

AHFC Housing and Urban Development Federal HOME Grant

FY2015 Request: \$4,500,000
Reference No: 6347

AP/AL: Appropriation

Project Type: Economic Assistance

Category: Development

Location: Statewide

House District: Statewide (HD 1-40)

Impact House District: Statewide (HD 1-40)

Contact: Les Campbell

Estimated Project Dates: 07/01/2014 - 06/30/2019

Contact Phone: (907)330-8356

Brief Summary and Statement of Need:

This project provides Federal (HUD) and state matching funds for the HOME Investment Partnership Program. The purpose of the HOME program is to expand the supply of affordable, low- and moderate- income housing and to strengthen the state's ability to design and implement strategies to achieve an adequate supply of safe, energy-efficient, and affordable housing. The Municipality of Anchorage has its own separate HOME program.

| Funding: | FY2015 | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | Total |
|-----------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| AHFC Div | | | \$750,000 | \$750,000 | \$750,000 | \$750,000 | \$3,000,000 |
| Fed Rcpts | \$3,750,000 | \$3,750,000 | \$3,800,000 | \$3,900,000 | \$4,000,000 | \$4,000,000 | \$23,200,000 |
| Gen Fund | \$750,000 | \$750,000 | | | | | \$1,500,000 |
| Total: | \$4,500,000 | \$4,500,000 | \$4,550,000 | \$4,650,000 | \$4,750,000 | \$4,750,000 | \$27,700,000 |

| | | | | |
|-----------------------------------------------|-------------------------------------------|---------------------------------------|---------------------------------------------|----------------------------------------------|
| <input type="checkbox"/> State Match Required | <input type="checkbox"/> One-Time Project | <input type="checkbox"/> Phased - new | <input type="checkbox"/> Phased - underway | <input checked="" type="checkbox"/> On-Going |
| 0% = Minimum State Match % Required | | <input type="checkbox"/> Amendment | <input type="checkbox"/> Mental Health Bill | |

Operating & Maintenance Costs:

| | <u>Amount</u> | <u>Staff</u> |
|----------------------|---------------|--------------|
| Project Development: | 0 | 0 |
| Ongoing Operating: | 0 | 0 |
| One-Time Startup: | 0 | 0 |
| Totals: | 0 | 0 |

Prior Funding History / Additional Information:

- Sec1 Ch16 SLA2013 P77 L8 SB18 \$4,250,000
- Sec1 Ch17 SLA2012 P130 L28 SB160 \$4,050,000
- Sec1 Ch5 SLA2011 P98 L23 SB46 \$4,000,000
- Sec7 Ch43 SLA2010 P34 L23 SB230 \$4,250,000
- Sec1 Ch15 SLA2009 P20 L9 SB75 \$4,050,000
- Sec13 Ch29 SLA2008 P156 L31 SB221 \$4,200,000

Project Description/Justification:

The purpose of this program is to expand the supply of affordable, low- and moderate- income housing and strengthen the ability of the state to design and implement strategies to achieve an adequate supply of safe, energy-efficient, and affordable housing. This program has funded 49 rental projects containing 886 units and rehabilitated 414 low-income homes. It has assisted another 409 low-income households to purchase homes provided 87 households with rental assistance to prevent homelessness.

The projected outcomes are:

State of Alaska Capital Project Summary
 Enacted FY14 & FY15

Department of Revenue
 Reference No: 6347
 Released May 28, 2014

- Develop affordable rental housing by funding the development gap for three rental projects or about 30 units;
- Rehabilitate 20 homes;
- Assist 35 homebuyers to achieve homeownership for lower-income families by providing down payment and closing cost assistance;
- Preserve low-income homes through a moderate rehabilitation;
- Assist Community and Housing Development Organizations (CHDO) with developing affordable housing by funding a portion of their operating costs;
- Fund other housing needs as specified in the Housing Community Development (HCD) plan and as authorized by HUD under 24 CFR Part 92;
- Provide tenant-based rental assistance in Partnership with Department of Corrections to reduce prisoner recidivism in Alaska; and
- Provide tenant-based rental assistance in Partnership with Department of Health and Social Services to help children aging out of foster care avoid homelessness.

Program Description:

These funds are used to support the development of affordable housing for lower-income families.

Funding is provided to fund:

- 1) The development gap for affordable rental housing projects, i.e., the difference between project cost and all other sources of funds which are expected to be contributed to the project, including any loan funds that the project's cash flow can support;
- 2) The cost of moderate rehabilitation to homes owned and occupied by lower-income families;
- 3) A portion of the costs associated with the purchase of a modest home by lower-income families;
- 4) A portion of the operating costs of Community Housing Development Organizations that are developing affordable housing for lower-income families; and
- 5) Other housing needs as specified in the HCD plan and as authorized by HUD.

This request is based on the block grant amount to be received from HUD and the required 25% matching funds to be provided by AHFC, plus program income accumulated by the program to be used, as mandated by HUD, as additional Federal HOME program funds.