

# **State of Alaska FY2015 Governor's Operating Budget**

## **Department of Revenue Alaska Corporation for Affordable Housing Component Budget Summary**

**Component: Alaska Corporation for Affordable Housing**

**Contribution to Department's Mission**

The primary purpose of the subsidiary Alaska Corporation for Affordable Housing (ACAH) is to allow AHFC to take advantage of financing options in order to expand of public housing. Examples include usage of the Low Income Housing Tax Credit program, accessing tax exempt bond financing, and partnering with private sector developers.

**Major Component Accomplishments in 2013**

This is a new component, however, ACAH has been incorporated, bank accounts are set-up, a 501(c)(3) application to the IRS has been completed and the subsidiary has purchased a lot in Mountain View using federal Neighborhood Stabilization Program funding. The Development Team has refined the focus and begun the process of acquiring a development partner.

In May, 2011 HB 119 was signed into law, amending AS 18.56.086 to include "the acquisition, development, management, or operation of affordable housing" to the category of activities for which AHFC could create a subsidiary corporation. As discussed in the department's mission, the primary purpose of this subsidiary is to allow AHFC to take advantage of a variety of financing options for the expansion of public housing, including the Low Income Housing Tax Credit Program and tax exempt bond financing.

The subsidiary created by is known by HUD as an "instrumentality" under HUD's definition. This model has been used by other public housing authorities to increase affordable housing. It will follow existing AHFC administrative policies and procedures. AHFC's Board of Directors serves as the Board of Directors for the subsidiary corporation and the officers include one board member, the CEO of AHFC and the Director of the Public Housing Division.

**Key Component Challenges**

- Maneuvering through the Federal, State, and Local approval processes to expend funding in an efficient manner. For example, the HUD demolition/disposition application for redevelopment of the 16 family housing units on San Roberto Street in Anchorage has been delayed. Although, the disposition application to HUD on the San Roberto properties continues to move forward, an engineering firm had to be contracted to update the site assessment and cost estimate, due to HUD determination that a more current analysis was needed;
- Selection of private-sector developers as long-term partners; and
- Working with local community councils and other interested groups to keep them informed of the progress and updates on development plans.

**Significant Changes in Results to be Delivered in FY2015**

After a developer is selected, taking advantage of a variety of financing options for the expansion of public housing, including the Low Income Housing Tax Credit Program and tax exempt bond financing will be finalized and construction will begin on both the San Roberto and the Mountain View sites.

**Statutory and Regulatory Authority**

In May, 2011 HB 119 was signed into law amending AS 18.56.086 to include "the acquisition, development, management, or operation of affordable housing" to the category of activities for which AHFC could create a subsidiary corporation.

Contact Information
<p><b>Contact:</b> Les Campbell, AHFC Budget Director <b>Phone:</b> (907) 330-8356 <b>Fax:</b> (907) 330-8361 <b>E-mail:</b> <a href="mailto:lcampbel@ahfc.us">lcampbel@ahfc.us</a></p>

<b>Alaska Corporation for Affordable Housing Component Financial Summary</b>			
	<i>All dollars shown in thousands</i>		
	FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	0.0	257.5	259.5
72000 Travel	0.0	25.0	25.0
73000 Services	0.0	125.0	125.0
74000 Commodities	0.0	29.5	29.5
75000 Capital Outlay	0.0	35.0	35.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>0.0</b>	<b>472.0</b>	<b>474.0</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	0.0	304.9	305.5
1061 Capital Improvement Project Receipts	0.0	167.1	168.5
<b>Funding Totals</b>	<b>0.0</b>	<b>472.0</b>	<b>474.0</b>

<b>Estimated Revenue Collections</b>				
Description	Master Revenue Account	FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
<b>Unrestricted Revenues</b>				
Capital Improvement Project Receipts	51200	0.0	167.1	168.5
Federal Receipts	51010	0.0	304.9	305.5
<b>Unrestricted Total</b>		<b>0.0</b>	<b>472.0</b>	<b>474.0</b>
<b>Restricted Revenues</b>				
None.		0.0	0.0	0.0
<b>Restricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total Estimated Revenues</b>		<b>0.0</b>	<b>472.0</b>	<b>474.0</b>

**Summary of Component Budget Changes  
From FY2014 Management Plan to FY2015 Governor**

*All dollars shown in thousands*

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
<b>FY2014 Management Plan</b>	<b>0.0</b>	<b>0.0</b>	<b>167.1</b>	<b>304.9</b>	<b>472.0</b>
<b>Adjustments which will continue current level of service:</b>					
-FY2015 Salary Increases	0.0	0.0	1.6	0.8	2.4
-FY2015 Health Insurance and Working Reserve Rate Reductions	0.0	0.0	-0.2	-0.2	-0.4
<b>FY2015 Governor</b>	<b>0.0</b>	<b>0.0</b>	<b>168.5</b>	<b>305.5</b>	<b>474.0</b>