

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

October 28, 2015

10:00 a.m.

Anchorage/Fairbanks/Juneau

- I. ROLL CALL
- II. APPROVAL OF AGENDA
- III. MINUTES: August 26, 2015
Next Resolution: #15-26
- IV. PUBLIC COMMENTS
- V. OLD BUSINESS:
- VI. NEW BUSINESS:
 - A. Consideration of a term loan request in the amount of \$1,890,000 for the long term financing for the acquisition of an existing 49 unit multifamily project known as “Beaver Lake Apartments” and located in North Pole, Alaska.
 - B. Consideration of a loan request from Habitat for Humanity Anchorage in the amount of \$1,500,000 under the Loans to Sponsors Program.
 - C. Consideration of a loan request from Cook Inlet Lending Center in the amount of \$1,500,000 under the Loans to Sponsors Program.
 - D. Consideration of a resolution to approve the AHFC's FY2017 Operating and Capital Budgets.
- VII. REPORT OF THE CHAIR
- VIII. BOARD COMMITTEE REPORTS: Audit
- IX. REPORT OF THE EXECUTIVE DIRECTOR
- X. ANY OTHER MATTERS TO PROPERLY COME BEFORE THE BOARD
- X. Monthly Reports – Finance, Mortgage, R2D2, PHD, Meeting Schedules

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

ALASKA HOUSING FINANCE CORPORATION
BOARD OF DIRECTORS

ANNUAL MEETING

August 26, 2015

9:00 a.m.

Ketchikan/Anchorage/Juneau/Fairbanks

The Board of Directors of Alaska Housing Finance Corporation met August 26, 2015 at the Best Western Landing Hotel, 3434 Tongass Avenue, Ketchikan, Alaska 99901. Board members present were:

FRANK ROPPEL
Ketchikan

CHAIR
Member of the Board

CLAI PORTER
Ketchikan

VICE CHAIR
Member of the Board

BRENT LEVALLEY
Ketchikan

Member of the Board

MARTY SHURAVLOFF
Kodiak

Member of the Board

JERRY BURNETT
Ketchikan

Designee for Commissioner
Department of Revenue
Member of the Board

TARA HORTON
Anchorage

Designee for Commissioner
Department of Health
& Social Services
Member of the Board

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

II. APPROVAL OF AGENDA. CHAIR ROPPEL proposed the agenda as presented. Seeing and hearing no objections, the agenda was approved.

III. MINUTES OF JULY 29, 2015. CHAIR ROPPEL asked for revisions or acceptance of the minutes. CLAI PORTER made a motion to accept the minutes as presented. BRENT LEVALLEY seconded the motion. Seeing and hearing no objection, the minutes were approved as presented.

IV. PUBLIC COMMENTS. In Ketchikan: Mike Medford with First Bank praised the partnership with AHFC over the years as outstanding. Ricardo Worl with Tlingit and Haida discussed the partnership with AHFC and tax credit properties. 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. ELECTION OF OFFICERS. CHAIR ROPPEL opened the floor for nominations for Board Chair and Vice Chair. BRENT LEVALLEY nominated CLAI PORTER for board chair, and CLAI PORTER nominated BRENT LEVALLEY for vice chair. CLAI PORTER was unanimously elected as BOARD CHAIR and BRENT LEVALLEY was unanimously elected as VICE CHAIR. The nominations were unanimously approved by roll call vote. (6-0)

VI. B. CONSIDERATION OF A RESOLUTION TO REQUEST APPROVAL TO GO TO PUBLIC COMMENT ON DRAFT REGULATIONS REVISING 15 AAC 150.035, ADOPTION OF RESIDENTIAL BUILDING CODE AND AMENDMENTS. BRYAN BUTCHER introduced the item and JOHN ANDERSON presented. Mr. Anderson stated that AHFC adopted the 2009 IRC in 2010 to meet the above concerns. It adopted the 2012 International Energy Conservation Code (IECC) with amendments as the Building Energy Efficiency Standard (BEES) in 2013. Energy Raters have been unwilling to sign off on all parts of the PUR-101 form as they cannot see all the required items of the BEES at the time of the energy rating, when the house construction is completed. Chapter 11 in the IRC incorporates the 2012 IECC. Under the proposed revised regulation, AHFC would require home building inspectors to inspect to the items in chapter 11 that can only be seen during construction, and exempting those parts performed by an energy rater at construction completion. The energy raters would then do their energy rating and sign compliance with BEES, on the PUR 101 form, and the building inspectors would sign the PUR 102 form, and all measures of both codes would be inspected. AHFC Staff is proposing that AHFC adopt the following revision to 15 AAC 155.035 to implement the adoption of the 2012 IRC, with specific amendments applicable to units located in Alaska. Staff is requesting Board approval of the presented resolution that authorizes public hearings on this proposed regulation. Discussion followed. CLAI PORTER made a motion to approve Resolution 2015-25. BRENT LEVALLEY seconded the motion. The resolution was unanimously approved. (6-0)

RESOLUTION NO. 15-25

RESOLUTION AUTHORIZING A PUBLIC COMMENT PERIOD AND PUBLIC HEARING TO CONSIDER CHANGES TO 15 AAC 150.035.

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

VII. REPORT OF THE CHAIR. CHAIR ROPPEL stated that the October Audit Committee and regular AHFC BOD meeting will be October 28th in Anchorage. Chair Roppel stated it was a pleasure to have served as the AHFC Board of Directors chair for 12 years and congratulated Clair Porter and Brent LeValley on their elected positions and wished them much success.
Chair Elect Clai Porter gave an overview of his meeting for NSCHB that was held in Maryland recently.

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.) AAHA transition meeting with new Board Chair Carol Gore (Wed, August 5); 2.) AHFC States land discussion at City Hall (Fri, August 14); 3.) Meeting with Congressman Young (Wed, August 19); 4.) Meeting with Alyson Nyholm from Senator Murkowski's office, (Fri, August 21); 5.) HUD-Congress tours (Mon, August 24); 6.) Rasmuson Foundation grant makers tour on the Alaska railroad (Tue, August 18); 7.) NCSHA Annual Conference in Nashville, TN upcoming (9/26-9/29); 8.) Anchorage Arctic Summit; 9.) Alaska Bankers Association annual meeting at Wells Fargo (Thurs, October 1); 10.) Coalition on Housing and Homelessness Annual Conference at the Marriott Anchorage (Mon 10/12 - Wed 10/14); 11.) October meeting of the IST and the Statewide Council at the Dena'ina Center; 12.) 2-Day Reentry Coalition/DOC Co-Chair training at the Frontier Building (Tue, October 20-21).

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

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

AHFC Regular BOD Meeting	October 28, 2015	10:00 am	Anchorage
Audit Committee Meeting	October 28, 2015	8:30 am	Anchorage

Off Record: 9:52 a.m. BREAK
On Record: 10:03 a.m.

Off Record: 10:03 a.m. EXECUTIVE SESSION
On Record: 10:41 a.m.

XI. EXECUTIVE SESSION: CONSIDERATION OF PERSONNEL MATTERS. CHAIR ROPPEL introduced the item into record. CHAIR ROPPEL stated that this was the CEO Bryan Butcher's annual review and although Mr. Butcher has done exemplary work, CEO Butcher declined a salary increase due to the current state of the budget. No other business decisions were made to discuss with the public by the board during the Executive Session.

XII. OTHER MATTERS. CHAIR ROPPEL asked if there were any other matters to properly come before the board. CLAI PORTER made a motion to adjourn. Seeing and hearing no objections, the meeting was adjourned at 10:42 a.m.

ATTESTED:

Brent LeValley
Board Vice Chair

Bryan Butcher
CEO/Executive Director

BOARD CONSIDERATION MEMORANDUM
MULTI-FAMILY LOAN PURCHASE PROGRAM

Date: October 28, 2015

Staff: Melanie Smith

Lender: Northrim Bank

BORROWER(S): Heritage Investment, LLC
Co-BORROWER(S): Whitestone Enterprises, LLC

PROPOSAL OVERVIEW: Term financing for the acquisition of 49 unit multi-family apartment complex located at 2555 Mission Road, in North Pole, Alaska.

Loan Amount: \$ 1,890,000

Project Value: \$ 2,500,000

Appraised By: Chris Guinn, of Chris Guinn Appraisals. (See Appendix I)

Loan to Value Ratio: 76%

Loan Terms: Fixed monthly payments based on a 30 year amortization.

Interest Rate: 6.375%

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

Debt Service Coverage Ratio: 1.60

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

Sources and Uses of Funds:

Sources:

Loan Amount: \$ 1,890,000
Borrower's Funds: \$ 612,572
Total Sources: \$ 2,502,572



Uses:

Purchase Price:	\$ 2,400,000
Rehabilitation work:	\$ 32,250
Closing Costs/Prepays:	\$ 70,322
Total Uses:	\$ 2,502,572

DESCRIPTION & BACKGROUND:

Heritage Investment, LLC: is a limited liability company created on May 31, 2015 to purchase and hold rental real estate in Alaska with Whitestone Enterprises, LLC as the sole member and David DiGloria, Benjamin Greenleaf, and Josiah Keller as managers.

Whitestone Enterprises, LLC: is a limited liability company formed in March, 2006, for the purposes of rental sales and other business ventures. David DiGloria, Josiah Keller, Karen Wenger, Shanae Winston and Nathanael Vereide are reflected as managers. The LLC is comprised of 18 individuals (5 managers and 13 members) with their vested interest ranging from 2% to 7%. Whitestone is the owner of Delta Lodging, a lodging facility located in Delta Junction and Alaska Furs and Gifts located in Denali (during tourist season) and Fairbanks (during Christmas season). In 2014, Whitestone purchased Interior Building Supplies located in Delta Junction and later changed the name to Interior Hardware, LLC. Interior Hardware LLC providing building supplies to both contractors and consumers. (See Appendix II)

Financial Information:

Heritage Investment, LLC: As a recently formed limited liability company, the only asset will be the subject property and the debt of the other loan. Therefore, after closing financial information will reflect: total assets of: \$2,500,000; total liabilities of: \$2,140,000*; for a net worth of: \$360,000.

*Note: The borrowers have secured another loan with Northrim Bank in the amount of \$250,000 for the part of the down payment and start-up costs of the subject property. The loan is secured by real estate granted by Church of the Living World.

Whitestone Enterprises, LLC: A multi-family loan application dated May 12, 2015 shows total assets of: \$1,055,828; total liabilities of: \$978,978; for a net worth of: \$76,850. Whitestone Enterprises, LLC's average tax return income over the last three years is \$658,950.

Credit History:

A recent credit report reflects an acceptable credit history for the borrower and the co-borrower. Neither the borrower nor the co-borrower has an existing loan with AHFC.

PROJECT CHARACTERISTICS:

Description and Location:

The site is located on the corner of Mission Road and the Richardson Highway frontage road approximately 1.5 miles east from the city center of North Pole. The surrounding commercial area in North Pole is 80% built-up with minimal new construction. In the past 10 to 15 years, fast-food and family type restaurants, a bank, and a new hotel have been built. The subject site contains a total of 12.097 acres of land. The site is generally level and at grade. The parcel is served by available public utilities which include: electric and telephone, two private wells and three septic systems. (See Appendix III)

Project Overview:

Built in 1983 & 1984, the subject site contains three separate, wood framed three story plus crawl space buildings. Two buildings contain 18 units each and one building containing 14 units (1 office unit) for a total of 49 residential units. The building exteriors are finished with cedar lap siding and the roofs are rubber membrane gravel roofs. The unit interiors are finished with painted, textured sheetrock, with carpet and laminate floor coverings. All units have external access. In addition to the external access the second and third floor of each building have internal access. The laundry facilities are located on the first floor of each building and have 2 sets of coin operated washers and dryers each. Heat for each building is provided by an oiled fired central boiler hot water baseboard heating system. There are two private wells and three septic systems. All units have the normal assortment of appliances, including dishwashers. The project's unit configuration consists of six, studio units containing between 300 to 508 square feet renting for \$700 per unit, per month; 20, one-bedroom, one-bath units containing between 552 to 670 square feet renting for \$950 per unit, per month; 19, two-bedroom, one bath units each containing 900 square feet renting for \$1,100 per unit, per month; and 4, three-bedroom, one bath units containing between 1,320 to 1,386 square feet renting for \$1,500 per unit, per month. Electric is paid by the tenants. Parking is provided by 49 open, gravel spaces. Parking is considered to be adequate for a property of this age, size, and location. Two of the buildings have dry saunas with a shower/dressing room. In addition to the apartment buildings located on the site is a 30x30 garage/work shop. The improvement is considered to be a legal conforming use of the site under current zoning. The remaining economic life of the improvements is estimated by the appraiser to be 35 years. (See Appendix IV)

Soil Conditions:

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

Environmental Assessment:

The appraiser noted no environmental issues concerning the property or improvements. A Phase I Environmental Report completed by Jerry Kerner of Aerotech Environmental Consulting, Inc. on July 27, 2015 indicated the environmental risk appears to be low and that the property was free of any contaminants. An environmental assessment questionnaire completed by the owner, dated August 19th, 2015 states that there are no environmental concerns with the subject property. Staff concurs with the lender that further investigation is not warranted.

Health and Safety Inspection Report:

A health & safety inspection was completed by Vince Meurlott, P.E. of Meurlott Consulting, Inc. on June 30, 2015, noting several life safety and significant repair items. All items noted for repair or replacements are in the process of being completed. Satisfactory re-inspection is being made a condition of this commitment.

Repair items to be completed after closing are safety glass, protect all non-metallic cable exposed at the exterior, boiler inspection/serviced, clean an inspection of boiler chimney, install heat shields (2), install continuous graspable handrail, replace the oil fired Boch hot water heaters (2), adjust the plumbing drain in the crawl space and replace the conventional supports for the plumbing drains. A completion escrow for these improvements in the amount of \$32,250 is being funded as a condition of this commitment. (See Appendix V)

PROJECT OPERATIONS:

Property Income and Expense Statement:

The pro-forma operating statement, as prepared by the appraiser, is believed to reasonably depict the expected performance of the subject property. Rents are based on actual rents. An 8% vacancy and credit loss factor was used by the appraiser based on the project's historical operating experience. Based on the location and the uncertainty of jobs the vacancy factor was adjusted to 12% for underwriting purposes. A property management expense of 21.79% was utilized based on a 10% management fee and other employee expenses. The replacement reserve in the amount of \$565.31 per unit, per year is considered to be slightly above average for property of this age, type, location, and condition and will facilitate ongoing property improvements. (See Appendix VI)

Debt Service Coverage Ratio:

The debt service ratio has been established at 1.60, which allows for flexibility with regards to income, expenses, and vacancies. In addition to the 12% vacancy and credit loss factor, income could fall by 16%, or expenses could increase by 28% or some combination of both and there would still be sufficient funds to continue to pay the mortgage. Stated another way, the project could break even at a 26% vacancy rate. The ratio, by industry standards, is considered to be an excellent ratio.

Property Management:

The property will be managed by Jesse Garn, manager of Heritage Management, LLC. Mr. Garn has been managing all aspects of the subject property since 2006 and is a Real Estate Associate Broker for Jeniko Real Estate. Staff concurs with the lender that his credentials are acceptable. Additional assurance is provided in the deed of trust, which allows AHFC to take action in order to place a property manager if circumstances warrant.

SUMMARY:

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

1. The excellent debt service coverage ratio of 1.60: and
2. The loan to value of 76%;

RECOMMENDATION:

The request comes from Northrim Bank on behalf of the borrowers. Staff recommends approval of this loan based upon: The subject's excellent flow at 1.60 debt coverage; loan to value of 76%; and subject to the conditions noted below:

1. Alaska Housing Finance Corporation (AHFC) to provide long-term financing in an amount not to exceed \$1,890,000;
2. First deed of trust in the amount of \$1,890,000 to be amortized over thirty years. Interest rate to be 6.375% fixed;
3. Borrower: Heritage Investment, LLC
Co-borrower: Whitestone Enterprises, LLC;
4. A security position in the appropriate personal property, fixtures, furniture, and contracts, etc. will be taken;
5. Commitment to expire January 28, 2016 and an extension may be considered by staff, subject to extension guideline criteria and applicable extension fees;
6. A loan prepayment limitation to be imposed in accordance with AHFC's financing requirements;
7. Receipt and acceptance by AHFC of the following:
 - a. an updated As-Built Survey, if required by the title company;
 - b. all required certificates and/or binders of insurance;
 - c. ALTA title policy with applicable endorsements;
 - d. copy of the completion escrow for the safety glass, protect all non-metallic cable exposed at the exterior, boiler inspection/serviced, clean an inspection of boiler chimney, install heat shields(2), install continuous graspable handrail, replace the oil fired Boch hot water heaters (2), adjust the plumbing drain in the crawl space and replace the conventional supports for the plumbing drains. All work to be completed before December 28, 2015. Funds to be escrow at 1.5 times the bid amount of \$21,500, in the amount of \$32,250;

8. Lender to have a lien interest in all personal property, fixtures, furniture and contracts;
9. Verification that a re-inspection of all repairs items listed have been completed in accordance with the home inspection report completed by Vince Meurlott, P.E. of Meurlott Consulting, Inc. dated June 30, 2015;
10. Funds for the establishment of insurance, and property tax reserve accounts to be collected at closing;
11. Monthly loan payment to include funds, as determined by AHFC, for (i) principal and interest, (ii) reserves for taxes, insurance and (iii) replacement reserves. Replacement reserves deposits to be \$2,308.34 per month;
12. Borrower to pay appropriate costs associated with the loan, including but not limited to recording, title insurance, escrow closing fee, and loan fee;
13. The payment of \$9,450 loan fee; the review fee of \$1,000 will be applied to the payment of this fee; and
14. Other conditions that may arise as determined by AHFC.

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


 Bryan D. Butcher
 Chief Executive Officer
 Date: 10-15-15


 Michael Buller
 Deputy Executive Director
 Date: 10/15/15


 Michael Strand
 Chief Financial Officer
 Date: 10/15/15

**ALASKA HOUSING FINANCE CORPORATION
RESOLUTION NO. 2015-26**

RESOLUTION APPROVING TERM FINANCING FOR
A MULTI-FAMILY HOUSING PROJECT TO
HERITAGE INVESTMENT, LLC AND WHITESTONE
ENTERPRISES, LLC

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

I. Findings:

- A. There is need to provide access to safe, quality housing;
- B. Heritage Investment, LLC and Whitestone Enterprises, LLC through Northrim Bank have applied to Alaska Housing Finance Corporation to receive funds under its Multi-Family Loan Purchase Program for term financing for the acquisition of a multifamily apartment complex located in North Pole, Alaska;
- C. The proposed financing falls within the established program regulations; and,
- D. The proposed financing is found to be an acceptable risk to the Alaska Housing Finance Corporation.

II. Conclusion:

Pursuant to the foregoing findings, the Board hereby approves the request substantively as stated in the October 28, 2015 Board Consideration Memorandum prepared in support of the application.

This resolution shall take effect immediately.

DATED THIS 28th Day of October, 2015

Brent LeValley
Vice Chair

C15-0619 Beaver Lake Resort

2555 Mission Road, North Pole, AK



Chris Guinn Appraisals

600 University Ave, Suite 100

Fairbanks, Alaska 99709

Ph: 907.479.7603 Fax: 907.479.8237 e-mail: chrisguinn@ak.net

June 26, 2015

Deatrice Swazer
Northrim Bank
3111 C Street, Suite 400
PO Box 241489
Anchorage, AK 99524-1489

Re: Appraisal of the Beaver Lake Resort at 2555 Mission Road, North Pole AK

Dear Ms. Swazer:

At your request I have completed the investigation and analysis necessary to form an opinion of market value for Tract 1 Beaver Lake Resort and improvements at 2555 Mission Road in North Pole, Alaska.

The accompanying report is an Appraisal Report which in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP). All three approaches to value were considered, and the sales approach method was utilized to arrive at market value.¹ The report contains the most pertinent data gathered, the techniques used, and the reasoning leading to my opinion of value.

The purpose of this assignment is to estimate the market value of the subject parcel containing 12.097 net acres (26.097 with lake) developed with three apartment buildings. The function of this appraisal is to aid the client in making a financial decision.

To the best of my ability, this appraisal has been made in conformance with and subject to the Code of Professional Ethics of the Appraisal Institute. The attached reports identify the properties and set forth the assumptions, limiting conditions, special assumptions, data, and analyses upon which the opinions of value are based. No personal property is included in my estimate of value.

C15-0619 Beaver Lake Resort

2555 Mission Road, North Pole, AK

Based upon my research, and considering the property types and local market conditions, it is my opinion a sale of the property could be completed within approximately twelve months of the effective date of the appraisal. This opinion assumes a competent broker is engaged and that broker makes appropriate marketing efforts.

The appraisal report that accompanies this letter of transmittal includes the documentation for the research and analysis that was required in the process of estimating the market value for the subject properties. The market value will be based on the available market data using the cost approach, sales approach, and the income approach.

It is my opinion that the Market Value effective 6/19/2015

"As IS" \$2,500,000.00

"As Stabilized: \$2,500,000.00

If you have any questions regarding these reports or would like to discuss some aspect please call. Thank you for this opportunity to be of service.

Respectfully submitted,



Chris Guinn, MAI, SRA, SR/WA
Street, Guinn Appraisers



Connie Horton, General Appraiser
Associate Appraiser

David J. DiGloria

1047 Bluff Spur Delta Junction, AK 99737 • 907-803-5216 • davidd@wsfnet.org

Employment

Big Delta Enterprises, Inc.

1989 to Present

Parent company for Servicemaster PBM. Responsible for annual budget, taxes and supervision of bookkeepers.

Whitestone Farms

1989 to Present

Chief financial officer for group of affiliated companies and nonprofits collectively known as Whitestone Farms. Responsible for budgeting, high-level finance decisions and review and supervision of accounting and bookkeeping staff.

Rika's Roadhouse and Landing

1989 to 2013

Responsible for operations financial budget and audits. Supervise bookkeeper and roadhouse staff.

Previous Experience

Liberty Maintenance

1979 to 1989 Co-Owner

Responsible for business management and operations.

Cornerstone Bakery

1979 to 1989 Co-Owner

Responsible for business management and operations.

Education

1979 Keene State College, Liberal Arts

Community Service

1985-Present, Instructor, Covenant Life College

Business Math Instructor

Human Resource Management Instructor

New Testament/Old Testament Survey

Treasurer and CFO, Church of the Living Word

Treasurer, Board of Directors, Whitestone Community Association

Membership

International Ministerial Association

Josiah D. Keller, CPA

6811 River Road Delta Junction, AK 99737 • josiah@wsfnet.org • (907) 895-2309

Employment Self-Employed, Delta Junction, AK

Accountant & Tax Preparer, February 2011 to Present

In my small practice I work strictly for a group of affiliated businesses and individuals collectively known as Whitestone Farms. For each business entity in this group I provide some level of accounting oversight and compliance management as well as involvement in the development of accounting policies and procedures. This has helped me to expand my technical knowledge. I also assist in budget creation, reporting and control which has broadened my perspective and experience. Also, preparing more than 80 income tax returns annually for this group has taught me to prioritize.

Cook & Haugeberg LLC, Fairbanks, AK

Senior Accountant, July 2011 to Present

Staff Accountant, January 2009 to January 2011

Intern Accountant, January 2008 to December 2008 (spring and fall)

Working as both a financial statement and tax preparer and reviewer has broadened my understanding of accounting and taught me key concepts of providing professional service. I continue to work for this firm from Delta Junction on a part time basis.

Whitestone Farms, Inc., Delta Junction, AK

Assistant Bookkeeper and IT Administrator, April 2004 to September 2008

I assisted with bookkeeping and maintained the information systems of the concessionaire at the Big Delta State Historical Park also known as Rika's Roadhouse and Landing.

Licenses Certified Public Accountant – License 2528 issued by the State of Alaska

Board Memberships

Vice President – Whitestone Community Association

President – Whitestone Enterprises, LLC

LLC Manager – Heritage Investment, LLC

LLC Manager – Heritage Services and Logistics, LLC

Education

Obtained a B.B.A. in Accounting from the University of Alaska, Fairbanks. December 2008.

Obtained a high school diploma from Whitestone Training Center of Whitestone, Alaska. May 2001.

Honors & Activities

- Whitestone Community Association, Volunteer Accountant

- Invited to and accepted a lifetime membership in Beta Gamma Sigma, an international honors society for business students in spring of 2009 based on academic achievements at the University of Alaska Fairbanks

- Accounting Student of the Year Awards – Concepts of Accounting (2006), Cost Accounting (2007), and Advanced Taxation (2008)
(Faculty Selection)

- Certified Volunteer Income Tax Preparer by the Internal Revenue Service

- Great Alaskan Accounting People (GAAP) Alumnus

Benjamin M. Greenleaf

6667 River Road Delta Junction, AK 99737-1229 • 907-803-8030 • beng@heritagecontracting.us

EMPLOYMENT

VICE-PRESIDENT, PART OWNER, PROJECT MANAGER 2003 - PRESENT
Heritage General Contracting Delta Junction, Alaska

- Work with company management in other trades to solicit, estimate and bid new construction and remodel projects.
- Recognize customer/owner goals for project through personal communication and understanding of plans and specifications; communicate goals to Heritage management and workers as well as subcontractors; maintain positive working relationship with many design firms and subcontractors throughout the state of Alaska.
- Provide value-added engineering to prime contractor and/or customer to assure best value for project budget.
- Respond in a timely manner to any customer dissatisfaction or project warranty claims.
- Negotiate materials procurement with suppliers, manage lower-tier subcontractors and arrange scheduling.
- Supervise construction crews in work activities such as foundations, concrete finishing, wood and steel framing, drywall hanging and finishing, cabinetry placement and all types of floor finishes. Maintain records.

FOREMAN 1998 - 2003
Heritage Homes Delta Junction, Alaska

- Oversee construction crews on residential and commercial work in Delta Junction and Ft. Greely, Alaska, including mechanical installation, vinyl siding installation, new home construction, residential renovation.

CONSTRUCTION WORKER 1995-1998
Whitestone Farms Delta Junction, AK

- Residential and commercial construction including foundations, concrete block, framing, drywall and finishing, floor finishes, custom millwork and vinyl siding installation.

EDUCATION & ACCREDITATIONS

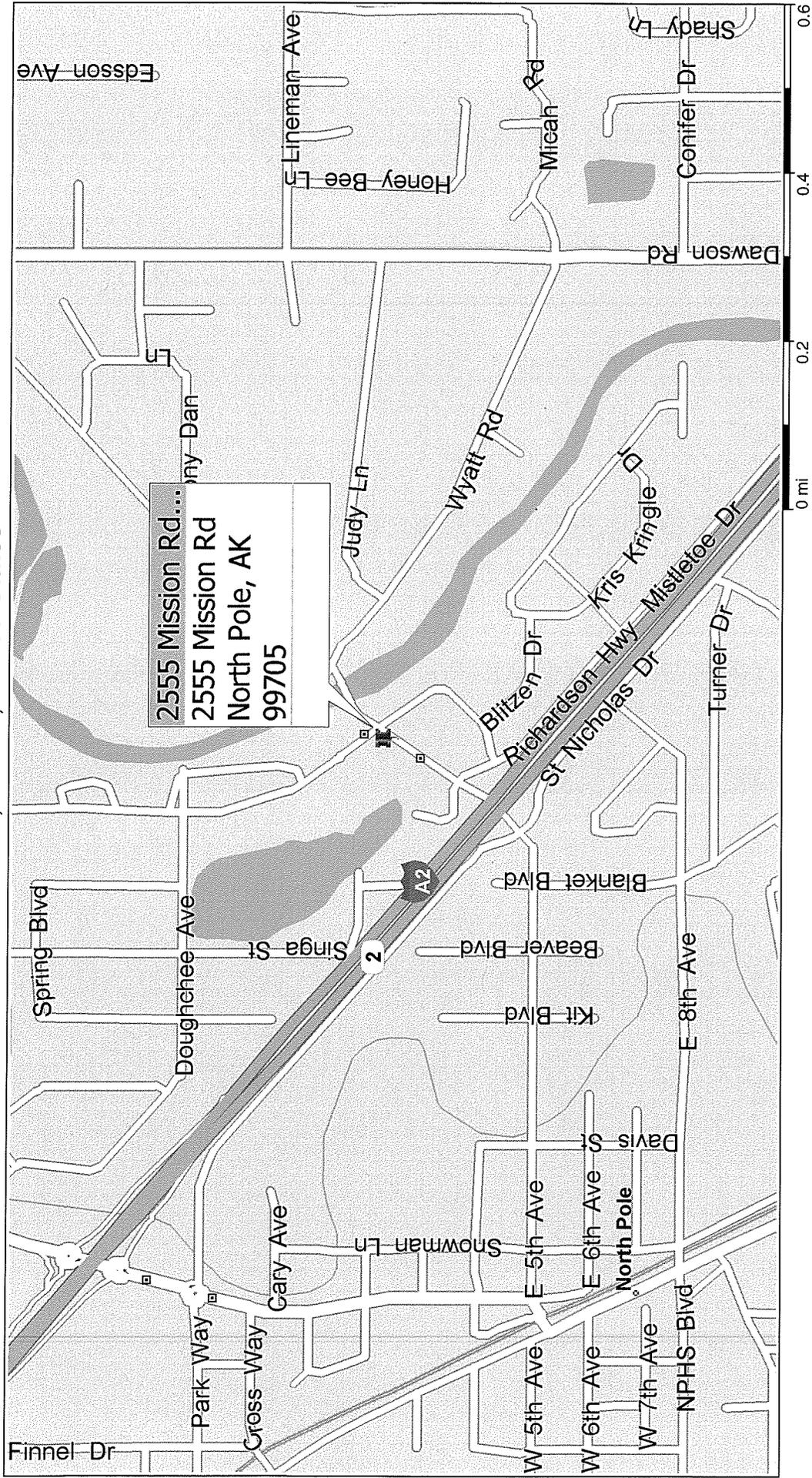
HIGH SCHOOL DIPLOMA 1995
Whitestone High School Delta Junction, AK

CONSTRUCTION QUALITY MANAGEMENT FOR CONTRACTORS 2012
USACE

RECENT LARGE PROJECTS

- *Copper River Native Association Vehicle Maintenance Building, Tazlina, Glennallen, Alaska.* Project Manager for Design/Build 5000 sq ft shop and office building for CRNA maintenance staff. Contract award was based on the Technical Proposal, including concept design, and best overall value to customer. Despite many unavoidable delays and weather set-backs, brought project to final satisfactory completion on time and within budget.
- *Timbercrest Dental Clinic, Delta Junction, Alaska.* A local dentist asked HGC to Design/Build a dental clinic for him from site prep through owner occupancy. As Project Manager, worked with owner, building designer, Medical Gas installer, specialty dental equipment supplier/installer and structural and mechanical engineers to develop design and interior finishes. Worked to resolve zoning issues with the City, negotiated Alaska Fire Marshall and DEC permitting and engineer's approvals to construct. Provided aid to owner in gaining bank financing and insurance payout (original dental clinic burned down). During construction, coordinated in-house trades people and subcontractors and timely materials receipt to keep the project on schedule.
- *Ft. Greely Community Activity Center Design Build, Ft. Greely, Alaska.* Served as architectural project manager in partnership with Centennial Contracting Enterprises, M2C1 and engineering and architectural staff to design and construct a 32,000 sq ft multipurpose activity building with a goal of LEED Silver. Design firm was from out-of-state and unfamiliar with arctic building conditions; gave numerous suggestions that were incorporated into final design. When items of work outside of HGC's scope brought drastic schedule delays, gathered additional resources and overcame the delays to return project to original schedule. Coordinated scheduling and negotiated contracts with many lower-tier subcontractors to maintain quality standards, project schedule and budget.
- *Project Manager for multiple Ft. Greely IDIQ Task Orders under DPW Quick-Fix and MAPA contracts* ranging in complexity from carpet replacement through construction of a 2500 sq ft addition to the CRTC Headquarters.
- *Water Main Upgrades to RCI Housing, Doyon Utilities, Ft. Greely, Alaska.* Project Management responsibilities included estimating and bidding, purchasing and materials staging and management of sub-contractors.
- *SMDC Construct Entry Control Facility & Fire Team Ready Facility, Ft. Greely, Alaska.* As Project Manager, was responsible for pre-construction negotiations with Prime Contractor, including estimating, bidding, project planning and site management. This project had some complicated structural steel and roof tie-ins, so worked carefully with subcontractors on construction methods to insure the best overall product. Customer added to the scope mid-way through the project, accommodated customer request even though it was outside work in the middle of winter.

North Pole, Alaska, United States



NEIGHBORHOOD INFORMATION

The Beaver Resort is located on the east side of the Richardson Highway and approximately 1.5 miles to the city center of North Pole. Access is along the Richardson Highway frontage road. Fort Wainwright is about 14 miles north of the subject and Eielson Air Force Base is about 13 miles south.

Infrastructure: The major road in the area is the Richardson Highway. Access to major shopping, employment centers, and government services is good. The Beaver Lake Resort has a private well and septic system. The location has electric power supplied by Golden Valley Electric Association, a private cooperative which is subject to regulation by the Alaska Public Utilities Commission. Telephone service is provided by GCI and ACS.

The neighborhood has developed over a long period of time. The surrounding commercial area in North Pole is about 80% built-up. There has been minimal new construction. In the past ten-fifteen years, fast-food and family type restaurants, banks, and a new hotel were built. The Beaver Lake Resort site fronts on Mission Road and the Richardson Hwy frontage road with some visibility of exposure to traffic off the Richardson Hwy. The site is suitable for developers, investors, and owner-occupants. The neighborhood is considered to be stable for the subject uses. The subject suffers no location or economic obsolescence. Continued stability and generally stable property values are anticipated for this market for well-maintained properties for the foreseeable future. The subject is competitive with other properties in the neighborhood.

DESCRIPTION OF THE SITE AND IMPROVEMENTS

Address:	2555 Mission Road
Property Location:	East side of the Richardson Hwy in North Pole
Legal Description:	Tract 1 Beaver Lake Resort S/D
Land Area:	12.097 acres (26 acres total with lake)
Fairbanks North Star Borough Parcel Number:	0626699
Taxes:	15.107 mills which is about average for property in the area.
Shape:	Irregular
Topography:	Level and at grade with existing roadways
Utilities:	Golden Valley Electric Association: electric, and ACS: telephone. Private water wells and septic systems.
Location :	Corner of Mission Road and Richardson Hwy frontage Road, approximately 1.5 miles from the city center of North Pole
Functional Utility:	Good
Flood Status:	The subject property is within Flood Zone X.
Parking:	Rap surface
Parking Lot Lighting:	yes
# of Parking Spaces:	1 per unit
Adverse Easements:	None noted. The easements are typical utility.
Adverse Soil Conditions:	None Noted No soil logs were made available to me for the subject.
Zoning:	GU-1, General Use-1
Landscaping:	Lawn and Lake
Soils:	The soils appear adequate for current use
Flood Plain:	The site is located outside of a flood zone, # 02090C4465J 3/17/2014
Hazard & Nuisance:	None noted, No environmental damage noted.
Overall Rating:	Good. The site is served by all available public utilities and has good access for the current use.

IMPROVEMENT DESCRIPTION

Data Source:	Information furnished to the appraiser from the client and the owner representative.
Building Type:	Beaver Lake Resort, 3 Apartment Buildings
Square Footage:	Total: 44,220sf
No. of Units	49 apartments 4-3 bedroom 19-2 bedroom 20-1 bedroom 6-Studio
Quality Rating:	Above Average
Year Built:	1983 & 1984
Remaining Economic Life:	35 +/- Years
Foundation:	All Weather Wood, crawlspace.
Exterior Walls:	2X10 wood frame R-30, Siding: Cedar lap. Repainted in 2010 Decorative rod-iron stair railings.
Roof:	Oversized manufactured trusses R-58. New 50-year roof coating in 2008: additional 2" of foam and sprayed new rubber coating, rolled down Durathane, hand laid gravel.
Facade:	Exterior facade includes Beaver Lake Resort signage and lighting.
Interior Walls:	Drywall

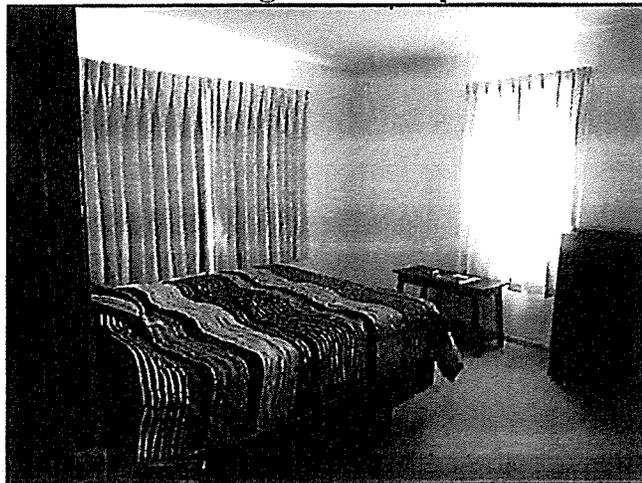
Ceilings:	Sheetrock, Wood T&G, & Acoustical ceiling tile system
Interior flooring:	Commercial grade Carpet and Laminate
Bathrooms:	Vinyl floor and drywall walls, sheetrock, and standard fixtures.
Electrical:	Standard quality conduit wiring for a facility of this type
HVAC:	Central heating/OHWBB of good quality. New boilers installed in 2011 and 2012. Tekmar energy saving controls. Oil fired hot water heaters.
Utilities	Onsite water: 2 wells. Each building has a Clear Stream Treated waste water treatment system. Two buildings had new septic tanks installed in 2000 and 2006.
Accessory Improvements	Coin operated washers and dryers. Two buildings have dry saunas with shower/dressing room. 30'X30' garage/work shop built in 2006, heated A wood front covers two conex units set up for grounds and maintenance supplies
Comments:	The subject improvements are in above average condition and demonstrate a high regard for continuous maintenance and upgrading. All new exterior doors. Many units have upgraded carpet, appliances and lighting.



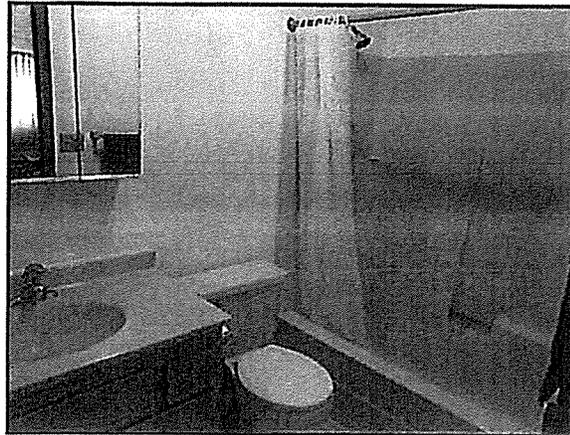
Kitchen sample



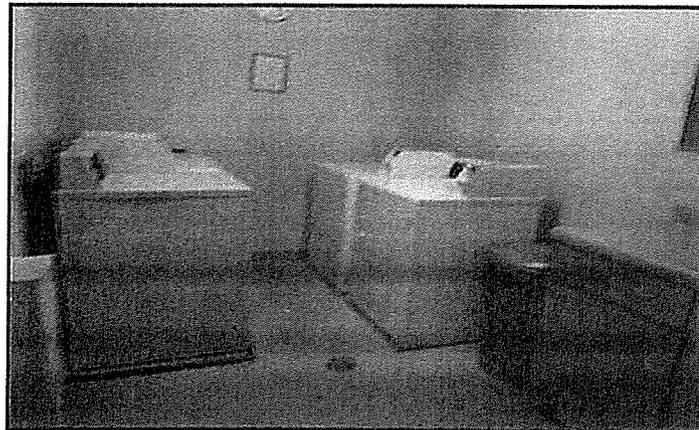
Living room sample



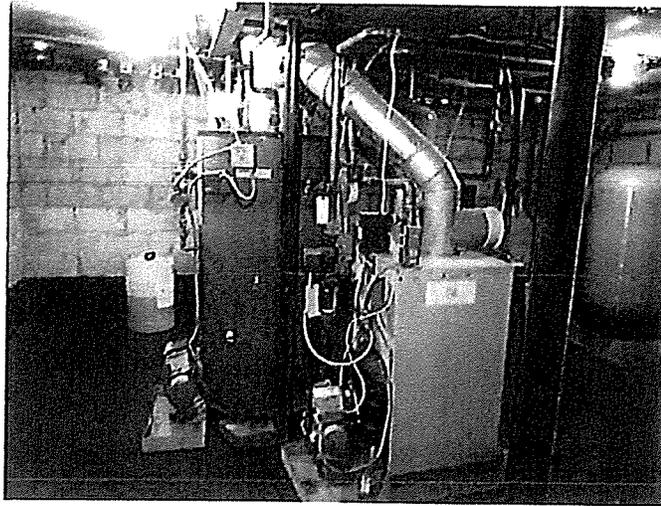
Bedroom sample



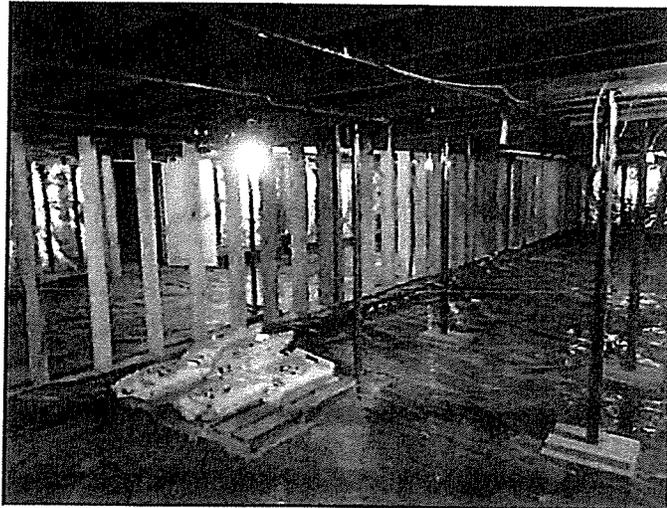
Bathroom sample



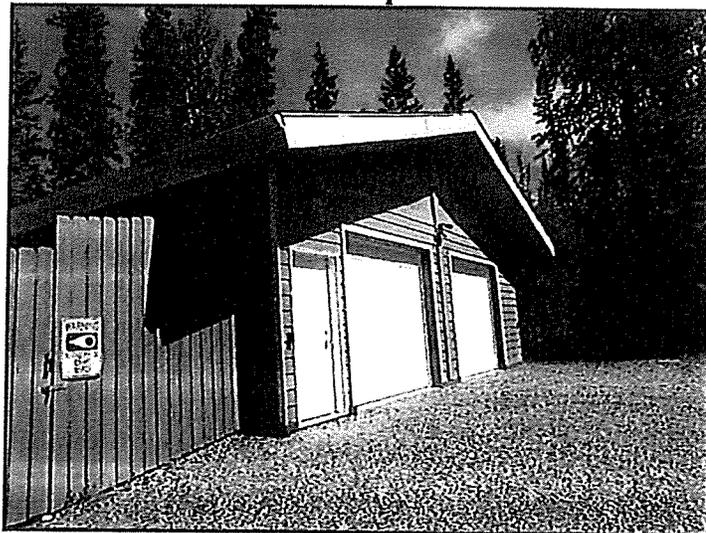
Coin operated Laundry



Mechanical



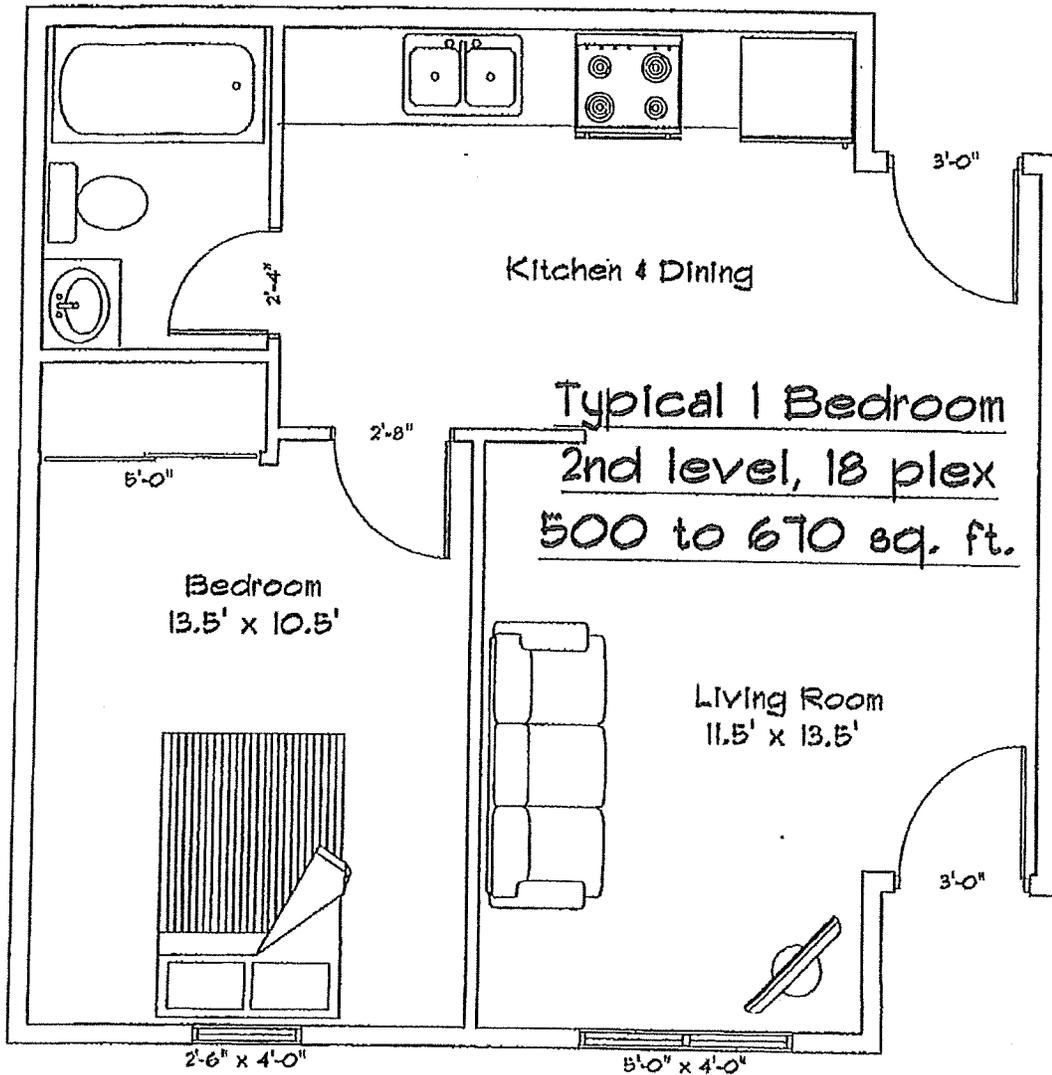
Crawlspace



Garage

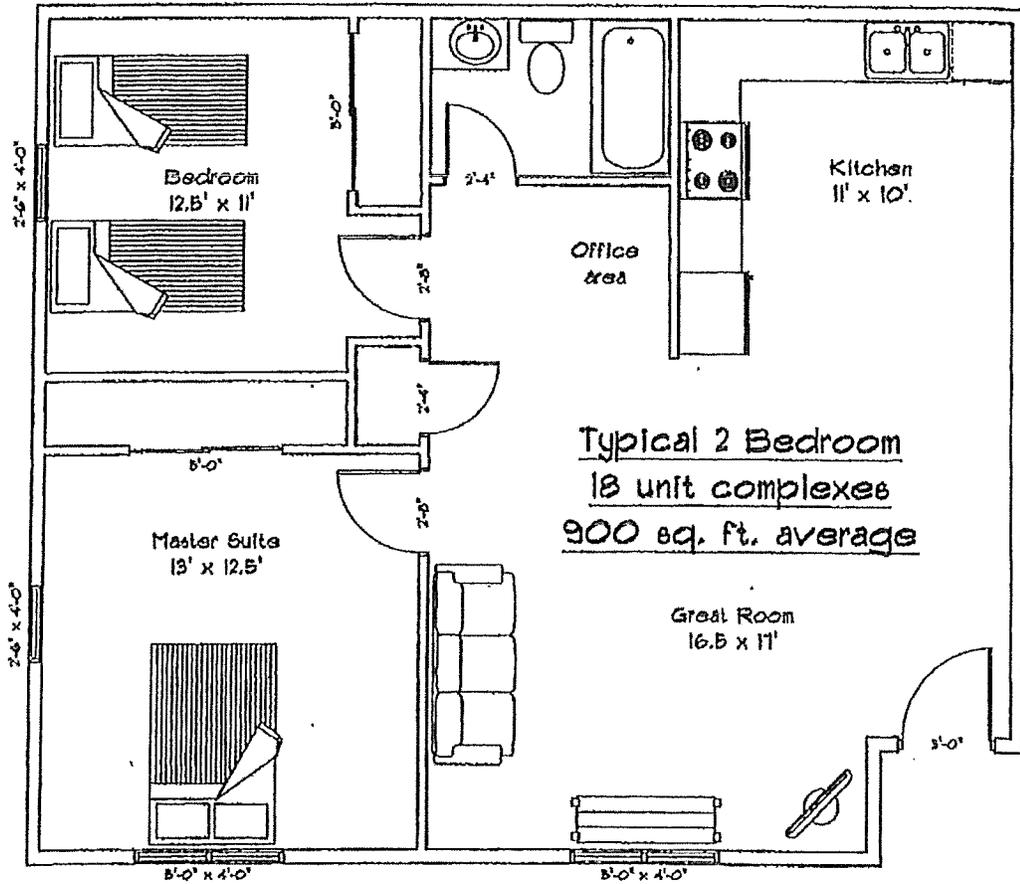
FROM

(THU) JAN 20 2011 14:03/ST. 10159/No. 7500000008 P. 18



FROM

(THU) JAN 20 2011 14:03/ET, 10:59/HK, 7600000000 P 17



MEURLOTT CONSULTING INC.
VINCE MEURLOTT, P.E.



June 30, 2015

596 ARVITA COURT
FAIRBANKS, ALASKA 99712
(907) 378-4663 Fax (907) 457-4919

To : Ben Greenleaf, beng@heritagecontracting.us 907-803-8030
Josiah Keller, Josiah@wsfnet.org

Re: Beaver Lake Resort Apartments, North Pole, Alaska

Three buildings: 2545 and 2555 Mission Road and 2521 Outside Blvd (aka Bldg 3)

This report was prepared for you after my inspection completed June 17, 2015 with my assistant Nick Meurlott, Beaver Lake Apartments Manager Jesse Garn and your team.

The structures appear to be well constructed and maintained.
The structures appear to be generally safe and sound.
For brevity positive merits of the building are not reported here.
Recommendations for immediate correction are listed:

I reviewed all of the records at the State Fire Marshal's office. In general it appears that the Division of Public Safety (State Fire Marshal's office) performed plan reviews and inspections to ensure general compliance with the life safety requirements adopted under the Uniform Building/Fire Code. I do not see any obvious violations of the newer editions of the International Fire Code now enforced by Division of Public Safety.

We inspected 18 of the 50 units and all of the boiler rooms and common spaces. Overall the facilities appear to be in excellent condition. Electrical, Plumbing, and Mechanical work appeared to be performed by professionals in their respective trades. I was impressed by the attention to detail for maintenance provided by the current management.

General: Comments apply to all units unless stated otherwise:

1. Ensure there are functioning smoke detectors in the hall adjacent to bedrooms and in each bedroom with fresh batteries where applicable.
2. Ensure there is a functioning CO detector in the hall adjacent to bedrooms or living areas.
3. Ensure that all circuit breakers in the panel are properly labeled. The label for each breaker should be numbered on the cover and correctly correspond to the circuit referenced such that a user can quickly identify and disconnect power to the circuit.
- 4. Reduce the temperature of the hot water delivered for domestic bathing/ sinks to 120 F.
- 5. Provide a barrier to prevent passage immediately adjacent to the windows within 18" grade at walkways.

- 6. Enlarge the treads of the exterior main entry stairs to 2555 Mission Road to 11" minimum (nose to nose).
- 7. Protect all NM cable exposed at the exterior from UV radiation and damage by weed wackers or similar. Such as at the pole mounted exterior receptacles.
- 8. Provide gfci protection for all kitchen receptacles within 6' of the sink. Ensure the polarity and grounding are correct and the gfci protection will trip with an independent testing device. There was only a couple units without the protection.
- 9. Have the boilers inspected twice annually and fully serviced by a licensed and bonded contractor. Contractor to check all safety items and perform necessary repairs. Ensure that the heat exchanger is cleaned.
- 10. Clean and inspect the boiler chimney. Make any corrections necessary for safe use.
- 11. Install heat shield(s) to protect portions of the wall or ceiling surfaces less than 18" from the single wall chimney vent connector for the boiler. Mount a 24 gauge sheet metal shield on 1" non-combustible spacers with an air space to provide a continuous air gap for convection flow.
- 12. Install a continuous graspable handrail 34" to 38" above the stair nosings for the full length of all the stairs. There are a few that do not extend the full length of the stairs.
- 13. Replace the oil fired Boch hot water installed in the boiler room of 2521 Outside Blvd with a hot water maker or another type that can be installed on a combustible floor.
- 14. Adjust all the plumbing drains in the crawlspace so there is a full 1/4" per foot slope. There is on short run with pink surveyor's tape that should be adjusted.
- 15. Replace non conventional supports for the plumbing drains with the correct type.

Additional information:

- Boilers have a (Tekmar) modulating aquastat on the boiler to save energy.
- Combustion air is provided to the boilers.
- There is no storage of materials in the crawlspace.
- The crawlspaces are provided with sprinkler protection.
- It appears that the exterior receptacles for car heaters are wired with 10 AWG conductors for reduced resistance in the two Mission Road buildings.

The inspection was limited to the portions of the buildings readily accessible. This report may not address every concern that you or another engineer deem applicable. It does not address: detached buildings, mold, radon, wells, septic systems, fuel tanks, soils, environmental hazards (such as lead in paint or piping) or right of way/zoning violations. Leaks or condensation may not be identified if not readily visible.

Pro Forma

<u>Rental In.</u>	<u>From</u>	<u>Sq.Ft.</u>	<u># of Units</u>	<u>Unit Rent</u>	<u>Gross Annual</u>
	Bedrooms		Units		
	Studio	300	1	\$700.00	\$ 8,400.00
	Studio	450	1	\$700.00	\$ 8,400.00
	Studio	508	4	\$700.00	\$ 33,600.00
	1	552	4	\$950.00	\$ 45,600.00
	1	600	3	\$950.00	\$ 34,200.00
	1	630	2	\$950.00	\$ 22,800.00
	1	660	9	\$950.00	\$ 102,600.00
	1	670	2	\$950.00	\$ 22,800.00
	2	900	19	\$1,100.00	\$ 250,800.00
	3	1320	2	\$1,500.00	\$ 36,000.00
	3	1386	2	\$1,500.00	\$ 36,000.00

Common Area	6378			
Total Square Footage	44220			
Total Rental Income		49		\$ 601,200.00
				\$ 601,200.00
Less Vacancy & Credit Loss		12.0%		\$ 72,144.00
Effective Gross Income				\$ 529,056.00
Total Adjusted Income				\$ 529,056.00

EXPENSES

Management/Admin	\$115,300	21.79%	%EGI
Insurance	\$31,713	\$647	per unit
Taxes	\$36,811		
Utilities	\$46,300	\$1.05	per square foot
Maintenance & Repairs	\$45,000	8.51%	%EGI
Replacement/Reserves	<u>\$27,700</u>	\$ 565.31	per unit
Total Expenses	\$302,824	\$6,180.08	per unit
% of EGI	57.24%		
Net Operating Income	\$226,232		
Mortgage	\$141,492	\$1,890,000 @ 6.375% amo. over 30 yrs	

DSCR 1.60

Net Cash Flow \$84,740

Income Decrease= 16.02%

Expense Increase= 27.98%

Vacancy Increase= 26.10%

BOARD CONSIDERATION MEMORANDUM

Date: October 28, 2015

Staff: Melanie Smith

ITEM: Request for \$1,500,000 from Habitat for Humanity-Anchorage under the Loans to Sponsor loan Program (LTSP).

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Background:

Established in 1993, the Loans to Sponsor Program (LTSP) provides low cost financing, subject to the availability of funds, to support an eligible Sponsor's homeownership loan program. The intent of the program is to provide financing to lower income individuals or persons who would not otherwise qualify for financing due to income limitations, down payment requirements, loan-to-value, or other considerations.

Under the LTSP, AHFC lends funds to a sponsor that in turn lends the monies to its borrowers (recipients) under terms and conditions approved by AHFC. Eligible sponsors are non-profit corporation, regional housing authority, an agency of the state or of a municipality in the state, or a municipality in the state. The sponsor's recipients are individuals or families whose income does not generally exceed 120% of the median income for the area, adjusted for family size. Loan funds have historically been offered at zero percent, subject to the availability of funds, to allow a Sponsor to charge a nominal interest rate that covers their administrative overhead. An annual cap on total borrowing was implemented in 2003 limiting Sponsor borrowing to \$625,000 per fiscal year. AHFC takes no oversight responsibilities other than for the Sponsor's compliance with AHFC's regulations and guidelines for the program.

The LTSP was modified in 2014 to charge a nominal interest rate of 1.5%. Feedback from the participating Sponsors indicated support for additional borrowing above the \$625,000 fiscal year limit. In order to accommodate the request for additional borrowing, a revised interest rate structure was implemented to support the additional borrowing as follows: For the first \$500,000 borrowed the rate will be 2.5%; for the second \$500,000 borrowed the rate will be 3.0%; and, for the third \$500,000 borrowed the rate will be 3.5%. Total fiscal year borrowing was therefore increased from \$625,000 to \$1,500,000. The following is the first proposal submitted under this revised pricing structure.

Habitat for Humanity-Anchorage (HFHA) has applied for \$1,500,000 in sponsor funds for the purpose of continuing their loan program for first and second mortgages and/or down payment and closing costs for borrowers, whose income does not generally exceed 60% of median income for the area, adjusted for family size.

PURPOSE OF REQUEST:

Within its application letter, HFHA states that AHFC approval of additional funding would allow them to achieve the following:

1. Continuation of the "Program" to provide funds for first and second mortgages and/or down payment assistance and closing cost loans for persons earning between 30% and 60% of the area median income or less;
2. Additional funding would provide HFHA with critical funds necessary to meet their allocation plan for providing assistance to borrowers who would not qualify for home ownership due to changes in the market, which include higher housing costs, low inventory in target neighborhoods, and lower interest rate subsidies resulting in an increase in the need for HFHA assistance; and,
3. The continuation of the partnership between HFHA and AHFC to provide assistance to families to help make homeownership possible for low-income borrowers.

REQUEST:

The request is for \$1,500,000 under the current LTSP guidelines. The pertinent terms and conditions for the Sponsor's loan are as follows:

1. Loan Amount: \$1,500,000
2. Interest Rates: 3.0%
3. Loan Amortization: Amortized over 30 years after a one year draw period;
4. Monthly Payment: Monthly P & I payments;
5. Funding Term: Until October 28, 2016;
6. Repayment Term: Monthly payments consisting of scheduled principal and accrued interest on the advanced funds to the sponsor;
7. A Loan Loss Reserve ("the Reserve") will be established and funded in an amount equal to two percent (2%) of each recipient loan closed the first year. The Sponsor loan loss reserve balance requirement after the first year will be: three percent (3%) on the second anniversary; four percent (4%) on the third anniversary; five percent (5%) on the fourth anniversary. The Reserve may be funded from any source chosen by the Sponsor;
8. Recourse: Loan is with recourse to Habitat for Humanity Anchorage; and

Other:

1. Security for the loan: An assignment of the notes and deeds of trust of the loans made to the program recipients; and
2. Recipient Loan Funding: Recipient's loans will be funded at the time of their closing.

SPONSOR INFORMATION:

Habitat for Humanity Anchorage (HFHA) is the local affiliate of Habitat for Humanity International, a Christian, non-profit ministry dedicated to the elimination of substandard housing worldwide. HFHA was established in April 1992 and works to eliminate substandard housing in Anchorage and make affordable housing more readily available. With an estimated 30,000 people living in substandard housing in Anchorage, the work by HFHA addresses the basic human need for housing and enhances the quality of life for Anchorage families.

As a homebuilder and mortgage lender, HFHA partners with families, sponsors, and volunteers on a non-discriminatory basis to build simple, decent, energy efficient, and affordable homes. These homes are then sold at no profit and financed with no-interest to families in need. Families are selected based on factors such as the inadequacy of their current housing situation, their inability to qualify for any other home buying program, and their demonstrated ability to repay their Habitat mortgage, utilities and other necessary expenses. All families are encouraged to participate in the independent development account program (IDA) from Cook Inlet Housing Authority which provides outstanding educational courses for successful homeownership. Also, all families are required to contribute to the construction of their home with 250 to 600 hours of labor.

Upon completion of the home, HFHA continues to work with Recipient's to provide education, training and support to ensure their success as homeowners over the long term. People from all walks of life are invited to help build houses with families in need.

HFHA works within the geographic boundaries of the Municipality of Anchorage. This affiliate has grown steadily since its inception in 1992, beginning with completion of only one or two homes per year. HFHA is working towards maintaining the capacity to serve eight to twelve families per year through new construction, renovations and home repair. To date, HFHA has built 84 homes and renovated 12 houses while serving a total of 503 people, including 312 children. HFHA has one loan with AHFC with an outstanding principal balance of \$4,239,825; HFHA has 40 active recipient loans, with an average loan amount of \$150,000.

SPONSOR'S LOAN PROGRAM TO ITS RECIPIENTS:

The primary goal of HFHA is to use LTSP funds for first and second deed of trust loans to eligible clients. Recipient combined loan amounts may not exceed \$260,000;

- Homebuyers are responsible for approximately \$3,000 and \$4,000 of closing costs. HFHA actively encourages families to apply with Cook Inlet Housing Authority for funds through the IDA program.

Additionally, each homebuyer is required to borrow \$1,000 Home Loan toward closing cost through the Affordable Housing Program;

- A loan origination fee will not be charged;
- The program will provide financing up to a 99% loan-to-value;
- Interest rate will be charged on each loan at the rate of 0% annually;
- Maximum loan term will be between 20 to 30 years;
- Monthly principal payments will be required until the Recipient loan is paid in full. The outstanding loan amount is due and payable upon the sale of the property, unless assumed by another HFHA qualified borrower;
- An acceptable credit report will be required for each borrower;
- Families must be willing to contribute 250 to 600 hours of labor prior to closing on their home;
- Each property will be appraised by a certified appraiser who holds a current general or residential certification in the State of Alaska;
- Mortgage insurance will not be required (it is anticipated that the Loan Loss Reserve when fully funded, should be adequate to cover any losses);
- Qualifying ratios: payment/income 30%, and total debt/income 43%;
- Recipient counseling will include: the rights and responsibilities of home ownership; budget management; home maintenance; and if necessary, foreclosure intervention (these services, in part, will be performed by HFHA & First National Bank Alaska).

Loan Origination and Servicing:

AHFC will require that the loans be underwritten by HFHA and serviced by First National Bank Alaska.

Financial Information: Based on recently submitted audited financial statements and those already on file, staff is of the opinion that HFHA is a financially solvent organization.

Credit: A recent credit report indicates acceptable credit.

Program Administration: In accordance with the Loan Agreement, AHFC's internal audit department conducted an audit in August, 2013, with no observations. HFHA will again be audited in August,

Program Administration: In accordance with the Loan Agreement, AHFC's internal audit department conducted an audit in August, 2013, with no observations. HFHA will again be audited in August, 2016, and every subsequent three years. Based on the results of the audit, and subsequent with no observations by AHFC staff is of the opinion that HFHA is administering their loan "Program" in a professional and satisfactory manner.

Loan Relationship: HFHA has been an active loans-to-sponsor borrower since 2005.

SUMMARY AND RECOMMENDATION:

The Loans to Sponsors program (LTSP) was designed to provide housing or improve the quality of housing for persons of lower incomes that would not otherwise have these opportunities. HFHA is competently administering a comprehensive program that meets the definition and intent of the LTSP. The request for additional funds allows HFHA to continue a mutually beneficial program, which has been very successful in facilitating home ownership and improving the quality of housing.

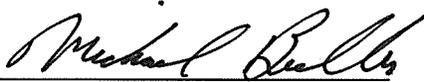
Staff recommends approval of the \$1,500,000 loan under the terms and conditions of the Loan Agreement. In accordance with the fee schedule, a \$7,500 loan fee will be charged.

Reviewed and accepted substantively as stated in this memorandum by senior staff, subject to board approval.



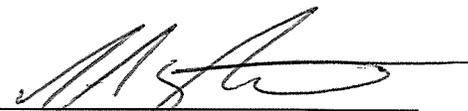
Bryan D. Butcher
Chief Executive Officer

Date: 10-15-15



Mike Buller
Deputy Executive Director

Date: 10/15/15



Michael Strand
Chief Financial Officer

Date: 10/15/15

**ALASKA HOUSING FINANCE CORPORATION
RESOLUTION NO. 2015-27**

**RESOLUTION APPROVING A \$1,500,000
LOAN TO PROVIDE FUNDS UNDER THE
LOANS-TO-SPONSORS PROGRAM**

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

I. Findings:

- A. There is a need to provide housing for and to improve the quality of housing for persons of low to moderate income;
- B. In October, 2005, and at various time thereafter, Habitat for Humanity Anchorage was approved for funding under the Loans to Sponsors Program, to provide funds for its loan “Program” which assists in the financing of first and second mortgages and/or down payment and closing costs for persons of low to moderate income;
- C. The Program continues to be in demand;
- D. Alaska Housing Finance Corporation has amended the LTSP guidelines to include charging interest on outstanding balances;
- E. Habitat for Humanity Anchorage has applied for \$1,500,000 to fund its loan “Program” under the new guidelines;
- G. The proposed financing falls within the established Loans to Sponsors program regulations; and
- H. The proposed financing is found to be an acceptable risk to Alaska Housing Finance Corporation.

II. Conclusion:

Pursuant to the forgoing findings, the Board hereby approves the request substantively as stated in the October 28, 2015, Board Consideration Memorandum prepared in support of the application.

This resolution shall take effect immediately.

Dated this 28th day of October, 2015.

Brent LeValley - Board Vice Chair

BOARD CONSIDERATION MEMORANDUM

Date: October 28, 2015

Staff: Melanie Smith

Item: Request for \$1,500,000 from Cook Inlet Lending Center, Inc. under the Loans-to-Sponsors Program (LTSP)

Background:

Established in 1993, the Loans to Sponsor Program (LTSP) provides low cost financing, subject to the availability of funds, to support an eligible Sponsor's homeownership loan program. The intent of the program is to provide financing to lower income individuals or persons who would not otherwise qualify for financing due to income limitations, down payment requirements, loan-to-value, or other considerations.

Under the LTSP, AHFC lends funds to a sponsor that in turn lends the monies to its borrowers (recipients) under terms and conditions approved by AHFC. Eligible sponsors are non-profit corporation, regional housing authority, an agency of the state or of a municipality in the state, or a municipality in the state. The sponsor's recipients are individuals or families whose income does not generally exceed 120% of the median income for the area, adjusted for family size. Loan funds have historically been offered at zero percent, subject to the availability of funds, to allow a Sponsor to charge a nominal interest rate that covers their administrative overhead. An annual cap on total borrowing was implemented in 2003 limiting Sponsor borrowing to \$625,000 per fiscal year. AHFC takes no oversight responsibilities other than for the Sponsor's compliance with AHFC's regulations and guidelines for the program.

The LTSP was modified in 2014 to charge a nominal interest rate of 1.5%. Feedback from the participating Sponsors indicated support for additional borrowing above the \$625,000 fiscal year limit. In order to accommodate the request for additional borrowing, a revised interest rate structure was implemented to support the additional borrowing as follows: For the first \$500,000 borrowed the rate will be 2.5%; for the second \$500,000 borrowed the rate will be 3.0%; and, for the third \$500,000 borrowed the rate will be 3.5%. Total fiscal year borrowing was therefore increased from \$625,000 to \$1,500,000. The following is the first proposal submitted under this revised pricing structure.

Cook Inlet Lending Center, Inc. (CILC) has applied for \$1,500,000 in sponsor funds for the purpose of continuing their loan program for first and second mortgages and/or down payment and closing costs for borrowers, whose income does not generally exceed 120% of median income for the area, adjusted for family size.

Purpose of Request:

Within its application letter CILC states that AHFC approval of additional funding would allow them to achieve the following:

1. Continuation of the "Down Payment Assistance Program" to provide funds for second mortgages and/or down payment assistance and closing cost loans for persons earning up to 120% of the area median income or less;

2. Additional funding would provide CILC with critical funds necessary to meet their allocation plan for providing assistance to borrowers who would not qualify for home ownership due to changes in the market, which include higher housing costs, low inventory in target neighborhoods, and lower interest rate subsidies resulting in an increase in the need for CILC assistance; and,
3. The continuation of the partnership between CILC and AHFC to provide assistance to families to help make homeownership possible for low-to-moderate income borrowers.

Request:

The request is for \$1,500,000 under the current LTSP guidelines. The pertinent terms and conditions for the Sponsor's loan are as follows:

1. Loan Amount: \$1,500,000
2. Interest Rate: 3.0%
3. Loan Amortization: Amortized over 30 years after a one-year draw period;
4. Monthly Payment: Monthly P&I payments;
5. Funding Term: Until October 28, 2016;
6. Repayment Term: Interest only payments shall be due and payable for the first year during the drawdown period. Beginning in year two, the outstanding principal balance will be amortized over 30 years with a fixed monthly principal and interest payments. Any additional principal payments received from the recipient will be paid to AHFC;
7. A Loan Loss Reserve ("the Reserve") will be established and funded in an amount equal to two percent (2%) of each recipient loan closed the first year. The Sponsor loan loss reserve balance requirement after the first year will be: three percent (3%) on the second anniversary; four percent (4%) on the third anniversary; five percent (5%) on the fourth anniversary. The Reserve may be funded from any source chosen by the Sponsor;
8. Recourse: Loan is with recourse to Cook Inlet Lending Center, Inc.; and

Other:

1. Security for the Loan: An assignment of the Notes and Deeds of Trust of the loans made to the program recipients;
2. Recipient Loan Funding: Recipient's loans will be funded at the time of their closing;
3. An executed "Summary of Building Inspection" (AHFC Form PUR-102) or an unconditional Certificate of Occupancy unless otherwise approved by AHFC; and
4. Evidence that the construction of the project was in compliance with the thermal and lighting energy standards as required by AS 46.11.040 and the building and energy efficiency standards of AHFC's regulations delineated in 15 AAC 155.010 - 155.030; in the form of a duly completed Building Energy Efficiency Standards (BEES) Certification (AHFC Form PUR-101);

Sponsor Information:

Borrower Organization:

CILC was incorporated as a non-profit corporation by the State of Alaska in 2001. Today it is a certified Community Development Financial Institution with net assets of \$15.4 million. CILC's mission is to promote community and economic development throughout South-Central Alaska by providing lending services and products, and increasing access to credit markets, particularly for low and moderate income families, individual and minorities.

Cook Inlet Housing Authority:

Cook Inlet Housing Authority (CIHA) mission is to provide quality housing that promotes healthy communities, economic development, independence and partnering. Cook Inlet Housing Authority (CIHA) is a non-profit housing authority established in 1974 by a regional association, Cook Inlet Tribal Council, in accordance with AS 18.55.995-996. Regional Housing Authorities were established as public corporations and instrumentalities of the State of Alaska. As such, regional housing authorities are considered governmental entities and exempt from federal taxes and filing of returns. CIHA is managed by a five member board. CIHA's President and CEO is Carol Gore.

Sponsor's Loan Program to Its Recipients:

- The primary goal of CILC is to use LTSP funds for second or third deed of trust loans to eligible clients. Recipient loan amount may not exceed 20% of the contract purchase price and must meet first mortgage loan-to-value limits. The first mortgage is generally provided by an AHFC approved lender;
- Eligible properties are single family (detached homes, condominiums, townhouses, plan unit developments). Purchaser must occupy the property as their primary residence;
- An interest rate of 4% will be charged on each recipient loan and amortized over 30 years;
- A loan origination fee of 1% will be charged on each recipient loan;
- A document preparation fee of \$200 will be charged on each recipient loan;
- A subordination fee of a \$150 will be charged (if applicable);
- CILC may charge additional fees on a case-by-case basis;
- Maximum loan term will be 30 years;
- Monthly principal payments will be required until the Recipient loan is paid in full. The outstanding loan amount is due and payable upon the sale of the property, unless assumed by another CILC qualified borrower;
- An acceptable credit report will be required for each borrower;
- Each property will be appraised by a certified appraiser who holds a current general or residential certification in the State of Alaska;

Mortgage insurance will not be required (it is anticipated that the Loan Loss Reserve when fully funded, should be adequate to cover any losses);

- Qualifying ratios: payment/income 30%, and total debt/income 40%;
- Loans are assumable; and
- Recipient Counseling will include: preliminary counseling, home buyer education class (offered by AHFC), and post occupancy counseling;

Loan Origination and Servicing:

AHFC will require that the recipient loans be underwritten by CILC and serviced by Wells Fargo Bank Alaska.

Financial Information: Based on recently submitted audited financial statements and those already on file, staff is of the opinion that CILC is a financially solvent organization. To date, CILC has two loans with AHFC with an outstanding principal balance of \$ 3,723,527; CILC has 85 active recipient loans, with an average loan amount of \$40,000.

Credit: A recent credit report indicates acceptable credit.

Program Administration: In accordance with the Loan Agreement, AHFC's internal audit department conducted an audit in August 2013, with no observations. CILC is scheduled to be audited in 2016 and every subsequent three years. Based on the results of the August 2013, staff is of the opinion that CILC is administering their loan program in a satisfactory manner.

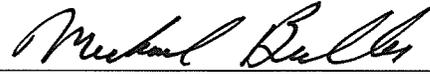
Loan Relationship: CILC has been an active loans-to-sponsor borrower since 2004.

Summary and Recommendation: The Loans to Sponsor program (LTSP) was designed to provide housing or improve the quality of housing for persons of lower incomes that would not otherwise have these opportunities. CILC is competently administering a comprehensive program that meets the definition and intent of the LTSP. The request for additional funds allows CILC to continue a mutually beneficial program, which has been very successful in facilitating home ownership and improving the quality of housing.

Staff recommends approval of the \$1,500,000 loan subject to the terms and conditions of the Loans to Sponsors Guidelines. In accordance with the fee schedule, a \$7,500 loan fee will be charged.

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


 Michael Strand
 Chief Financial Officer

Date: 10-15-15

Date: 10/15/15

Date: 10/15/15

**Alaska Housing Finance Corporation
 Resolution No. 2015-**

**ALASKA HOUSING FINANCE CORPORATION
RESOLUTION NO. 2015- 28**

**RESOLUTION APPROVING A \$1,500,000 LOAN
TO PROVIDE FUNDS UNDER THE LOANS-TO-
SPONSORS PROGRAM**

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

I. Findings:

- A. There is a need to provide housing for and to improve the quality of housing for persons of low-to-moderate income;
- B. In September, 2004, and at various time thereafter, Cook Inlet Lending Center, Inc. was approved for funding under the Loans-to-Sponsors Program, to provide funds for its loan "Down Payment Assistance Program" which assists in the financing of second or third mortgages and/or down payment and closing costs for persons of low to moderate income;
- C. The Program continues to be in demand;
- D. Alaska Housing Finance Corporation has amended the LTSP guidelines to include charging interest on outstanding balances;
- E. Cook Inlet Lending Center, Inc. has applied for \$1,500,000 to fund its loan "Down Payment Assistance Program" under the new guidelines;
- F. The proposed financing falls within the established Loans-to-Sponsors program regulations; and
- G. The proposed financing is found to be an acceptable risk to Alaska Housing Finance Corporation.

II. Conclusion:

Pursuant to the forgoing findings, the Board hereby approves the request substantively as stated in the October 28, 2015, Board Consideration Memorandum prepared in support of the application.

This resolution shall take effect immediately.

Dated the 28th day of October, 2015.

Brent LeValley - Board Vice Chair



ALASKA HOUSING FINANCE CORPORATION BOARD CONSIDERATION MEMORANDUM

Date: October 28, 2015

Staff: Les Campbell & James Wiedle

Item: Review and Approval of AHFC's FY2017 Operating and Capital Budgets

Background:

The Budget Department has the responsibility for gathering and compiling information received from all departments, then preparing summary information to review and discuss with the AHFC's Executive Office. Based on the timelines of the prior year, a tentative schedule was developed. FY2017 budget forms and instructions were distributed in late August with completion deadlines set for September 15, 2015. Both the Operating and Capital budgets were developed concurrently. Once received, the information was entered into spreadsheets, then combined, calculated, adjusted, and recalculated. Justification was required for all anticipated major contracts or other changes, as well as any changes from the prior year's budget request.

All departments were required to develop and maintain Business Improvement Plans which included mission statements and descriptions for the services they provide. The department's goals and strategies became the department's action plan. Each department developed performance measures for the services they provide to measure their success in reaching their goals. After their action plans were developed, budgets were built to ensure that their plan would be implemented and achieved.

The Budget Director presented the preliminary FY2017 Operating and Capital budgets to the Executive Office and after carefully considering funding levels and changes developed by staff; a "Heads-up/Big Picture" overview was presented to the Office of Management and Budget (OMB) on September 2, 2015. The Budget processes, including these documents, have continued to develop into this presentation for Board review, discussion and approval.

Contained in this presentation are the results of this phase of the FY2017 budget process:

- Board Resolution to approve the FY2016 Operating and Capital Budgets for submission;
- AHFC's FY2015 Operating Budget Final Authorizations and Actuals;
- AHFC's Performance Management Program:
 - Performance Measures,
 - Key Challenges,
 - Prior Year's Accomplishments;
- AHFC's FY2017 Operating Budget Request Summary with major change details;
- AHFC's FY2017 Capital Budget Request Summary; and
- AHFC's FY2017 Ten-Year Plan.

Recommendation:

Staff recommends that the FY2017 Operating and Capital budget requests be approved for submission and authorizes the Executive Director to submit these budgets through the Department of Revenue to the Office of Management and Budget for inclusion in the Governor's FY2017 Budget submitted to the State Legislature.



RESOLUTION OF THE BOARD OF DIRECTORS OF THE ALASKA HOUSING FINANCE CORPORATION AUTHORIZING AHFC TO SUBMIT THE FY2017 OPERATING AND CAPITAL BUDGETS THROUGH THE DEPARTMENT OF REVENUE TO THE GOVERNOR'S OFFICE FOR SUBMITTAL TO THE STATE LEGISLATURE

Resolution No. 15-29

WHEREAS, the Budget Director of the Alaska Housing Finance Corporation has prepared the proposed FY2017 Operating and Capital budgets submitted by staff; and

WHEREAS, the Budget Director presented the proposed FY2017 Operating and Capital budgets to the Executive Office;

WHEREAS, the Executive Director reviewed and discussed the budgets with the Office of Management and Budget on September 2, 2015; and

WHEREAS, this budget complies with HUD's Asset Management format with project-based Asset Management Properties (AMPs), as well as, the Central Office Cost Center (COCC) concept; and

WHEREAS, the AHFC Dividend to the State, according to the established Transfer Plan, has been calculated at **\$25,814,500**; and

WHEREAS, the Executive Office, after carefully considering funding levels developed by staff, recommends to the full Board of Directors, the proposed Operating and Capital budgets developed for FY2017; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Alaska Housing Finance Corporation that the FY2017 Operating and Capital budget request be hereby approved for submission and authorizes the Executive Director to submit these budgets through the Department of Revenue to the Office of Management and Budget for inclusion in the Governor's Budget submitted to the State Legislature.

PASSED AND APPROVED by the Board of the Alaska Housing Finance Corporation this Twenty-eighth day of October, 2015.

N. Claiborne Porter, Jr., AIA
Board Chair

AHFC Operations FY2015

FY2015 Final Authorized Expenditures

Total		FY2015 Authorized Corporate Receipts		FY2015 Authorized Federal Receipts		FY2015 Authorized CIP Receipts w/RSA		FY2015 Authorized I/A & Other Receipts	
40,762,110	43%	Personal Services 25,046,000		Personal Services 13,385,100		Personal Services 2,301,300		Personal Services 29,710	
713,113	1%	Travel 476,300	Adj	Travel 235,300		Travel 0		Travel 1,513	
16,208,671	17%	Contractual 7,068,400		Contractual 8,803,300		Contractual 0		Contractual 336,971	
2,165,645	2%	Supplies 933,600	Adj	Supplies 1,228,900		Supplies 0		Supplies 3,145	
404,100	0%	Equipment 252,100	Adj	Equipment 152,000		Equipment 0		Equipment 0	
0	0%	Land/Building 0		Land/Building 0		Land/Building 0		Land/Building 0	
33,934,799	36%	Grants 0		Grants 33,000,000		Grants 0		Grants 934,799	
0	0%	Miscellaneous 0		Miscellaneous 0		Miscellaneous 0		Miscellaneous 0	
94,188,437		Total: 33,776,400		Total: 56,804,600		Total: 2,301,300		Total: 1,306,137	371,338
56,804,600	60%	Federal Receipts							
1,306,137	1%	Inter-Agency & Other Receipts							
2,301,300	2%	Capital Improvement Project Receipts							
33,776,400	36%	AHFC Corporate Receipts							
94,188,437	100%	Total Funding Source							

Final FY2015 Actuals (w/ Encumbrances)

Total		FY2015 Authorized Corporate Receipts		FY2015 Authorized Federal Receipts		FY2015 Authorized CIP Receipts		FY2015 Authorized I/A & Other Receipts	
38,849,373	95%	Personal Services 25,012,322	100%	Personal Services 11,929,913	89%	Personal Services 1,877,429	82%	Personal Services 29,710	0%
511,074	72%	Travel 438,331	92%	Travel 71,408	30%	Travel 0	0%	Travel 1,335	0%
13,888,018	86%	Contractual 5,846,211	83%	Contractual 7,717,239	88%	Contractual 0	0%	Contractual 324,569	0%
2,033,564	94%	Supplies 933,498	100%	Supplies 1,096,921	89%	Supplies 0	0%	Supplies 3,145	0%
398,331	99%	Equipment 251,295	100%	Equipment 147,035	97%	Equipment 0	0%	Equipment 0	0%
0	0%	Land/Building 0	0%	Land/Building 0	0%	Land/Building 0	0%	Land/Building 0	0%
32,608,308	96%	Grants 0	0%	Grants 32,220,140	98%	Grants 0	0%	Grants 388,168	42%
0	0%	Miscellaneous 0	0%	Miscellaneous 0	0%	Miscellaneous 0	0%	Miscellaneous 0	0%
88,288,668	94%	Total: 32,481,657	96%	Total: 53,182,657	94%	Total: 1,877,429	82%	Total: 746,926	57%
53,182,657	94%	Federal Receipts						Full-time PCNs: 316	
746,926	57%	Inter-Agency & Other Receipts						Part-time PCNs: 23	
1,877,429	82%	Capital Improvement Project Receipts						Seasonal PCNs: 14	
32,481,657	96%	AHFC Corporate Receipts						Total PCN's: 353	
88,288,668	94%	Total Funding Source							

Unused FY2015 Authority

Total		Unused FY2015 Corporate Receipts		Unused FY2015 Federal Receipts		Unused FY2015 CIP Receipts		Unused FY2015 I/A & Other Receipts	
(1,912,736)	-5%	Personal Services (33,678)	0%	Personal Services (1,455,187)	-11%	Personal Services (423,871)	-18%	Personal Services 0	0%
(202,039)	-28%	Travel (37,969)	-8%	Travel (163,892)	-70%	Travel 0	0%	Travel (178)	0%
(2,320,653)	-14%	Contractual (1,222,189)	-17%	Contractual (1,086,061)	-12%	Contractual 0	0%	Contractual (12,402)	0%
(132,081)	-6%	Supplies (102)	0%	Supplies (131,979)	-11%	Supplies 0	0%	Supplies 0	0%
(5,769)	-1%	Equipment (805)	0%	Equipment (4,965)	-3%	Equipment 0	0%	Equipment 0	0%
0	0%	Land/Building 0	0%	Land/Building 0	0%	Land/Building 0	0%	Land/Building 0	0%
(1,326,491)	-4%	Grants 0	0%	Grants (779,860)	0%	Grants 0	0%	Grants (546,631)	-58%
0	0%	Miscellaneous 0	0%	Miscellaneous 0	0%	Miscellaneous 0	0%	Miscellaneous 0	0%
(5,899,769)	-6%	Total: (1,294,743)	-4%	Total: (3,621,943)	-6%	Total: (423,871)	-18%	Total: (559,211)	-43%
(3,621,943)	-6%	Federal Receipts							
(559,211)	-43%	Inter-Agency & Other Receipts							
(423,871)	-18%	Capital Improvement Project Receipts							
(1,294,743)	-4%	AHFC Corporate Receipts							
(5,899,769)	-6%	Total Funding Source							

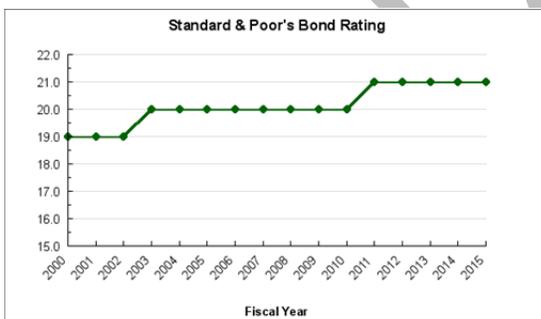
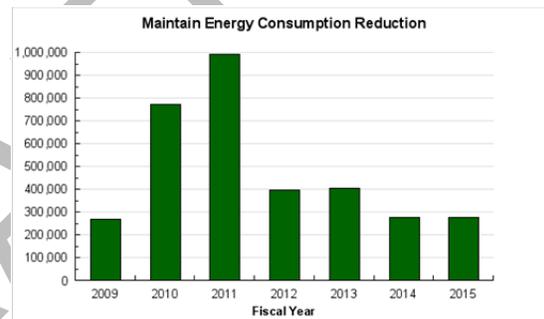
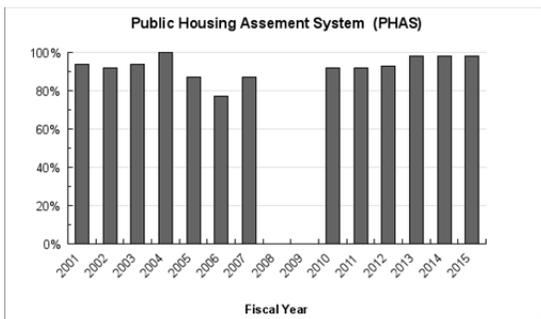
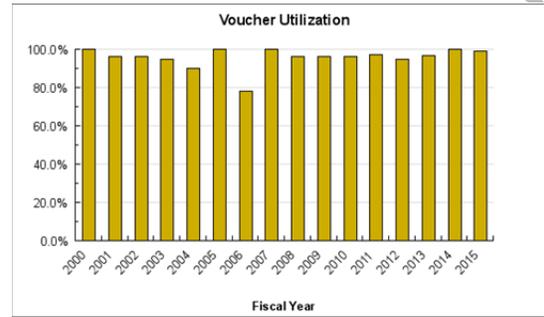
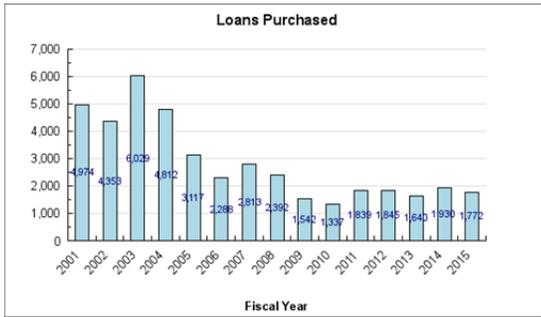
Alaska Housing Finance Corporation Component

Mission

The mission of the Alaska Housing Finance Corporation is to provide Alaskans access to safe, quality, affordable housing.

Results

(Additional performance information is available on the web at <https://omb.alaska.gov/results.>)



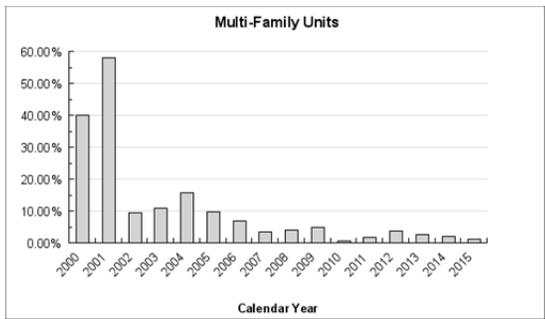
Core Services

- Provide programs and service that are responsive to the diverse housing needs statewide
- Increase and sustain homeownership
- Increase special-needs housing
- Manage finances to maximize Alaska Housing Finance Corporation's (AHFC) profits

Measures by Core Service

(Additional performance information is available on the web at <https://omb.alaska.gov/results>.)

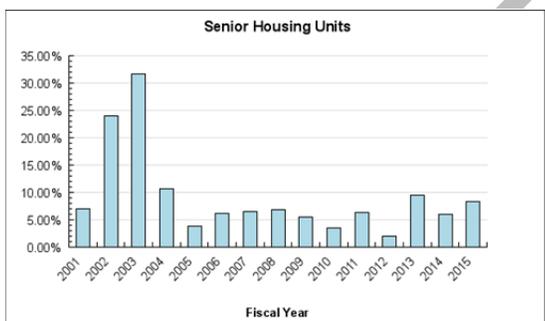
1. Provide programs and service that are responsive to the diverse housing needs statewide



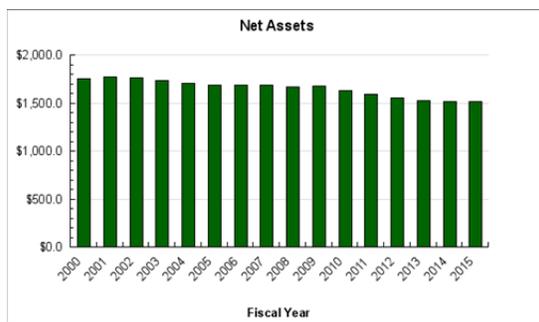
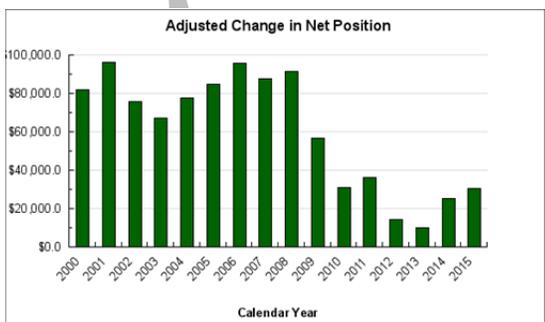
2. Increase and sustain homeownership



3. Increase special-needs housing



4. Manage finances to maximize Alaska Housing Finance Corporation's (AHFC) profits



FY2017 Management Plan

Partners in Achieving Results

AHFC partners with a multitude of entities, including: commercial banks, Realtors, home builders, construction contractors, municipal, state and federal agencies and various nonprofit groups that deliver housing services across the state.

Significant Changes in Results to be Delivered in FY2017

AHFC is requesting an additional \$2,000,000 federal authority for the Housing Choice Voucher (HCV) program to provide additional rental assistance in the form of Housing Assistance Payments (HAP). Otherwise no changes are requested.

Major Change Detail for FY2017

AHFC Operations

Changes from FY2016 Management Plan (OMB)

- Add Federal funding for additional HAP authority in HCV Program \$2,000,000

Total Operations Changes: \$2,000,000

Current Operations FY2016 Funding Authority	\$93,496,300
Proposed Operations FY2017 Funding Authority	\$95,496,300

State Office Building (Atwood Building)

Changes from FY2016 Management Plan (OMB)

- No Changes \$0

Total State Office Building Changes: \$0

Current State Office Building FY2016 Funding Authority	\$100,000
Proposed State Office Building FY2017 Funding Authority	\$100,000

Alaska Corporation for Affordable Housing (ACAH)

Changes from FY2016 Management Plan (OMB)

- No Changes \$0

Total ACAH Changes: \$0

Current ACAH FY2015 Funding Authority	\$479,400
Proposed ACAH FY2016 Funding Authority	\$479,400

FY2016 Narrative Section

* Sec. 9. ALASKA HOUSING FINANCE CORPORATION. (a) The board of directors of the Alaska Housing Finance Corporation anticipates that **\$25,814,500** of the adjusted net income from the second preceding fiscal year will be available for appropriation during the fiscal year ending June 30, 2016.

(b) A portion of the amount set out in (a) of this section for the fiscal year ending June 30, 2015, will be retained by the Alaska Housing Finance Corporation for the following purposes in the following estimated amounts:

- (1) \$1,000,000 for debt service on University of Alaska, Anchorage, dormitory construction, authorized under ch. 26, SLA 1996;
- (2) \$7,221,890 for debt service on the bonds described under ch. 1, SSSLA 2002;
- (3) \$4,206,381 for debt service on the bonds authorized under sec. 4, ch. 120, SLA 2004.

(c) After deductions for the items set out in (b) of this section, \$0 of the remainder of the amount set out in (a) of this section is available for appropriation.

(d) After deductions for the items set out in (b) of this section and deductions for appropriations for operating and capital purposes are made, any remaining balance of the amount set out in (a) of this section for the fiscal year ending June 30, 2017, is appropriated to the budget reserve fund (AS 37.05.540(a)).

(e) All unrestricted mortgage loan interest payments, mortgage loan commitment fees, and other unrestricted receipts received by or accrued to the Alaska Housing Finance Corporation during the fiscal year ending June 30, 2017, and all income earned on assets of the corporation during that period are appropriated to the Alaska Housing Finance Corporation to hold as corporate receipts for the purposes described in AS 18.55 and AS 18.56. The corporation shall allocate its corporate receipts between the Alaska housing finance revolving fund (AS 18.56.082) and senior housing revolving fund (AS 18.56.710(a)) under procedures adopted by the board of directors.

(f) The sum of \$800,000,000 is appropriated from the corporate receipts appropriated to the Alaska Housing Finance Corporation and allocated between the Alaska housing finance revolving fund (AS 18.56.082) and senior housing revolving fund (AS 18.56.710(a)) under (e) of this section to the Alaska Housing Finance Corporation for the fiscal year ending June 30, 2017, for housing loan programs not subsidized by the corporation.

(g) The sum of \$30,000,000 is appropriated from the portion of the corporate receipts appropriated to the Alaska Housing Finance Corporation and allocated between the Alaska

housing finance revolving fund (AS 18.56.082) and senior housing revolving fund (AS 18.56.710(a)) under (e) of this section that is derived from arbitrage earnings to the Alaska Housing Finance Corporation for the fiscal year ending June 30, 2017, for housing loan programs and projects subsidized by the corporation.

Narrative Descriptions for Changes from FY2016 Management Plan (OMB)

AHFC Operations

Add Federal funding for additional HAP authority in HCV Program - \$2,000,000

AHFC is requesting an additional \$2,000,000 federal authority for the Housing Choice Voucher (HCV) program to provide additional rental assistance in the form of Housing Assistance Payments.

Grants are increased by \$2,000,000.

State Office Building (Atwood Building) Changes from FY2016 Management Plan (OMB)

No Changes \$0

Alaska Corporation for Affordable Housing (ACAH)

No Changes \$0

Alaska Housing Finance Corporation
FY2017 Budget Worksheet

*** Component: Operations ***

Budget Summary

October 28, 2015

**** Draft **** **** Draft **** **** Draft ****

	FY2016				FY2017 Transfer	FY2017 Inc/Dec	Total Change	Total FY2017
	Operations	Public Housing	Rural Housing	Total				
Salaries	19,956,499	18,174,395	2,966,506	41,097,400	-	-	-	41,097,400
Travel	750,300	213,700	45,600	1,009,600	-	-	-	1,009,600
Contractual	8,354,999	6,690,269	253,432	15,298,700	-	-	-	15,298,700
Supplies	729,750	1,232,800	15,950	1,978,500	-	-	-	1,978,500
Equipment	138,100	174,000	-	312,100	-	-	-	312,100
Grants	-	33,000,000	800,000	33,800,000	-	2,000,000	2,000,000	35,800,000
Total Budget:	29,929,648	59,485,164	4,081,488	93,496,300	-	2,000,000	2,000,000	95,496,300
Corporate	27,845,067	3,569,967	1,860,466	33,275,500	-	-	-	33,275,500
Federal	2,084,581	54,986,419	-	57,071,000	-	2,000,000	2,000,000	59,071,000
Interagency	-	-	800,000	800,000	-	-	-	800,000
CIP	-	928,778	1,421,022	2,349,800	-	-	-	2,349,800
Total Funding Sources:	29,929,648	59,485,164	4,081,488	93,496,300	-	2,000,000	2,000,000	95,496,300
							Increase/(Decrease)	2.14%
Department Detail								
Housing Operations	-	4,005,572	-	4,005,572	(159,413)	-	(159,413)	3,846,159
Project-based Operations	-	21,208,535	-	21,208,535	-	-	-	21,208,535
Administrative Services	6,447,336	-	-	6,447,336	9,828	-	9,828	6,457,164
Information Services	4,694,166	-	-	4,694,166	30,851	-	30,851	4,725,017
Executive Office	1,740,258	-	-	1,740,258	(6,043)	-	(6,043)	1,734,215
Human Resources	1,235,447	-	-	1,235,447	5,884	-	5,884	1,241,331
Governmental Relations	2,564,133	-	-	2,564,133	10,438	-	10,438	2,574,571
Internal Audit	1,467,128	-	-	1,467,128	462	-	462	1,467,590
Unallocated	78,009	-	-	78,009	-	-	-	78,009
Budget	2,903,203	-	-	2,903,203	89,374	-	89,374	2,992,577
Board	76,799	-	-	76,799	-	-	-	76,799
Finance	920,306	-	-	920,306	341	-	341	920,647
Accounting	2,483,426	33,000,000	-	35,483,426	37,499	2,000,000	2,037,499	37,520,925
Facilities Mgmt	-	1,271,057	-	1,271,057	(64,450)	-	(64,450)	1,206,607
Planning & Program Dev.	1,986,786	-	-	1,986,786	14,102	-	14,102	2,000,888
Research & Rural Dev.	-	-	4,081,488	4,081,488	42,313	-	42,313	4,123,801
Mortgage	2,226,524	-	-	2,226,524	13,079	-	13,079	2,239,603
Servicing	1,106,127	-	-	1,106,127	(24,265)	-	(24,265)	1,081,862
Total Departments:	29,929,648	59,485,164	4,081,488	93,496,300	-	2,000,000	2,000,000	95,496,300
From Total Funding Sources:	29,929,648	59,485,164	4,081,488	93,496,300	-	2,000,000	2,000,000	95,496,300
Full-time PCNs:	158	133	22	313	-	-	-	313
Part-time PCNs:	-	23	-	23	-	-	-	23
Seasonal PCNs:	-	14	-	14	-	-	-	14
Total PCNs:	158	170	22	350	-	-	-	350

Anchorage State Office Building (A-SOB)

Budget Summary

FY2017 Budget Worksheet

**** Draft **** **** Draft **** **** Draft ****

October 28, 2015

	FY2016			FY2017 Transfer	FY2017 Inc/Dec	Total Change	Total FY2017
	Operations		Total				
Salaries	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Contractual	100,000	-	100,000	-	-	-	100,000
Supplies	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-
Total Budget:	100,000	-	100,000	-	-	-	100,000
Corporate	100,000	-	100,000	-	-	-	100,000
Federal	-	-	-	-	-	-	-
Interagency	-	-	-	-	-	-	-
CIP	-	-	-	-	-	-	-
Total Funding Sources:	100,000	-	100,000	-	-	-	100,000
			-		Increase/(Decrease)		0.00%
Department Detail							
Operations	100,000	-	100,000	-	-	-	100,000
Total Departments:	100,000	-	100,000	-	-	-	100,000
From Total Funding Sources:	100,000	-	100,000	-	-	-	100,000
Full-time PCNs:	-	-	-	-	-	-	-
Part-time PCNs:	-	-	-	-	-	-	-
Seasonal PCNs:	-	-	-	-	-	-	-
Total PCNs:	-	-	-	-	-	-	-

Alaska Corporation for Affordable Housing (ACAH)

Budget Summary

FY2017 Budget Worksheet

**** Draft **** **** Draft **** **** Draft ****

October 28, 2015

	FY2016			FY2017 Transfer	FY2017 Inc/Dec	Total Change	Total FY2017
	Operations	Public Housing	Rural Housing				
Salaries	-	264,900	-	264,900	-	-	264,900
Travel	-	25,000	-	25,000	-	-	25,000
Contractual	-	125,000	-	125,000	-	-	125,000
Supplies	-	29,500	-	29,500	-	-	29,500
Equipment	-	35,000	-	35,000	-	-	35,000
Grants	-	-	-	-	-	-	-
Total Budget:	-	479,400	-	479,400	-	-	479,400
Corporate	-	-	-	-	-	-	-
Federal	-	307,200	-	307,200	-	-	307,200
Interagency	-	-	-	-	-	-	-
CIP	-	172,200	-	172,200	-	-	172,200
Total Funding Sources:	-	479,400	-	479,400	-	-	479,400
						Increase/(Decrease)	100.00%
Department Detail							
Operations	-	479,400	-	479,400	-	-	479,400
Total Departments:				-	479,400	-	479,400
From Total Funding Sources:				-	479,400	-	479,400
Full-time PCNs:	-	2	-	2	-	-	2
Part-time PCNs:	-	-	-	-	-	-	-
Seasonal PCNs:	-	-	-	-	-	-	-
Total PCNs:	-	2	-	2	-	-	2

FY2017 Short List 10-28-2015



DRAFT - FY2017 Capital Budget Request

AHFC Pre-Board Approved
 @ October 28, 2015

	Federal	Other	GF/MH	MHTAAR	State GF	Corp	Total
Programs/Projects							
Preliminary Estimation of AHFC FY2015 @ 75% of Adjusted Net Income:						\$25,814.5	
Transfer Type Funding							
UAA Student Hsg Debt Service (FY1999 - FY2024)						\$1,000.0	\$1,000.0
State Capital Project Bonds (FY2005 - FY2041)						\$4,206.4	\$4,206.4
PHD Capital Project Bonds (FY2003 - FY2022)						\$7,221.9	\$7,221.9
Total Other (Transfer Type) Funding:						\$12,428.3	\$12,428.3
1 Rental Assistance for Victims - Empowering Choice (1330)		\$1,500.0 **					\$1,500.0
2 Facility Maintenance Program	\$5,000.0						\$5,000.0
3 Housing Loan Prg/Teacher/Health/Pub. Safety (2020)		\$1,300.0 *				\$1,950.0	\$3,250.0
4 Cold Climate Housing Research Center (CCHRC) (2260)						\$1,250.0	\$1,250.0
5 Senior Housing Development Program		\$1,750.0 *				\$1,750.0	\$3,500.0
6 HUD Federal HOME Grant Program (2000)	\$3,750.0					\$750.0	\$4,500.0
7 HUD Capital Fund Program (CFP) (1190)	\$2,500.0						\$2,500.0
8 Federal & Other Competitive Grants (1600)	\$3,000.0					\$1,500.0	\$4,500.0
9 Competitive Grants for Public Housing (1500)	\$750.0					\$350.0	\$1,100.0
10 Supplemental Housing Development Program (2200)						\$3,000.0	\$3,000.0
11 Energy Program - Weatherization (2230)	\$1,500.0				\$6,600.0		\$8,100.0
1 Homeless Assistance Program (2040)			\$850.0	\$850.0	\$4,663.8	\$1,336.2	\$7,700.0
2 Beneficiary & Special Needs Housing (2030)						\$1,500.0	\$1,500.0
Total AHFC's Capital Project Budget:	\$16,500.0	\$4,550.0	\$850.0	\$850.0	\$11,263.8	\$13,386.2	\$47,400.0
Grand Total Capital Budget Project with Debt Service Funding:	\$16,500.0	\$4,550.0	\$850.0	\$850.0	\$11,263.8	\$25,814.5	\$59,828.3
Total AHFC Funding Cap:						\$25,814.5	
Over/(Under):						\$0.0	

State GF Needed for AHFC Programs:	\$4,663.8
State GF for Energy Programs:	\$6,600.0
MHTAAR & State GF Mental Health Programs:	\$1,700.0
Other Funds / (**Alcohol and Other Drug Abuse Treatment and Prevention Fund):	\$1,500.0
Other Funds / (* Rasmuson):	\$3,050.0
AHFC Corporate Dividends & Debt Service:	\$25,814.5
Total State UGF, AK Capital & AHFC:	\$43,328.3
Total Federal:	\$16,500.0
Total:	\$59,828.3

Capital Projects & Program Synopsis

The Capital Budget is a plan for the distribution of AHFC's financial resources for items that have an anticipated life exceeding one year and a cost exceeding \$25,000. Unlike the Operating Budget which lapses at the end of one year, capital budget appropriations lapse only if funds remain after the project is completed, and/or if funds are lapsed administratively or legislatively, usually after five years.

AHFC Capital Improvement Projects (CIP) reflects the needs of the Corporation and the pursuit of its mission through the Goals and Objectives of the Corporation's Strategic Plan. Departments review prior Capital budgets to determine if there are any unfinished projects/programs that need to be completed or extended.

This Capital Budget was developed by AHFC staff and recommended for inclusion in the Governor's budget submission to the Legislature. Each project/program has been reviewed, prioritized and presented to the AHFC Board of Directors for approval. The Board has passed a resolution approving AHFC's proposed budget and instructed the Chief Executive Officer to submit the budget to the Governor's Office of Management and Budget (OMB) through the Department of Revenue.

1. **Rental Assistance for Victims – Empowering Choice Housing Program (ECHP) – \$1,500,000** Alcohol and Other Drug Abuse Treatment and Prevention Funds to address the needs of homeless or near-homeless families who are victims of domestic violence or sexual assault. These same families might otherwise qualify economically for the federal Housing Choice Voucher program. However, because demand for vouchers far exceeds supply, the targeted families are unlikely to receive assistance in time to address their immediate needs. AHFC will administer the funds through essentially the same mechanisms and same locations as the federal Housing Choice Voucher program.
2. **AHFC's Facility Management Program - \$5,000,000** Federal Funds to provide repairs and improvements to AHFC's public housing throughout the state.
 - a. **Statewide Project Improvements - \$1,500,000** Federal Funds to provide repairs and improvements to AHFC's public housing throughout the state. This project allows AHFC to keep pace with routine repair and replacement of existing building components such as smaller roofs, sidewalks, and common areas identified in the annual Physical Needs Assessments (PNAs) from each Asset Management Project (AMP).
 - b. **Building Systems Replacement Program - \$2,000,000** Federal Funds for AHFC's Building Systems Replacement Plan, which includes major building expenses needed, based on the age of the building and its systems, using the life

expectancy of those systems or building components at various Public Housing structures and housing units throughout the State.

- c. **Fire Protection System Repairs - \$1,000,000** Federal Funds to repair and replace fire protection systems in multi-family and senior/disabled public housing statewide based on a fire system engineer's equipment survey of fire protection systems and subsequent testing of existing fire protection systems.
 - d. **Security Systems Replacement/Upgrades - \$300,000** Federal Funds to upgrade existing security and entry door access systems to senior/disabled and multi-family public housing. The project includes replacement of security and entry door access systems that are outdated and no longer supported by manufacturers for replacement parts and software.
 - e. **Statewide ADA improvements - \$200,000** Federal Funds to address accessibility upgrades identified by a HUD Fair Housing Inspection. The upgrades are to be made over a five-year period to comply with ADA and Section 504 requirements of a Voluntary Compliance Agreement (VCA) negotiated with HUD.
3. **Housing Loan Program - Teacher/Health/Public Safety Housing - \$3,250,000** including \$1,950,000 in AHFC Corporate Dividend and \$1,300,000 in private Rasmuson funds to supplement the Corporation's popular housing programs. These funds will allow AHFC to continue current programs and expand business opportunities with new Teacher Housing, Health Professionals, and Public Safety housing programs.
 4. **Cold Climate Housing Research Center - \$1,250,000** AHFC Corporate Dividend for a designated grant to the Cold Climate Housing Research Center to conduct housing construction research, analysis, and information dissemination among the housing industry and the public. Data gathering and analysis is continually being related to energy efficiency technology for homes constructed in northern building and market conditions.
 5. **Senior Citizens Housing Development Program - \$3, 500,000** including \$1,750,000 in AHFC Corporate Dividend and \$1,750,000 in private Rasmuson funds for the development of senior citizen housing. Competitively awarded grants are provided for the purchase of building sites, site preparation, materials, construction, and rehabilitation of existing housing. Organizations qualified to apply include municipalities and public or private nonprofit corporations.
 6. **HUD Federal HOME Grant Program - \$4,500,000** including \$3,750,000 Federal (HUD) and \$750,000 AHFC Corporate Dividend matching funds for the HOME Investment Partnership Program. The purpose of the HOME program is to expand the supply of affordable, low- and moderate- income housing and to strengthen the State's ability to

design and implement strategies to achieve an adequate supply of safe, energy-efficient, and affordable housing in the balance of the State. The Municipality of Anchorage has their own separate HOME program.

7. **HUD Capital Fund Program (CFP) – \$2,500,000** Federal (HUD) grants that provides Public Housing Authorities with funds each year to help build, operate, maintain, renovate or modernize public housing units. These funds have flexibility under the Moving To Work (MTW) program and may be used in conjunction with other MTW programs, including helping fund new affordable housing. This request is intended to cover the spending authority required for the amount of funds anticipated to be available this next fiscal year, including any other financial incentives that may become available as a “High Performing” public housing authority.
8. **Federal and Other Competitive Grants – \$4,500,000** including \$3,000,000 Federal (HUD, USDA, DOE), or other private funds, and \$1,500,000 AHFC Corporate Dividend for matching available housing grants. Nationwide, grants are made available annually by the Federal government or private institutions or foundations that target the housing needs of low-income families, special needs groups, senior citizens, the mentally ill, disabled, the homeless, and others. In cases where grants require a match, AHFC funds will be used to the extent necessary. Grant funds received are often passed through to local nonprofit organizations, municipalities, and other organizations that deliver housing-related services.
9. **Competitive Grants for Public Housing – \$1,100,000** including \$750,000 Federal (HUD, USDA, DOE), or other private funds, and \$350,000 AHFC Corporate Dividend for matching funds available housing grants for public housing facilities and residents. Annually, HUD makes available grants that target the needs of public housing facilities and residents in areas such as crime and substance abuse prevention and economic self-sufficiency. When required, AHFC will provide the needed match. Some of the funds received will be passed through to local nonprofit organizations that deliver the services.
10. **Supplemental Housing Development Program – \$3,000,000** in Corporate Dividend to supplement Federal (HUD) funds to construct decent, safe and sanitary housing through regional housing authorities. Funds are used to cover housing development costs related to water distribution; sewer hookups; electrical distribution systems; road construction to project site; site development; and energy efficiency improvements.
11. **AHFC’s Energy Programs Weatherization – \$8,100,000** including \$6,600,000 in State General Funds (GF) Receipts and \$1,500,000 Federal U. S. Department of Energy (DOE) funds to assist low- and moderate- income families attain decent, safe and affordable housing through the weatherization and rehabilitation of existing homes.

These funds provide energy efficiency upgrades to homes using the latest building science tools to target heat loss areas and correct them. Installed measures must be cost effective. The program addresses health and safety through tune ups for heating systems, electrical and chimney repairs and woodstove improvements.

*****Mental Health Bill *****

- 1. Homeless Assistance Program – \$7,700,000** including \$4,663,800 in State General Funds (GF) funds, \$1,336,200 in AHFC Corporate Dividend, \$850,000 General Fund/Mental Health (GF/MH) and \$850,000 Mental Health Trust Authority (MHTAAR) funding authority to grant local communities/agencies to: 1) provide safe shelter for persons experiencing homelessness; 2) provide assistance to households transitioning from homelessness to permanent housing or to households at risk of displacement due to financial hardship; and, 3) help develop community strategies and programs designed to reduce homelessness. All funds will be combined and administered as one program by AHFC.
- 2. Beneficiary & Special Needs Housing – \$1,500,000** in Corporate Dividends for a continuing program to serve populations with special housing needs. The program provides funds to Alaskan nonprofit service providers to increase housing opportunities for Mental Health Trust beneficiaries and other special needs populations throughout the state. The funds may be used for housing development and/or services designed to achieve long-term residential stability.

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Operating Budget										
AHFC Maintain Services	2,000.0	44.2	45.0	1,045.9	46.7	47.6	1,048.5	49.4	50.3	1,051.3
ASOB Maintain Services	-	-	-	-	-	-	-	-	-	-
ACAH Maintain Services	-	3.2	3.3	3.4	3.4	3.5	3.6	6.9	3.7	3.8
AHFC New Initiatives	-	-	-	-	-	-	-	-	-	-
Capital Budget										
AHFC 1002 Affordable Housing Development Program	0	0	0	7,000,000	0	0	0	7,000,000	0	0
AHFC 1139 Records and Content Management System	0	0	0	0	0	0	0	0	0	0
AHFC 1180 Domestic Violence Housing Assistance Program	1,500,000	1,500,000	1,700,000	1,900,000	2,100,000	2,300,000	2,500,000	2,700,000	2,700,000	2,900,000
AHFC PHD's Facility Management Program	5,000,000	0	5,000,000	0	3,500,000	0	3,500,000	0	3,500,000	0
AHFC 1002 Statewide Project Improvements (Allocation)	1,500,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0
AHFC 1002 Building System Replacement Program (Allocation)	2,000,000	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0
AHFC 1002 Fire Protection Systems (Allocation)	1,000,000	0	1,000,000	0	0	0	0	0	0	0
AHFC 1002 Security Systems Replacement/Upgrades (Allocation)	300,000	0	300,000	0	0	0	0	0	0	0
AHFC 1002 Statewide ADA Improvements	200,000	0	200,000	0	0	0	0	0	0	0
AHFC 1004 Statewide Project Improvements (Allocation)	0	0	0	0	0	0	0	0	0	0
AHFC 1004 Building System Replacement Program (Allocation)	0	0	0	0	0	0	0	0	0	0
AHFC Housing Loan Programs/Teacher/Health/Pub. Safety	3,250,000	1,950,000	1,950,000	1,950,000	1,950,000	1,950,000	1,950,000	1,950,000	1,950,000	1,950,000
AHFC 1004 Housing Loan Programs/Teacher/Health/Pub. Safety	0	0	0	0	0	0	0	0	0	0
AHFC 1004 Housing Loans Programs: Public Safety VPSO	0	0	0	0	0	0	0	0	0	0
AHFC 1108 Housing Loan Programs/Teacher/Health/Pub. Safety	1,300,000	0	0	0	0	0	0	0	0	0
AHFC 1139 Housing Loan Programs/Teacher/Health/Pub. Safety	1,950,000	1,950,000	1,950,000	1,950,000	1,950,000	1,950,000	1,950,000	1,950,000	1,950,000	1,950,000
AHFC 1139 Energy Efficiency Monitoring Research	1,250,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
AHFC Senior Citizens Housing Development Program	3,500,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
AHFC 1108 Senior Citizens Housing Development Program	1,750,000	0	0	0	0	0	0	0	0	0
AHFC 1139 Senior Citizens Housing Development Program	1,750,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
AHFC HUD Federal HOME Grant Program	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
AHFC 1002 HUD Federal HOME Grant Program	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000
AHFC 1004 HUD Federal HOME Grant Program	0	0	0	0	0	0	0	0	0	0
AHFC 1139 HUD Federal HOME Grant Program	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
AHFC HUD Capital Fund Program (CFP)	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
AHFC Federal & Other Competitive Grants	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
AHFC 1002 Federal & Other Competitive Grants	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
AHFC 1139 Federal & Other Competitive Grants	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
AHFC Competitive Grants for Public Housing	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
AHFC 1002 Competitive Grants for Public Housing	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
AHFC 1004 Competitive Grants for Public Housing	0	0	0	0	0	0	0	0	0	0
AHFC 1139 Competitive Grants for Public Housing	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
AHFC Supplemental Housing Development Program	3,000,000	3,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
AHFC 1139 Supplemental Housing Development Program	3,000,000	3,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
AHFC AHFC's Energy Program	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000
AHFC 1002 Energy Program - Weatherization (Allocation)	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
AHFC 1004 Energy Program - Weatherization (Allocation)	6,600,000	6,600,000	6,600,000	6,600,000	6,600,000	6,600,000	6,600,000	6,600,000	6,600,000	6,600,000
AHFC 1102 Energy Program - Weatherization (Allocation)	0	0	0	0	0	0	0	0	0	0
AHFC 1139 Energy Program - Weatherization (Allocation)	0	0	0	0	0	0	0	0	0	0
AHFC Homeless Assistance Program	7,700,000	7,700,000	7,700,000	7,700,000	7,700,000	7,700,000	7,700,000	7,700,000	7,700,000	7,700,000
AHFC 1004 Homeless Assistance Program	4,663,800	4,663,800	4,663,800	4,663,800	4,663,800	4,663,800	4,663,800	4,663,800	4,663,800	4,663,800
AHFC 1037 Homeless Assistance Program	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000
AHFC 1092 Homeless Assistance Program	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000
AHFC 1139 Homeless Assistance Program	1,336,200	1,336,200	1,336,200	1,336,200	1,336,200	1,336,200	1,336,200	1,336,200	1,336,200	1,336,200
AHFC Beneficiary & Special Needs Housing	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
AHFC 1139 Beneficiary & Special Needs Housing	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
	47,400,000	39,350,000	47,550,000	49,750,000	46,450,000	43,850,000	47,550,000	51,250,000	47,750,000	44,450,000
	47,400,000	39,350,000	47,550,000	49,750,000	46,450,000	43,850,000	47,550,000	51,250,000	47,750,000	44,450,000

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ALASKA HOUSING FINANCE CORPORATION

RESOLUTION NO. 15-29

RESOLUTION OF THE BOARD OF DIRECTORS OF THE ALASKA HOUSING FINANCE CORPORATION AUTHORIZING AHFC TO SUBMIT THE FY2017 OPERATING AND CAPITAL BUDGETS THROUGH THE DEPARTMENT OF REVENUE TO THE GOVERNOR'S OFFICE FOR SUBMITTAL TO THE STATE LEGISLATURE.

WHEREAS, the Budget Director of the Alaska Housing Finance Corporation has prepared the proposed FY2017 Operating and Capital budgets submitted by staff; and

WHEREAS, the Budget Director presented the proposed FY2017 Operating and Capital budgets to the Executive Office;

WHEREAS, the Executive Director reviewed and discussed the budgets with the Office of Management and Budget on September 2, 2015; and

WHEREAS, this budget complies with HUD's Asset Management format with project-based Asset Management Properties (AMPs), as well as, the Central Office Cost Center (COCC) concept; and

WHEREAS, the AHFC Dividend to the State, according to the established Transfer Plan, has been calculated at **\$25,814,500**; and

WHEREAS, the Executive Office, after carefully considering funding levels developed by staff, recommends to the full Board of Directors, the proposed Operating and Capital budgets developed for FY2017; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Alaska Housing Finance Corporation that the FY2017 Operating and Capital budget request be hereby approved for submission and authorizes the Executive Director to submit these budgets through the Department of Revenue to the Office of Management and Budget for inclusion in the Governor's Budget submitted to the State Legislature.

PASSED AND APPROVED by the Board of the Alaska Housing Finance Corporation this Twenty-eighth day of October, 2015.

Brent LeValley - Board Vice Chair

ALASKA HOUSING FINANCE CORPORATION

SEPTEMBER 2015 COMPARATIVE ACTIVITY SUMMARY

<u>Mortgage & Bond Portfolio:</u>	As Of/Through Fiscal Year End			As Of/Through Fiscal Month End		
	FY 2014	FY 2015	% Change	09/30/14	09/30/15	% Change
Total Mortgage Portfolio	2,520,778,596	2,649,246,997	5.1%	2,563,827,596	2,691,382,949	5.0%
Mortgage Average Rate %	4.93%	4.77%	(3.2%)	4.89%	4.73%	(3.1%)
Delinquency % (30+ Days)	4.87%	3.88%	(20.3%)	5.13%	4.10%	(20.2%)
Foreclosure % (Annualized)	0.58%	0.45%	(22.4%)	0.56%	0.40%	(30.0%)
Mortgage Purchases	545,989,872	463,402,992	(15.1%)	126,655,781	139,098,947	9.8%
Mortgage Payoffs	219,206,635	240,116,152	9.5%	57,837,723	66,317,538	14.7%
Purchase/Payoff Variance	326,783,237	223,286,840	(31.7%)	68,818,058	72,781,409	5.8%
Purchase Average Rate %	4.52%	4.10%	(9.3%)	4.29%	4.00%	(6.6%)
Bonds - Fixed Rate	1,344,705,000	1,207,110,000	(10.2%)	1,340,080,000	1,202,660,000	(10.3%)
Bonds - Floating Hedged	783,795,000	743,025,000	(5.2%)	761,290,000	733,415,000	(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%)	2,291,415,000	2,126,120,000	(7.2%)
Requiring Self-Liquidity	445,895,000	254,755,000	(42.9%)	262,510,000	252,145,000	(3.9%)
Bond Average Rate %	3.77%	3.65%	(3.2%)	3.74%	3.65%	(2.5%)
New Bond Issuances	124,400,000	423,005,000	240.0%	140,000,000	-	(100.0%)
* Special Bond Redemptions	54,815,000	434,800,000	693.2%	124,625,000	11,450,000	(90.8%)
Issue/Redemption Variance	69,585,000	(11,795,000)	(117.0%)	15,375,000	(11,450,000)	(174.5%)
Issuance Average Yield %	3.27%	2.03%	(37.9%)	0.66%	-	(100.0%)
Mortgage/Bond Spread %	1.16%	1.12%	(3.4%)	1.15%	1.09%	(4.9%)
Mortgage/Bond Ratio	1.11	1.24	11.9%	1.12	1.27	13.1%

Cash & Investments:

	Investment Amounts as of Month End			Annual Returns as of Month End		
	09/30/14	09/30/15	% Change	09/30/14	09/30/15	% Change
** GeFONSI SLR/Escrow	671,513,962	406,462,684	(39.5%)	0.42%	0.42%	2.2%
Bond Trust Funds	187,410,231	334,929,278	78.7%	0.83%	0.57%	(30.4%)
SAM General Fund	140,310,385	53,879,743	(61.6%)	0.20%	0.19%	(0.5%)
Mortgage Collections	33,711,234	36,938,470	9.6%	0.17%	0.18%	11.5%
HAP/Senior Funds	33,214,468	24,197,102	(27.1%)	0.32%	0.36%	15.6%
Total Investments	1,066,160,280	856,407,277	(19.7%)	0.45%	0.46%	2.0%

* Does not include partial refunding of SC06A & SC07AB bonds that were defeased by SC15B but can't be redeemed until earliest dates of 6/1/16 & 6/1/17.

** GeFONSI amounts are from prior month because the State hasn't released current numbers due to problems with new investment reporting software.

ALASKA HOUSING FINANCE CORPORATION
SEPTEMBER 2015 COMPARATIVE ACTIVITY SUMMARY

AHFC Financial Statements:

(in Thousands of Dollars)

	Fiscal Year Annual Audited			Fiscal Year (FY 2015 Unaudited)		
	FY 2013	FY 2014	% Change	FY 2014	* FY 2015	% Change
Mortgage & Loan Revenue	125,059	120,740	(3.5%)	120,740	126,140	4.5%
Investment Income	9,088	9,019	(0.8%)	9,019	6,025	(33.2%)
Externally Funded Programs	168,152	163,739	(2.6%)	163,739	146,236	(10.7%)
Rental Income	8,701	8,951	2.9%	8,951	9,342	4.4%
Other Revenue	4,325	5,637	30.3%	5,637	10,687	89.6%
Total Revenue	315,325	308,086	(2.3%)	308,086	298,430	(3.1%)
Interest Expenses	94,409	81,184	(14.0%)	81,184	75,349	(7.2%)
Housing Grants & Subsidies	150,460	149,188	(0.8%)	149,188	125,222	(16.1%)
Operations & Administration	56,663	58,771	3.7%	58,771	61,765	5.1%
Rental Housing Expenses	13,924	14,159	1.7%	14,159	17,086	20.7%
Mortgage and Loan Costs	10,098	9,442	(6.5%)	9,442	11,327	20.0%
Financing Expenses	12,419	4,415	(64.4%)	4,415	5,064	14.7%
Provision for Loan Loss	(4,753)	(5,688)	(19.7%)	(5,688)	(5,741)	(0.9%)
Total Expenses	333,220	311,471	(6.5%)	311,471	290,072	(6.9%)
Operating Income (Loss)	(17,895)	(3,385)	81.1%	(3,385)	8,358	346.9%
Contributions to the State	10,720	1,380	(87.1%)	1,380	3,825	177.2%
Change in Net Position	(28,615)	(4,765)	83.3%	(4,765)	4,533	195.1%
Total Assets/Deferred Outflows	3,981,230	4,055,203	1.9%	4,055,203	3,913,617	(3.5%)
Total Liabilities	2,455,702	2,545,295	3.6%	2,545,295	2,399,176	(5.7%)
** Net Position	1,525,528	1,509,908	(1.0%)	1,509,908	1,514,441	0.3%

AHFC Dividend Calculation:

(in Thousands of Dollars)

	Through Fiscal Year (FY 2015 Unaudited)		
	FY 2014	* FY 2015	% Change
Change in Net Position	(4,765)	4,533	195.1%
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	34,420	35.4%
Factor % from Statutes	75%	75%	0.0%
Dividend Transfer Available	19,059	25,815	35.4%

Through FY 2015 - Fourth Quarter

AHFC Dividend Summary	
SOA General Fund Transfers	788,921
SCPB Projects Debt Service	422,438
SOA Capital Projects	253,761
AHFC Capital Projects	466,112
Total Dividend Appropriations	1,931,232
Total Dividend Expenditures	1,884,733
Total Dividend Remaining	46,498

* FY 2015 Financial Statements are not audited because final GASB 68 numbers for our portion of the State's net pension liability have not been released yet.

** Reduced beginning FY 2014 net position by \$10.855 million for GASB 65 accounting change to expense debt issuance costs recorded as FY 2013 assets.

**MORTGAGE ACTIVITY SUMMARY
LOANS PURCHASED BY PROGRAM**

LOAN PROGRAM	September 2015		FY 2016 Thru 9/30/2015		FY 2015 Thru 9/30/2014	
	# of Loans	Total Dollar Volume	# of Loans	Total Dollar Volume	# of Loans	Total Dollar Volume
Tax-Exempt First-Time Homebuyer	23	4,299,056	110	19,993,736	146	26,550,014
Taxable First-Time Homebuyer	24	6,251,143	112	28,328,229	128	31,377,114
Veterans Mortgage Program	2	743,000	8	2,737,202	7	1,837,505
Taxable	46	13,871,398	175	52,582,472	143	41,868,388
Non-Conforming	5	1,171,717	19	5,526,062	8	2,002,267
Rural Loan Program	22	5,438,941	62	15,001,928	61	13,516,565
Residential Loan Program Totals	122	31,775,255	486	124,169,629	493	117,151,853
Multi-Family	3	4,895,000	9	8,779,500	12	7,233,700
Rural Multi-Family	0	0	0	0	0	0
Residential & Multi-Family Loan Program Totals	125	36,670,255	495	132,949,129	505	124,385,553
Streamline Refinance	3	550,278	9	1,898,993	1	226,627
Rural Streamline Refinance	3	662,009	3	662,009	6	1,377,000
Total Loans Purchased	131	37,882,542	507	135,510,131	512	125,989,180
LOAN PROGRAM OPTIONS (Included in Total Loans Purchased)						
Interest Rate Reduction Low Income Borrowers	5	858,940	22	3,156,778	20	2,809,378
Energy Efficiency Interest Rate Reduction	12	3,566,125	35	8,905,362	33	7,707,309
Closing Cost Assistance Program	2	635,771	7	1,773,677	6	1,314,864

RESIDENTIAL PIPELINE 9/30/15

	#	Amount
Lock-ins:	201	51,253,666
Commitments:	431	116,041,671
Total:	632	167,295,337
CCAP Reservation	3	848,349

RESIDENTIAL PIPELINE 8/31/15

	#	Amount
Lock-ins:	243	64,942,684
Commitments:	369	101,091,594
Total:	612	166,034,278
CCAP Reservation	2	635,771

RESIDENTIAL PIPELINE 7/31/15

	#	Amount
Lock-ins:	199	56,514,775
Commitments:	382	104,053,740
Total:	581	160,568,515
CCAP Reservation	4	898,425

MORTGAGE INTEREST RATE COMPARISON - AVERAGE 09/15

AHFC Programs							Market	
Taxable Conv	Exempt FTHB	Exempt VETS	Taxable FTHB	Rural Owner	CCAP	Multi-Family	Conv	FHA
4.030	3.750	3.875	3.905	3.905	4.280	6.250	4.107	3.917

MORTGAGE INTEREST RATE COMPARISON - AVERAGE 08/15

AHFC Programs							Market	
Taxable Conv	Exempt FTHB	Exempt VETS	Taxable FTHB	Rural Owner	CCAP	Multi-Family	Conv	FHA
4.083	3.810	3.940	3.958	3.958	4.339	6.131	4.107	3.929

MORTGAGE INTEREST RATE COMPARISON - AVERAGE 07/15

AHFC Programs							Market	
Taxable Conv	Exempt FTHB	Exempt VETS	Taxable FTHB	Rural Owner	CCAP	Multi-Family	Conv	FHA
4.176	3.909	4.034	4.051	4.051	4.415	6.415	4.233	4.068

Multi-Family Loans Committed

8/1/15 to 10/20/15

Loan		Commitment		
Amount	Type	Date	Program	Location
\$ 440,000	6plx	8-13-15	M	Anchorage
\$ 480,000	6plx	8-27-15	M	Anchorage
\$ 388,600	6plx	9-17-15	N	Anchorage
\$ 904,000	12plx	9-25-15	M	Anchorage
\$ 380,000	SFR	10-15-15	N	Anchorage
\$ 279,000	duplex	10-15-15	N	Anchorage

Total: \$2,871,600 in 6 loans

M = Multi-family

N = Special Needs

E = Energy

R2D2 Board Report for October 28, 2015

WEATHERIZATION PROGRAM

Income-based, home energy efficiency improvements provided for homeowners and renters.

Legislative appropriation:ⁱ

FY2008	\$200 million
FY2012	\$62.5 million
FY2013	\$30 million
FY2014	\$30 million
FY2015	\$27.5 million
FY2016	\$5.6 million
Total	\$355.6 million

Program update as of August 31, 2015:

Total expended	\$320.7 million
Units complete	16,766

Projected totals for March 31, 2016:

Current obligation	\$349 million
Projected units complete	18,000

HOME ENERGY REBATE PROGRAMⁱⁱ

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 9.16.15:

Total expended ⁱⁱⁱ	\$203.5m
Current obligation ^{iv}	\$26.1m
Initial ratings	39,406
Rebates paid	23,888
5 star plus paid	2,902
6 star paid	131
Active energy raters	57

Waitlist as of 9.16.15:

Statewide	79
Anchorage	14
Fairbanks	2
Juneau	2

Total Estimated Energy Saved Annually – 3.5 trillion BTUs

(Includes Rebate and Weatherization program completions multiplied by average energy savings)

Equivalent to: (598,736 Barrels of Oil) or (34,726,704 Therms of Gas) or (25,164,278 Gallons of Fuel Oil) or (1,017,781 MWH of Electricity)

ⁱ Appropriation amounts reflect state investment only.

ⁱⁱ A sample of 17,233 homeowners was taken on December 19, 2012 and the average homeowner spent \$11,681. A \$6,889 average rebate results in a \$4,792 out-of-pocket investment. The projected energy cost savings for homes receiving rebates are \$1,464 per year, with an average annual energy savings of 34 percent.

ⁱⁱⁱ Total expenditures are as of 9.1.15.

^{iv} Current obligation includes funds set aside for homeowners in the Home Energy Rebate program who are making improvements and for encumbrances in the New Home Rebate program.

Public Housing Operations Update

October 2015

Public Housing

Units Statewide	1608
Housing Waiting List	1327

Housing Choice Vouchers

Vouchers statewide	4381
Voucher Waiting List	2782

Family Self-Sufficiency

Family Self Sufficiency Total Enrolled	199
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Operations Updates:

- Statewide staff training occurred in Anchorage for 70 employees from September 15-17. The first day covered the *Bridges out of Poverty* training program, the third day was training on the Jumpstart program.
- Began expansion of the Parolee Re-entry program in Anchorage with an initial target of 20 families.
- The Resident Advisory Board had their quarterly meeting October 21, the agenda had multiple issues including the new Jumpstart program overview and current facilities improvement updates.
- Updated the Violence Against Women Act (VAWA) policies to reflect VAWA 2013 changes and notice requirements. Also provided staff training on this issue.
- Initial statistics on the Moving to Work Rent Reform program have shown an increase in income and work hours. Working families increased from 44% to 58% and those on public assistance decreased 22%.
- Attended the Alaska Mental Health Board and the Alaska Board on Alcoholism and Drug Abuse quarterly meeting in Cordova on October 12-14, presented on the status of the Moving Home Program for persons with disabilities.

Facilities Management & Construction Updates:

- Nome – Beringvue project moving to close out. Sight & sound compliant unit needs upgraded CO detector, contractor price too high, Facilities Management staff looking into alternative options. The ADA units will meet Voluntary Compliance Agreement (VCA) project goals.
- Bethel – Foundation: the Triodetic foundations are on site, contractor is actively working project with completion in November. Bethel window replacement project: majority of the windows are installed, FM section added additional units, waiting for additional windows and blinds, project is scheduled to complete at the end of October.



- Seward –Siding replacement project is ongoing with 50% of the new siding installed, contractor found rot in some of the structural components additional work was need to replace framing members and repair source of water. Project Enhancements have been awarded. Project is on schedule.
- Fairbanks – Golden Ages Sprinkler upgrade is in Pre-bid development.
- Juneau –Mt. View ADA Construction work complete, project is in closeout and awaiting VCA compliance certification. Cedar Park Security upgrades survey has completed, options are reviewed.
- Wrangell – Operations and Maintenance manuals are being created for the completed mechanical portion of the project, Johnson Construction is nearing completion on the sidewalks.
- Anchorage –Chugach View fire detection and suppression upgrade is on schedule with work to be complete in January 2016. Parkview Sprinkler upgrade punch-list items are complete. 1525 Boniface landscaping is complete, project is in closeout stage. Ptarmigan Park Boiler repaired. Water main W69th repaired. Chugach Manor plate exchanger replacement/repair complete.
- Facilities Management Extraordinary Maintenance Team (Road Crew) finished site work and repairs in Kodiak. Mobilizing for multiple unit rehabilitation in Bethel.

Alaska Corporation for Affordable Housing:

- Susitna Square has leased up almost all units at the site. Media briefing provided overview of project, including energy efficiencies and need for affordable housing in Anchorage.
- Ridgeline Terrace is still on target for opening early 2016.



AHFC BOARD OF DIRECTORS
SCHEDULE 2015

~~January 21, 2015 BOD (AHCC Annual)~~

~~March 10, 2015 AHFC BOD Workshop (1-5 pm)~~

~~March 11, 2015 BOD~~

~~April 29, 2015 BOD (Audit Committee)~~

~~June 10, 2015 BOD (NTSC)~~

~~July 29, 2015 BOD (Audit Committee)~~

~~August 26, 2015 (Ketchikan) ANNUAL BOD Meeting
(Best Western Landing)~~

~~(NCSHA Annual Conference 9/26 thru 9/29 in Nashville, TN.)~~

October 28, 2015 BOD (Audit Committee)

November 23, 2015 BOD (ACAH Annual)



AHFC BOARD OF DIRECTORS
DRAFT SCHEDULE 2016

January 27, 2016 (AHFC regular & AHCC Annual)

February 24, 2016 (AHFC Regular & Audit Committee)

April 27, 2016 (AHFC Regular)

May 25, 2016 (AHFC Regular & Audit Committee)

June 29, 2016 (AHFC Regular & NTSC Annual)

July 20, 2016 BOD (AHFC Regular & ACAH Annual)

August 31, 2016 (AHFC Annual & Audit Committee)

(NCSHA Annual Conference 9/24 - 9/27, 2016 in Miami, FL.)

October 26, 2016 (AHFC Regular)

November 30, 2016 (AHFC regular & Audit Committee)