

Alaska Housing Finance Corporation FY2019 Budget Overview

Presentation to Senate Finance Revenue
Subcommittee

Feb. 23, 2018

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MISSION

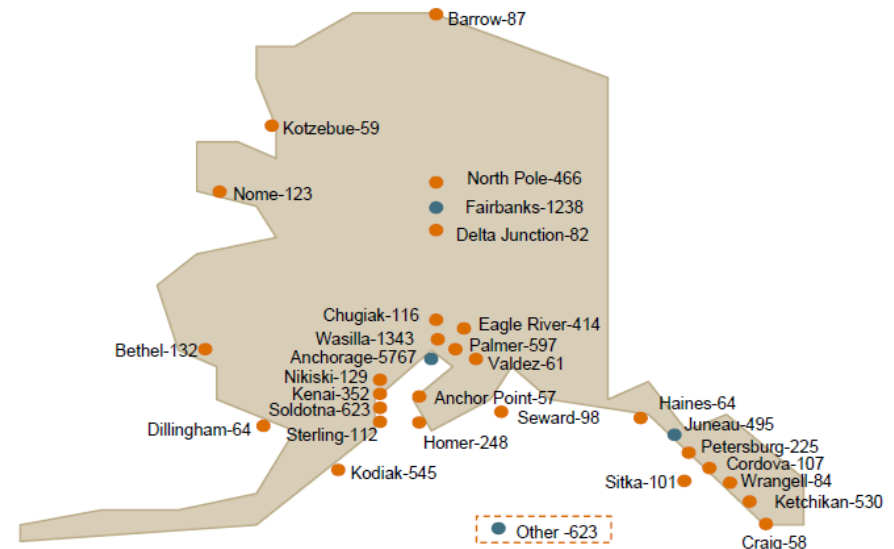
TO PROVIDE ALASKANS ACCESS TO SAFE,
QUALITY, AFFORDABLE HOUSING.



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.

AHFC's mortgages by location

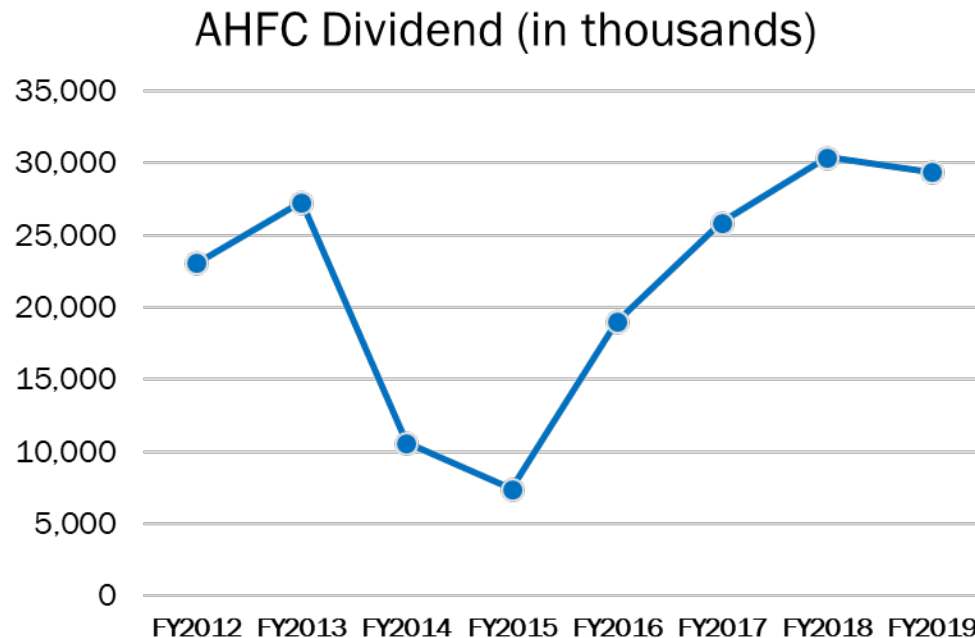


Discussion about Alaska's housing:



- Rental market softening but healthy
 - Fairbanks tightening due to F-35s and missile defense.
- Mortgage portfolio increasing.
 - Interest rates are rising but still competitive;
 - Delinquencies on home loans are among 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.
 - Leveraging AHFC funds to maximize community impact
- Overcrowding exists and construction is aged.
 - See: 2018 Housing Assessment

Agency's Financial Performance



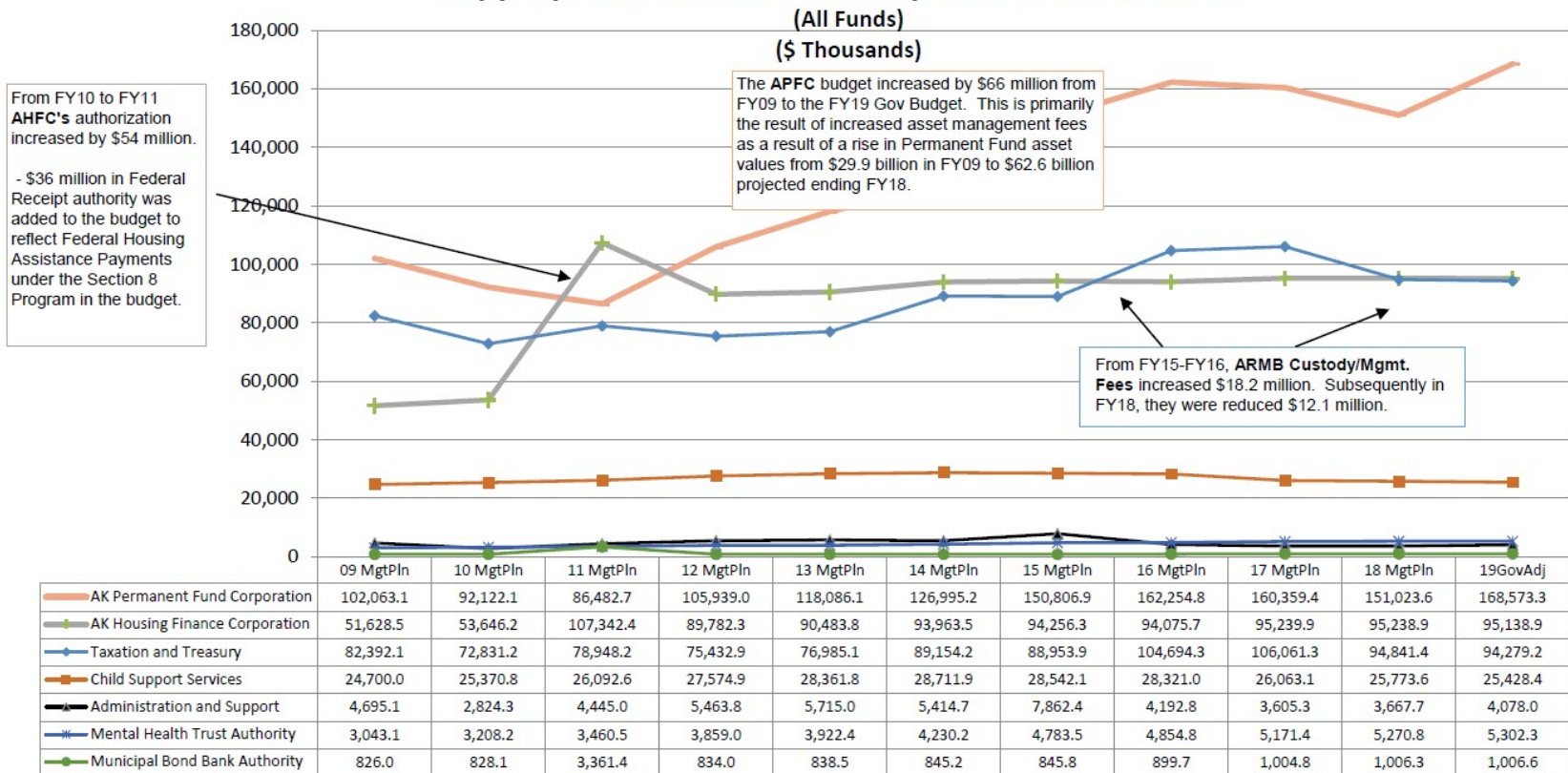
- AHFC bonds are rated AA+
- FY2017 loan purchases total \$475 million for first-time homebuyers, veterans, and others.
- Cumulative statutory dividends calculated for the State of Alaska now exceed \$2 billion.
Initial state funds invested:
\$1,069,523,000

Innovation in focus at AHFC:

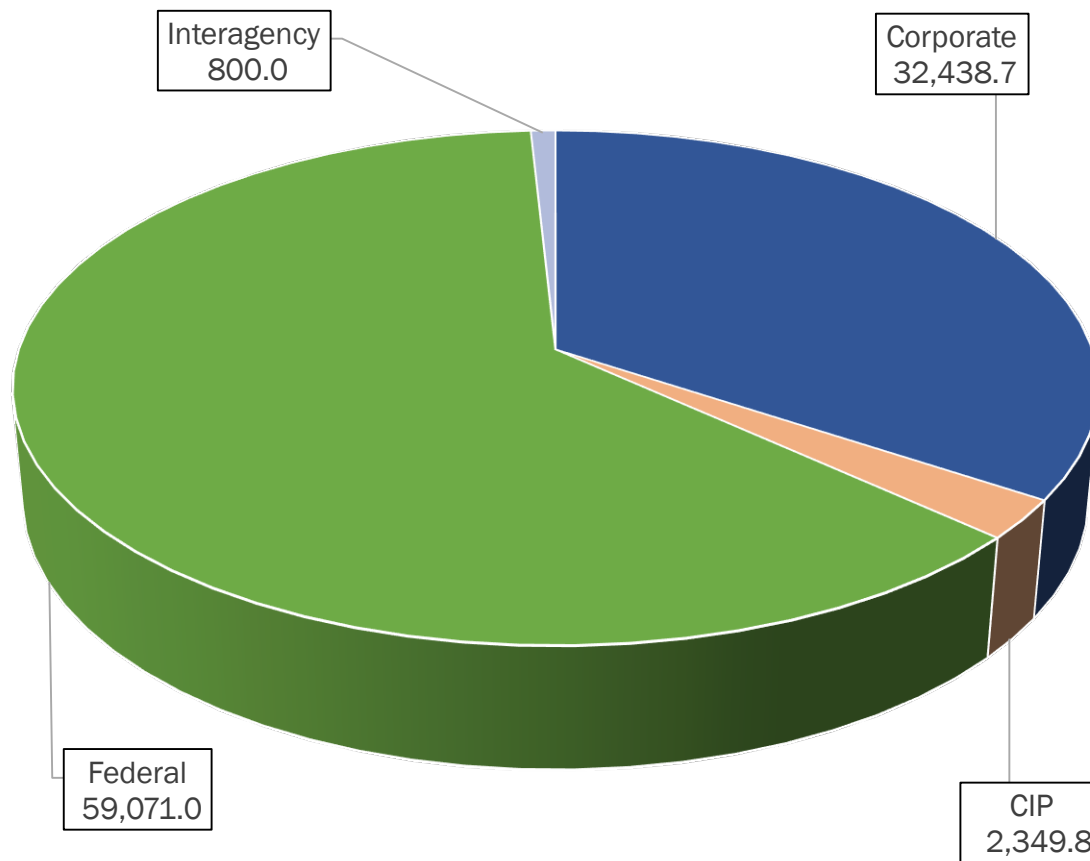
- Statewide Homeless Housing Office, open now
- State agencies
 - DHSS Department of Health's Moving Home;
 - Office of Children's Services, Youth Aging Out of Foster Care
 - Department of Correction's Moving On
 - Department of Veterans Affairs, VASH
- Philanthropic support supplements State of Alaska capital programs
 - Senior Housing & Teacher Housing
- Regional housing authorities, domestic violence shelters, local governments.
- Cold Climate Housing Research Center, advancements in energy efficiency.
- 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.

Historical Operating Budget Authority

Appropriations within the Department of Revenue



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 Heath Trust Authority (1092)
- A decrement of \$100,000 from the Grants line (7000)

AHFC Subsidiaries

Legally independent of, and separate from AHFC and the State of Alaska.

- Alaska Corporation for Affordable Housing
To develop, manage, and operate affordable housing and provide supportive and related services to support AHFC's mission.
- Alaska Housing Capital Corporation
For the purpose of funding capital projects, including financing expenses.
- Northern Tobacco Securitization Corporation
To issue bonds to fund public projects and infrastructure improvements on behalf of the State of Alaska.



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?

