

**Consolidated Housing and Community
Development Plan for the State of Alaska,
2011-2015**

**State Fiscal Year 2012
(Federal Fiscal Year 2011)
Annual Action Plan**

May 16, 2011

**Consolidated Housing and Community Development Plan
For the State of Alaska**

SFY 2012 (July 1, 2011 through June 30, 2012) Annual Action Plan

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**Consolidated Housing and Community Development Plan
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I. EXECUTIVE SUMMARY

Overview

Alaska receives approximately \$6 million annually (not including funding from related federal stimulus bills) from the Department of Housing and Urban Development (HUD) via the following three federal formula programs:

- Community Development Block Grant Program (CDBG)
- Emergency Shelter Grants (ESG)
- Home Investment Partnerships Program (HOME)

This SFY2012 Annual Action Plan sets forth specifically how the State of Alaska will expend CDBG, ESG and HOME funding during the period from July 1, 2011 through June 30, 2012.

HUD requires these programs to be administered by recognized Participating Jurisdictions (PJs). Regarding all areas outside Anchorage (referred to as the “balance of state”), the State of Alaska Department of Commerce, Community and Economic Development (DCCED) is the recognized PJ for CDBG and Alaska Housing Finance Corporation (AHFC) is the recognized PJ for the HOME and ESG programs. The Municipality of Anchorage (MOA) is the PJ for all three programs within Anchorage.

The overall goal of these programs is to support the development of viable communities by providing decent housing and a suitable living environment, and expanding economic opportunities principally for low and moderate income persons. To achieve this, it is important to extend and strengthen partnerships among all levels of government and the private sector, including for-profit and non-profit organizations, in the production and operation of affordable housing.

In order to maintain eligibility for these formula housing and community development programs, PJs must develop and maintain a Consolidated Planning process. Several other federal programs require recipients to demonstrate consistency with the Consolidated Planning process of the PJ within which they intend to operate.

Key elements of the State of Alaska's Consolidated Planning process are the:

- Housing and Community Development Five Year Plan (HCD) (July 1, 2010 through June 30, 2015)
- Citizen Participation Plan (developed with the HCD)
- Annual Action Plans (AAP) based on the State of Alaska fiscal year (SFY);
- Consolidated Annual Performance and Evaluation Reports (CAPER) which must be completed within 90 days of the close of the state fiscal year

This SFY 2012 Annual Action Plan (AAP) is the second AAP under the current Five Year HCD for SFY2011-2015. This AAP addresses the CDBG, ESG and HOME programs in all areas of Alaska, *except Anchorage*. Questions regarding the Anchorage HCD planning process should be directed to the Municipality of Anchorage, Planning Department, Community Planning Division, 557 E. Fireweed Lane, Suite D, Anchorage, Alaska 99503, or by calling 907-343-4881.

Plans for SFY 2012

1. Community Development Block Grant (CDBG) Funds

The majority of CDBG funds will be used for the CDBG Competitive Grant Program or CDBG Funded Projects---Other Prioritization Processes. The estimated amount the State will receive for use in SFY2012 is \$2.6 million.

Within the CDBG Competitive Grant Program, the majority of project funds will be targeted toward community development activities and planning activities which address health and safety needs, or which support future economic development and community self-sufficiency. At the discretion of the Department, a portion of the CDBG Competitive Grant Program funds may be set-aside and designated for use under the CDBG Funded Projects---Other Prioritization Processes such as 1) Alaska Housing Finance Corporation's Owner-Occupied Rehabilitation Program (ORP) contractors for housing rehabilitation/accessibility activities, or 2) CDBG eligible applicants for construction ready homeless shelters and transitional housing projects.

2. Emergency Shelter Grants

The objectives of the Emergency Shelter Grants (ESG) program are to increase the number and quality of emergency shelters and transitional housing facilities for homeless individuals and families, to operate these facilities and provide essential social services, and to help prevent homelessness. The estimated amount the State will receive in SFY2012 is \$126,757. ESG funds will be awarded on a competitive basis to units of local government and non-profit organizations.

3. HOME Investment Partnership Funds

All HOME Program activities work towards the statutory goal of the 2011-2015 HCD Plan to provide decent housing, create suitable living environments, and expand economic opportunities for Alaskans with incomes at or below eighty percent (80%) of the median income. The estimated amount the State will receive in SFY2012 is approximately \$3,001,118.

FFY2011 HOME funds will be expended to continue existing programs including rental Housing Development (RHD), the Homeownership Development Program (HDP), the Home Opportunity Program (HOP), Operating Expense Assistance (OEA) for Community Housing Development Organizations, the Rental and Homeownership Pre-development Program, Owner-Occupied Rehabilitation Program (ORP) and Tenant-Based Rental Assistance (TBRA) according to processes and amounts described below.

II. Citizen Participation

Alaska's Consolidated Housing and Community Development Annual Action Plan (AAP) was created and maintained through a joint effort of several state agencies. An Interagency Steering Committee was created for this process. It includes representatives from Alaska Housing Finance Corporation (AHFC), the Alaska Department of Commerce, Community and Economic Development (DCCED), the Alaska Department of Health and Social Services (DHSS), the Alaska State Department of Labor (DOL), and the Alaska Mental Health Trust Authority (AMHTA). As the lead agency in HCD planning, AHFC facilitates the process and provides a single point of contact for the public on matters relating to the HCD Annual Action Plan.

The HCD Annual Action Plan reflects the collective priorities of many agencies, organizations and private citizenry within the State of Alaska. These groups and individuals represent a variety of housing and community development programs and concerns. Other entities giving input include state and local governments, non-profit organizations, regional housing authorities and representatives of the private sector. Private citizens (particularly those with low incomes or residing in areas in which community development activities are likely to take place) are encouraged to participate in the development and review of the AAP.

Pursuant to federal regulations (24 CFR 91.115), the State of Alaska has developed and adopted a Citizen Participation Plan encouraging public participation in the HCD planning process. Alaska's size and wide range of social, economic and physical environments present many challenges to any planning process. A variety of approaches were used to ensure the public had opportunities to participate in the SFY 2012 Annual Action Plan. The Interagency Steering Committee met on December 8, 2010 and provided ongoing input and review of the AAP. A statewide teleconferenced public hearing was held on February 2, 2011 to obtain public comment regarding housing and community development in preparation for drafting the SFY 2012 Action Plan. The draft

AAP was made available for public review and comment on March , 2011 for a period of 33 days which ended on April 4, 2011.

During the year leading up to, and in preparation for, the drafting of the SFY 2012 Action Plan, AHFC representatives have gathered information on housing needs with such groups and in such forums as:

- Denali Commission Quarterly Meetings and Work Sessions
- Denali Commission Health Steering Committee Work Sessions
- Alaska Funders Group/ Philanthropy Northwest
- Bureau of Indian Affairs Providers Conference
- HUD Office of Native American Programs (ONAP)
- Alaska Coalition on Housing and Homelessness
- Alaska Mental Health Board
- Alaska Mental Health Trust Authority Board and Subcommittees
- Alaska Council on the Homeless (The Governor's Council)
- Homebuilders
- Alaska Commission on Aging
- Statewide Independent Living Council
- Alaska Prisoner Reentry Task Force
- Affordable Housing Partnership
- Juneau Affordable Housing Commission
- Juneau Homeless Coalition
- Kenai Homeless Coalition
- Mat-Su Homeless Coalition
- Fairbanks Homeless Coalition
- Alaska Association of Housing Authorities
- Alaska Municipal League Annual Meeting
- Alaska Department of Transportation and Public Facilities
- Housing Grand Opening Ceremonies in Fairbanks
- Ground Breaking Ceremony for Palmer Senior Center
- Anchorage Chamber of Commerce Presentations on Statewide Topics Related to Housing
- Public Housing Forums regarding Intake and Leasing Policies in Public Housing
- National Finance Development Seminar Sponsored by NAHRO
- Various Discussions with State Legislative Representatives Regarding Housing and Related Issues
- Access Conference on Accessibility in Employment, Housing and Program Development
- Covenant Candlelight Vigil for the Homeless

Notification of the availability of the draft plan, and the public hearing were advertised in the Anchorage Daily News, a newspaper of statewide circulation, and in a number of regional and community newspapers. Announcements of the availability of the draft plan were sent to many individuals, organizations and local governmental entities via electronic list serve. The draft plan was made available on AHFC's website or in hard copy by contacting the HCD Plan Coordinator from March 3, 2011 to April 4, 2011, inclusive. Public comments on the draft SFY 2012 Annual Action Plan were received through April 4, 2011. The Alaska Housing Finance Corporation's Board of Directors reviewed the plan at their April 20, 2011 meeting prior to the plan being submitted to HUD in May, 2011.

III. Summary of Objectives

A. Seven Guiding Principles

Consistent with statutory requirements, the overall goal for the Consolidated Housing and Community Development Plan (HCD) for the State of Alaska is to:

Provide decent housing, create suitable living environments, and expand economic opportunities for Alaskans with incomes at or below eighty percent (80%) of median income.

The State of Alaska's Five Year HCD Plan (July 1, 2010 through June 30, 2015) identified seven general principles to guide the State's efforts to implement the above statutory goal. These principles are:

- 1. The use of federal housing and community development funds should emphasize benefit to low income Alaskans and increase sustainable housing and neighborhood options for Alaskans.** Rationale: The amount of federal funds is limited; greatest needs are among the lowest-income households. Low to moderate income Alaskans should not have their housing options limited to only lower-income neighborhoods.
- 2. Use of community development funds should emphasize the creation of economic opportunity through development of infrastructure.** Rationale: Basic infrastructure is lacking in many of Alaska's communities and is a major barrier to economic self-sufficiency. Location-efficient facility decisions can reduce the operating and capital expenses associated with transportation.
- 3. Preserve and upgrade existing housing supply through weatherization and rehabilitation.** Rationale: Because it is so expensive to develop new housing, every effort must be made to prolong the useful life and to lower operating costs of Alaska's existing housing.

4. **Use of federal homeless funds should emphasize activities that maintain and strengthen the service delivery system for Alaska's homeless, consistent with local strategies.** Rationale: Very little formula funding is available for services to help the homeless and near-homeless.
5. **Maximize the use of federal housing and community development funds by supporting projects that include significant leveraging resources.** Rationale: The amount of federal funds is limited; more can be accomplished if federal funds are combined with state and local resources.
6. **Expand the supply of affordable housing for Alaskans with special needs, incorporating universal design and appropriate supportive services.** Rationale: Existing housing supply is inadequate to meet current and projected need for this population, which has historically been underserved.
7. **Housing and community development projects should incorporate climate specific design and engineering, energy efficient community design and construction techniques and innovative technologies.** Rationale: Use of appropriate technologies insures long term viability of housing and community development projects. Communities designed in consideration of the link between transportation and housing costs, can minimize the consumption of energy used for mobility.

The Consolidated Annual Performance and Evaluation Report (CAPER) based on this SFY 2012 Annual Action Plan will quantify, as practicable, and evaluate progress under each of the guiding principles.

B. Evaluation of Past Performance

The SFY 2010 CAPER was the fifth yearly report of the past five-year Consolidated Housing and Community Development Plan (SFY 2006 through 2010). The SFY 2010 CAPER was submitted to HUD in September 2010. CAPERs for SFY 2007 through 2010 may be found at www.ahfc.us. These CAPERs assess the progress in meeting the Five Year HCD Plan Priorities. Information from these documents was used in developing the SFY 2012 Annual Action Plan (AAP).

The process to develop the SFY 2011 CAPER will begin in early July 2011 with a fifteen day public comment period on the draft CAPER anticipated in late August or early September of 2011. The SFY 2011 CAPER will be submitted to HUD by September, 2011.

C. Priorities and Specific Objectives

In order to comply with the performance measurement system, this plan identifies goals and objectives and applicable outcome statements for each funded activity based on type of project. These activities will also be reported in the IDIS system and the SFY 2011 CAPER.

Addressing the range of needs and allocating resources in an equitable manner is a complicated task. The state of Alaska is committed to moving forward with a set of objectives that will measure our performance while addressing the needs of low to moderate income families. Because funds are distributed through a competitive process, we cannot predict who will apply or how funds will be distributed geographically. Therefore, we have not included a geographic distribution formula.

There are obstacles that complicate the process of addressing needs in the State of Alaska. For example, most applicants find it very challenging to identify funding sources to fill the gap between CDBG or HOME funds and the actual cost of their projects. The cost of construction in rural Alaska is much higher than in urban areas and the cost of construction in the urban areas of Alaska is much higher than in other states. The building season in Alaska is shorter than in most states and it shortens more dramatically the farther north the project. Costs are driven higher where materials must be flown or barged to the project site. In order to obtain experience and develop the qualifications necessary to create the efficiencies that keep project costs within budget, workers and organizations in rural areas face challenges not always evident in urban Alaska. Training, modern technologies and other resources may not be readily available in small communities. Local organizations or communities and regional Housing Authorities continue to work diligently, and successfully, to identify and bridge these gaps.

The current Five Year HCD Plan states that annual priorities are to be shaped by the Guiding Principles listed above. Specific objectives will be defined within the Annual Action Plans according to these Principles. Projects and activities are funded if they support the annual objectives. During SFY 2012 the objectives will be:

Suitable Living Environment— In general, this objective relates to activities that are designed to benefit communities, families, or individuals by addressing issues in their living environment.

Decent Housing — The activities that typically would be found under this objective are designed to cover the wide range of housing possible under the HOME, CDBG or ESG programs. This objective focuses on housing programs where the purpose of the program is to meet individual family or community needs and not programs where housing is an element of a larger effort, since such programs would be more appropriately reported under Suitable Living Environment.

Creating Economic Opportunities— This objective applies to the types of activities related to economic development, commercial revitalization or job creation.

Once the objective for each activity is selected, the State of Alaska PJ will select one of three outcome categories which best reflects what it is seeking to achieve by funding that activity.

IV. Summary of Outcomes

As indicated in the preceding section, the Outcome Performance Measurement System for Community Planning and Development Formula Grant Programs was utilized during SFY 2011 (FFY 2010). During SFY 2011, the State of Alaska PJ has incorporated, to the extent possible, the outcome performance measurement system for the State's HOME, CDBG and ESG Programs. For the SFY 2012 Annual Action Plan, the state has incorporated performance measures for (Federal) Fiscal Year 2011 CDBG, HOME and ESG funding. This includes the determination of an objective and selection of an outcome for each activity, based on the type of activity and its purpose.

The three outcome categories are:

Availability/Accessibility. This outcome category applies to activities that make services, infrastructure, public services, public facilities, housing, or shelter available or accessible to low and moderate income people, including people with disabilities. In this category, accessibility does not refer only to physical barriers, but also to making the affordable basics of daily living available and accessible to low and moderate income people where they live.

Affordability. This outcome category applies to activities that provide affordability in a variety of ways in the lives of low-and moderate-income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.

Sustainability: Promoting Livable or Viable Communities. This outcome applies to projects where the activity or activities are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefits to persons of low- and moderate-income or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

OUTCOME STATEMENT MATRIX			
	Outcome 1: Availability or Accessibility	Outcome 2: Affordability	Outcome 3: Sustainability
Objective 1: Suitable Living Environment	Enhance Suitable Living Environment through Improved Accessibility	Enhance Suitable Living Environment through Improved or New Affordability	Enhance Suitable Living Environment through Improved or New Sustainability
Objective 2: Decent Housing	Create Decent Housing with Improved or New Availability	Create Decent Housing with Improved or New Affordability	Create Decent Housing With Improved or New Sustainability
Objective 3: Economic Opportunities	Provide Economic Opportunity through Improved or New Accessibility	Provide Economic Opportunity through Improved or New Affordability	Provide Economic Opportunity through Improved or New Sustainability

V. Summary of SFY 2012 Changes

A. Neighborhood Stabilization Program (NSP) 1 & 3

The State of Alaska is the only designated Alaskan recipient of NSP1 funds under the Housing and Economic Recovery Act of 2008 (HERA). The State of Alaska received the minimum NSP1 allocation of \$19.6 million. The Neighborhood Stabilization Program is designed to return foreclosed property to the market in order to stabilize neighborhoods. The program also provides funding for the redevelopment of vacant and abandoned properties and provides funding for the demolition of blighted properties. The activities included in the NSP1 Substantial Amendment to the HCD Plan provide for allocation of NSP1 funds in areas of greatest need. The NSP1 Substantial Amendment to the HCD Plan was approved by HUD on December 29, 2008 and a Grant Agreement was executed by HUD on March 6, 2009. All NSP1 funds must be expended by March 6, 2013. The NSP1 Substantial Amendment to the HCD Plan is posted on the AHFC website at www.ahfc.us. Eight agencies were awarded funding for nine projects. Funding areas included: the Municipality of Anchorage, City and Borough of Juneau, Kenai Peninsula Borough, Fairbanks North Star Borough, and Matanuska-Susitna Borough.

An additional allocation of NSP funds, titled NSP3, was made available under Section 1497 of the Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank) on July 21, 2010. The State of Alaska received the minimum NSP3 allocation of \$5 million. The NSP3 Substantial Amendment was completed and submitted to HUD on January 14, 2011.

The NSP3 Substantial Amendment proposed three strategies for distribution of funds in one or more target areas. Strategies included 1) using the allocation to increase public housing rental units, 2) acquiring properties for a site-specific NOFA competition to develop additional units of rental housing; and 3) holding a NOFA competition to allocate funds for specific projects. It is expected that 20 to 30 units will be developed with these funds. The NSP3 Substantial Amendment was approved on February 23, 2011.

B. American Recovery and Reinvestment Act of 2009

The American Recovery and Reinvestment Act of 2009 provided approximately \$789 billion in appropriations nationwide to fund a number of programs to strengthen the economy and invest in America's future. An additional \$5,490,631 in HOME Program funds were awarded to AHFC under the Tax Credit Assistance (TCAP) Program, to be used for the Low Income Housing Tax Credit (LIHTC) program. These TCAP funds were allocated to financing gaps caused by the adverse equity market conditions and will continue to be drawn down through SFY 2012; additional funding of \$14,346,267 was awarded through the Low Income Housing Grants in Lieu of Tax Credits program; additional funding was awarded for the Community Development Block Grant program for one new community and economic development project in rural Alaska; an additional \$3,306,953 was awarded for the Capital Fund Program (CFP); an additional \$2,270,986 was awarded for Project-Based Rental Assistance (primarily pass through dollars); an additional award of \$9,593,500 was received for Energy Efficiency and Conservation Block Grants program; and an award of \$658,000 was received for the Energy Efficient Appliance Rebate Program. Funds have also been allocated for energy retrofitting and green investments in HUD-assisted housing projects.

Homeless Prevention & Rapid Re-Housing Program (HPRP) funds were awarded to AHFC in SFY10 in the amount of \$1,143,986. Non-profit agencies in 9 Alaskan communities were awarded HPRP funds to assist homeless and near-homeless households to stabilize. By the start of SFY12, AHFC anticipates that this award will be fully expended and ready for close-out.

C. HOME Investment Partnerships Program

The high volume of work under the state's weatherization program and the difficulties in administering the Owner-Occupied Rehabilitation Program (ORP), have reduced the effectiveness of the ORP. AHFC will not allocate any new HOME funds to ORP for SFY2012. Currently, \$828,761 in previous year funding allocations have been committed to two ORP subrecipients. If AHFC determines that funds cannot be spent within a reasonable timeframe, ORP funding may be re-allocated to the rental development program or the Tenant Based Rental Assistance program.

The production of rental units was down during SFY2011 because AHFC dedicated all Low Income Housing Tax Credits (LIHTC) to one Public Housing project. This will not be the case during SFY2012, so rental production is expected to increase.

As the HOME program approaches its twentieth anniversary, the State recognizes that housing stock developed with early HOME dollars may be aging to the point that it needs to be rehabilitated or rehabilitated and refinanced. The State has included in this AAP a process and criteria for determining whether rehab or rehab and refinancing is advisable and, in order to meet the need, may pursue a waiver from HUD regarding the prohibition against investing additional HOME dollars in rental properties past the first year of project completion.

D. Weatherization

In 2008, the Alaska State Legislature passed legislation expanding the state weatherization program by \$200 million and allowing for the development of a \$160 million Home Energy Rebate Program. AHFC is requesting an additional \$25 million in State funding for this program; approximately 75% of this is expected to be spent in the balance of state. In addition, AHFC added a new loan program; Second Mortgage Program for Energy Conservation. The State of Alaska also received an allocation of \$18,142,580 in Federal ARRA funds for weatherization. Together these programs will reduce energy bills and increase energy efficiency in homes throughout Alaska. The popularity of these programs has increased dramatically over the course of the past year. They are discussed further below.

E. “Moving To Work (MTW)”

In June of 2008 AHFC signed a MTW contract with a renewable term of ten years. MTW is a demonstration program originally authorized under the Omnibus Consolidated Rescissions and Appropriations Act of 1996. A MTW designation exempts a public housing authority from most of the 1937 Housing Act and its subsequent amendments. Free of ‘one size fits all’ regulatory constraints, MTW sites have implemented innovative housing and self-sufficiency strategies that address housing needs in locally-determined ways. The impact on AHFC programs is discussed below under Other Housing and Community Development Actions.

F. National Housing Trust

The legislation authorizing the National Housing Trust remains in effect, but no funds have been appropriated by Congress. Given the present federal financial climate, it is unlikely that funding will occur during SFY 2012 (FFY2011). If funding does occur, it will be allocated according to the Trust requirements and the principles within this Annual Action Plan.

G. Annual Funding Plan for Housing

The Annual Funding Plan for Housing Table, which appears on the following page, reflects anticipated funding levels for SFY 2012 (July 1, 2011 through June 30, 2012), and covers all areas of Alaska outside of Anchorage. The state funding indicated in the funding table reflects the amounts in the Governor’s SFY 2012 Capital Budget request to the Alaska Legislature. AHFC updated the Federal figures in the table based on the latest information available at the time of the release of the final SFY 2012 Annual Action Plan.

HCD Plan Annual Action Plan

Annual Funding Plan For Housing

Balance of State (Outside Anchorage)

Fiscal Year 2012 (July 1, 2011 - June 30, 2012)

Program Name	Program Type	Anticipated Funding			Total Units	Sec. 215 Units
		Federal	State	Total		
AHFC Energy Interest Rate Reduction	Interest rate reduction for energy efficiency	0	2,632,000	2,632,000	329	2
AHFC IRRLIB Program	Interest rate reduction for low-income borrowers	0	580,000	580,000	58	10
AHFC Multifamily Loan Program	Multifamily, special needs, congregate & senior progs.	0	11,508,031	11,508,031	26	N/A
AHFC Rural Housing Program	Mortgages for rural areas	0	116,935,489	116,935,489	573	57
AHFC Streamline Refinance Program	FHA Refinancing	0	25,309,091	25,309,091	131	2
AHFC Taxable First-Time Buyer Program	Conventional single-family mortgages for first-time buyer	0	50,901,000	50,901,000	343	7
AHFC Taxable Program	Conventional single-family mortgages	0	65,354,860	65,354,860	261	9
AHFC Tax-Exempt First-Time Homebuyers Prg.	First-time homebuyer mortgages	0	75,871,000	75,871,000	478	48
AHFC Veterans Mortgage Program	Tax-exempt veterans loan program	0	43,189,000	43,189,000	190	0
Other AHFC Loan Programs	Mobile Homes, Non-conforming, Seconds	0	608,000	608,000	2	0
Total Mortgages:		0	392,888,471	392,888,471	2,391	135
Beneficiary and Special Needs Housing	Housing for people with disabilities	0	1,155,000	1,155,000	51	5
CDBG	HUD - Community Development Block Grant Program	2,632,897	52,658	2,685,555	N/A	N/A
Energy Efficiency Monitoring	Energy Rating, Marketing, Tech. Asst., Special Projects	0	1,000,000	1,000,000	N/A	N/A
ESG	HUD - Emergency Shelter Grant Program	126,757	26,757	153,514	N/A	N/A
Federal and Other Competitive Grants	Matching Funds	1,350,000	675,000	2,025,000	N/A	N/A
HOME	Rehab, new const, rental and homebuyer assistance	3,001,118	750,280	3,751,398	65	N/A
HOME Program Income	Program income received from HOME activity	152,155	0	152,155	2	N/A
Homeless Assistance Program	One-time aid for emergency needs	1,000,000	3,575,000	4,575,000	N/A	N/A
Housing Op. for Persons w/AIDS (HOPWA)	Housing & supportive services	915,440	241,030	1,156,470	N/A	N/A
Low-Income Housing Weatherization	Weatherization & retrofit of housing	1,050,000	18,720,000	19,770,000	N/A	N/A
Public Housing Building Systems Replacement	Statewide repair and replacement activities	0	1,500,000	1,500,000	N/A	N/A
Public Housing Capital Fund Program	Rehab., management improvements of public housing	1,760,000	0	1,760,000	N/A	N/A
Public Housing Competitive Grants	Matching funds for public housing grants	1,650,000	825,000	2,475,000	N/A	N/A
Public Housing Fire Protection Systems - Phase II	Evaluation and Repair of Fire Systems	0	1,210,000	1,210,000	N/A	N/A
Public Housing Project Improvements	General Improvements in Public Housing	0	1,100,000	1,100,000	N/A	N/A
Public Housing Security System Upgrades	Upgrade of existing security and door access systems	0	275,000	275,000	N/A	N/A
Public Housing Statewide Improvements	Public Housing Unit improvements	0	1,200,000	1,200,000	N/A	N/A
Senior Citizens Housing Development Fund	Housing for elderly	0	3,000,000	3,000,000	20	N/A
Supplemental Housing Development Prg.	Augments Indian housing development	0	5,200,000	5,200,000	87	N/A
Teacher, Health Professional and Public Safety Ho	Homeownership and Rental Housing for Teachers	0	6,000,000	6,000,000	16	N/A
Total Grants:		\$13,638,367	\$46,505,724	\$60,144,091	194	5
Public Housing Operating Subsidy	Operating costs	6,074,357	0	6,074,357	766	766
Section 8 Housing Choice Vouchers	Rental assistance	17,900,432	0	17,900,432	2,332	2,192
Total Rental Assistance:		\$23,974,789	\$0	\$23,974,789	\$3,098	\$2,958

VI. Summary of Proposed Activities

The following section describes activities that will be undertaken by the State to address the priority needs and specific objectives identified in the Five Year HCD Plan (SFY 2011 through 2015). A detailed description will be given of the three federally funded allocation programs that serve non-metropolitan Alaska (all areas outside of Anchorage). These three formula programs are the **Community Development Block Grant Program (CDBG)**, the **Home Investment Partnership Program (HOME)**, and the **Emergency Shelter Grant Program (ESG)**. In these three program descriptions, the methods of allocating funds and criteria used to target program resources towards Consolidated Plan objectives will be outlined.

The proposed activities of the State will be outlined in three areas:

- **Alaska's Continuum of Care for the Homeless.** This portion of the Annual Action Plan describes the actions addressing the emergency shelter (including ESG) and transitional housing needs of homeless families and individuals. Activities to assist homeless households will be discussed. The goal of Alaska's Continuum of Care is to help homeless persons make the transition to permanent, affordable housing. For some individuals, appropriate supportive services will be a critical component of this strategy.
- **Assisting Alaskans with Special Needs.** In this section, proposed actions will be described that address the needs of older Alaskans, persons with disabilities, persons with alcohol or other drug addictions, persons with HIV/AIDS, and other "at risk" Alaskans. Also included in this section is an updated description of Alaska's Fair Housing Plan, including the updated Analysis of Impediments to Fair Housing Choice. Activities addressing these impediments in SFY 2012 are described.
- **Other Housing and Community Development Actions.** The State will outline its plans during SFY 2012 to address underserved housing and community development needs. This section will cover actions promoting the development and maintenance of affordable housing, including the use of public housing resources and the development of public housing resident initiatives. The coordination of Low-Income Housing Tax Credits with other affordable housing resources will also be discussed. Actions will be outlined that help remove barriers to affordable housing, evaluate and reduce lead based paint hazards, develop economic opportunities for low-income families, improve organizational capacity, and improve the coordination between public housing and social service agencies.

VII. Community Development Block Grant Competitive Grant Program

The CDBG Competitive Grant Program is a flexible source of competitive funding for a broad range of community development activities. Following is information on the method the State will use to distribute CDBG funds, the criteria used to select projects for funding, how funding is to be allocated among eligible activities and other information that will enable local governments and the public to comment on the State's planned CDBG program activities for the coming year. The Department of Commerce, Community, and Economic Development (DCCED) is truly committed to making the program responsive to local community needs, especially as they relate to the low- and moderate-income population.

Grant funding from State Fiscal Year 2012, which utilizes Federal Fiscal Year 2011 funds, is available for three categories of projects: Community Development, Planning, and Special Economic Development. An eligible applicant may apply for up to \$850,000 during a single annual competition. It is anticipated that the competition for federal fiscal year 2011 funds will be held in the fall of 2011. The Department provides an application kit to potential grantees with additional details about the program, specific eligibility thresholds and other important information which will assist an applicant in the process of seeking CDBG program funds. The Department may elect to hold more than one competition annually if it is in the best interest of the CDBG program to do so. The Department reserves the right to make program changes based on pending budget cuts, if any, at the federal level.

A. National Objectives

Title I of the Housing and Community Development Act of 1974, as amended in 1992, identifies three National Objectives for the CDBG program:

- Principally benefit persons of low and moderate income;
- Prevent or eliminate slums or blight; or
- Meet urgent community development needs which pose a serious and immediate threat to public health or safety.

B. State Goals and Objectives

The State of Alaska has elected to consider funding only those projects meeting the first national objective as the overall mission of the State's CDBG program which is to enhance the quality of life for low- and moderate-income persons, particularly in rural Alaska. The CDBG program fulfills this mission by acting upon the following defined goals and objectives.

- Ensure that the State’s CDBG funds will be used to principally benefit low- and moderate-income persons;
- Provide financial resources to communities for public facilities, planning and special economic development activities which encourage community self-sufficiency, reduce or eliminate conditions detrimental to the health and safety of local residents, and reduce the costs of essential community services; and
- Provide capital to assist in the creation or retention of jobs that primarily benefit low and moderate income persons.

The following objectives guide distribution and use of funds:

- To support activities which provide a substantial or direct benefit to low- and moderate-income persons;
- To support activities which eliminate clear and imminent threats to public health and safety;
- To support local efforts toward solving public facility problems by constructing, upgrading, or reducing operational/maintenance costs of essential community facilities;
- To support activities which demonstrate strong local support as evidenced by inclusion in a local community, economic, or capital improvement plan;
- To support activities which demonstrate potential for long-term positive impact;
- To support activities which complement the Owner-Occupied Housing Rehabilitation (ORP) component of AHFC’s HOME Investment Partnership Program;
- To support activities which encourage local community efforts to combine and coordinate CDBG funds with other public and private resources whenever possible;
- To support economic-development activities which will result in business development and job creation or retention which principally benefit low-and moderate-income persons; and
- To support activities which either include, as part of the application, or have completed, design, engineering, architectural, or feasibility plans as appropriate.

The following objectives guide DCCED staff in program administration and in providing technical assistance to applicants and CDBG grantees:

- ❖ To provide staff support and encouragement, as well as information and referral, to communities engaged in developing local projects and activities which offer innovative and transferable solutions to community development problems;

- ❖ To develop a simplified grant management system incorporating training, technical assistance, and other related services to ensure that projects are completed in a timely and efficient manner, within budget, and in conformance with applicable program requirements and sound management principles; and
- ❖ To evaluate the program's design and implementation on an ongoing basis and make revisions where appropriate.

C. Amount of Funds Available and Distribution

It is estimated that the State of Alaska will receive \$2.6 Million in federal State Community Development Block Grant funding for the SFY 2012 program year. Of this amount, it is anticipated that, following the administrative and technical assistance set-asides, all of the funding will be utilized to support the CDBG Competitive Grant Program or CDBG Funded Projects---Other Prioritization Processes as described herein. As provided for in federal regulations, the State will exercise its option to reserve one percent (1%) of its CDBG funds to provide training and technical assistance to CDBG applicants and grantees. The State of Alaska, Department of Commerce, Community, and Economic Development reserves the right to revise funding amounts, when relatively minor, without a formal amendment to this Plan.

Of the funds available under the CDBG Competitive Grant Program, the majority of project funds will be targeted toward community development activities and planning activities which address health and safety needs, or which support future economic development and community self-sufficiency. Special emphasis will be placed on coordinating with other funding sources such as USDA Rural Development, the Economic Development Administration, the Denali Commission, the state of Alaska Designated Legislative Grant Program; the Administration for Native Americans; and other appropriate federal, state, and private funding sources. The Department will encourage applicants to include or have previously secured funds for design, engineering, and feasibility planning for projects, as appropriate, prior to making application for CDBG funding for construction or project implementation.

D. CDBG Competitive Grant Program

At a time determined appropriate by the Alaska Department of Commerce, Community, and Economic Development (DCCED), a competition for Federal Fiscal Year 2011 (SFY 2012) CDBG funds will be held. Eligible applicants for the CDBG Competitive Grant Program are:

Any municipal government entity as defined by Title 29 of the Alaska Statutes; i.e. home rule, first, second, and third-class boroughs, unified municipalities, and first and second-class cities, which exercise powers consistent with the proposed project, except the Municipality of Anchorage.

An eligible applicant, as defined above, may submit a CDBG Competitive Grant application in cooperation with a non-municipal entity, such as a nonprofit corporation organized under AS 10.20 which is in good standing with the state of Alaska, or a Native Village Council, if the proposed project will principally benefit low- and moderate-income residents of the municipal government entity. A Cooperative Agreement will be encouraged among parties to the application.

1. Eligible Activities

CDBG Competitive Grant Program funds may be used for projects in three categories: Community Development; Planning; and Special Economic Development. The following summary, identifying the most common types of eligible activities within each category, is excerpted from Title I of the Housing and Community Development Act of 1974, as amended in 1987. These examples are for general information only and are not intended to be all inclusive. Communities are encouraged to consult with CDBG program staff about project eligibility and structure.

a. Community Development

CDBG Competitive Grant funds may be used for acquisition, construction, rehabilitation or installation of public facilities, and improvements such as health clinics, day care centers, community centers, waste and sewer systems, solid waste disposal facilities, flood and drainage facilities, docks and harbors, and electrical distribution lines, and fuel and gas distribution systems; transportation improvements including local service roads, trails, airports, barge facilities or subsistence access areas; removal of architectural barriers which bar handicapped and elderly persons from accessing public facilities and structures; and acquisition or disposition of real property, clearance, demolition, or removal of buildings and improvements. This category also includes acquisition, design, construction, or rehabilitation of fire-protection facilities, and purchase of fire-protection equipment.

b. Planning

CDBG Competitive Grant funds may be used for conducting studies, collecting data, preparing analyses, preparing plans and identifying actions which will implement plans, conducting marketing and feasibility studies, preparing community economic development plans, preparing community land use plans, preparing capital improvement plans, or conducting updates of any of the above. *Note:* There is a limit, imposed by federal statute, on the percentage of funds which may be used for planning purposes.

c. Special Economic Development

Under Section 105(a)(14), CDBG Competitive Grant funds may be used for commercial or industrial improvements carried out by the grantee or a non-profit sub-recipient, including acquisition, construction, reconstruction, rehabilitation, or installation of commercial or industrial buildings, structure, and other real-property equipment and improvements. Under Section 105(a)(17), CDBG Competitive Grant funds may be used for assistance (through the eligible applicant) to an identified private, for-profit entity for an economic development activity when there is a public benefit provided to the community as a whole.

2. Ineligible Activities

The following activities are *not eligible* for CDBG Competitive Grant funding. This listing of ineligible activities is not intended to be all-inclusive. Applicants are encouraged to consult with CDBG program staff to determine project eligibility.

a. Regular Government Operations

CDBG Competitive Grant funds may not be used to pay for the ongoing responsibilities of general local government.

b. Maintenance and Operation

CDBG Competitive Grant funds may not be used for operation and maintenance expenses of public or community facilities.

c. Equipment

The purchase of motor vehicles, equipment or furnishings not permanently attached to a building is ineligible except when such vehicles or equipment are used for fire protection.

d. Government Buildings

Government buildings such as courthouses, city halls, borough administrative buildings, tribal government offices, and other buildings used for the general conduct of government are not eligible for CDBG assistance except for the removal of architectural barriers preventing handicapped access.

e. Political Activities

CDBG Competitive Grant funds may not be used to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities.

3. Special Requirements and Funding Limitations for the CDBG Competitive Grant Program

The following is a summary of special requirements and funding limitations pertinent to the CDBG Competitive Grant program. Detailed information on these requirements will be made available to applicants and potential applicants by DCCED, as part of a comprehensive application kit.

a. Maximum Benefit

Each CDBG Competitive Grant activity must meet the National Objective of benefiting populations or targeting areas which consist of at least fifty-one percent (51%) low- and moderate-income persons. Community-wide activities are restricted to communities with a total population of at least fifty-one percent (51%) low- and moderate-income residents. The Department will provide applicants with a list of communities meeting the fifty-one percent (51%) low-and-moderate population threshold for community-wide activities.

b. Single-Purpose Projects

CDBG Competitive Grant funds will address *single-purpose projects only*. If more than one activity is proposed by an applicant, each must directly relate to and address a single-identified need.

c. Adequate-Funding Requirement

CDBG Competitive Grant funds will be targeted and priority for funding will be directed toward projects demonstrating, at the time of application, that adequate funding to complete the project is secured. The CDBG program cannot fund projects which are unable to be completed with the funds available or which fail to demonstrate that a benefit will be provided to the low and moderate income residents after expenditure of CDBG funds.

d. Phased Projects

CDBG Competitive Grant funds will be used for phased projects only one time. The phase of the project for which funding is sought must demonstrate, at the time of application, that upon completion there will be a direct benefit to low and moderate income residents as a result of CDBG participation. Design, planning, or feasibility study requests which may later identify a need for construction or implementation funds are not considered phased projects.

e. Design/Engineering/Planning Costs

An application for CDBG Competitive Grant funds will be considered for construction projects which include funding for design and construction. However, it should be noted that applicants which applied for and received CDBG funding for project engineering, feasibility, and/or planning within two years prior to the application for implementation, may receive priority consideration of funding.

f. Past Recipients

A past recipient of CDBG Competitive Grant funds may not be considered for award of additional CDBG Competitive Grant funds until (a) a minimum of seventy-five percent (75%) of the non-administrative funds have been expended, and reported to DCCED and, in the judgment of the Department, the previously-funded project is substantially complete; or (b) the project is complete and all reporting requirements are met. Applicants with prior year grants are encouraged to verify expenditure levels with CDBG program staff. Review of applications by the ASC from past recipients who fail to meet the above requirements is at the discretion of CDBG Program Staff.

g. Maximum Number of Applications

An eligible applicant may submit only one CDBG Competitive Grant application in response to any one solicitation.

h. Maximum Grant Amount

An eligible applicant may apply for and receive a maximum of \$850,000 in CDBG Competitive Grant funds in response to any one solicitation.

i. Administrative Cost Limit

An applicant may apply for and receive not more than five percent (5%) of its total CDBG request for administrative costs. The Department may require successful applicants to attend a grant implementation workshop prior to release of awarded funds. If the applicant is required to attend the Department reserves the right to increase the administrative funds above five percent (5%) at its discretion. This will be negotiated after awards are announced.

j. Leverage

Each applicant for CDBG Competitive Grant Funds will be required to provide some matching funds if the application is to receive the maximum points in project review. Although there is no specific cash match requirement, those applicants offering some cash and in-kind match will likely score higher in project evaluation than those who fail to do so. Ideally, a minimum of twenty-five percent (25%) match will be provided and documented in the application. The source of all matching funds, whether cash or in-kind, must be identified in the application and must be documented.

k. Building Code and Standards Enforcement

Each CDBG activity which includes construction, renovation, rehabilitation, expansion or modification of buildings and facilities for public or commercial purposes must be designed to comply with pertinent state and federal building standards and codes. Applicants are encouraged to comply with provisions of the Department's *Grant Recipient Construction Manual*. The Department reserves the right to review and require modification of construction plans for compliance with these standards. Applicants will be required to submit evidence of State Fire Marshal approval of plans.

l. Davis-Bacon Wage Requirements

Each CDBG activity which includes construction, renovation, rehabilitation, expansion or modification of buildings and facilities for public or commercial purposes; site development; major equipment installation; or similar activity which involves the use of

contracted labor and services, must comply with Davis-Bacon and other federal labor-standard requirements.

m. Environmental Review

Each CDBG activity must obtain appropriate environmental clearances as required by 24 CFR 570.495.

n. Site Control

Each CDBG activity involving the use of real property requires that the applicant document that it has the enforceable right to use the property. This document may be in the form of a deed, lease (usually for not less than 20 years), easement or similar formally executed document. Site Control must be adequately documented at the time of application for CDBG funding. The Department may elect to make contingent awards for funding if it determines that site control can be secured and documented within a specified period of time after award, usually not more than six months.

o. Displacement

Each CDBG grant activity involving the acquisition, demolition, or rehabilitation of real property or displacement of persons for a project or program with HUD financial assistance will be required to follow the requirements stated under section 104(d) of the Housing and Community Development Act of 1974, as amended and the implementing regulations of 24 CFR part 42, which requires a residential anti-displacement and relocation assistance plan.

p. HUD Reform Act, Section 102

Each applicant for CDBG funds must make certain disclosures if the applicant receives in excess of \$200,000 in federal funds from any source during the fiscal year in which the CDBG application is made. Applicants must disclose assistance from other government sources in connection with the project, financial interests of persons involved in the project, and expected sources and uses of funds that are to be made available for the project or activity. Applicants must update the disclosures required within 30 days of any substantial change during the period when an application is pending or assistance is being provided.

q. IRS Liens/Judgments

A municipality may not be awarded CDBG funds if they have any unresolved federal tax liens or court judgments filed against them. If an applicant has a repayment agreement in place to resolve tax liens or judgments, they must provide documentation of such an agreement.

4. Selection Process and Rating Criteria

The application-selection process for the *CDBG Competitive Grant Program* consists of two stages; threshold review and project rating and selection. During the threshold review, CDBG staff screen all applications for eligibility and completeness, without awarding points. An application must meet all of the threshold-review requirements to progress to the second stage of the selection process. The project rating and selection process, stage two, will be conducted by an Application Selection Committee, using the

criteria outlined below. The Committee reserves the right to exercise flexibility in making specific recommendations, if those recommendations, in the opinion of the majority of Committee members, best serves the interest of the CDBG program and the program recipients. It should also be noted that applicants who applied for and received CDBG funding for project design, engineering, feasibility, and/or planning within two years prior to the application for implementation, may receive priority consideration for funding. Applications will be evaluated and assigned points by the Application Selection Committee based on the following criteria:

Rating Factor	Maximum Points
1. Project Description and Selection	15
2. Project Plan/Readiness	25
3. Project Impact	25
4. Budget/Match/In-Kind	25
5. Administrative Capability	10
Total Maximum Score	100

Following completion of the rating process, applications will be placed in rank order. The Application Selection Committee will forward funding recommendations to DCCED management staff for review to insure the ASC scored project applications in accordance with the rating criteria and procedure outlined herein. Applicants will receive written notification of the rating process results.

Appeals

Applicants may appeal the notification of rating results to the Director of the Division of Community and Regional Affairs. The only basis for an appeal is non-adherence by DCCED to the grant selection and award procedures as identified above. Appeals must be received by the Department in writing within 30 days of the date of the notification of rating results and must clearly state the basis for the appeal. The appeal will be reviewed by the Director and a final determination made within 30 days of the Director’s receipt of the written appeal. The decision of the Director, provided to the applicant in writing, is final and conclusive.

E. Community Development Block Grant - Other Prioritization Processes

1. CDBG - Owner-Occupied Rehabilitation Program

At the discretion of the Department, a portion of the above referenced CDBG Competitive Grant Program funds may be set-aside and designated for use by Alaska Housing Finance Corporation's Owner-Occupied Rehabilitation Program (ORP) contractors for housing rehabilitation/accessibility activities. Grants may be awarded for up to a maximum of \$500,000 in CDBG funding. The focus will be on funding emergency rehabilitation activities which compliment HOME Program activities and fill a gap that addresses critical health, safety and accessibility rehabilitation improvements not currently being met through HOME or other programs. The guidelines for assistance will follow AHFC's HOME Owner-Occupied Rehabilitation Policies and Procedures Manual where applicable.

a. Cooperative Agreement

The Department will subcontract through the eligible CDBG municipal government, with AHFC's ORP contractors who are selected through a competitive process by AHFC to administer the owner occupied rehabilitation component of the State's HOME Investment Partnership Program. The ORP contractors are responsible for securing a Cooperative Agreement with the CDBG eligible municipal government entity in which the rehabilitation/retrofit activity is to take place.

b. Income Guidelines and Verification

The ORP contractors are responsible for insuring verification that this program solely benefits low to moderate income households. Income guidelines and verification will follow AHFC's HOME ORP Policy and Procedures Manual.

c. Project Approval, Project Set-up, and Environmental Review Forms

The guidelines for project approval, project set-up submission, and environmental review will follow AHFC's HOME ORP Policy and Procedures Manual using forms modified and updated for the CDBG – ORP program.

d. Standards

Project specific work on a home that is utilizing CDBG funds must meet Housing Quality Standards (HQS) but the entire home will not be required to meet overall HQS.

e. Compliance with all applicable program requirements

The ORP contractors and the CDBG eligible municipal government entity are responsible for compliance with all other applicable CDBG program requirements.

f. Allowable activities

Allowable activities under this program would include, but not be limited to, roof replacement, foundation repair or replacement, correction of structural deficiencies, accessibility modifications, sanitation repairs (well, septic, bathrooms, etc.), lead reduction, moisture control and mold mitigation, heating system repairs and replacement,

and energy efficiency improvements. CDBG funds may not be used for equipment or furnishings unless an integral part of the building.

g. Maximum Amount per Home

The maximum amount of CDBG funds per owner-occupied home will be limited by CDBG regulations and by the grant agreement between the municipal government entity and DCCED.

h. Expected Timeframe

Funds awarded under this housing rehabilitation program component are expected to be expended within 18 to 24 months of obligation unless otherwise approved by the Department.

i. Past Recipient

The seventy-five percent (75%) expenditure requirement under the Past Recipient provision of the Action Plan shall not apply to this ORP CDBG Program.

j. Administrative Costs

Administrative cost limits will be negotiated on a case by case basis but will not exceed ten percent (10%) of the grant amount.

2. Homeless Assistance Program - CDBG

At the discretion of DCCED, a portion of the above referenced CDBG competitive grant funds may be set-aside for CDBG eligible applicants for construction ready homeless shelters and transitional housing projects. Through AHFC's competitive Homeless Assistance Program (HAP), notification will be given that certain projects may be eligible, subject to the criteria outlined below, for up to \$500,000 in CDBG funding. After the close of competition for AHFC's Homeless Assistance Program, applicants will be reviewed for possible inclusion and receipt of CDBG funds.

a. Cooperative Agreement

Applicants notified of eligibility for the HAP CDBG program will be responsible for securing a Cooperative Agreement with the eligible municipal government entity in which the rehabilitation or construction project is to take place. If a Cooperative Agreement is not reached in a timely manner, as determined by DCCED, the Department reserves the right to use these identified HAP CDBG funds in the CDBG Competitive Grant Program, or other activities outlined in the Annual Action Plan.

b. Construction Ready

All HAP CDBG projects must be construction ready, which is defined as providing a completed business plan for facility operation; providing a detailed construction budget, with a sources and uses statement; verification of commitment of all other required funding sources for the project; evidence of site control; and completion of all planning, design, engineering and architectural plans for the project.

c. Other Program Requirements

Communities/applicants awarded funds under HAP CDBG program must meet all of the requirements for participation in the CDBG program including but not limited to Eligible Applicants; Eligible Activities; Public Hearing Requirements; National Objectives; Resolutions with Certifications of Compliance; HUD Reform Act; Civil Rights; Environmental Review; and Federal Labor Standards and agree to execute a CDBG Grant Agreement with DCCED within the timeframe outlined by the Department at the time of the award. CDBG funds may not be used for equipment or furnishings unless an integral part of the building.

d. Expected Timeframe

Funds awarded under the HAP CDBG program component are expected to be expended within 18 to 24 months of obligation unless otherwise approved by the Department.

3. Planning Applications

The Department reserves the right to issue, under the CDBG Competitive Grant Program, an application exclusively for Planning Activities if it is determined to be in the best interest of the program to do so. The purpose of exercising this option would be to assist communities in preparing for potential future construction projects as well as meeting other community planning needs.

4. Other CDBG Applications

The Department reserves the right to accept applications for CDBG funding outside the annual CDBG Competitive Grant cycle if extenuating circumstances, as determined by the Department, warrant such action.

5. Monitoring by DCCED

CDBG Competitive Grants and activities will be monitored on an ongoing basis by DCCED staff. It is the goal of the Department to monitor each CDBG funded activity at least once during the life of the grant. The primary objectives of the monitoring process are:

- To determine whether grantees are in compliance with required procedures for project management, financial management and recordkeeping, and audit requirements;
- To determine whether the environmental review and related actions of grantees are technically adequate in determining the project's impact on the environment and the impact of the environment upon the project;
- To provide technical assistance to grantees in remedying problems and resolving program deficiencies;

- To determine whether the obligations and costs incurred against the project are authorized by the Grant Agreement and adequately documented;
- To determine whether labor standards and civil-rights requirements are being adequately met;
- To determine whether acquisition/relocation provisions apply and are being adequately met; and
- To determine whether project objectives, timelines, and goals are being met in a timely and efficient manner.

The monitoring process consists of two levels: (1) on-site and (2) in-house or desk monitoring. Because of extremely high transportation costs in Alaska, and the remote location of the majority of communities participating in the CDBG program, not all projects will receive on-site monitoring by DCCED staff. The Department will determine how each project will be monitored, based on such factors as the complexity of project activities, administrative capacity of the grantee as evidenced by past grant activity, previous audit findings of the grantee, financial management capacity of the grantee, and cost-effectiveness of sending a Department staff member to the site. The Department employs a number of staff who often travel to remote areas of the state for various reasons.

CDBG staff will solicit the assistance of other Department staff to conduct on-site project reviews whenever possible. This may include requesting that photographs be taken of project facilities or activities. Some projects may be monitored in-house by CDBG staff for certain compliance areas and on-site by CDBG or other Department staff for other compliance areas. Other projects may be monitored only in-house by CDBG program staff.

The Department will continue procedures whereby all grant agreements and project activities are monitored in-house on an ongoing basis by CDBG staff. Grant files reflect that ongoing technical assistance and review of grant status is occurring. Monthly status reports are submitted by grantees, reviewed by CDBG staff, and form the basis for constructive feedback to grantees. Financial-reimbursement requests are carefully reviewed and, on a selective basis, grantees asked to provide source documentation with billings before payment is made. CDBG staff maintains regular contact, both in person and by telephone, with all grantees.

If problems are identified through either in-house or on-site monitoring, grantees are notified in writing, and corrective action is required within a specific time frame. Department staff follows up on corrective actions taken and verifies completion.

The Department is committed to providing on-site monitoring to as many grantees as funding allows. In-house monitoring is a valuable alternative to on-site visits, but does not totally replace on-site visits by staff. Program records indicate which form of monitoring is used for each project and contain appropriate source documentation from grantees to support any findings made.

Specific procedures outlining minimum monitoring standards and timelines have been developed by the Department and are provided to successful applicants for funding through the CDBG Competitive Grant program.

6. Reallocated, Recaptured and Unobligated Funds

Reallocated funds are those funds which HUD has recaptured from a grantee and reallocated to the State in accordance with the Community Development Act of 1974, as amended through 1992. Reallocated funds received by the State with its annual grant will be made available to eligible applicants in accordance with the application process described above.

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

Recaptured funds will either be reallocated to existing grantees who demonstrate a need for additional funds (not exceeding a grant cap of \$850,000) or be reallocated to applicants between award cycles when it is demonstrated to the satisfaction of the Department that an immediate and pressing need exists and it is in the best interests of the program and applicant to award funds immediately. Recaptured funds may also be reallocated to other activities outlined in the Annual Action Plan outside of the competitive grant process (ORP and HAP).

Unobligated funds are funds which have not been, or are no longer intended to be, distributed according to the method of distribution described herein. Unobligated funds will either be reallocated to existing grantees who demonstrate a need for additional funds (not exceeding a grant cap of \$850,000) or be reallocated to applicants between grant-award cycles when it is demonstrated to the satisfaction of the Department that an immediate and pressing need exists and that it is in the best interests of the program and the applicant to award funds immediately. Unobligated funds may also be reallocated to other CDBG activities outlined in the Annual Action Plan outside of the competitive grant process (ORP and HAP).

7. Program Income

Program income includes income generated by the use of CDBG funds awarded to an eligible applicant or sub-recipient. Program income includes, but is not limited to, payments of principal and interest on loans made with CDBG funds, proceeds from the lease or disposal of real property and equipment acquired with CDBG funds, and interest earned on CDBG funds held in interest-bearing accounts.

Program income generated by CDBG Competitive Grant recipients prior to close out of the grant from which the income was generated will be authorized by the Department to be retained by the recipient for the purpose of continuing the activity from which the

program income was derived, in accordance with applicable regulations. Program income is subject to all applicable CDBG requirements.

A CDBG recipient proposing to retain program income must maintain the following records:

- Sources of program income
- Date and amounts of program income deposits
- Interest earned
- Dates and amounts of program income disbursements
- Documentation that activities funded with program income constitute a continuation of activities from which income was originally generated

F. Assessment of Relationship of CDBG funds to Goals and Objectives

The overall mission of the Community Development Block Grant Program is to enhance the quality of life for low and moderate income persons, particularly in rural Alaska. Goals include ensuring that the majority of funds will be used to benefit low and moderate income persons and to provide the financial resources for public facilities, planning, and economic development activities which reduce or eliminate conditions detrimental to the health and safety of local residents and reduce the costs of essential community services. In Program Year 2010 a total of 4 homeless shelter improvements; 1 domestic violence shelter; 1 bulk fuel tank facility; 1 electric utility upgrade; 1 hydro upgrade; and 1 harbor improvement were completed, benefiting 3,230 persons. All of these projects addressed local health and safety issues. Of the 3,230 persons served with these funds 870 were extremely low income; 756 were low income; 989 were moderate income; and 615 were non-low-moderate income. A total of 81% of those served were low to moderate income people.

In addition to providing funding for much needed public facilities in rural Alaska, the CDBG program also provided funding for owner-occupied housing rehabilitation/accessibility activities to complement HOME program activities. In Program Year 2010 rehabilitation activities were completed on 19 homes. A total of 40 persons lived in the 19 households served; 36 persons were very low income; 4 persons were low income.

G. Statement of Specific Annual Outcomes

During the 2012 program year (FFY 2011) the CDBG program anticipates providing for approximately four new public facilities/infrastructure improvements with approximately 450 low to moderate income (LMI) persons benefiting and thus meeting the objective of benefiting LMI persons and achieving the outcome of availability/accessibility.

Additional information about the CDBG program may be obtained from:

Jill Davis, Grants Manager
Department of Commerce, Community, and Economic Development
Phone: 907-451-2717
FAX: 907-451-2742
211 Cushman Street
Fairbanks, AK 99701-4639
E-Mail: jill.davis@alaska.gov

VIII. HOME Investment Partnerships Program

A. Overview

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

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

The State of Alaska's HOME allocation for SFY2012 is anticipated to be \$3,001,118. Additionally, AHFC will provide \$750,000 in state matching funds to contribute to the federal matching requirements under the HOME program.

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

Priorities for the use of HOME funds are established in the Consolidated Housing and Community Development Plan (HCD). The following program description outlines HOME funded activities for State Fiscal Year 2012 (July 1, 2011 through June 30, 2012) funded from Federal Fiscal Year 2011 (FFY 2011) appropriations.

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

All HOME Program activities work towards the statutory goal of the 2011-2015 HCD Plan to provide decent housing, create suitable living environments, and expand economic opportunities for Alaskans with incomes at or below eighty percent (80%) of the median income. The seven general principles from this five-year HCD Plan guide the direction and implementation of HOME Program activities. Priorities and Objectives for the coming program year are summarized in the Appendix C table and are detailed in the program descriptions that follow. Additionally, program achievements from SFY2010

are included in Appendix C as a measure of how the State is meeting its stated goals as outlined under the Five Year Consolidated Plan (2011-2015).

Allocation of FFY 2012 HOME Funds - July 1, 2011 through June 30, 2012

Activity	HUD	AHFC Match	Total
Rental Housing Development (RHD) Program			
Program Funds	600,000	350,000	950,000
CHDO Program Funds	450,000	0	450,000
Subtotal	1,050,000	350,000	1,400,000
Homeownership Development Program (HDP)			
Program Funds	300,000	0	300,000
Subtotal	300,000	0	300,000
Owner-Occupied Rehabilitation Program (ORP)			
Program Funds	0	0	0
Subrecipient Expense	0	0	0
Subtotal	0	0	0
Home Opportunity Program (HOP)			
Program Funds	1,201,113	325,000	1,526,113
Subrecipient Expense	100,000	75,000	175,000
Subtotal	1,301,118	400,000	1,701,118
Tenant-Based Rental Assistance (TBRA)			
Program Funds	0	0	0
Subrecipient Expense	0	0	0
Subtotal	0	0	0
CHDO Operating Expense Assistance (OEA)			
Subtotal	150,000	0	150,000
Rental and Homeownership Housing Pre Development Program			
Subtotal	0	0	0
AHFC HOME Program Administration			
Subtotal	200,000	0	200,000
Total HOME	3,001,118	750,000	3,751,118
Reprogrammed prior funding and program income			
	210,645		210,645

*CHDO Program Funds are set aside for Community Housing Development Organizations to own, develop or sponsor HOME assisted units through the RHD program, subject to the limitations of 24 CFR 92.300

APPENDIX A to the SFY 2012 Annual Action Plan includes additional tables on the Status of Active HOME funds, allocated under prior Annual Action Plans and uncommitted and unexpended funds allocated under prior Annual Action Plans.

B. Rehabilitation of Owner-Occupied Housing

The HCD plan places priority on preserving and upgrading existing housing supply through rehabilitation and weatherization to low-income homeowners. Although AHFC remains committed to the continuation of the Owner-Occupied Rehabilitation Program (ORP), the expenditure of ORP funds remains low. There are several factors that have contributed to the reduction in ORP expenditures. First, the State of Alaska has allocated \$360 million dollars to AHFC to administer weatherization and energy programs. One of the two SFY2011 AHFC ORP subrecipients administers the weatherization program for AHFC in addition to ORP. The State legislature has imposed aggressive implementation and expenditure requirements on the weatherization and energy programs; this has necessitated the full attention of AHFC's weatherization program grantees. Consequently, ORP production has been adversely impacted. ORP subrecipients anticipate being able to refocus their attention and efforts to ORP for the upcoming building season. AHFC will continue to provide the necessary technical assistance to the latest ORP subrecipient in order to increase the number of clients served.

For these reasons, AHFC will not allocate any HOME funds to ORP for SFY2012. Currently, \$828,761 in previous year, ORP program funding allocations have been committed to two ORP subrecipients. However, ORP funding may be re-allocated to the rental housing development program or the Tenant Based Rental Assistance program if AHFC determines that funds cannot be spent within a reasonable timeframe.

During SFY2012, AHFC will continue to evaluate the ORP program in an effort to increase the future viability of the program; alternative program deliver systems will be sought as well. AHFC will explore options such as: providing more substantial rehabilitation work to households; reconstruction of homes that cannot reasonably be brought to code and meet ORP property standards.

HOME and CDBG funding, where appropriate, will continue to be used in conjunction with other federal and state funds to achieve the goal of upgrading existing housing stock. Such funding sources include, but are not limited to AHFC/DOE Weatherization funds, Senior Citizen Housing Development Funds, DHSS Accessibility Brokerage Program funds, and USDA Housing Preservation funds. All homes considered for assistance under the ORP program must be occupied by owners with annual incomes at or below 60 percent of the area median income as determined by HUD adjusted for household size. AHFC will consider waiver requests for eligible households that exceed 60 percent area

median income but do not exceed 80 percent area median income; waiver considerations are outlined in the AHFC ORP Policy and Procedure Manual. Eligible households with one or more of the following characteristics receive preference under this program:

- Persons over the age of 55;
- Families with children who are six (6) years old or younger; and
- Families in which at least one of the occupants has a disability, as defined in 24 CFR Part 92.2;

The objective of housing rehabilitated under the ORP program with HOME program funding is to create additional decent and sustainable housing stock in Alaska. All units will be brought up to code and will meet the AHFC HOME Program Written Rehabilitation Standards. The after-rehabilitation value of the property may not exceed the allowable HOME 203(b) limits or 95% of the area median sales price, whichever is greater. Furthermore, if a homeowner has been previously assisted with HOME funds and is currently still within the period of his or her outstanding HOME note or deed restrictions, he or she is not eligible for additional HOME funded assistance under this program. HOME funds provided through the ORP program will be in the form of a conditionally-forgivable, zero interest loan to the homeowner. Maximum loan and grant limitations, and criteria for when each apply, will be established by AHFC in the ORP Policy and Procedure Manual. The eligible homeowner will execute a note and deed of trust to secure some or all of the assistance provided.

Loan provisions will have a forgiveness (recapture) period of four years. Equal portion of the amount subject to forgiveness will be deducted from the loan balance for each full year of ownership. In the event the homeowner fails to own the home after the rehabilitation activities are complete for the required recapture period, any amount of the loan not forgiven will be due and payable upon the sale or transfer of title of the property. In addition, in the case of a sale (voluntary or otherwise) the maximum amount of funds subject to recapture is limited to whatever net proceeds (if any) are available. The homeowner must show that the appraised value of the home is not sufficient to pay off the HOME loan(s) in addition to any other lien in superior position, and standard and customary seller's closing costs. Net proceeds are calculated by the sales price less any non-HOME loans or repayments less closing costs.

In the event that the cost to rehabilitate a property exceeds 75 percent of the replacement cost, the property may be reconstructed with ORP funds; the owner may be required to make principal payments on the portion of the loan that exceeds the forgivable amount.

The objective of housing rehabilitated under the ORP program with CDBG funds is to provide repairs for homeowners that have an immediate need to correct an emergency condition that has been determined to present an imminent danger to the health and safety of occupants or to protect a property from further structural damage. CDBG funding will be provided in the form of a grant through the eligible local government.

AHFC, through a competitive process, selects agencies to provide rehabilitation services. A Notice of Funding Availability (NOFA) will be announced. Interested organizations are invited to respond by the published deadline and proposals are evaluated by AHFC.

This program meets the HOME HUD objective of providing decent housing with improved or new sustainability and the CDBG objective of creating a suitable living environment by providing funding for owner-occupied housing rehabilitation services which address emergency needs and health and safety issues for low to moderate income households while improving availability and accessibility. The following outcomes are estimations that will be used to measure the progress of this program:

- It is estimated that fourteen units will be rehabilitated.
- It is estimated that ten units will be owned by seniors, families with children or persons with disabilities.
- It is estimated that one unit will meet the Alaska equivalent of the Energy Star standard.
- It is estimated that three units will be made accessible.

There are several factors that will influence these outcomes. First, outcomes will be driven by the applicant pool. The number of units that may be completed for seniors, families with children or persons with disabilities will be dependent on the number of applications to the program. The number of Energy Star (Alaska equivalent) units will be dependent on the amount of reconstruction that is completed under the program. Second, the number of homes reconstructed with ORP may impact the overall number of homes rehabilitated. The reason for this is that reconstructed homes may require additional funds. Finally, where rehabilitation work is concerned, accessibility modifications are secondary so when any other rehabilitation work is completed, if there are funds remaining, accessibility issues can be addressed.

C. Rental Housing Development Activities

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

On an annual basis through the Greater Opportunities for Affordable Living (GOAL) program and/ or the Special Needs Housing Grant (SNHG) program, AHFC announces the availability of HOME funds for rental development. The SNHG program allocates capital development funds to develop rental housing projects that will serve special needs, and often low-income, households. In SFY2012, HOME rental development funds may also be awarded through the SNHG award process, in addition to the GOAL process, if AHFC deems that it is in the best interest of the HOME program to do so.

Proposals for rental housing development will be evaluated based on AHFC's Rating and Award Criteria Plan, as approved by AHFC's Board of Directors. AHFC encourages applicants to submit proposals that meet the housing needs identified through the HCD Plan. Such characteristics include providing extended benefit to low income Alaskans (for at least 30 years); serving lower income Alaskans (at or below 50 percent of the median income); increasing and/ or preserving housing opportunities in rural area; promoting housing for people with special needs and very low-income households (at or below 30 percent of the median income); incorporating energy efficient, sustainable housing design, and accessibility features into housing; rehabilitation of housing.

Potential project sponsors must submit an application package to AHFC by the published deadline. Applications are reviewed, evaluated, and competitively ranked in relationship to other applications. An allocation of \$950,000 in SFY2012 (FFY 2011) HOME funds will be used to assist project sponsors in acquiring, rehabilitating, or constructing rental housing. In addition, \$450,000 will be earmarked as CHDO assistance for rental housing developments. Another \$210,645 of reprogrammed prior funding and program income will be allocated for rental development.

For the purposes of this program, sponsors may include local governments, regional housing authorities, non-profit organizations and for-profit developers. The funds may be applied to the new construction, acquisition and acquisition/rehabilitation of rental housing. Projects may be located in either rural or urban areas (with the exception of Anchorage). Various housing types are eligible, including (but not limited to) apartments, single room occupancy units, congregate housing, single family homes, and group residences.

HOME assistance will be used to help fill the funding gap between a project's development costs and other sources of funds that may reasonably be expected to contribute to the project. These funding sources will include any debt that the project's cash flow may support, plus any match or leverage funds dedicated to the project at the time of application. The goal is to bring the debt and/or cost of debt service down to a level where the project becomes financially feasible, at rent levels affordable to low-income households, as specified in HOME regulations. Funds will be provided in the form of grants or zero interest loans. For-profit project sponsors may not receive a HOME grant. Such sponsors are eligible for a HOME loan, subject to underwriting assumptions acceptable to AHFC. The maximum HOME program loan or grant for any one rental development may not exceed the per-unit subsidy amount(s) for the federally HOME-Assisted unit(s).

For rental housing developments, project compliance monitoring for HOME requirements during the period of affordability will be performed by AHFC's Audit (Compliance) Department. Mechanisms to monitor continued affordability will be similar to those employed under the Low-Income Housing Tax Credit Program.

This program meets the HUD objective of providing decent housing with improved or new affordability. The following outcomes are estimations that will be used to measure the progress of this program:

- It is estimated that a total of eight (8) affordable units (both HOME and non-HOME) will be developed.
- It is estimated that eight (8) of those units will be HOME assisted.
- It is estimated that two (2) of those units will be made available to the elderly.
- It is estimated that three (3) of those units will be made accessible.

There are a number of factors that will influence these outcomes such as: the types of projects and size of the projects that apply for funding; the point priorities AHFC places on various features in the GOAL round; and the availability of rental subsidy. In addition, it is difficult for the HOME program to serve populations such as the homeless, persons with HIV/AIDS or other special needs populations because of programmatic restrictions regarding the combination of housing and social services that is necessary for such populations.

The number of affordable housing units produced through the SFY2012 GOAL round is expected to increase over the SFY 2011 GOAL. In SFY 2011, AHFC dedicated all of the Low Income Housing Tax Credits for the redevelopment / reconstruction of a public housing complex located in Anchorage known as the Loussac Manor. Historically speaking, Low Income Housing Tax Credits have provided the majority of the financing used to produce affordable housing via the GOAL program. AHFC will reallocate any unused and/or uncommitted HOME program funds from HOP, ORP, OEA, and HDP from previous years, as well as program income, towards the rental development program. Refer to the each of the specific HOME program narrative for a description as to how AHFC will make a determination to reallocate program funds to the rental development program.

The State of Alaska currently uses the Building Energy Efficiency Standard (BEES), a State specific standard. As of April 1, 2007 the BEES changed to conform to the 2006 International Energy Conservation Code with Alaska-specific amendments. These amendments were modified again February 9, 2010. See the following website: <http://www.ahfc.state.ak.us/reference/bees.cfm> With this change, the BEES is much more stringent. However, HUD only accepts the Federally Certified Energy Star standards. Therefore, while the AHFC program is producing energy efficient structures, they are not certified or recognized by HUD as Energy Star units. In the 2011 GOAL Application process under which HOME funds are awarded to sub-recipients, applicants can achieve points for energy efficiency by committing to exclusively use Energy Star products and also by acquiring either a Five Star Plus BEES rating or an Energy Star Certification for the project. Applicants are encouraged to visit www.energystar.gov for complete product specifications and updated lists of qualifying products.

D. Homeownership Housing Development Activities: The Homeownership Development Program (HDP)

Homeownership Development Program (HDP) funds are awarded through an annual Notice of Funding Availability (NOFA). HDP awards are limited to participants in the USDA's 523 self-help homeownership program, Community Land Trusts, CHDOs and

Habitat for Humanity organizations. There will be a set-aside of \$300,000 for HDP. Any funds remaining after HDP awards are determined will be allocated to rental development projects or the Tenant Based Rental Assistance program.

The maximum per-unit HOME subsidy for HDP is the lesser of \$40,000 per unit or the appraised value of the land and the onsite water and sewer utilities. In addition, the total development costs per unit of the resulting unit may not exceed the allowable HOME 203(b) limits or 95% of the area median sales price, whichever is greater. HDP funds may be used for land acquisition, site / infrastructure costs, minimal soft costs and if necessary, down payment and closing cost assistance. The NOFA and corresponding application will require that the need be clearly demonstrated for proposed HDP project in their respective local housing marketplaces.

The project sponsor is responsible for identifying homebuyer assistance resources that may be necessary for low-income homebuyers to purchase the home for the proposed sales price. Units assisted with homeownership development funds under this program are not eligible for buy down assistance under the Home Opportunity Program (HOP) but are eligible to receive down payment and closing cost assistance.

All HDP subrecipients will use the recapture model unless an applicant explicitly requests to employ the resale method at the time of application for funding. AHFC will authorize the use of the resale method if the subrecipient is able to demonstrate to AHFC the following: home prices in the community are rapidly increasing or the community is considered a “high cost area”(for this purpose, “high cost area” is defined as an area in which 95% of the area median sales price exceeds \$300,000); the subrecipient has the necessary experience, capacity and qualifications needed to service resale agreements for the term of the agreements; the subrecipient is familiar with land leases and covenants; the subrecipient has the experience and capability to income qualify future homeowners.

For HOME funded HDP projects, AHFC will secure the HOME subsidy through an assistance agreement and covenant under the resale provisions or a note, deed of trust, and assistance agreement under the recapture provisions consistent with the terms described in the HOME Program description. AHFC will evaluate project proposals to determine the financial feasibility of the project and other predetermined selection criteria. AHFC will conduct a subsidy layering review on each project receiving HDP funds to ensure that the amount of HDP funds provided does not exceed the amount necessary to provide affordable housing. Funding awards will be made to applicants based on the availability of funds, relative ranking among the other applicants, and other criteria determined to be appropriate.

This program meets the HUD objective of providing decent housing with improved affordability. The following outcomes are estimations that will be used to measure the progress of this program:

- It is estimated that eleven units will be developed.
- It is estimated that eleven units will meet the Alaska equivalent of the Energy Star standard.

There are a number of factors that will influence these outcomes such as the applicants and criteria under the NOFA. HDP funding may be re-allocated to the rental housing development program or the Tenant Based Rental Assistance program if funds are not fully awarded to eligible subrecipients.

E. HDP Resale Model

The resale model requires that when a homeowner sells their home, he or she sells it for a restricted price to a low income household (80% below the median income). HDP funds up to \$40,000 may be provided in assistance. HOP funds can only be used for down payment and closing cost assistance in a project assisted with HDP funds. Interest buy downs are not an eligible cost. For purposes of the HOME program, acceptable HDP projects using the resale option must include the following features:

1. HDP restrictions must remain in place for the minimum period affordability. The resale affordability period will be determined by amount of direct development assistance provided under the HDP in addition to any HOP assistance provided to the original homebuyer. The affordability period is based on the amount of assistance and is as follows:

Less than \$15,000	5 years
\$15,000 to \$40,000	10 years
More than \$40,000	15 years

For example, a unit may receive \$40,000 in HDP development subsidy and \$10,000 in down payment assistance from the HOP program. The total HOME assistance is \$50,000 and the affordability period is 15 years. All subsequent homebuyers for 15 years will need to be eighty percent (80%) below the median income.

2. An assistance agreement with the original homebuyer and all subsequent homebuyers must be established based on the affordability period.
3. In the event that the original homebuyer sells the home and the subsequent homebuyer receives HOP assistance the resale period restarts, based on the amount of new HOP assistance received. For example, the original homebuyer received \$50,000 in HOME assistance (development subsidy + down payment assistance) and the affordability period was 15 years. The homebuyer sold the home after owning it for 5 years and the new homebuyer received \$10,000 in HOP assistance. The affordability period would restart at time of sale and would now be 5 years.
4. A sample ground lease for the property must be approved by AHFC before any assistance will be approved. The lease must specify the grantees first right of refusal, the homeowner's maximum share of appreciation, resale formula, and other restrictions required by 24 CFR Part 92.
5. The resale formula may allow the homeowner to realize a maximum of 50 percent of the home's (market) appreciation. Increased home value due to the

homeowner's capital investment in the home may be retained in full by the homeowner.

6. The remaining (market) appreciation (at least 50 percent) must be factored into the resale formula to reduce the home's subsequent sales price, making the home increasingly more affordable over the lease period.
7. The grantee must agree to exercise a first right of refusal in any subsequent sales of the home.
8. The grantee must agree to verify incomes of the original homebuyer and any subsequent homebuyers, and provide documentation of income verification to AHFC during the affordability period.

F. HDP Recapture Model

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

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

G. Rental and Homeownership Housing Predevelopment Program

The purpose of the Rental and Homeownership Housing Predevelopment Program is to assist local governments, regional housing authorities and non-profit organizations in preparing to develop housing under the GOAL HDP with the intent to apply for the GOAL HDP Program. The Program grants funds to pay for preparation of plans and preliminary feasibility analyses, appraisals, site preparation and other predevelopment activities. AHFC is currently evaluating the effectiveness and delivery method of the Rental and Homeownership Housing Predevelopment Program. If prior funding

allocations are not awarded to grantees, AHFC may either reallocate funds to the rental housing development program or utilize all or a portion of the funds for technical assistance to guide grantees through the predevelopment process.

H. Community Housing Development Organizations (CHDOs) Development Activities

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

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

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

I. Tenant Based Rental Assistance (TBRA)

AHFC has identified the need to provide Tenant Based Rental Assistance (TBRA) to eligible households that are at or below 60% of the median area income. Preference will be given to special needs and at-risk populations as articulated in the Five Year (SFY 2011 through 2015) Consolidated Housing and Community Development Plan. Funding for TBRA remains available from previous Annual Action Plan HOME allocations. Therefore, no additional FFY2011/ SFY2012 HOME funds will not be committed to Tenant Based Rental Assistance (TBRA). However, AHFC will continue to develop and offer this program to eligible households.

AHFC may partner with State of Alaska agencies or departments to target special needs and at-risk populations who will be transitioning from State supervision or programs into permanent housing. In addition, AHFC may select subrecipients through a NOFA or RFQ process to assist with the administration of TBRA.

TBRA is essential to meeting the unmet needs of special needs and at-risk populations by providing opportunities for those seeking individual living options in normal residential settings or in need of subsidized rental housing; TBRA will help narrow the gap in benefits and services received.

TBRA is an essential part of AHFC's housing strategy and market conditions make TBRA a viable option; housing sales have slowed and rental unit availability data indicates that there is an ample supply of units to make TBRA a viable housing strategy. This program meets the HUD objective of providing decent housing with improved affordability.

TBRA Vouchers may not be used within the Municipality of Anchorage. The TBRA service area will include communities that are served by the AHFC Public Housing Division, outside of Anchorage.

This program meets the HUD objective of providing decent housing with improved or new availability. It is estimated that ten households will be assisted.

There are a number of factors that will influence this outcome such as the length of the assistance provided to each household and the time it takes to perfect the TBRA delivery system. If households are renewed or require additional months of assistance than initially planned for, the number of households served may be reduced. In addition, outcomes may not be realized until future plan years as AHFC perfects the TBRA delivery system and forges partnerships necessary to implement TBRA.

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

Designated CHDOs may be eligible to receive additional HUD-funded technical assistance from organizations contracted by HUD to serve Alaskan CHDOs. AHFC will cooperate with HUD and its contractors to ensure that such assistance is coordinated with the activities of this Plan and other technical assistance resources that may be available. Federal law gives the option to states of providing a limited amount of operating support funds to CHDOs actively expanding affordable housing opportunities with HOME funds. A maximum of five percent (5%) of the state's annual HOME allocation may be used for this purpose.

A total of \$150,000 in SFY 2012 (FFY 2011) HOME funds may be used for the Operating Expense Assistance Program for Community Housing Development Organizations (CHDOs). If these funds are not used for CHDO operating support they will be used for rental housing development.

The State is committed to developing a network of CHDOs throughout Alaska, not only for potential participation in the HOME program, but also to aid in the development and management of housing financed through other mechanisms. In addition to providing OEA through a grant agreement, AHFC will also be providing technical assistance to any organization seeking CHDO status in SFY 2012. Funding will be available at the beginning of every State Fiscal Year. AHFC will also conduct or facilitate training

opportunities targeted towards CHDO organizations and facilitate contracts with consultant firms or individuals who have housing experience to train key CHDO staff.

K. Homeownership Program: The Home Opportunity Program (HOP)

Expansion of housing choice is an important component of the State's housing strategy. Significant numbers of steadily employed lower-income Alaskans have been unable to reach their homeownership goal.

1. HOP Addresses Obstacles to Homeownership

In the State of Alaska the greatest obstacles to achieving homeownership is generally an inability to:

- Qualify for conventional financing at the loan amount necessary to purchase homes; and
- Accumulate savings sufficient to satisfy down-payment and closing cost requirements.

A total of \$1,701,113 in SFY 2012 (FFY 2011) HOME funds is reserved to provide down-payment, closing costs and buy down assistance to lower income homebuyers.

The Home Opportunity Program (HOP) will be administered by non-profit corporations, public agencies and/or private lenders that have been competitively awarded funds by AHFC. A Notice of Funding Availability (NOFA) or a Request for Qualification (RFQ) will be announced. Interested agencies are invited to respond by the published deadline and proposals are evaluated by AHFC. Prospective borrowers will be required to complete an orientation to homeownership through AHFC's innovative HOME CHOICE workshop offerings, or an equivalent program offered by private lenders and other qualified entities.

Eligible borrowers must have annual incomes at or below 80 percent of the area median, as determined by HUD, adjusted for household size. Additionally, they must exhibit the ability to meet the on-going responsibilities of homeownership, including the repayment of the primary mortgage loan. The HOP will continue to assist eligible applicants participating in the Housing Choice Voucher Homeownership Voucher program, as applicable.

The HOP program will primarily utilize the recapture model. The resale model is only allowable when HOP funds are being used in conjunction with other HOME projects that have received prior approval from AHFC to utilize the resale model.

2. HOP Recapture Model

Under the recapture model, assistance will be provided in the following manner:

- The maximum HOP assistance per assisted household will be \$30,000. Of this total, closing cost assistance may not exceed actual costs or \$3,000, whichever is less.
- Of the maximum \$30,000 in assistance, up to the first \$10,000 will be provided to the homebuyer as a forgivable loan. For every year the homeowner continues to own the home and make it his or her primary residence, the loan will be forgiven by a maximum of \$2,000, or twenty percent (20%) of the loan, whichever is less.
- If the homeowner fails to meet the primary residency requirement during the affordability period, the full amount of assistance is due and owing.
- Any remaining HOP assistance (the amount in excess of \$10,000) will be provided to the homebuyer as a loan with zero percent (0%) interest, repayable at time of sale. In the case of a sale (voluntary or otherwise) the maximum amount of funds subject to recapture is limited to whatever net proceeds are available (if any).
- Participants will be required to obtain primary mortgage financing from private lenders and will be expected to meet standard underwriting requirements.
- All HOP loans must be done in compliance with HOME Program regulations, and the HOP Policies and Procedure Manual.

By making only the first \$10,000 of the HOP loan forgivable, and having a forgiveness period of five years for all loans, the program will reach its goal of making homeownership affordable to lower income households. In addition, it will also be able to recycle the funds, making this scarce resource available to more households over time.

For homeowner agreements used under HOP, the amount of funds required to be repaid in the event of foreclosure is the amount that would be subject to recapture. The recapture agreement is based on “net proceeds” (if any) from a foreclosure sale. Net proceeds are calculated by the sales price less any non-HOME loans or repayments less closing costs. The homeowner must show that the appraised value of the home is not sufficient to pay off the HOME loan(s) in addition to any other lien in superior position, and standard and customary seller closing costs. The amount subject to recapture is the total HOP assistance provided the homeowner, less the prorated amount of the first \$10,000 forgiven per the terms described above plus any amounts unforgiven.

3. HOP Outcomes

This program meets the HUD objective of providing decent affordable housing with improved availability. The following outcomes are estimations that will be used to measure the progress of this program:

- It is estimated that twenty-two homebuyers will receive assistance.
- It is estimated that fifteen will be first-time homebuyers.

- It is estimated that twenty homebuyers will receive down payment or closing cost assistance.
- It is estimated that fifteen homebuyers will receive buy downs.

There are a number of factors that will influence these outcomes such as: market conditions, interest rates, changes in lending criteria and the income of households who apply. If HOP activity is significantly impacted by market conditions, licensing requirements or grantees are not able to fully expend committed monies by the end of the performance period, AHFC may reallocate a portion of HOP funds to the rental development or TBRA programs.

L. HOME Program Development

AHFC must first commit any program income received by the HOME Program to current activities before federal funds are expended. As of February 5, 2011 AHFC has \$210,645 of uncommitted program income received during SFY2011. AHFC evaluated current HOME programs and determined that program income should be made available to the rental development program. AHFC anticipates an additional \$115,052 in program income receipts by the end of SFY2011; any SFY2011 program income receipts will be allocated to the rental housing development program.

As the HOME Program is approaching its twentieth anniversary, the need to rehabilitate aging HOME rental properties does exist. AHFC may consider requests from CHDOs to allocate HOME Program Income to 1) rehabilitate, or 2) rehabilitate and refinance HOME rental properties that are in the fifteenth year or more of the original HOME affordability period. Properties that may be in need of rehabilitation, or rehabilitation and refinancing may be identified during the annual CHDO certification solicitation and/or the annual sustainability and capacity building review that AHFC conducts with certified CHDOs. If AHFC determines that it is in the best interest of the HOME program, the community and the affordable housing stock to rehabilitate and refinance a HOME rental property, AHFC may pursue a waiver from HUD to the prohibition of investing additional HOME funds in rental properties past the first year of project completion. [24 CFR 92.214 a. 6.]

AHFC may consider the following factors when deciding whether or not to review a CHDOs request for additional HOME investment in a HOME rental property:

- The original amount of the HOME investment;
- How much of the HOME affordability period has elapsed for the property under consideration;
- The number of HOME units and whether or not additional HOME units may be created;
- The amount of HOME Program Income available;
- Other HOME affordable housing priorities identified in the AAP;
- The impact the property has on the community and the affordable housing stock
- The cumulative maximum per unit subsidy;
- The location of the property. AHFC will only consider properties that are in the AHFC HOME jurisdiction (outside of Anchorage).

If AHFC determines that the request warrants further evaluation, AHFC may request additional information from the CHDO. Further evaluation may include:

- Review of the financial statements and proformas for the rental property;
- Demonstration that rehabilitation is the primary eligible activity. A minimum level of rehabilitation is required and may be established in the GOAL Qualified Allocation Plan;
- Review of the CHDOs URA relocation plan for the project;
- Review of all applicable URA notifications and evidence that they have been delivered to and received by all tenants prior to the CHDOs request;
- Demonstration to AHFC that a disinvestment in the property has not occurred;
- Demonstration to AHFC that the long term needs of the project can be met;
- Demonstration to AHFC that the feasibility of serving the targeted population over an extended affordability period can be maintained;
- Demonstration to AHFC that HOME funds requested may not be used to refinance multifamily loans made or insured by any Federal program, including CDBG.

Based on the evaluation of the project, AHFC may determine whether the number of HOME units in the property may be maintained, if additional units may be created, or both. The minimum affordability period shall be 15 years or that which is designated by HUD.

M. Administration

Federal law allows PJs to use up to ten percent (10%) of their federal HOME grant and any program income received for the administration of the program. It is the intent of AHFC to use these funds to support eligible administration expenses related to the program, including subrecipient expenses subject to specified funding limitations, and if necessary, staff salaries. Any unused administrative funds will be allocated to program funding.

N. Matching Requirements

The SFY 2012 (FFY 2011) allocation of HOME funds carries a twenty-five percent (25%) matching requirement. The PJ anticipates meeting the match through a contribution of AHFC corporate receipts. This contribution effectively increases the total amount of HOME funds available during SFY 2012 (FFY 2011) to \$3,751,118. Whenever feasible, recipients of HOME funds will be encouraged to make additional contributions to HOME projects that will qualify as “match” under the federal regulations. This will allow the PJ to further stretch HOME funds to assist low-income Alaskans. If for some reason these strategies do not meet the twenty-five percent (25%) matching requirement, AHFC will utilize banked HOME match.

O. Monitoring

HUD HOME monitoring consists of four types of compliance reviews. The first type of compliance review consists of a desk review of pre-disbursement/initial documents and reports prior to any HUD HOME and AHFC funds being paid to the project developers and subrecipients. The second type of compliance review consists of desk monitoring of financial and project status reports throughout the project development and grant period. The third type of compliance review involves once a year on-site visit or desk review of projects being developed and subrecipients' financial administration of the project development and grant funding. The fourth type of compliance review consists of post-project completion or "affordability compliance" review of rental housing development projects, HOP and ORP.

1. Pre-disbursement Monitoring

The first type of compliance review is accomplished by AHFC's Planning and Program Department staff reviewing the project developers and subrecipients' pre-disbursement/initial reports required of subrecipients and project developers of rental housing projects. AHFC staff verifies that all pre-disbursement/initial documents and reports are complete and accurate before any HUD HOME and AHFC funds are released to the project developers and subrecipients. The required pre-disbursement/initial documents and reports will depend on the type of project being funded. A complete list of all the different pre-disbursement/initial documents and reports follows:

- Evidence of business license and insurance requirements
- Evidence of Debarment and Suspension (24 CFR Part 92.357)
- Cost allocation plan
- Evidence of funding commitments
- Authorized signatories
- Project work plan
- Certification of Section 3 and Women's and Minority Business Enterprises (WBE/MBE) compliance

The reports include a written Section 3 and Women's and Minority Business Enterprises (WBE/MBE) work plans. The Section 3 work plan identifies how subrecipients will notify Section 3 residents and contractors of training and job opportunities, facilitate the training and employment of Section 3 residents, and the award of contracts to Section 3 businesses that includes the Section 3 Clause in all solicitations and contracts. The Women's and Minority Business Enterprises work plan includes a description of subrecipients' planned outreach designed to inform Women's and Minority Business Enterprises of contract opportunities.

2. Monitoring Throughout the Performance Period

The second type of compliance review is desk monitoring conducted by AHFC's Planning and Program Development Department staff throughout the project development and grant period. This type is accomplished by AHFC staff reviewing project developers and subrecipients monthly or quarterly invoices that sometimes

includes supporting documents; and, quarterly and final financial and project status reports. Project status reports requirement vary depending on the type of projects funded. The following is a partial list of the different project status reports:

- Description of Section 3 and Women's and Minority Business Enterprises (WBE/MBE) compliance
- Description of job training activities
- Description of Affirmative Fair Housing Marketing compliance activities
- Certification of Title VI of the Civil Rights Act of 1964
- Certification of Conflict of Interest Provisions at 24 CFR Part 92.356
- Certification of Drug Free Work Place Act of 1988
- Certification of Debarment and Suspension (24 CFR Part 92.357)
- Certification of Flood Disaster Protection Act of 1973
- Certification of Lead-Based Paint Poisoning Prevention Act
- Project cost certification
- Copy of recorded federal, state and local building inspection reports (i.e. BEES, HQS, UPCS)
- Certification of Davis-Bacon Wage Act and Safety Standards Act if applicable
- Copy of proposed rental charges and low-income unit lease agreement
- Copy of executed deed restriction on the title to the land benefited by the project funding
- Project status narrative report

3. Formal Annual Monitoring

The third type of compliance review involves once a year on-site visits or desk review of projects being developed and subrecipients' financial administration of project development and grant funding. AHFC staff from the Planning and Program Development Department and the Research and Rural Development Department (ORP only) share the responsibility of on-site or desk monitoring reviews. AHFC staff reviews project developers' and subrecipients' records for compliance with financial administration and management regulations, program policies and regulations, procurement policies and procedures, and property requirements. The project developers and subrecipients receive a formal written monitoring review report and are required to respond and correct any findings and observations.

In SFY 2012, the Planning and Program Development Department staff will complete the following number of on-site monitoring compliance reviews:

- One of the three HOME HOP subrecipients
- One of the two HOME ORP subrecipients
- Two of the three HOME OEA subrecipients

In SFY 2012, the Planning and Program Development Department staff will complete the following number of monitoring compliance reviews:

- Two HOME GOAL subrecipients
- One HOME HDP subrecipient

Additionally in SFY 2012, five percent (5%) of HOME ORP rehabilitation housing projects will be visited and inspected by Research and Rural Development Department staff for completion and HUD HOME rehabilitation requirements.

4. Monitoring by AHFC Internal Audit Department – Compliance Section

The fourth type of review is conducted by AHFC’s Internal Audit Department (IAD) which is responsible for monitoring post-development completion or an “affordability compliance” review of agencies with HOME funded single and multi-family rental housing developments. The IAD reviews are conducted throughout the year and based on a schedule that meets with federal audit requirements for the different types of rental housing developments. As of January 1, 2011, the IAD was responsible for monitoring a portfolio of 143 affordable housing developments throughout Alaska. Of this number, 22 are funded solely the HOME program, with an additional 37 funded by a combination of HOME/Low Income Housing Tax Credits (LIHTC), and/or the State of Alaska Senior Citizens Housing Development Fund (SCHDF) program. During SFY 2012, the IAD is scheduled to conduct compliance audits for 55 HOME and/or HOME/LIHTC/SCHDF developments. Of this number, 29 are scheduled for on-site physical inspections and administrative document/tenant file audits, with the balance 26 scheduled for desk monitoring only of administrative documents. Three (3) HOME Program developments of the total 59 are tentatively scheduled for 1st year reviews in fiscal year 2012/2013 or later. One (1) HOME Program development of the 59 has been suspended from annual reviews indefinitely but remains part of the total compliance portfolio. Development owners and managers receive a formal written audit review report and are required to respond and correct any findings and questioned costs.

In all of the four types of program monitoring, AHFC staff works with the project developers and subrecipients to ensure compliance with HUD HOME policies and regulations. The formal written monitoring review reports clearly identify non-compliance findings and questioned costs, cite HUD HOME, OMB Circulars and AHFC regulations that support the findings; and, recommends corrective actions the subrecipients’ should take to meet compliance requirements. In almost all non-compliance situations, the project developers and subrecipients show a willingness and ability to comply with program policies and regulations. Throughout the project development and grant period, AHFC staff provides technical assistance to project developers and subrecipients in order to preclude non-compliance findings and questioned costs during formal monitoring reviews.

P. Minority and Women-Owned Business Outreach Plan

Section 281 of the National Housing Affordability Act requires HOME participating jurisdictions to describe procedures establishing and overseeing an outreach program for minority and women-owned businesses. In administering the HOME program, the PJ of

Alaska will actively encourage the participation of and use of minority and women-owned businesses in HOME supported efforts. Towards this end, where applicable the following policy provisions shall apply to subrecipients and recipients of HOME funds:

- Use of the Small Business Administration’s internet-based minority and women-owned business contractor list to ensure that bids are received from such enterprises to perform the needed work.
- Monitor of grantees to ensure compliance with procurement procedures.
- Subrecipient training at the initiation of a new grant agreement.
- Development of an affirmative marketing plan.
- Publishing minority and women-owned business utilization goals covering contracts for services/supplies that have an estimated value above \$25,000 and contain items that can be subcontracted.
- Assisting contractors and potential contractors to identify qualified minority and women-owned enterprises to participate as subcontractors.

AHFC will require the recipients of HOME funds to submit a “Minority and Women-Owned Business Outreach Plan” prior to the disbursement of any HOME funds. In addition, all subrecipients will be required to submit reports that disclose the total number and dollar amount of contracts executed, and specifically list contracts awarded to MBE/WBE or Section 3 contractors or subcontractors, where applicable. Grant agreements will require that this information be submitted on a schedule so that it conforms to the federal fiscal year (ending September 30), in order to assist in accurately reporting such information to HUD.

The CEO/Executive Director of Alaska Housing Finance Corporation or his/her designee will be responsible for the oversight of this program and this policy.

Q. Affirmative Marketing Procedures

HOME program regulations at 24 CFR 92.351 require jurisdictions participating in HOME to adopt affirmative marketing procedures and requirements for all HOME-assisted housing containing five or more units. The PJ will extend this requirement to all rental units assisted, not just five or more units. These procedures apply to the group of activities the PJ identifies as “development” activities, which involve the acquisition, rehabilitation or new construction of housing.

Pursuant to 24 CFR 92.351, the State of Alaska will undertake an affirmative marketing program providing information necessary to attract eligible persons from all racial, ethnic, and gender groups to the availability of housing assisted with HOME program resources. The PJ will annually assess the affirmative marketing program to determine its success and what corrective actions might be necessary.

The following are the components of the State's HOME affirmative marketing effort and will serve as the minimum requirements for all applicants for HOME funds:

- The Equal Housing Opportunity log or slogan will be used with correspondence, notices and advertising related to affected HOME-funded housing development.
- Owners will be required to use affirmative fair housing marketing practices in soliciting renters or buyers, determining their eligibility, and concluding all transactions.
- Owners will be required to demonstrate a good-faith effort to solicit those eligible persons who are not likely to apply for housing assistance. These good faith efforts may include, but are not limited to, special outreach to community organizations, places of worship, employment centers, fair housing groups, counseling and social service agencies, medical service centers, homeless shelters and the use of minority specific media.
- Owners of HOME-assisted housing must maintain a file containing all marketing efforts and records of all applicants and tenants selected during the period of affordability. Records to assess the results of these actions must be available for inspection by the PJ.

The PJ will assess the affirmative marketing efforts of the owner during regular project audits, based on the guidance that has been provided as part of the policies and procedures manuals developed for every component of the HOME program and federal regulations. Good-faith outreach efforts will also be considered in evaluating the marketing efforts and results. Corrective action will be required when project audits indicate marketing efforts are insufficient.

IX. Alaska's Continuum of Care for the Homeless

A. Continuum of Care Overview

The Continuum of Care (CoC) is a planning framework to meet the needs of people who are homeless, or near homeless, as they move to stable housing and maximum self-sufficiency. This continuum contains several critical components including homeless prevention services, emergency shelter, transitional housing and permanent affordable housing, some of which comes with supportive services.

Recognizing the small role federal funding plays in the overall Continuum, one of the guiding principles of the Five Year (SFY 2011 through 2015) Consolidated Housing and Community Development Plan is:

Use of federal homeless funds should emphasize activities that maintain and strengthen the service delivery system for Alaska's homeless, consistent with local strategies.

This guiding principle is consistent with the first of four principles listed in the Ten-Year Plan to End Long Term Homelessness in Alaska developed by the Alaska Council on the Homeless in 2009.

B. Emergency Solutions Grant (ESG) Program

1. ESG Overview

AHFC was recently informed by HUD that although regulations have not yet been adopted, the transition from the McKinney –Vento authorized Emergency Shelter Grant to the HEARTH Act provisions for the Emergency Solutions Grant will start with the SFY2012 ESG award to states. At the point of submission of this Plan, AHFC had not yet received specific guidance on how this transition may impact SFY2012 awards to grantees. What is known is that emphasis will be shifting away from the support and operation of homeless facilities and more toward homeless prevention and rapid re-housing services.

To qualify for ESG assistance, recipients will have to meet either the HEARTH Act definition of a homeless person or provide evidence of imminent displacement from a permanent housing dwelling.

2. Proposed SFY 2012 ESG Activities

HUD has announced a preliminary ESG award amount to State of Alaska of \$126,757. Under the current ESG program, the state must provide a ten percent match for all amounts over \$100,000. If this requirement is applicable to the SFY2012 award, the match will include a combination of funds identified by ESG grantees in their applications and AHFC resources. ESG grant agreements reflect the identified match amounts and require regular reporting of expenditures.

ESG funds will be awarded on a competitive basis to units of local government and non-profit organizations. Applications are received annually, in response to a Notice of Funding Availability (NOFA). Eligible activities and funding determinations will be based on the interim guidelines issued by HUD for the ESG program. A maximum grant amount may also be established and identified in the NOFA.

Applications for ESG funding will be reviewed and ranked. The program is considering a completely objective ranking system; depending on decisions made during the development of the NOFA, ranking during SFY2012 will be done using either a combination of objective and subjective criteria or objective criteria only. A Project Evaluation Committee (PEC) will assign points to any subjective sections of the application. Ranking factors may include, but are not limited to, project description/need, community coordination, consistency with established homeless plans, leveraging and administrative capability.

By federal regulation, projects awarded ESG funds must meet strict time frames for obligating and expending funds. Because of time-frame restrictions imposed by federal law, applicants for these funds must have projects which are ready to proceed at the time awards are made.

Monitoring for ESG grant recipients closely follows established processes for federal grant programs and may involve on-site or in-house monitoring as appropriate, within limitations on funding for oversight activities.

3. Statement of SFY2012 ESG Specific Annual Outcomes

During the SFY 2012 program year the ESG program anticipates:

- a. Two to three homeless facilities will be preserved with ESG-funded renovation/rehabilitation funds, contributing to the goal of providing a suitable living environment and addressing the objective of improved accessibility.
- b. Approximately 25,000 bed-nights will be provided to homeless persons in facilities receiving ESG funds for operating costs. This also supports the goal of providing a suitable living environment and addressing the objective of improved accessibility.
- c. Approximately 3,000 unduplicated homeless persons will benefit from shelter and services provided by agencies receiving ESG funding.

In addition, a combination of all Federal and/or State homeless resources will be utilized to meet the following national homeless objectives and those identified in Alaska's Ten-Year Plan to End Long-Term Homelessness:

- Create new PSH beds for chronic homeless
- Exceed national 6-month retention goal of at least 77%
- Increase Temporary Housing to Permanent Housing placement rate to 65%
- Decrease the number of homeless households with children
- Increase number of households receiving prevention assistance
- Achieve 75% rate of post prevention stability

X. Assisting Alaskans with Special Needs

A. Overview

Alaskans with special needs face a variety of challenges in accessing and retaining affordable housing with appropriate supportive services. In many areas of the state, the lack of affordable housing options in general presents a significant barrier. Even after securing housing, persons with disabilities and the frail elderly remain vulnerable to homelessness because of their tenuous economic situation, the high cost burden imposed by their housing, and in some cases, discriminatory housing practices. Changes in their economic picture, such as loss of employment, health problems, or domestic violence can result in homelessness. Once people with chronic illnesses are homeless, they often cannot access treatment easily, and as a result, are at risk for institutionalization. Many chronically mentally ill homeless persons become incarcerated, then, homeless upon release and cycle back into correctional institutions at a high rate of recidivism. Several programs address these special needs populations.

Because the HOME program is federally funded every project that utilizes HOME funds must guarantee that five percent (5%) of the units are accessible to those who are physically disabled and that at least two percent (2%) of the units are equipped for those who are hearing or visually impaired.

The Greater Opportunities for Affordable Living (GOAL) program, a competitive funding process, is the vehicle used to determine allocation of funds for rental development. Applicants receive additional points for providing equipped units beyond the minimum number required by law. In addition to the GOAL program points are awarded by HOME programs such as HDP, ORP, and TBRA, for developing units for persons with physical or mental disabilities and setting aside units for the homeless. During SFY 2012, AHFC will use state funds to provide (among other possibilities) accessibility modifications for seniors using the Senior Citizens Housing Development Fund. Funds for accessibility modifications are also available through AHFC's Weatherization program as well as through programs under the Alaska Department of Health and Social Services, US Department of Agriculture, Veterans Administration and other state and federal agencies. Additional information on all these programs is included in this plan.

B. Beneficiaries of the Alaska Mental Health Trust Authority

The Comprehensive Integrated Mental Health Plan guides the state's policies and programs for Alaska Mental Health Trust beneficiaries. Beneficiaries include people with mental illness, developmental disabilities, chronic alcoholism and Alzheimer's disease or related disorders. State and national prevalence rates indicate that there are more than 80,000 Alaskans who may be Trust beneficiaries. Additionally, the Alaska Mental Health Trust Authority has identified safe, affordable housing as a funding priority. A key goal is to enable Trust beneficiaries to live in appropriate, accessible and affordable housing in communities of their choice. Focus area strategies also recognize the importance of developing a range of housing options for beneficiaries, whatever their level of need.

The Alaska Mental Health Trust Authority's housing initiative has adopted the following strategies for improving access to affordable, appropriate housing for vulnerable beneficiaries.

- Build partnerships between the State Department of Health and Social Services (DHSS), Alaska Mental Health Trust Authority (the Trust), Alaska Housing Finance Corporation (AHFC), Tribally Designated Housing Entities (TDHEs), U.S. Department of Housing and Urban Development (HUD), U.S. Department of Agriculture (USDA), and other private and public entities to improve beneficiary access to housing.
- Support the statewide development of a continuum of housing options with supportive services to serve all beneficiaries, no matter what their level of need.
- Pilot innovative service delivery models to increase housing retention.
- Increase capital resources to fund housing development.
- Develop strategies to prevent homelessness for beneficiaries who are at risk of losing their housing or who have substandard housing.
- Provide technical assistance through the state's Office of Integrated Housing housed in the Division of Behavioral Health and the Rural Long Term Care Development housed in the Division of Senior and Disability Services to increase public awareness of housing needs and increase capacity for housing development.

These strategies are consistent with the guiding principles of this Annual Action Plan and will be addressed in collaboration with AHFC's partner agencies. Though this program is not federally funded and is not required to report to HUD, the Alaska Mental Health Trust Authority is an important partner in the overall strategy of providing services to Alaskans.

C. Housing Opportunities for Persons With AIDS (HOPWA)

Alaska receives HOPWA funding under the competitive award program. As the result of a recent renewal grant from HUD, AHFC will continue to administer a HOPWA project serving the Interior and Southeast regions of the state. The amount awarded during the FFY2010 (SFY2011) cycle was \$757,790. This amount will be expended over a three-year period to provide approximately 10 households with rental assistance, 20 households with short-term assistance to prevent homelessness and 38 households with case management and linkages to health care and other supportive services. For the FFY2011 (SFY2012) the amount awarded for the Southeast region is expected to be 915,440.

AHFC will contribute at least \$265,000 in matching funds over the life of the HUD grant additional to the commitment of over \$1,000,000 worth of services from other state and local agencies. This HOPWA funding will address what would otherwise be a serious gap in housing services available to this fragile population.

D. Senior Citizens Housing Development Fund

The Senior Citizens Housing Development Fund (SCHDF) provides funding for the development of senior citizen housing. Funds provided under this program expand housing opportunities for the fastest growing segment of the Alaska population, persons meeting the federal definition of "senior" as selected by grant recipients. Through the Greater Opportunities for Affordable Living (GOAL) competition (which also includes the HOME and Low Income Housing Tax Credits), SCHDF grants are awarded for the purchase of building sites, site preparation, materials, construction, and rehabilitation of existing housing. Eligible applicants for this program include municipalities and nonprofit corporations with IRS 501(c)(3) status. State legislation has been proposed to include Regional Housing Authorities as eligible applicants. If this legislation passed, they would be eligible in SFY2012.

The Senior Access Program, a component of the SCHDF, provides funds through grants that are awarded to qualifying senior homeowners and renters. AHFC provides Senior Access funding to non-profit organizations ("Grantees") using a Notice of Funding Availability (NOFA) process. The Grantee administers the Senior Access Program in specified service areas, in accordance with AHFC guidelines.

Up to \$1,000,000 in Senior Citizens Housing Development Funds are planned for allocation to the Senior Housing Accessibility Modifications: Senior Access Program within SFY 2012. Up to \$12,000 can be made available to homeowners for accessibility modifications. The Senior Access Program also provides funds for up to \$8,000 in modifications for rental housing in which a senior lives, and up to \$5,000 for seniors

living in small state-licensed assisted living facilities having five or fewer beds. Waivers will be considered according to the Policy and Procedure Manual for this program.

The Pre-Development component of the SCHDF program provides smaller grants (up to \$14,000) for nonprofit senior organizations to pay for preparation of plans and project feasibility studies, appraisals, site preparation, and other predevelopment activities as they prepare projects and seek funding. This component of SCHDF will be under review during SFY 2012 to determine whether, given changes to the GOAL and HOME programs, it is meeting the pre-development needs of Alaska.

It is anticipated that the GOAL Notice of Funding Availability will be announced in August of 2011. The SFY 2012 capital budget request for the Senior Citizens Housing Development Fund is \$4,500,000.

E. Beneficiary and Special Needs Housing Grant Program

The Beneficiary and Special Needs Housing Grant (SNHG) Program provides funds for Alaskan non-profit service providers and housing developers to increase supportive housing opportunities to the homeless, Alaska Mental Health Trust Beneficiaries and other special needs populations throughout Alaska. Alaska Housing Finance Corporation (AHFC), the Alaska Mental Health Trust Authority, and the Alaska Department of Health and Social Services (DHSS) coordinate this program. To maximize the leveraging of these funds with other grant, tax credit programs, and available loan funds AHFC will administer these housing development funds. Types of projects that may be funded through this program include:

- Congregate housing for people with mental illness or developmental disabilities;
- Supportive housing, including assisted living, for people with mental illness, developmental disabilities, or multiple disorders;
- Transitional housing with support services for newly recovering alcoholics and addicts.

The SFY 2012 capital budget request for the Beneficiary and Special Needs Housing Program is \$1,750,000.

In SFY 2011, these SNHG funds were leveraged with Project Based Housing Choice Vouchers and Housing Assistance Program (HAP) funds to produce a SNHG funding cycle that included construction, operating and supportive services funding. The State, AMHTA and AHFC jointly funded this effort in the amount of \$5 million.

F. Expanding the Capacity of Sponsors to Access Special Needs Housing Programs

The Alaska Department of Health and Social Services, Division of Behavioral Health (DBH) provides housing development and supportive services expertise statewide to non-profit agencies serving individuals with mental illness, developmental disabilities, chronic alcoholism or substance addictions, and people with Alzheimer's disease and related dementia. DBH will continue to assist agencies throughout Alaska to appropriately plan, design, and fund, sustainable supportive housing projects; throughout SFY 2012.

The Governor's Interagency Council on the Homeless identified institutional discharge as one of the critical areas contributing to homelessness in Alaska. A core group of persons with severe mental illness do not have the skills or supports to remain stable in housing. As a consequence, they cycle between API, jail and the shelters, increasingly less able to stabilize after each institutionalization. For related activities planned for SFY 2012, please refer to the Tenant Based Rental Assistance (TBRA) portion of the HOME Investment Partnerships Program Description, above.

Alaska Housing Finance Corporation (AHFC), during SFY 2011, will continue to offer HUD funded technical assistance (TA) activities to improve the capacity of sponsors to access special needs housing programs. Subject to the restrictions and limitations of HUD TA funding, a flexible menu of both direct TA (directed towards the specific needs of designated HUD grantees) and workshop training will be offered. AHFC did not receive an award of FFY2009 TA funds which may limit future TA opportunities offered by AHFC.

G. Efforts to Promote Accessible Housing

Accessible, available, and affordable housing is the key to independence for Alaskans with disabilities. Throughout SFY 2012, Alaska Housing Finance Corporation will continue to expand opportunities in this area with the Governor's Council on Disabilities and Special Education, the State Independent Living Council, the Alaska Commission on Aging, the Alaska Mental Health Trust Board, the Advisory Board on Alcoholism and Drug Abuse and the Alaska Mental Health Trust Authority. Resources will be identified and accessed, and strategies developed to help persons with disabilities secure adequate, appropriate and affordable housing. Potential demonstration projects and educational outreach initiatives will be developed to the extent that available funding permits.

AHFC administers the Low Income Housing Tax Credit (LIHTC), HOME Investment Partnerships (HOME), Neighborhood Stabilization Program, and the Senior Citizen's Housing Development Funds (SCHDF) programs, each of which requires compliance with the following standards:

- Americans with Disabilities Act
- U.S. Fair Housing Amendments Act of 1988
- Alaska Statute AS 18.80.240
- Local government ordinances
- Section 504 of the Rehabilitation Act of 1973 (HOME Program only).

AHFC's LIHTC, SCHDF, and HOME programs (including HDP, ORP, and TBRA) all promote accessible housing through the rating criteria used to select applications to be funded during each competitive award cycle. In addition, special underwriting considerations are given to multi-family projects targeting special needs groups, through AHFC's Multifamily, Special Needs and Congregate Housing Loan Programs.

To assist Alaskans in their search for affordable housing, AHFC maintains an on-line housing data base linked to its web site. The "*Alaska Housing Locator*" enables persons with disabilities to locate units with accessibility features and help those who are "shopping" with a Section 8 Housing Choice voucher to identify properties that participate in the program. The service is free of charge to landlords and postings will be mandatory for agencies receiving development funding from AHFC.

XI. Alaska's Fair Housing Plan

A. Impediments to Fair Housing

AHFC conducted a statewide Fair Housing Survey in February-March of 2010 to formally update the "Analysis of Impediments to Fair Housing Choice" (AI). Based on this survey, the SFY 2011 Annual Action Plan formally identified the following impediments to fair housing choice which have been updated for this SFY2012 Annual Action Plan:

Impediment 1: Lack of knowledge of the classes of people protected by Fair Housing laws is an impediment to fair housing choice.

The 2010 Fair Housing Survey demonstrated that in the seven years since the last survey (2003), more Alaskans have learned to identify the protected classes. However, respondents to the 2010 survey still failed to accurately identify groups protected by the Fair Housing Act, some identifying unprotected groups as protected and *vice versa*. This Fair Housing knowledge gap is a factor in several of the other impediments identified below.

Some professional groups offer fair housing classes as part of the educational requirements for licensing. The Institute of Real Estate Management was identified by 65% of the realtor/lender group as their primary trainer for Fair Housing. HUD and/or AHFC sponsor annual Fair Housing events. Other than these, widespread of Fair Housing training has not been available in all areas in Alaska.

State's Response to Impediment 1: AHFC will sponsor a Fair Housing/504 Training on an annual basis. This training is targeted for Public Housing Division staff, Community Housing Development Organizations, HOME grantees, and McKinney-Vento grantees. Other entities such as builders, realtors, landlords and mortgage lending partners will be invited to attend these trainings on a space-available basis.

During SFY 2012, AHFC will work with the Alaska State Office of HUD to continue coordinate Fair Housing outreach and training calendars. AHFC's Public Housing

Division (PHD) may provide additional training on Fair Housing/Section 504, specifically for PHD staff.

AHFC, in all of its tenant and participant notices, provides information about reasonable accommodations and the means to request an accommodation. With assistance from the HUD Office of Fair Housing, AHFC modified several of its reasonable accommodation forms to better serve both persons with disabilities and staff in the decision making process.

Impediment 2: Low awareness of available fair housing enforcement mechanisms, caused at least in part by the lack of fair housing advocacy organizations, is identified as an impediment.

All complaints and cases are filed either with the Seattle HUD Fair Housing Office or the Alaska State Commission for Human Rights. The 2010 Fair Housing Survey identified the Department of Housing and Urban Development as the clear first recommendation regarding Fair Housing Complaints, followed by the Alaska State Commission for Human Rights (ASCHR) and the Municipality of Anchorage Equal Rights Commission (ERC). Improvement was seen between 2003 and 2010; however, a low level of awareness of fair housing enforcement mechanisms continues to exist among the Residential Construction sector and the Property Manager sector, where respectively, 25% and 24% of the individuals surveyed were unsure of where to refer an individual who had a Fair Housing complaint. Among members of the general public, this awareness may be at an even lower level.

State's Response to Impediment 2: AHFC, in all of its tenant and participant notices, provides information about reasonable accommodations and the means to request an accommodation. With assistance from the HUD Office of Fair Housing, AHFC modified several of its reasonable accommodation forms to better serve both persons with disabilities and staff in the decision making process.

During SFY 2012, AHFC will continue to provide information regarding fair housing and encourage potential fair housing program sponsors to apply for HUD Fair Housing funding. In cooperation with the Alaska State Field Office of HUD, AHFC will continue to work with other agencies and organizations to identify opportunities to increase awareness of fair housing enforcement mechanisms.

Impediment 3: Housing opportunities for persons with a disability, a class protected by the Fair Housing Act, are limited because of financial barriers and the lack of accessible and appropriate housing stock.

The lack of housing stock that is both affordable and accessible continues to be an impediment to fair housing choice. Although improving from the 2003 Survey, areas of the housing industry continue to be unaware that persons with a disability are a protected class under the Fair Housing Act. Many developers do not construct accessible and/or appropriate housing because to do so increases the total cost of construction.

Many members of protected classes have low incomes. Surveys of Alaska Mental Health Trust beneficiaries reveal that only 30-35 percent of adults with mental illness or

developmental disabilities are employed. Those who are employed usually work in low paying or part-time jobs.

State's Response to Impediment 3: During FY 2007/2008, AHFC continued to operate its Housing Choice Voucher Homeownership program targeting households with disabilities. The program is not accepting new participants however the program continues to serve over 100 families with a head of household, co-head, or spouse who experience permanent disabilities.

With the encouragement of the Alaska Mental Health Trust, the Public Housing Division is developing a project-based Housing Choice Voucher program targeting individuals who experience permanent and severe disabilities. In October of 2009 AHFC's Board of Directors approved the use of up to 10 percent of the Housing Choice Voucher portfolio (420 vouchers) for project based assistance. For people with disabilities the project-based program will be assigned to locations in conjunction with the Special Needs Housing Program (SNHG). Recently, AHFC provided 45 project-based vouchers to two different private non-profit organizations for use in SNHG projects.

AHFC continues to monitor use of the vouchers set-aside for disabled families and those receiving Medicaid Waiver services. AHFC has established a policy to recycle around 115 vouchers to qualified persons with disabilities as vouchers are returned through attrition. Another 25 vouchers are targeted toward families on the Medicaid Waiver program; 20 vouchers are dedicated to families dually diagnosed with mental illness and substance abuse; almost 95 vouchers are set aside for disabled veterans under the Veterans Administration Supportive Housing program.

The AHFC GOAL Program Rating Criteria governs the award of Low-Income Housing Tax Credits, HOME Rental Development funds, and Senior Citizens Housing Development Funds (SCHDF). The GOAL Program makes 504 compliance mandatory and requires a basic percentage of units to be 504 compliant; in addition to this, the program will continue to award points for the number of units to be developed which are in excess of the minimum required by federal fair housing law, state or local law, or specific program requirements. In addition, the GOAL Rating and Award Criteria Plan will award points for projects that serve special needs populations.

In the 2010 Fair Housing Survey, 70% of the Residential Construction sector surveyed indicated that they would incorporate universal design and accessibility features into the homes they build in the future. Only 40% of this sector in 2003 indicated that they would utilize universal design in 2003. This represents a substantial increase in the level of awareness and willingness to provide housing that provides accessibility for all.

Impediment 4: Various administrative policies, procedures, and practices are impediments to fair housing choice for members of protected classes.

Many individuals and organizations active in the housing industry do not perceive fair housing discrimination to be a significant problem. AHFC's 2003 Fair Housing Survey showed that 5% or less of the realtors, mortgage lenders and builders surveyed believed that fair housing discrimination was a problem; AHFC's 2010 survey mirrored the 2003 Survey results. Sixteen percent (16%) of all renters surveyed in 2010 Fair Housing

Survey believed that fair housing discrimination was a problem, while only 2% of the property managers surveyed viewed housing discrimination as a problem. Non-profit and agency providers reported the highest level of perceived fair housing discrimination, with 27% of agency providers surveyed believing discrimination to be a problem. The 2010 Fair Housing survey revealed a significant increase in educational opportunities on the topic of Fair Housing and Section 504. Realtors (98%) report the highest total level of training regarding Fair Housing laws and the training was provided most often through the “Institute of Real Estate Management.” Rental Property Managers reported the least amount of training. Increased efforts are needed to continue to examine administrative policies, procedures and practices for potential impediments to fair housing.

Reasonable funding for accommodation for persons with disabilities is one specific area with potential negative impacts. Some level of awareness exists in the area of reasonable accommodation for persons with observable physical disabilities. However, further opportunities exist to improve clarity and comprehension of reasonable accommodations for persons with disabilities not easily observable.

In general, the level of awareness and comprehension of fair housing laws and enforcement mechanisms could be enhanced to communicate the gravity associated with fair housing discrimination.

State’s Response to Impediment 4: During FY 2007/2008, the AHFC Public Housing Division updated its 504 Self Analysis including updated Fair Housing documentation. AHFC continues to update the Self Analysis as units are modified and/or rehabilitation projects move forward. This review covers records retention; further examination of impediments to fair housing choice within housing assistance programs; ensuring that the next available mobility accessible unit in public housing is targeted to waiting list family requiring those features; and working with local jurisdictions to implement any of their initiatives to affirmatively further fair housing that require AHFC Public Housing Division involvement.

AHFC has developed a Limited English Proficiency Plan (LEP) for its Public Housing Division. At the Corporate level, the plan includes a contract for 24/7 telephonic translation service. AHFC’s website includes a translation icon that allows users to translate the website instantaneously into more than 240 languages.

To the extent reasonable, AHFC will work with real estate industry trade and professional organizations, and the Alaska Municipal League to encourage an on-going review of the administrative, operating and business practices that may have fair housing implications.

AHFC is working with the State of Alaska’s Department of Law to revise a portion of the Landlord Tenant Act clarifying language related to a landlord’s approval of tenants under a sub-lease. AHFC anticipates that a legislative bill to change the Landlord Tenant Act will be reintroduced during the legislative session. The Alaska Attorney General’s office is revising the State of Alaska Landlord Tenant Act booklet to reflect the necessary changes.

Impediment 5: The lack of available affordable housing stock that is designed to meet the needs of individuals who are members of one or more protected classes, is an impediment to fair housing.

The 2010 Fair Housing Survey indicates that one out of every three renters, who had problems finding a rental, reported they had some form of disability and among these renters, their disability made it more difficult to find a place to live.

By a wide margin, the major barriers in both the 2003 and 2010 Fair Housing Surveys were reported to be the high costs and rents associated with existing housing and a general shortage of appropriate affordable housing stock. One specific example concerns larger households. A significant percentage of the individuals assisted by agency and non-profit service providers surveyed were members of protected classes. Thirty-five percent of these agencies reported that large families were the hardest to place due to people “not wanting to rent to large families” (23%), a “housing shortage” in general (20%), and more specifically a “shortage of affordable housing” (18%). This statistic represents a 7% drop from the 2003 Fair Housing Survey, but represents a continuing unmet need in the State.

Annual point-in-time homeless surveys conducted by Alaska Housing Finance Corporation show that Alaska’s homeless population continues to have a high percentage of persons who are in a protected class. The most recent point-in-time count identified a group of 57 persons belonging to homeless families with children. Over thirty percent of individuals identified in the point-in-time count reported having a disability. The most prevalent disability was mental illness. The 2010 Fair Housing Survey identified that “large families” (presumably with children) continue to be the hardest household size to place (35%).

State’s Response to Impediment 5: In SFY 2012, AHFC will continue to work with the Alaska Coalition on Housing and Homelessness to address disability issues among the homeless. AHFC is the lead agency in the Governor’s Interagency Council on the Homeless, which submitted its plan to the Governor in early 2006. As an outgrowth to the plan, AHFC is examining the means to provide case management services to previously homeless families or those recently housed through an AHFC assisted housing program (Special Needs Housing Grant Program). This strategy is being discussed in concert with the Municipality of Anchorage and the Alaska Mental Health Trust Authority. The Homeless Prevention and Rapid Re-housing Program (HPRP), funded through the American Recovery and Reinvestment Act (ARRA), provided additional resources for the homeless service provision.

AHFC continues to offer bonus points in its GOAL Rating and Award Criteria Plan for projects which serve special needs populations, including homeless persons and to projects that include three or more bedroom units to accommodate larger families. The Public Housing Division continues to offer its highest admissions preference points to families experiencing domestic violence, the homeless, and those living in substandard housing. The Public Housing Division is exploring modifications to the preference point system and may recommend revisions during SFY2012. More recently, AHFC amended its homeless definition to include families with children who receive school-based

McKinney/Vento homeless assistance benefits if documented by an Alaskan school district.

The Public Housing Division continues to offer information about fair housing in its Housing Choice Voucher 'briefing book.'

During the SFY2011-2015 Five-Year Plan period, AHFC will continue to review impediments to fair housing and respond to alleviate them as indicated.

B. Affirmatively Furthering Fair Housing

AHFC conducts many activities which affirmatively further fair housing:

- Through its Planning and Program Development Department, AHFC provides information to developers and project sponsors on how to comply with accessibility guidelines. AHFC administers the Low Income Housing Tax Credit program, NSP, HPRP, ESG and HOME (ORP, HRP, TBRA) grants. In its distribution of tax credits, extra points are awarded for projects that develop accessible units. HOME funding and three of its programs (HPP, ORP, and TBRA) automatically require the minimum of 5% accessible and 2% site and sound unit thresholds. These programs have adopted 504 requirements as the accessibility standard.
- All AHFC Grant Agreements across the state have requirements to affirmatively further fair housing. Development projects require affirmative marketing plans to be submitted to the Internal Audit Department.
- AHFC displays the appropriate signage at all of its properties and on all correspondence indicating that it abides by laws governing Fair Housing and Section 504.
- AHFC offers Fair Housing/Section 504 Training during Fair Housing Month (April) each year to a broad sector of the community on an annual basis. AHFC provides statewide staff training on both fair housing and Section 504 reasonable accommodations on at least an annual basis. AHFC conducted a 504 training session July 12, 2010. A second training session is scheduled for April 18, 2011.
- AHFC ensures that each and every assisted housing applicant and participant receives the brochure, "Equal Opportunity for All" and a copy of how a person with disabilities can apply for reasonable accommodation.
- AHFC's Public Housing Division has a designated 504 Coordinator on its staff, responsible for among other things, decisions on accommodation requests, training and technical assistance.

- Compliance with Fair Housing requirements is monitored through the AHFC Internal Audit's Compliance Department and through the Planning Department through a periodic Grantee On-Site or Desk Monitoring Review.
- During February/March 2010 AHFC funded a statewide market research survey to assess impediments to fair housing among landlords, service providers, realtor/lenders and renters. The data gathered will help frame subsequent community-wide trainings on discrimination in the housing marketplace.
- A review of AHFC's Public Housing Division Internal Management Database on public housing tenant characteristics reveals that minorities are served in greater proportion to their respective numbers in the general population; the number of families whose head or spouse is a person with disabilities is 30% of the entire public housing portfolio. In February of 2011, outside of the Municipality of Anchorage, 50% of the housing choice voucher families included one or more individuals in the household who experienced permanent disabilities.
- In conjunction with the HUD Field Office, in the spring of 2011 AHFC's Public Housing Department will:
 - Invite landlords with experience housing this population to share strategies they've used to be successful (for example, getting a disclosure up front that will allow them to contact a case manager if there is an issue later on).
 - Invite case managers to talk about how they help their tenants find and keep rentals, and how stable and successful they can be, and how responsive a case manager can be.
 - Identify resources such as security deposit resources, that might be available to households to reduce barriers to move-in
 - Provide a mechanism for property managers to provide cards to case managers who work with households to seek housing

Activities that promote fair housing and fair housing choice are outlined below:

- Following HUD guidelines, AHFC conducted a review of the number of contacts with Limited English Proficiency individuals and other pertinent data. None of the thresholds were met requiring written translation of documents. For oral translation, AHFC relies on local professional assistance or use of a 24/7 phone translation service that is on retainer for corporate-wide use.
- AHFC contributes staff time and financial resources to team up with other advocacy agencies to deliver fair housing training to the general public. In the spring of 2008, AHFC hosted an architectural training on Section 504 design considerations, offered to architects and engineers statewide. In the spring of 2009, AHFC hosted Fair Housing/Section 504 training for the general public. Annual Fair Housing/Section

504 training was provided on July 12, 2010. Annual Fair Housing/Section 504 training will be provided on April 18, 2011.

- In its briefing packets for both Public Housing and Housing Choice Voucher participants, AHFC provides information on fair housing, the Alaska Landlord Tenant Act, and methods for voicing a housing discrimination complaint. AHFC recently updated its web page with the objective of increasing information about fair housing choice. The web site contains a link to the ‘Alaska Housing Locator,’ a rental housing database that includes information about units with accessibility features and related information.
- In all of its tenant and participant notices, AHFC provides information about reasonable accommodations and the means to request an accommodation.
- AHFC maintains a database of accessible public housing units and enforces policies that ensure those units are occupied by families requiring the features.
- In all of its recent renovations of public housing, AHFC required architects and contractors to meet the 504 requirements; the 5% and 2% requirements for accessible and sight and sound features were most often exceeded.
- In development of its annual Moving to Work Plan, AHFC ensures that its Resident Advisory Board represents a true cross section of its public housing population. Certifications of compliance with fair housing and Section 504 requirements are promoted both in the public hearing and among the Advisory Board. It is not unusual for them to insist upon examples of how compliance is documented.

XII. Limited English Proficiency (LEP)

LEP persons are defined as those who do not speak English as their primary language and who have a limited ability to read, write speak or understand. They are entitled to language assistance with respect to a particular type of service, benefit, or encounter. In the Federal Register dated January 22, 2007 (72FR2731) HUD finalized guidance originally issued December 19, 2003. The “Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons” provides examples of populations likely to include LEP persons who are encountered and/or served by HUD recipients and should be considered when planning language services. These populations include, but are not limited to:

- Persons who are seeking housing assistance from a public housing agency or assisted housing providers or are currently tenants in such housing;
- Persons seeking assistance from a state or local government for a rehabilitation grant for their home;

- Persons who are attempting to file a housing discrimination complaint with a local Fair Housing Assistance program grantee;
- Persons who are seeking supportive services to become first-time homebuyers;
- Persons seeking housing related social services, training, or any other assistance from HUD recipients; and
- Parents and family members of the above.

In keeping with this guidance, five factors will be used to assess current LEP practices and procedures, and provide a foundation for better addressing LEP obligations. The five factors are:

1. The number or proportion of LEP persons served or encountered in the eligible service population.
2. The frequency with which LEP individuals come into contact with the program.
3. The nature and importance of the program, activity or service provided by the program.
4. The resources available to the recipient and cost.
5. The effectiveness of projects' affirmative market plan to target LEP households.

Additional to the above, other mechanisms have been implemented to aid LEP persons that might come into contact with AHFC's website. AHFC's website now includes a Google Language Selection Button. This allows all users to translate the entire content of the website page into the desired language. In 2010, through a third party provider, AHFC also implemented interpretation services capable of translation into over 240 different languages, thus making all information fully accessible to LEP users.

XIII. Other Housing and Community Development Actions

Other activities to be undertaken during SFY 2012 (FFY 2011) include actions to promote the development and maintenance of affordable housing, including the use of public housing resources and the development of public housing resident initiatives. A number of actions during SFY 2012 will address housing and community development barriers. These actions include the improvement of organizational capacity; the development of infrastructure for housing and community development; the role of local governments in this area; targeting and leveraging resources; and protecting and improving housing and community development assets.

A. Public Housing Division

1. Overview and Planning Process

Alaska Housing Finance Corporation, Public Housing Division is the public housing authority for the State of Alaska, including the Municipality of Anchorage. For all areas

outside of Anchorage (balance-of-state), AHFC manages and maintains 932 rental units, most subsidized through the public housing or the Section 8 Multifamily Project-Based programs. These units are located in Bethel, Cordova, Fairbanks, Juneau, Ketchikan, Kodiak, Nome, Sitka, Valdez, Wasilla/Mat-Su, Wrangell, and Seward.

AHFC also administers the Housing Choice Voucher program for the entire state. Among the twelve balance-of-state communities, AHFC administers 1,855 tenant based vouchers and an additional 45 special needs vouchers in Fairbanks targeting single, disabled persons less than 62 years of age. Most recently, AHFC and the Veterans Administration have entered into an amendment governing Veterans Administration Support Housing vouchers targeted to homeless veterans. Vouchers are distributed in Dillingham, Fairbanks, Homer, Juneau, Ketchikan, Kodiak, the North Slope Borough, Petersburg, Sitka, Soldotna, Valdez, Wasilla/Mat-Su, and Wrangell.

For detailed information regarding Public Housing units, Section 8, Moving to Work, and Non-MTW data visit:

http://www.ahfc.state.ak.us/iceimages/reference/mtw_annual_plan_fy2011.pdf .

2. Moving To Work

On June 24, 2008, AHFC entered into a Moving To Work Agreement (MTW Agreement) with the US Department of Housing and Urban Development (HUD). MTW is a demonstration program authorized by Congress that gives AHFC the flexibility to waive certain statutes and HUD regulations to test approaches for providing housing assistance. A waiver of statutory or regulatory language must address at least one of three goals:

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

For a comprehensive HUD review of MTW programs nationwide, please visit the HUD website at:

<http://www.hud.gov/offices/pih/programs/ph/mtw/index.cfm>

Please also visit the AHFC website to view the full text of the fiscal year 2011 Moving to Work Program Annual Plan at:

http://www.ahfc.state.ak.us/iceimages/reference/mtw_annual_plan_fy2011.pdf

To review accomplishments during the fiscal year 2010, you can find the September 2010 MTW Annual Report at the AHFC website at:

http://www.ahfc.state.ak.us/iceimages/reference/mtw_annual_report_2010_rev121710.pdf

The Public Housing Division is in the midst of preparing its fiscal year 2012 Moving to Work Annual Plan. A draft is expected available for public review during the first week of March 2011. Once released there is a thirty day comment period and public hearing before the plan is presented to the AHFC Board of Directors at its April 20, 2011 meeting.

3. Anticipated Capital Improvement Plan

The Public Housing Division conducts an annual Physical Needs Assessment (PNA) for each of its properties. The source of the data is the property management and maintenance team. They establish a hierarchy of need within the property that is then compared with other competing capital needs. The Construction Department then conducts a preliminary cost estimate to justify budget requests. During the period of this AAP, it is estimated that approximately \$5.4 million will be expended for AHFC Public Housing construction activities in all areas of the state outside of Anchorage, including, Bethel, Cordova, Fairbanks, Juneau, Kodiak, Ketchikan, Nome, Seward, Sitka, Wasilla, Wrangell and Valdez. This figure is likely to be modified during the MTW planning period to take into account further refinements in cost and budget authority.

B. Teacher, Health Professional, and Public Safety Housing Grant Program

Attracting and maintaining a pool of qualified teachers, health professionals, and public safety officials in rural Alaska is a goal of the State of Alaska. In order to achieve this, housing for these professionals must be available, affordable and of a quality that encourages these professionals to locate in rural settings. Under the Teacher, Health Professional and Public Safety Housing Grant Program funding is available from the Alaska Housing Finance Corporation (AHFC) for the rehabilitation and development of teacher, health professional, and public safety housing in rural Alaska.

In SFY 2011, AHFC implemented a new evaluation and rating criteria. The evaluation and rating criteria prioritized funding based on population growth, need for professional housing, market conditions, and community support. A total of 16 applications were received in the Spring of 2010. AHFC awarded \$6.2 million in AHFC Corporate Funding for seven rural teacher, health professional, and public safety housing grants to be constructed, in part, during SFY2012:

Project	AHFC Funding
Akiak VPSO Housing	\$432,500
Igiugik VPSO Housing	\$384,000
King Cove Health Professional and Teacher Housing	\$1,142,019
King Cove Public Safety Housing	\$757,712

Marshall Teacher Housing	\$1,953,459
Sleetmute VPSO Priority Housing	\$504,310
St. Mary's Teacher Housing	\$1,100,000
Total:	\$6,274,000

AHFC will release a Teacher, Health Professional, and Public Safety Housing Grant NOFA for the SFY 2012 round in the spring of 2011. AHFC anticipates approximately \$6.0 million in available AHFC Corporate funding (subject to legislative appropriation) for rental development rehabilitation, and new construction. For SFY 2012 AHFC will implement a paperless application system, which requires applicants to submit their applications over a web-based application.

Since program inception in SFY 2004, the Teacher, Health Professional, and Public Safety Grant Program has funded the new construction or rehabilitation of 305 units of housing totaling \$97 million in total project cost. Seventy-nine percent (242) of these units are completed and in service.

C. Weatherization Programs

The Alaska State Legislature passed legislation in 2008 to enable the development of a comprehensive energy saving strategy in Alaska. AHFC was designated as the lead agency in the development of three programs to provide Alaskans with the tools to reduce energy bills and increase energy efficiency in homes throughout Alaska. AHFC received \$360 million dollars to develop the two programs enumerated below and administer them over a period of five years. AHFC is requesting an additional \$25 million dollars for weatherization through the State Capital Process for SFY2012. Approximately 75% of this will be used in the balance of state.

1. The *Home Energy Rebate Program* is available to Alaskan homeowners who wish to make energy efficiency improvements on their homes. First, an authorized energy rater evaluates the energy efficiency of a home before and after improvements. The energy rebate amount is determined based on the points and step increases between the before and after energy rating as a result of the energy efficiency improvements. Rebates are limited to a maximum amount of \$10,000. The rebate program is available to all Alaskans, regardless of income level. As of January 1, 2010 the funds for the program have been fully obligated.
2. The existing *AHFC Weatherization Program* is substantially expanded as a result of this legislation. The *Weatherization Program* is available to Alaskans who meet certain income and eligibility guidelines and is a grant program. This program is administered in local areas through a regional housing authority or weatherization provider. The weatherization provider or regional housing authority will provide program services at no cost to qualified applicants.

Each of these programs has become popular over the course of the past year. Over 25,000 units have been energy rated and are in process within the Home Energy Rebate Program. Over 5,000 homes have been upgraded as a result of the Weatherization

Program. These programs will continue through SFY 2012. Additional information and program applications are located at www.ahfc.us.

D. Developing Economic Opportunities for Low Income Families

Alaska modified its workforce investment system in 2003, transforming the state and two local workforce investment boards into one overarching entity, the Alaska Workforce Investment Board (AWIB). This system provides a clear, streamlined and efficient governance structure. This includes a strong linkage to local employers, development projects and regional workforce issues.

Regional councils define regional priorities for workforce development, and show how they are linked to employer demand, economic development, and education or training strategies. The Department of Labor & Workforce Development engages with the councils to make better investment decisions at both the local and statewide levels.

The state and providers implement training programs according to the policies resulting in a streamlined and simple system that business and industry are able to more easily access. Services are delivered through grantees and the Alaska Department of Labor and Workforce Development One-Stop Job Centers. They are categorized as core, intensive and training levels of service. The programs serve adults, dislocated workers, and youth both in and out of school.

On May 31, 2005, the Alaska Two Year State Plan for Title I of the Workforce Investment Act of 1998 was released. Improved service delivery to hard to serve populations was identified as a priority. Transportation and housing were identified as barriers to full inclusion for the disabled and welfare to work clients. A need was seen for transitional housing opportunities to support the expansion of employment opportunities. Building upon the accomplishments of the 2007-2009 Plan, Governor Palin's administration extended the Two-Year plan through June 30, 2010. On June 30, 2010, the State Plan for Title I of the Workforce Investment Act of 1998 was extended for one year through SFY 2011. It is expected the State Plan will be renewed through SFY 2012, unless the Workforce Investment Act of 1998 is reauthorized by Congress. Section I was modified to include greater emphasis on preparing Alaska's youth for occupations in growing and emerging industries. The American Recovery and Reinvestment Act of 2009 (ARRA) emphasis on work experience ensures that young people will succeed at an early age and take advantage of a coordinated continuum of education and workforce development. In addition to maintaining the one-stop Job Centers and the role of the Workforce Investment Board, the new plan identifies four priorities. They are:

- Alaska's youth will be job ready when they complete high school.
- Alaska will have a world class workforce ready to meet the needs of Alaska's high skill, high demand jobs.

- Alaska’s post-secondary vocational and technical training facilities and professional education system will provide world class training, using state-of-the-art equipment and technology.
- Alaska’s businesses will have the support and resources to compete in the global market.

The entire plan can be accessed at <http://labor.alaska.gov/bp/forms/WIA-strategic-plan-extension.pdf>.

Additionally, the Denali Commission in partnership with the Alaska Department of Labor and Workforce Development administers the Denali Training Fund. The Denali Training Fund provides assistance to local residents in obtaining the skills necessary to become employed in the areas of the construction, operation, and maintenance of Denali Commission and other public infrastructure projects in rural Alaska. This provides a mutually beneficial atmosphere where jobs are created directly and locally for rural Alaskans and the significant investment by the Denali Commission in infrastructure, and other state and federal construction projects, is maintained by the fact that Alaskans have the skills and knowledge required to work on the construction, operation and maintenance phases of these projects.

Further, the Denali Commission, again in partnership with the Alaska Department of Labor and Workforce Development, Division of Business Partnership administers the Denali Training Fund Youth Program. The Youth Program is designed to prepare youth ages 16 to 24 for their first job in the realm of Denali investment priorities: construction, maintenance, operations of infrastructure for energy and health care.

AHFC provides training in the areas of energy rating performance, weatherization methodologies, building analyst skills and proficiencies, heating system diagnostics and retrofit methodologies through contracted training companies. Funding for this training is provided by AHFC, and is being negotiated with the Denali Commission and Alaska Department of Labor and Workforce Development.

E. Evaluating and Reducing Lead Based Paint Hazards

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

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

Section 1018 of the Residential Lead-Based Paint Hazard reduction Act of 1992 requires that sellers, landlords and agents warn homebuyers and tenants of lead-based paint and lead-based paint hazards in pre-1978 housing. A prospective home purchaser or

prospective tenant must receive the following information prior to becoming obligated under any contract to lease or purchase a property covered by this Act:

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

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

In April 2008, EPA issued a new rule requiring that, beginning in April 2010, contractors performing renovation, repair and painting projects that disturb lead-based paint in homes, child care facilities and schools built before 1978 must be certified and must follow specific work practices to prevent lead contamination.

Although the testing done so far does not point to a great lead-based paint hazard in Alaska, an estimated 15% to 20% of all of the housing stock in the state does have a potential source of lead poisoning from paint. The State concurs with the U.S. Environmental Protection Agency that increased education about the potential health risks from exposure to lead based is an important step in reducing health related problems involving lead poisoning. AHFC is planning a survey to provide a current assessment of Alaska's housing stock at risk of containing lead-based paint in the balance of state.

XIV. Addressing Housing and Community Development Barriers

In the State of Alaska's Five Year (SFY 2011 through 2015) HCD Plan, barriers to affordable housing and sustainable community development projects were identified. The five year plan identified general approaches and strategies, with specific activities to be outlined in the Annual Action Plans. These barriers fall into three categories---organizational capacity; infrastructure for housing and community development; and the role of local governments.

A. Improving Organizational Capacity

Across Alaska, organizational capacity for the effective delivery of housing and community development programs is very unevenly distributed. Many communities, particularly in rural areas, lack the organizational capacity to effectively implement

projects using the multitude of housing and community development programs available. The involvement of several agencies and a variety of funding programs in a single project usually complicates the development process, and places additional demands on the project sponsor.

During SFY 2012, Alaska Housing Finance Corporation (AHFC) will continue to deliver technical assistance activities designed to improve organizational capacity. Through HUD funding and AHFC corporate matching funds, technical assistance will be given to existing Community Housing Development Organizations (CHDOs), new CHDOs, and to other organizations seeking CHDO certification. This technical assistance will emphasize activities that will improve the ability of CHDOs to plan, implement, and operate affordable housing programs. Technical assistance will also be offered to HOME grantees and other non-profit housing providers, including those serving Alaska's homeless and special needs populations. A menu of opportunities will be offered, which will include direct technical assistance, quarterly topic-based Alaska Training Events, as well as scholarship opportunities to attend local, regional or national training events. AHFC plans to host no less than three Alaska Training Events each year and offers scholarships to approved trainings and conferences for eligible attendees. Participants are required to document the objectives that will be achieved through attendance at a specific training activity. A limited number of these activities will be available to other providers and/or the general public on a space-available basis on topics such as Fair Housing/Section 504 that affect a broad spectrum of Alaskan providers. AHFC will also plan training events in coordination with training activities hosted by other groups, such as HUD or the homeless coalition, to maximize training resources and training availability.

Because of the reorganization of HUD CPD training opportunities, AHFC has joined one local, and one national, applicant as a subcontractor in the OneCPD NOFA.

B. Infrastructure for Housing and Community Development

The availability of appropriate infrastructure will continue to be a critical factor impacting housing affordability and sustainable community development projects during SFY 2012. The nature of Alaska presents special challenges in this area. Approximately 237 Alaskan communities are accessible only by air or by small boat. Many rural communities have inadequate sanitation facilities or suffer from a lack of safe drinking water. Extremely high electric costs are an impediment to sustainable housing and community development projects. Even with State subsidies, the average power cost in rural Alaska is approximately 50 cents per kilowatt hour.

- The concern for energy efficiency continues to receive attention. In February 2005, then Governor Frank Murkowski created a Rural Energy Action Council which would report to him on short-term proposals to reduce the cost of energy in Bush Alaska. The Rural Energy Action Council issued a report to the Governor in the spring of 2005, with specific recommendations in several areas. In June, 2008 the Alaska Energy Authority, Alaska Housing Finance Corporation and Cold Climate Research Center jointly produced a report of "Alaska Energy Efficiency Program and Policy Recommendations." At the direction of Governor Sarah Palin in 2008, the

Alaska Energy Authority developed a statewide energy plan entitled “Alaska Energy: A First Step toward Independence” that was published in January, 2009 and outlined all possible energy options for the communities in Alaska. A Second Phase of this Energy Plan was issued for use in SFY2011.

The issues addressed in these efforts included: incentives to lower energy delivery costs; regional supply and distribution centers; cooperative fuel purchases; power plant operational efficiencies; consolidation of energy providers; a review of Alaska Energy Authority programs; acceleration of alternative energy methods; and energy conservation measures.

- Since 1995, Alaska Housing Finance Corporation’s (AHFC) financial strength and stable credit rating has allowed it to assist the State in funding improvements and deferred maintenance for public facilities throughout Alaska. Since the mid-1990’s, more than \$225 million in state capital projects have been funded through AHFC’s capital budget. Approximately \$500 million in bonds (including state capital project bonds and tobacco settlement bonds) have supported repairs, renovations and new construction around the state. Even with the numerous construction projects of the past five years, a significant part of Alaska’s infrastructure currently in place was developed in the 1970’s and 1980’s and is now showing signs of deferred maintenance. Existing infrastructure requires a substantial investment of rehabilitation funding. With population growth and increasing demand, new infrastructure development is also needed.
- The State of Alaska’s Community Development Block Grant (CDBG) program is one key funding resource in addressing the State’s infrastructure needs in qualifying communities. One of the seven guiding principles of this Annual Action Plan is that use of community development funds should emphasize the creation of economic opportunity through development of infrastructure. The State of Alaska’s Community Development Block Grant (CDBG) program description outlines the State’s priorities and strategies on allocating CDBG funds during SFY 2012.
- The Indian Community Development Block Grant Program (ICDG) program assists eligible recipients to develop viable communities, including decent housing, as suitable living environment, and economic opportunities for persons of low and moderate income. Eligible applicants include any Indian tribe, band, group or nation (including Alaskan Indians, Aleuts or Eskimos) or Alaska native Village which had established a relationship to the Federal government as defined in the program regulations. CDBG funding can be used for housing, community facilities, and economic development.
- AHFC’s Supplemental Housing Development Program provides capital funding to Regional Housing Authorities, which use the funds to supplement housing projects approved for development under the U.S. Department of Housing and Urban Development (HUD) Housing Development Programs. The funds in AHFC’s program are limited to twenty percent (20%) of HUD’s total development costs per project, and can only be used for the cost of on-site sewer and water facilities, road construction to project sites, electrical distribution facilities, and energy efficiency

design features in the homes. A total of \$7 million has been requested in AHFC's SFY 2011 capital budget for the Supplemental Housing Development Program.

C. Role of Local Governments

Local governments can play a significant role in promoting or impeding housing and community development (HCD) projects. A positive example of this role in HCD development is seen when local government acts as the applicant under the State's Community Development Block Grant (CDBG) Program. The goals of the Alaska CDBG program are to provide resources to Alaskan communities for public facilities and planning activities which address issues detrimental to the health and safety of local residents and to reduce the cost of essential community services. The CDBG program may also fund Special Economic Development activities that result in the creation of jobs for low and moderate income persons. Any Alaskan municipal government (except Anchorage) is eligible to apply for State CDBG funds. Non-profits may apply as co-applicants with the local government for these pass-through funds. During SFY 2012, the State will offer technical assistance workshops on the CDBG program that will assist local governments and non-profits to better access and implement CDBG projects.

Many activities of local government impact affordable housing projects. Platting and zoning decisions, and the development and maintenance of infrastructure are examples of such activities. Property tax assessment policies are another example of local government actions that can greatly impact the viability of affordable housing developments. During SFY 2012, education and outreach will continue to be targeted towards local governments to help them better understand the impact of their actions upon affordable housing projects.

D. Accessing, Targeting and Leveraging Resources

At the federal, state and local levels, there has been an increased emphasis placed upon using multiple funding sources to finance housing and community development projects. In the State of Alaska's Five Year HCD Plan, Alaska's unmet needs far exceed the resources available to programs governed by the HCD Plan. To address these unmet needs, available HCD resources must be effectively targeted and leveraged with other available resources. Both public and private funding is necessary to meet these needs, and in many cases a combination of funding sources is necessary to make a project viable. During SFY 2012, AHFC will continue to encourage the effective and coordinated use of available funding resources.

AHFC's GOAL Program (Greater Opportunities for Affordable Living) uses a single application and review process for several of the affordable housing programs it administers: HOME Rental Development Program, the Low Income Housing Tax Credit Program, and the Senior Citizen Housing Development Program. The GOAL Program awards points in two categories based on the projects leveraged resources: the ability of the applicant to provide written commitments from other funding sources and the amount of leveraged funds in relation to the total development costs.

Predevelopment resources are an area that can present barriers to developing affordable housing and other facilities. Recognizing the need to layer and manage resources, in SFY 2012 AHFC will continue, as appropriate, coordination with the Predevelopment program sponsored by the Alaska Mental Health Trust Authority, the Denali Commission and the Rasmuson Foundation. AHFC will also make predevelopment funds available in SFY2012 via a competitive NOFA process.

Accessing, targeting and leveraging resources require information about the wide range of HCD funding programs easily accessible to individuals and organizations. In the area of homeownership programs, AHFC's HOME CHOICE workshops will continue to provide an opportunity in SFY 2012 for Alaskans to better understand available homeownership programs, the home-buying process, and the responsibilities of homeownership. Since 1995, nearly 50,000 individuals have completed HOME CHOICE training.

Multi-family and special needs housing projects have a number of special concerns that project sponsors must address. Multiple funding sources carry with them multiple (and potentially incompatible and / or inconsistent) administrative and compliance issues. Subject to the limitations and restrictions of HUD technical assistance (TA) funding, AHFC will offer direct TA and training opportunities to assist project sponsors to better access HCD resources, implement their projects, and stay in compliance with the various program requirements.

The largest single source of funding for housing in rural Alaska is the Indian Housing Block Grant Program funded through the U.S. Department of Housing and Urban Development. The Native American Housing Assistance and Self-Determination Act (NAHASDA) of 1996 is designed to provide Federal Assistance for Indian tribes in a manner that recognizes the right of tribal self-governance. NAHASDA provides a single block grant to Tribally Designated Housing Entities (TDHEs). TDHEs develop and maintain Indian Housing Plans that describe priority needs and proposed activities for the use of NAHASDA funds.

Additional funding sources include programs under the Indian Health Service (IHS), Alaska Native Tribal Health Consortium (ANTHC), and the Alaska State Village Safe Water Program (VSW).

E. Protecting and Improving Housing and Community Development Assets

An important component of the State's housing strategy will continue to be the preservation and improvement of existing housing stock.

High energy costs over the past several years are putting increased strain on Alaskan budgets and elevating the number of inquiries AHFC has been receiving for energy programs to assist new and existing homeowners, homebuyers and renters.

The continued impacts of global climate change issues in Alaska, along with concerns for healthier, high performance buildings which use natural & recycled materials, promote less impact on the building site and minimize transportation costs has increased interest in the green building movement as well. The basis of green building is sustainable design. Sustainable design seeks to optimize the quality of the built environment while minimizing or eliminating the negative impacts on the natural environment. Green building programs are attempts at incorporating those goals into a practical framework.

As described above in this SFY 2012 Annual Action Plan, the State will continue to administer the Owner-Occupied Rehabilitation Program (ORP). AHFC has also requested, in its SFY2012 capital budget, \$1.5 million in Federal funding for weatherization activities for low- and moderate-income families throughout Alaska. The program funds health and safety upgrades such as furnace maintenance, electrical repairs, and installation of egress windows.

The weatherization programs provide cost effective energy improvements to the homes of low-income families, and are sometimes used in conjunction with the HOME ORP Program. Weatherization also provides for some health and safety repairs needed to complete the energy efficiency work. AHFC Weatherization Programs are discussed in detail, above.

Alaska Housing Finance Corporation's Public Housing Division has a number of renovation and repair activities scheduled on its properties throughout the state. For more information, refer to XIII. A. 3. Anticipated Capital Improvement Plan, above.

As previously mentioned, over the last several years, AHFC has increased the emphasis on rehabilitation and preservation of existing affordable housing resources in the rating criteria for the LIHTC, HOME and SCHDF programs. As a result, more affordable housing rental units have been renovated and several federally subsidized rental projects have remained in the affordable housing stock.

Another important resource for the protection and improvement of housing during SFY 2012 will come from the Indian Housing Block Grant allocation for Alaska. The Formula for Current Assisted Stock (FCAS) provides funding for Tribally Designated Housing Entities to maintain and repair their existing housing stock.

XV. Input from Other Planning Efforts

A number of other sources of data and planning input in the area of housing and community development have been used in the preparation of this SFY 2012 Annual Action Plan. The Consolidated Planning process is designed to incorporate a broad scope of input and perspectives, and a wide range of resources targeted towards housing and community development. Examples of input from other planning and research efforts include:

- “Moving to Work” National Conference

- National Finance Development Seminar Sponsored by NAHRO
- Alaska Continuum of Care for the Homeless---*Homeless Strategy for All Areas Outside of Anchorage.*
- Alaska Housing Finance Corporation---*Moving to Work Plan*
- Alaska Housing Finance Corporation's Homeless Point in Time Charts.
- Alaska Interagency Council on the Homeless, *Ten-Year Plan to Reduce Homelessness*
- Alaska Energy Authority, *Alaska Energy: A first step toward independence; A guide for Alaskan Communities to utilize local energy resources*; January, 2009
- Cold Climate Housing Research Center --- *Alaska Energy Efficiency Program and Policy Recommendations*; June, 2008
- Alaska Low Income Weatherization Plan
- NCSHA Federal Liaisons Monthly Telephone Round Table
- Alaska Department of Environmental Conservation---*Village Safe Water*
- Alaska Department of Health and Social Services---*Comprehensive Integrated Mental Health Plan.*
- Alaska Department of Labor and Workforce Development--- *Alaska Two Year State Plan for Title I of the Workforce Investment Act of 1998, July 1, 2007 through June 30, 2011.*
- Alaska Department of Transportation ---*Statewide Transportation Improvement Program*
- Kenai Peninsula Borough---*Quarterly Report of Key Economic Indicators*
- Tribally Designated Housing Entities---*Indian Housing Plans*
- Alaska Housing Market Indicators --- *Quarterly Survey of Alaska Lenders, the Quarterly Survey of Alaska Permitting Activity, the Annual State of Alaska Rental Market Survey and the Construction Cost Survey*
- Institute for Social and Economic Research (ISER) *2010 Report on the Alaska Non-Profit Economy - A report on the economic importance of Alaska's nonprofit sector – The Foraker Group.*
- Alaska Economic Development Council Economic Forecast Presentation

- National USDA Teleconference on Multi-Family Housing
- Alaska Department of Corrections *2009 Offender Profile*
- Alaska Prisoner Reentry Task Force, *Five Year Prisoner Reentry Strategic Plan 2011-2016; February, 2011*

During SFY 2012, the Interagency Steering Committee will review other sources of planning and research for potential input into the Plan.

XVI. Annual Performance Report

This SFY 2012 Annual Action Plan is the second implementation plan of the Five Year Consolidated Housing and Community Development Plan for the State of Alaska (State Fiscal Years 2011 through 2015). An important component of the Consolidated Planning process is the Consolidated Annual Performance and Evaluation Report (CAPER) that must be submitted to the U.S. Department of Housing and Urban Development within 90 days of the close of the state fiscal year. In early SFY 2012, the process to develop the SFY 2011 CAPER will begin, with the completed report to be submitted to HUD by September, 2010. The Interagency Steering Committee will direct this process to collect and analyze program data and access progress made towards HCD Plan goals. The Interagency Steering Committee will also evaluate the on-going citizen participation activities, and input from other planning and research activities. New and emerging trends, conditions and opportunities will be identified that may influence the State's response to its housing and community development needs. Input from the SFY 2009 CAPER was utilized in the development of the new Five Year HCD Plan (SFY 2011 through SFY 2015). The CAPER on this SFY 2012 Annual Action Plan will be developed during July through September of 2012.

Any questions concerning the State of Alaska's Consolidated Housing and Community Development planning process should be directed to:

Oscar Cedano

HCD Coordinator

Planning and Program Development

Alaska Housing Finance Corporation

P.O. Box 101020

Anchorage, Alaska 99510-1020

Phone: 1-907-330-8417 or

1-800-478-2432, Ext. 8277

FAX: 1-907-338-2585

Web Site: www.ahfc.state.ak.us

APPENDIX A

Unexpended Funds by Fiscal Year

Project Status Report

HOME Unexpended Funds by Fiscal Year

As of February 5, 2011

* All other funding categories not shown are fully expended. This report includes program income revenue but does not include AHFC administrative costs.

Source	Year	Category	Allocated	Awarded	Expended	Uncommitted	Unexpended
HOME - Corp	SFY 2002	HOME - ORP	\$195,733.00	\$195,733.00	\$191,358.64	\$ 0.00	\$ 4,374.36
HOME - Corp	SFY 2004	HOME - ORP Admin	\$48,653.00	\$48,653.00	\$26,499.74	\$ 0.00	\$22,153.26
HOME - Corp	SFY 2006	HOME - ORP	\$225,000.00	\$204,213.64	\$8,588.00	\$20,786.36	\$216,412.00
HOME - Corp	SFY 2006	HOME - ORP Admin	\$60,000.00	\$400.44	\$400.44	\$59,599.56	\$59,599.56
HOME - Corp	SFY 2007	GOAL Hsg Prod Pre-Devel	\$100,000.00	\$48,355.35	\$48,355.35	\$51,644.65	\$51,644.65
HOME - Corp	SFY 2008	GOAL Housing Production	\$500,000.00	\$493,500.00	\$493,500.00	\$ 6,500.00	\$ 6,500.00
HOME - Corp	SFY 2008	GOAL Hsg Prod Pre-Devel	\$50,000.00	\$0.00	\$0.00	\$50,000.00	\$50,000.00
HOME - Corp	SFY 2008	HOME - ORP	\$100,000.00	\$ 85,625.64	\$11,128.00	\$14,374.36	\$88,872.00
HOME - Corp	SFY 2008	HOME - ORP Admin	\$45,000.00	\$0.00	\$0.00	\$45,000.00	\$45,000.00
HOME - Corp	SFY 2009	GOAL Housing Production	\$500,000.00	\$500,000.00	\$360,079.00	\$ 0.00	\$139,921.00
HOME - Corp	SFY 2009	HOME - HOP Admin	\$42,000.00	\$42,000.00	\$35,263.35	\$ 0.00	\$ 6,736.65
HOME - Corp	SFY 2009	HOME - ORP	\$90,000.00	\$0.00	\$0.00	\$90,000.00	\$90,000.00
HOME - Corp	SFY 2009	HOME - ORP Admin	\$18,000.00	\$18,000.00	\$0.00	\$ 0.00	\$18,000.00
HOME - Corp	SFY 2010	GOAL Housing Production	\$200,000.00	\$200,000.00	\$170,036.00	\$ 0.00	\$29,964.00
HOME - Corp	SFY 2010	GOAL Hsg Prod Pre-Devel	\$50,000.00	\$0.00	\$0.00	\$50,000.00	\$50,000.00
HOME - Corp	SFY 2010	HOME - HOP	\$141,400.00	\$141,400.00	\$111,784.99	\$ 0.00	\$29,615.01
HOME - Corp	SFY 2010	HOME - HOP Admin	\$23,600.00	\$23,600.00	\$18,952.77	\$ 0.00	\$ 4,647.23
HOME - Corp	SFY 2010	HOME - ORP	\$115,000.00	\$0.00	\$0.00	\$115,000.00	\$115,000.00
HOME - Corp	SFY 2010	HOME - ORP Admin	\$40,000.00	\$12,000.00	\$0.00	\$28,000.00	\$40,000.00
HOME - Corp	SFY 2010	HOME - TBRA	\$150,000.00	\$ 5,674.00	\$5674.00	\$144,326.00	\$144,326.00
HOME - Corp	SFY 2010	HOME - TBRA Admin	\$30,000.00	\$0.00	\$0.00	\$30,000.00	\$30,000.00
HOME - Corp	SFY 2011	GOAL Housing Production	\$237,000.00	\$0.00	\$0.00	\$237,000.00	\$237,000.00
HOME - Corp	SFY 2011	HOME - HOP	\$300,000.00	\$300,000.00	\$27,093.40	\$ 0.00	\$272,906.60
HOME - Corp	SFY 2011	HOME - HOP Admin	\$33,000.00	\$33,000.00	\$0.00	\$ 0.00	\$33,000.00
HOME - Corp	SFY 2011	HOME - TBRA	\$150,000.00	\$577.00	\$577.00	\$149,423.00	\$149,423.00
HOME - Corp	SFY 2011	HOME - TBRA Admin	\$30,000.00	\$0.00	\$0.00	\$30,000.00	\$30,000.00
Sub-Total	-	-	\$3,474,386.00	\$2,352,732.07	\$1,509,290.68	\$1,121,653.93	\$1,965,095.32

HOME Unexpended Funds by Fiscal Year

As of February 5, 2011

* All other funding categories not shown are fully expended. This report includes program income revenue but does not include AHFC administrative costs.

Source	Year	Category	Allocated	Awarded	Expended	Uncommitted	Unexpended
HOME - HUD	FFY 2004	HOME - ORP	\$795,000.00	\$786,412.00	\$750,280.91	\$ 8,588.00	\$44,719.09
HOME - HUD	FFY 2005	HOME - CHDO	\$ 93,736.09	\$ 0.00	\$ 0.00	\$93,736.09	\$93,736.09
HOME - HUD	FFY 2005	HOME - ORP	\$836,263.91	\$836,263.91	\$438,256.00	\$ 0.00	\$398,007.91
HOME - HUD	FFY 2005	HOME - ORP Admin	\$120,000.00	\$120,000.00	\$83,735.42	\$ 0.00	\$36,264.58
HOME - HUD	FFY 2006	HOME - OEA	\$150,000.00	\$144,129.99	\$144,129.99	\$ 5,870.01	\$ 5,870.01
HOME - HUD	FFY 2007	HOME - CHDO	\$452,720.00	\$240,000.00	\$240,000.00	\$212,720.00	\$212,720.00
HOME - HUD	FFY 2007	HOME - CHDO	\$205,537.91	\$ 0.00	\$0.00	\$205,537.91	\$205,537.91
HOME - HUD	FFY 2007	HOME - OEA	\$150,000.00	\$126,932.50	\$126,932.50	\$23,067.50	\$23,067.50
HOME - HUD	FFY 2007	HOME - ORP	\$187,280.00	\$187,280.00	\$183,973.00	\$ 0.00	\$ 3,307.00
HOME - HUD	FFY 2007	HOME - ORP Admin	\$30,000.00	\$30,000.00	\$19,312.29	\$ 0.00	\$10,687.71
HOME - HUD	FFY 2008	GOAL Housing Production	\$908,609.00	\$908,608.85	\$906,608.85	\$ 0.15	\$ 2,000.15
HOME - HUD	FFY 2008	GOAL Housing Production	\$227,823.18	\$0.00	\$0.00	\$227,823.18	\$227,823.18
HOME - HUD	FFY 2008	HOME - CHDO	\$559,921.00	\$559,921.00	\$479,921.00	\$ 0.00	\$80,000.00
HOME - HUD	FFY 2008	HOME - HOP	\$671,081.00	\$671,081.00	\$655,081.00	\$ 0.00	\$16,000.00
HOME - HUD	FFY 2008	HOME - OEA	\$150,000.00	\$150,000.00	\$44,871.74	\$ 0.00	\$105,128.26
HOME - HUD	FFY 2008	HOME - ORP	\$201,389.00	\$201,389.00	\$83,279.00	\$ 0.00	\$118,110.00
HOME - HUD	FFY 2008	HOME - ORP Admin	\$30,000.00	\$30,000.00	\$2,680.00	\$ 0.00	\$27,320.00
HOME - HUD	FFY 2008	HOME-HDP	\$209,000.00	\$209,000.00	\$188,100.00	\$ 0.00	\$20,900.00
HOME - HUD	FFY 2009	GOAL Housing Production	\$303,112.00	\$9,868.00	\$7,868.00	\$293,244.00	\$295,244.00
HOME - HUD	FFY 2009	GOAL Housing Production	\$231,227.07	\$0.00	\$0.00	\$231,227.07	\$231,227.07
HOME - HUD	FFY 2009	HOME - CHDO	\$755,168.00	\$755,168.00	\$595,260.00	\$ 0.00	\$159,908.00
HOME - HUD	FFY 2009	HOME - HOP	\$394,600.00	\$394,600.00	\$369,600.00	\$ 0.00	\$25,000.00
HOME - HUD	FFY 2009	HOME - HOP Admin	\$35,319.00	\$35,319.00	\$33,595.97	\$ 0.00	\$ 1,723.03
HOME - HUD	FFY 2009	HOME - OEA	\$150,000.00	\$24,379.00	\$0.00	\$125,621.00	\$150,000.00
HOME - HUD	FFY 2009	HOME - ORP	\$500,000.00	\$184,236.64	\$0.00	\$315,763.36	\$500,000.00
HOME - HUD	FFY 2009	HOME - ORP Admin	\$65,000.00	\$31,529.16	\$0.00	\$33,470.84	\$65,000.00
HOME - HUD	FFY 2009	HOME - TBRA	\$130,000.00	\$5674.00	\$5674.00	\$124,326.00	\$124,326.00
HOME - HUD	FFY 2009	HOME - TBRA Admin	\$5,000.00	\$0.00	\$0.00	\$ 5,000.00	\$ 5,000.00
HOME - HUD	FFY 2009	HOME - TBRA Security Deposit	\$20,000.00	\$4135.00	\$4135.00	\$15,865.00	\$15,865.00
HOME - HUD	FFY 2009	HOME-HDP	\$450,000.00	\$0.00	\$0.00	\$450,000.00	\$450,000.00
HOME - HUD	FFY 2010	GOAL Housing Production	\$1,150,000.00	\$0.00	\$0.00	\$1,150,000.00	\$1,150,000.00
HOME - HUD	FFY 2010	HOME - CHDO	\$450,000.00	\$0.00	\$0.00	\$450,000.00	\$450,000.00
HOME - HUD	FFY 2010	HOME - HOP	\$800,000.00	\$800,000.00	\$206,789.14	\$ 0.00	\$593,210.86
HOME - HUD	FFY 2010	HOME - HOP Admin	\$95,000.00	\$81,111.57	\$0.00	\$13,888.43	\$95,000.00
HOME - HUD	FFY 2010	HOME - OEA	\$150,000.00	\$0.00	\$0.00	\$150,000.00	\$150,000.00
HOME - HUD	FFY 2010	HOME - TBRA	\$130,000.00	\$184.00	\$184.00	\$129,816.00	\$129,816.00
HOME - HUD	FFY 2010	HOME - TBRA Admin	\$5,000.00	\$0.00	\$0.00	\$ 5,000.00	\$ 5,000.00
HOME - HUD	FFY 2010	HOME - TBRA Security Deposit	\$20,000.00	\$500.00	\$500.00	\$19,500.00	\$19,500.00
Sub-Total	-	-	\$11,817,787.16	\$7,527,722.62	\$ 5,570,767.81	\$4,290,064.54	\$ 6,247,019.35

APPENDIX B

OBJECTIVES TO END CHRONIC HOMELESSNESS AND MOVE FAMILIES AND INDIVIDUALS TO PERMANENT HOUSING

Alaska Council on the Homeless Ten-Year Plan to Reduce Long Term Homelessness

F-1. Housing for Chronic & Special Needs Homeless		Baseline: 627 chronic homeless out of 3.305 total homeless (PIT) 161 Chronic Hsg units out of 428 Perm Sup. Hsg. inventory		
Strategy	Action Steps	12-Month Outcome	By the Year 2014	By the Year 2019
1. Expand housing options (construction/rehab/rental asstnc)	1.a Build capacity to maximize use of resources (811/202; HOME) 1b Develop prototype model for supportive housing 1.c Develop a coordinated funding source (HTF) to house more high need homeless persons 1.d Develop intensive service-enriched housing for persons w/high needs exiting API & DOC	1.a Financial incentives provided to at least one 202 or 811 project that targets homeless persons w/special needs 1.b & c. Technical & financial assistance provided to projects under development in ANC & FBX 1.d Project identified	1.a 25 new 202 units and 25 new 811 units 1.b, 10 new programs developed from model 1.c&d 300 addt'l HH assisted	1.b 50 new 202 units and 50 new 811 units 1.b,c,d 800 addt'l HH assisted
2. Increase supplemental support for services not covered by Medicaid	2. a Identify unmet service needs and costs 2.b Utilize housing finance resources to cover cost of room & board for persons served by Adult Protective Services (APS)	2. DHSS & AHFC issue joint white paper on delineated costs	2. a 30% of service needs addressed 2.b 50% of APS clients recv'g hsg asstnc	2. 70% of service needs addressed 2.b 100% of APS clients recv'g hsg asstnc
3. Increase pool of operating support to preserve existing housing stock	3.a Inventory existing projects for operating assistance needs 3.b Issue NOFA to award project-based assistance	3. HUD waivers secured for project-based voucher support	3. 100 project-based rent asstnc	3. 200 project-based rent asstnc

Alaska Council on the Homeless Ten-Year Plan to Reduce Long Term Homelessness

F-2. Housing for Persons Discharged from State Custody		Baseline: 8,000/yr discharged from DOC w/no identified housing 33 existing beds for transitioning youth (ANC & JNU)		
Strategy	Action Steps	12-Month Outcome	By the Year 2014	By the Year 2019
1. Revise discharge policies to explicitly discourage discharge to homeless shelters.	1.a Review policies and identify text revisions 1.b Establish baseline on discharges to homelessness	1. a. Policy revisions completed by May 2011 1.b. Contact person to report discharge information identified in each department	1.b 50% reduction of discharge to shelter or streets	1.b 75% reduction of discharge to shelter or streets
2. Increase # of units available to transitioning youth	2.a Identify exact # of transitional beds needed (300 est.) 2b. Apply for Family Unification Program vouchers from HUD	2.a Contact person within DHSS identified 2.b Vouchers awarded by HUD	2.a 50% of needed beds added to inventory 2.b 100% FUP voucher utilization	2.a 50% of needed needed added to inventory 2.b 100% FUP voucher utilization
3. Develop landlord incentives to rent to “hard to house” persons.	3.a. Identify incentives (e.g. damage fund, rent-up bonus, etc) 3.b Develop a coordinated funding source (HTF) to house more high need homeless persons	3.a & b. Re-Entry Task Force issues recommendations	3.a&b 50% placement success	3.a&b 75% placement success
4. Increase employment/vocational opportunities for persons in transition.	4.a Identify models	4. a Re-Entry Task Force issues recommendations	Programs in every DOC & DJJ facility	100% job referral upon discharge

Alaska Council on the Homeless Ten-Year Plan to Reduce Long Term Homelessness

F-3. Permanent Housing for Households w/Children Transitioning from Homelessness		Baseline: 1,507 People (494 Families) out of 3,305 total homeless in PIT		
Strategy	Action Steps	12-Month Outcome	By the Year 2014	By the Year 2019
1. Expand housing options (construction/rehab/rental asstnc)	1.a Build capacity to maximize use of resources (HOME/TBRA) 1.b Create incentives to utilize existing hsg programs to address needs of low-income families 1.c Develop coordinated funding source (HTF) to assist more homeless families	1. Incentives for family housing & service-enriched placement services incorporated in GOAL & BHAP grant applications.	1.b&c 150 Units w/20% f/large families	1.b&c 300 Units w/20% f/large families
2. Increase pool of operating support to preserve existing housing stock	2. Inventory existing projects for operating assistance needs	2. Rent burden survey completed and needs identified	100 assisted units	200 assisted units
3. Provide rapid re-housing services for HH w/children	3.a Create incentives for central intake & assessment of family homeless needs 3.b Develop coordinated funding source for move-in costs.	3. Central intake & use of assessment tools incentivized in BHAP application	3.a &b. 50% HH re-housed within 90 days	3.a&b. 85% HH re-housed within 90 days
4. Improve outreach & linkages to housing resources & services	4.a Build capacity among homeless school liaisons & rural school districts 4.b Expand outreach on use of AK Housing Locator 4.c Improve 211 to accurately reflect all local homeless services	4.a Liaison outreach project conducted for PIT 4.b. Locator information distributed during grant monitoring 4.c. Grant issued to 211	4.a 50% increase in homeless school liaison participation in state hsg coalition 4.b 100% increase in Locator listings 4.c 80% coverage	4.a 100% increase in homeless school liaison participation in state hsg coalition 4.b 200% increase in Locator listings 4.c 95% coverage

Alaska Council on the Homeless Ten-Year Plan to Reduce Long Term Homelessness

F-4. Short-Term Homeless Prevention / Crisis Intervention		2008 Baseline: 324 households served by HAP-funded prevention component in SFY08/ 67% housing retention rate		
Strategy	Action Steps	12-Month Outcome	By the Year 2014	By the Year 2019
1. Create local centralized pool of prevention resources to provide assistance with rent, mortgage & utility arrearages OR to cover housing costs for persons temporarily absent due to hospitalization, SA treatment or short-term incarceration (less than 60 days).	1.a Coordinate existing resources (ESG, LIHEAP, EFSP, ATAP Diversion) 1.b Develop framework for central prevention pools 1.b Set aside min 30% HAP/ASHP authorization for prevention activities 1.c Develop coordinated funding source (HTF) to assist more households at-risk of homelessness	1.a Interagency meeting convened 1.b Centralized prevention pools incentivized through HAP	100% increase in # of households served 75% retention rate	200% increase in # of households served 85% retention rate
2. Apply a uniform assessment tool to identify barriers to housing stability	2.a Integrate assessment tool into HMIS	2.a Updated version installed	60% assessments completed on prevention cases	100% assessments completed on prevention cases

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F-5. Data Collection				
Strategy	Action Steps	12-Month Outcome	By the Year 2014	By the Year 2019
1. Expand HMIS coverage to all federal and state-funded homeless programs.	1.a Continue ongoing training and access project to connect all providers of shelter & transitional housing in AK (except DV)	1.a Policy adopted by HMIS Data Committee to prioritize access & training based on reporting mandates	75% bed coverage in HMIS	85% bed coverage in HMIS
2. Coordinate prevention report from all sources (ESG, HAP, LIHEAP, ATAP Diversion, STRAP)	2. Develop MOU w/funders to coordinate report	2. Fund administrators meet & forge agreement	2. Report reflects 50% coverage	2. Report reflects 90% coverage

F-6. Community Infrastructure				
Strategy	Action Steps	12-Month Outcome	By the Year 2014	By the Year 2019
1. Ensure housing policy is addressed at the local level	1.a Educate AML & CoC's re: housing component in comp plans	1.a Comp plan enabling legislation introduced	1.a Comp plan enabling legislation enacted & 30% comp plans inc. housing element	1.a Comp plan enabling legislation enacted & 70% comp plans inc. housing element
2. Provide operational support to local housing planning organizations to coordinate services and reporting	2.a Develop long-range organizational plan	2.a. Organizational plan developed by Coalition board	2.a Local organizations established in 5 communities	2.a Local organizations established. in 9 communities

APPENDIX C

TABLE 3A, Summary of Specific Annual Objectives

TABLE 3B, Annual Housing Completion Goals

TABLE 3C, Consolidated Plan Listing of Projects

Optional Table 3A Summary of Specific Annual Objectives

Specific Obj. #	Outcome/Objective Specific Annual Objectives	Sources of Funds	Performance Indicators	Program Year	Expected Number	Actual Number	Percent Completed
DH-1 Availability/Accessibility of Decent Housing							
DH-1.1	Home Opportunity Program: Creating opportunities for home ownership through education and financial assistance. Tenant Based Rental Assistance: Improving the availability of affordable housing options through rental subsidies.	HOME	Number of homebuyers receiving assistance. Number of tenant households receiving rental assistance.	2010	22	60	
					10	5	
DH-1.2		HOME		2011	22		
					10		
				2012	22		
					10		
		2013	22				
			10				
		2014	22				
			10				
MULTI-YEAR GOAL					110		
					50		
DH-2 Affordability of Decent Housing							
DH-2.1	Rental Housing Dev.- Creating affordable decent housing opportunities through rehabilitation and preservation of existing housing resources. Homeownership Dev. Program- Creating affordable housing for LMI families through assistance with the cost of development.	HOME	Number of affordable units developed. NOTE: For the rental development program, only the federal HOME units are reported.	2010	6	0	
						10	9
DH-2.2		HOME		2011	6		
					0		
				2012	6		
					0		
		2013	6				
			0				
		2014	6				
			0				
MULTI-YEAR GOAL					30		
					10		

DH-3 Sustainability of Decent Housing							
DH-3.1	Owner Occupied Rehab- Create decent housing with improved or new sustainability.	HOME	Number of homeowners receiving assistance.	2010	14	8	
				2010	14		
				2012	14		
				2013	14		
		2014	14				
MULTI-YEAR GOAL				70			

Optional Table 3A Summary of Specific Annual Objectives (cont)

Specific Obj. #	Outcome/Objective Specific Annual Objectives	Sources of Funds	Performance Indicators	Program Year	Expected Number	Actual Number	Percent Completed
SL-1 Availability/Accessibility of Suitable Living Environment							
SL-1.1	Create a suitable living environment through new construction or renovation of public facilities to benefit low to moderate income persons.	CDBG	Number of persons with new access to a public facility or infrastructure benefit.	2010	2670 18/30	3230 19/40	
				2011	2860 0/0		
SL-1.2	Create a suitable living environment by providing funding for owner-occupied housing rehabilitation services which address emergency needs and health and safety measures for LMI households.	CDBG	Number of LMI households receiving funding to address health and safety issues <u>and</u> number of persons in those households benefiting.	2012	2400 0/0		
				2013	3100 0/0		
				2014	2650 15/15		
MULTI-YEAR GOAL					13,680 34/55		
SL-2 Affordability of Suitable Living Environment							
SL-2.1	N/A			2010			
				2011			
				2012			
				2013			
				2014			
MULTI-YEAR GOAL							

SL-3 Sustainability of Suitable Living Environment							
SL-3.1	N/A			2010			
				2011			
				2012			
				2013			
				2014			
MULTI-YEAR GOAL							

Optional Table 3A Summary of Specific Annual Objectives (cont)

Specific Obj. #	Outcome/Objective Specific Annual Objectives	Sources of Funds	Performance Indicators	Program Year	Expected Number	Actual Number	Percent Completed
SL-1 Availability/Accessibility of Suitable Living Environment							
SL-1.3	Create a suitable living environment through rehabilitation or renovation of emergency shelter or transitional housing to benefit homeless households.	ESG	Number of homeless facilities upgraded with ESG funds.	2010	2-3 25,000 3,000	1 37,781 1,246	96%
SL-1.4	Create a suitable living environment by providing funding to operate and maintain emergency shelters or transitional housing for homeless households.	ESG	Number of bednights provided in homeless facilities receiving ESG funds to meet operating costs.	2011	2-3 25,000 3,000		
SL-1.5	Create a suitable living environment where homeless households can benefit from shelter and services to overcome a housing crisis.	ESG	Number of homeless persons who benefited from shelter or services provided by agencies receiving ESG funding.	2012	2-3 25,000 3,000		
				2013	2-3 25,000 3,000		
				2014	2-3 25,000 3,000		
MULTI-YEAR GOAL					10-15 125,000 15,000		
SL-2 Affordability of Suitable Living Environment							
	N/A		MULTI-YEAR GOAL				
SL-3 Sustainability of Suitable Living Environment							
	N/A		MULTI-YEAR GOAL				

Annual Housing Completion Goals (Table 3B)

<i>Grantee Name: AHFC/ DCCED</i>	Expected Annual Number of Units To Be Completed	Actual Annual Number of Units Completed	Resources used during the period			
			CDBG	HOME	ESG	HOPWA
Program Year: FFY2011/ SFY2012						
<i>BENEFICIARY GOALS (Sec. 215 Only)</i>						
Homeless households			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Non-homeless households	52- HOME		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Special needs households	10-HOME		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Total Sec. 215 Beneficiaries*	62		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>RENTAL GOALS (Sec. 215 Only)</i>						
Acquisition of existing units			<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Production of new units	8		<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>
Rehabilitation of existing units			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rental Assistance	10		<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>
Total Sec. 215 Affordable Rental	16		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>HOME OWNER GOALS (Sec. 215 Only)</i>						
Acquisition of existing units			<input type="checkbox"/>	<input type="checkbox"/>		
Production of new units	10		<input type="checkbox"/>	<input checked="" type="checkbox"/>		
Rehabilitation of existing units	14-HOME 0- CDBG	0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Homebuyer Assistance	22		<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>
Total Sec. 215 Affordable Owner	46		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>COMBINED RENTAL AND OWNER GOALS (Sec. 215 Only)</i>						
Acquisition of existing units			<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Production of new units	16		<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>
Rehabilitation of existing units	14-HOME		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rental Assistance	10		<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>
Homebuyer Assistance	22-HOME		<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>
Combined Total Sec. 215 Goals*	62		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>OVERALL HOUSING GOALS (Sec. 215 + Other Affordable Housing)</i>						
Annual Rental Housing Goal	16		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Annual Owner Housing Goal	52		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Total Overall Housing Goal	68		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* The total amounts for "Combined Total Sec. 215 Goals" and "Total Sec. 215 Beneficiary Goals" should be the same number.

Table 3C (Optional)			
Annual Action Plan			
Planned Project Results			
Outcomes and Objectives	Performance Indicators	Expected Number	Activity Description
DH 1.1	Number of homebuyers receiving assistance.	22	HOME Opportunity Program
DH 1.2	Number of tenant households receiving assistance.	10	Tenant Based Rental Assistance
DH 2.1	Number of HOME units developed.	8	Rental Development Program
DH 2.2	Number of affordable units developed.	10	Homeownership Development Program
DH 3.1	Number of homeowners receiving assistance.	14	Owner-Occupied Rehabilitation Program
SL 1.1	CDBG- Number of persons with new access to a public facility or infrastructure benefit.	517	CDBG- Community Development
SL 1.2	CDBG- Number of LMI households receiving funding to address health and safety issues and number of persons in those households benefitting.	0	CDBG Owner-Occupied Rehabilitation Program
SL-1.3	ESG- Number of homeless facilities upgraded	2-3	Rehabilitation/ Renovation
SL-1.4	ESG- Number of bednights provided in homeless facilities	25,000	Maintenance & Operating Costs
SL-1.5	ESG- Number of homeless persons who benefited from shelter or services	3,000	Essential Services
*Use one of 9 outcome/objective categories			
	Availability/Accessibility	Affordability	Sustainability
Decent Housing	DH-1	DH-2	DH-3
Suitable Living Environment	SL-1	SL-2	SL-3
Economic Opportunity	EO-1	EO-2	EO-3