

Alaska Housing Finance Corporation FY21 Budget Overview

Presentation to House Finance Revenue
Budget Subcommittee
January 29, 2019

Bryan Butcher, CEO/Executive Director

MISSION

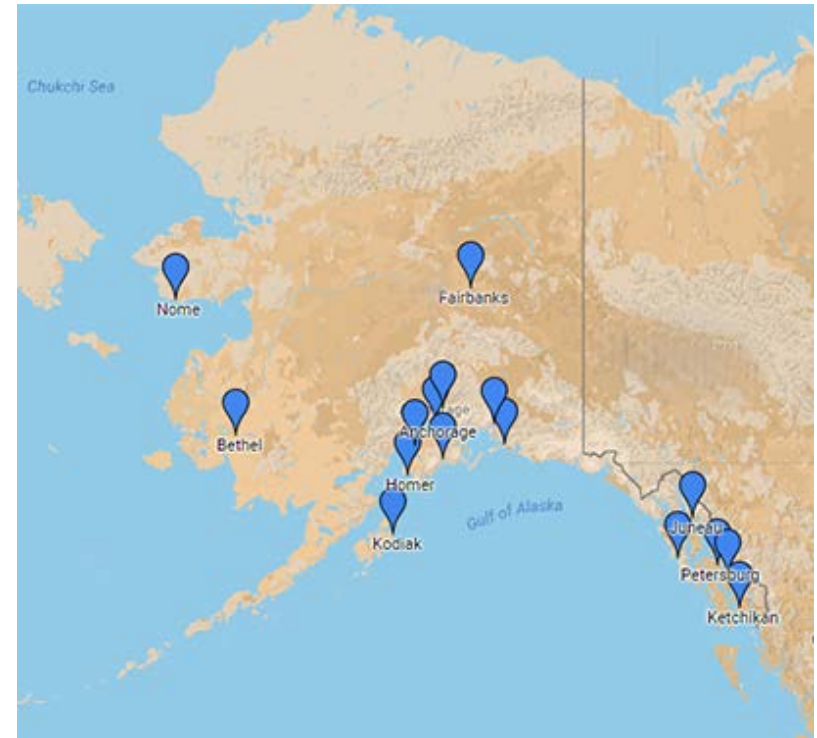
**TO PROVIDE ALASKANS ACCESS TO SAFE,
QUALITY, AFFORDABLE HOUSING.**



Alaska Housing Finance Corporation (AHFC) is a self-supporting public corporation with offices in 16 communities statewide. AHFC provides statewide financing for multi-family complexes and single-family homes, with loan options for low- to moderate-income borrowers, veterans, teachers, nurses, public safety officers and those living in rural areas of the state. AHFC also provides energy and weatherization programs, low-income rental assistance in 17 communities, and programs for the homeless and those seeking to become self-sufficient.

AHFC Operations

- ~300 federally-funded and corporate receipt employees with offices in 16 communities.
- Supports Public Housing with 1,612 units and 4,397 Housing Choice Vouchers
- AHFC's dividend to the State of Alaska is \$45.6 million this year, an increase from \$7 million in FY15.



Locations served by AHFC's public housing division.

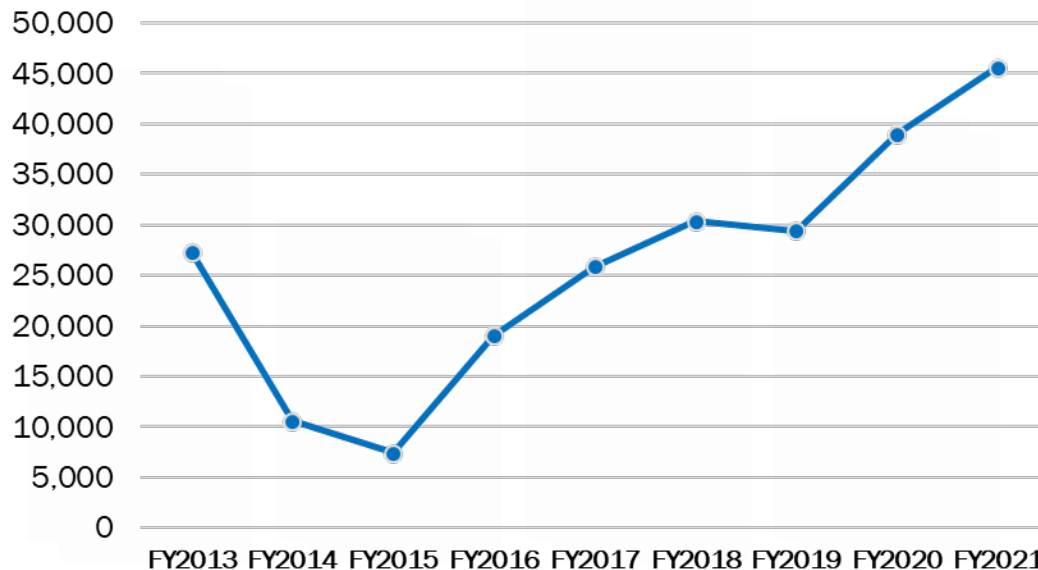
Discussion about Alaska's housing:



- Rental market softening but healthy
 - Fairbanks dealing with F-35s and missile defense staff increases.
- Mortgage portfolio has increased.
 - Interest rates remain low and competitive.
 - Delinquencies on home loans are among the lowest in the U.S.
 - Renovation loans growing 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 Dividend (in thousands)



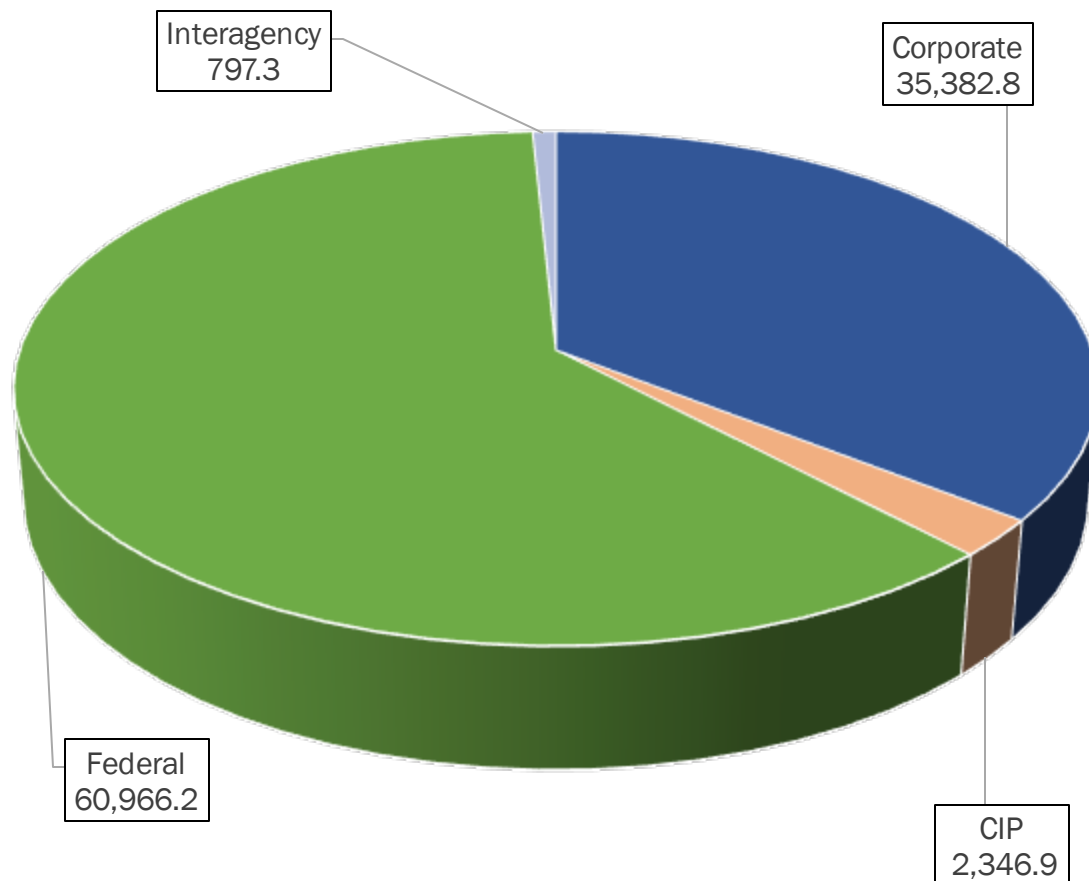
- AHFC bonds are rated AA+
- FY19 loan purchases total \$510 million.
- Cumulative dividends calculated for the State of Alaska exceed \$2 billion.

AHFC's dividend reflects
75% of change in net position.

Partnerships in focus at AHFC:

- Rasmuson Foundation supplements State of Alaska capital programs, i.e. Senior Housing & Teacher Housing
- State agencies
 - DHSS's Moving Home
 - Office of Children's Services, Youth Aging Out of Foster Care
 - Department of Correction's Moving On
- Regional housing authorities, Cold Climate Housing Research Center, domestic violence shelters, Veterans Administration, others.
- Advancement in energy efficiency.
- Innovations in Public Housing. Since Sept. 2014, Rent Reform has:
 - Increased percent of households with full-time employment from 40% to 57% in 2019.
 - Part-time employment has also increase substantially.
- Average increase in income of almost \$10,000 a year per family.

Governor's Proposed FY2021 Operating Budget, AHFC



Operations Component

Summary of Changes From FY20 to FY21

The Governor's FY21 Budget proposes an additional **\$500,000 of federal funding authority** for the Housing Choice Mainstream Voucher program to provide rental assistance in the form of Housing Assistance Payments (HAP) to persons with disabilities.

FY2021 Governor's Proposed Capital Budget

(Thousands)

Proposed Capital Budget	Rasmuson	Corp Dividend	Federal	MHTAAR	Total
1. Rental Assistance for Victims - Empowering Choice		1,500			1,500
2. Housing Loan Prg/Teacher/Health/Pub. Safety	500	1,750			2,250
3. Senior Housing Development Program		1,750			1,750
4. HUD Federal HOME Grant Program		750	4,000		4,750
5. HUD Capital Fund Program (CFP)			2,500		2,500
6. Federal & Other Competitive Grants		1,500	6,000		7,500
7. Competitive Grants for Public Housing		350	750		1,100
8. Supplemental Housing Development Program		1,500			1,500
	\$500	\$9,100	\$13,250	\$0	\$22,850

Proposed Mental Health Budget

1. Homeless Assistance Program		6,350		950	7,300
2. Beneficiary and Special Needs Housing		1,500		200	1,700
3. Discharge Incentive Grant				100	100
	\$0	\$7,850	\$0	\$1,250	\$9,100

Questions?