



ASSOCIATION OF
ALASKA HOUSING AUTHORITIES

Building communities, empowering Alaskans.

AHFC SUPPLEMENTAL HOUSING DEVELOPMENT GRANT (SHDG) PROGRAM

Leveraging to Fill Financing Gaps & Address Critical Housing Needs

RHAs combine state, federal, and private funds to meet a range of funder conditions and income requirements while making projects economically feasible.

"Making housing projects happen requires layering piece after piece into a capital stack that works. If you remove any of the pieces, it creates a development gap and the project can't happen. State funds – like the 20% "match" that comes through AHFC's Supplemental Grant Program – are key to creating the foundation needed to keep moving forward and adding pieces to the stack." (Senior RHA Manager)

HOUSING SHORTAGE

"Available housing in the villages is so minimal. What I've seen is multi-generational living, and that's really hard on families. Parents have their kids and grandkids living with them. I've heard time and again that they want to kick their kids out, but there's nowhere for their kids to go." (Nome)

Alaska continues to face major challenges from overcrowding. Statewide, the percentage of homes that are too small for the number of tenants (overcrowded) is two times greater than the national rate of overcrowding. In some regions, overcrowding rates are extremely high and exceed 40% of all occupied housing. (2018 Alaska Housing Assessment)

- * Construction of new housing will need to increase by 2,066 units (90%) per year over the current five-year average construction rate (to address overcrowding and projected housing gap due to population growth).
- * The SHDG is a small investment to leverage millions of dollars and address Alaska's critical housing needs by increasing safe, sanitary and affordable housing.

King Island Tri-Plex will not be feasible without State Supplemental Funding

King Island Tri-Plex, located in Nome, will consist of homeownership units utilizing townhouses as a new model for rural housing. The model will decrease costs, land requirements, and heating costs, and provide simpler permitting. Leveraged funding provides a match of almost 5:1 ratio and fills a funding gap that has no other sources.

State Funding: \$223,000.00 Leveraged Funding: \$1,023,000.00



The King Island Tri-Plex and Elizabeth Place are two examples of units that would not be developed, funding that would not be leveraged and jobs that would not be created without the Supplemental Housing Grant Program

Elizabeth Place - Made possible with State Supplemental Funding

Elizabeth Place, a housing development in downtown Anchorage, will include 48 apartments and commercial space for small local businesses. FY 2018 State Supplemental Grant funds contribute 1.6% of the overall project cost. Without this and other state resources, the \$13.77M development could not proceed. This project is expected to create 87 temporary and permanent jobs.



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AHFC WEATHERIZATION PROGRAM

The Weatherization Program provides cost-effective energy improvements to homes of low-income families. Weatherization reduces operating costs of the resident and improves resident health & safety by improving the durability and longevity of housing stock, replacing unsafe heating systems, and installing smoke detectors & carbon monoxide detectors in homes.

"My fuel cost was cut nearly in half. When you pay upwards of 8 dollars a gallon, this is significant. Prior to weatherization I would use roughly 800-900 gallons of fuel a year."

~ Sara Golodoff (Atka)



36 % of units surveyed have physical problems. The state currently has an estimated 14,600 homes with a 1-star energy rating. These homes cost residents more to heat than is necessary and typically use more than four times the energy of a new home built to AHFC's Building Energy Efficiency Standard (BEES). (2018 Alaska Housing Assessment) The Weatherization program **saves Alaskans over \$50M annually**- year after year; providing a boost to local economies across the state. With each home that is weatherized, this number increases.

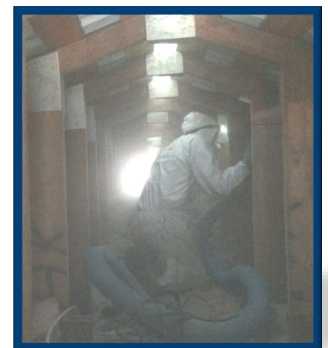
PRESERVING EXISTING HOUSING STOCK IN ALASKA

| Weatherization Funding: | Amount (\$) |
|------------------------------------------|-----------------------|
| State Weatherization Program | \$280,000.00 |
| Indian Community Development Block Grant | \$600,000.00 |
| Regional Housing Authority | \$90,000.00 |
| Tribe | \$93,000.00 |
| TOTAL SOURCES OF FUNDS | \$1,063,000.00 |

Example of a Regional Housing Authority leveraging Weatherization funds to keep the program viable in their community and preserve existing housing.

Substandard Housing

"The kids came in; they were so cold. They wanted to come extra early because the school was warm." (Nome)



IMPACTS ON COMMUNITIES

- * **30% annual savings** Statewide- average of \$1,300 per home.
- * **40% annual savings** in Rural Communities- average of \$2,330.
- * **66%** of households include a **senior citizen** or person with a disability.
- * **37%** of households include **children** under the age of six.
- * **Stimulate job creation** & workforce development.

RETURN ON STATE INVESTMENT

*ISER Data, Findings & Recommendations
(Commissioned by the Legislature):*

- * Energy Efficiency appears to be the **most effective, dependable path to lowering energy costs** for all segments of energy consumers.
- * "[Weatherized homes] **save energy, save money**, create both short-term and permanent jobs..."
- * "Few other programs have **demonstrated the capacity to reduce costs** for Alaskans and create jobs to this degree. These programs have statewide impacts and have **saved Alaskans millions of dollars.**"