



January 28, 2013

The Honorable Representative Les Gara
House of Representatives
State Capitol Room 400
Juneau AK, 99801

**SUBJECT: HB 50 – ALLOWING AHFC TO PERMIT CERTAIN NON-PROFIT AND COMMERCIAL
BUSINESSES IN LARGE MULTI-UNIT RESIDENTIAL HOUSING DEVELOPMENTS**

Dear Representative Gara:

I write today on behalf of Cook Inlet Housing Authority (“CIHA”) to express strong support for HB 50, which would fix an existing law that unnecessarily constrains innovation in the construction and financing of large-scale housing developments by the Alaska Housing Finance Corporation (“AHFC”).

As a Regional Housing Authority created under Alaska Law, CIHA has for almost forty years provided housing and housing-related services to seniors and families living in the Municipality of Anchorage, the Mat-Su Valley, and portions of the Kenai Peninsula. Presently, we own and/or manage nearly 1,000 units of rental housing throughout Southcentral Alaska.

Our work would not be possible, however, without substantial investments from AHFC. CIHA believes HB 50 will provide AHFC reasonable flexibility to finance and build new housing developments that enhance quality of life for residents and better promote economic development in communities throughout the state.

Under existing law, AHFC may not finance commercial or retail space as part of a mixed-use approach to the construction of multi-unit residential developments or permit businesses to occupy space in developments it owns. This prohibition on mixed-use development makes little sense. The State should encourage AHFC to finance and build developments that promote vibrant neighborhoods with easy access to services like child care, shopping, restaurants, and medical offices. State and local governments across the country have recognized the value of mixed-use development as a way to create healthy economies and neighborhoods of choice.


House Bill 50 would revise an existing statute to allow AHFC to permit certain commercial enterprises in multi-unit residential housing developments. This approach, common throughout the U.S., is based on sound community planning principles. Further, it would generate revenue for AHFC, providing additional resources that the corporation could use to help address Alaska’s growing housing shortage. This change will also make it easier for developers to build financially feasible affordable housing throughout Alaska using funds from AHFC, since income from commercial spaces could offset reduced rents from affordable housing units.

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Of course, it is also important to understand what HB 50 will NOT do. It will not permit AHFC to finance or own space occupied by establishments that involve charitable gaming or adult entertainment. An enterprise occupying space in a development owned or financed by AHFC might be able to obtain a liquor license, but only if such an enterprise were a restaurant, as designated by the Alcohol Beverage Control Board, and not a bar or night club. Simply put, the bill will not allow AHFC to finance or own space occupied by businesses that are not family friendly.

As an affordable housing provider in Alaska and strong proponent of the Alaska Housing Finance Corporation's ongoing work to address housing needs in Alaska, Cook Inlet Housing Authority strongly supports HB 50. Please do not hesitate to contact me if we may be able to help advance this critical legislation.

Respectfully,


Carol Gore
President/CEO