

Grantee: Alaska

Grant: B-11-DN-02-0001

April 1, 2019 thru June 30, 2019 Performance Report

Grant Number: B-11-DN-02-0001	Obligation Date:	Award Date:
Grantee Name: Alaska	Contract End Date: 02/24/2014	Review by HUD: Reviewed and Approved
Grant Award Amount: \$5,000,000.00	Grant Status: Active	QPR Contact: Andrew Petroni
LOCCS Authorized Amount: \$5,000,000.00	Estimated PI/RL Funds: \$0.00	
Total Budget: \$5,000,000.00		

Disasters:

Declaration Number

No Disasters Found

Narratives

Summary of Distribution and Uses of NSP Funds:

Alaska Housing Finance Corporation drafted an initial NSP3 Substantial Amendment detailing three strategies to use for Alaska's NSP3 program in potentially thirteen different target areas. The initial Substantial Amendment was submitted to HUD on January 14, 2011, and approved on February 24, 2011. An initial "Request for Information" (RFI) was published, requesting information on vacant, foreclosed or abandoned properties for sale in each of the initial target areas. Submissions were reviewed, and one property selected for potential acquisition in one target area, prior to the development of the second Substantial Amendment. AHFC proposed that 100% of the NSP3 allocation be used for the development of affordable rental housing for individuals at or below 80% of area median income in one or more target areas. Consistent with NSP Policy Alerts, AHFC drafted and published a second Substantial Amendment that identifies the final selected NSP-3 activities. AHFC narrowed NSP3 strategies to the Tier 1 Strategy and proposes to utilize the NSP3 funds for the development of additional units of public housing. Forty percent (40%) of the housing proposed will be for individuals at or below 50% area median income. The final NSP3 target area was narrowed to one, slightly revised target area in Anchorage. The second Substantial Amendment will be submitted to HUD on or after May 3, 2011. A second RFI was published requesting information on vacant, foreclosed or abandoned properties for sale in the final target area. Additional sites within the final target area may be selected to allow for more than one acquisition option. AHFC reserves the right to move NSP3 funding from the proposed eligible Use E-Acquisition or New Housing Construction activity to create and use a Use B-Acquisition activity if foreclosures in the market become available in lieu of vacant property acquisitions. AHFC also reserves the right to move NSP3 funds between Acquisition, New Housing Construction, Land Banking and Administration activities to ensure that the funds are fully utilized and meet the needs of the State's NSP3 program. Initially, two Use E-Acquisition activities have been set up in DRGR and two Use E-Redevelopment-New Housing Construction activities to facilitate accurate tracking of acquisition and new housing construction activities by income group/national objective. Performance measures and demographic information on tenants will be reported under the end-use, New Housing Construction activity. Any change in target area, strategy, or the addition of new eligible uses to Alaska's program funded through NSP3 funds will require an additional Substantial Amendment. AHFC is in the process of investigating funding through additional sources and will add those sources to the plan as the source and amount of funding is determined. 9.7.12 NSP3 acquisition activity budgets were adjusted to allow for purchase of two vacant parcels in the final target area for redevelopment. AHFC closed on the NSP3 purchases on 9.7.12 with the sale recording on 9.10.12. NSP3 funds are anticipated to be drawn the week of 9.10.12; with that draw, AHFC will meet the 50% NSP3 expenditure threshold five months before the NSP3 expenditure deadline. T

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The New Housing Construction (NHC) activities were also adjusted, moving additional funds into the LMMI NHC activity, leaving less funds in the LH-25% Set-Aside activity. 10.9.12 NSP activities were added to reflect award to the AHFC-PHD subsidiary corporation, Alaska Corporation for Affordable Housing. The subsidiary was awarded funding for a third acquisition, new housing construction, and administration activities. AHFC continues to retain a portion of the administrati

How Fund Use Addresses Market Conditions:

AHFC plans to utilize the Tier 1 Strategy for the State's NSP3 project. By utilizing the Tier 1 Strategy, AHFC will create stabilization in a neighborhood that has been destabilized by vacant, foreclosed or abandoned properties. AHFC will explore acquisition and redevelopment of properties in the Final-Russian Jack-Mountain View target neighborhood. The final targeted neighborhood is slightly smaller than the initial target area and the boundaries have been further refined. The target area has a Neighborhood NSP Score of 10.23. Sixty-nine percent (69%) of the families in the area are at or below 80% AMI, with 85.78% of the families below 120% area median income. HUD data indicates that 132 resident addresses have been vacant for 90 days or more and a visual inspection of the neighborhood reveals vacant properties potentially eligible for redevelopment. In the past year foreclosure starts in the neighborhood stood at 29, with 17 foreclosure



completions from the July 2009 to June 2010 time period. The AHFC Public Housing Division (PHD) has also developed a plan to demolish aging public housing in this same target area. The addition of an NSP3 site would complement the planned San Roberto redevelopment project and allow for further stabilization of this urban neighborhood. The Public Housing Division, directly, or through the assistance of a competitively procured entity, would develop the project and the Division would own and manage the new affordable housing resource. AHFC will also explore whether it is feasible to develop additional non-residential resources, funded through other sources, in order to enhance tenants' abilities to become more self-sufficient as well as enhance PHD's management of projects within the target area.

Ensuring Continued Affordability:

The units will be designated as Public Housing units. Long-term affordability will be achieved through the use of the PHD's Annual Contributions Contract (ACC) to provide ongoing subsidy for the units. The addition of long-term operating assistance through the PHD's ACC will meet the stated goal in the NSP3 Notice to "ensure longest feasible continued affordability." Project sites will be located in an area currently served through the Division to assure the availability of long-term asset management, maintenance and administrative oversight services.

Additional leveraging of resources will be explored due to the potential to sell tax free bonds, the potential to access the 4% or new market tax credit market, to utilize other corporate resources, or through use of the PHD Capital Fund in the target area to further enhance the project. The NSP3 Regulation clearly speaks to States using NSP3 funds directly. The Regulation states, "Direct use of funds by a state may also result in more expeditious use of NSP funds."

Long-term affordability will be achieved through the PHD retaining ownership and management of the properties for no less than 30 years. Use of the ACC for these units will continue for the foreseeable future.

Definition of Blighted Structure:

A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare and/or multiple code violations. AHFC reserves the right to inspect a property that is proposed to be blighted to determine whether the property meets the national standard. All blighted structures are to be inspected by a qualified inspector and a written report must be submitted that confirms that the property is blighted prior to beginning the demolition of the structure. Demolition of blighted structures is proposed to be minimal and limited to removal of structures that have been vacated and are not livable. No demolition activities are proposed with NSP funds.

Definition of Affordable Rents:

AHFC defines affordable rents (including utilities) for households as 30% of adjusted gross income as adjusted for family size. The formula for developing rents for the Public Housing Conventional program will be utilized for the NSP3 units. For any project utilizing ACC assistance, rents will be recalculated on an interim and annual basis as per the policies and procedures for the PHD's Conventional Housing Program due to the use of PHD ACC for ongoing rental subsidy.

Housing Rehabilitation/New Construction Standards:

Housing that is constructed or rehabilitated with NSP3 funds must meet the following minimum property standards:

Uniform Physical Conditions Standards or the Section 8 Housing Quality Standards.

Newly constructed housing shall meet all applicable local building codes, the State's Building Code (AS 18.56.300) as implemented by 15 AAC 150.030, 15 AAC 154.090, and Building Energy Efficiency Standard (AS 46.11.040 as implemented by 15 AAC 155.010. If the Summary of Building Inspection (PUR-102) form or Building Energy Efficiency Standard Certification (PUR-101) is required, the project must be inspected and the form must be executed by a qualified inspector at various stages of project development.

All residential buildings with four or more units must obtain a permit from the Alaska State Fire Marshall, as per AS 18.70.010-18.70.100. In communities that have accepted a deferral for full code enforcement, plans should be submitted directly to the city.

All applicable local codes, rehabilitation standards, AHFC standards, and zoning ordinances.

For rehabilitations that are not substantial, the HOME Owner-Occupied Rehabilitation Standards will apply. For rehabilitations that are substantial, the inspection standards of the AHFC GOAL Program will apply.

All projects requiring substantial rehabilitation or new housing construction will be designed to meet the standard for Energy Star Qualified New Homes. For a rehabilitation that is not substantial, grantees will replace any appliances that are replaced with Energy Star labeled products or WaterSense labeled products.

Vicinity Hiring:

The NSP3 program in Alaska will create a stabilized neighborhood by beginning to address the destabilizing influences within the neighborhood by purchasing vacant, abandoned or foreclosed properties and redeveloping into affordable rental housing for individuals at or below 80% AMI.

AHFC will encourage, whenever possible, the hiring of qualified individuals from within the neighborhood to work on projects within their neighborhood, creating a sense of community ownership and pride in the work being done within their neighborhood. Secondly, qualified individuals will be hired for the project who reside within the Municipality of Anchorage and/or the Matanuska-Susitna Valley.

Procedures for Preferences for Affordable Rental Dev.:

One hundred percent (100%) of the housing developed in Alaska's NSP3 program with NSP3 funds will be rental housing. The housing will be developed, owned and managed by AHFC's Public Housing Division. The Division will utilize the existing PHD Policies & Procedures Manual to manage the units once they are completed and fully ready for occupancy by income-eligible tenants. In addition, 40% of the housing developed will serve individuals at or below 50% area median income and 60% of the housing developed will serve individuals at or below 80% area median income.

AHFC's PHD waiting list currently provides preference points and procedures for housing homeless families, families affected by domestic violence, families affected by natural disaster, families who need housing in order to provide for family reunification and families who are rent-burdened. Smaller preference points are available for working, disabled and elderly families and families whose head of household, spouse or co-head has an incurable, terminal illness, and for a U.S. Veteran or an eligible family member of a U.S. Veteran. Preferences are set locally through the Public Housing Division.

Grantee Contact Information:

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Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$5,000,000.00
Total Budget	\$0.00	\$5,000,000.00
Total Obligated	\$0.00	\$5,000,000.00
Total Funds Drawdown	\$0.00	\$5,000,000.00
Program Funds Drawdown	\$0.00	\$5,000,000.00
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$5,000,000.00
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Progress Toward Required Numeric Targets

Requirement	Target	Actual
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$750,000.00	\$0.00
Limit on Admin/Planning	\$500,000.00	\$500,000.00
Limit on Admin	\$0.00	\$500,000.00
Most Impacted and Distressed Threshold (Projected)	\$0.00	\$0.00
Progress towards LH25 Requirement	\$1,250,000.00	\$1,993,375.50

Overall Progress Narrative:

No Change. This is the second submission of the final QPR.

Project Summary

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
DELETED-ACTIVITIES, DELETED-ACTIVITIES (Temporary)	\$0.00	\$0.00	\$0.00
NSP-11-AHF-1, PHD-NSP Rental Dev.	\$0.00	\$5,000,000.00	\$5,000,000.00



