

**02/13/15
BUDGET
OVERVIEW
FY 16:
ALASKA
HOUSING
FINANCE
CORPORATION**

<TARGET><BILL></BILL><SUBJECT>02-13-15 BUDGET OVERVIEW
FY 16 ALASKA HOUSING FINANCE
CORPORATION</SUBJECT><COMM>SFIN29</COMM></TARGET>

Alaska Housing Finance Corporation

Budget Presentation to Senate Finance
February 13, 2015

Bryan Butcher, CEO/Executive Director
Les Campbell, Budget Director

MISSION

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

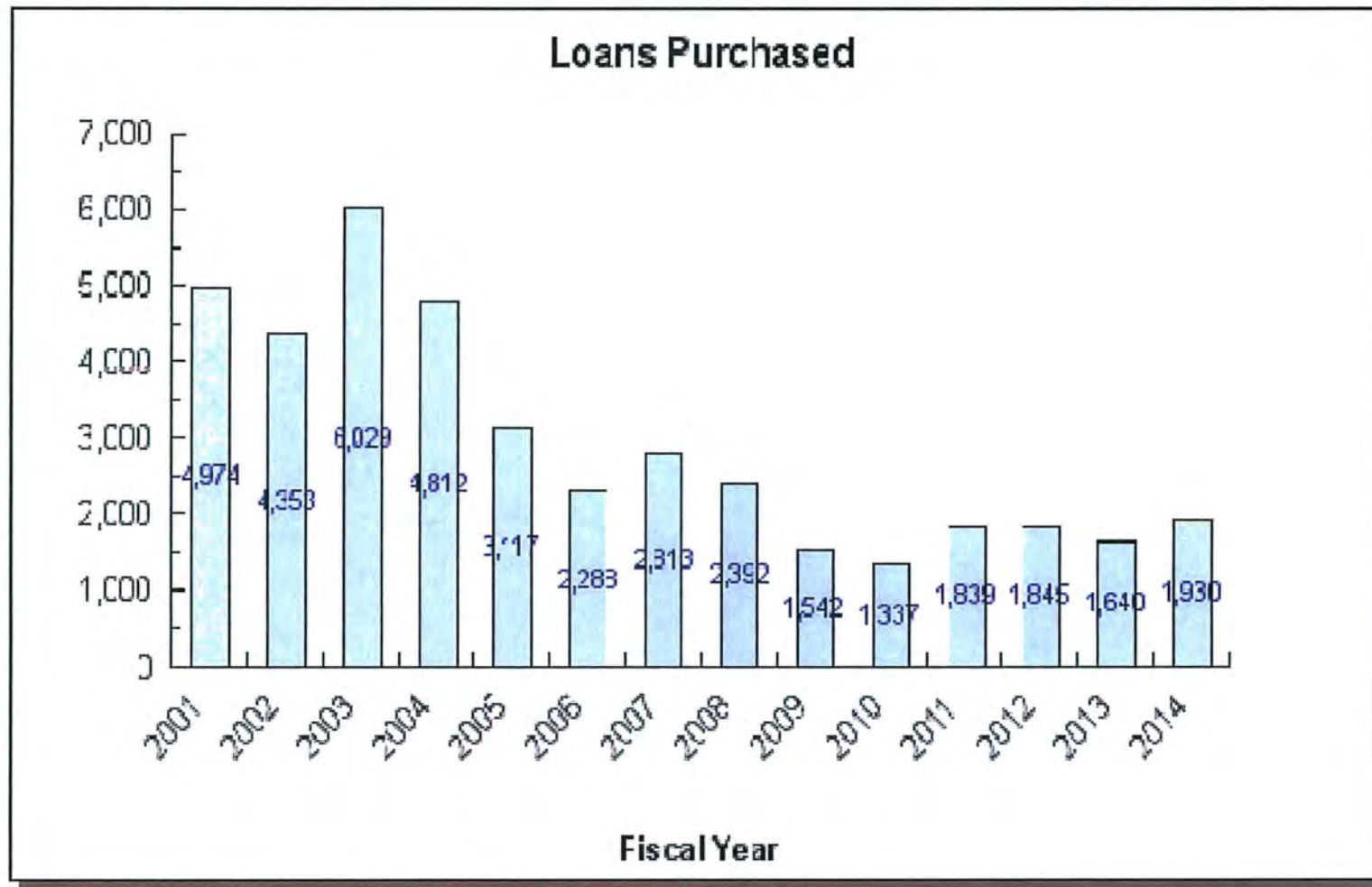


2014 Highlights

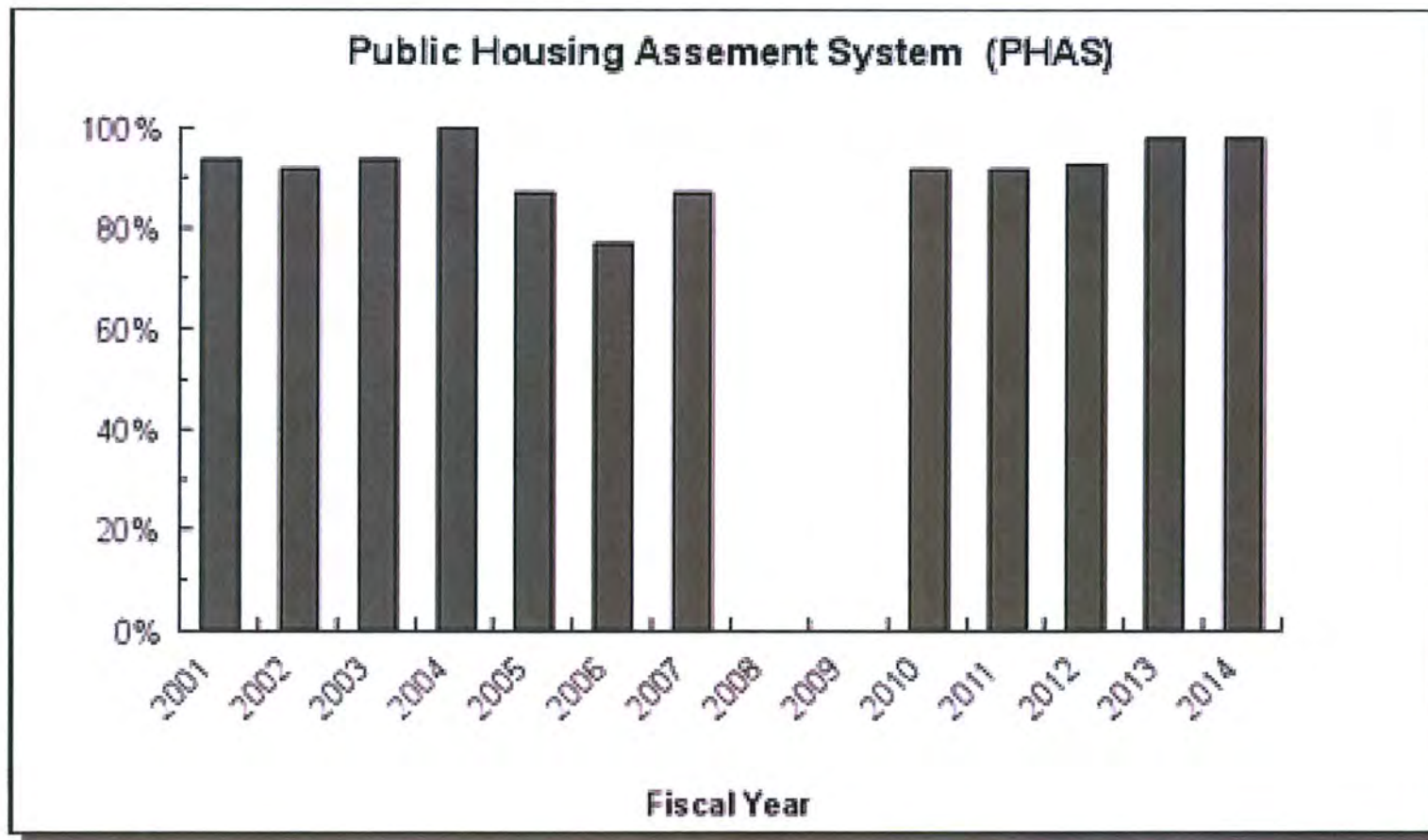
- AHFC's dividend increased from \$7.5 million to \$19 million
- Well positioned to meet future challenges
 - Federal sequestration, business improvement plan, home loan activity
 - Affordable housing
- AHFC rating maintained AA+ since Jan. 2011



Performance Measure: Increase number of loans



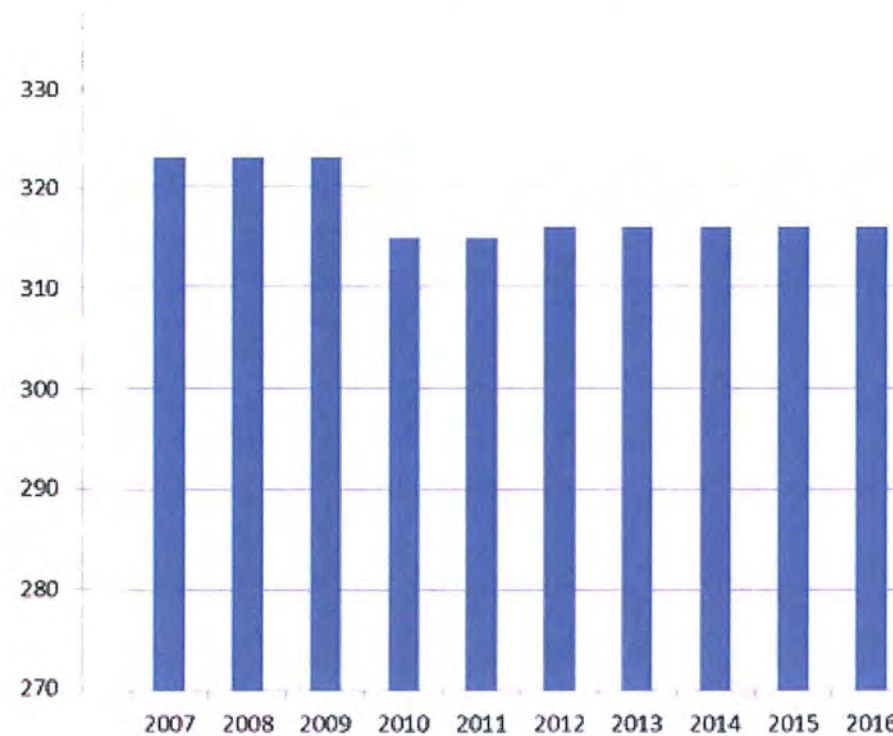
Performance Measure: Maintain high performer percentages in AHFC owned and managed Housing



Operations Component

	FY2015 Mangement Plan	FY2016 Governor Amended	FY2016 Changes	% Change
Salaries	40,732,400	41,868,800	1,136,400	2.79%
Travel	1,009,600	1,009,600	-	0.00%
Contractual	15,871,700	15,555,900	(315,800)	-1.99%
Supplies	1,978,500	1,978,500	-	0.00%
Equipment	290,100	312,100	22,000	7.58%
Grants	33,800,000	33,800,000	-	0.00%
Total Budget:	93,682,300	94,524,900	842,600	0.90%
Corporate	33,776,400	34,304,100	527,700	1.56%
Federal	56,804,600	57,071,000	266,400	0.47%
Interagency	800,000	800,000	-	0.00%
CIP	2,301,300	2,349,800	48,500	2.11%
Total Funding Sources:	93,682,300	94,524,900	842,600	0.90%
Full-Time	316	316	-	0.00%
Part-Time	23	23	-	0.00%
Non Permanent	14	14	-	0.00%
	353	353	-	0.00%

AHFC Full Time Position Count



2014 Alaska Housing Assessment



■ REPORT REVEALS HOUSING STOCK SHORTCOMINGS

FY 14 saw the release of AHFC's 2014 Alaska Housing Assessment, a 1,400-page report authored by Cold Climate Housing Research Center in Fairbanks.

The report is a statewide, regional and community look at major factors affecting Alaska's housing stock. It includes data from professional energy audits conducted on approximately 30 percent of occupied housing in Alaska. A recent abundance of energy data compiled in AHFC's Home Energy Rating Software combined with identification of Alaska's unique energy challenges, led to an increased focus on those issues.

SOME OF THE HIGHLIGHTS IN THE REPORT:

- More than 15,000 homes in Alaska are overcrowded or severely overcrowded (more than one person per room), twice as high as the national average.
- More than 75,000 households in Alaska (31 percent), are cost-burdened, (meaning households are spending more than 30 percent of total income on housing costs).
- Nearly 20,000 homes have the lowest possible energy rating, a 1 Star.
- On average, Alaska residents use twice as much energy as do households in other cold climates of the U.S.
- 36 percent of Alaskans rent, 64 percent are homeowners.
- There are 252,920 occupied housing units in Alaska.

To access the executive summary, full report or to view it by ANCSA region or census area, visit www.ahfc.us.

More than
15,000
homes are overcrowded.

Energy Programs

Over 40,000 homes more energy efficient since 2008. Nearly 1 in 3 Alaskan homes have had an energy rating.

Home Energy Rebates:

22,678 home rebates averaging \$6,389.

38,211 as-is ratings paid.

New Home Energy Rebates:

2,633 Five Star Plus Homes

69 Six Star Homes

Education:

Energy education classes reached **1,900** Alaskans in FY2014.

AKEnergySmart energy efficiency curriculum developed for Alaska's K-12 students



Weatherization Program:
15,603 homes completed in
185 communities.

Energy Programs

WEATHERIZATION PROGRAM

Income-based, home energy efficiency improvements provided for homeowners and renters.

Legislative appropriations:

- FY2008 \$200 million
- FY2012 \$62.5 million
- FY2013 \$30 million
- FY2014 \$30 million
- FY2015 \$27.5 million

Total \$350 million

HOME ENERGY REBATE PROGRAM

Rebates offered up to \$10,000 for existing homes.; \$10,000 for 6 Star and \$7,000 for 5 Star Plus for new homes.

Legislative appropriation:

- FY2008 \$100 million
- FY2009 \$60 million
- FY2012 \$37.5 million
- FY2013 \$20 million
- FY2014 \$20 million
- FY2015 \$15 million

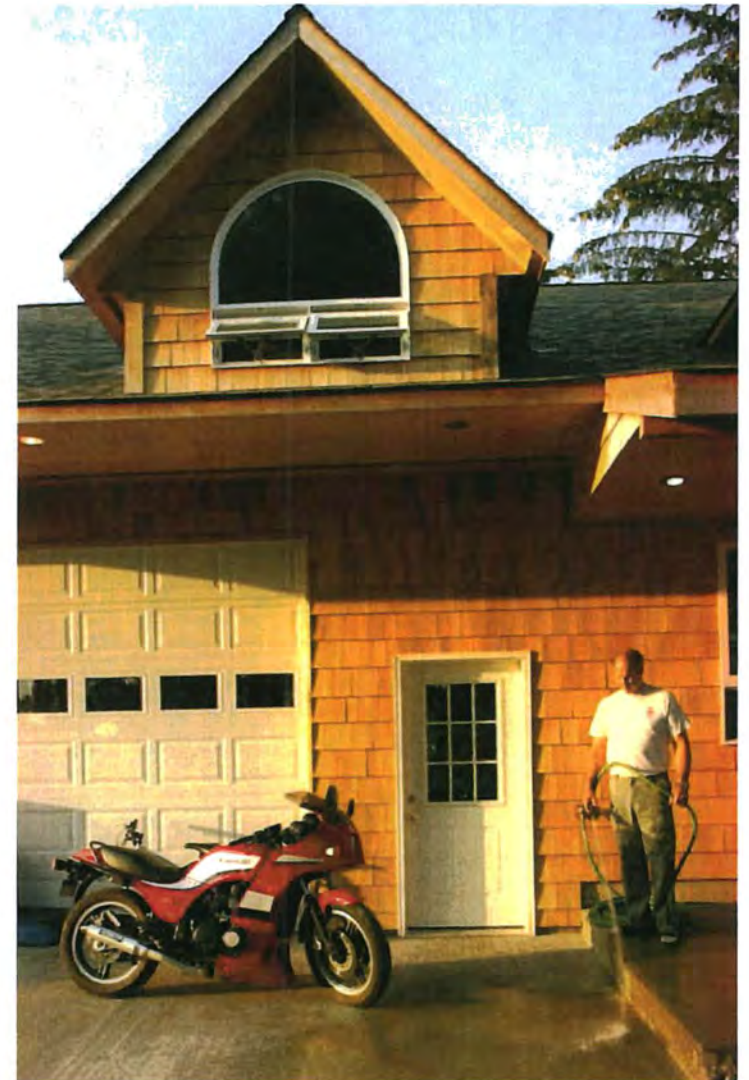
Total \$252.5 million

Loan Programs

Single family

Multi-family

Other



LOAN PURCHASE ACTIVITY

	TOTAL NO. LOANS	DOLLARS
All Programs	1,930	\$486,873,721
	1,640	\$398,531,941
First-Time Homebuyer	954	\$201,513,806
	665	\$134,247,168
Veterans Mortgage	51	\$17,554,293
	32	\$10,357,097
Rural Housing	217	\$48,870,249
	217	\$51,368,803
Multi-Family	35	\$27,941,850
	43	\$50,910,964
Other	673	\$190,993,523
	683	\$151,647,882

FY 14 DOLLARS

FY 13 DOLLARS

TOTAL MORTGAGE PORTFOLIO

	TOTAL NO. LOANS	DOLLARS
All Programs	14,834	\$2,849,442,960
First-Time Homebuyer	7,481	\$1,194,639,899
Veterans Mortgage	693	\$164,272,769
Rural Housing	2,251	\$411,801,045
Multi-Family	393	\$305,368,930
Other	4,016	\$773,360,315

FY14 DOLLARS

Public Housing

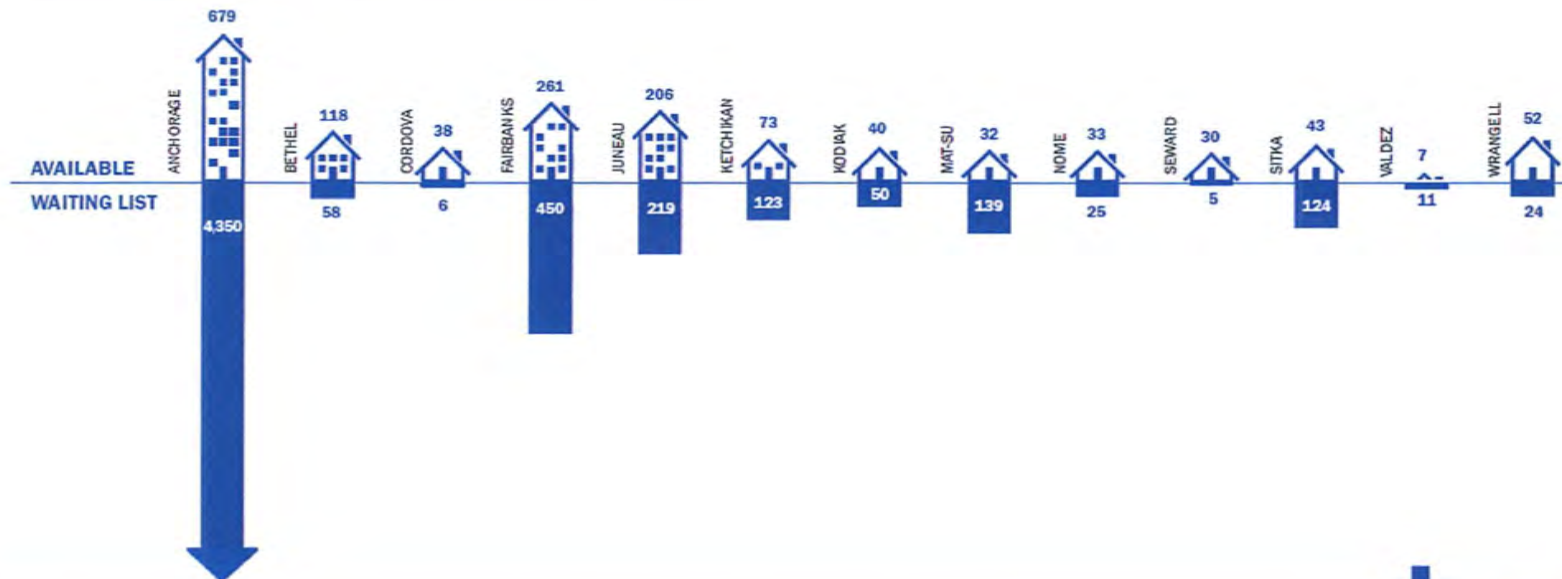
Mainly funded by U.S. Housing &
Urban Development (HUD)

AHFC owns 1,612 public housing
units; and distributes more than 4,300
vouchers in 13 locations that provide
rental assistance - \$2.5 million/month.

AHFC is a Moving to Work agency



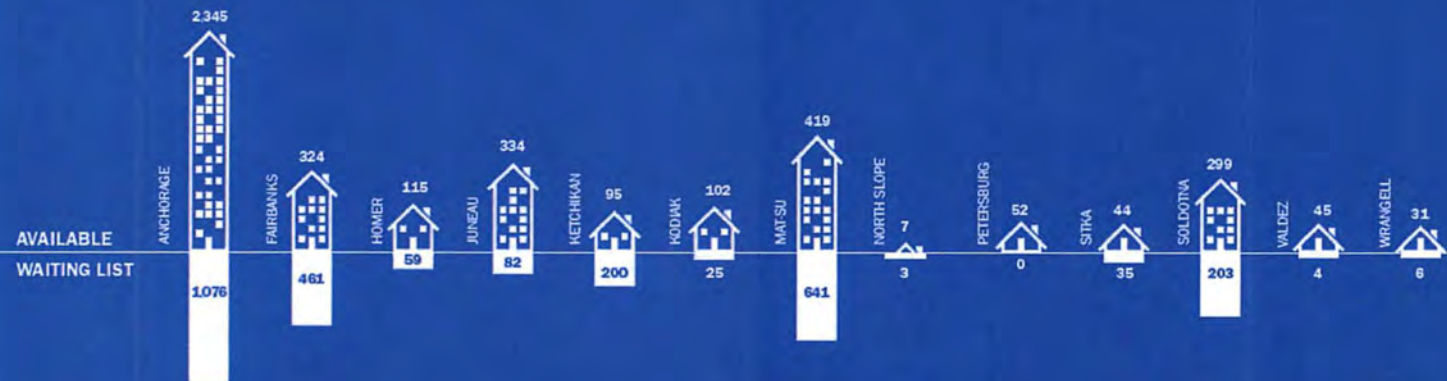
PUBLIC HOUSING STATS as of June 30, 2014



DEMAND FOR AFFORDABLE HOUSING CONTINUES TO GROW

The pressure on public housing continued with Anchorage, Fairbanks and Juneau showing the longest waiting lists for affordable housing. AHFC closed a number of waiting lists during the year in an effort to more efficiently work through the lists, re-opening when the situation became more manageable and predictable for those in need of assistance. The measure proved successful bringing the total number of households on the waiting lists down from 6,304 in FY 13 to 5,584 in FY 14.

VOUCHER STATS as of June 30, 2014



■ VOUCHER PROGRAM DEMAND REMAINED STRONG IN FY 14

The Housing Choice Voucher Program assists over 6,000 people each year in securing safe and affordable housing, and contributes about \$30 million per year to private sector landlords. In FY 13 AHFC lost \$1.8 million (222 Housing Choice Vouchers) in federal funding due to sequestration. Funding was partially restored in March 2014 enabling AHFC to resume issuing vouchers that had been on hold since March 2013. The need for assistance is especially severe in Anchorage, Fairbanks and Mat-Su.

AHFC's FY2016 Capital Budget Request



Ridgeline Terrace



Susitna Square



FY2016 Capital Budget Program

AHFC Capital Budget Program	UGF	Corp Dividend	Federal	Total
Rental Assistance for Victims (EHP) – (Dept. of Public Safety)	\$2,000,000			\$2,000,000
Housing Loan Program - Teacher/Health/Prof. Housing		\$3,691,400		\$3,691,400
Housing Loan Program – VPSO Housing		\$1,000,000		\$1,000,000
Cold Climate Housing Research Center (CCHRC)		\$1,000,000		\$1,000,000
HUD Federal HOME Program	\$750,000		\$3,750,000	\$4,500,000
HUD Capital Fund Program (CFP)			\$2,500,000	\$2,500,000
Federal and Other Competitive Grants	\$1,500,000		\$3,000,000	\$4,500,000
Competitive Grants for Public Housing	\$350,000		\$750,000	\$1,100,000
AHFC Energy Programs - Weatherization	\$6,600,000		\$1,500,000	\$8,100,000
AHFC Energy Programs – Home Energy Rebate		\$3,000,000		\$3,000,000
	\$11,200,000	\$8,691,400	\$11,500,000	\$31,391,400

Rental Assistance to Victims -- Empowering Choice Housing Program

(Department of Public Safety)

Reference Number: #54796

FY2016 Request: \$2,000,000 AK Permanent Fund Dividend

Purpose: Provide a referral-based transitional housing assistance program, the Empowering Choice Housing Program (ECHP), designed to meet the housing needs of victims of domestic violence and sexual assault.

Projected outcome:

- Rental assistance for up to 254 households statewide;
- Provides voucher assistance in the twelve communities.

Housing Loan Program: Teacher / Health / Public Safety

Reference Number: #49395 (*Allocation*)

FY2016 Request: \$3,691,400 Corporate Dividends

Purpose: Provide gap funding to increase homeownership and/or rental units.

Projected outcome:

- Increase Teachers, Health Professionals, or Public Safety housing in rural Alaska



Housing Loan Program: VPSO

Reference Number: #49369 (*Allocation*)

FY2016 Request: \$1,000,000 Corporate Dividends

Purpose: Provide gap funding to increase homeownership and/or rental units.

Projected outcome:

- Adding units for Village Public Safety Officers (VPSO); and
- Increasing VPSO retention through housing development.

Cold Climate Housing Research Center

Reference Number: #6351

FY2016 Request: \$1,000,000 Corporate Dividends

Purpose: Conduct research, analysis, information dissemination, and interchange among members of the industry, as well as between the industry and the public.

Projected outcome:

- Conduct research, analysis, information dissemination and interchange among members of the industry, and between industry and the public;
- Gather data and perform analysis of geographically diverse area energy-efficient designs for homes; and
- Monitor homes for energy usage, comfort levels, durability, occupant health and economic benefits of efficiency features.

HUD Federal HOME Grant Program

Reference Number: #6347

FY2016 Request: \$750,000 State General Funds
 \$3,750,000 Federal Receipts

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

Projected outcome:

- Develop affordable rental housing by funding development gap for three rental projects or about 30 units;
- Assist 35 homebuyers to achieve homeownership for lower-income families by providing down payment and closing cost assistance; and
- Preserve low-income homes through a moderate rehabilitation.

Hooper Bay Family Housing
Low Income Housing tax Credits
(LIHTC) / HOME / Supplemental
Housing Grant

AVCP
Sponsor 2009



Federal and Other Competitive Grants

Reference Number: #6348

FY2016 Request: \$3,000,000 Federal Receipts
\$1,500,000 State General Funds

Purpose: Allow AHFC to apply for HUD, other federal agency, and private foundation grants that target housing needs and supportive services of low-income and groups with needs such as senior citizens, those with mental, physical, or developmental disabilities, or homeless Alaskans.

Projected outcome:

- HUD Supportive Housing;
- Housing Opportunities for Persons With AIDS (HOPWA);
- Grant Match Program; and
- OneCPD HUD Technical Assistance Program (Community Planning Development); and
- Section 811 Housing Program for Persons with Disabilities.

Competitive Grants for Public Housing

Reference Number: #6350

FY2016 Request:	\$750,000	Federal Receipts
	\$350,000	State General Funds

Purpose: Allow AHFC to apply for HUD, other federal agency, and private foundation grants that target housing needs of low-income and groups with special needs who live in public and/or assisted housing.

Projected outcome:

- Match requirements for federal grants such as:
 - Family Self-Sufficiency (FSS) Coordinator and case workers;
 - Senior Services Coordinator; or
 - Resident Opportunities and Supportive Services (ROSS) grant.
- Match for operations of services, such as after-school programs, public housing developments and resident computer training labs.

HUD Capital Fund Program (CFP)

Reference Number: #6342

FY2016 Request: \$2,500,000 Federal Receipts

Purpose: Renovate and modernize public housing rental units statewide.

Projected outcome:

- Modernize public housing rental units;
- Affordable Housing Development
- Code compliance; and/or
- Conduct energy audits.

AHFC Energy Programs – Weatherization

Reference Number: #50683 (Allocation)

**FY2016 Request: \$6,600,000 State General Funds
 \$1,500,000 Federal Receipts**

Purpose: Provide cost-effective energy improvements to homes occupied by low-income families throughout the state.

Projected outcome:

- Reduce household operating costs of the resident;
- Improve resident health and safety;
- Improve durability and longevity of housing stock;
- Replace unsafe heating systems;
- Install smoke detectors and/or carbon monoxide detectors;
- Create and sustain local jobs



Before



After

AHFC Energy Programs – Home Energy Rebate

Reference Number: #51947 (*Allocation*)

FY2016 Request: \$3,000,000 Corporate Dividend

Purpose: Assist homeowners to decrease fuel consumption by providing rebates for making recommended, cost-effective energy improvements to their homes throughout the state.

Projected outcome:

- Reduce household operating costs of the resident;
- Improve resident health and safety;
- Improve durability and longevity of housing stock;
- Replace unsafe heating systems; and
- Gather statistical intelligence about home energy consumption.

Questions?

