

AHFC Housing and Urban Development Federal HOME Grant

FY2022 Request: \$4,750,000
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:** James Wiedle
Estimated Project Dates: 07/01/2021 - 06/30/2026 **Contact Phone:** (907)330-8359

Brief Summary and Statement of Need:

The purpose of this authorization is to expand the supply of affordable, low, and moderate-income housing and to 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 60 rental projects containing 1,071 units and rehabilitated 543 low-income homes. It has assisted another 962 low-income households to purchase homes and provided over 600 households with rental assistance to prevent homelessness.

Funding:	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	Total
1002 Fed Rcpts	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$24,000,000
1139 AHFC Div	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$4,500,000
Total:	\$4,750,000	\$4,750,000	\$4,750,000	\$4,750,000	\$4,750,000	\$4,750,000	\$28,500,000

<input checked="" 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"/> Ongoing
25% = 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:

Sec5 Ch8 SLA2020 P67 L8 HB205 \$4,750,000
 Sec1 Ch1 SLA2019 P7 L4 SB19 \$4,750,000
 Sec1 Ch19 SLA2018 P9 L18 SB142 \$4,750,000
 Sec1 Ch1 SLA2017 P7 L13 SB23 \$4,750,000
 Sec1 Ch2 SLA2016 P7 L4 SB138 \$4,750,000

Project Description/Justification:

Development costs and stagnant incomes are the two biggest barriers to affordable housing across the State. In response, HOME Investment Partnership funding has been focused on rental development and homeownership assistance to reduce the cost of buying or renting a home. Furthermore, rental assistance through the HOME program has also been used to support the most vulnerable populations from children aging out of foster care to newly released prisoners whose abilities to generate income and find housing are hampered by criminal histories.

Funding provides for:

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. A portion of the costs associated with the purchase of a modest home by lower-income families;
3. A portion of the operating costs of Community Housing Development Organizations that are developing affordable housing for lower-income families; and
4. Other housing needs as specified in the HCD plan and as authorized by HUD.

This project is based on the anticipated amount of the Federal HUD block grant, match requirements to be provided by AHFC, and accumulated program income from prior year activity to be used as mandated by HUD. The Municipality of Anchorage has its own separate HOME program.

The projected outcomes are:

- Develop affordable rental housing by funding the development gap for three rental projects or about 30 units;
- Assist up to 35 homebuyers to achieve homeownership for lower-income families by providing down payment and closing cost assistance;
- 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.