

Alaska Housing Finance Corporation FY21 Budget Overview

Presentation to Senate Finance
Revenue Budget Subcommittee
February 26, 2020

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MISSION

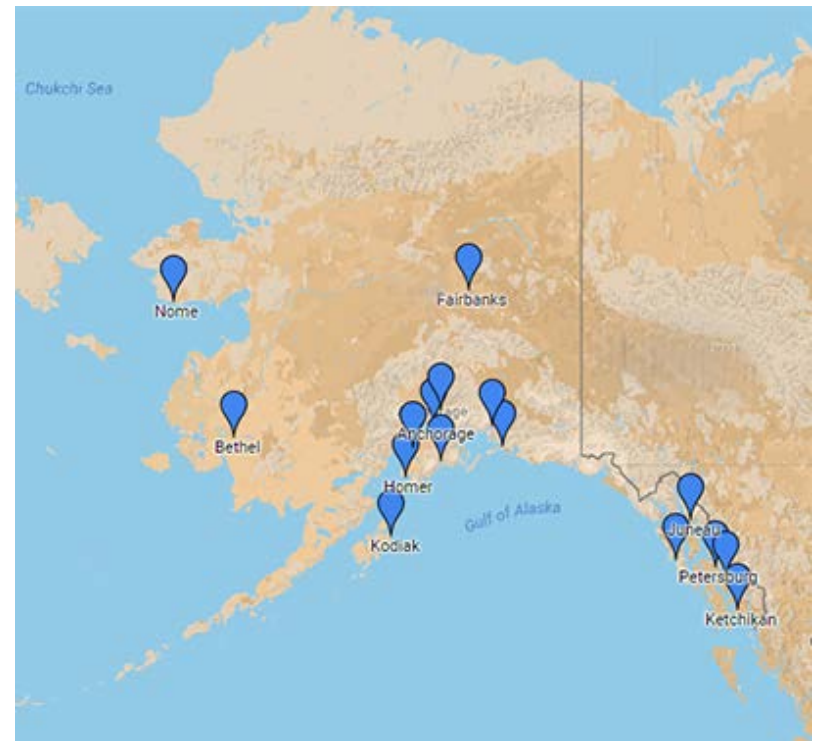
**TO PROVIDE ALASKANS ACCESS TO SAFE,
QUALITY, AFFORDABLE HOUSING.**



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 AHFCs public housing.

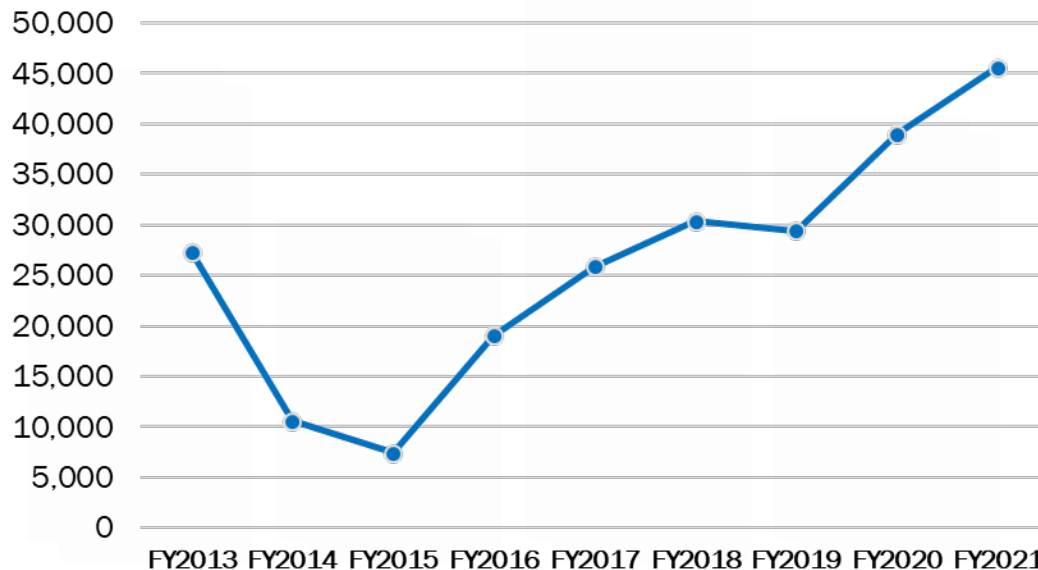
Discussion about Alaska's housing:



- 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)



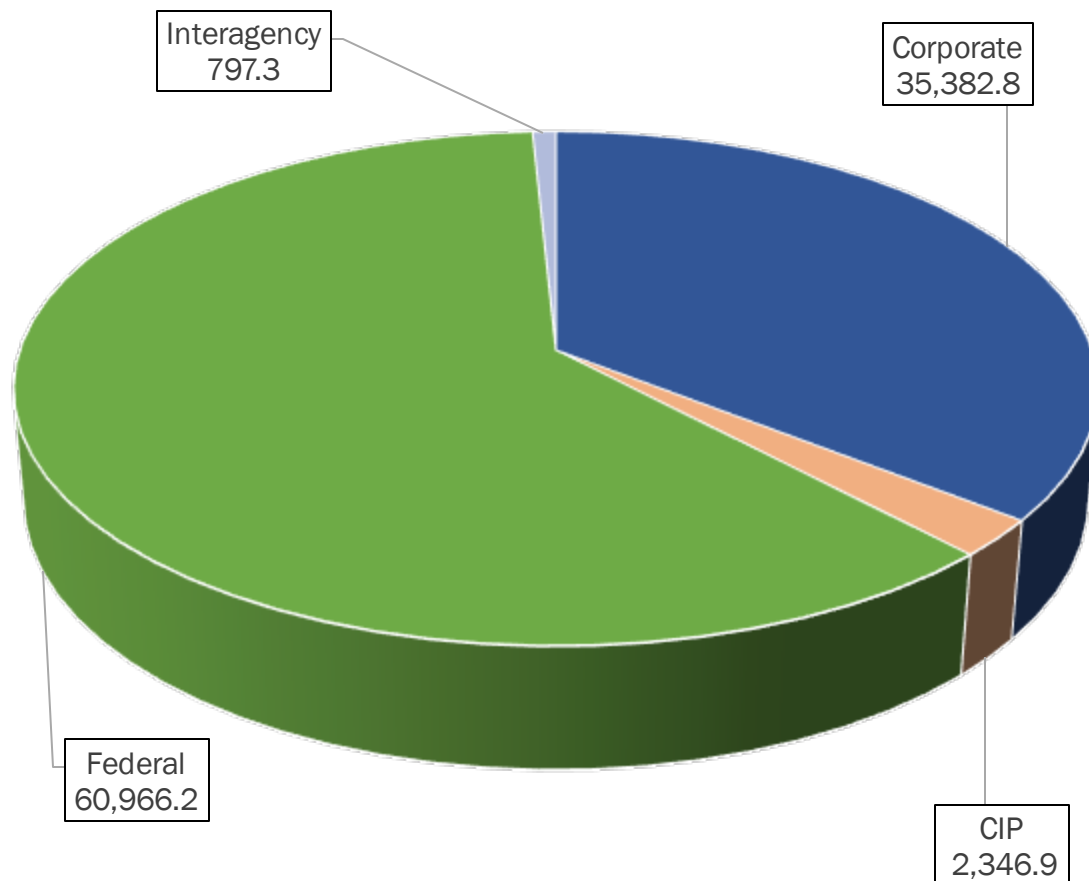
- AHFC bonds are rated AA+
- FY19 loan purchases total \$510 million.
- Cumulative dividends calculated for the State of Alaska exceed \$2 billion.

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

Partnerships in focus at AHFC:

- Rasmuson Foundation and Denali Commission supplement 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.

Questions?