



January 10, 2011

Representative Bryce Edgmon
Alaska State Capitol, Room 416
Juneau, Alaska 99801

SUBJECT: PROPOSED REVISIONS TO AS 18.56.010 – SENIOR CITIZENS HOUSING DEVELOPMENT FUND

Dear Representative Edgmon:

I am writing on behalf of Cook Inlet Housing Authority (CIHA), the state chartered regional housing authority for the Cook Inlet Region., and a member of the Association of Alaska Housing Authorities (AAHA). We offer our support for a proposed amendment to AS 18.56.010 to explicitly include Alaska's regional housing authorities as eligible recipients under the Alaska Housing Finance Corporation (AHFC) Senior Citizens Housing Development Fund (SCHDF) program.

The SCHDF program was created to provide funding to assist organizations in the development of senior citizen housing through grant awards for acquisition, rehabilitation, accessibility modification and new construction activities. CIHA and other Alaska regional housing authorities are some of the most qualified and experienced developers of senior housing in the state; in fact, CIHA itself is now the largest provider of senior housing in Alaska.

The current language of AS 18.56.010 excludes regional housing authorities from eligibility for SCHDF funds, because although they are tax exempt for I.R.S. purposes, they are not 501(c)(3) or (4) entities. The rationale for this distinction is unclear, and more importantly, has not been uniformly applied by AHFC in past grant awards. AHFC has awarded SCHDF grant funds to many regional housing authorities in the past, including CIHA, and only last year determined that regional housing authorities were actually not named as eligible recipients. The statutory language is unclear in that it names "public and private non-profit 501(C)(3) or (4) organizations" as eligible recipients. Although regional housing authorities are in fact public corporations, they are not "public non-profit" (i.e., 501(C)(3) entities). Inclusion of "regional housing authorities" to the list of eligible participants in the program would help clear this confusion.

AHFC's past award of SCHDF to regional housing authorities for senior housing development has set a precedent for regional housing authority eligibility for these funds. Regional housing authorities are also collectively the largest developer of housing, including senior housing, in the State. Denying regional housing authorities access to these valuable funds will result in a significant reduction in the delivery of greatly needed senior housing in rural and urban areas of the state. Further, there would not be any financial impact to the state's general fund if regional housing authorities were permitted to continue to access SCHDF funds. For these reasons, CIHA strongly supports AAHA's proposal to expressly include regional housing authorities organized under AS 18.55.996 to the list of entities eligible for the direct receipt of SCHDF funds.

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It is our understanding that your office has agreed to sponsor legislation to provide for the requested statutory change. We very much appreciate your efforts to assist in this matter, and if there is anything further we can do to help in this effort please do not hesitate to contact us.

Respectfully,



Carol Gore
President/CEO

cc: Heather Arnett, AAHA Statewide Administrator