

**Issue Brief**  
**Alaska Housing Finance Corporation, Public Housing Division**  
**Space Requirements for the Anchorage Intake Office**

**The Issue:** The Anchorage intake office, also known as the Family Investment Center (FIC), no longer meets the needs of the low income families served by the AHFC Public Housing Division. Problems with the current site include: (1) inadequate access issues which are particularly severe for persons with disabilities, attributed to the building design and the lack of bus route to the building; (2) the absence of sufficient parking for both our customers and staff; (3) the need for substantial physical improvements to address Section 504 accessibility issues, and the potential for other expensive improvements resulting from code compliance issues; (4) the option of leased space is impractical – combined revenue from tenant paid rent and federal operating subsidy is insufficient to pay for a commercial space.

**Recommendation:** AHFC is seeking approval from the Alaska Legislature for either the purchase, or design/build of a new Anchorage intake office. The new facility would include all the Anchorage intake functions, the Housing Choice Voucher staff, and the AHFC computer learning center, under one roof. The estimated size of a new facility is about 10,000 square feet.

This authorization would not require any additional fiscal note. Instead, a combination of bond funds originally appropriated for the FIC renovation, funds previously appropriated for an Anchorage east side maintenance shop, and use of the federal Capital Fund Program would cover the cost. Staff estimates it could enter into a design/build arrangement or purchase an existing building for approximately \$3 million.

**Background:**

1. The building was constructed in 1978 as an RV repair center. The FIC is a two story building located at 624 W. International Airport Road. The alley side of the building contains three bay-doors that access an AHFC records retention center. The intake office, serving the public housing and Housing Choice Voucher rental assistance program for the entire Anchorage area, is housed on the second floor. Public access is limited to one elevator or a single flight of stairs.

Based upon a recent appraisal report, the property was rated in average condition; however, the authors noted the building design and layout were not conducive to its current usage, stating that past conversions to office space "...were not ideal and the design would not be replicated today. However, the building is functional for Class C office and warehouse space."

Public access to the building and within it is difficult. Well over a third of the Public Housing Division clientele are people with disabilities. Persons who rely on public transportation must disembark from the People Mover bus on Arctic Street, north of International Airport Road. They must then cross the intersection and walk well over 100 yards to building entrance. Sidewalk snow removal is frequently lacking making wheel chair access a virtual impossibility from the bus stop. Once inside, clientele experience a lobby inadequate in size that frequently does afford sufficient seating for the 90 to 100 daily visitors.

Because of the public access requirements, the building must comply with the Americans with Disabilities Act (ADA). Based upon a review by the U.S. Department of Housing & Urban Development, a number of Non-Housing Program areas could not be certified as being in compliance with the ADA. A subsequent "Voluntary Compliance Agreement" was executed in September 2008 between HUD and AHFC. It requires full compliance with the ADA within five years. Based upon prior engineering and architectural studies of the building, a substantial financial investment is needed to address various building upgrades including compliance with the Uniform Federal Accessibility Standards necessary to satisfy the ADA and the HUD agreement.

2. Parking is insufficient due to the loss of 50 leased spaces along the back alleyway. Only 40 spaces remain in the front of the building; serving approximately 30 staff and the public. In the winter, parking is further decreased by 4-5 spaces due to snow removal. Visitors that cannot find parking will either double park causing traffic jams, or park at the strip mall across the street, and then cross International Airport Road to get to the FIC. Because of inadequate parking, AHFC must conduct weekly briefing classes for new participants at the Loussac Manor property, about four miles from the FIC. In the summer of 2010, AHFC will lose that option with Loussac Manor scheduled for demolition – the first phase of redevelopment of that property.
3. A professional site assessment of the property and structure was completed by GDM Inc., Architects & Engineers, in August 1998. The assessment addressed the condition of the building with respect to a 30-year life expectancy of the structure, code compliance, energy efficiency, life safety, and accessibility. The cost estimate totaled \$1,595,859 to make all the necessary repairs needed for the building to its intended uses. Using a conservative escalation factor to account for increases in material cost since 1998, new code requirements and cost to administer the construction, the estimated cost to repair the building now is approximately \$3,500,000. A recent summary appraisal report of the FIC established a current value at \$3,000,000.
4. Staff examined the alternative for renting commercial real estate. In making this assessment, it examined five properties offering the required size and access needed; the average cost per square foot was estimated at \$2.50. The Public Housing Division must operate its public housing program in compliance with HUD asset management principles. Revenue available to the asset management properties is insufficient to support commercially available class B rental space.