

**ALASKA HOUSING FINANCE CORPORATION
BOARD OF DIRECTORS**

REGULAR MEETING

February 24, 2016

10:00 a.m.

Anchorage/Juneau/Fairbanks

The Board of Directors of Alaska Housing Finance Corporation met February 24, 2016 in the AHFC board room, 4300 Boniface Parkway in Anchorage, AK at 10:00 a.m. Board members present were:

BRENT LEVALLEY
Anchorage

BOARD CHAIR
Member of the Board

MARTY SHURAVLOFF
Via teleconference

BOARD VICE CHAIR
Member of the Board

ALAN WILSON
Anchorage

Member of the Board

CAROL GORE
Anchorage

Member of the Board

TARA HORTON
Via teleconference

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 LEVALLEY proposed the agenda be amended to add item G which is a resolution suspending receipt of applications for the Home Energy Rating Rebate Program, including the New Construction Rebate Program. Hearing no objection the agenda was approved as amended.

III. **MINUTES OF NOVEMBER 23, 2015 and December 18, 2015.** CHAIR LEVALLEY asked for revisions or acceptance of the minutes. Seeing and hearing no objection, the minutes were approved as presented.

IV. PUBLIC COMMENTS. In Anchorage: Carol Perkins discussed her concerns regarding the IRC amendments. 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. PRESENTATION BY DONNA LOGAN WITH THE MCDOWELL GROUP ON THE AHFC HOUSEHOLD SURVEY. STACY SCHUBERT and DONNA LOGAN presented an over view of the Household Survey. Discussion followed. No action was requested or taken by the Board.

VI. B. CONSIDERATION OF A TERM LOAN IN THE AMOUNT OF \$2,117,600 FOR THE LONG TERM FINANCING OF A PROPOSED 35 UNIT AFFORDABLE HOUSING COMPLEX TO BE KNOWN AS "TERRACES AT LAWSON CREEK PHASE II" AND LOCATED IN JUNEAU, ALASKA. BRYAN BUTCHER introduced the item and ERIC HAVELOCK presented. Mr. Havelock stated that Juneau II VOA, LLC has requested term loan financing for the development of an affordable multi-family apartment complex consisting of 35 units to be named "Juneau II VOA Housing" and located at NHN Vista Drive in Juneau, Alaska. This is phase two of a two phase development. Discussion followed. ALAN WILSON made a motion to approve Resolution 2016-01. CAROL GORE seconded the motion. The resolution was unanimously approved. (5-0)

RESOLUTION #2016-01

RESOLUTION APPROVING TERM FINANCING FOR AN AFFORDABLE MULTIFAMILY HOUSING PROJECT FOR JUNEAU II VOA, LLC.

VI. C. CONSIDERATION OF A TERM LOAN IN THE AMOUNT OF \$2,445,000 UNDER THE ALASKA ENERGY EFFICIENCY REVOLVING LOAN PROGRAM FOR THE ENERGY EFFICIENCY UPGRADES TO THE CITY OWNED BUILDING'S HYDRONIC HEATING SYSTEM LOCATED IN GALENA, ALASKA. BRYAN BUTCHER introduced the item and ERIC HAVELOCK presented. Mr. Havelock stated that City of Galena, has presented the corporation with a unique opportunity to assist in the energy retrofitting of the city owned utility building as authorized by AS 18.56.855. The request falls within the parameters of the Alaska Energy Efficiency Revolving Loan Program. The Alaska Energy Efficiency Revolving Loan Fund Program provides financing for permanent energy efficient improvements to buildings owned by regional educational attendance areas, by the University of Alaska, by the state, or by municipalities in the state. Borrowers obtain an energy audit as the basis for making cost-effective energy improvements, selecting from the list of energy upgrades included with the

initial audit. Discussion followed. CAROL GORE made a motion to approve Resolution 2016-02. ALAN WILSON seconded the motion. The resolution was approved. (5-0)

RESOLUTION #2016-02

**RESOLUTION APPROVING INTERIM
AND TERM FINANCING FOR AN
ENERGY EFFICIENCY IMPROVEMENT
PROJECT FOR THE CITY OF GALENA**

VI. D. CONSIDERATION OF A TERM LOAN IN THE AMOUNT OF \$1,430,000 FOR THE LONG TERM REFINANCING WITH REHABILITATION OF AN EXISTING 24 UNIT AFFORDABLE HOUSING COMPLEX KNOWN AS "SLEEPY SPRUCE APARTMENTS" AND LOCATED IN JUNEAU, ALASKA. BRYAN BUTCHER introduced the item and ERIC HAVELOCK presented. Mr. HAVELOCK stated that AK Preservation Spruce Limited Partnership has presented the corporation with an opportunity to assist in a unique multi-layered financed development for the purpose of preserving safe, accessible, and affordable rental housing in Juneau. They have requested term loan financing for the acquisition and substantial rehabilitation of a 24 unit affordable multi-family housing development known as "Sleepy Spruce Apartments" and located at 1050 Salmon Creek Lane in Juneau, Alaska. Discussion followed. ALAN WILSON made a motion to approve Resolution 2016-03. CAROL GORE seconded the motion. The resolution was unanimously approved. (5-0)

RESOLUTION #2016-03

**RESOLUTION APPROVING TERM
FINANCING FOR A MULTI-FAMILY
HOUSING PROJECT TO AK
PRESERVATION SPRUCE LIMITED
PARTNERSHIP.**

VI. E. CONSIDERATION OF A TERM LOAN IN THE AMOUNT OF \$3,016,000 FOR THE LONG TERM FINANCING OF A PROPOSED 24 UNIT HOUSING COMPLEX TO BE KNOWN AS "BELLA VISTA PHASE III" AND LOCATED IN WASILLA, ALASKA. BRYAN BUTCHER introduced the item and ERIC HAVELOCK presented. Mr. HAVELOCK stated that the JYG Investment Group, has requested term financing for a newly constructed 24 unit multi-family apartment complex located at East Kinzi Circle in Wasilla, Alaska. Discussion followed. CAROL GORE

made a motion to approve Resolution 2016-04. ALAN WILSON seconded the motion. The resolution was unanimously approved. (5-0)

RESOLUTION #2016-04

**RESOLUTION APPROVING FUNDS FOR
THE TERM FINANCING FOR A MULTI-
FAMILY HOUSING PROJECT TO JYG
INVESTMENT GROUP, LLC.**

VI. F. CONSIDERATION OF A RESOLUTION TO ADOPT REGULATIONS REVISING 15 AAC 150.035, RESIDENTIAL BUILDING CODE AND AMENDMENTS. BRYAN BUTCHER introduced the item and JOHN ANDERSON presented. Mr. Anderson stated AS 18.56.300 precludes AHFC from making or purchasing a housing loan for residential housing if the unit was built after June 30, 1992 and it does not meet certain construction standards. In 2010 AHFC adopted the 2009 IRC to meet the above concerns. In 2013, AHFC adopted the 2012 International Energy Conservation Code (IECC) with amendments as the Building Energy Efficiency Standard (BEES), verified through the use of the PUR-101 form. Chapter 11 in the 2012 IRC incorporates the 2012 IECC. Under the proposed revised regulation, AHFC would replace chapter 11 of the IRC with the 2012 Building Energy Efficiency Standard (BEES), with Alaska-specific amendments. This action provides clarity and cohesion between the minimum construction code and the minimum energy code. Under the proposed Alaska specific amendments, certification of the mandatory measures of the 2012 BEES would be shared between ICC inspectors and AHFC authorized energy raters; certification of compliance with the 2012 BEES would be documented through submission by an official, passing BEES AkWarm Energy Rating and a completed form PUR-102. Discussion followed. ALAN WILSON made a motion to approve Resolution 2016-05. CAROL GORE seconded the motion. The resolution was unanimously approved. (5-0)

RESOLUTION #2016-05

**RESOLUTION ADOPTING AMENDMENTS
TO THE MINIMUM CONSTRUCTION
STANDARDS PER 15 AAC 150.035 FROM
2009 IRC TO THE 2012 IRC WITH
ALASKA-SPECIFIC AMENDMENTS.**

VI. G. CONSIDERATION OF A RESOLUTION SUSPENDING RECEIPT OF APPLICATIONS FOR THE HOME ENERGY RATING REBATE PROGRAM, INCLUDING THE NEW CONSTRUCTION REBATE PROGRAM. BRYAN BUTCHER introduced the item and JOHN ANDERSON presented. Mr. Anderson stated since 2008 the Alaska State Legislature has appropriated \$252,500,000 to the Home Energy Rating Rebate Program, including the New Construction Rebate Program and a total of 40,010 Alaskan homeowners participated and 24,480 received a rebate. Currently the State is facing a severe revenue shortfall that is resulting in significant budget reductions, staff requests the suspension of receipt and applications for the Home Energy Rating Rebate Program, including the New Construction Rebate Program. Discussion followed. CAROL GORE made a motion to approve Resolution 2016-06. ALAN WILSON seconded the motion. The resolution was unanimously approved. (5-0)

RESOLUTION #2016-06

**RESOLUTION SUSPENDING RECEIPT
OF APPLICATIONS FOR THE HOME
ENERGY RATING REBATE PROGRAM,
INCLUDING THE NEW CONSTRUCTION
REBATE PROGRAM.**

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

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

IX. REPORT OF THE EXECUTIVE DIRECTOR. BRYAN BUTCHER reported on: 1.) Hiring freeze discussion; 2.) Governor's Housing Summit at UAA Wed 1/6; 3.) Ridgeline Terrace grand opening Friday 1/8; 4.) EE Now event at the downtown Hilton Tuesday & Wednesday 1/12 & 1/13; 5.) Foraker Board Meeting Thursday 1/21; 6.) Housing Opportunities in Anchorage with the Mayor Friday 1/15; 7.) Juneau VOA Terraces at Lawson Creek grand opening Tuesday 2/17; 8.) UAA Leadership speech at UAA MBA class Tuesday 2/23; 9.) Legislative updates.

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

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

2. Schedule of Board Meetings:

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

X. OTHER MATTERS. CHAIR LEVALLEY asked if there were any other matters to properly come before the board. CAROL GORE made a motion to adjourn. Seeing and hearing no objections, the meeting was adjourned at 11:41 a.m.

ATTESTED:



Brent LeValley
Board Chair



Bryan Butcher
CEO/Executive Director