

State of Alaska FY2019 Governor's Operating Budget

Department of Revenue Alaska Corporation for Affordable Housing Component Budget Summary

Component: Alaska Corporation for Affordable Housing**Contribution to Department's Mission**

The Alaska Corporation for Affordable Housing (ACAH) is a non-profit subsidiary of the Alaska Housing Finance Corporation (AHFC). ACAH is a separate and distinct legal entity from AHFC formed to develop, manage, and operate affordable housing. AHFC's statutes do not provide AHFC with the ability to participate in some financing and ownership structures; therefore ACAH is positioned to undertake the types of affordable housing and services not open to AHFC directly but which support the mission of providing affordable housing and services to individuals and groups in need. Properties developed or operated through ACAH are positioned to leverage private sector resources. Examples include usage of the Low Income Housing Tax Credit (LIHTC) program, accessing tax exempt bond financing, debt financing, and partnering with private sector developers. Additionally, developments can be structured with greater flexibility and less restrictive revenue sources such as grant and private foundation funding, lease and soft loan payments, development fees, etc.

Major Component Accomplishments in 2017

The subsidiary created by is known by HUD as an "instrumentality" under HUD's definition. This model has been used by other public housing authorities to increase affordable housing. It will follow existing AHFC administrative policies and procedures. AHFC's seven-member Board of Directors serves as the Board of Directors for the subsidiary corporation and the officers include one board member (Secretary/Treasurer), the CEO of AHFC (President), the Deputy Director of AHFC (Vice President), and the Director of the Public Housing Division (Vice President).

ACAH currently holds the ground lease on the Loussac Place (120 unit) project, as well as several other properties statewide. Two projects to date have been developed using ACAH: Susitna Square (18 units) and Ridgeline Terrace (70 units). These two new development projects completed their first year of operations in CY2016, and are fully leased with net positive cash flow. Maintaining annual administration of these projects to enforce obligations are critical to the ongoing cash flow necessary to maintain ACAH's operations.

Key Component Challenges

- The authority to use a broad scope of financing options enables AHFC/ACAH to implement optimal financing solutions. Each real estate deal is dynamic and unique. The flexibility to leverage the best combination of resources for each deal is the key to minimizing the aggregate resources required to expand housing opportunities for Alaskans. This entrepreneurial model has empowered our agency to realize adaptive strategies that consistently bring projects in under budgeted authority;
- AHFC will look to foster housing development projects through a bid process to select a competent development team that has experience in multi-family development, low-income tax credit syndication, and tax-exempt bond financing. When ready, the development will be built by private entities, but owned and managed by Alaska Corporation for Affordable Housing (ACAH) as general partner in a tax credit partnership. ACAH may contract with AHFC staff to manage and maintain the development as low-income housing tax credit/public housing; and
- Working with local community councils and other interested groups to keep them informed of the progress and updates on development plans.

Significant Changes in Results to be Delivered in FY2019

Any land purchased for development will be transferred to an ACAH, an owned instrumentality of AHFC. The land will

be leased by ACAH to a Low Income Housing Tax Credit limited partnership. The limited partnership may continue to operate the project as public housing with ACAH as the managing general partner, or member of the general partner entity. Or, if it is more feasible, ACAH may contract with AHFC staff to manage and maintain the development as low-income housing tax credit/public housing.

Statutory and Regulatory Authority

In May 2011, HB119 was signed into law amending AS 18.56.086 to include “the acquisition, development, management, or operation of affordable housing” to the category of activities for which AHFC could create a subsidiary corporation. ACAH is organized as a 501(c)(3) tax-exempt organization under the IRS Code. ACAH is a corporation incorporated under the Alaska Nonprofit Corporation Act (AS 10.20) and provisions of the Alaska Housing Finance Corporation Act (AS 18.56). ACAH is required to operate in accordance with Alaska Statute (AS) 10.20, IRS 501(c)(3) charity compliance, the ACAH Articles of Incorporation, and ACAH Bylaws.

ACAH is a separate corporate entity with the power to adopt its own regulations if the need exists. As a subsidiary, AHFC has the ability to grant to ACAH all powers vested in AHFC. As such, ACAH has been granted the power to borrow money and issue bonds as evidence of that borrowing, and, as granted by AHFC under AS 18.56, shall have all powers of a corporation formed under AS 10.20 to the extent not in conflict with AS 18.56, and shall have generally all powers as possessed by AHFC through AS 18.56, such as the power to: include pledges with respect to bonds and bondholders; to acquire property by purchase, grant, lease, gift, or otherwise; to hold, use, sell, convey, mortgage, pledge, exchange, or otherwise dispose of ACAH’s assets; to issue and sell bonds, notes, or other obligations; to retain or employ legal counsel, auditors, engineers and private consultants on a contract basis; to comply with and enforce its agreements with the holders of the obligations.

Contact Information
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Alaska Corporation for Affordable Housing Personal Services Information				
Authorized Positions			Personal Services Costs	
	<u>FY2018</u> <u>Management</u> <u>Plan</u>	<u>FY2019</u> <u>Governor</u>		
Full-time	2	2	Annual Salaries	155,964
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	122,886
			<i>Less 5.00% Vacancy Factor</i>	<i>(13,950)</i>
			Lump Sum Premium Pay	0
Totals	2	2	Total Personal Services	264,900

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Assistant IV	1	0	0	0	1
Manager, Special Project	1	0	0	0	1
Totals	2	0	0	0	2

Component Detail All Funds
Department of Revenue

Component: Alaska Corporation for Affordable Housing (3048)
RDU: Alaska Housing Finance Corporation (46)

Non-Formula Component

	FY2017 Actuals	FY2018 Conference Committee	FY2018 Authorized	FY2018 Management Plan	FY2019 Governor	FY2018 Management Plan vs FY2019 Governor	
71000 Personal Services	46.3	264.9	264.9	264.9	264.9	0.0	0.0%
72000 Travel	5.0	25.0	25.0	25.0	25.0	0.0	0.0%
73000 Services	20.3	125.0	125.0	125.0	149.7	24.7	19.8%
74000 Commodities	0.1	29.5	29.5	29.5	24.8	-4.7	-15.9%
75000 Capital Outlay	0.0	35.0	35.0	35.0	15.0	-20.0	-57.1%
77000 Grants, Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	71.7	479.4	479.4	479.4	479.4	0.0	0.0%
Fund Sources:							
1002Fed Rcpts (Fed)	25.4	307.2	307.2	307.2	307.2	0.0	0.0%
1061CIP Rcpts (Other)	46.3	172.2	172.2	172.2	172.2	0.0	0.0%
Unrestricted General (UGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Designated General (DGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	46.3	172.2	172.2	172.2	172.2	0.0	0.0%
Federal Funds	25.4	307.2	307.2	307.2	307.2	0.0	0.0%
Positions:							
Permanent Full Time	2	2	2	2	2	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

Change Record Detail - Multiple Scenarios with Descriptions
Department of Revenue

Component: Alaska Corporation for Affordable Housing (3048)
RDU: Alaska Housing Finance Corporation (46)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2018 Conference Committee To FY2018 Authorized *****												
FY2018 Conference Committee												
ConfCom		479.4	264.9	25.0	125.0	29.5	35.0	0.0	0.0	2	0	0
1002 Fed Rcpts		307.2										
1061 CIP Rcpts		172.2										
Subtotal		479.4	264.9	25.0	125.0	29.5	35.0	0.0	0.0	2	0	0
***** Changes From FY2018 Management Plan To FY2019 Governor *****												
Realignment of Resources to Match Expenditures												
LIT		0.0	0.0	0.0	24.7	-4.7	-20.0	0.0	0.0	0	0	0
Align authority with anticipated expenditures. Additional authority is needed in the contractual lines using federal receipts.												
Contractual Services is increased by \$24,700. These costs were offset by decreases in Travel (\$4,700) and Capital Outlay (\$20,000).												
Changes from FY2018 Management Plan (OMB)												
Realignment of Resources to Match Anticipated Expenditures			\$0									
o Supplies - Federal Receipts		\$4,700										
o Capital Outlay - Federal Receipts		-\$20,000										
o Contractual - Federal Receipts		\$24,700										
Total ACAH Changes:		\$0										
Current ACAH FY2018 Funding Authority		\$479,400										
Proposed ACAH FY2019 Funding Authority		\$479,400										
Totals		479.4	264.9	25.0	149.7	24.8	15.0	0.0	0.0	2	0	0

Personal Services Expenditure Detail
Department of Revenue

Scenario: FY2019 Governor (14641)
Component: Alaska Corporation for Affordable Housing (3048)
RDU: Alaska Housing Finance Corporation (46)

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range / Step	Comp Months	Split / Count	Annual Salaries	COLA	Premium Pay	Annual Benefits	Total Costs	UGF Amount
04-073X	Administrative Assistant IV	FT	1	--	Anchorage	-A	14A / B	12.0		45,869	0	0	49,802	95,671	0
04-078X	Manager, Special Project	FT	1	--	Anchorage	-A	21M / N	12.0		110,095	0	0	73,084	183,179	0
													Total Salary Costs:	155,964	
													Total COLA:	0	
													Total Premium Pay:	0	
													Total Benefits:	122,886	
													Total Pre-Vacancy:	278,850	
													Minus Vacancy Adjustment of 5.00%:	(13,950)	
													Total Post-Vacancy:	264,900	
													Plus Lump Sum Premium Pay:	0	
													Personal Services Line 100:	264,900	
Total Component Months:		24.0													

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1002 Federal Receipts	116,242	110,427	41.69%
1061 Capital Improvement Project Receipts	162,608	154,473	58.31%
Total PCN Funding:	278,850	264,900	100.00%

Note: If a position is split, an asterisk (*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (**) will appear in this column. [No valid job title] appearing in the Job Class Title indicates that the PCN has an invalid class code or invalid range for the class code effective date of this scenario.

Line Item Detail (1676)
Department of Revenue
Travel

Component: Alaska Corporation for Affordable Housing (3048)

Line Number	Line Name			FY2017 Actuals	FY2018 Management Plan	FY2019 Governor
2000	Travel			5.0	25.0	25.0
Object Class	Servicing Agency	Explanation		FY2017 Actuals	FY2018 Management Plan	FY2019 Governor
2000 Travel Detail Totals				5.0	25.0	25.0
2000	In-State Employee Travel	Rev - AK Corp for Affordable Housing (3048)	Employee instate travel - airfare, lodging, surface transportation, reimbursable travel costs, and meal & incidentals	0.0	15.0	15.0
2002	Out of State Employee Travel		Employee out of state travel - airfare, lodging, surface transportation, reimbursable travel costs, and meal & incidentals	0.0	10.0	10.0
2002	Out of State Employee Travel	Rev - AK Corp for Affordable Housing (3048)	Employee out of state travel - airfare, lodging, surface transportation, reimbursable travel costs, and meal & incidentals	5.0	0.0	0.0

Line Item Detail (1676)
Department of Revenue
Services

Component: Alaska Corporation for Affordable Housing (3048)

Line Number	Line Name			FY2017 Actuals	FY2018 Management Plan	FY2019 Governor
3000	Services			20.3	125.0	149.7
Object Class	Servicing Agency	Explanation		FY2017 Actuals	FY2018 Management Plan	FY2019 Governor
3000 Services Detail Totals				20.3	125.0	149.7
3008	Utilities	Rev - AK Corp for Affordable Housing (3048)	Utilities	1.9	6.6	6.6
3011	Other Services	Rev - AK Corp for Affordable Housing (3048)	Professional management and consulting services; printing and copying services; and State Travel Office fees	18.4	118.4	143.1

Line Item Detail (1676)
Department of Revenue
Commodities

Component: Alaska Corporation for Affordable Housing (3048)

Line Number	Line Name		FY2017 Actuals	FY2018 Management Plan	FY2019 Governor
4000	Commodities		0.1	29.5	24.8
Object Class	Servicing Agency	Explanation	FY2017 Actuals	FY2018 Management Plan	FY2019 Governor
4000 Commodities Detail Totals			0.1	29.5	24.8
4000	Business	Business supplies including book and educational equipment and furniture; office supplies; desktop computers, printers and IT equipment less than \$5,000 per item; and subscriptions including electronic access to information	0.0	29.5	24.8
4000	Business	Rev - AK Corp for Affordable Housing (3048)	0.1	0.0	0.0

Line Item Detail (1676)
Department of Revenue
Capital Outlay

Component: Alaska Corporation for Affordable Housing (3048)

Line Number	Line Name		FY2017 Actuals	FY2018 Management Plan	FY2019 Governor
5000	Capital Outlay		0.0	35.0	15.0
Object Class	Servicing Agency	Explanation	FY2017 Actuals	FY2018 Management Plan	FY2019 Governor
5000 Capital Outlay Detail Totals			0.0	35.0	15.0
5004	Equipment	IT Equipment > \$5,000: servers and other network equipment, firewall and remote access equipment, tape backup devices and general office equipment/furniture > \$5,000	0.0	35.0	15.0

Revenue Detail (1681)
Department of Revenue

Component: Alaska Corporation for Affordable Housing (3048)

Revenue Type (OMB Fund Code) Revenue Source	Component	Comment	FY2017 Actuals	FY2018 Management Plan	FY2019 Governor
5002 Fed Rcpts (1002 Fed Rcpts)			25.4	307.2	307.2
5019 Federal - Miscellaneous Grants	Rev - AK Corp for Affordable Housing (3048)	Federal Funding - Public Housing Programs	25.4	307.2	307.2
5061 CIP Rcpts (1061 CIP Rcpts)			46.3	172.2	172.2
5351 Capital Improvement Project Inter-Agency	Rev - AHFC Operations (110)	Capital Improvement Projects - Affordable Housing Development Funding	0.0	172.2	172.2
5351 Capital Improvement Project Inter-Agency	Rev - AK Corp for Affordable Housing (3048)		46.3	0.0	0.0

Inter-Agency Services (1682)
Department of Revenue

Component: Alaska Corporation for Affordable Housing (3048)

			FY2017 Actuals	FY2018 Management Plan	FY2019 Governor
Component Totals			25.4	140.0	164.7
With Department of Revenue			25.4	140.0	164.7
Object Class	Servicing Agency	Explanation	FY2017 Actuals	FY2018 Management Plan	FY2019 Governor
2000	In-State Employee Travel	Rev - AK Corp for Affordable Housing (3048)	0.0	15.0	15.0
2002	Out of State Employee Travel	Rev - AK Corp for Affordable Housing (3048)	5.0	0.0	0.0
3008	Utilities	Rev - AK Corp for Affordable Housing (3048)	1.9	6.6	6.6
3011	Other Services	Rev - AK Corp for Affordable Housing (3048)	18.4	118.4	143.1
4000	Business	Rev - AK Corp for Affordable Housing (3048)	0.1	0.0	0.0