

Alaska Housing Finance Corporation FY2019 Budget Overview

Presentation to House Finance Revenue
Subcommittee

Feb. 6, 2018

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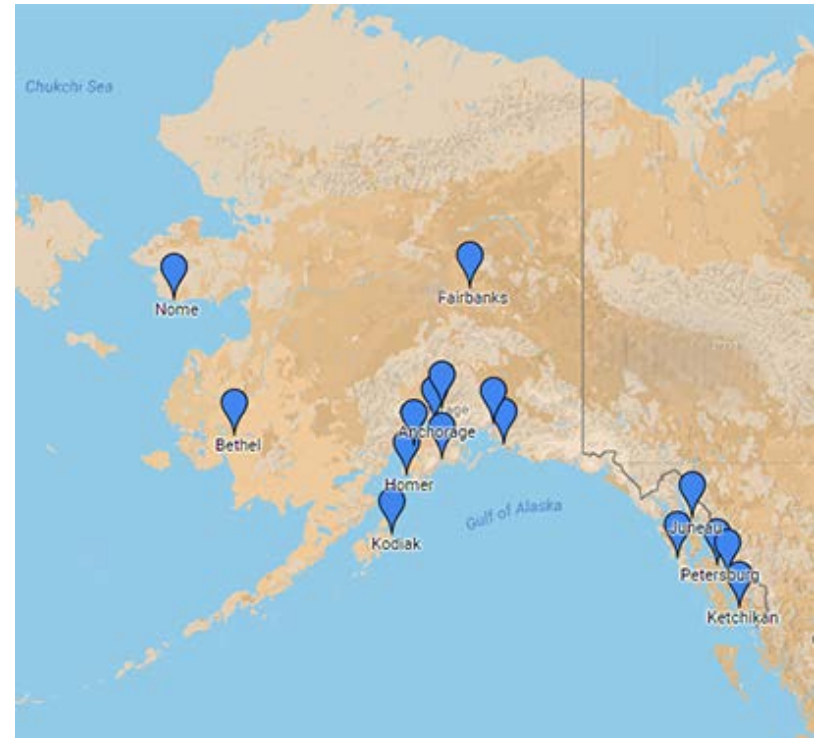
MISSION

TO PROVIDE ALASKANS ACCESS TO SAFE,
QUALITY, AFFORDABLE HOUSING.



AHFC Operations

- ~300 federally-funded and corporate receipt employees.
- Supports Public Housing with 1,612 units and 4,397 Housing Choice Vouchers.
- AHFC's dividend to the State of Alaska is \$29.4 million this year.



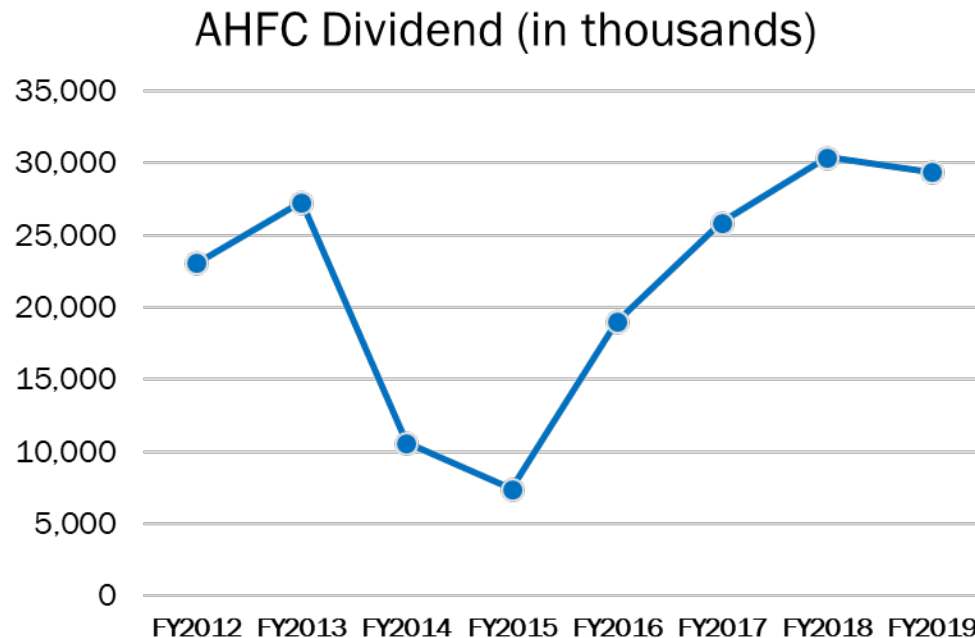
Locations served by AHFC's public housing division.

Discussion about Alaska's housing:



- Rental market softening but healthy
 - Fairbanks tightening due to F-35s and missile defense (AHFC participates in TIGER team).
- Mortgage portfolio increasing.
 - Interest rates are rising but still competitive;
 - Delinquencies on home loans are among the lowest in the U.S.;
 - Renovation loans increasing in popularity.
- Demand for public housing remains strong.
 - Impact of Rent Reform = 300 more families served
- New rural housing development continues to be challenging.
- Overcrowding exists and construction is aged.
 - See: 2018 Housing Assessment

Agency's Financial Performance

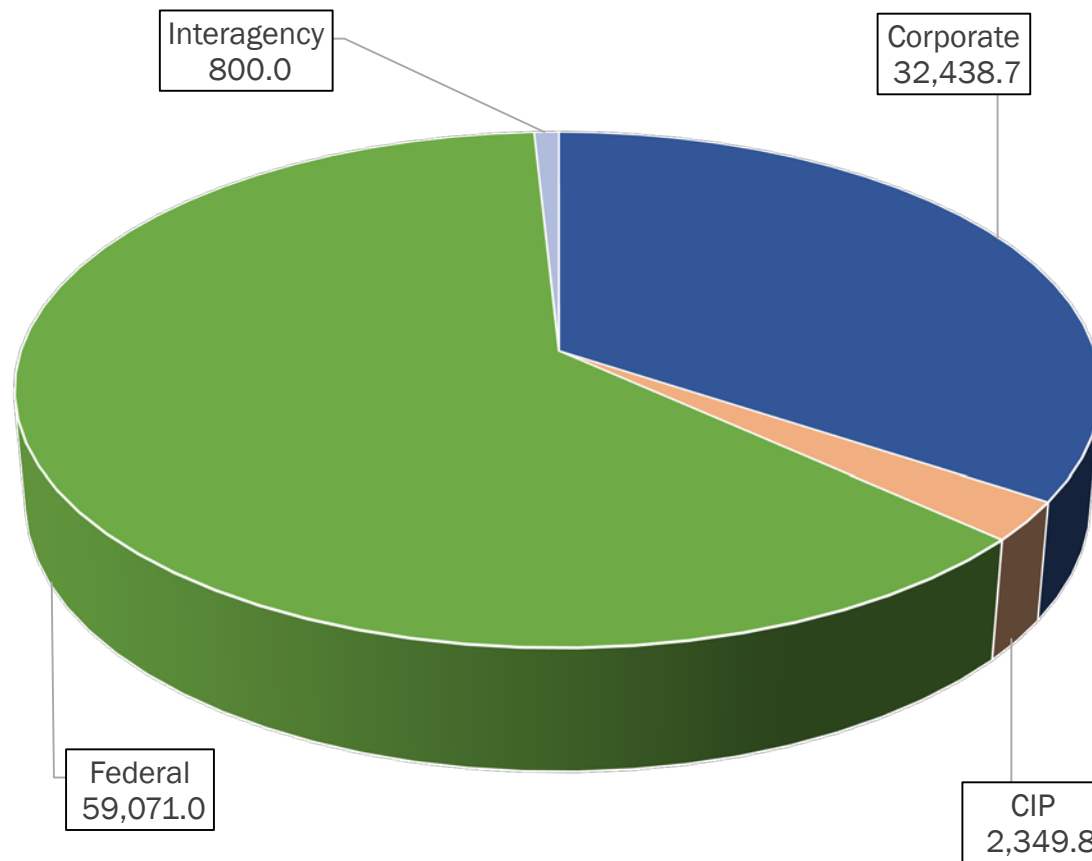


- AHFC bonds are rated AA+
- FY2017 loan purchases total \$475 million for first-time homebuyers, veterans, and others.
- Cumulative statutory dividends calculated for the State of Alaska now exceed \$2 billion.

Innovation in focus at AHFC:

- State agencies
 - DHSS Department of Health's Moving Home;
 - Office of Children's Services, Youth Aging Out of Foster Care
 - Department of Correction's Moving On
 - Department of Veterans Affairs, VASH
- Rasmuson Foundation supplements State of Alaska capital programs
 - Senior Housing & Teacher Housing
- Regional housing authorities, domestic violence shelters, local governments.
- Cold Climate Housing Research Center, advancements in energy efficiency.
- Statewide Homeless Housing Office, open now
- Innovations in Public Housing. Since Sept. 2014, Rent Reform has:
 - Increased percent of households with full-time employment from 40% to 53% in 2017.
 - Increased percent of households with part-time employment from 54% to 71% in 2017.

Governor's Proposed FY2019 Operating Budget, AHFC



Operations Component

FY2018 Management Plan vs. FY2019 Budget:

- No changes but one adjustment:

In FY2019, the Governor's Budget proposes funding the Discharge Incentive Grant (DIG) program through the Capital Budget instead of the Operating Budget.

This change results in the following adjustments to the proposed AHFC Operating Budget:

- A decrement of \$100,000 in Interagency Receipts from the Mental Health Trust Authority (1092)
- A decrement of \$100,000 from the Grants line (7000)

FY2019 Governor's Proposed Capital Budget

(Thousands)

Proposed Capital Budget	Rasmuson	Corp Dividend	Federal	Economic Recovery	MHTAAR	Total
1. Rental Assistance for Victims (EHP)		1,500.0				1,500.0
2. Housing Loan Program - Teacher/Health/Prof. Housing	500.0	1,750.0				2,250.0
3. Cold Climate Housing Research Center (CCHRC)		1,000.0				1,000.0
4. HUD Federal HOME Program		750.0	4,000.0			4,750.0
5. HUD Capital Fund Program (CFP)			2,500.0			2,500.0
6. Federal and Other Competitive Grants		1,500.0	6,000.0			7,500.0
7. Competitive Grants for Public Housing		350.0	750.0			1,100.0
	\$500.0	\$6,850.0	\$13,250.0	\$0	\$0	\$20,600.0

Proposed Mental Health Budget

1. Homeless Assistance Program		6,850.0			950.0	7,800.0
2. Beneficiary & Special Needs Housing		200.0			1,500.0	1,700.0
3. Discharge Incentive Grant		100.0				100.0
	\$0	\$7,150.0	\$0	\$0	\$2,450.0	\$9,600.0

Proposed Alaska Economic Recovery Act

1. Facility Management Program			4,000.0	7,000.0		11,000.0
2. Senior Citizens Housing Development Program (SCHDP)				2,000.0		2,000.0
3. Supplemental Housing Development Program				3,000.0		3,000.0
4. AHFC Energy Programs – Weatherization			3,000.0	15,000.0		18,000.0
	\$0	\$0	\$7,000.0	\$27,000.0	\$0	\$34,000.0



2017 Annual Report



NAVIGATING ALASKA'S HOUSING LANDSCAPE.

Alaska's housing landscape is complex, and it can be easy to get lost. With Alaska Housing Finance Corporation (AHFC) at your side as the navigator, you have a trusted resource for staying the course and safely arriving at a place you can call home.

Questions?

