

HOUSE FINANCE COMMITTEE
April 19, 2023
4:20 p.m.

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CALL TO ORDER

Co-Chair Edgmon called the House Finance Committee meeting to order at 4:20 p.m.

MEMBERS PRESENT

Representative Bryce Edgmon, Co-Chair
Representative Neal Foster, Co-Chair
Representative DeLena Johnson, Co-Chair
Representative Julie Coulombe
Representative Mike Cronk
Representative Alyse Galvin
Representative Sara Hannan
Representative Andy Josephson
Representative Dan Ortiz
Representative Will Stapp
Representative Frank Tomaszewski

MEMBERS ABSENT

None

ALSO PRESENT

Bryan Butcher, Chief Executive Officer, Alaska Housing Finance Corporation; James Wiedle, Budget Director, Alaska Housing Finance Corporation.

PRESENT VIA TELECONFERENCE

Jimmy Ord, Alaska Housing Finance Corporation.

SUMMARY

HB 40 APPROP: CAPITAL/SUPPLEMENTAL

HB 40 was HEARD and HELD in committee for further consideration.

PRESENTATION: ALASKA HOUSING FINANCE CORPORATION HOUSING PROGRAMS

Co-Chair Edgmon reviewed the meeting agenda.

#hb40

HOUSE BILL NO. 40

"An Act making appropriations, including capital appropriations and other appropriations; making supplemental appropriations; making appropriations to capitalize funds; and providing for an effective date."

^PRESENTATION: ALASKA HOUSING FINANCE CORPORATION HOUSING PROGRAMS

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BRYAN BUTCHER, CHIEF EXECUTIVE OFFICER, ALASKA HOUSING FINANCE CORPORATION, introduced himself and the PowerPoint presentation "Alaska Housing Finance Corporation Presentation to House Finance" dated April 19, 2023 (copy on file). He advanced to slide 2 and indicated that the mission of the Alaska Housing Finance Corporation (AHFC) was to provide access to safe, quality, and affordable housing to Alaskans.

Mr. Butcher continued on slide 3 which depicted a map of AHFC locations around the state. The locations were primarily public housing, but the office worked to administer federal Housing and Urban Development (HUD) projects, low rent programs, and voucher programs. He reminded the committee that the dividend the corporation planned to pay for FY 23 totaled \$23.4 million. He advanced to slide 4 and explained there were 11 capital project requests from AHFC in the capital budget and four requests in the mental health budget.

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JAMES WIEDLE, BUDGET DIRECTOR, ALASKA HOUSING FINANCE CORPORATION, continued the presentation on slide 5. The first capital project request was for the Affordable Housing Development Program (AHDP). The program was requesting \$10,500 in federal receipts and \$500,000 in statutory designated program receipts. He read the slide:

This program allows AHFC's subsidiary, Alaska Corporation for Affordable Housing (ACAH) to develop affordable housing units throughout the state, leveraging a variety of available funding sources, including the Low Income Housing Tax Credit Program, HUD Public Housing Funds (including the Capital Fund Program and Moving to Work Funding), loan financing, and other private resources.

Projected Outcomes: This request will help provide financial leveraging for approximately 50-75 units of newly constructed affordable housing units depending on the building locations within the state.

Representative Galvin asked where the 50 to 75 units would be located, what the size of the units would be, and whether the units would be intended for families or for single individuals.

Mr. Butcher responded that the ACAH program was developed about 12 years prior and it had more flexibility to develop housing than AHFC itself. The initial model looked at for-profit developers, regional housing authorities, and other resources outside of AHFC and the corporation decided to begin by constructing the housing in Anchorage. He thought that if the program could not work in Anchorage, it could not work anywhere in the state. The corporation developed 88 affordable housing units in Anchorage: 70 units called the Ridgeline Terrace complex and 18 units near the Costco in east Anchorage. After the project was determined to be a success, AHFC decided to develop housing in the Fairbanks area. The corporation was currently developing 50 units of senior housing and family housing in Fairbanks, which would open during the summer of 2023, and the remainder of the units would open in 2024. The current priority of AHFC was to begin planning housing projects in more rural areas of the state.

Representative Galvin asked how large the units were and if the units were standalone houses, apartments, or another type of building.

Mr. Butcher responded that the units tended to be larger buildings. He thought that the smallest development was 18 units. The size of the units varied, but senior housing tended to consist of one bedroom apartments. The family

units often had two bedrooms and sometimes three bedrooms. The trend he had seen across the state was that fewer and fewer families needed larger units and the units were often on the smaller side.

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Representative Hannan understood that a unit of housing could potentially refer to a development with four buildings if the units were fourplexes. She noted that sometimes an individual apartment was considered one unit. She asked if the request would build 75 apartments or 75 developments.

Mr. Butcher responded that the term unit was used to refer to a single apartment. For example, an 18-unit development would consist of 18 separate apartments.

Representative Hannan asked for confirmation that the \$10.5 million request would only develop 75 apartments.

Mr. Butcher responded that it was a broad number. The per-door costs of apartments were surging in all areas of the state, but the problem was particularly severe in rural areas.

Representative Hannan understood Mr. Butcher's answer to mean that the request would develop 75 apartments.

Mr. Butcher responded in the affirmative and noted that the cost was an estimate.

Co-Chair Edgmon asked if the modeling for the project assumed the units would be first time venture housing.

Mr. Butcher responded in the affirmative and noted that AHFC had to start the modeling for the project from scratch.

Mr. Wiedle continued on slide 6, which was a request for rental assistance for persons displaced due to domestic violence, also known as the Empowering Choice Housing Program (ECHP). The budget request was for \$1.5 million in unrestricted general funds (UGF). He read the slide:

Program provides transitional housing assistance (up to 36 months) for individuals and families

experiencing domestic violence, sexual assault, dating violence, and stalking. AHFC administers this program in the same way it manages its Housing Choice Voucher Program.

Program is administered in collaboration with The Alaska Network on Domestic Violence and Sexual Assault and the Council on Domestic Violence and Sexual Assault, who refer eligible households to the program.

Projected Outcomes: Rental assistance for up to 214 households statewide, displaced from permanent housing or otherwise at risk of displacement because of a recent or reoccurring instance of domestic violence.

Representative Ortiz understood that the requested monies would not necessarily be allocated to current shelters. The funding was not intended to further develop existing facilities, but to provide new housing options. He asked if his understanding was correct.

Mr. Butcher responded in the affirmative and added that one of the biggest reasons a person would not leave an abusive situation or would return to an abusive situation was because of a lack of housing. He explained that AHFC would have a voucher to find an apartment for an individual or family in need and a shelter would choose the housing. The individual or family could live in the housing unit for up to three years.

Representative Coulombe asked what the paperwork would be like for the applicants. She wondered how intrusive the process would be and if there was a burden of proof requirement.

Mr. Butcher replied the shelters were more involved in the application process than AHFC. He deferred to his colleague online to provide more detailed information.

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Co-Chair Edgmon relayed that the individual was not online and he would return to the question once the individual was available.

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Mr. Wiedle continued on slide 7 and reported that the request for the Rural Professional Housing Program (RPHP) was \$1.75 million in AHFC corporate dividends, \$3.25 million in UGF, and \$500,000 in statutory designated program receipts. He read the slide:

This program helps recruit and retain essential professionals in Alaska's small communities by providing gap funding to increase rental units. Funding awarded through a competitive process. Eligible projects include acquisition, new construction, and rehabilitation. Local governments, tribal councils, nonprofits, school districts, health corporations, native corporations, regional housing authorities, and non-profits are eligible for this program.

Projected Outcomes: Program expected to fund the development, rehabilitation, or acquisition of up to 22 units of housing in 10-15 of Alaska's small communities.

Representative Galvin asked for the definition of a small community.

Mr. Butcher responded that AHFC's definition of rural was the same as the state's definition of rural. He could not remember the exact definition, but it referred to a smaller community on the road system. He relayed that there had not been any development through RPHP in the larger communities in the state such as Anchorage, Juneau, or Fairbanks. The program had existed for about 15 years and had built over 500 apartments in over 80 communities, and most of which were small communities. He would provide the committee with a map of the developments.

Representative Galvin appreciated the explanation and added that if the program fit into the map on slide 3, there was no need for Mr. Butcher to follow up with her. She was grateful to know that the program was developing housing in smaller communities with deep needs.

Representative Stapp asked if the corporation was providing block grants to various housing authorities and school districts in rural Alaska to assist in the development of new housing units.

Mr. Butcher responded that there would be a competitive process once more was known about the funding availability. He explained that AHFC almost always provided a loan for rural housing projects and it was then determined what portion of the money could be paid directly and what amount needed to be supplemented with gap financing. In rural Alaska, the combination of debt and gap financing was typically not sufficient to complete a project.

Mr. Wiedle continued on slide 8, which detailed a request for \$500,000 in AHFC corporate dividends for energy efficiency research. He read the slide:

Funding for research, monitoring and testing of energy efficiency designs, products, and construction technology in Alaska's homes and public facilities.

Projected Outcomes: Program will generate and disseminate empirically based evidence on energy-efficient design of homes in Alaska to the building industry and the public.

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Representative Galvin asked whether AHFC collaborated with the Cold Climate Housing Research Center (CCHRC) in Fairbanks. She wondered if the corporation assisted in funding projects.

Mr. Butcher responded that CCHRC was AHFC's most significant partner in Fairbanks. The two entities worked together to determine the focus of energy efficiency projects in the area. He relayed that due to the variety in climates in Alaska, there were more logistical challenges than in other states.

Co-Chair Edgmon noted there were testifiers available online to answer Representative Coulombe's earlier question.

Representative Coulombe would follow up with the testifiers offline.

Mr. Wiedle continued on slide 9, which detailed a \$1.75 million request in AHFC corporate dividend for the Senior Citizen Housing Development Program (SCHDP). He read the slide:

Funding for development of senior citizen housing units and accessibility modifications to seniors' residences.

Program provides competitive grant funds to municipalities, public or private non-profit corporations, and regional housing authorities for housing acquisition, new construction, and rehabilitation of senior households with low-to-moderate income.

Projected Outcomes:

- Development of up to 80 units of senior housing
- Accessibility modifications on up to 27 units of senior housing

Mr. Wiedle continued on slide 10 and the request for federal HUD HOME Investment Partnerships Program (HOME) grants. He relayed that the funding request was for \$750,000 in AHFC corporate dividends and \$4 million in federal receipts. The funding was provided by HUD itself. He read the slide:

Expand supply of affordable, low- and moderate- income housing and strengthen the ability of the state to design and implement strategies to achieve adequate safe, energy efficient, and affordable housing.

Projected Outcomes:

- Fund up to fifty-four units of rental housing;
- Finance 15 single family units through the Homeownership Development program;
- Assist up to 11 lower-income homebuyers by providing down payment and closing cost assistance

Representative Coulombe asked how the projected outcome numbers were derived.

Mr. Butcher responded that the AHFC used the data from past years to make projections for future years. The HOME program allowed for flexibility and the projections were broad because the actual numbers had not yet been released.

Representative Coulombe asked if the money was going to municipalities. She thought that the Anchorage Health Department (AHD) received monies from the HOME grant and distributed the funds accordingly.

Mr. Butcher responded that the municipality of Anchorage was the only community in Alaska that was large enough to qualify for HOME funds. The funds in Anchorage were used specifically for Anchorage itself.

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Mr. Wiedle continued on slide 11 and detailed the \$3.2 million request in federal receipts for the HUD Capital Fund Finance Program (CFFP). He read the slide:

This federal grant provides AHFC with funds to help build, operate, maintain, renovate or modernize public housing.

Projected Outcomes: Program will provide funding for the repair, maintenance, and upgrade of housing units in AHFC's Low Rent Program.

Mr. Wiedle advanced to slide 12 and detailed the requests for federal and other competitive grants. The corporation was requesting \$1.5 million in AHFC corporate dividends and \$6 million in federal receipts. He read the slide:

This authorization allows AHFC to apply for HUD other federal agency and private foundation grants that target housing and supportive service needs of low-income and special needs Alaskans such as senior citizens, survivors of human trafficking, persons with mental, physical, or developmental disabilities, or the homeless.

Projected Outcomes: Funds will allow AHFC to apply for, and potentially receive, funding from private and federal grant programs, including HUD Continuum of Care, HUD 811 Program for Persons with Disabilities,

HUD Housing Assistance for Persons with HIV/AIDS (HOPWA), and Department of Justice Housing for Human Trafficking Survivors.

Mr. Wiedle moved to slide 13 and the request for competitive grants for public housing. The request was for \$350,000 in AHFC corporate dividends and \$1 million in federal receipts. He read the slide:

Funding for AHFC to leverage federal agency (HUD) and private foundation grants that target housing needs of low-income and special needs groups who live in public and/or assisted housing.

Projected Outcomes: Authorization will enable AHFC to apply for, and meet match requirements of federal and private foundation grant programs including HUD Family Self-Sufficiency Coordinator; HUD Elderly/Disabled Service Coordinator Program, HUD Youth Demonstration Program; and, Jobs-Plus Initiative Program.

Representative Galvin understood that the competitive grants funding would help pay for housing costs but would not build new housing. She asked if her understanding was correct.

Mr. Butcher responded that the request was specifically for programs that would benefit public housing tenants. For example, AHFC had developed a jumpstart program to help transition public housing residents into independent apartments and potentially transition into buying a home. The residents needed help with job training and financial literacy and the request would help fund the resources required to provide the individuals with assistance.

Representative Galvin understood that the funding would help pay for programs that would offer skills and education and possibly assistance with the paperwork required to apply for independent housing. She asked if she was correct.

Mr. Butcher responded in the affirmative and added that another grant example was funding to help children in public housing to obtain a part-time job providing landscaping services for the housing units.

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Mr. Wiedle continued on slide 14, which was a request for \$3 million in AHFC corporate dividends for a supplemental housing development program. He read the slide:

Program facilitates the construction of decent, safe and sanitary housing through regional housing authorities by providing capital for infrastructure costs not typically paid for by federal (HUD) funds. Eligible use of funds include: Onsite water and sewer facilities; roads to project sites; electrical distribution systems; and, energy-efficient design features in homes.

Projected Outcomes: funds would enable Alaska's Housing Authorities to construct affordable homes in urban and rural communities, fund on-site water and sewer facilities, provide roads to housing project sites, develop electrical distribution systems and support other critical residential housing infrastructure.

Representative Coulombe asked for confirmation that the request was for \$3 million. She asked if there was a match requirement because the request seemed low.

Mr. Butcher responded that the use of the funding was limited to construction or renovation on units. He thought the reason for the specificity was because on a national level, there were few areas that needed infrastructure. In rural Alaska, there would be no place to build the units if infrastructure was not prioritized. The program was developed many years prior to supplement the lack of infrastructure in rural areas of the state. He explained that AHFC funds would offer the flexibility to build a road and provide utilities in order to allow rural communities to use the federal funds for the building of new units rather than renovation of old units. In rural Alaska, almost all of the new units in development were being built by the regional housing authorities.

Representative Hannan agreed with Representative Coulombe that \$3 million did not seem sufficient for the project. She asked if one chosen regional housing authority would receive the entirety of the funds every year, or whether every housing authority would receive a portion of the annual funds. She indicated that \$3 million would not pay

for the extension of the water and sewer line for affordable housing projects in Juneau.

Mr. Butcher responded that the funds were distributed to all eligible regional housing authorities. He thought the projects were smaller in scale and most of the communities only needed one or two units.

Co-Chair Edgmon commented that in rural Alaska, building a house entailed many other elements such as road system accessibility and the electrical and sewer systems of the community. In some respects, logistical difficulties could eclipse the value and effort of building the house itself. He went to a seminar on tiny homes in Anchorage and relayed that there was a prototype tiny home that had an associated cost that was "not so tiny." He thought that the seminar was useful in that it helped determine what the logistical costs would be for similar houses. He recalled that a four by eight piece of plywood cost nearly \$100 in Dillingham the prior summer. He appreciated the work of AHFC because it was an expensive time to build houses.

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Mr. Wiedle continued on slide 15 detailing AHFC's weatherization program. The request was for \$2 million in AHFC corporate dividends and \$3 million in federal receipts. He read the slide:

Program allowed AHFC to receive Federal U.S. Department of Energy (DOE) funding for weatherization and rehabilitation of housing units occupied by low-to-moderate income housings. AHFC corporate receipts augment services provided under this program, particularly in rural areas, where federal rules often limit the total amount of federal dollars that can be expended on a housing unit.

Projected Outcomes: In FY 24, the program expected to weatherize up to 300 households. The program expected to weatherize up to 300 households.

Co-Chair Edgmon suggested that Co-Chair Foster explain the ways in which the program was not simply rural in nature.

Co-Chair Foster appreciated the program and thought building new units was important, but also expensive. He

thought the return on investment for the project was encouraging. He referred to page 1 of the Weatherization Program Impacts Report (copy on file) which reported that from 2008 through 2018, a total of \$579 million was invested into the program yet on page 3, the report indicated that state funding for the same time period was \$386 million. He asked which number was correct. He noted that of the state funding, the majority of the monies were provided upfront in 2008. He asked what state spending had been in more recent years. He suggested that AHFC follow up with the committee with the information. He hoped that state spending could grow in the future and he saw significant benefits to growing the program.

Mr. Butcher responded that the difference was that the \$579 million figure included the energy rebate funds and the \$386 million did not. The majority of the initial \$386 million funding was intended for weatherization. The weatherization costs were completely funded by the program if a household had an income below a certain level. An energy rater would determine what would need to be done to a home to properly weatherize it and the occupants of the home would have 18 months to complete the improvements. Once complete, the energy rater would confirm that the work had been done and the occupants would receive a rebate from AHFC.

Mr. Butcher added that AHFC programs typically received more funding when the price of oil was high. One of the challenges was that federal dollars involved significant limitations; for example, projects had to average a spend of \$8,000 or less on a home build. He relayed that \$8,000 per home was an extremely low number for home build projects in rural Alaska and it would be almost impossible to accomplish.

Mr. Butcher continued that due to the limitations, AHFC had used state dollars to supplement federal dollars. The state received \$18 million from the Infrastructure Investment and Jobs Act (IIJA) from the federal government, but the funds came with the same \$8,000 per home restriction. It would be difficult to administer the dollars in rural Alaska, which was a higher-need area than urban Alaska. He indicated that it was a challenge to determine the best way to distribute the funds to benefit the entire state.

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Co-Chair Foster appreciated the review of the rebate program and noted that he liked the program. He understood that the \$18 million in federal funding was spread over five years. He hoped that the amount of state funding could be increased and that spreading the funds out over time would make for a more manageable process. It was the prime time for weatherization projects in rural Alaska due to the particularly high costs of oil.

Representative Coulombe asked if a person would have to own a home to participate in the program. She was aware of a weatherization program in Anchorage for mobile homes and although the program had helped some people, many individuals did not own their mobile homes and were not eligible for the program. She wondered if renters could participate.

Mr. Butcher responded that a person had to own a home when the program first began, but AHFC expanded the program to include apartment buildings and newly constructed homes. However, as the funding shrunk the eligibility requirements became narrower. He deferred to a colleague to provide more specific details.

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JIMMY ORD, ALASKA HOUSING FINANCE CORPORATION, ANCHORAGE (via teleconference), relayed that both renters and homeowners could take advantage of the program.

Co-Chair Edgmon asked how many homes had been weatherized.

Mr. Butcher responded that when the program began and the price of oil was high, the idea was to provide an additional energy dividend to Alaskans. The question was whether there was a more long-term solution. The average home reduced its energy use by over 30 percent when the program was fully funded. There was a long-term benefit to Alaskans, particularly in consideration of the high price of oil. He appreciated that past governors and legislatures had supported the program and had acknowledged the benefits and results of the program. He asked if Mr. Ord knew the answer to Co-Chair Edgmon's question regarding the number of homes that had been weatherized as part of the program.

Mr. Ord replied that he did not have the numbers but he thought the [provided Weatherization Program Impacts] report included the requested information.

Mr. Butcher would follow up with the details.

Co-Chair Edgmon appreciated the program and noted some of the homes that had been built in his district in the 1960s, 1970s, and before did not have basic insulation or properly sealed windows and doors. He had been told that many of the homes had the potential to incur energy cost savings of 30 to 40 percent under the program. He was interested in what could be done going forward to maximize federal loans and provide assistance to rural Alaska.

Representative Galvin asked if there was an ideal number of houses the corporation would like to weatherize every year. She thought the program was a short-term investment that would pay dividends to Alaskans for a long time.

Mr. Butcher responded that he would supply the requested information to the committee. Every five years, AHFC conducted a housing needs assessment across the state which determined how many homes needed to be renovated and weatherized. It was difficult to obtain additional funding due to federal restrictions. He added that there were many homes in the state with overcrowding issues which caused mental health problems in addition to physical health problems. He relayed that AHFC did not employ home builders, but instead contracted out the responsibilities and worked with regional housing authorities on the development of the projects.

Representative Galvin would appreciate seeing the assessment. She met with the Homeless Assistance Program (HAP) earlier in the day and was told that there was a need for over 127,000 housing units in the state, which would be challenging to accommodate. It would be helpful to know the corporation's goal.

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Representative Hannan commented that she was a homeowner who took advantage of the weatherization program nearly a decade prior. She had recently completed a renovation on her house and was stunned to learn that components like electrical plugs and recessed lights used unnecessary

amounts of energy if not weatherized properly. She asked if simple weatherization techniques were required in the construction of new buildings in order to prevent future issues. She wanted to ensure that new housing units were built with energy efficiency in mind.

Mr. Butcher responded in the affirmative and confirmed that all of the programs he had discussed during the presentation required that the units be highly energy efficient. He indicated that the houses would receive at least five stars in a six star energy efficiency system. By state law, AHFC was only permitted to purchase mortgages for energy efficient homes; therefore, homebuilders were constructing higher efficiency houses in order to ensure the homes could be purchased by a wide variety of individuals.

Co-Chair Foster commented that weatherization could involve small changes like stopping drafts with shrink wrap or replacing windows. He had lived in his grandmother's home and discovered that there was newspaper in the walls in lieu of proper insulation, which was common in the villages. Other issues such as the floors separating from the walls due to permafrost could be fixed in a matter of hours with the proper equipment, but cost was a significant barrier for many village residents. The issue was not exclusive to villages and he had seen deteriorating homes in urban areas like Anchorage and Fairbanks as well.

Co-Chair Edgmon commented that it was interesting that statewide energy codes did not go into effect until the late 1980s. Many of the houses built during the housing boom of the late 1980s were not energy efficient. He thought that many homes in Anchorage that were built during that time could benefit from weatherization.

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Representative Coulombe thought that there were leftover HUD funds in Anchorage due to a lack of public information and awareness of the housing grants. She understood that the unawarded grants and funding continued to roll over from year to year. She asked what happened to the leftover funds.

Mr. Butcher responded that if there were leftover funds, AHFC would alert the Office of Management and Budget (OMB)

and the Legislative Finance Division (LFD), and the funds would potentially be reappropriated. He did not think any of the housing programs under AHFC had ever experienced the problem of having leftover funds. He explained that the housing needs in the state were so severe that it was unlikely that the corporation would ever have the funds to accomplish its goals.

Mr. Butcher thought the program providing housing to teachers in rural areas of the state stood as a good example of an underfunded program. The corporation worked with the communities to fill out applications and increase funding opportunities. Most communities that did not receive funding after one round of grant applications would receive funding after the second round of applications. He emphasized that the corporation worked to help the communities that needed the most assistance in any way it could.

Representative Coulombe asked if AHFC was helping fill out paperwork and grant applications.

Mr. Butcher responded that the corporation was not involved to the level of helping with the paperwork, but it held many informational meetings as the funding was announced and provided opportunities for individuals to ask questions. He explained that staff members had one-on-one conversations with community members and helped them with "big picture" elements of the application process.

Mr. Butcher continued on slide 16 which began the portion of the presentation that included the requests for mental health budget items.

Mr. Wiedle moved to slide 17 and detailed the requests for HAP. The corporation was requesting \$6.35 million in AHFC corporate dividends, \$950,000 in Mental Health Trust Fund Dividends (MHTAAR), and \$850,000 in state general funds. He read the slide:

The Homeless Assistance Program provides grants to assist nonprofit organizations, local governments, and regional housing authorities in addressing the emergency needs of homeless and near homeless.

Projected Outcomes: In FY2024, program will support the operations of 35 homeless and supportive housing service providers in 13 different communities.

Mr. Wiedle continued on slide 18 and relayed the request for the Beneficiary and Special Needs Housing Grant Program (SNHG), which was for \$1.75 million in AHFC corporate dividends, \$1 million in state general funds, and \$200,000 in MHTAAR. He read the slide:

Funds for nonprofit service providers and housing developers to increase housing opportunities to Alaska Mental Health Trust beneficiaries and special needs populations.

Projected Outcomes:

- Ongoing operational support for 17 congregate housing properties for victims of domestic violence, people with mental illness or developmental disabilities and chronically homeless Alaskans;
- Reduction in recidivism among clients spending time in institutions

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Mr. Wiedle advanced to slide 19, which was a new request of \$135,000 in MHTAAR for a rural housing coordinator in the Northwest Arctic Borough. He read the slide:

The project would fund a Rural Housing Coordinator position to support state operating infrastructure in the Northwest Arctic Borough.

Projected Outcomes: A Rural Housing Coordinator position, funded in the Northwest Arctic Borough that will engage community partners, document best practices and lessons learned of a grassroots effort to build local capacity and a coalition to address homelessness and to strategize on addressing overcrowding, substandard housing and increasing affordable housing.

Representative Galvin thought the position seemed beneficial. She asked what brought about the creation of the new position and why the Northwest Arctic Borough was chosen over other rural areas.

Mr. Butcher responded that the impetus was that there were homeless coordinators being funded through various fund sources in Anchorage, Fairbanks, and Juneau, but rural coordinators were not being funded. There was still important work occurring in rural areas, but it was not being funded in the same way as it was in urban areas. He relayed that Alaska Mental Health Trust Authority (AMHTA) felt strongly that AHFC needed to employ coordinators in rural areas and asked if the corporation would collaborate with the trust on the program. The corporation had already seen numerous successes due to the funding of the program, such as the opening of a homeless shelter in Kotzebue. The coordinators were able to accomplish necessary projects in communities that would have otherwise not been undertaken. He would not be surprised if there was some flexibility in moving coordinators from area to area depending on the need of the communities.

Representative Galvin appreciated the consideration of the needs in rural communities. She added that the Bethel region had deep needs and she hoped to see more inclusivity of other regions and that the unique elements of each community were considered. She thought it was important to give a voice to an individual from a given region because the locals were most aware of the particular issues in their area.

Mr. Butcher responded that Representative Galvin was speaking to the next slide, which was a coordinator position that was yet to be designated to a particular area. The reason the first coordinator was assigned to Kotzebue was because the regional housing authorities had determined that the capacity was highest in Kotzebue.

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Representative Cronk commented that he represented 91 communities and thought it would be valuable to have a coordinator position due to the vast number of communities.

Mr. Butcher added that the regional housing authorities with which AHFC worked assisted in the coordination efforts. Representatives from the housing authorities were located in all communities. There might not be a coordinator position listed for a community, but it did not

mean that funds were not dedicated to housing efforts in the communities.

Co-Chair Edgmon commented that rural areas were beginning to implement more modern systems such as widespread broadband and modern heating systems, water systems, and sewer systems. The systems could be monitored from afar using video calling software because maintenance workers would have the ability to view the systems in real time over video. He was looking forward to building new and modern homes in the villages.

Mr. Wiedle continued on slide 20 and detailed a request for a rural housing coordinator position in a new area of the state. He read the slide:

This project funds a Rural Housing Coordinator position to support state operating infrastructure in a region that does not yet have this position.

Projected Outcomes: A Rural Housing Coordinator position that will engage community partners, document best practices and lessons learned of a grass-roots effort to build local capacity and a coalition to address homelessness and to strategize on addressing overcrowding, substandard housing and increasing affordable housing.

Co-Chair Edgmon asked if Mr. Butcher or Mr. Wiedle had any closing comments.

Mr. Butcher appreciated the committee's time and interest in the programs.

Co-Chair Edgmon reviewed the agenda for the following day's meeting.

HB 40 was HEARD and HELD in committee for further consideration.

ADJOURNMENT

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The meeting was adjourned at 5:23 p.m.