million.

In order for the State to receive these funds, the State is required to submit a cost allocation plan which is also included in the Annual Action Plan that I just described. I will touch on a few basics about the National Housing Trust Fund even though there is an entire website that we can go to, to get all the details.

This trust fund that we're talking about is approximately -- is going to be $3 million. One of the requirements for the State to receive the funds is to submit the allocation plan and this is -- these funds that we're talking about are covering the entire State. The trust fund is a fund that was intended to provide funding for the entire country. And the allocation for the whole country is $174 million.

The uses for this funding are very similar to the HOME regulations, the HOME Program that I described for the Annual Action Plan.

And the National Housing Trust Fund law requires money to be distributed to states by formula. And this formula is based on the shortage of rental properties, affordable and available to extremely low income and very low income households.

It's also based on the number of extremely low income and very low income renter households paying more than 50 percent of their income for rent and utilities which are considered according to our planning efforts to be a severe cost burden. So priority will be given to extremely low income households. And like I said, the amount is going to be $3 million. The State has not received the allocation yet.

However, the ways in which the State plans to use these funds has to be stated in the Annual Action Plan which is due to HUD on May 15th.

The law creating the National Housing Trust Fund requires that at least 90 percent of the State's funding be used to produce, preserve or rehab or operate rental housing and up to 10 percent may be for homeowner activity.

In rural areas, the National Housing Trust Fund also considers households with incomes below poverty line as very low income.

The reason these two plans are together and the reason that we are including both in this Hearing is because the distribution of the funds of the Trust will be -- of the Trust Fund will be based on priority housing needs stated in the Consolidated Plan which is the Annual Action Plan.

So since we already have posted the plan on line, you can go and look at the basics, but also there are links for the National Housing Trust Fund to see all the details.

And with that I would like to ask for the record if we have anyone -- if we have had anyone join us on line?

STEINACHER: Hi, yeah, this is Sue Steinacher in Nome with NEST, the Nome Emergency Shelter Team.

CEDANO: Yeah, hi, Sue. Would you mind spelling your name for the record?

STEINACHER: Sure. Steinacher, S-t-e-i-n-a-c-h-e-r.

CEDANO: Thank you. Do we have anyone else on line?

WACKROW: Yeah, this is Paul Wackrow with Neighborworks Alaska.

CEDANO: Thanks, Paul. Would you mind spelling your name for the record?

WACKROW: Yup, it's -- my last name is W-a-c-k-r-o-w.

CEDANO: Thanks. Now, if any of you is -- would like to render comment, just go ahead and do so.

STEINACHER: I'm good for now and I'm glad that all of this is on line, too. Thank you.

CEDANO: Paul, do you have something to comment?

WACKROW: Nope, not at this time.

CEDANO: Okay, thank you. So we're going to wait a few minutes to see if someone else joins us on line, if not than we'll go off the record and we'll come back at 3:30.

I would also like to mention that here in the room we have some of the Planning Department, Mark Romick Director of the Department, actually rather for now Director of the Department and we also have Daniel Delfino. They both are representing us from the Planning Department.

Did we have anyone join us?

(Off record - 3:14 p.m.)

(On record - 3:31 p.m.)

CEDANO: Okay, we're back on the record. It is 3:31 p.m. And, again, we're here to collect comment for the Annual Action Plan for the State Fiscal Year 2017 and also for the National Housing Trust Fund allocation plan which is part of the Annual Action Plan.

I would like to ask if we had anyone join us as we went off record? It looks like no one has. No one else has.

So I would like to mention four things regarding the National Housing Trust Fund and the Annual Action Plan.

The first one is that the plan for the -- the State plan is to add or utilize -- utilize the National Housing Trust Fund, make it part of the GOAL Program. And the GOAL Program, it's a program that provides grants, Federal tax credit and zero interest Federal loans to developers and project sponsors who build affordable rental housing for low to moderate income families and seniors.

Now, the program is opened to for profit corporations and profit agencies and Regional Housing Authorities and the following are the programs that fit under the GOAL umbrella. The Home Investment Partnership Act, the Low Income Housing Tax Credit Program, Senior Citizen Housing Development Fund and potentially the National Housing Trust Fund.

Now, talking about the GOAL Program, the rating criteria for the GOAL Program is open for public comment as of today at 5:00 p.m., so if you want to submit comments for that, you can still do so.

The other thing that I need to mention is that as part -- as a requirement for the National Housing Trust Fund and because it is part of the Annual Action Plan, the State is required to amend the Annual Action Plan and the Con Plan (ph) which is the big strategic plan that describes the use of these -- of all these funds.

And so the sections that the State will amend for the Con Plan are going to be the Annual Goals and Objections. The State is also going to be amending the Allocation Priorities section of the Con Plan. Methods of Distribution section is also going to be amended and the Project, that's the five year Consolidated Plan.

Now the one year implementation which is the Annual Action Plan is also going to be amended and the sections that we will amend are all those sections that will be affected by this new funding, by this $3 million from the National Housing Trust Fund.

So the sections that we will be amending are the Executive Summary, the Consultation Section, the Citizen Participation Section, the Anticipated Resources Section, Institutional Delivery Structure, the GOAL Summary, the Annual Goals and Objectives, the Allocation Priorities, Methods of Distributions, the Project -- Annual Projects, the Affordable Housing Section and the Program Specific Requirement Section. Those sections are going to be amended on the Fiscal Year 2017 Annual Action Plan before the plan is submitted for approval to HUD.

Do we have anyone else on line? Anyone new that's joined us? So it's 3:35 p.m. and since we don't have anyone else on line to provide comment and we have no one here in the room, we'll go off record and we will come back.....

STEINACHER: Oscar, this is.....

CEDANO: Yes, so ahead, Sue.
STEINACHER: This is Sue and I'm still in Nome, but you know, I think at this point I would probably be further ahead to just take this time to read what's on line and to get my comments in about the GOAL Program before 5:00 today.
CEDANO: Okay.
STEINACHER: And I am so not a housing person and so I struggle with all of this, but I'm doing my best to get people here in Nome to do more because we have a desperate need. So thank you for holding this hearing and I think I will -- I've now got the materials pulled up on my computer and I'll just look there, how's that?
CEDANO: Okay. We'll be here till 5:00 if you want to call back.
STEINACHER: Okay.
CEDANO: Thanks for calling.
STEINACHER: Thank you. And -- yeah, well, thank you all and I will -- I'll get to work.
CEDANO: Okay, thanks. Have a good weekend.
STEINACHER: Thank you. All right, you, too. Bye-bye.
CEDANO: Bye. It is 3:37 p.m. on May 6th, 2016 and we're here to collect comments for the Annual Action Plan for the State Fiscal Year 2016 -- 2017 rather and for the National Housing Trust Fund. Since we have no

one else to provide comments for now, we will go off the record and we will come back at 4:00.

(Off record - 3:38 p.m.)

(On record - 3:52 p.m.)

CEDANO: It is 3:52 p.m. on May 6th, 2016 and we are here to collect comments for the Fiscal Year 2017 Annual Action Plan and for the National Housing Trust Fund. So we have here in the room Steve Ashman.

Would you mind spelling your name for the record?

ASHMAN: Sure. It's Steve Ashman, S-t-e-v-e, Ashman, A-s-h-m-a-n. I'm with the Municipality of Anchorage Department of Health and Human Services.

CEDANO: You can go ahead.

ASHMAN: Well, thank you. And I'd like to thank Alaska Housing for the opportunity to testify on the 2017 Action Plan and National Housing Trust Fund. It's exciting that this fund finally -- or trust fund finally got funded after all of these years and congratulations to Fannie Mae and Freddie Mac for making some money so that they could capitalize that fund.

I think I should start out, I've read the most recent -- what I believe to be the most recent draft of the 2017 Action Plan and there were two comments -- written comments submitted by the Municipality of

Anchorage, but I show that we submitted three and I just would like to for the record you know that the Municipality of Anchorage Housing and Neighborhood Development Commission also submitted written comments to the plan. I've got a copy of the e-mail, as well as the resolution from the HAND Commission.

A question I guess I would have is whether or not I would need to read this into the record or you'd take this as testimony at this time.

ROMICK: We'll just take it.

ASHMAN: You'll just take it, thank you, that will save me some time.

Essentially it says the same thing as the other two resolutions that were set forth in a letter from Mayor Berkowitz, as well as the resolution from the Anchorage Health and Human Services Commission in that it talks about -- it talks about $3 million where we administer -- we schedule program -- HOME, CDBG, ESG programs and essentially what -- what they ask (ph) -- or the resolution is that the Alaska Housing Finance Corporation designate the Municipality of Anchorage as a sub-recipient of trust funds.

I note that in the most recent draft of the Action Plan there was an allocation -- or a recommended allocation of $545,000 for the Municipality of Anchorage and we certainly appreciate that. That is the amount as noted in the draft plan. That's the amount we receive in HOME Funds as a participating jurisdiction with Housing and Urban Development Program in our (ph) HOME Program.

I would also like to say that we would appreciate it if Alaska Housing would look at increasing that amount. We have a substantial housing problem here as noted in many, many publications that we've seen and read throughout the years, but most recently Live, Work, Play and the substantial amount of housing that's needed in this community.

In addition to the homeless situation that we have right now, the Mayor -- Mayor's plan (ph) to end homelessness is looking for 300 new units of permanent supportive housing or scattered type permanent supportive housing throughout the Municipality to assist in ending the homeless problem within the Municipality.

As an example, you know, Anchorage is not only, you know, has its residents of the Municipality, but we've got a lot of folks from outside of the Municipality that come here for various reasons.

As an example, when we look at the homeless situation in the Anchorage market and if I look at the Anchorage Safety Patrol and Anchorage Safety Center and Title 47 protective custodies, we had 2,600 people that stayed at the Safety Center in 2015. Over 50 percent of those folks had homes outside of the Anchorage area -- where from outside of the Anchorage area.

Now not everybody that goes to the Safety Center is homeless. There are a lot of folks that are, you know, intoxicated and get sent over there, but it certainly represents the substantial problem that we have in the homeless situation in the Anchorage market.

And the high cost associated to the State and the Municipality for these high users of public services either through the Anchorage Safety Center, the Fire Department, the Police Department, things like that. So we would encourage the Alaska Housing Finance Corporation to increase the allocation to the Municipality of Anchorage.

And if that isn't possible, we would ask that -- I think I noted elsewhere in the plan that if Anchorage was awarded trust -- Housing Trust funds, that there wouldn't be any additional participation allowed in the GOAL Program for housing trust funds in the

Anchorage market and I would encourage the Corporation to change that because -- and allow additional applications through the GOAL Program because there's significant need in this particular community.

And, I think, that's just about everything that I had to say. I, again, appreciate the opportunity and appreciate the great working relationship we have with the Corporation, look forward for that to continue. Thank you.

CEDANO: Thank you. Do we have anyone on line, anyone who has joined us since we went back on record? Well, we don't have anyone. Does anybody else want to give comment? So seeing none and hearing none, we'll go off the record and we'll come back at 4:30.

(Off record - 3:59 p.m.)

(On record - 4:30 p.m.)

CEDANO: It is 4:30 and we are here to receive comment for the State Fiscal Year 2017 Annual Action Plan for Housing and Community Development and also for the National Housing Trust Fund which is part of the Annual Action Plan. The Cost Allocation Plan for the National Housing Trust Fund will be included in the 2017 Annual Action Plan for submission for HUD.

Also, I would like to ask if we have had anyone join us recently on line?

Regarding the National Housing Trust Fund, the State will be making the necessary chances to make the GOAL rating criteria comply with the National Housing Trust Fund requirements for submission stated in the Code of Federal Regulation 24 CFR Part 91 and 93 before submission to HUD.

Seeing that we don't have anyone in the room to provide comment or on line, we will go off the record and we will come back at 5:00 o'clock.

(Off record - 4:32 p.m.)

(On record - 5:02 p.m.)

CEDANO: It is 5:00 o'clock and we're here again to collect comment on the State Fiscal Year 2017 Annual Action Plan for Housing and Community Development and also for the National Housing Trust Fund.

At the moment we don't have anyone in the room and we don't have anyone who has joined us on line, so we will proceed to conclude the Public Hearing.

(Adjourned - 5:03 p.m.)

C E R T I F I C A T E

UNITED STATES OF AMERICA)
) ss
STATE OF ALASKA)

I, Suzan Kay Olson, Notary Public in and for the State of Alaska, residing at Anchorage, Alaska, and Electronic Reporter, do hereby certify:

THAT the annexed and foregoing PUBLIC HEARING of the Alaska Housing Finance Corporation regarding **SFY-2017 ANNUAL ACTION PLAN and the NATIONAL HOUSING TRUST FUND**, was taken on the 6th day of May, 2016, commencing at the hour of 3:00 o'clock p.m., at the offices of Alaska Housing Finance Corporation, 4300 Boniface Parkway, Anchorage, Alaska, pursuant to Notice;

THAT this Transcript, as heretofore annexed, is a true and correct transcription of said Public Hearing, thereafter transcribed by Suzan Olson;

THAT the original of the Transcript will be lodged with the Alaska Housing Finance Corporation;

THAT I am not a relative, employee or attorney of any of the parties, nor am I financially interested in this action.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal this 11th day of May, 2016.

Notary Public in and for Alaska
My Commission Expires: 08/13/19

Municipality of Anchorage

Housing and Neighborhood Development Commission

HANDR 2016-01

April 15, 2016

A RESOLUTION RECOMMENDING THE ALASKA HOUSING FINANCE CORPORATION DESIGNATE FUNDS FOR THE MUNICIPALITY FROM THE NATIONAL HOUSING TRUST FUND TO THE MUNICIPALITY OF ANCHORAGE.

Whereas the HAND Commission's mission/charter is to advise the Mayor of Anchorage on housing and neighborhood issues within the Municipality;

WHEREAS, Alaska Housing Finance Corporation is currently developing its Annual Action Plan as a prerequisite to receive $3,000,000 in federal funding from the U.S. Department of Housing and Urban Development (HUD) for the National Housing Trust fund,

WHEREAS, the U.S. Department of Housing and Urban Development does not have the authority to designate local governments as grantees for the Housing Trust Fund, but through its Annual Action Plan, AHFC does have the authority to re-allocate these funds to the Municipality of Anchorage,

WHEREAS, the Municipality of Anchorage is the only Participating Jurisdiction that receives HUD HOME, CDBG and ESG program funds dedicated to this community and through its public participation process, the Municipality of Anchorage Consolidated Plan for 2013-2017 and Annual Action Plans are developed and approved by the U.S. Department of Housing and Urban Development to establish priorities for affordable housing and related services,

WHEREAS, the Municipal Housing and Neighborhood Development Commission has a program advisory responsibility to identify long term housing issues requiring policy and funding level solutions; and makes recommendations to the Municipality on federal, state and Municipal revenues for housing programs,

WHEREAS, the Municipal Housing and Neighborhood Development Commission has a responsibility to collaborate, support and promote issues identified by the Homelessness Task Force, including the lack of affordable housing in our community for people with very low incomes and disabling conditions,

WHEREAS, the Anchorage Coalition to End Homelessness has developed the *Anchorage Community Plan to Prevent and End Homelessness* and the Housing and Neighborhood Development Commission has adopted this plan calling for 150 additional units of affordable housing for homeless, low income families and adults,

Ashman, Steven P.

From:	Anderson, Nancy V
Sent:	Friday, April 15, 2016 12:36 PM
To:	'ocedano@ahfc.us'
Cc:	'Mark Romick'; Ashman, Steven P.; 'Doug Lamkin'
Subject:	RE: Public Comments on NHTF

Hi Oscar,

Please find attached the HAND Resolution for the National Housing Trust Fund (NHTF) regarding allocating NHTF to the Municipality of Anchorage.

HAND Resolution
NHTF 2016-01.p...

Thanks,

Nancy Anderson, Community Safety & Development Manager
Public Health Initiatives and Partnerships
Department of Health and Human Services
Municipality of Anchorage
825 "L" Street, Suite 506
(Mail: PO Box 196650)
Anchorage, AK 99519-6650
907-343-4876
andersonnv@muni.org

DHHS
ANCHORAGE
DEPARTMENT OF HEALTH
& HUMAN SERVICES

APPENDIX E

PUBLIC COMMENTS

According to the State's Citizen Participation Plan, and as part of the outreach effort to promote citizen participation in the Annual Action Plan (AAP) planning process, AHFC held two public hearings, participated in several community development events, and solicited and received individual comments from citizens throughout the state. The State also solicited public input regarding the upcoming National Housing Trust Fund (NHTF).

AHFC conducted a first public hearing on March 16, 2016 at the Alaska Gasline Development Corporation main offices in Anchorage, Alaska prior to the release of the AAP draft to gain public input into the development of this plan and the NHTF. It also held a second Public hearing during the public comment period on April 5, 2016. A second and third hearings were held on April 5 and May 6, 2016 respectively. At the hearings AHFC provided an overview of the consolidated planning process and the programs it covers; a description of the performance of the current HOME, ESG and CDBG programs, the timeline for the development of the AAP; and a description of the NHTF. The hearings were teleconferenced statewide and the records were transcribed and are attached to the AAP in Appendix D. There were two public comments submitted at the second hearing.

The AAP was published on the AHFC website on March 17, 2016 and remained available for public comment until close of business on May 20, 2016. During this public comment period written comments were received from the Saint Vincent de Paul Society, the City & Borough of Juneau, the Housing and Neighborhood Development Commission, and the Municipality of Anchorage. These comments are summarized below and the State's responses are provided.

Comments 1 and 2 were submitted by the City and Borough of Juneau:

Comment 1: Scott Ciambor from the City and Borough of Juneau (CBJ) and Mandy Cole, Co-Chair of the Juneau Coalition for Housing and Homeless stated that for various reasons the CBJ should be considered a sub-grantee for the National Housing Trust Fund (NHTF). Their comments lists four reasons to be considered:

1. The CBJ created the Juneau Affordable Housing Fund as an entity capable of managing NHTF funding allocated to the CBJ.
2. Through the Point-in-time count and other indexes, the CBJ has established the need for housing for its low and extremely low income residents.
3. There is a 32-unit permanent supportive housing project for the chronic homeless underway with $3.3 million in committed funds, which can expand to 52 units in a future phase II with the help of NHTF funds.

4. The CBJ is developing a Housing Action Plan, already in draft form.

<u>State Response to Comment 1:</u> According to the Code of Federal Regulations (CFR) No. 24 CFR 93.2 defines a "subgrantee" as a unit of general local government that has an approved consolidated plan submitted in accordance with 24 CFR 91. The regulations at 24 CFR Part 91 require units of general local government which receive CDBG, HOME, ESG or HOPWA formula funds to develop and submit a consolidated plan and/or annual action plan, outlining the use of the formula funds. Therefore, by definition, an eligible HTF sub-grantee must be a direct formula grantee that submits a consolidated plan and annual action plans.

<u>Comment 2:</u> The City and Borough of Juneau disagrees with the State's plans to add the coming NHFT funding to the Greater Opportunities for Affordable Living (GOAL) program. Doing so would only continue funding existing projects that don't take Juneau into account based on its priority needs. One of which the CBJ has gone to great lengths to demonstrate such as the need for low-income housing.

Ciambor offered to help the State develop a formula that leads to a fair distribution of NHTF funds to the CBJ based on a fair and representative number. This formula could be used each time NHTF are awarded to the State.

<u>State Response to Comment 2:</u> Since 2013, AHFC has funded all six rental development proposals received from Juneau through the GOAL and SNHG programs. These developments include over 150 units of newly constructed rental housing. Given the strong allocation rate to proposals from Juneau in recent years, AHFC does not anticipate the community will experience any competitive disadvantage when applying for NHTFs through the GOAL program.

<u>Comments 3 and 5 were submitted by the Municipality of Anchorage:</u>

<u>Comment 3:</u> John C Laux, from the Municipality of Anchorage (MOA), shared the Municipality's National Housing Trust Fund Resolution, through which the Municipality's Department of Health and Human Services Commission recommends that AHFC designates "the Municipality of Anchorage as the sub-recipient for all Housing Trust Fund allocations within the municipality in the amount proportionate to the population and income demographics".

<u>State Response to Comment 3:</u> As the recipient of NHTF, AHFC is ultimately responsible to HUD for the performance obligations of the NHTF. In the event of NHTF noncompliance that triggers recapture, AHFC would ultimately be the agency responsible for repaying HUD any program funds. AHFC has confirmed that the agency's liability to HUD would remain even if the noncompliance was from activities funded through a sub-grantee such as the Municipality of

Anchorage. Consequently, AHFC will require the Municipality of Anchorage to indemnify AHFC in the event of noncompliance as a condition of any funding that is sub-granted from AHFC to the Municipality of Anchorage under the NHTF. In the event that NHTFs monies are allocated by the Municipality of Anchorage and subsequent recapture event takes place due to noncompliance, or any other triggering event, the Municipality will be required to repay AHFC the full amount of any recapture and / or repayment obligations stemming from their awards to Anchorage grantees.

Comment 4: Municipality of Anchorage Mayor Ethan Berkowitz requests that the MOA be designated as the sub-recipient of all NHTF allocations within the municipality in the amount proportionate to the population and income demographics.

State Response to Comment 4: The NHTF and HOME program both make $3,000,000 available to Alaska. Under the HOME program, the Municipality of Anchorage does not receive a prorated share of the $3M figure using the State formula. If the Municipality of Anchorage agrees to indemnify AHFC for the NHTF awards made within its jurisdiction (see comment & response #3), AHFC will sub-award an amount equal to the most recent HOME allocation to the Municipality of Anchorage in FY 2016, $545,085.

Comment 5: Steve Ashman with the Municipalty of Anchorgage commented on the allocation of NHTF to the GOAL Program and requested the award amount to be increased.

State Response to Comment 5: A full response to Mr. Ashman can be found under the public comment section of the GOAL Program, which is included for Board approval on May 25, 2016.

Comments 6 through 9 were submitted by the Saint Vincent de Paul Society

Comment 6: Dan Austin from the Saint Vincent de Paul Society expressed support for the efforts of the Alaska Department of Commerce, Community and Economic Development to secure matching funds from the U.S. Department of Agriculture (USDA) Rural Development and other funding sources.

State Response to Comment 6: The State wishes to thank Mr. Austin for his support.

Comment 7: Saint Vincent de Paul wishes to know if a specific plan has been designed to enhance cooperation between AHFC and USDA Rural Development.

State Response to Comment 7: AHFC and the USDA have an information sharing Memorandum of Understanding to facilitate the dissemination of information across agencies. AHFC funding has a strong track record of leveraging USDA funding through the homeownership sweat equity funding (in the case of HDP funded activities through AHFC) and through projects with Section 515 rental assistance that are renovated with LIHTC proceeds.

Comment 8: Austin inquired about the National Housing Trust Fund and whether those funds will enhance the voucher programs for the disable and the elderly or even the step program vouchers.

State Response to Comment 8: NHTF may be paired with rental development proposals that utilized HUD 811 funding through AHFC. Although the 811 rental assistance will be available to Alaskans affected by disabilities, the 811 funding is not available for elderly projects.

Comment 9: Dan Austin from the Saint Vincent de Paul Society in Juneau inquired about the statement in the Annual Action Plan on page 20. "SFY14 AKHMIS data reports that 75% of persons experiencing homelessness or threatened with homelessness transitioned into a permanent housing situation within 30 days and 11% transitioned within 31 – 60 days for a total of 86% of individuals transitioning into permanent housing within 60 days of connecting with services."

Regarding the statement, Austin needed clarification as to why these percentages don't apply to his community.

State Response to Comment 9: Data for this measure was collected from the Alaska Homeless Management Information System (HMIS) for individuals experiencing homelessness or at-risk of homelessness. This data is input into the system by many homeless programs throughout the state. AHFC, in conjunction with the Anchorage and Balance of State Continuum of Care, are currently restructuring the HMIS so that data can be reported for each individual community. This community specific reporting will allow homeless programs to dive into the data for their community and specifically address questions such as those presented by Mr. Austin.

APPENDIX F

A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds according to 24 CFR 92.254(a)(4) are as follows a

HDP Resale Model

The resale model requires that when a homeowner sells their home, he or she sells it for a restricted price to a low income household (80% below the median income). HDP funds up to $40,000 may be provided in assistance. HOP funds can only be used for down payment and closing cost assistance in a project assisted with HDP funds. Interest buy downs are not an eligible cost.

When using the resale method, the original HOME-assisted buyer must receive a fair return on investment if the property is sold during the period of affordability. A fair return on investment is calculated as shown in Resale Methodology demonstrated below.

Capital improvements are permanent structural improvements or restoration of some aspect of the property that will either enhance the property's overall value or increases its useful life. Capital improvements have to last for more than one year and add value to the home, prolong its life, or adapt it to new uses. The improvements must still be evident when the home is being sold. Repairs and maintenance items are not considered capital improvements. Repairs return something to its original condition and are done to maintain a home's good condition without adding value or prolonging its life (e.g., painting, fixing sagging gutters).

Capital improvements that are no longer a part of the home or that have reached their useful life will not be included when determining the fair return on investment.

The value of capital improvements will be based on the actual costs of improvements as demonstrated by the homeowner's receipts.

It is important to note that if the house depreciates in value, the original homebuyer may not receive a return on his or her investment because the home sold for less or the same prices as the original purchase price. In addition, a homeowner's return on investment is limited by the amount of the market appreciation.

Housing under the resale provision must remain affordable to a reasonable range of low-income homebuyers. Low-income households between 30 to 80 percent of area median incomes are considered to be within the reasonable range of borrowers that should be targeted for the subsequent purchase of units utilizing the resale method. A household's monthly PITI payments must be at least 23% of the borrower's monthly income as qualified by the primary Lender and in no circumstances exceed 40%. If funding is available and the homebuyer is eligible, HOP assistance may be used to assist the subsequent low-income borrower.

For purposes of the HOME program, acceptable HDP projects using the resale option must include the following features:

1. HDP restrictions must remain in place for the minimum period affordability. The resale affordability period will be determined by amount of direct development assistance provided under the HDP in addition to any HOP assistance provided to the original homebuyer. The affordability period is based on the amount of assistance and is as follows:

Less than $15,000	5 years
$15,000 to $40,000	10 years
More than $40,000	15 years

For example, a unit may receive $40,000 in HDP development subsidy and $10,000 in down payment assistance from the HOP program. The total HOME assistance is $50,000 and the affordability period is 15 years. All subsequent homebuyers for 15 years will need to be eighty percent (80%) below the median income.

2. An assistance agreement with the original homebuyer and all subsequent homebuyers must be established based on the affordability period.

3. In the event that the original homebuyer sells the home and the subsequent homebuyer receives HOP assistance the resale period restarts, based on the amount of new HOP assistance received. For example, the original homebuyer received $50,000 in HOME assistance (development subsidy + down payment assistance) and the affordability period was 15 years. The homebuyer sold the home after owning it for 5 years and the new homebuyer received $10,000 in HOP assistance. The affordability period would restart at time of sale and would now be 5 years.

4. A sample ground lease for the property must be approved by AHFC before any assistance will be approved. The lease must specify the grantees first right of refusal, the homeowner’s maximum share of appreciation, resale formula, and other restrictions required by 24 CFR Part 92.

5. The resale formula may allow the homeowner to realize a maximum of 50 percent of the home’s (market) appreciation. Increased home value due to the homeowner’s capital investment in the home may be retained in full by the homeowner.

6. The remaining (market) appreciation (at least 50 percent) must be factored into the resale formula to reduce the home’s subsequent sales price, making the home increasingly more affordable over the lease period.

7. The grantee must agree to exercise a first right of refusal in any subsequent sales of the home.

8. The grantee must agree to verify incomes of the original homebuyer and any subsequent homebuyers, and provide documentation of income verification to AHFC during the affordability period.

RESALE FORMULA

The Maximum Sales Price is the maximum amount the homeowner may receive when selling the property to a low-income household. The Maximum Sales Price shall be the lesser of the current appraised value at the time of sale or the price determined by the following formula:

Homeowner's Purchase Price [see step (a)]
$____________
Plus Appreciation Due to Homeowner Capital Improvements
+____________
Plus Homeowner's Share of Pro-Rated Market Appreciation
[see step (e)]
+_____________
Equals Maximum Sales Price:
$_____________

(a) Determining Homeowner's Purchase Price: Homeowner and Grantee agree that the Homeowner's Purchase Price is calculated as follows:

Total Initial Sales Price:
$____________
Less any grant or subsidy assistance provided to Homeowner
to assist in the purchase of the home
$_____________
Equals Homeowner's Purchase Price:
$_____________

The Initial Sales Price for any subsequent owner shall be the sales price of the property at the time of that owner's purchase. The Homeowner's Purchase Price shall be recalculated using the formula above at the time of that owner's purchase, and may be recorded as an amendment to this agreement at the time of that subsequent sale.

(b) Determining Market Appreciation: At the time of sale by Homeowner the Market Appreciation is calculated as follows:

Current Appraised Value
$_________
Less Initial Appraised Value [see step (c)] -
____
Less Appreciation Due to Homeowner Capital Improvements -
____

Equals the Market Appreciation
$_________

(c) Determining Initial Appraised Value: Homeowner and Grantee agree that at the time Homeowner purchased the property, the Initial Appraised Value of the property was $[Input Initial Appraised Value]. The initial appraised value for any subsequent owner shall be the appraised value of the property at the time of that owner's purchase, and such amount may be recorded as an amendment to this agreement at the time of that subsequent sale.

(d) Prorating the Homeowner's Investment as part of Market Appreciation

To preserve the public subsidy that helped to make possible this affordable homeownership opportunity, it is necessary to determine the ratio of public subsidy and private investment that contributed to the Market Appreciation. The ratio is calculated by comparing Homeowner's Purchase Price to the Initial Appraised Value. Appreciation is then prorated by this ratio. Following is a step-by-step approach for calculating Prorated Appreciation.

Homeowner's Purchase Price [see step (a)]
$_________
Divided by Initial Appraised Value [see step (c)]
/__________
Times Market Appreciation [see step (b)]
x__________
Equals Prorated Appreciation
$__________

(e) Determining Homeowner's Share of Prorated Market Appreciation:

The Homeowner's Share of Appreciation shall be determined by multiplying the Market Appreciation by the 50% (fifty percent). Following is a step-by-step approach for calculating Homeowner's Share of Appreciation:

Prorated Appreciation [see step (d)]
$_________
Multiplied by the Shared Appreciation Factor
X______.50
Equals Homeowner's Share of Prorated Market Appreciation
(if amount is negative, enter 0)
x__________

F. HDP Recapture Model

Under the recapture model the first $10,000 in direct assistance is provided as a forgivable loan. Direct assistance is defined as the difference between the market value and sales price of the home in addition to any HOME assistance. For every year the homeowner continues to own the home and make it his or her primary residence, the loan will be forgiven by a maximum of $2,000, or twenty percent (20%) of the loan, whichever is less.

Any remaining HDP assistance provided will be secured against the home as a loan with zero percent (0%) interest, repayable at the time the homebuyer no longer owns the property. If the homeowner fails to meet the primary residency requirement during the affordability period, the full amount of assistance is due and owing.
The recapture provisions will be triggered by a sale prior to the completion of the affordability period. The amount subject to recapture is the total amount of direct assistance less the prorated amount of the first $10,000 forgiven per the terms described above plus any amounts that are not forgiven.

In the case of a sale (voluntary or otherwise) the maximum amount of funds subject to recapture is limited to whatever net proceeds (if any) are available. The homeowner must show that the appraised value of the home is not sufficient to pay off the HOME loan(s) in addition to any other lien in superior position, and standard and customary seller's closing costs. Net proceeds are calculated by the sales price less any non-HOME loans or repayments less closing costs.

APPENDIX G

SFY2017 Annual Action Plan

State Certifications CDBG, HOME, ESG

Application for Federal Assistance SF-424 Forms

Specific CDBG Certifications

The State certifies that:

Citizen Participation -- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR §91.115 and each unit of general local government that receives assistance from the State is or will be following a detailed citizen participation plan that satisfies the requirements of 24 CFR §570.486.

Consultation with Local Governments -- It has or will comply with the following:

1. It has consulted with affected units of local government in the nonentitlement area of the State in determining the method of distribution of funding;

2. It engages in or will engage in planning for community development activities;

3. It provides or will provide technical assistance to units of local government in connection with community development programs; and

4. It will not refuse to distribute funds to any unit of general local government on the basis of the particular eligible activity selected by the unit of general local government to meet its community development needs, except that a State is not prevented from establishing priorities in distributing funding on the basis of the activities selected.

Local Needs Identification -- It will require each unit of general local government to be funded to identify its community development and housing needs, including the needs of low-income and moderate-income families, and the activities to be undertaken to meet these needs.

Community Development Plan -- Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objectives of Title I of the Housing and Community Development Act of 1974, as amended. (See 24 CFR 570.2 and 24 CFR part 570)

Use of Funds -- It has complied with the following criteria:

1. Maximum Feasible Priority. With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available);

2. Overall Benefit. The aggregate use of CDBG funds including section 108 guaranteed loans during program year(s) 2016-2018 (a period specified by the grantee consisting of one, two, or three specific consecutive program years), shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;

3. Special Assessments. The state will require units of general local government that receive CDBG funds to certify to the following:

It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

It will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

Excessive Force -- It will require units of general local government that receive CDBG funds to certify that they have adopted and are enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and

2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;

Compliance With Anti-discrimination laws -- The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

Compliance with Laws -- It will comply with applicable laws.

3/15/16

Signature/Authorized Official Date

Commissioner of Commerce, Community and Economic Development

Title

STATE CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the State certifies that:

Affirmatively Further Fair Housing -- The State will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the state, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

Anti-displacement and Relocation Plan -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential anti-displacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

Anti-Lobbying -- To the best of the State's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and

3. It will require that the language of paragraphs 1 and 2 of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts

under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Authority of State -- The submission of the consolidated plan is authorized under State law and the State possesses the legal authority to carry out the programs under the consolidated plan for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with plan -- The housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.

Section 3 -- It will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.

Signature/Authorized Official

4-15-16

Date

Bryan Butcher, CEO

Title

Specific HOME Certifications

The State certifies that:

Tenant Based Rental Assistance -- If it intends to provide tenant-based rental assistance:

> The use of HOME funds for tenant-based rental assistance is an essential element of the State's consolidated plan.

Eligible Activities and Costs -- It is using and will use HOME funds for eligible activities and costs, as described in 24 CFR § 92.205 through §92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in §92.214.

Appropriate Financial Assistance -- Before committing any funds to a project, the State or its recipients will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing;

Signature/Authorized Official

4-15-16

Date

Bryan Butcher, CEO

Title

ESG Certifications

Each State that seeks funding under the Emergency Solutions Grants Program must provide the following certifications:

Matching Funds – The State will obtain any matching amounts required under 24 CFR 576.201 in a manner so that its subrecipients that are least capable of providing matching amounts receive the benefit of the exception under 24 CFR 576.201(a)(2).

Discharge Policy – The State will establish and implement, to the maximum extent practicable and where appropriate, policies and protocols for the discharge of persons from publicly funded institutions or systems of care (such as health care facilities, mental health facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent this discharge from immediately resulting in homelessness for these persons.

Confidentiality – The State will develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the ESG program, including protection against the release of the address or location of any family violence shelter project, except with the written authorization of the person responsible for the operation of that shelter.

The State will ensure that its subrecipients comply with the following criteria:

Major rehabilitation/conversion – If an emergency shelter's rehabilitation costs exceed 75 percent of the value of the building before rehabilitation, the building will be maintained as a shelter for homeless individuals and families for a minimum of 10 years after the date the building is first occupied by a homeless individual or family after the completed rehabilitation. If the cost to convert a building into an emergency shelter exceeds 75 percent of the value of the building after conversion, the building will be maintained as a shelter for homeless individuals and families for a minimum of 10 years after the date the building is first occupied by a homeless individual or family after the completed conversion. In all other cases where ESG funds are used for renovation, the building will be maintained as a shelter for homeless individuals and families for a minimum of 3 years after the date the building is first occupied by a homeless individual or family after the completed renovation.

Essential Services and Operating Costs – If ESG funds are used for shelter operations or essential services related to street outreach or emergency shelter, the subrecipient will provide services or shelter to homeless individuals and families for the period during which the ESG assistance is provided, without regard to a particular site or structure, so long the applicant serves the same type of persons (e.g., families with children, unaccompanied youth, veterans, disabled individuals, or victims of domestic violence) or persons in the same geographic area.

Renovation – Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary.

Supportive Services – The subrecipient will assist homeless individuals in obtaining permanent housing, appropriate supportive services (including medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living), and other Federal State, local, and private assistance available for such individuals.

Homeless Persons Involvement – To the maximum extent practicable, the subrecipient will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities, in providing services assisted under the ESG program, and in providing services for occupants of facilities assisted ESG.

Consolidated Plan – All activities the subrecipient undertakes with assistance under ESG are consistent with the State's current HUD-approved consolidated plan.

[signature]	4-15-16
Signature/Authorized Official	Date
Bryan Butcher, CEO	
Title	

APPENDIX TO CERTIFICATIONS

INSTRUCTIONS CONCERNING LOBBYING REQUIREMENTS:

A. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

OMB Number: 4040-0004
Expiration Date: 01/31/2009

Application for Federal Assistance SF-424 — Version 02

*1. Type of Submission:	*2. Type of Application	* If Revision, select appropriate letter(s)
☐ Preapplication	☐ New	
☒ Application	☒ Continuation	*Other (Specify)
☐ Changed/Corrected Application	☐ Revision	

3. Date Received:

4. Applicant Identifier:

5a. Federal Entity Identifier:

*5b. Federal Award Identifier:

State Use Only:

6. Date Received by State:

7. State Application Identifier:

8. APPLICANT INFORMATION:

*a. Legal Name: State of Alaska/Alaska Housing Finance Corporation

*b. Employer/Taxpayer Identification Number (EIN/TIN): 92-0047291

*c. Organizational DUNS: 010192953

d. Address:

*Street 1:	P. O. Box 101020/P.O. Box 110800
Street 2:	4300 Boniface Parkway
*City:	Anchorage/Juneau
County:	
*State:	Alaska
Province:	
*Country:	USA
*Zip / Postal Code	99510-1020/99811

e. Organizational Unit:

Department Name: Planning & Program Development

Division Name: N/A

f. Name and contact information of person to be contacted on matters involving this application:

Prefix:	Mr.	*First Name:	Oscar
Middle Name:	A.		
*Last Name:	Cedano		
Suffix:			

Title: Planner I

Organizational Affiliation:
Alaska Housing Finance Corporation, Planning & Development, HOME/DCCED-CDBG & ESG

*Telephone Number: 907-330-8417

Fax Number: 907-338-2585

*Email: ocedano@ahfc.us

Application for Federal Assistance SF-424 Version 02

***9. Type of Applicant 1: Select Applicant Type:**
A.State Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

*Other (Specify)
State Housing Finance Agency for the State of Alaska

***10 Name of Federal Agency:**
U.S. Department of Housing and Urban Development

11. Catalog of Federal Domestic Assistance Number:

14.228

CFDA Title:
Community Development Block Grants

***12 Funding Opportunity Number**:

*Title:
Community Development Block Grants

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

Alaska At-Large

***15. Descriptive Title of Applicant's Project**:

HOME: First-Time Homebuyer Assistance, Owner-Occupied Rehabilitation, Rental Housing Development; CDBG: Community Facilities, Planning, Economic Development; ESG: Assistance to Homeless.

OMB Number: 4040-0004
Expiration Date: 01/31/2009

Application for Federal Assistance SF-424 Version 02

16. Congressional Districts Of:

*a. Applicant: Alaska At-Large *b. Program/Project: Alaska At-Large

17. Proposed Project:

*a. Start Date: 7/1/2016 *b. End Date: 6/30/2017

18. Estimated Funding ($):

*a. Federal	2,418,984
*b. Applicant	
*c. State	42,622
*d. Local	
*e. Other	
*f. Program Income	
*g. TOTAL	2,461,606

***19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

☐ a. This application was made available to the State under the Executive Order 12372 Process for review on _____

☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.

☒ c. Program is not covered by E. O. 12372

***20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation.)**

☐ Yes ☒ No

21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U. S. Code, Title 218, Section 1001)

☒ ** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions

Authorized Representative:

Prefix: Mr. *First Name: Bryan

Middle Name:

*Last Name: Butcher

Suffix:

*Title: Chief Executive Officer

*Telephone Number: 907-330-8452 Fax Number: 907-338-2585

* Email: bbutcher@ahfc.us

*Signature of Authorized Representative: [signature] *Date Signed: 4-15-16

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Standard Form 424 (Revised 10/2005)
Prescribed by OMB Circular A-102

OMB Number: 4040-0004
Expiration Date: 01/31/2009

Application for Federal Assistance SF-424

Version 02

*1. Type of Submission:	*2. Type of Application	* If Revision, select appropriate letter(s)
☐ Preapplication	☐ New	
☒ Application	☒ Continuation	*Other (Specify)
☐ Changed/Corrected Application	☐ Revision	

3. Date Received:

4. Applicant Identifier:

5a. Federal Entity Identifier:

*5b. Federal Award Identifier:

State Use Only:

6. Date Received by State:

7. State Application Identifier:

8. APPLICANT INFORMATION:

*a. Legal Name: State of Alaska/Alaska Housing Finance Corporation

*b. Employer/Taxpayer Identification Number (EIN/TIN): 92-0047291

*c. Organizational DUNS: 010192953

d. Address:

*Street 1: P. O. Box 101020/P.O. Box 110800
Street 2: 4300 Boniface Parkway
*City: Anchorage/Juneau
County:
*State: Alaska
Province:
*Country: USA
*Zip / Postal Code 99510-1020/99811

e. Organizational Unit:

Department Name: Planning & Program Development

Division Name: N/A

f. Name and contact information of person to be contacted on matters involving this application:

Prefix: Mr.
*First Name: Oscar
Middle Name: A.
*Last Name: Cedano
Suffix:

Title: Planner I

Organizational Affiliation:
Alaska Housing Finance Corporation, Planning & Development, HOME/DCCED-CDBG & ESG

*Telephone Number: 907-330-8417

Fax Number: 907-338-2585

*Email: ocedano@ahfc.us

Application for Federal Assistance SF-424 Version 02

***9. Type of Applicant 1: Select Applicant Type:**
A.State Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

*Other (Specify)
State Housing Finance Agency for the State of Alaska

***10 Name of Federal Agency:**
U.S. Department of Housing and Urban Development

11. Catalog of Federal Domestic Assistance Number:

14.231

CFDA Title:
Emergency Solutions Grants

***12 Funding Opportunity Number:**

*Title:
Emergency Solutions Grants

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

Alaska At-Large

***15. Descriptive Title of Applicant's Project:**

HOME: First-Time Homebuyer Assistance, Owner-Occupied Rehabilitation, Rental Housing Development; CDBG: Community Facilities, Planning, Economic Development; ESG: Assistance to Homeless.

OMB Number: 4040-0004
Expiration Date: 01/31/2009

Application for Federal Assistance SF-424 Version 02

16. Congressional Districts Of:

*a. Applicant: Alaska At-Large *b. Program/Project: Alaska At-Large

17. Proposed Project:

*a. Start Date: 7/1/2016 *b. End Date: 6/30/2017

18. Estimated Funding ($):

*a. Federal	$215,620
*b. Applicant	
*c. State	$115,620
*d. Local	
*e. Other	
*f. Program Income	
*g. TOTAL	$331,240

***19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

☐ a. This application was made available to the State under the Executive Order 12372 Process for review on _____

☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.

☒ c. Program is not covered by E. O. 12372

***20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation.)**

☐ Yes ☒ No

21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U. S. Code, Title 218, Section 1001)

☒ ** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions

Authorized Representative:

Prefix: Mr. *First Name: Bryan

Middle Name:

*Last Name: Butcher

Suffix:

*Title: Chief Executive Officer

*Telephone Number: 907-330-8452 Fax Number: 907-338-2585

* Email: bbutcher@ahfc.us

*Signature of Authorized Representative: [signature] *Date Signed: 4-15-16

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Standard Form 424 (Revised 10/2005)
Prescribed by OMB Circular A-102

OMB Number: 4040-0004
Expiration Date: 01/31/2009

Application for Federal Assistance SF-424 — Version 02

*1. Type of Submission: ☐ Preapplication ☒ Application ☐ Changed/Corrected Application	*2. Type of Application ☐ New ☒ Continuation ☐ Revision	* If Revision, select appropriate letter(s) *Other (Specify)

3. Date Received:

4. Applicant Identifier:

5a. Federal Entity Identifier:	*5b. Federal Award Identifier:

State Use Only:

6. Date Received by State:	7. State Application Identifier:

8. APPLICANT INFORMATION:

*a. Legal Name: State of Alaska/Alaska Housing Finance Corporation

*b. Employer/Taxpayer Identification Number (EIN/TIN): 92-0047291	*c. Organizational DUNS: 010192953

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County:

*State: Alaska

Province:

*Country: USA

*Zip / Postal Code 99510-1020/99811

e. Organizational Unit:

Department Name: Planning & Program Development	Division Name: N/A

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OMB Number: 4040-0004
Expiration Date: 01/31/2009

Application for Federal Assistance SF-424 Version 02

***9. Type of Applicant 1: Select Applicant Type:**

A.State Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

*Other (Specify)

State Housing Finance Agency for the State of Alaska

***10 Name of Federal Agency:**

U.S. Department of Housing and Urban Development

11. Catalog of Federal Domestic Assistance Number:

14.239

CFDA Title:

HOME Investment Partnerships

***12 Funding Opportunity Number:**

*Title:

Home Investiment Partnerships

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

Alaska At-Large

***15. Descriptive Title of Applicant's Project:**

HOME: First-Time Homebuyer Assistance, Owner-Occupied Rehabilitation, Rental Housing Development; CDBG: Community Facilities, Planning, Economic Development; ESG: Assistance to Homeless.

OMB Number: 4040-0004
Expiration Date: 01/31/2009

Application for Federal Assistance SF-424 Version 02

16. Congressional Districts Of:

*a. Applicant: Alaska At-Large *b. Program/Project: Alaska At-Large

17. Proposed Project:

*a. Start Date: 7/1/2016 *b. End Date: 6/30/2017

18. Estimated Funding ($):

*a. Federal	3,002,167
*b. Applicant	
*c. State	750,000
*d. Local	
*e. Other	
*f. Program Income	
*g. TOTAL	3,752,167

***19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

☐ a. This application was made available to the State under the Executive Order 12372 Process for review on _____

☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.

☒ c. Program is not covered by E. O. 12372

***20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation.)**

☐ Yes ☒ No

21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U. S. Code, Title 218, Section 1001)

☒ ** I AGREE

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Authorized Representative:

Prefix: Mr. *First Name: Bryan

Middle Name:

*Last Name: Butcher

Suffix:

*Title: Chief Executive Officer

*Telephone Number: 907-330-8452 Fax Number: 907-338-2585

* Email: bbutcher@ahfc.us

*Signature of Authorized Representative: [signature] *Date Signed: 4-15-16

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ALASKA HOUSING FINANCE CORPORATION
BOARD CONSIDERATION MEMORANDUM

DATE: May 25, 2016

STAFF MEMBERS: Mark Romick
Daniel Delfino

ITEM: A Resolution Approving the SFY 2017 GOAL Program Rating and Award Criteria

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Summary

Staff is seeking Board approval for amending the rating criteria in the Rating and Award Criteria Plan for the SFY 2017 GOAL Program.

Background

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

Since 1995, AHFC has also used this plan to allocate two other sources of funding: the HUD HOME Investment Partnerships Program and the Senior Citizens Housing Development Fund. Beginning in SFY 2017, staff proposes allocating the federal National Housing Trust Fund (NHTF) resources through the GOAL program. The NHTF is a federal program created in 2008 that was to be funded through Fannie Mae and Freddie Mac earnings. SFY 2017 will represent the first time the NHTF program has been funded through a HUD award.

Basis for the Proposed Changes

The proposed changes to the GOAL Program Rating and Award Criteria have been collectively developed in response to Public Comments received since implementation of the current Criteria in 2013, the observations of staff regarding the current criteria's conformance to existing markets, federal guidance provided for allocating the NHTF resources and AHFC's ongoing effort to mitigate cost escalations.

Summary of Recommended Changes

The Rating and Award Criteria remain divided in the same eight categories, are still evaluated according to an objective standard, and total 228 possible points (up three points from prior years). A change summary file is attached as a reference to this memo, and specific changes have been highlighted in the draft Rating and Award Criteria.

Key Rating and Award Criteria changes are summarized below:

- General Provisions
    - LIHTC proposals where at least 20% of the rental units are unrestricted by income will be eligible for the discretionary basis boost.
    - Project sponsors and their affiliates will be limited to the lesser of 50% of the total GOAL program resources or two (2) projects in any given year.

- Scoring
    - The Project Cost Standards have been increased by 3% to account for inflation. These figures were last updated in 2014.
    - The incentive for 6 Star BEES is focused on communities without access to hydro or natural gas.
    - Air-to-Air heat exchanges have been added as a scored incentive.
    - Offsetting points have been added for small projects (10 units or less) where expensive energy systems such as geothermal are cost prohibitive.

Public Notice and Public Comments

The Public comment period ran from February 3 to May 6, 2016. Public notices were carried statewide in the major newspapers. A public hearing was held on February 17, 2016, and e-mail notices were sent out on February 3, and April 18, and May 12 of 2016 through AHFC's GOAL Notice listserv. Fourteen entities commented on the proposed changes to these criteria. By way of comparison, ten entities provided comments during the previous revision round in 2014.

The transcript from the Public Hearing and the Public Comment and Response file is attached as a reference to this memo.

Staff Recommendation

Staff's feels the proposed Rating and Award Criteria will benefit program performance and facilitate efficient development practices across the State. Staff recommends adopting the rating and award criteria, version May 25, 2016, as attached to this memo. Before and after categories and values are presented on pages 4-5.

Attachments

FY 2017 QAP Change Summary
Public Comments and Responses
Public Hearing Transcript
Proposed GOAL Program Rating and Award Criteria

ALASKA HOUSING FINANCE CORPORATION
RESOLUTION NO. 16-11

A RESOLUTION APPROVING THE RATING CRITERIA TO THE RATING AND AWARD CRITERIA PLAN VERSION DATED MAY 25, 2016, ALSO KNOWN AS THE QUALIFIED ALLOCATION PLAN, FOR USE WITH THE GREATER OPPORTUNITIES FOR AFFORDABLE LIVING (GOAL) PROGRAM.

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

I. Findings:

1. Rating criteria for establishing relative project rankings is used under AHFC's GOAL Program;

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

3. The GOAL Program provides funding for housing development which creates employment and job training opportunities throughout Alaska;

4. The proposed changes to the Rating and Award Criteria Plan for program year 2017 are in response to public comments and staff evaluation of historical allocation information.

II. **Conclusions:**

Pursuant to the foregoing findings, the Board of Directors hereby formally adopts the revised rating criteria for the GOAL Program Rating and Award Criteria Plan version dated May 25, 2016, as presented to the Board on this 25th day of May, 2016.

Effective Date:

This resolution shall take place immediately.

DATED THIS 25th day of May, 2016.

____
Brent LeValley, Board Chair

Proposed FY 2017 GOAL Program Rating and Award Criteria – Change Summary

Geographic and Sponsor Distribution

- Project sponsors, and their affiliates / subsidiaries, will be limited to the lesser of 50% of the total available GOAL program resources or 2 projects in any given year.

General Provisions

- Include a Discretionary Basis Boost for Mixed-Income projects where at least 20% of the units are market rate.
- Development Experience: program specific experience only required for LIHTC and HOME. Any multi-family rental property development experience qualifies for SCHDF.
- Operating Experience: program specific experience only required for LIHTC and HOME. Any experience operating multi-family rental properties qualifies under SCHDF.
- Require all acquisition and rehabilitation proposals involving tax credits to be evaluated at the pre-application to see if the deal can work using 4% LIHTCs. If in AHFC's sole opinion the renovations can be facilitated through 4% credits, the proposal will not be invited forward as a 9% application.
- Newly Stated Cost Limit: New construction projects only requesting non-competitive tax credit authority may not exceed the project cost standards by more than 20%.
- Applicant Clarification: The Pre-Applicant Entity Controls any GOAL allocation.

Project Cost Standards – Increase by 3% to the Ranges Below

Area	1 Bdrm & Less	2 Bdrm	3 Bdrm +
Moderate	$270,890	$299,215	$320,330
Intermediate	$303,335	$334,750	$358,440
High	$399,640	$444,960	$479,980

Developer Fee

- The cash developer fee in the application will not exceed the lesser of 12% or $2M.
- If the project comes in under budget, the cash developer fee can increase to 15%.

Rating and Ranking Criteria

Energy Efficiency:

- Decrease incentive for 6 Star BEES to 5 Star + and reduce points from 7 to 5.
- Establish 6 Star BEES incentive for communities and / or projects that do not have access to hydro or natural gas. This new category would be worth 8 points.
- Eliminate the 40% modeled energy reduction scoring category (4 points).
- Increase the points for Solar Thermal and Geothermal from 5 to 8.
- Establish a small project offset category for developments with 10 units or less that are not large enough to support Solar Thermal / Geothermal energy costs – 6 points.
- Make "air-to-air heat exchanges" a new energy conservation category – 3 points.

Market Conditions

- Location Trends – Score projects located in Palmer and Wasilla using the combined population data for both communities. Currently, these communities are scored using separate population counts.

Underwriting

- Eliminate the provisions regarding the Soft 2nd Scoring – 8 points to 0
- Increase the hard debt coverage ratio points by 3 across categories. 2 more points for 1.40 DCR, 1 more point for 1.30 DCR.
- Reduce the percentage of development costs supported by hard debt ranges by 50% for projects not connected to road or rail to Anchorage that also meet the Small Community Definition (Scored Ranges are from 8% to 20%).

Leveraging

- Increase the Total Development Cost as a percentage of Project Cost Standards overall maximum score by 4 Points

Existing - GOAL Program Rating and Award Criteria

RATING AND RANKING CRITERIA SUMMARY **Evaluation Criteria**	**Maximum Points**
1. Project Location i. Rural – 20 points ii. QCT w/ Community Revitalization – 1 point	21
2. Project Design i. Energy Efficiency – 25 points ii. Larger Units – 2 points iii. Equipped Units – 5 points iv. Rehab – 10 points v. Storage facilities – 1 point vi. Service enriched housing – 3 points	46
3. Project Characteristics i. Project Serves lowest income tenants – 12 points ii. Extended low-income use – 1 point iii. Special needs targeting – 8 points iv. Project Mix – 12 points v. Tenant ownership – 1 points vi. Homeless preference – 1 points vii. Public Housing Waiting List Preference – 1 point viii. Veterans Preference – 2 points ix. Senior Housing Offset – 8 points	38
4. Market Conditions i. Opportunity – 15 points ii. Rental Market Strength – 15 points iii. Location Trends – 15 points	45
5. Underwriting – 8 point threshold i. Pro forma – 30 points ii. Developer Fee – 2 points iii. Debt coverage ratio – 14 points	46
6. Leverage i. Percentage of Net GOAL funds - 10 points ii. Commitments Received – 4 points iii. Percentage of Project Cost to PCS – 10 points	24
7. Project Team Characteristics i. Non-profit participation – 1 point ii. Penalty points – no max	1
8. Job Training Program	6
TOTAL POINTS	227

Proposed - GOAL Program Rating and Award Criteria for SFY 2017

RATING AND RANKING CRITERIA SUMMARY Evaluation Criteria	Maximum Points
9. Project Location i. Rural – 20 points ii. QCT w/ Community Revitalization – 1 point	21
10. Project Design I. Energy Efficiency – 28 points i. Larger Units – 2 points ii. Equipped Units – 5 points iii. Rehab – 10 points iv. Storage facilities – 1 point v. Service enriched housing – 3 points	49
11. Project Characteristics i. Project Serves lowest income tenants – 12 points ii. Extended low-income use – 1 point iii. Special needs targeting – 8 points iv. Project Mix – 12 points v. Tenant ownership – 1 points vi. Homeless preference – 1 points vii. Public Housing Waiting List Preference – 1 point viii. Veterans Preference – 2 points ix. Senior Housing Offset – 8 points	38
12. Market Conditions i. Opportunity – 15 points ii. Rental Market Strength – 15 points iii. Location Trends – 15 points	45
13. Underwriting – 8 point threshold i. Pro forma – 30 points ii. Developer Fee – 2 points iii. Debt coverage ratio – 8 points	40
14. Leverage i. Percentage of Net GOAL funds - 10 points ii. Commitments Received – 4 points iii. Percentage of Project Cost to PCS – 14 points	28
15. Project Team Characteristics i. Non-profit participation – 1 point ii. Penalty points – no max	1
16. Job Training Program	6
TOTAL POINTS	228

STATE OF ALASKA

ALASKA HOUSING FINANCE CORPORATION

GOAL PROGRAM

(Greater Opportunities for Affordable Living Program)

RATING AND AWARD CRITERIA PLAN

(**Qualified Allocation Plan**)

Draft Version May 11, 2016

Low-Income Housing Tax Credits (LIHTC)

HOME Investment Partnerships Program (HOME)

Senior Citizens Housing Development Fund (SCHDF)

National Housing Trust Fund (NHTF)

Alaska Housing Finance Corporation

4300 Boniface

Anchorage, Alaska 99504

(907) 330-8277

Table of Contents

PURPOSE

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

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

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

   **If the Municipality of Anchorage receives a NHTF subgrant from AHFC, NHTF awards made through the GOAL program will only be issued to proposals located outside of the Municipality of Anchorage.

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

OVERVIEW

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

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

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

Fair Housing and Civil Rights Statement

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

Definitions

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

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

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

"**Difficult to Develop Area (DDA)**" – a federally designated high cost area that enables an LIHTC project to qualify for a 130% basis boost.

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

"**Equipped unit**" - all the requirements of an accessible unit have been satisfied plus the unit is equipped with grab bars, roll-under counters, bathrooms with roll-in or seated shower stalls or tubs, and other applicable equipment for persons with hearing or vision disabilities.

"**GOAL (Greater Opportunities for Affordable Living)"** - a term used to describe the three funding programs (Low-Income Housing Tax Credits (LIHTCs), Home Investment Partnership

Program (HOME) funds, and the Senior Citizens Housing Development Fund (SCHDF) that have been combined into one application process.

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

"**Homeless**" - a person is considered homeless if he/she resides in places not meant for human habitation, such as cars, parks, sidewalks, abandoned buildings (on the street); in an emergency shelter; and in transitional or supportive housing for homeless persons who originally came from the streets or emergency shelters. In any of the above places but is spending a short time (up to 30 consecutive days) in a hospital or other institution.

<u>Or:</u>

Is being evicted within a week from a private dwelling unit and no subsequent residence has been identified and the person lacks the resources and support networks needed to obtain housing.

Is being discharged within a week from an institution, such as a mental health or substance abuse treatment facility or a jail/prison, in which the person has been a resident for more than 30 consecutive days and no subsequent residence has been identified and the person lacks the resources and support networks needed to obtain housing.

Is fleeing a domestic violence housing situation and no subsequent residence has been identified and the person lacks the resources and support networks needed to obtain housing.

Is an individual(s) who lacks a fixed, regular and adequate nighttime residence and includes: children and youths who are sharing the housing of other persons due to loss of housing, economic hardship, or similar reason; are living in motels, hotels, trailer parks, or camping grounds due to the lack of alternative adequate accommodations; are living in emergency or transitional shelters; are abandoned in hospitals; or are awaiting foster care placement.

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

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

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

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

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

1) all of the costs associated with the development of a project,

2) the sources of funds, and subsidy limits, that may be used to pay for the development,

3) the operating expenses (utilities, taxes, insurance, etc.) associated with managing and maintaining a rental property,

4) the anticipated revenue to be obtained from the property,

5) the capacity of the project to support debt instruments,

6) the project’s performance throughout time under various assumptions.

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

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

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

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

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

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

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

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

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

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

QAP Considerations:

Federal QAP Characteristic Factors:

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

- Housing Needs Characteristics;
- Sponsor Characteristics;
- Project Characteristics, including whether the project includes the use of existing housing as a part of a community revitalization plan;
- Tenant populations of households with children;
- Targeting of Individuals on Public Housing Waiting Lists;
- Targeting of Populations with Special Housing Needs;
- Project Location;
- Projects intended for eventual tenant ownership;
- The energy efficiency of the project;
- The historic character of the project.

Federal QAP Preference:

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

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

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

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

State of Alaska Priorities:

State of Alaska priorities include projects that:

- Meet specific market criteria, as defined by AHFC;
- Are developed by applicants/sponsors who demonstrate the greatest capability to carry out the project;
- Maximize the use of GOAL program funds by having only the amount of subsidy necessary, over and above the amount of debt that can be supported, to make the project financially feasible (from both a developmental and operational viewpoint);
- Leverage GOAL program funds with other funding sources, including those which qualify as "match" under 24 CFR part 92 of the HUD regulations;
- Maximize the energy efficiency of the project
- Address the highest need in the local rental market for housing;
- Target "special needs populations" (i.e. persons who experience mental or physical disabilities, homeless persons, and families whose income does not exceed 30% of the area median income, adjusted for family size);
- Include larger units (i.e., greater number of bedrooms) for families;
- Are located in "small communities", as defined by AHFC;
- Provide meaningful training and employment opportunities for Alaskans.

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

Set-asides

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

1. **Tax-Exempt Organizations:**

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

2. **Project Based Rental Assistance Projects:**

   There will be a set-aside of 1/4th of the available low income housing tax credits in the first round of annual funding for these set-aside projects in the GOAL program. Projects qualifying under this set-aside must have at least 50% of the total units in the project assisted by project-based rental assistance through a multi-year Housing Assistance Payment contract (or equivalent) by an independent state or federal program (i.e. USDA Section 515, HUD Section 8, etc.). LIHTC awards under <u>this set-aside will **only** be offered if the set-aside amount will generate enough LIHTC proceeds to establish feasibility, based on the sources and uses identified in the underwriting analysis.</u> If this set-aside will not generate enough equity to provide feasible development (based on the award review), the set-aside amount will not be offered and will instead be re-allocated. In years where AHFC uses a portion of the state tax credit cap to engage in demonstration projects, this set-aside level will be re-evaluated by staff and may be adjusted downward.

3. **Other Purposes:**

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

Threshold Requirements

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

1. No supplemental funding request while prior year(s) awards are tied up in a project. This threshold will apply if a previously funded project encounters a funding gap beyond the amount identified in a prior award review for feasibility and can no longer proceed with the equity available. In such cases, the applicant will be required to return all previously awarded funds to the GOAL program. The applicant will then be eligible to apply for the entire amount of funding necessary to result in a feasible project.

2. All new construction projects must be in compliance with 15 AAC 154.090 construction and thermal standards.

3. No T1-11, board and batten, or similar type of wood siding may be used on any exterior wall surfaces.

4. All low-income housing tax credit project proposals must have a completed and comprehensive Market Study documenting the demand and need for the proposed units. Non-LIHTC projects will be required to demonstrate need for the proposed development either through a Market Study or an alternative form of demonstrated demand and need approved by AHFC.

5. The project must demonstrate acceptable community support which must be evidenced by written letters of support from the local government, community council(s), etc.

6. All projects with 5 or more units must provide a minimum of 5% of the total unit count (fractional units rounded up), specifically equipped for persons with physical disabilities. All projects with 5 or more units must provide a minimum of 2% of the total unit count (fractional units rounded up), equipped for persons with sensory impairments. Separate units must satisfy these threshold conditions. Consequently, in a six-unit project at least

one unit will need to be equipped for physical disabilities and a separate unit will also need to be equipped for persons with sensory impairments.

7. For all projects with 20 or more units, 5% of total units (fractional units round down) must be set aside for a "special needs" population that is not required to be served as a condition of the funding source requested. Special needs populations for this section are defined as: households with persons with mental or physical disabilities, the homeless, and persons earning less than 30% of the median income for their area. Note: Projects exclusively requesting SCHDF program funds may not satisfy this requirement by targeting persons earning 30% of the median income.

8. Units must be constructed or rehabilitated to the applicable standard as required by the specific program under which funds are requested and must meet the requirements of the funding program and any of the following applicable laws:
   a. Americans with Disabilities Act
   b. U.S. Fair Housing Amendments Act of 1989
   c. Alaska Statute AS 18.80.240
   d. Local Government Ordinances
   e. NHTF assisted projects that are rehabilitated must comply with the rehabilitation standards noted for the HOME Investment Partnership program.

9. The application package must include the following material and all other materials required under the annual notice of funding availability, unless otherwise approved in writing by AHFC:
   a. Completed application forms and all applicable certifications;
   b. Submission of all required application material;
   c. Payment of all applicable application fees;
   d. Sufficient data, in AHFC's opinion, to determine the financial feasibility and long-term viability of the project.
   e. Sufficient data & certifications, in AHFC's opinion, to determine that the applicant and project are eligible to receive the GOAL program funding source requested.
   f. Applicant is considered to be a "responsible bidder."

10. Reasonableness of the project's development and operational data will be assessed based on the extent that application materials, and project performance data available to AHFC, support the project's developmental and operational numbers provided in the Rental Development Analysis Workbook. Key points that AHFC will look for in the application materials to make this assessment will include:

    a. Are cost estimates supported by a credible third-party bid(s) and/or estimate(s)? Examples include bids and/or cost estimates supplied by an architect, appraiser, materials supplier, etc.

    b. Is third-party support for the project's anticipated rents, vacancy rate, and operating expenses included?

        i. Does the third party support comport with data available to AHFC regarding the achievable rents, occupancy rates and operating expenses for the community and / or building type?

    c. Have all funding sources been confirmed and / or substantiated by written documentation? In assessing this item, AHFC will consider the following, listed in order of priority:

        i. Whether written lending commitments have been provided;

        ii. Whether tax credit proceeds (if applicable) accurately reflect current tax credit market sale rates;

        iii. Whether a tax credit purchase commitment is provided;

        iv. Whether letters of interest from other proposed funding sources have been provided.

d. Does the project schedule and written development narrative demonstrate a clear understanding on the part of the applicant for successful housing development in the proposed site's market? Are development concepts and reasonable assurances that the project can be successfully implemented within the proposed time frame valid? Has the applicant demonstrated the ability to obligate funding, including NHTF, and complete the project in a timely manner?

11. Low-income Housing Tax Credit projects: Under IRS Regulations 1.42-17, AHFC must evaluate the financial feasibility of a project at three separate phases during the development of the project. The three stages are:

1. Application;
2. allocation (carryover or issuance of 8609);
3. placed in service date.

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

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

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

12. Projects Eligible for the Discretionary Basis Boost, as defined in this Qualified Allocation Plan: LIHTC projects that will not receive project-based operating subsidy may request an application of the Discretionary Basis Boost, subject to AHFC's approval after

evaluating the proposal's financial feasibility and need, if all of the following conditions are satisfied:

a. Option 1 – Extremely Low-Income Tenant Targeting
   i. The annually projected per-unit operating expenses of the project equal or exceed 90% of rents allowed for households at or below 30% of the area median income, and
   ii. At least 30% of the residential units in the property will be reserved for households at 30% or below the area median income, and
   iii. The increased equity from the basis boost will be set-aside in a controlled reserve account to be used to cover the gap during the compliance and extended use period between the lesser of (1) the 30% rent limit and the 60% rent limit, or (2) the 30% rent limit and the Fair Market Rent (as determined by HUD), and
   iv. The controlled reserve account will be jointly controlled by the project owner and AHFC.

b. Option 2 – Mixed Income Projects
   i. In developments where at least 20% of the units do not contain income restrictions, AHFC will apply the discretionary basis boost if (i) the boost is necessary after a subsidy layer review and (ii) the property does not already qualify for a basis boost through another provision.

13. Energy Star Appliances: Where Energy Star Appliances may be incorporated into the project designs, GOAL funded projects will be required to exclusively use certified Energy Star appliances.

14. All medicine cabinets in the project must include locking mechanisms.

15. Projects with units accessible through common hallways must have secured entryways.

16. Unless otherwise waived by AHFC, all projects targeting families with children must have a recreation area on-site for children which is designed and equipped with age appropriate equipment. The play area and its associated access route(s) must be compliant with the Americans with Disabilities Act.

Pre-Application Review Process

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

- All proposals for 9% LIHTCs that involve acquisition and renovation, or renovation, of an existing property will be evaluated at the pre-application stage to see if, in AHFC's sole opinion, the property may be rehabilitated using 4% LIHTCs. If in AHFC's sole opinion the property can be renovated using 4% LIHTCs, the proposal will not be invited to apply for 9% LIHTCs in the GOAL round.
- Market Feasibility: Is there sufficient need and / or demand for the proposed project?
- Whether city, borough or census area population data will be used to determine the point values for the proposed project under Sections 4(b)-(c) of the Rating Criteria.
- Whether or not changes to the project design, scope, and / or funding mix are necessary and / or appropriate (as determined by AHFC).
- Whether or not the proposal can reasonably be expected to be constructed with the proposed funding mix and development team.
- Whether or not penalty points should be assessed.
- Project Team and Sponsor Capacity: Pre-applicants will need to establish that sufficient capacity exists to develop and operate the proposed project. Demonstration of the following will be required to clear threshold during the pre-application review:

Development Team Member	**Threshold Level**: Proposals will not be invited forward into the full application process unless the following are demonstrated
Developer / Development Consultant	Within the past ten years, a minimum of three years of **successful** multi-family development experience. For HOME and LIHTC projects, two years of this experience must involve projects using the requested sources (HOME or LIHTC) or projects of a nature sufficiently similar, in AHFC's sole determination, to the project being proposed.

Project Sponsor	Two Years of Audited or un-Audited Financial Statements. If the project Sponsor is a newly formed entity, other materials such as prior year Tax Returns, evidence of guarantor capacity, etc. of principals deemed sufficient, in AHFC's sole determination, may be accepted in lieu of Financial Statements.
Property Management Team	Within the past ten years, a minimum three years of **successful** multi-family property management experience. For HOME and LIHTC projects, two years of this experience must involve multi-family rental properties with the requested funding sources (HOME or LIHTC) or projects of a nature sufficiently similar, in AHFC's sole determination, to the project being proposed.

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

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

Full Application Evaluation Review Process

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

Full Application Evaluation

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

Application Review Process

Funding Considerations

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

1. Minimum levels of funding necessary, in AHFC's opinion, to result in a financially feasible project, including a recommendation of no funding if sufficient debt can be supported;

2. The maximum legal and AHFC annual programmatic funding limits;

3. Distribution of GOAL funds in such a manner to maximize the number of financially feasible projects which receive funding, even though this may result in the award of funds or tax credits outside of actual application rankings established by the rating process.

4. Increasing the spread of projects by geographic location.

5. A different amount of GOAL program funds for a project than requested by the applicant may be recommended in order to: avoid over subsidizing, to maximize the leverage of all GOAL program resources, and to satisfy the requirements of award review assumptions made by AHFC in the feasibility review.

6. "Responsible bidder" AHFC reserves the right to reject or assess negative points to any grant application or request for funding from any applicant who has failed to perform or is partnered with a person or organization which:

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

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

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

AHFC reserves the right to deny GOAL funds to any applicant, regardless of that applicant's point ranking if, in AHFC's sole determination, the applicant's proposed project is not financially feasible or viable. Additionally, GOAL funds may be awarded out of the ranking order established by the points earned. In such cases, this recommendation shall be based on the amount of GOAL funds requested, relative to the amount of funding available, as well as other selection criteria identified within the rating criteria plan.

Application Award Process

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

Application Rating and Ranking Criteria

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

1. **Project Location (Up to 21 Points)**
   a. Project is located in an area qualifying as a "small community," as defined in this Qualified Allocation Plan (20 Points)

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

2. **Project Design (Maximum 43 points)**
   a. Energy Efficiency (28 Points)
   Applicants requesting points under subsections (i) through (vii) of these Energy Efficiency Criteria will be required to provide AHFC copies of annual financial statements for their proposal(s), if funded. If audited financials are unavailable for a given year, project owners may satisfy this requirement by submitting unaudited financial statements. Additionally, applicants will be required to respond to reasonable inquiries from AHFC regarding energy consumption at

their properties. These requirements will apply throughout the term of the restrictive covenants recorded for the property, if funded.

i. Project commits to achieving a 5 Star Plus BEES rating (5 points)

ii. If a project is located in a site without access to hydro or natural gas, the project commits to achieve a 6 Star BEES rating. Please note: points will be awarded under (i) or (ii), but not under both for a single project. (8 points)

iii. Rehab projects only: Project commits to achieving 2012 International Energy Conservation Code Certification. (5 points)

iv. Solar Thermal energy or Geothermal energy will be incorporated into the project design and operations (8 points)

v. Thermal energy offset for small projects – Developments with 10 or fewer units will receive offsetting points if they are not awarded points under section (iv) (6 points)

vi. Solar Photovoltaic energy will be incorporated into the project design and operations (3 points)

vii. Project commits to incorporating air-to-air heat exchanges in the design and operations (3 points)

viii. Project commits to installing a Real Time Building Monitoring device with the capacity to export data to the internet for retrieval and analysis by AHFC (1 point)

<u>Please note</u>: Categories (i) and (ii) above, and categories (iv) and (v) are either or categories. Points may be awarded under (i) or (ii), but not under both (i) and (ii). The same applies for categories (iv) and (v).

<u>Scoring Exception</u>: If Staff's review of an application determines that points requested under (iv) and / or (vi) are related to features that will each generate less than 5% of the total annual energy load, zero points will be awarded. The documentation required for staff analysis to score these categories will be outlined in the application instructions.

b. Availability of Larger Units for Households with Children (Maximum 2 Points)

Points will be awarded to applications based on the percentage of residential units in the project with three or more bedrooms, according to the following rating scale:

Calculation:

$$\text{Points} = \frac{\text{Number of Residential Units with 3 bedrooms or more} \times 2}{(\text{Total Number of Residential Units in Property} \times 0.4)}$$

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

(1 x 2) / (10 x 0.4) = 2/4 = 0.5 = 0.5 points

c. Number of Units Equipped for Persons with Physical Disabilities and Sensory Impairments (5 Points)

Number of units equipped above the minimum **threshold requirement for GOAL program funding** and that exceed the minimum number required by federal fair housing law, state or local law, or any additional funding sources and program requirements applicable to the project.

Calculation:

$$\text{Points} = \frac{\text{Number of Additional Units Equipped} \times 5}{(\text{Total Number of Units in Property} - \text{Required Number of Equipped units})}$$

To receive points in this criteria, the units must be constructed or rehabilitated to the applicable standard required by the specific program under which funds are requested, i.e., Fair Housing Act (all programs); Section 504 requirements (HOME), or if specific program requirements do not apply, to the standard established in the Americans with Disabilities Act (all common areas).

All projects must meet the requirements of the following laws:

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

- Local Government Ordinances

d. Rehabilitation Project (Maximum 10 points)

Two points will be awarded to all projects involving rehabilitation. For the purpose of this section, rehabilitation, at minimum, must consist of some sort of building renovation and / or demolition and reconstruction where a building is currently located at the project site. If AHFC, in its sole discretion, finds that a deminimus amount of demolition took, or is scheduled to take, place at the project site to qualify for points under this section, no points will be awarded.

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

An additional 8 points will be awarded based on the hard construction cost per unit in buildings that are rehabilitated (not demolished), according to the following schedule:

Hard Cost Per Unit	Points Earned
For acquisition with rehabilitation, or rehabilitation:	
$30,001 – 40,000	2
$40,001 – 50,000	4
$50,001 - 60,000	6
$60,001 and above	8

Example: If a four unit building is demolished and a 10 unit building is reconstructed on the site of the old building, a proposal would receive two

(2) points for the demolition, and zero points for the hard cost per unit associated with the reconstruction.

e. Storage Facilities (1 point) - All residential units will be provided with assigned tenant storage facilities

f. Service enriched housing which incorporates substantive social services which are appropriate to the tenant population, on an ongoing basis – (3 points). Points are only available if households with physical and / or mental disabilities, or homeless persons will be served by the proposed project through hard set-aside units.

3. Project Characteristics (Maximum 37 Points)

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

a. Project Serves the Lowest Income Tenants (Maximum 12 Points)
Points will be awarded for targeting up to 60% of the project's households at or below 50% of the area median income beyond the level required by the most restrictive funding source in the project budget (including non-GOAL sources). Points can be gained in this category by either: 1) adding additional set-aside units at or below 50% of the area median gross income (AMGI), and / or 2) converting already required 50% AMGI set-asides into 30% AMGI units.

Calculation Method

A = Number of 50% AMI set-aside units in project **beyond** the number required by the most restrictive fund source.
B = Number of 50% set-aside units required by the most restrictive funding source that are being lowered to 30% units for deeper income targeting.
C = Number of 30% units required by the most restrictive funding source
D = Number of residential units in project

$$\frac{[(A+B) - (C)]}{(D \times 60\%)} \times 12 = \text{Score, (12 points Maximum)}$$

Example: A 100 unit project is requesting HOME funds and LIHTCs. All units are residential units. The HOME funds require that 20 units be set-aside at 50% AMGI. If the project sponsor sets aside 20 units at 50% of the AMGI, 20 units at 30% AMGI, and leaves 60 units available for market rate rentals, the applicant will have satisfied the 20-50 test for HOME funding and the 20-50 test for LIHTCs. In this scenario, the points assigned would be:

$$\frac{[(0+20) - (0)]}{(100 \times 60\%)} \times 12 = 4 \text{ points}$$

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

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

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

i. One (1) point will be awarded to applications that commit the project to an extended low-income use equaling 30 years. An extended use agreement or other similar agreement, as determined to be appropriate by AHFC, is required.

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

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

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

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

Calculation:

$$\text{Points} = \frac{\text{\# of special needs units not already required by funding source(s)}}{\text{(\# of Residential Units in Project x 50\%)}} \times 8$$

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

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

d. Project Mix (12 Points Maximum)

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

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

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

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

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

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

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

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

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

g. Public Housing Waiting Lists (1 Point)

One (1) point will be awarded to applications that contain a **written commitment** to give priority to households on waiting lists for subsidized housing. For projects located outside of Anchorage that are served through AHFC's public housing office, this subsidized housing preference MUST include HOME funded Tenant Based Rental Assistance Coupons referred through AHFC's Public Housing Division. A commitment means establishing gross rents below the "Fair Market Rent" limits established by the U.S. Department of Housing and Urban Development **AND** establishing a referral relationship to a local office of AHFC and / or a local Indian Housing Authority. Applicants must describe how a referral relationship will be achieved. If no AHFC office or Indian Housing Authority is available to effectively provide referrals to the project, no point will be awarded under this section.

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

h. Senior Housing Offset (8 Points)

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

i. Veterans Housing Preference (2 Points)

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

4. **Market Conditions (Up to 45 Points)**

   a. Opportunity: for projects located in areas reported by the Alaska Department of Labor where (up to 15 Points):

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

   b. Rental Market Strength (up to 15 Points) – Project must be located in a city, borough or census area covered by the Department of Labor Survey used to generate the Rental Market Indicators. If the proposed project is not located in a city, borough or census area covered by the Department of Labor Survey, the vacancy rate will need to be determined through a market study using the same methodology employed by the Department of Labor in their survey. The relevant city, borough or census area must contain at least three or more multi-family rental properties to receive points under this category.

      i. Project is located in a survey area with vacancy rates exceeding 12% – 0 points
      ii. Project is located in a survey area with vacancy rates of at least 9%, but no more than 12% – 2 points
      iii. Project is located in a survey area with vacancy rates of at least 7%, but less than 9% – 6 points
      iv. Project is located in a survey area with vacancy rates of at least 6%, but less than 7% – 10 points
      v. Project is located in a survey area with vacancy rates of at least 4%, but less than 6% – 13 points
      vi. Project is located in a survey area with vacancy rates lower than 4% – 15 points

c. Location Trends (up to 15 Points) - Points will be awarded based on the average growth rates over the most recent three year period using *City and Census Designated Place data*. These data are reported on the State of Alaska's Department of Labor and Workforce Development website.

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

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

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

i. Population growth in the city, borough or census area over the past three years is greater than or equal to 2.5%: 15 points
ii. Population growth in the city, borough or census area over the past three years is at least 1.75% but less than 2.5%: 12 points
iii. Population growth in the city, borough or census area over the past three years is at least 1% but less than 1.75%: 10 points
iv. Borough or census area population is less than 6,500, but the population growth over the past three years is greater than 0%: 8 points
v. Population growth in the city, borough or census area over the past three years is at least 0.5% but less than 1%: 6 points
vi. Population growth in the city, borough or census area over the past three years is at least 0% but less than 0.5%: 4 points

5. **Underwriting (40 points)**

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

a. Pro Forma Analysis (30 Points)

i. Level to which project supports hard debt. To earn points under this section, hard debt means financing with scheduled payments, which cannot be deferred, beginning in the first year of the project operation.

1. 8% or more, up to 10% of Total Development Costs (TDC) supported by hard debt (6 points)
2. More than 10% but less than 13% of TDC supported by hard debt (10 points)
3. 13% or more, but less than 16% of TDC supported by hard debt (16 points)
4. 16% to 20% of TDC supported by hard debt (20 points)
5. More than 20% of TDC supported by hard debt (24 points)

Remote Community Provision for (i): In projects not connected by road or rail to Anchorage or Fairbanks, where the location also meets the Small Community definition, the percentages of development costs supported by hard debt will be scored by using half of the target percentages above. For example, in a qualifying community, the project would receive 24 points if more than 10% of the development costs were supported by hard debt.

ii. Projects which are prohibited by rules associated with their supplemental funding sources which provide project-based operating assistance (i.e. HUD 811 and Section 202) from servicing debt throughout the project operations will automatically receive 14 points to offset their competitive disadvantage under Underwriting Category (a)(i).

iii. Line items for the following have been correctly set in the Rental Development Analysis Workbook (RDAW) submitted in the application to amounts at or below their respective limits: Developer Fee, Contingency, Contractor Overhead / Profit, and General Requirements. (1 point)

iv. All line items in RDAW have been clearly described (5 points). Each time **any** line items exist for positive dollar amounts identified as only "other" or any similarly lacking description, two (2) points will be subtracted from the five points available under this category until points are no longer available under 3(a)(iii). The point floor for this category will be zero (0).

v. Penalty: RDAW Discrepancy (minus 5 points maximum). A one (1) point penalty, up to a maximum total penalty of five (5) points, will apply for each instance **of** the below circumstances noted in the RDAW:

1. Costs that AHFC determines will be incurred as part of the project development or operations are not included in the budget (i.e. allocation fees for an LIHTC project are not included in the budget)
2. Sources and expenses identified in the application materials are not fully accounted for in the RDAW
3. Known sources do not equal (within $10) known uses in the RDAW; for example, donated land shows up as a source but no offsetting cost is identified in the development budget. <u>A penalty will not apply in this case if the gap between sources and uses is created by assumptions AHFC makes during the award review.</u>

b. Developer Fee (2 Points)

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

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

ii. No deferred developer fee is listed at or above 30% of the total developer fee (1 point)

iii. Penalty: If the developer is not the project owner and the deferred developer fee is not repayable within 12 years **based on trending analysis** in the Rental Development Workbook (minus 2 points).

c. Debt Coverage Ratio (8 Points)

In the first year of operation a DCR:

i. At or above 1.40 (in year 1) for hard debt service (8 points) – points only available if hard debt is issued for project development and this debt represents at least 4% of the Total Development Costs.

ii. At or above 1.30, but below 1.40, (in year 1) for hard debt service (3 points) – points only available if hard debt is issued for project development and this debt represents at least 4% of the Total Development Costs.

iii. Projects which are prohibited by rules associated with their supplemental funding sources which provide project-based operating assistance (i.e. HUD 811 and Section 202) from servicing debt throughout the project operations will automatically receive 8 points to offset their competitive disadvantage under Underwriting Categories (c)(i)-(c)(ii).

6. Project Leveraging (Maximum 28 Points)

Applicants must provide all requested information on non-GOAL contributions to the project development. These requirements will be outlined in the application materials. Leverage points under Subsections (a), (b), and (c) will be impacted by Project Cost Standards (PCSs). For the purposes of Subsections (a), (b), and (c) the applicable PCS will depend on whether the proposal is located in a community moderate, intermediate or high cost area. Projects involving acquisition and rehabilitation will be scored using 75% of the project cost standard for the project area. Details for the Project Cost Standards for each cost area are provided on the following page:

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

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

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

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

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

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

a. Up to 10 leveraging points (maximum) will be assigned based on the net percentage of GOAL program funds to the appropriate Project Cost Standard.

   Since LIHTCs do not generate equity until sold to a private investor, proceeds from the LIHTC awards will be counted as 90% GOAL program funds and 10% non-GOAL funds for the purpose of determining points in this category.

   For the purposes of scoring in this subsection (a), Total Development Cost amounts exceeding the applicable PCS will be added to the GOAL funds in the scoring calculation. Consequently, the "Net GOAL program funds" will equal the GOAL funds + Total Development Costs which exceed the applicable PCS.

i. Net GOAL funds are equal to 75% or more of PCS (0 points)
ii. Net GOAL funds are 70% or more of PCS but less than 75% (2 points)
iii. Net GOAL funds are 65% or more, but less than 70%, of PCS (4 points)
iv. Net GOAL funds are 60% or more of PCS, but less than 65% (6 points)
v. Net GOAL funds are 55% or more of PCS, but less than 60% (8 points)
vi. Net GOAL funds are less than 55% of PCS (10 points)

Example: A project with $100 in total development costs requests $20 in Grant funds from AHFC, and $50 in LIHTCs (10-year value) that will be sold at $.80 / LIHTC (generating $40 in LIHTC equity). The PCS for the project equals $90. The project will take out a loan for the difference: loan value = $100 – (40+20) = $40. GOAL contributions are: $20 + (90% x $40) + (total costs exceeding PCS: $10) = $66. GOAL funds as a percentage of the project cost standard would = $66 ÷ $90 = 73.33%. This project would receive 2 points under this section for leverage.

b. Up to 4 points (maximum) will be awarded to applications providing a written commitment for non-GOAL funding sources. If the Total Development Cost of the proposal exceeds the applicable Project Cost Standard, the total leverage commitments scored in this section will be reduced by the difference between the Total Development Costs and the applicable Project Cost Standard.

Calculation: $$\text{Points} = \frac{40 \times (A - B)}{C}$$

Where:

A = Amount of leveraged funds secured by written commitments

B = Total Development Cost amounts exceeding the Project Cost Standard

C = the Total Development Cost

Example: A project has a Total Development Cost of $1,000,000. The applicable Project Cost Standard is $800,000. The applicant is requesting $700,000 in GOAL funds. The applicant has secured $300,000 in other funds through firm written commitments. The applicant will receive points based on as follows: 40x[(300,000-200,000)/(1,000,000)] = 40x.1 = 4 points.

c. Up to 14 leveraging points will be assigned based on the relationship between the total project costs, excluding reserves and demolition costs, and the applicable Project Cost Standards:
   i. Total project costs, less reserves and demolition costs, are less than 95% of the applicable Project Cost Standard, but are greater than 90% of the applicable Project Cost Standard (5 points)
   ii. Total project costs, less reserves and demolition costs, are 90% or less of the applicable Project Cost Standard, but are still 85% or more of the applicable Project Cost Standard (7 points)
   iii. Total project costs, less reserves and demolition costs, are less than 85% of the applicable Project Cost Standard, but are still 80% or more of the applicable Project Cost Standard (10 points)
   iv. Total project costs, less reserves and demolition costs, are less than 80% of the applicable Project Cost Standard (14 points)

7. Project Team Characteristics (1 Point)

a. A tax-exempt organization or Regional Housing Authority is involved in the project on a regular, continuous, and substantial basis in both the development and operation of the project (must be recognized as a tax-exempt organization by the Internal Revenue Service) (1 Point).

b. Points will be deducted from the applicant's score in cases where a principal of the development, management or ownership entity identified in the application or subsequently used on the project, has been determined through monitoring reviews by AHFC to be in violation of program criteria, rules or regulations. Performance of the developer, owner, investor, property management firm, and all entities related by common ownership to the development team will be reviewed.

The penalty point review will be conducted during the threshold review as part of the “pre-application” process. The procedure will be based on a review of all grant/loan programs of AHFC and the Low-Income Housing Tax Credit Program. An applicant may have the right to appeal this decision under 15 AAC 151.830 and 15 AAC 150.220.

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

i. Late progress reports during the performance period of a grant (submitted 15 days after due date) will receive zero penalty points for the first occurrence, and 1 penalty point for each subsequent occurrence.
ii. One point will be subtracted for each month that an AHFC mortgage payment is 30-days past-due (five points maximum). Penalty points for mortgage performance will be assessed against all members of the project ownership.
iii. Issuance of an IRS Form 8823 or audit findings on grant programs which are older than 3 months and uncorrected by the time the pre-application is due. (3 penalty points for each qualifying project fitting this description that is not already addressed through UPCS protocol specified in (ii) of this section).
iv. Unapproved (by AHFC), and uncorrected changes in the design or scope of a prior development from the original application scope that was proposed will result in the greater of (1) a 3 point per instance point reduction, or (2) a point penalty equal to the number of points originally awarded for the commitment that was not honored. Once this penalty has been assessed in a competition, the same penalty will not be assessed in perpetuity on future applications (i.e. if assessed in year 1 competition, same penalty will not be assessed in year 2’s competition for the same event that merited year 1’s penalty points).

8. **Job Training Program (Maximum 6 Points)**

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

a. Applicants must provide letters of financial commitment for program operation, and signed memorandums of agreement between the project owner, the contractor, the training organization, and any other parties involved. **No points** will be awarded under this category without firm written commitments, and a detailed summary of the program which specifies the goals and objectives for the program, the number of training positions, the target group of people, how the program will be funded, the skills learned by the trainees, the duration of the training and what future employment opportunities will be available to trainees.

b. Applicants will earn one (1) point for each individual being provided on-the-job-training during the project development. An additional two points will be earned for classroom training that includes at least 20 hours of instruction for at least two individuals. Classroom training must be delivered to the persons who will receive the on-the-job training. (maximum of 6 points).

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

a. Project sponsors, including their subsidiaries and parent organizations, will be limited to the lesser of 50% of the total GOAL Program Resources or two (2) GOAL projects in any given year's GOAL program statewide funding round.

b. No more than two-thirds (2/3rd) of the available SCHDF grant funding may be awarded to a single project if a project is proposed (and clears all scoring thresholds) that would be feasible with one-third (1/3rd) of the total SCHDF funding available.

c. Tie-break: In the event that a tie in project scoring occurs, the following order of tie-break provisions will be used

   i. The tie-will be broken in favor of the project whose community has gone the longest without a GOAL program funded development; if still tied, then

   ii. The tie will be broken by the development with the lowest cost per unit

PROJECT CHANGES AND NON-COMPLIANCE WITH RATING CRITERIA AFTER AWARD

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

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

RATING AND RANKING CRITERIA SUMMARY Evaluation Criteria	Maximum Points
1. Project Location i. Small Community – 20 points ii. QCT w/ Community Revitalization – 1 point	21
2. Project Design i. Energy Efficiency – 28 points ii. Larger Units – 2 points iii. Equipped Units – 5 points iv. Rehab – 10 points v. Storage facilities – 1 point vi. Service enriched housing – 3 points	49
3. Project Characteristics i. Project Serves lowest income tenants – 12 points ii. Extended low-income use – 1 point iii. Special needs targeting – 8 points iv. Project Mix – 12 points v. Tenant ownership – 1 points vi. Homeless preference – 1 points vii. Public Housing Waiting List Preference – 1 point viii. Veterans Preference – 2 points ix. Senior Housing Offset – 8 points	38
4. Market Conditions i. Opportunity – 15 points ii. Rental Market Strength – 15 points iii. Location Trends – 15 points	45
5. Underwriting – 8 point threshold i. Pro forma – 30 points ii. Developer Fee – 2 points iii. Debt coverage ratio – 8 points	40
6. Leverage i. Percentage of Net GOAL funds - 10 points ii. Commitments Received – 4 points iii. Percentage of Project Cost to PCS – 14 points	28
7. Project Team Characteristics i. Non-profit participation – 1 point ii. Penalty points – no max	1
8. Job Training Program	6
TOTAL POINTS	228

PROJECT COST AND FUNDING LIMITATIONS

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

1. **Developer/General Contractor Fees and Costs:**

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

   At the time of the GOAL application, the maximum cash developer fee that can be proposed is 12%. If the project comes in under budget or receives additional funding, the proposed deferral can be reduced up to the programmatic limit.

Development Type	Maximum Gross Developer Fee* *Cash Fee May Never Exceed $2M*	Maximum Development Consultant Fee	Maximum Gross Contractor Fee/ Overhead**	General Requirements **	Maximum Contingency
New Construction	15%	5%	10%	10%	5% of hard construction costs
Acquisition with Rehabilitation or rehabilitation Only	5% of Acquisition Costs and 15% of Rehabilitation Costs	5%	10% of Rehabilitation Cost	10% of Rehabilitation Cost	10% of hard construction costs
Acquisition Only (HOME & SCHDF Programs only)	5% of Acquisition Cost	5%	0%	0%	
4% Tax Exempt Bond LIHTC Projects (Only)	15% of Total Development Cost	5%	10%	10%	10%

*The maximum fee/overhead must be calculated against the total development cost of the project, net any payments to the developer or related parties. Construction management services performed by a party related to the developer and / or applicant are considered development overhead charges and must be included in the maximum allowed developer fee.

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

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

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

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

3. **Operating Reserves**

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

4. **Replacement Reserves**

   All projects funded with GOAL funds will be required to maintain a minimum of $300 per unit/per year replacement reserves for capital expenses (roof repair, boiler replacement, etc.). The replacement reserve account must be jointly controlled by the project owner and AHFC or some other secondary lender. This requirement will be subordinate to any terms or conditions placed on loan or grant financing associated with the project.

5. **HOME Rental Development Funds**

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

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

6. Limitations on SCHDF Project Funding

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

7. Minimum Rehabilitation Costs

Under the LIHTC program, there is a minimum rehabilitation cost. The rehabilitation costs must be the greater of $15,000 per unit or 10% of the "adjusted basis" of the building and must consist of work items that are more than just cosmetic in nature and include only physical items. Soft costs and financing costs may not be used to calculate the minimum rehabilitation cost.

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

Per Unit Limits - NHTF awards will be limited to the applicable project cost standards plus 20%. Funding limits will apply to the specific units funded through the NHTF award.

Refinancing Limits – NHTF awards may not be used to refinancing existing debt. NHTF awards may be used to fund renovations in projects with a debt restructure, but the NHTF dollars may not be used to restructure and / or refinance the debt itself.

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

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

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

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

COMPLIANCE MONITORING FOR SCHDF AND HOME

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

Special Note on HOME Funded Projects:

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

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

COMPLIANCE MONITORING PLAN FOR LIHTC PROJECTS

(a)(1)(A) **Monitoring Authority** - All projects -placed in service- since the 1986 enactment of the Low-Income Housing Tax Credit Program, are subject to monitoring for compliance with the rules and regulations of 26 U.S.C. Section 42.

(B) Compliance monitoring of all tax credit projects will be conducted by the AHFC, in accordance with the procedures outlined below. The Corporation's obligation to monitor for compliance with the requirements of Section 42 does not make the Corporation liable for an owner's noncompliance.

(C) The areas to be reviewed for compliance shall include, but are not limited to:

- **i.** Tenant income qualifications, calculations and appropriate supporting documentation.
- **ii.** Gross rent payments and any components of the gross rent figure (including utility allowances, optional and non-optional charges).
- **iii.** The project rental history of the fraction claimed for the property and compliance with habitability standards.
- **iv.** Affirmative marketing efforts
- **v.** Fair housing compliance
- **vi.** Occupancy rules contained in Section 42

vii. Building code violation reports

viii. Replacement Reserves

ix. Vacancy rates

x. Property management certification

(b)(1) **Record Keeping** - The owner of a project receiving a credit allocation shall maintain project records (A - R, below) for six years past the due date (with extensions) for filing the federal income tax return for that year. **The records for the first year of the credit period must be retained for at least six years beyond the due date (with extensions) for filing the federal income tax return for the last year of the compliance period of the building.**

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

(A) the total number of residential rental units in the project (including the number of bedrooms and square footage of each residential rental unit);

(B) the percentage of residential rental units in the building that are low-income units;

(C) the rent charged on each unit in the project, including the utility allowance amount used and the method of calculation;

(D) the project rental history of all units and information that shows when and to whom the next available units were rented;

(E) annual income certifications for each low-income tenant and sufficient documentation to prove that annual income was calculated in a manner consistent with the requirements of Section 8 of the U.S. Housing Act of 1937;

(F) the character and use of the non-residential portion of the building(s) within the project (common areas, etc.) if included in eligible basis;

(G) the number of occupants in each low-income unit;

(H) the eligible basis and qualified basis of the building at the end of the first year of the credit period; and if in the following years the project has received additional federal funds reducing the eligible basis of the building(s);

(I) evidence that supports any of the project characteristics the Owner may have certified to, in his/her application for tax credits, to receive points in the ranking process;

(J) evidence supporting that the project Affirmative Marketing efforts are on going and directed towards the appropriate tenant population;

(K) evidence supporting that the project complies with the Fair Housing Act and does not discriminate in the provision of housing;

(L) evidence that the project has in place procedures to ensure compliance with the occupancy rules regarding full time students under the LIHTC program; and

(M) documentation detailing all building code violations and corrections noted within the prior 12-month period of time.

(N) Reserve Funds and any expenditures allowed under the reserve requirements.

(O) Annual accounting of Property Tenant Unit Vacancies

(P) Optional and Non-optional Charges to tenants.

(Q) Household demographic characteristics (HUD Form # 40097 or similar).

(R) Other Documents and data as required.

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

(c)(1)(A) **Monitoring Review Procedures** - Upon request from the Corporation, the owner of the subject project shall submit project information required by the Corporation to complete a monitoring review. The required information is detailed in section (b)(1)(A-R), above. After receipt of the information described in section (b)(1)(A-R), the Corporation will review the documentation for compliance with 26 U.S.C. Section 42. The Corporation shall notify the owner within 15 working days of the completion of the review, as to the result of the initial review. If additional information is required by the Corporation to complete its review, the owner shall respond within 10 working days. A $25 per day late fee may be assessed on owners who do not submit the requested compliance information within the deadlines established by the Corporation. Failure to respond will be considered non-compliance with program criteria and will be reported to the IRS.

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

- **i.** Owners Certificate of Compliance (HOME and / or LIHTC)
- **ii.** Unit History / Status Report
- **iii.** Rent Roll
- **iv.** Utility Allowances
- **v.** Affirmative Marketing Plan
- **vi.** Building Violation Reports
- **vii.** LIHTC Allocation Certificates (IRS Forms 8586, 8609, and 8609A)
- **viii.** Student Household Statement
- **ix.** Household Characteristics Form (HUD Form 40097 or similar)

x. Vacancy Summary

xi. Optional and Non-optional tenant charges

xii. Common area description

xiii. Replacement Reserve Fund

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

(C) Inspections - The Corporation has the right to perform audits which may include site inspections on any tax credit project during the full term of the agreed-upon extended use period or thirty (30) years, whichever is greater. The extended-use period is established in an agreement, which is recorded as a restrictive covenant when the project is placed in service. The focus of the inspection(s) will include, but not be limited to, those items referred to in (a)(1)(C) and (b)(1)(A-R), above.

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

(D) Required Certifications - In addition to the required information referred to in sub-section (b)(1)(A-R) above, owners of tax credit projects shall submit annual certifications attesting to compliance with the requirements of Section 42, under penalty of perjury. The owner shall also certify that the residents of the low-income facilities were informed of the Corporation's right and intent to review tenant income certifications for compliance with Section 42 and the procedures of this section.

(d)(1)(A) **Calculating Family Income** - All families living in the designated low-income units of a building receiving tax credits must be income qualified. Owners of tax credit projects shall use the guidelines established by the Internal Revenue Service for projecting annual family income.

(e)(1)(A) **Notification of Non-Compliance** - If the Corporation does not receive the required certifications, is denied access to income certification forms, support documents, or rent records for any tenant family or unit, or finds general non-compliance with the requirements of Section 42, the owner will be immediately notified of the violation, in writing, and the time period for correcting it.

(B) Correction Periods - An owner shall have thirty (30) days from the date of the notice of non-compliance to correct the finding, except in the case of a missed certification where the cure period is 10 working days. For non-compliance found regarding health and safety issues, an Owner shall have no more than 24 hours from the hour of finding to correct the deficiency.

(C) IRS Notification - The Corporation will notify the Internal Revenue Service (IRS) of a finding of non-compliance within 45 days of the end of the correction period, regardless if the finding was corrected. The Corporation will also notify the IRS of instances of non-compliance that it becomes aware of that may have occurred prior to January 1, 1992.

(f)(1)(A) **Monitoring Fees** - An annual fee will be charged to all LIHTC and HOME projects for compliance monitoring. The monitoring fee shall be established by the Corporation and reviewed on a yearly basis to ensure it adequately covers the administrative cost of monitoring.

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

(B) The monitoring fee will be the greater of $50 per tax credit or HOME unit per project or a minimum of $250. Per unit LIHTC or HOME fee of $50 applies to on-site reviews which include a physical inspection. The maximum compliance monitoring fee for each project will be $3,500 per project. Please note: No LIHTC or HOME compliance monitoring fee will be assessed for manager's units which are not income restricted; however, in cases where a manager's unit will be income restricted, an LIHTC compliance monitoring fee will be assessed. For LIHTC program developments, on-site reviews are required every 3rd year. Reviews may occur more often at AHFC's discretion due to poor compliance performance found at the development. During off-site administrative documentation reviews (desk reviews), the monitoring fee will be

50% of the on-site review fee. For projects that continue to exhibit poor performance, AHFC reserves the right to charge the actual cost to AHFC for conducting an annual audit for compliance.

(C) The monitoring fee for the first year of the credit period shall be payable upon issuance of the IRS Form 8609. For the following years, the monitoring fee shall be payable by the anniversary of the placed-in-service date for the project, or as requested in the compliance review "Notice Letter" issued by AHFC's Internal Audit department.

(E) Failure to pay monitoring fees when due will constitute a violation of the terms of the extended-use agreement under which a credit allocation is made. The project owners will be barred from receiving any future credit reservation and the Corporation will reserve the right to pursue legal action and/or the recapture of the credit allocation to the fullest extent permissible by state and federal law.

(g)(1) Monitoring Office Contact - All information specified under this section shall be submitted to:

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

GOAL Program Rating and Award Criteria Changes: Comments and Responses

Comments and Responses Received after the April 18, 2016 Draft Release

1) National Housing Trust Fund – If AHFC subgrants a portion of NHTF dollars to the Municipality of Anchorage, proposals located in the Municipality of Anchorage should not be excluded from requesting additional NHTF through the GOAL program.

   AHFC Response: The NHTF funding limitations recommended for the GOAL program are consistent with the HOME Investment Partnership program allocation framework for Anchorage and the balance of State. Altering this framework would represent a reversal of a longstanding policy and create the potential for a concentration of programmatic resources in Alaska's largest community.

   Please note: Minor additions to the GOAL Program Rating and Award Criteria were made in the most recent draft to ensure compliance with the Allocation Plan requirements for the National Housing Trust Fund. These modifications are specific to potential awards from the NHTF.

2) Geographic Distribution Criteria - we recommend that AHFC consider allowing a sponsor to be awarded more than two projects so long as any additional project applications are for 4% LIHTC projects only requesting HOME and / or SCHDF funds. Sponsors would still be limited to receiving no more than 50% of the available GOAL resources. Allowing a Sponsor to potentially receive funding for three or more projects while still limiting the total GOAL funding resources that could be awarded to the Sponsor does not harm the program. To the contrary, such a policy would incentivize the use of the currently underutilized 4% tax credit program.

   AHFC Response: The grant funded programs represent a disproportionately small amount of the overall funding; however, the grant funded programs have historically been a key mechanism to facilitate housing developments in less densely populated areas of the State. The proposed revision could inadvertently establish a structural bias in favor of allocations to the larger population centers for all of the GOAL program resources.

   The revised draft includes clarification on page 41 that the two project limit will only apply to GOAL applications submitted as part of the annual competition. If an entity submits a 4% application outside of the annual GOAL program competition, or to a special demonstration round competition such as the Juneau only round from 2013, those submissions will not count toward the two project per year limitation.

3) Comments #27, 28, 29, 31, 32 and 38 from the initial comment period were resubmitted in the second comment round.

   AHFC Response: Please see the original responses to the comments provided prior to April 18.

4) One comment was received in support of the suggestion made in comment #52 from the initial comment period.

   AHFC Response: Please see the original response to the comment provided prior to April 18.

5) Project-based rental assistance and voucher programs [should be] expanded to rural hubs and distributed on the same needs analysis on a per capita basis. Otherwise, all the non-eligible Section 8 communities lack access to critical operational funds.

   AHFC Response: the GOAL program does not allocate sources of project-based rental assistance resources. These comments have been communicated to AHFC's Public Housing Division for consideration.

6) Regarding spending caps – compensation needs to be made for the higher cost of shipping, infrastructure development and labor costs in rural Alaska. One possibility is to apply the COLA percentages used by the State of Alaska for salary determinations.

   AHFC Response: The project cost standards used for scoring were derived from proposals received under the GOAL and THHP programs. These standards vary by location and access to transit corridors that affect shipping and materials costs.

7) The requirement of LIHTC development experience within the last ten years puts small, rural projects with a low profitability at a disadvantage as there are so few developers willing to tackle projects like these.

   AHFC Response: We are unaware of communities that have solicited potential development partners but were unable to generate interest. Potential applicants may issue request for proposals and / or qualifications from local and national development entities to help satisfy the experience thresholds for program funding. Contact information is available for entities that have participated in the GOAL program over the last decade, and additional entities can be reached through industry listserves and publications.

8) Small rural communities need capacity building and mentoring in order to understand how to apply for and compete for GOAL and other development funding.

AHFC Response: We encourage potential applicants to contact AHFC for sponsored training opportunities and technical assistance resources that might be available throughout the state. If insufficient capacity exists to move forward on a project locally, interested applicants can issue requests for proposals and / or qualifications for partners that can help position the community's for a competitive GOAL application.

9) Wind needs to be added to energy conservation options available for points.

AHFC Response: Wind energy incentives were evaluated in 2014 by AHFC staff and their partners. At the time, the cost was considered prohibitive relative to the scale of housing developments. In order to thoroughly evaluate the merits of this proposal, this consideration will require further analysis and be taken up during the next revision process for the GOAL program.

Comments and Responses on or Before April 18, 2016

1) There are communities such as Barrow where solar and geothermal does not work. Possibly those communities where it's dark 8-9 months a year would not be placed at a disadvantage under the scoring arrangements.

AHFC Response: There is seasonal variation in available sunlight, however staff is unaware of any community in Alaska where there is no viable path to harvest the minimum sunlight required for scoring.

2) Some rural populations like Barrow and Sitka for example are over the population size limits for scoring. Possibly the population size limits for cities not connected to the road system could be increased. They still have many of the same challenges for housing as the smaller communities.

AHFC Response: the population thresholds for the Small Community Definition is set by Statute. However, several modifications have been made in the criteria to account for regional and project size factors. Specifically, BEES incentives are now linked to available energy sources, there is now a small project offset for expensive alternative energy systems, and remote communities with high development costs will benefit from less aggressive debt targets.

3) Senior housing should have its own economic indicators and scoring that is separate than the community scoring. The reason is the senior housing market is such a target market the economic indicators or the rental market indicators may not reflect the overall demand for senior housing.

AHFC Response: The market conditions category focuses on the overall housing stock with the assumption that existing community resources can be repurposed to fit the dynamic needs of the community. If a community exists with high vacancy in the private market and low vacancy in the *senior rental market, then the rating criteria intentionally provides an incentive to acquire, rehabilitate and repurpose the underutilized housing stock for the rental community instead of providing an incentive to build new rental housing next to vacant rental housing.*

4) AHFC could possibly work with the Denali Commission to provide funding for rural project utility expansions as part of the GOAL round.

AHFC Response: AHFC is happy to partner with other funding agencies. However, no Denali Commission funding is anticipated for the SFY 2017 GOAL round.

5) There seems to be a very small window for tenants making 30% of the minimum income. Scoring should maybe be changed for this project set-aside.

   AHFC Response: Capture rates for the respective income bands vary by community. There are several properties throughout the state with set-asides targeting households at 30% AMI. Sponsors are encouraged to only propose set-aside mixes that they are confident they will be able to locate in their respective rental market(s).

6) NAHASDA funds should not be allowed in projects unless they can be a hard set-aside for those units for native Alaskans in those regions. I think it's an inappropriate use of the NAHASDA funds to say the Alaska Native population is 6% of the total Alaska population therefore we can put up to 6% of NAHASDA funding in a project. These projects are large and can easily soak up the NAHASDA funds awarded. The tax credit projects cannot legally set-aside units strictly for natives and must adhere to the next qualified tenant rule. I believe the NAHASDA funds should be used where the funds are spent on homes or apartments that have hard set-aside or advance native homeownership

   AHFC Response: All funded GOAL projects are required to satisfy Fair Housing, the General Use Provision (if LIHTC) and the State requirements associated with awards made through AHFC.

7) Request was submitted to consider adding air exchange units as a method along with the solar and geothermal methods. Commentator indicated that air exchange units are being used in Southeast to help reduce the cost of utilities.

   AHFC Response: Staff concurs. The Teacher Housing program adopted this incentive in SFY 2016 and the new draft criteria for the GOAL program has been amended to include this feature as well.

8) We recommend that the revised QAP not be actually implemented until the "2018" GOAL Round (fall 2017 application cycle) as the scheduled May 25 final release of the new QAP would have potentially material and negative effects on responsible developers' existing and ongoing efforts to complete predevelopment activities which are required to prepare a thoughtful and responsible GOAL pre-application proposal. Pre-application activities can result in $10's of thousands, if not $100's of thousands of dollars, and a substantially amended QAP may result in those costly efforts being wasted due to revised rating criteria affecting rating outcomes which were not previously contemplated. At a time when AHFC is focused on effective development cost control it would be beneficial to provide developers sufficient predevelopment planning lead time well in advance of the pre-application process

AHFC Response: The fundamental structure and emphasis of the QAP has not been changed. Staff does not anticipate significant disruption to the relative competitiveness of proposals currently in pre-development through the proposed revisions.

9) Page 17, 12.b.ii - Language is confusing. Need to understand intent.

AHFC Response: this provision was eliminated and replaced by a new basis boost provision.

10) Page 22, 1.a - this skews projects in a rural area. Set aside credits based on the rural population then you are fine. Doing it this way hurts because projects go where the points are, not necessarily where the good deals are. I would suggest 20 points is too many points and overshadows all of the other criteria and market resistance factors.

AHFC Response: Based on the distribution of GOAL funded projects in recent years, staff recommends maintaining the current incentive for projects located in small communities.

11) Page 29, 3.g - Again, what is the intent. The allowable points are too small.

AHFC Response: The IRS requires the allocation plan to include incentives for certain categories. This incentive follows from the Section 42 of the Code.

12) Page 30, 3.1 - Two points for a veterans' project? This is a growing demand across the country, however will only work where there is a VA clinic or hospital (for services).

AHFC Response: the preference is for occupancy in any project. There is a separate set-aside for developments that include project-based rental assistance that a VASH proposal could be funded through.

13) Page 33, 5.a.i. 1 - 5 - Revise this language. Encouraging projects to have massive debt, which often does not work in rural areas. Cannot have this, along with 4.b and 4.c.

AHFC Response: Staff concurs that the debt targets in remote communities are aggressive. In the revised draft, the range of development costs supported by hard debt has been reduced for projects off the road system that also meet the Small Community definition.

14) Page 34, 5.b.iii - Remove entirely; just do not allow.

AHFC Response: This is fundamentally a negotiated item between parties. There is an incentive for the negotiated outcome, but not an explicit prohibition.

15) Page 34, 5.c - Revise entirely. Just require, give no points.

AHFC Response: In past years, proposals have been received with various DCRs that are driven largely by deal type. Applying a one-sized-fits-all requirement to every deal would generate unintended consequences for deals that might be penciled thin but still be viable (i.e. projects with rental assistance provided through the lender).

16) Page 39, first paragraph. Remove entirely, just do not allow. So if someone changes their application, and does not tell AHFC, they get a penalty versus not being allowed to participate? Do they want quality developers, or just developers?

AHFC Response: Staff does not concur. There is a spectrum of noncompliance that is relevant to funding decisions. Prohibiting a sponsor from application because a window-crank has not been fixed by the application deadline would not be a proportionate response. In egregious and flagrant cases of noncompliance, AHFC has the ability to reject proposals altogether under the Responsible Bidder provision.

17) I just read through the transcript. I have a question about timing. You seemed to say that changes to the QAP would be approved by the AHFC board in May and go into effect for this year's GOAL round? Is that correct? Is that a requirement? It seems that if there are significant changes, developers with projects in their pipeline (and previously submitted applications) will need to begin to address that in their pre-applications due just 45-60 days later, potential adding additional costs in project and application redesign. And if the QAP changes significantly to incentivize new

projects that generally do not seek allocations or compete poorly, it seems likely those developers won't have much time to put together a responsive pre-application – until the 2017 cycle for FY18.

AHFC Response: Please see the response to comment #8.

18) In reference to the GOAL Program Allocation Plan Changes and comments to you by March 4, 2016, 5:00pm, under "Other potential changes considered by AHFC", #1 Re-evaluation of scoring weights and ranges to assign points", when AHFC assigns a point rating to Rental Market Strength, Location Trends and Economic Opportunity, if the Mat-Su Valley could be a category that includes Wasilla and Palmer and not broken out as a separate region of territory (Wasilla and Palmer). Palmer residents work in both Anchorage, the military base and Wasilla. The overall region point value would be beneficial to the rapid growth of the Mat-Su region as a whole. Population growth from the Mat-Su Borough Housing Needs Assessment of 2014 indicates that today's population roughly 100,000 will grow to 125,000 by 2020 and to 165,000 by 2030. Palmer and Wasilla both will benefit greatly by this growth in the rental market.

AHFC Response: Staff concurs in part. Market conditions scoring in the revised draft combines the populations of Palmer and Wasilla for the purposes of scoring a proposal located in either city.

19) I'd like to submit a recommendation for the GOAL Program Allocation Plan Changes for consideration. In regards to the manner of evaluating and scoring points for the Economic Opportunity, Location Trends and Rental Market strength for the Mat-Su Borough. As I understand it, currently the City of Palmer, the City of Wasilla and the rest of the Mat-Su Borough are scored separately. As the Mat-Su Borough's population is approaching 100,000 and is one of the fastest growing areas of the state. Getting new affordable housing in this area is a high priority. The current method of treating the two cities, Palmer and Wasilla as separate entities, with Palmer scoring significantly lower from the rest of the Mat-Su Borough at large, limits the opportunity to develop new housing by practically eliminating Palmer from the mix. It would make more sense to treat the Mat-Su Borough as one area and not limit the opportunity to develop new housing to the area outside of Palmer.

AHFC Response: Please see the response to comment #18.

20) .."as the largest city in Alaska, Anchorage has a great need for new housing. I respectfully submit that with a relatively small pool of funding annually, breaking the money into geographic areas will likely reduce production in Anchorage and the state overall.

AHFC Response: Staff concurs that geographic allocations have the impact of limiting resources in given communities by taking those from the available Statewide allocation. Staff reviews the portfolio *of funded projects under AHFC programs, AHFC's public housing division portfolio, population distribution, recent allocation trends and current housing conditions. All of those factors are juxtaposed for context during the revision process.*

21) "…I understand and appreciate you looking at cost drivers… But we must not overlook that through your GOAL funding we are building housing for 30 and even 60 years… Family sizes are smaller, and our surveys indicate a clear preference for people wanting to live in urban Alaska, in walkable neighborhoods, in a mixed-use setting. This is not unique to Anchorage, but all of urban Alaska. And to build in this manner is likely more costly than building on the periphery of our communities; yet the success of the program should be the degree to which we lower average household costs overall, and also how the GOAL funded projects can not only leverage additional resources at the point of the project development, but to leverage long-term economic development by smart and strategic funding of projects.

AHFC Response: Staff concurs in part. However, the fundamental focus of the GOAL resources is housing production. AHFC encourages applicants to partner with local infrastructure development and community priorities to the extent practicable while remaining competitive in the Rating Criteria.

22) "…We support retaining the 15% maximum developer fee, but reduce the cash portion of the developer fee which can be paid to the developer to 12%, with any remaining portion of the fee required to be payable from the project's cash flow. Doing so will also ensure that developers that are not also owner / operators have a stake in the operational financial integrity of their development proposals, yet still provide adequate risk-reward compensation.

AHFC Response: Staff concurs in part. The revised draft includes a 12% limit on the cash developer fee at application, but allows the sponsor to recover up to the maximum if project efficiencies or additional resources are made available that reduce the deferral. Concurrently, a $2M hard cap of the cash developer fee has been added as a per project limit.

23) "..We support making the GOAL awards to the project sponsor, not the developer (if different)…. "alternatively, we would propose that if the original proposed Sponsor / Developer relationship terminates, then so should the GOAL funding award.

AHFC Response: The revised draft has been amended to state that the pre-application will now list the pre-applicant entity. This entity will be control any subsequent allocation of resources. The entity may hire or partner as necessary to satisfy the experience thresholds.

24) "…We support the continued experience requirement for the Sponsor-Developer-Property Manager teams applying for the LIHTC and HOME funds. Each of these programs are complex

with regard to both development and operating compliance, and eliminating the experience requirement will jeopardize the integrity of the GOAL program, likely lead to significant compliance deficiencies, increasing AHFC's cost to provide oversight, and diminish investor interest in Alaska.

AHFC Response: Staff concurs. However, staff has amended the language to limit the program specific experience requirement to LIHTC and HOME proposals. Developments proposing senior housing must simply evidence multi-family property development and management experience.

25) Please clarify the technical circumstances under which AHFC will employ the Geographic Distribution provisions of the QAP…. "we propose that #9 of the QAP be eliminated.

AHFC Response: The scoring provision referenced through this comment has been eliminated from the revised draft.

26) "…We do not support the allocation of GOAL funds by region. To bifurcate the available GOAL funds into smaller regional allocations will result in less program efficiency and flexibility for AHFC to make funding decisions, lesser optimization of program resources through project scale efficiencies, and likely result in fewer housing units produced on a state-wide basis… "to allocate specific funding levels geographically may result in fewer housing units and higher needs in population areas where the lowest income levels actually live… An analysis of the GOAL funding awards over the past 9 years indicates that geographic distribution of funds throughout various regions of the state has been achieved as a normal course of the GOAL program process. In fact, the QAP emphasis on distribution of funds outside of Alaska's largest population center – Anchorage, has actually resulted in a distribution of funds to areas outside of Anchorage disproportionate to those areas relative overall population, as well as relative low income population which the GOAL program predominantly serves. For example, while the City and Borough of Juneau only represents 4.5% of the State's population, and only 3.8% of the State's low income population, they have received 10.3% of the GOAL and SNHG funding awards over the past 9 years, the majority of which has been awarded in the past 4 years. Fairbanks has 13.4% of the State's population, 14.6% of the State's low income population, and has received 16.9% of the GOAL and SNHG awards over the past 9 years. Similarly, the Kenai Peninsula Borough has 7.8% of the State's population, 9% of the State's low income population, and has received 19% of the GOAL and SNHG awards over the past 9 years. In contrast, Anchorage and the Mat0Su Borough areas have been proportionately underfunded relative to their general and low income populations. While Anchorage's population equals 40.5% of the State's population, and 38.1% of the State's low income population, it has received only 26.8% of the GOAL and SNHG funding awards. Similarly, Mat-Su's population equals 13.6% of the population, and 12.3% of the low income population, yet has received only 9.4% of the GOAL and SNHG awards over the past 9

years. This data argues that AHFC's geographic distribution methodology which tends to discriminate against Anchorage area projects; in rating criteria #9 of the QAP should be eliminated. In fact, historical award data over the past 9 years would suggest that Anchorage should actually be receiving an increased proportion of the GOAL funds.

AHFC Response: Staff concurs with the recommendation to not establish regional allocations based on the data available at this time.

27) Include an equal points offset in the QAP for the 4% LIHTC projects which do not propose 50% AMI set-asides…. Effectively, the current QAP 50% AMI points are a disincentive to propose a viable 4% project and renders a 4% project uncompetitive when not proposing 50% AMI units.

AHFC Response: 4% LIHTC proposals must simply achieve a threshold score to qualify for the credits. A competitive score is only a factor for 4% proposals applying for competitive GOAL resources outside the LIHTC. Staff does not concur with the recommendation to relax affordability targets for competitive resources in an affordable housing application process.

28) As an incentive to facilitate increased utilization of the 4% LIHTC program, eliminate the rating criteria which awards points for deferred developer fees not exceeding 30% of the total developer fee.

AHFC Response: Staff does not recommend establishing different incentives for financial targets based on 4% or 9% LIHTCs. Applicants for 4% credits outside of the competitive GOAL program resources must simply achieve a threshold score for funding.

29) Set-Aside 50% of all grant funds available under the GOAL round for use by 4% LIHTC project proposals first, irrespective of their ranking against non-4% project proposals. If no viable 4% projects are proposed then the funds reserved for 4% projects under the GOAL round would flow to non-4% projects… making a substantial amount of the GOAL grant funds available for 4% projects will increase utilization of this resource.

AHFC Response: Staff does not concur with this recommendation. Grant funds are a key resource for sponsors to develop smaller properties throughout less populated areas of the state. This recommendation would effectively place a priority for 50% of the grant funds to projects located in the densely populated areas of the state that can utilize the 4% credit program.

30) Utilize AHFC financial resources that are available or may be available in the future that may have been planned for its ACAH subsidiary as a source to incentivize 4% projects by the private sector in targeted communities, thereby increasing the leveraged funds outcome that likely will occur, and private efficiency of housing development.

AHFC Response: The only development to-date through ACAH leveraged outside development and management expertise. The use of resources available to, or planned for use by, ACAH are points of analysis for AHFC and ACAH staff outside of the GOAL program revisions. Staff will communicate these comments to AHFC's public housing division.

31) Commit 15 year Project Based Rental Assistance vouchers to 4% project proposals as part of the GOAL funding availability NOFA.

    AHFC Response: The availability of AHFC funded project-based rental assistance through its public housing division is not anticipated for the SFY 2017 GOAL round.

32) Increase points awarded for project leveraging. Increasing the possible leverage points … would increase the incentive to explore new funding resources.

    AHFC Response: Staff concurs. The points available under the project leverage category have been increased in the revised draft.

33) The current project cost standards do not adequately represent the true cost of housing development throughout the State…. A project sponsor's approach to long term sustainability of their project, use of high quality, durable, low maintenance products use of finish products that enhance project marketability over a 30+ year period, and producing unit types and quality that can survive market variability over the project's useful life can greatly influence a project's cost outcome… Each community has its own development cost influences, the nature of the project drives different cost outcomes, and a simple comparison of the cost outcomes of projects from one community to another, or even project proposals within the same geographic area does not oftentimes tell the whole story. The current project cost standards used as the basis of awarding relative points does not adequately reflect these influences. In this regard, we recommend a more flexible approach to evaluating a project cost reasonableness, and eliminating the project cost standards as there are too many variables which lead to a project's cost outcome. Awarding point to applicants based on a fixed and inflexible cost standard can shift the balance of the outcome to a cost determinant which is oftentimes not reflective of the underlying causes which drive a project's cost, yet is still a reasonable cost in review of all the cost influences.

    AHFC Response: The revised draft includes a 3% increase across the Project Cost Standards to account for price escalation and the revised rating incentives.

34) AHFC's soft unit square footage limitations should be re-evaluated. Currently, the soft standard for 1 bedroom unit is 800 SF – a size that is overly generous and likely unnecessary in delivering a quality functional 1 bedroom unit. 650-700 SF is more than adequate for 1 bedroom units. In

contrast, the soft limit for 2 nd 3 bedroom units is 900 and 1,200 SF, respectively. We recommend that these tolerances be set at 950 and 1,300 SF respectively, as the current limitations tend to result in inadequate, and oftentimes, dysfunctional room use. In particular, with very modest areas for living rooms and dining rooms, the bedroom sizes often end up being 9x10 or smaller which does not allow sufficient room for beds, a dresser, or maneuverability within the room, especially with general occupancy standards of 2 persons per bedroom. These limitations tend to be exacerbated in townhouse style units where the stairwell is included in the SF limitation, yet serves no livable function.

AHFC Response: Square footage is reviewed based on feasibility and marketability at the pre-application stage. Limits on square footage are deliberately excluded from the QAP to avoid unintended consequences from universal provisions applied to disparate project types.

35) Reduce points associated with small community projects. …20 points currently given to small community projects inordinately catapults these applications into the top ranking, regardless of their overall effectiveness in satisfying the bulk of other QAP priorities, and to a points level where non-small community projects cannot fairly compete against them.

AHFC Response: Staff does not concur. The scored outcomes in recent GOAL cycles have failed to evidence a prohibitive advantage from projects located in small communities.

36) Eliminate the requirement to 'contribute to a Community Revitalization Plan' on section 1b of the QAP (page 22) and simply award the point to an application that is in a QCT which involves acquisition and rehab of existing structures and / or acquisition, demolition, and reconstruction, and / or remediation of ADEC recognized contamination sites. Alternatively allow scoring to recognize a community's comprehensive plan which supports housing development and / or neighborhood revitalization. Finally, increase the points available for projects qualifying under this priority.

AHFC Response: Staff does not concur. The proposed revision would incentive projects with a significantly higher cost profile. Although these individual projects themselves might be worthwhile, they would potentially result in fewer resources available to develop housing throughout the state.

37) Decrease point emphasis given to projects achieving a 6 Star BEES rating. The current level of points effectively means that virtually all projects commit to a 6 Star outcome, significantly increasing development costs. Reducing the points emphasis will better enable a developer / owner / operator to evaluate the cost benefit and choose whether to propose achieving a rating greater than a 5 Star Plus rating.

AHFC Response: Staff concurs. Weights have been re-evaluated under the energy efficiency category to better account for the cost-benefit analysis. 6 Star BEES remains as an incentive, but only in places without access to hydro or natural gas.

38) Decrease the emphasis on providing more fully equipped units than are otherwise minimally required by funding sources in the project. The points incentive increases construction cost unnecessarily, and oftentimes results in negative unit marketability outcomes for persons that do not need or desire a fully equipped unit. We suggest providing points only up to 20% of the units in the project.

    AHFC Response: Staff does not concur. Staff is unaware of any projects with equipped units that are experiencing uncharacteristic vacancy rates for their respective market(s).

39) Increase the number of points provided to projects that involve substantial demolition of deteriorated properties or properties which are currently significantly underutilized. The current 2 points awarded is not proportionally incentivizing redevelopment of Alaska's deteriorated or underutilized sites.

    AHFC Response: Staff does not concur. The scoring weights in the revised draft balance the project types with the emphasis on cost containment.

40) Decrease the percentage of 50% AMI set-aside units in a project for scoring. This high level of set-aside causes a disproportionate level of very low income units, increases marketability challenges, and most importantly impacts the financial viability of a project proposal requiring increased GOAL subsidy. We recommend decreasing the set-aside percentage to 35% of a project's units. We also recommend measuring the 50% AMI set-aside percentage based on only the affordable housing units in a project rather than all units which may include market rate units not being subsidized.

    AHFC Response: Staff does not concur. The overwhelming majority of GOAL program funding is made available to expand affordable housing opportunities throughout Alaska. The proposed revisions would dilute the incentives for income targeting in program focused on affordable housing.

    However, staff acknowledges the complexities of mixed-income financing. Consequently, the revised draft includes a discretionary basis boost provision to help facilitate mixed income housing.

41) Decrease the percentage of special needs set-aside units in projects that are eligible to receive incentive points. We recommend decreasing the incentive to 25% of the project's units.

AHFC Response: Staff does not concur with this comment. There are three groups of tenants that can be combined to reach the maximum scoring target. Sponsors are not required to target all 50% of the units with any one cohort.

42) As a technical matter, eliminate Section 5(c)(iii) as it is no longer applicable given AHFC's elimination of the AHFC soft second financing program.

AHFC Response: Staff concurs. This provision has been removed.

43) Include deferred developer fees in the [scored] leveraging calculation. Including deferred developer fees … recognizes the value of developer's willingness to defer their fees and make those fee payments a function of the project's operating cash flow performance, versus instances where the developer receives the entire fee upfront and has no inherent responsibility or credible "ownership" of the long term operating performance of the project.

AHFC Response: Staff does not concur. Deferred developer fees increase the taxable basis, and available LIHTCs, in a development.

44) Eliminate the requirement for LIHTC development experience within the last 10 years. We believe it is fair to consider the requirements satisfied if an applicant has successful experience in the LIHTC development at any time in the past. Also, if the applicant has comparable experience or previous successful partnerships with investors, it should be taken into equal consideration. From our research, we have found that in Washington and Idaho, successful LIHTC programs do not have an experience requirement, and have suffered no loss from the lack of the requirement. Other states do not require specific LIHTC experience in the last 10 years. They review the applicant's experience and capacity and determine eligibility on that basis. Even new organization's may apply if key personnel have qualifications.

AHFC Response: Applicants may contract or partner with other entities to satisfy the LIHTC and / or HOME experience requirements.

45) Establish regional award caps to ensure geographic project diversity. The Juneau area is unique in many ways, and its economic variables should influence the formula for award. A formula based solely on population leaves Juneau in a difficult situation since the costs of living and difficulties in housing are important factors. Vacancy rate and costs of living in the geographic area should be considered when deciding to whom the award is granted. In Washington, alloctions are made in three regions. … Idaho has some specific allocations in conjunction with USDA in rural areas. Idaho has begun to allocate some of the LIHTC resource similar to the "Juneau Only"

round of 2013 – specific geographic area but based on an identified "special need." Their first "special need" project will be a Boise "Housing First" type.

Our desire would be to have allocation based on community or region "need." Meaning, communities and regions should be annually ranked based on per capital homelessness, rent burden, and low-income and supportive housing vacancy rates. We need to separate the low-income rental market that has zero vacancy rates from the market rate strata with likely 5% or more. Regardless of the distribution of the resources per capita, communities with the greatest need must have a greater share – as long as the projects proposed can sustain themselves.

AHFC Response: Since 2013, AHFC has funded six developments in Juneau (5 through the GOAL program) with over 150 new units and over 40 preservation units. Staff is unware of any rental development proposal from Juneau in the past five years (for GOAL or SNHG) that has not been funded. Based on the recent and historical allocation outcomes, staff does not concur that a formula based allocation of resources for Juneau is needed.

46) The current policy of a 15% developer fee is problematic. This across the board fee does not allow for local entities to realistically compete for finance. Lower developer fees should earn extra points allowing local developers a competitive edge in their applications. LIHTC programs in Washington State provide points for 10% or less developer fees, and this has been proven greatly beneficial for nonprofit partnerships. Our research has shown that by partnering with local developers for a lower fee, these states have saved money, and properties are maintained with attention to quality and responsibility. By re-evaluating the flat percentage fee allowance, local developers will be able to produce a stronger application.

It has been evident in Juneau that awarding finance to out of town developers can create a build and leave situation, wherein the developer hires a third party property manager and the quality of the property, and in turn the neighborhood, deteriorates. Not only does this reflect badly on all low income housing neighborhoods including well-run local properties, the residents who live in these units become the ultimate victims. Local developers are proficient in the local economy and they know best the cost associated with building and maintaining these properties. They are also more likely to use much of the developer fee to augment construction and tenant amenities. Out of town developers typically use a higher fee and that fee is not put back into the project.

AHFC Response: Parties to a LIHTC development are typically guarantors for the credits, lenders and for operating deficit guarantees. Additionally, the developers typically cover pre-development costs for proposals before funding decisions are made. Based on this increased level of risk and time exposure, developer fee limits are slightly higher than those for contractors and property managers.

Architects, Contractors, Inspectors and finance partners typically all participate in developments with the expectation that their overall compensation will exceed their cost of doing business. Staff does not concur with the implication that developers be required to participate in the deal on an at-cost basis.

The developer fee often serves as the contingency of last resort in a project, and it is used during sensitivity analysis by underwriters to evaluate the project's ability to handle unanticipated events. In projects over the past few years, staff has seen projects where this fee was substantially deferred to help the project maintain its viability. In the absence of the developer fee, a project's viability can become less certain. In the case of nonprofit agencies with little in the way of liquid assets, it is highly unlikely that a tax credit investor would finance the development without a developer fee or capitalized guarantor available to absorb potential shocks.

However, staff recognizes the sensitivity of this budgetary line-item. In recognition of these comments, the revised draft limits the cash developer fee to 12% or $2M (whichever is less) at the time of application. If the project comes in under budget or negotiates a higher equity prices, the deferred fee can be reduced to the programmatic limit (but no higher than $2M).

47) We also suggest an examination of the developer fee allowance as well as transparency and accountability on the success of all awarded projects. A report card should address each of these points and should be used to evaluate timeliness and adherence to financial and other criteria required by the award. This information should be available to the public for every project awarded funding by the AHFC each year.

AHFC Response: A comprehensive report for all agencies is not maintained by AHFC. The penalty point review takes place each year based on the applications received in that given cycle. All penalty points are subject to appeal and are not final until that process has run its course.

48) Maintain the preservation set-aside. AHFC's preservation set-aside demonstrates a strong commitment to preservation that helps meet the needs of Alaska's elderly, disabled, and low income households.

AHFC Response: No changes to the project-based rental assistance set-aside have been proposed in the SFY 2017 draft.

49) We encourage you [AHFC] to maintain a balance between incentives for projects in areas of high opportunity and those that preserve and improve existing housing in all communities. By balancing these incentives, AHFC can continue to support the preservation of affordable multifamily housing, wherever such housing is located.

AHFC Response: Staff concurs.

50) The current QAP includes the following threshold: "within the past ten years, a minimum of three years of successful development experience. Two years of this experience must involve projects using the requested resources or projects of a nature sufficiently similar, in AHFC's sole determination, to the project being proposed."

The problem is the vagueness of the language. What does '…a nature sufficiently similar…" actually mean? In the past, and as recently as the February 17, 2016 statewide hearing, AHFC staff has referred to the experience requirement as meaning 'tax credit development experience." We assume staff was referring solely to projects anticipating LIHTCs as a financing resource. The actual language never says 'tax credit' experience, or "HOME funds" or "SCHDF" experience. Yet we know of at least three Juneau nonprofit developers with many years of low income housing experience who have not submitted new tax credit project pre-applications because they could not demonstrate successful recent tax credit experience within the last ten years.

Applicants should not be prevented from developing new projects utilizing financing resources that are new to them or which they have not utilized recently. We suggest revising the language as follows:

"The applicant development team shall consist of one or more individuals who can demonstrate a history of experience designing, developing, building and operating sustainable multifamily housing projects in which 50% or more of the tenants are below 60% of the Area Median Income and pay no more than 30% of their income in rent and utility expense."

AHFC Response: Applicants may contract or partner with other entities to satisfy the experience requirements, yet still remain the applicant that controls any subsequent allocation. This has been clarified in the Pre-Application section of the proposed plan.

The source specific language has been amended to apply only for LIHTC and HOME funded proposals. Entities contemplating development activities may issue Requests for Proposals to Development Partners and still participate in the GOAL competition as the applicant entity so long as they have the development partner secured.

The recent experience requirement is in place to recognize the changes in the LIHTC and HOME program projects over the years. The regulatory and deal structure environment for both programs has changed over the last decade.

51) Tax Credits and other financing awards should be made to the specific project and the specific site proposed in the successful application. If a developer entity, whether an individual organization,

joint venture or partnership, fails to execute a tax credit carry-over or other required agreements for the specific project and site awarded, the funds should return to AHFC.

We should never see a repeat of the situation where the for profit developer of a joint venture partnership is awarded exclusive rights to tax credits and is free to discard the nonprofit partner, move the project to another site, and develop 'essentially the same' project. Here again, the vague language, the vague language, what does 'essentially the same' mean? The same number of units? Same configuration? Same total cost? Same enriched services? Same community support?

To award financing to a developer and not to a site-specific project, or to award to one member of a development partnership and not to a site-specific project, or to award to one member of a development partnership and not the partnership as a whole, is to make a sham of the application process, particularly the nonprofit set-aside (when one of the partners is a local nonprofit). Why even require specific site control in the application? Why consider the specific project characteristics and community support? AHFC might as well award to any eligible developer for any project that meets certain broad characteristics like percentage of Project Cost Standard, Tenant Income Targets, etc., and allow that developer to select any suitable site and any development partners post-award

[We propose] financing resource awards … made to the project, the site, and the development entity (in the case of a joint venture or partnership, all members of the entity jointly) proposed in the successful application. In the vent the development, as awarded above, cannot proceed prior to construction finance closing, the award is nullified, and the financing resources return to AHFC for re-distribution to other successful awardees of the current round or carried forward to the subsequent award round as allowed by federal statue and regulation.

AHFC Response: Please see the revised Pre-Application section of the draft plan. There will be a lead Pre-Applicant entity designated. This entity can partner or contract with other agencies, but in the event that the development partners change this lead agency will retain control over any allocation. The lead entity only has to satisfy the two year requirement for financials, the partners can be used to satisfy the experience requirements.

All scored commitments made in any application must be maintained if the proposal is funded.

52) For some time there has been discussion about a suitable plan for allocating Alaska's scarce Low Income Housing financing resources on a more equitable basis. The usual suggestion is some sort of refinement of a geographically based allocation system as is often used in other states. AHFC has had some past success with specific geographic awards where the intention was to meet a specific local need – as in the case of a Juneau only tax credit round in response to the loss of a significant number of low income housing unit to a single fire. However, most often the analysis of resource distribution is based on dollars or beds per capital and this only answers half the

question. It is not only how many tax credit or HOME fund dollars have been spent in a given community. It is about the specific need in that community for development of affordable housing opportunities.

We suggest the following allocation criteria: AHFC, in collaboration with local communities, shall prepare an annual Low Income Housing Needs analysis for each participating community. The criteria for the analysis shall be the same statewide and will include, but not be limited to, 1. Homeless rate per capita, 2. Percentage of low-income households who experience a housing cost burden, 3. Length of waitlists for Low Income Housing Tax Credit projects, Public Housing Projects and Supportive Housing Projects. A Low Income Housing Needs score for each participating community will be determined and GOAL application points will be awarded to projects from that community based on the score.

AHFC Response: The proposed changes would represent a significant change in the rating priorities, data systems and community outreach. Equitably incorporating this sort of platform into the SFY 2017 GOAL program is not practicable, but staff will evaluate its potential for subsequent cycles and other AHFC programs.

53) It has been note by many that low income housing is often the most expensive housing to build and to operate. While there are a variety of reasons for this, one stands out among all others – the percentage of Developer's Fee allowed, particularly for Low Income Housing Tax Credit projects. Different states have different percentages and very different ways of calculating it. However, one thing is clear. Public resources (taxpayer dollars) are awarded for the purpose of building and operating decent housing that low-income citizens can afford. Award dollars that are distributed as profit to a developer are dollars that are not spent on construction fundamentals or tenant amenities.

When those dollars are not available to enhance the quality of construction, the project suffers from high operation, maintenance and replacement costs. This is often most apparent as projects come close to the end of their 15 year tax credit compliance period. This in turn stimulates the need for rehabilitation resources and the cycle starts all over again. Because low income affordable housing is a community asset, our mutual goal should be the highest quality product at the most cost effective price. We should not build for 15 years and then expect to completely rehabilitate the project again at considerable cost. We should build for 100 years of cost effective and affordable operation. When developer fee dollars are not available for tenant amenities, the project suffers in the market place and tenants are deprived of a safer, more convenient and comfortable home.

We suggest the following: for projects under $3 million, three application points will be awarded for a proposed total developer fee of less than 10%. For projects over $3 million and under $5 million, two application points will be awarded for a total developer fee of less than 10%. For projects over $5 million and less than $10 million, one application point will be awarded for a total developer fee of less than 10%. No projects over $10 million may exceed a total developer fee of 10%.

AHFC Response: Please see the response to comment #46.

54) Under the current Rating Criteria, points are awarded for projects that demonstrate energy efficient design (BEES rating of 6 star or 40% less energy consumption) or equipment specific applications (photovoltaic panels, ground source heat pumps, etc.). The points are awarded absent a life cycle cost analysis showing a positive benefit over cost. Alaska's geographic diversity dictates site-specific consideration of energy efficiencies. While almost all of us agree that conserving energy is a vital goal, it is unrealistic and counter-productive to award points solely on the basis of the technologies incorporated, versus the critical outcome. From our perspective (he have developed one of the most energy efficient projects in Alaska), the outcome is energy efficiencies that pay off over time. In other words, the investment made in energy efficiencies should always have a positive benefit to the lifecycle cost.

We propose the following: No project energy efficiency points shall be awarded unless supported by a project lifecycle cost analysis that demonstrates a positive benefit over cost of the system or technology. The lifecycle cost analysis shall be drafted by a qualified energy engineer approved by AHFC.

AHFC Response: Staff concurs in part. Scores in the energy efficiency categories and been re-evaluated to account for the relative cost dynamics (i.e. project size and location) and benefits. Given the fluctuations in energy prices, the scoring is based on reduced energy usage over payback models that assume a given energy price (i.e. oil in 2009 versus oil in 2016).

55) Under Market Conditions, Section (b) Vacancy Rate evaluation should be an accurate measure of true Vacancy for the proposed development. Senior and Family are distinct Markets and the GOAL program distinguishes between the two types in many other categories. As such we suggest that the project be measured within the Multi-Family vs. senior category of the area vacancy and not the overall vacancy. Multi-family vacancy would then be measured by multi-family vacancy rates while Senior Projects would be measured on the overall SENIOR vacancy.

AHFC Response: Please see the response to comment #3.

56) Underwriting - Section (a)(i)- As this category specifically favors Low cost financing and as Interest rates continue to climb, we suggest that burdening a project with excess debt for the prospect of scoring not be rewarded to such a degree and that the point category be reduced to 12 points over all. For Family 12 points and 8 points for Senior for a total of 8. The distinction between Family and Senior in this issue is income expansion capacity. Seniors have none. An additional 4 points for scoring parity could be "earned" by favorable financing such as 10%

Developer Fee committed to project as capital contribution or an equivalent amount from an "open source" grant such as FHLB-AHP or Rasmussen Foundation and definitely not closed source such as USDA or other government program only available to specific projects or entities.

AHFC Response: Staff concurs in part. Ranges of costs supported by debt have been restructured for projects located in relatively high cost areas. However, debt ranges have been held consistent across tenancy type.

57) Nonprofit and for profit partnerships - Investors in every state demand. that for-profit developers be at 100% risk regardless of whom is in the partnership and actually relish Non-profit/For-Profit participation because they can have the beauty contest appearance of a "Non-profit Project" without any risk. Currently the National Alliance of Investors has Investors in lock step enforcement of the full 100% delivery of the project (as Architectural Designed) 100% delivery of the 10 year credits and guaranteed IRR plus full Guarantee of any operating deficit. Investors can and do waive this personal risk for Non-profits and generally hope fo the best knowing that enforcement of a guarantee against a non-profit has little chance of success. Investors are now buying an Annuity from for profits and not an at risk property, but the IRS plus other agencies have turned a blind eye for the greater public good which is affordable housing. So be it. However, if for-profit is to take real financial and personal risk and the non-profit takes NO personal and a non-enforceable professional financial risk, then those that are at risk personally should have development, construction and operational control so long as they personally are at financial risk for the projects construction and performance. Once the guarantee period has ended, actually the for-profit could or maybe should turn over 100% control to the non-profit. While there are a hundred analogies which could be inserted here, the simple concept is that the person who is betting their financial livelihood should have control of the project which is risking that livelihood.

AHFC Response. Staff concurs in part. Please see the response to comment #46

58) Project Based Assistance Set-Aside - There are still many USDA-RD 515 projects that need rehabilitation and also some section 8 developments. Do not eliminate this set aside.

AHFC Response: No changes have been proposed to the set-aside for Project-Based rental assistance.

59) Joint venture partnerships have to be real. The non-profit partner has to have equal authority and responsibility for construction decisions and management of operations. This will be spelled out in the Limited Partnership Agreement (LPA). The LPA should be reviewed by AHFC counsel to meet the requirements above and should be executed during the Reservation Period and not just before loan closing.

AHFC Response: Applicants are free to negotiate terms with their development partners. AHFC does not require that the development partners be the applicant for GOAL funding. If an applicant desires majority control, they are free to require that as a term of participation. Since AHFC is not a party to the LPA and / or Development Services Agreement, AHFC counsel does not review development agreements between parties for items beyond programmatic, regulatory and statutory requirements.

ALASKA HOUSING FINANCE CORPORATION

PUBLIC HEARING

GOAL PROGRAM - FY-2017

RATING CRITERIA and AWARD PLAN

February 17, 2016

4300 BONIFACE PARKWAY
ANCHORAGE, ALASKA

P R O C E E D I N G S

(On record - 3:01 p.m.)

DELFINO: Okay. Well, welcome everyone. It is a little after 3:00 o'clock on the 17th of February and we're here for the Public Hearing to solicit public comments for the Rating and Award Criteria for the GOAL Program.

Here at AHFC's headquarters we have Brian Shelton-Kelley with NeighborWorks Alaska, Steve Ashman with Municipality of Anchorage and I'm not familiar.....

WACKROW: Paul Wackrow, NeighborWorks.

DELFINO: Paul Wackrow with Neighborworks as well. On the phone we have Jeff Judd from Cook Inlet Housing Authority and two other people. If they could just identify themselves for the record that will round out our attendance call.

ROWCROFT: Tamara Rowcroft, Alaska Housing Development Corporation, Juneau.

DELFINO: Hi, Tamara.

ROWCROFT: Hi.

GORE: Hi, Daniel, it's Carol Gore. I'm just listening in.

DELFINO: Hi, Carol. And we have one other person that just joined.

NIVEN: Hi, this is Joyce Niven with Tlingit Haida

Regional Housing Authority.

DELFINO: I'm sorry, could we have you repeat that. We could barely hear you.

NIVEN: Joyce Niven with Tlingit Haida Regional Housing Authority.

DELFINO: Okay, thank you, Joyce. Okay. Well, I think that's everyone. It's just a little after 3:00 so we may have a couple of beeps come on line, but with our new system I can see that when it happens, so if we get any additions in the next couple of minutes I'll just ask them to identify themselves for the record. I'll just go ahead and get started.

So at this point what we do every so often is we put our rating criteria out for public comment for the Greater Opportunities for Affordable Living Program. It's a clearing house application round, if you will, that allocates Federal HOME funds as either grants or zero interest loans outside of Anchorage in the Balance of State.

Senior Citizen Housing Development Funds through the State of Alaska to the extent that they are appropriated this year. We don't know if that's actually going to happen or not. There are numbers in the budget, but nothing is a certainty until everything comes through at the end of the Session.

And the Federal Low Income Housing Tax Credits which are available statewide. And that is the majority of the allocation, I guess source, if you will, for the State.

On an annual basis we have anywhere between 2.5 and 2.7 million in tax credit authority depending on whether or not we have any unused credit authority we've rolled forward from previous years.

This past year we had 2.6 -- I'm sorry, 2,690,000 in tax credits. Our inflation adjustment for this year was $10,000, so if that holds again this upcoming year we'll be at 2.7 even for the upcoming round.

Our historical allocations have had us anywhere between three and five tax credit deals with that amount of tax credit authority in the State.

Included in the Notice for Public Comment that we may be making if funds available through the GOAL Program for the National Housing Trust to the extent that it is made available. We have not been designated as the agency to administer those for the State yet. And if that happens, as we hope it will, we have not identified how much would actually be piped into the GOAL Program.

So we're just making sure that we notice folks that we are considering the GOAL Program as a vehicle to allocate those funds throughout the State, but we have not identified how much, if any, we would be putting into the GOAL Program itself. So those are the sources of funds that we have that are covered by this comment round.

Does anyone have any questions on that before I get into the schedule?

All right. Hearing none, what we have going on right now is we are in the second stage. We are now doing the Public Hearing where we're going to read a couple of things into the record and solicit comments to consider.

We'd asked that the public comments, the first round, be submitted to us in writing my e-mail address by March 4th on Friday -- or the first Friday of March.

And what we're going to do from there is we're going to take all the comments that we receive and the staff analysis and some of the other pieces of information I'm going to get to in a second and basically put that all together, look at our existing rating criteria and come out with a new draft that we're planning to release on March 25th is our target date.

We do not have a draft written that we're holding on to going all right, well, as soon as we get the comments out of the way we're going to show everyone what we have preordained. We don't have anything at this point right now. We're truly waiting to start crafting a draft of that until after we've received the public comments, so it really is a good opportunity to get the comments in for full consideration.

There are no preconceived notions of what we're going to do with the funding that you're competing with at this stage.

When the drafting rating plan is available on March 25th, we'll release it for a second comment round and our goal is to have folks be able to have that for March 25th and provide comments up until April 15th.

What we will be doing at the end of the second comment round is taking into consideration any comments that we have received, making the revisions or responding to the comments that we've received and then issuing the final draft Rating and Award Criteria on May 6th.

So we will put that up on our website and notify the public, in addition to any response to comments we've made that, that will be the version of the qualified allocation plan that we're planning to take to the Board of Directors.

The meeting that we're targeting for the presentation to the Board is the May 25th Board Meeting here in Anchorage. And after that we would plan on starting off this year's GOAL Program.

So are there any questions on the schedule or how we're planning to go about soliciting and handling comments this year? None, okay.

And since I started talking I know we did have another person join in. Could I just ask that, that person identify themselves for the record?

BREIDENBACH: Sure, it's Emily Breidenbach, Daniel.

DELFINO: Hi, Emily.

BREIDENBACH: Hi.

DELFINO: Okay. So before I get into the specific comments that we've received so far, there are not that many so hopefully you have all called in with something to say, but I just wanted to let you know that we have sent out a questionnaire or a survey, if you will, to all the entities that have submitted applications in the GOAL Program over the past three years.

And this is one of three surveys that we're sending out, but we're also planning to send out a survey to the builders and architects who have participated in deals that we've funded here at AHFC recently.

And we're going to be sending another survey along to tax credit investors and construction lenders as well.

Although we certainly look forward to seeing a lot of comments in this round, we were trying to be a little bit more focused and we just thought hey, why not ask these people directly and see if we can get a couple of responses to a few data points that would help inform our process here.

So if you have submitted a GOAL application in the past couple of years and you have not received that survey, please call me or e-mail me and I will get you a copy because you should have been on the distribution.

It's a two page survey for the developers that's 15 questions long. And the goal was to have something you could basically fill out informally within maybe 10 minutes tops. It just has to do with your perspective on building costs, per square footage limits, things like that, per unit development costs. Ways that you think are the best way to assemble your development team. Things that we've received comments from folks on our policies on some of these data points.

And this is really your opportunity to fill that out and say well, all right, you know, this is our opinion. Here are some data points that we think you should consider to put into context when you're addressing these policy points in your rating plans.

So there's no alternative motive. We're just generally curious and we want to get your take on this before we move forward with any of these things.

So any questions on the developer survey or our plan for the surveys to the builders or the investors and lending community?

Okay. Hearing none, what I will do is say that the survey forms, they do not have a space to identify yourself or to sign. The idea is to have these be filled out with a sense of candor.

However, when we get these forms back we are going to be tabulating the results and the results to each one of these survey questions will be available and they'll be included in our response to comments.

You'll be able to see the full range of what people thing is appropriate for square footage on one -- or, sorry, two, three, one bedroom apartments, things like that. You'll be able to see what your peers are saying. And the same thing with the investor and lender survey and the builder and architect survey.

Okay. Getting into the comments that we've actually received so far. We have had -- received two specifically. And the first was included in the Notice that was posted to our website, but not in the paper, so I'll go ahead and read that into the record.

Okay. There were seven comments that were made as part of this letter and I'll go through them in order. The first is to eliminate the requirement for low income housing tax credit development teams to have tax credit development experience within the past 10 years. That's currently a threshold requirement in the rating plan.

Second is to make the grant and tax credit reservations to the partnership, not to one or another of the individual partners. And this comment pertains to deals where there are two entities partnering in a single development.

The third comment is to reduce the 15 percent developer fee allowance and require a detailed report of Developer Cost not reimbursed by construction or other funds.

I'll just note for the folks on line and for the record that there was not a specific limit that proposed, just that we reduce the 15 percent limit.

Fourth comment is to report each year on the success of awarded projects in meeting all the pro forma criteria in their respective applications and any applicable penalties.

And for the benefit of the folks on line, when folks are referring to pro formas, that's generally the rather involved Excel workbook that we have people fill out as part of their rental development applications. There are a number of sheets in there and financial projections and things like that.

The fifth is to require that each member forming the general partner have equal authority and responsibility for construction decisions and management of operations.

For context this is, again, within the context of a tax credit partnership, so if you're dealing with a single owner entity where you're an owner/operator nonprofit just building, like, a four-plex that's not really the type of transaction that's envisioned in that comment.

Sixth, is incentivizing greater use of the four percent tax credits, particularly in urban areas. This is -- when there's reference to the four percent tax credits, the GOAL Program allocates nine percent tax credits which comes under that 2.7 million roughly annual authority that we get from the IRS.

There's a noncompetitive resource available through the IRS that's commonly referred to as the Four Percent Tax Credit Program. It has to be used in conjunction with the tax exempt bond issuance that covers at least 50 percent of the eligible development cost.

It's a complicated program, but it is one that we certainly encourage folks to use, so if you have any questions about that, I'd encourage you to give me a call off line. I'll be happy to clarify that program for you.

And seventh is to adjust the unit square footage limitations that we've been informally applying in the past few years during the market study stage.

And for the folks who haven't participated in the program recently, when folks submit the preapplication in the early summer, they are free to propose whatever unit sizes they want in their preapplications.

However, if we find that units are being proposed that are larger than what we might think is needed in the market to generate the rents that are being proposed, we ask the market analyst if the property would be able to function and meet its pro forma targets with a smaller square footage.

So, like for instance, on one bedroom apartments we've pretty much been holding those to no greater than 800 square feet. Two bedroom apartments no greater than 900 square feet. There are exceptions every year if there are accessibility modifications that people are making, but we've tried to rein in. What we were seeing is a square footage creep over the past couple of years in some of our developments that were funded.

So are there any questions on the comments that we received there or points of clarification that I can address on those?

Okay. Hearing none, I'll go ahead and move along to the second set. This one there were six comments that were included and I'll read through them in order.

Okay. Number one, there are communities such as Barrow where solar and geothermal does not work. Possibly those communities where it's dark eight to nine months a year would not be placed at a disadvantage under the scoring arrangements.

Second, some rural populations like Barrow and Sitka, for example, are over the population size limits for scoring. Possibly the population size limits for cities not connected to the road system could be increased. They still have many of the same challenges for housing as the smaller communities.

And for the folks that may not have applied in our rounds recently, the population target that is addressed by this comment has to do with the rural point preference that we have in the Qualified Allocation Plan and it starts with the State small community definition.

So if you fall below those certain thresholds and you're off the road system, you just by virtue of your population and location or proximity to Anchorage, you get a certain number of points.

Okay. The third comment, senior housing should have its own economic indicators and scoring that is separate than the community scoring. The reason is that the senior housing market is such a target market the economic indicators or the rental market indicators may not reflect the overall demand for senior housing.

Fourth, could AHFC possibly work with the Denali

Commission to provide funding for rural project utility expansions as part of the GOAL round.

Fifth, there seems to be a very small window for tenants making 30 percent of the median (ph) income. Should scoring maybe change for this project set aside.

Sixth, NAHASDA funds should not be allowed in projects unless they can be a hard set aside for those units for Native Alaskans in those regions. The commentor states they think it is an inappropriate use of the NAHASDA funds to say that Alaska Native population is six percent of the total Alaska population, therefore, we can put up to six percent of NAHASDA funding in a project. These projects are large and can easily soak up the NAHASDA funds awarded.

The tax credit projects cannot legally set aside units strictly for Natives and must adhere to the next qualified tenant rule. The commentor states they believe the NAHASDA funds should be used where the funds are spent on homes or apartments that have hard set aside or advance Native home ownership.

And that is the extent of formal comments that we have received from the public to date.

Before I open it up to anyone here in the room, is there anyone on line that would like to make formal comments at this point? We have a Court Reporter here that will be providing a transcript of everything that is said, so if you would like to make (indiscernible) do the best to make sure that we get it represented word for word.

Okay. Anyone in the audience? No, no. All right. So that's it for the comments that we have received. Some of the changes that we are considering at a Staff level, it's a carryover from every other time that we do this, I'll go ahead and read those in order for you. There are five of them.

The first is re-evaluation of scoring weights and ranges used to assign points.

Second, refining incentives and standards for project cost containment.

Third, refining incentives and standards for Fair Housing compliance.

Fourth, establishing regional award caps to ensure geographic project diversity.

And fifth, other changes to ranking criteria used in the FY-17 round based on public comments and Staff recommendations. So this is a global provision that I'll signal to folks that we'll be considering any responses that we get to the developer survey or to any of the other surveys that we're putting out, as well as our own analysis of development costs and ways that we think we can re-calibrate the program to serve the affirmatively furthering Fair Housing requirements of a number of our funding sources.

All right. Well, from a subject level, folks, that's what we had to chat about and make sure that we have on the transcript. I have a copy of the rating criteria itself in front of me if there were any specific provisions folks had questions on.

And I have some summary statistics on the communities that have been funded through AHFC's programs if you had any questions about how we're targeting or how we're serving the specific parts of the State, but if not, I'm not going to hold you on the line just to say that we're going to be here for a long time. So we can wrap this up if no one wants to talk.

So we'll start off with the folks on line, any comments or questions on the rating process this year?

(Simultaneous speech)

JUDD: Daniel, it's Jeff, you know, I appreciate the opportunity to hear, you know, some of the changes that, perhaps, are being considered or comments being made. I don't think -- I don't have any comments at this time. And I believe, you know, we'll internalize the information that you shared and the comments made and we'll respond, I think, by the March 4th deadline.

DELFINO: Okay, thank you. And I think there was another voice that was competing at the same time.

BREIDENBACH: Oh, I was just going to state the same thing, Daniel, it's Emily.

DELFINO: Okay.

BREIDENBACH: Not as eloquently as Jeff said, but same thing.

DELFINO: No worries. It's not an English class. Joyce, Carol, Tamara?

GORE: Same thing Jeff said.

DELFINO: Awesome. Always good when the boss agrees with you.

All right. Turning over, anyone in the audience, Steve, Brian? No.

All right. Great. Well, everyone with that short and sweet teleconference we'll go ahead and go off the record. I'll be here until 5:00 o'clock, so if anyone wants to call in until the last minute. Because it is a Public Hearing we literally have to stay here till 5:00, but we'll just listen for any beeps and if they happen to come on we'll come back on the record and make sure it's a part of the transcript for you.

All right. Let me know if there are any questions and have a great day everyone.

GORE: Thanks, Daniel.

JUDD: Thanks, Daniel.

DELFINO: No problem.

(Off record - 3:24 p.m.)

(On record - 5:00 p.m.)

DELFINO: Okay. It's 5:00 o'clock on February 17th and there is no one here at the Alaska Housing Board Room. We're on the record just to acknowledge that we were here until 5:00 o'clock and now we're going off the record as soon as I get the thumbs up. We're good.

REPORTER: We're adjourned.

(Adjourned - 5:00 p.m.)

C E R T I F I C A T E

UNITED STATES OF AMERICA)
) ss
STATE OF ALASKA)

I, Suzan K. Olson, Notary Public in and for the State of Alaska, residing at Anchorage, Alaska, and Electronic Reporter, do hereby certify:

That the annexed and foregoing PUBLIC HEARING of the **GOAL PROGRAM**, Rating Criteria and Award Plan, was taken before Suzan Olson on the 17th day of February, 2016, commencing at the hour of 3:00 o'clock p.m., at the offices of Alaska Housing Finance Corporation, 4300 Boniface Parkway, Anchorage, Alaska, pursuant to Notice;

THAT this Transcript, as heretofore annexed, is a true and correct transcription of said Public Hearing, taken by and thereafter transcribed by Suzan Olson to the best of her ability;

THAT the original of the Transcript will be lodged with the Alaska Housing Finance Corporation;

THAT I am not a relative, employee or attorney of any of the parties, nor am I financially interested in this action.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal this 25th day of February, 2016.

Notary Public in and for Alaska
My Commission Expires: 08/13/19

ALASKA HOUSING FINANCE CORPORATION
BOARD CONSIDERATION MEMORANDUM

Date: May 25, 2016 **Staff:** Catherine Stone

Item: Approval of the Moving to Work Agreement Extension to 2028

Background

The Moving to Work Agreement (Agreement) between AHFC and the U.S. Department of Housing and Urban Development (HUD) began June 2008 and had a ten year time limit. Under that Agreement, AHFC's Moving to Work designation was set to expire at the close of the fiscal year in 2018. In December 2015 Congress extended the Moving to Work Demonstration another ten years through 2028 so that Public Housing Authorities could continue to use the flexibilities it provides.

Pursuant to Section 239 of Title II, Division L of the Consolidated Appropriations Act, 2016 (P.L. 113-1140 (The Act) , Alaska Housing Finance Corporation's (AHFC's) current MTW Agreement was modified and extended until the end of our fiscal year 2028. Further, pursuant to that same act of Congress, and subject to any future acts of Congress, AHFC's Agreement shall be modified to prohibit any statutory offset of any reserve balances equal to four months of operating expenses. Reserve balances that exceed four months of operating expenses shall remain available to AHFC for all permissible purposes under the Agreement unless subject to statutory offset, notwithstanding any contrary terms of the Agreement.

Under the Act, other terms of the Agreement may be modified by mutual agreement between AHFC and HUD.

Staff Recommendation

Staff recommends Board approval to extend is Moving to Work Agreement with HUD until the end of our fiscal year 2028.

Board Action Requested

Adoption of the attached resolution is requested.

ALASKA HOUSING FINANCE CORPORATION
RESOLUTION NO. 16-12

RESOLUTION OF THE BOARD OF DIRECTORS OF THE ALASKA HOUSING FINANCE CORPORATION TO APPROVE THE PUBLIC HOUSING DIVISION MOVING TO WORK EXTENSION

WHEREAS, the Alaska Housing Finance Corporation, a statewide public housing agency, entered into its Moving to Work Agreement (Agreement) with the Department of Housing and Urban Development (HUD) on June 24, 2008; and

WHEREAS, this Agreement currently expires at the end of AHFC's fiscal year in 2018; and

WHEREAS, Congress extended the Agreement and the MTW Demonstration through 2028; and

WHEREAS, pursuant to Section 239 of Title II, Division L of the Consolidated Appropriations Act, 2016 (P.L. 113-114)(The Act), AHFC's current MTW Agreement is modified and extended by Congressional action until the end of AHFC's fiscal year 2018; and

WHEREAS, pursuant to that same act of Congress, and subject to any future acts of Congress, AHFC's Agreement shall be modified to prohibit any statutory offset of any reserve balances equal to four months of operating expenses; and

WHEREAS, reserve balances that exceed four months of operating expense shall remain available to AHFC for all permissible purposes under the Agreement unless subject to statutory offset, notwithstanding any contrary term of the Agreement.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Alaska Housing Finance Corporation hereby recommends that the Moving to Work Agreement between AHFC and HUD be extended through 2028 and directs staff to submit confirmation of the modification to the Agreement to the U.S. Department of Housing and Urban Development.

This resolution shall take effect immediately.

PASSED AND APPROVED this 25th day of May, 2016.

____

Brent LeValley, Chair
Board of Directors

ALASKA HOUSING FINANCE CORPORATION

APRIL 2016 COMPARATIVE ACTIVITY SUMMARY

Mortgage & Bond Portfolio:	As Of/Through Fiscal Year End			As Of/Through Fiscal Month End		
	FY 2014	FY 2015	% Change	04/30/15	04/30/16	% Change
Total Mortgage Portfolio	**2,520,778,596**	**2,649,246,997**	**5.1%**	**2,624,400,908**	**2,782,456,679**	**6.0%**
Mortgage Average Rate %	4.93%	4.77%	(3.2%)	4.79%	4.69%	(2.1%)
Delinquency % (30+ Days)	4.87%	3.88%	(20.3%)	3.86%	3.36%	(13.0%)
Foreclosure % (Annualized)	0.58%	0.45%	(22.4%)	0.50%	0.26%	(48.0%)
Mortgage Purchases	545,989,872	463,402,992	(15.1%)	381,582,922	419,522,274	9.9%
Mortgage Payoffs	219,206,635	240,116,152	9.5%	190,193,949	188,912,694	(0.7%)
Purchase/Payoff Variance	**326,783,237**	**223,286,840**	**(31.7%)**	**191,388,973**	**230,609,580**	**20.5%**
Purchase Average Rate %	4.52%	4.10%	(9.3%)	4.15%	4.05%	(2.4%)
Bonds - Fixed Rate	1,344,705,000	1,207,110,000	(10.2%)	1,237,540,000	1,182,675,000	(4.4%)
Bonds - Floating Hedged	783,795,000	743,025,000	(5.2%)	754,920,000	726,930,000	(3.7%)
Bonds - Floating Unhedged	150,045,000	190,045,000	26.7%	190,045,000	190,045,000	0.0%
Total Bonds Outstanding	**2,278,545,000**	**2,140,180,000**	**(6.1%)**	**2,182,505,000**	**2,099,650,000**	**(3.8%)**
Requiring Self-Liquidity	445,895,000	254,755,000	(42.9%)	257,380,000	165,915,000	(35.5%)
Bond Average Rate %	3.77%	3.65%	(3.2%)	3.66%	3.69%	0.8%
New Bond Issuances	124,400,000	423,005,000	240.0%	329,640,000	55,620,000	(83.1%)
Special Bond Redemptions	54,815,000	434,800,000	693.2%	282,390,000	31,995,000	(88.7%)
Issue/Redemption Variance	**69,585,000**	**(11,795,000)**	**(117.0%)**	**47,250,000**	**23,625,000**	**(50.0%)**
Issuance Average Yield %	3.27%	2.03%	(37.9%)	1.68%	2.68%	59.5%
Mortgage/Bond Spread %	**1.16%**	**1.12%**	**(3.4%)**	**1.13%**	**1.00%**	**(11.5%)**
Mortgage/Bond Ratio	**1.11**	**1.24**	**11.9%**	**1.20**	**1.33**	**10.2%**

Cash & Investments:	Investment Amounts as of Month End			Annual Returns as of Month End		
	04/30/15	04/30/16	% Change	04/30/15	04/30/16	% Change
* GeFONSI SL Reserve	494,040,943	367,563,253	(25.6%)	0.44%	0.64%	45.5%
Bond Trust Funds	378,269,911	315,338,596	(16.6%)	0.58%	0.56%	(3.4%)
SAM General Fund	57,052,153	80,867,397	41.7%	0.19%	0.23%	21.1%
Mortgage Collections	38,136,073	35,688,925	(6.4%)	0.17%	0.20%	17.6%
HAP/Senior Funds	31,922,425	737,586	(97.7%)	0.33%	0.45%	36.4%
Total Investments	**999,421,505**	**800,195,757**	(19.9%)	**0.46%**	**0.55%**	17.7%

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

APRIL 2016 COMPARATIVE ACTIVITY SUMMARY

AHFC Financial Statements:
(in Thousands of Dollars)

	Fiscal Year Annual Audited			Thrid Quarter Unaudited		
	FY 2014	FY 2015	% Change	FY 2015	FY 2016	% Change
Mortgage & Loan Revenue	120,740	126,140	4.5%	94,519	96,506	2.1%
Investment Income	9,019	6,026	(33.2%)	4,706	4,422	(6.0%)
Externally Funded Programs	163,739	146,236	(10.7%)	101,302	92,038	(9.1%)
Rental Income	8,951	9,342	4.4%	6,765	7,757	14.7%
Other Revenue	5,637	2,355	(58.2%)	7,728	1,724	(77.7%)
Total Revenue	**308,086**	**290,099**	**(5.8%)**	**215,020**	**202,447**	**(5.8%)**
Interest Expenses	81,184	75,349	(7.2%)	57,662	52,457	(9.0%)
Housing Grants & Subsidies	149,188	125,222	(16.1%)	95,903	78,200	(18.5%)
Operations & Administration	58,771	53,287	(9.3%)	45,946	39,369	(14.3%)
Rental Housing Expenses	14,159	17,086	20.7%	12,824	11,783	(8.1%)
Mortgage and Loan Costs	9,442	11,327	20.0%	7,725	8,612	11.5%
Financing Expenses	4,415	5,064	14.7%	3,880	2,833	(27.0%)
Provision for Loan Loss	(5,688)	(5,741)	(0.9%)	(7,514)	(4,154)	44.7%
Total Expenses	**311,471**	**281,594**	**(9.6%)**	**216,426**	**189,100**	**(12.6%)**
Operating Income (Loss)	**(3,385)**	**8,505**	**351.3%**	**(1,406)**	**13,347**	**1049.3%**
Contributions to the State	1,380	3,825	177.2%	3,754	34	(99.1%)
Change in Net Position	**(4,765)**	**4,680**	**198.2%**	**(5,160)**	**13,313**	**358.0%**
Total Assets/Deferred Outflows	4,055,203	3,916,302	(3.4%)	3,983,736	3,951,816	(0.8%)
Total Liabilities/Deferred Inflows	2,545,295	2,430,821	(4.5%)	2,478,988	2,453,022	(1.0%)
* Net Position	**1,509,908**	**1,485,481**	**(1.6%)**	**1,504,748**	**1,498,794**	**(0.4%)**

AHFC Dividend Calculation:
(in Thousands of Dollars)

	Through Fiscal Year		
	FY 2014	FY 2015	% Change
Change in Net Position	(4,765)	4,680	198.2%
Add - State Contributions	1,380	3,825	177.2%
Add - SCPB Debt Service	11,329	11,420	0.8%
Add - AHFC Capital Projects	17,467	14,642	(16.2%)
Adjusted Net Position Change	**25,412**	**34,567**	**36.0%**
Factor % from Statutes	75%	75%	-
Dividend Transfer Available	**19,059**	**25,925**	**36.0%**

Through FY 2016 - Third Quarter

AHFC Dividend Summary	
SOA General Fund Transfers	788,948
SCPB Projects Debt Service	434,866
SOA Capital Projects	253,761
AHFC Capital Projects	479,608
Total Dividend Appropriations	**1,957,184**
Total Dividend Expenditures	**1,908,148**
Total Dividend Remaining	**49,036**

** FY 2015 revised net position at the beginning of the year was due to a $29.1 million cummulative effect of accounting change for the GASB 68 pension liability.*

MORTGAGE ACTIVITY SUMMARY
LOANS PURCHASED BY PROGRAM

LOAN PROGRAM	April 2016 # of Loans	April 2016 Total Dollar Volume	FY 2016 Thru 4/30/2016 # of Loans	FY 2016 Thru 4/30/2016 Total Dollar Volume	FY 2015 Thru 4/30/2015 # of Loans	FY 2015 Thru 4/30/2015 Total Dollar Volume
Tax-Exempt First-Time Homebuyer	18	3,536,398	322	58,453,240	372	67,759,442
Taxable First-Time Homebuyer	20	5,551,016	279	70,690,524	311	76,859,727
Veterans Mortgage Program	0	0	18	6,542,598	22	6,111,201
Taxable	39	12,936,342	546	164,715,686	478	140,726,653
Non-Conforming	8	1,770,810	56	15,935,014	34	10,439,647
Rural Loan Program	10	2,607,997	198	47,757,500	198	43,996,743
Residential Loan Program Totals	95	26,402,563	1,419	364,094,562	1,415	345,893,413
Multi-Family	6	5,008,100	41	33,451,850	39	24,054,300
Rural Multi-Family	0	0	4	1,615,200	0	0
Residential & Multi-Family Loan Program Totals	101	31,410,663	1,464	399,161,612	1,454	369,947,713
Streamline Refinance	2	858,000	15	3,208,193	5	860,944
Rural Streamline Refinance	0	0	13	2,095,508	20	4,332,956
Total Loans Purchased	103	32,268,663	1,492	404,465,313	1,479	375,141,613
LOAN PROGRAM OPTIONS (Included in Total Loans Purchased)						
Interest Rate Reduction Low Income Borrowers	1	115,200	66	9,062,792	54	7,948,575
Energy Efficiency Interest Rate Reduction	14	4,463,245	134	38,501,202	119	29,829,235
Closing Cost Assistance Program	1	263,145	17	4,319,153	13	2,768,597

RESIDENTIAL PIPELINE 4/30/16

	#	Amount
Lock-ins:	174	47,723,271
Commitments:	294	80,333,260
Total:	468	128,056,531
CCAP Reservation	2	516,344

MORTGAGE INTEREST RATE COMPARISON - AVERAGE 4/16

AHFC Programs							Market	
Taxable Conv	Exempt FTHB	Exempt VETS	Taxable FTHB	Rural Owner	CCAP	Multi-Family	Conv	FHA
3.780	3.512	3.565	3.655	3.655	4.018	6.131	3.786	3.750

RESIDENTIAL PIPELINE 3/31/16

	#	Amount
Lock-ins:	163	43,434,347
Commitments:	265	79,178,557
Total:	428	122,612,904
CCAP Reservation	1	263,145

MORTGAGE INTEREST RATE COMPARISON - AVERAGE 3/16

AHFC Programs							Market	
Taxable Conv	Exempt FTHB	Exempt VETS	Taxable FTHB	Rural Owner	CCAP	Multi-Family	Conv	FHA
3.864	3.608	3.733	3.739	3.739	4.085	6.227	3.955	3.807

MORTGAGE INTEREST RATE COMPARISON - AVERAGE 2/16

AHFC Programs							Market	
Taxable Conv	Exempt FTHB	Exempt VETS	Taxable FTHB	Rural Owner	CCAP	Multi-Family	Conv	FHA
3.769	3.506	3.631	3.644	3.644	4.000	6.094	3.813	3.825

RESIDENTIAL PIPELINE 2/29/16

	#	Amount
Lock-ins:	152	43,957,782
Commitments:	227	62,582,401
Total:	379	106,540,183
CCAP Reservation	2	543,903

R2D2 Board Report for May 25, 2016

WEATHERIZATION PROGRAM

Income-based, home energy efficiency improvements provided for homeowners and renters.

Legislative appropriation:[i]

FY2008	$200 million
FY2012	$62.5 million
FY2013	$30 million
FY2014	$30 million
FY2015	$27.5 million
FY2016	$5.6 million
Total	$355.6 million

Program update as of March 31, 2016:

Total expended	$335.8 million
Units complete	17,590

Projected totals for March 31, 2017:

Current obligation	$354.2 million
Projected units complete	18,237

HOME ENERGY REBATE PROGRAM[ii]

Rebates offered up to $10,000 for homeowners making energy efficiency improvements to existing homes. A rebate of $10,000 for 6 Star or $7,000 for 5 Star Plus is available for newly constructed homes.

Legislative appropriation:

FY2008	$100 million
FY2009	$60 million
FY2012	$37.5 million
FY2013	$20 million
FY2014	$20 million
FY2015	$15 million
Total	$252.5 million

Program update as of 4.20.2016:

Total expended[iii]	$212.9m
Current obligation[iv]	$23.7m
Initial ratings	40,411
Rebates paid	24,838
5 star plus paid	3,214
6 star paid	193
Active energy raters	52

Waitlist as of 4.20.2016:[v]

Statewide	188
Anchorage	73
Fairbanks	11
Juneau	8

Total Estimated Energy Saved Annually – 3.6 trillion BTUs

(Includes Rebate and Weatherization program completions multiplied by average energy savings)

Equivalent to: (624,196 Barrels of Oil) or (36,203,346 Therms of Gas) or (26,234,309 Gallons of Fuel Oil) or (1,061,059 MWH of Electricity)

[i] Appropriation amounts reflect state investment only.
[ii] As of December 2, 2015 the average participating homeowner in the Home Energy Rebate program spent $12,012 on efficiency improvements, including energy rating fees. A $6,960 average rebate results in a $5,052 out-of-pocket investment. The projected energy cost savings for homes receiving rebates are $1,464 per year, with an average annual energy savings of 34 percent.
[iii] Total expenditures are as of 4.1.16.
[iv] Current obligation includes funds set aside for homeowners in the Home Energy Rebate program who are making improvements and for encumbrances in the New Home Rebate program.
[v] The waitlist for the rebate programs was suspended on March 25, 2016.

Public Housing Operations Update

May 2016

Public Housing	
Units Statewide	1608
Housing Waiting List	1387

Housing Choice Vouchers	
Vouchers statewide	4381
Voucher Waiting List	2126

jump***start*** **Family Self-Sufficiency**	
Family Self Sufficiency Total Enrolled	357

Operations Updates:

- Public Housing occupancy rate statewide is 98%
- Housing Choice Voucher utilization rate statewide is 96.2%
- Received HUD approval for our FY14 and FY15 Moving to Work Reports
- Sale completed on old Anchorage Family Investment Center, proceeds will go toward affordable housing needs

Facilities Management & Construction Updates:

- Nome – Maintenance Shop building – Contractor completed electrical installation; Toyo Tech will provide and install Toyo stove after parts arrive in Nome (ETA later this month); interior framing package is priced,
- Fairbanks – Golden Ages Sprinkler/Fire Alarm, contractor actively working on the project.
- Juneau –Local Staff is working to complete VCA/ADA upgrades to the Riverbend property.
- Sitka – Swan Lake Security system upgrade/replacement contract is being developed.
- Cordova – Project Siding/Soffit/Window replacement at Sunset View RFP due on May 10th.
- Anchorage –Chugach View work continues on the Attic Dry pipe system, scattered site infrastructure repair/replacement project is in progress, contractor is on schedule; Chugach Manor Sprinkler/Fire Alarm upgrade project is being developed
- Facilities Management Extraordinary Maintenance Team (Road Crew): completed work on assigned modernizations, working to finish 3414 E 16th; Chugach View community room door was replaced and work continues to shore up the weak areas in the common hallways; Ptarmigan Park side walk repair project is being developed for work this summer.

AHFC BOARD OF DIRECTORS
SCHEDULE 2016

~~January 27, 2016 (AHFC regular & AHCC Annual)~~ CANCELLED

~~February 24, 2016 (Audit Committee, AHCC (Membership & BOD) Annuals & AHFC Regular)~~

~~April 27, 2016 (AHFC Regular)~~

May 25, 2016 (AHFC Regular)

June 29, 2016 (Audit Committee & AHFC Regular)

July 20, 2016 BOD (AHFC Regular)

August 24, 2016 (Audit Committee & AHFC Annual)

(NCSHA Annual Conference 9/24 - 9/27, 2016 in Miami, FL.)

October 26, 2016 (AHFC Regular & ACAH Membership & ACAH BOD Annual)

November 30, 2016 (Audit Committee & NTSC Annual & AHFC regular)

Please note that all dates/locations may be subject to change *March 22, 2016*