

Agency: Commerce, Community and Economic Development**Grants to Named Recipients (AS 37.05.316)****Grant Recipient: Neighbor Works Anchorage****Federal Tax ID: 92-0082642****Project Title:****Project Type: Remodel, Reconstruction and Upgrades**

Neighborworks Anchorage - Loussac-Sogn Building Revitalization

State Funding Requested: \$1,698,310**House District: Anchorage Areawide (16-32)**

One-Time Need

Brief Project Description:

Anchorage Loussac-Sogn Revitalization Project

Funding Plan:

Total Project Cost:	\$1,698,310
Funding Already Secured:	(\$0)
FY2013 State Funding Request:	<u>(\$1,698,310)</u>
Project Deficit:	\$0

Funding Details:

The Loussac-Sogn operates without government subsidy. In the past year NeighborWorks(tm) Anchorage has invested over \$150,000 into the property, including replacing the elevator and adding a stair lift to increase accessibility. We leveraged a \$50,000 capital grant from NeighborWorks(tm) America, and used a large portion of the buildings reserves to fund these critical improvements.

Detailed Project Description and Justification:**BUDGET SUMMARY**

Category 1 (Building Envelope) Subtotal \$ 1,328,050
 Category 2 (HVAC Efficiency) Subtotal \$ 178,250
 Category 3 (Interior Modernization) Subtotal \$ 192,010
 Total Project Cost \$ 1,698,310

See attached for further detailed description.

Project Timeline:

Specific timeline will be determined when funding is received but completion should be over summer construction season.

Entity Responsible for the Ongoing Operation and Maintenance of this Project:

NeighborWorks

Grant Recipient Contact Information:

Name:	Debe Mahoney
Title:	Executive Director
Address:	480 W. Tudor Road Anchorage, Alaska 99503
Phone Number:	(907)677-8490
Email:	www.nwanchorage.org

Has this project been through a public review process at the local level and is it a community priority? Yes No

<i>For use by Co-chair Staff Only:</i>
3:17 PM 5/2/2012



February 3, 2012

The Honorable Bettye Davis
State Capitol Room 30
Juneau, Alaska 99801

Dear Senator Davis:

NeighborWorks® Anchorage respectfully submits for your consideration a request for funding to support our work in the critical areas of affordable housing, strengthening neighborhoods, and community engagement. Formerly known as Anchorage Neighborhood Housing Services, Inc. we have been improving the quality of life for Anchorage families and individuals for 30 years.

We are requesting funding from the State of Alaska to help us repair the historic Loussac-Sogn Single Resident Occupancy building, located in downtown Anchorage. This property provides safe, stable housing for many of our community's most vulnerable individuals. A number of repairs are needed to maintain the property on behalf of our residents. Last year we initiated the first of the repairs by replacing the elevator and adding chair lifts. For your convenience, our revitalization request has been categorized by building specialty.

We greatly appreciate the opportunity to be considered for this important funding, and thank you for taking the time to review our request.

Sincerely,



Debe Mahoney
Executive Director

NeighborWorks® Anchorage Legislative Request 2012

NeighborWorks® Anchorage Loussac-Sogn Revitalization Project

Anchorage Neighborhood Housing Services, Inc. dba NeighborWorks® Anchorage (NWA) was founded in 1981 and is dedicated to improving the quality of life for families and individuals by strengthening neighborhoods and creating and preserving housing opportunities. As a member of the NeighborWorks® America network of excellence, NWA provides affordable rental opportunities to nearly 3,000 individuals through its 950 units, housed in nine properties throughout Anchorage. Two of our properties are located in the downtown area. One of which, the Loussac-Sogn is in the heart of downtown and provides affordable rental housing for Anchorage's very low income seniors, individuals with disabilities, and other individuals earning less than 50% of the area median income (currently less than \$29,850). The ground floor provides retail rental space for three minority-owned businesses, two not-for-profit organizations, The International Gallery of Contemporary Art, which has been located in our building for a number of years, and Urban Prints, a new social enterprise targeting disadvantaged young adults that opened for business this winter. As a business under the Anchorage Urban League, the goal is to provide job training for young adults facing individual challenges including homelessness and disabilities.

In addition to rental housing, NWA offers products and services through its homeownership line of business, supporting new homeowners through education and lending products and providing supportive services to existing homeowners. Services include minor repair grants and loans and accessibility modifications for seniors and the disabled. Through our community-wide Paint the Town program, we assist homeowners with minor exterior repair and painting. This program brings together local vendors, volunteer paint teams, and homeowners.

NeighborWorks® Anchorage is committed to housing our community's hard to house families and individuals, thereby reducing homelessness and contributing to long-term, stable housing. We are members of many local coalitions and working groups on affordable housing and other community issues. We are a member of the Anchorage Continuum of Care and a founding partner of the Anchorage Project Homeless Connect. We work closely with many providers of supportive services to permanently house their clients and consumers, including providing housing for individuals and families coming out of emergency shelter. We work with local, non-profit recipients of federal homeless assistance programs to provide permanent housing solutions for our community's most vulnerable populations. Using the "Beyond Shelter" model, we provide the housing while our partners provide services such as mobile case management, self-sufficiency training, and other life skills development.

NeighborWorks® Anchorage goes beyond providing safe, clean and affordable housing; we offer opportunities for residents to have more than just a place to call home. NWA's community engagement programs and resident services offer continuous, self-renewing efforts aimed at relationship building, problem solving and building a stronger community. They are based on the belief that people have the ability to name their problems and identify the additional information and resources they need to solve them. This is a people-focused process that improves the quality of life for individuals and the greater community.

We provide information and referrals for a vast array of community services through our partner agencies. Over the past two years we also held six Community Resource Fairs at our properties. Participants were able to receive free credit reports and flu vaccines, sign their

children up for Denali Kid Care, apply for library cards and access more than 17 additional services and resources.

In support of long-term, systemic change, we provide activities such as participation in NeighborWorks® America's Community Leadership Institute, Leadership Training and Coaching, and Resident Council support. We also encourage resident involvement through volunteer opportunities such as Project Homeless Connect.

Four of our properties currently have resident councils and our two downtown properties have floor leader programs. Resident councils serve as a means for residents to successfully integrate into their surroundings and become involved in leadership development. Resident council members learn how to conduct effective meetings and how to develop community organizing skills and techniques. Councils usually meet monthly to discuss property issues as well as resident programs and services. These councils plan social activities and events to encourage resident involvement and to promote relationship and community building efforts.

Throughout the year, we offer Community Leadership Training free of charge to residents and community members. Based on national practices, the workshops include topics such as team building, advocacy, civic engagement and diversity. Workshops include active participation, detailed workbooks and often guest speakers. Focused on the issues that the participants identify as the most critical challenges they face, we develop a curriculum based on national leadership training models. These workshops have led participants to attend assembly meetings, volunteer in the community and become award winning leaders in their neighborhoods.

Through our programs and projects, we have also discovered that by mentoring someone who faces overwhelming challenges, their life can be transformed long term. Therefore, we initiated a pilot mentoring project called Stepping Stones to work with at-risk adults. The team includes over ten community leaders who are fully committed to the project. At the announcement of this new pilot program, we received applications from 14 potential mentees. We have no doubt that lives will change for all of us based on our past successes and the commitment of so many community leaders who have worked on the project for the last year. Our intent is to build on those successes, resulting in a model that can be duplicated in other communities.

NeighborWorks® Anchorage recognizes that we must do more than provide "bricks and mortar" in order to create stable permanent housing, especially for those in our community that are the most vulnerable. As our community focuses on finding solutions to increase permanent, stable housing, NWA is taking a leading role by focusing expanded efforts on resident services and community engagement.

Our ultimate goal is to increase the likelihood of individuals and families retaining stable, permanent housing. We believe this is a foundation to a better quality of life. Families and individuals who can successfully retain housing can focus on other areas of life like health and well being, education, financial stability, and planning for the future. Stable families benefit all our neighborhoods, communities and our future. Educational attainment and success is higher when children are not moving from school to school. Access to stable permanent housing can reduce the number of people in emergency shelter or those living in substandard conditions.

Need Statement/Project Description

NeighborWorks® Anchorage provides housing for some of our community's most vulnerable residents in two properties located in the downtown area. One property, The Loussac-Sogn is a historic building we purchased, remodeled and placed in service in 1994. Built in 1947, the Loussac-Sogn originally provided office and medical clinic space. Since 1994, this three-story historic building has provided single room occupancy residential apartments in the center of downtown Anchorage. The structure has 50 efficiency units and 2 one-bedroom units on the top two floors, and 6 commercial units on the first floor. The residential portion of the building features congregate kitchens, bathrooms, and laundry facilities on each floor. There are lounges with cable television so the residents can choose to gather in a "family-like" setting. The Loussac-Sogn program targets rental applicants at or below 50% of the area median income, or slightly less than \$30,000 annually. The standard single room rent is \$500 per month at this time.

As previously stated, residents of the Loussac-Sogn represent some of our community's most vulnerable individuals. The following provides a snap-shot of our current residents:

Youngest:	Age 20	Lowest Income:	\$ 4,901
Oldest:	Age 79	Highest Income:	\$18,214
Average:	Age 49	Average Income:	\$16,558*

*Currently 71% of our residents are below 30% of the area median income.

Female:	20	Disabled:	15
Male:	26	Seniors:	26

A sampling of employed residents work in the following industries: AmeriCorp Volunteer, retail sales, music and entertainment, hotel and tourism, food service/restaurant, plumbing apprentice, grocery.

- We currently house 14 senior women with disabilities living on fixed incomes; three are over 70 years old.
- Three young women found housing here after gaining mental stability from an institution; one is currently going to college part-time.
- Two middle-aged women gained stable housing after being homeless; one woman was nearly beaten to death while she was homeless and was in a coma for months, she is now stable and enjoys working during the summer at a nearby fish camp.
- Eight previously homeless men are currently housed at the Loussac-Sogn having been referred by local shelters; six have held down jobs in the neighborhood. One has gained a management position at JC Penney and hopes to buy a home in Anchorage this summer.
- We have fourteen male residents that are disabled and living on fixed incomes.
- Eleven of our residents are gainfully employed.
- One young woman moved here from Hawaii, participated in the Nine Star Program and has joined the Air Force.

Successfully retaining housing can be a challenge, especially for those families and individuals that have special needs, have past histories that make accessing mainstream housing difficult, or who have experienced homelessness, trauma, or other life altering events and are attempting to reintegrate into their community. Success means one must be able to pay the rent on time

and abide by the lease terms, tend to housekeeping and hygiene, and be a respectful neighbor, amongst others. Without extra help, many people with special needs and difficult histories can find these requirements impossible to meet, and therefore continue cycling through substandard housing nonstop. Many landlords will deny housing if past histories and references are poor, often limiting housing options. Lacking permanent housing, or being frequently transient is not just a negative social problem, it also has negative consequences for the individual. We all need to feel that we contribute to something, that we are part of something, and that we are accepted and valued by others. Lacking a stable community, those in a condition of transiency will often not be able to meet this need to belong.

Providing a place to call home plus supporting vulnerable residents takes time and money. The Loussac-Sogn was originally constructed in 1947 and while the building was rehabbed in 1994 and continually receives improvement, some of the important mechanisms and the cosmetic factors need additional attention.

The Loussac-Sogn operates without government subsidy, and contributes to the tax base of Anchorage. Operating on highly affordable, below market rents limits the ability of the property to be refinanced or be otherwise recapitalized using debt. In the past year NeighborWorks® Anchorage has invested over \$150,000 into the property, including replacing the elevator and adding a stair lift to increase accessibility. We leveraged a \$50,000 capital grant from NeighborWorks® America, and used a large portion of the buildings reserves to fund these critical improvements.

We have identified three categories of physical improvements needed to preserve the building and retain our ability to house vulnerable residents. The first priority is to rehab the roof and preserve the exterior of the building. The roof is the original roof from 1947 and while it has been repaired and re-layered over the years, a comprehensive re-roofing is now needed to extend the life of the property. The exterior of the building needs to be repainted and the awnings over the commercial storefronts need to be replaced. This will help protect the structure from the elements and restore the building's historic look. The exterior wainscot at street level is deteriorated and needs to be rehabilitated; restoring this element will preserve key historic façade in downtown Anchorage. As the Loussac is a Registered Historic Property, all exterior rehabilitation work will be done in conformance with the applicable standards for historic preservation. The look of the building will not be changed, but rather renewed and the historical features preserved and highlighted. Request: \$1,328,050

The second priority is to replace and upgrade the boilers and water heaters that provide heat and hot water, as well as the rooftop air handling unit (RTU) that provides for ventilation and indoor air quality. While functional, the boilers are old and inefficient and we seek to replace them with new energy efficient systems (at least 95% AFUE/ASHRAE rating). The water heaters will be upgraded as well. The RTU has reached the end of its economic and useful life, and is deteriorated; replacement is necessary. Improving the air circulation and ventilation will improve indoor air quality, which results in a healthier home for the residents. Increasing the efficiency will help reduce the operating cost of the building, resulting in a more sustainable building and ensuring long term and stable housing that remains affordable. Request \$178,250

The third priority area is to modernize the building interiors, included new flooring, paint, and upgrades to the plumbing and lighting systems. We believe that our residents should have a "home-like" environment in which to live, as this instills a pride of place and improves the quality of life. We seek to increase the quality and amount of lighting in each of the units to help address issues such as Seasonal Affective Disorder (SAD) and combat the long, dark, and cold months we experience in the north. Replacing the flooring in the common areas will reduce trip

hazards and help preserve the entire building by reducing water infiltration and damage to the subfloor and other building systems. The new flooring and carpet products available are durable, resilient and easy to clean and maintain, which will help reduce ongoing maintenance and replacement costs. Request \$192,010

Recent improvements for fire and life safety requirements have depleted the reserves for this building. Offering affordable rents without government subsidy means that the Loussac-Sogn operates on a break even basis without additional capacity of debt financing for capital improvements. The aging facility demands greater effort and expense for annual repairs and maintenance, which more often are short term fixes for the serious building needs. Also, increased costs of utilities and property taxes paid to the Municipality of Anchorage add to the strain on the annual operating budget.

This investment of state capital funds into the Loussac-Sogn will preserve a historic building and piece of Alaska history, continue to support our small business tenants with an attractive and visible building, and enhance our ability to achieve the ultimate goal of ensuring stable long-term, affordable housing for the vulnerable people that we serve.

Fund Request/Budget

NeighborWorks® Anchorage respectfully requests funding from the State of Alaska for the repair of the historic Loussac-Sogn Single Resident Occupancy building.

State support for the repair of the building will not only benefit the residents but it will also benefit the downtown business district and the community at large. We will continue to serve our community's most vulnerable citizens with safe and desirable housing, ensuring the continuance of our part in answering the need to provide affordable housing to those individuals with very low incomes and special needs.

As indicated above, the capital needs of the building exceed what can be leverage from debt sources and revenue from operations. Capital funds for the preservation and revitalization of the building are vital to maintaining the near and long term capacity to house vulnerable individuals.

Our requested budget is presented below. A detailed budget is attached.

CATEGORY 1 – Building Envelope Preservation	\$1,328,050
CATEGORY 2 – HVAC Energy Efficiency Upgrades	\$ 178,250
CATEGORY 3 – Interior Preservation	<u>\$ 192,010</u>
TOTAL REQUEST	\$1,698,310

NeighborWorks® Anchorage is committed to changing lives, changing community and changing futures. Suffering trauma, dealing with physical or mental illness, and having no place to call home are burdens many of us will never face. The Loussac-Sogn provides vulnerable members of our community with a place they can call home, a connection to the wider community and foundation for a better future.

Loussac-Sogn Building Capital Renovation Budget

<u>Category/Item</u>	<u>Cost Estimate</u>
Category 1 - Building Envelope Preservation	
Re-Roof Building	\$ 1,250,625
Exterior Repaint	\$ 35,565
Replacement of Awnings	\$ 41,860
Category Subtotal	\$ 1,328,050
Category 2 - HVAC Energy Efficiency Upgrades	
Energy Efficiency Upgrade of Boilers and Water Heaters	\$ 132,250
Replacement of Roof Top Air Handlers	\$ 46,000
Category Subtotal	\$ 178,250
Category 3 - Interior Preservation	
Replacement of Flooring in Common Areas	\$ 92,860
Repainting of Common Areas	\$ 22,000
Unit Lighting	\$ 26,000
Structural and Water Damage Repairs	\$ 51,150
Category Subtotal	\$ 192,010

BUDGET SUMMARY	
Category 1 (Building Envelope) Subtotal	\$ 1,328,050
Category 2 (HVAC Efficiency) Subtotal	\$ 178,250
Category 3 (Interior Modernization) Subtotal	\$ 192,010
Total Project Cost	\$ 1,698,310