

Supplemental Housing Development Grant Program (SHDG)

- Essential source of funding for housing development in both urban and rural Alaska
- Competitively awarded to Regional Housing Authorities that have also secured federal HUD funding
- Develops water & sewer infrastructure, roads, electrical/gas distribution, energy efficiency features

DEVELOPMENT EXAMPLES:

Eagle River – Coronado Park Senior Village

- 56-unit senior housing development completed in downtown Eagle River 2014
- Accommodates market rate households (i.e. no income restrictions) and households making below 60% of Area Median Income (\$37,680 for one person)



The majority of the SHDG funds in Coronado Park were used for energy efficiency items that supported the development of a 5-Star project. The State's SHDG investment represents just 9.2% of the overall project. Without the State's SHDG investment, however, it would have been impossible to build a 5-star energy efficient building and, more critically, it is unlikely that the development funding gap could have been closed to make the project feasible.

Coronado Park Senior Village Sources of Investment:

LIHTC Equity	57%
1 st Deed of Trust (Northrim Bank CIP Loan)	14%
2 nd Deed of Trust (CIHA NAHASDA Loan)	10.5%
SOA (Supplemental Housing Development Grant Funds)	9%
Senior Citizens Housing Development Fund	5%
Rasmuson Foundation Grant	3%
Alternative Energy Credit	<1%
Deferred Developer Fee	1%
Total	\$16,555,688

East Anchorage – Creekview Plaza 49

- Mixed-use development (commercial and residential) at the Creekside Town Center in Muldoon
- 49 senior housing rental apartments and approximately 6,600 SF of retail space
- Fully funded and scheduled to break ground spring 2015



The State's SHDG investment in Creekview Plaza 49 is \$1.9 million, approximately 11.2% of the total project cost. SHDG funds will enable the project to be built to AHFC's new highly efficient 6-Star BEES rating. The majority of the SHDG will fund energy efficiency items, which, along with an innovative ground source heat pump system, will greatly reduce long-term operating costs. Again, the project may not have been feasible with SHDG grant funding to fill the development gap.

Creekview Plaza 49 Sources of Investment:

LIHTC Equity	27%
1 st Deed of Trust (AHFC)	18%
2 nd Deed of Trust (AHFC Soft Second)	4%
3 rd Deed of Trust (Deferred Developer Fee)	3%
4 th Deed of Trust (CIHA Loan)	2%
5 th Deed of Trust (CIHA NAHASDA Loan)	9%
SOA (Supplemental Housing Development Grant Funds)	11%
Senior Citizens Housing Development Fund	14%
Rasmuson Foundation	8%
Federal Home Loan Bank (FHLB)	4%
Alternative Energy Credit	<1%
Additional Owner Cash	<1%
Total	\$16,870,736

East Anchorage – Grass Creek North

- 100 apartment homes for families and senior citizens on 8.5 acres near Fred Meyer
- Will include a 3-story apartment building and 25 townhouse buildings
- 1-, 2-, 3-, and 4-bedroom units
- Breaking ground on Phase 1 (52 units) in May 2015



The site is vacant and lacks the costly road system and infrastructure (water/sewer, gas, electric, storm sewer) required to build new housing in the Municipality of Anchorage. A \$2.3 million SHDG award from AHFC will pay for roadway expenses and water/sewer infrastructure. Grass Creek North would likely not have moved forward without SHDG funding.

Grass Creek North, Phase I Sources of Investment:

LIHTC Equity	61%
1 st Deed of Trust (AHFC)	14%
2 nd Deed of Trust (AHFC Soft Second)	3%
3 rd Deed of Trust (CIHA NAHASDA Loan)	7%
SOA (Supplemental Housing Development Grant Funds)	10%
Rasmuson Foundation	2%
Alternative Energy Credit	1%
Additional Owner Cash	<1%
Total	\$16,316,240

Spenard – Revitalization around 36th Avenue and Spenard Road

Cook Inlet Housing has begun conceptual design work on an anticipated \$25-30 million redevelopment effort in the area of Spenard Road and 36th Avenue. The proposed project has received broad support from the Community and the State of Alaska, which has provided \$2.15 million for land acquisition and demolition of blighted structures. To date, CIHA has strategically assembled 14 parcels, with the potential for additional property acquisitions.



The Spenard redevelopment effort will include the environmental remediation of a contaminated former gas station, demolition of at least 13 blighted commercial and residential structures, and construction of new housing and commercial space to revitalize the surrounding area. Two of the properties were purchased from the federal government having been seized for illegal activities, including a deteriorated former strip club.

Despite being located in Midtown Anchorage, the properties lack basic infrastructure. The properties were served by wells, and Cook Inlet Housing anticipates that new mainline water and sewer extensions, road improvements, sidewalks, and potentially new storm sewers will be required. The significant challenge of completing these infrastructure improvements in an urbanized area exacerbates the funding gap that already exists for housing developers in Anchorage. The SHDG is a pivotal resource to help fill this gap and facilitate tens of millions of dollars of additional non-state investment.

The Spenard Redevelopment project will replace blighted and contaminated properties with needed housing and commercial development that will catalyze additional private sector investment. In other Anchorage neighborhoods, the removal of blight and development of quality housing has drawn private investment into the community and produced measurable social and economic improvements.

