

Alaska State Legislature

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SENATOR JAMES KAUFMAN

Sponsor Statement for SB 205 – Bill Version A

"An Act authorizing the Alaska Housing Finance Corporation to acquire or purchase a building that it occupies for an amount that does not exceed \$9,000,000; and providing for an effective date."

Alaska Housing Finance Corporation owns and operates more than 1,600 units of public housing in 13 communities throughout the State. Anchorage serves as the maintenance hub for all facilities and a staging ground for both craftspeople and supplies heading to other communities to perform repairs or training for local employees.

For many years, Anchorage maintenance personnel have relied on shipping containers at key housing properties to meet storage needs for operations. In the last several years, these containers have become attractive targets for vandalism, break-ins, and theft of equipment and materials. Similar issues and factors such as supply chain issues and suppliers unwilling to store materials for long periods of time have led to other housing authorities and private property management firms have begun to transition to ownership of warehouse space to respond to the changing business dynamics.

AHFC is in a position to purchase the building and property at 700 Bragaw Street, which they have been renting since September 2023. The location has class C office space, a warehouse and fenced storage yard and parking. Ownership will allow AHFC to build a housing rental office on the property and better provide warehouse space for equipment and materials storage. Maintenance staff will benefit from the building's adequate staging space and staff from around the state will be able to meet in a single location for training. In short, buying the property will help address the maintenance needs of its aging housing portfolio in Anchorage and allow them to more efficiently plan and prepare for routine activities and emergent needs in other communities.

AHFC's Public Housing Department has verified with the U.S. Department of Housing & Urban Development that federal funds available through AHFC's existing Moving to Work Plan can be used to purchase the building with proper reporting of expenditures. Together with the sale of existing assets, AHFC has adequate funds to address the purchase the facility.

Pursuant to statutory requirement in AS 18.56.090(d), the legislative branch must authorize any property purchase by AHFC. If approved by the legislature, and following signature by the Governor, AHFC intends to pursue acquisition of the property in 2024.