## "To provide Alaskans access to safe, quality, affordable housing"

Alaska Housing Finance Corporation (AHFC) is a self-supporting public corporation with offices in 16 communities throughout Alaska. It provides statewide financing for multi-family complexes, congregate facilities and single-family homes, with special loan programs for low- and moderate-income borrowers, veterans, teachers, nurses and those living in rural areas of the state.

AHFC also provides energy and weatherization programs; low-income rental housing in 17 communities for families, seniors and Alaskans with disabilities; and special programs for the homeless and those seeking to become self-sufficient.

AHFC contributes more than $100 million annually to Alaska's state budget revenues through cash transfers, capital projects and debt-service payments.

Although the name has changed over the years as the Legislature expanded its responsibilities, the **Alaska Housing Finance Corporation** (AHFC) has been providing Alaskans access to safe, quality, affordable housing for more than 50 years.

The Alaska Territorial Legislature first created the Alaska Housing Authority (AHA) to help alleviate a serious post-war housing shortage. The national Housing Act of 1949 authorized the federal government to make up to $1.5 billion in loans and grants nationwide for slum clearance and redevelopment. AHA was appointed the agency to work with Alaska's communities in urban renewal.

Under the 1959 Alaska Statehood Act, AHA became the Alaska State Housing Authority (ASHA). Throughout the '60s, ASHA was the key source of low-income housing opportunities, offering Alaskans affordable rental and homeownership programs; bonding for government office space; and urban renewal, especially following the devastation of the 1964 earthquake.

Then in 1971, the Legislature created the Alaska Housing Finance Corporation (AHFC) to expand affordable homeownership opportunities. During AHFC's first two years of operation, the staff of just 10 provided nearly $10 million in conventional mortgages in 40 communities, along with financing a 98-unit apartment building in Juneau.

Just one year later, the 1972 Legislature created the Department of Community & Regional Affairs (DCRA), repealing ASHA's community planning authority and transferring those duties to DCRA. (For a short time during the mid-80s, ASHA was known as the Alaska State Building Authority.)

During the 1970s and '80s, AHFC, ASHA, and DCRA provided needed housing services to distinct segments of Alaska's population. Then, in 1992, the Legislature recognized a need for the state's housing programs to come together. A merger of AHFC, ASHA, and the housing and energy programs of DCRA accomplished this goal. Today, AHFC's Public Housing Division continues the role AHA began 50 years ago, while AHFC's Research & Rural Development Division has assumed the duties previously administered by DCRA.

AHFC is one of only a few housing finance corporations in the United States with the public housing program under its umbrella. The corporation has been recognized with numerous national awards and continues to be looked to as a model for housing finance agencies throughout the nation.

## 1971

**Alaska Legislature Creates AHFC** as a public corporation having a legal existence independent of and separate from the State to provide affordable housing for low- and moderate-income residents. Enabling legislation allows for tax-exempt issuance of bonds to finance the purchase of mortgages on single-family dwellings and requires AHFC, in determining the eligibility for assistance of persons of lower and moderate income, to take into consideration the amount of income available for housing needs, size of family, ability to compete successfully in the home mortgage market, and the cost and condition of housing available. (AS 18.56.010)

## 1972

**Principal balance of mortgages held: $10.2 million**

## 1973

**Initiates Conventional Loan Program** made possible by a $5 million loan commitment by Alaska Department of Revenue for the housing development fund. Legislature authorizes a special revolving fund to make mortgage and construction loans which are not federally insured or guaranteed. Assigns all loans to the Dept. of Revenue as security and pays 6 percent interest on borrowed funds.

**Issues $18,750,000 in bond debt**

**Principal balance of mortgages held: $47.4 million**

## 1974

**Enters Agreements with State of Alaska and ASHA,** borrowing $3.9 million from the State for a term of 36 years at an annual interest rate of 3 percent. AHFC then loans funds to ASHA for an equal term and interest rate for construction of a 98-unit high-rise apartment building (Marine View) for lower- and moderate-income families and elderly persons in Juneau.

**Issues $49 million in bond debt**

**Principal balance of mortgages held: $86.4 million**

## 1975

**Implements the State Mortgage Insurance Program** authorized under Alaska Statutes 18.56.095. The program was made operational with AHFC money pledged to the State Mortgage Insurance Fund. Conventional loans (with loan-to-value ratios of greater than 80 percent) made under this program are insured by private mortgage insurance and the State Mortgage Insurance Fund. Additionally, this statute allows AHFC to issue bonds for conventional mortgages which were previously funded by the State (see 1973).

**Initiates two pilot programs** in remote areas using unrestricted funds: rehabilitation loans for homeowners with a $2,000 maximum loan and material loans for construction of new homes

**Issues $47 million in bond debt**

**Principal balance of mortgages held: $105.3 million**

## 1976

**Issues $5,500,000 in bond debt**

**Principal balance of mortgages held: $145.6 million**

## 1977

**Issues $83.5 million in bond debt**

**Principal balance of mortgages held: $248.9 million**

## 1978

**Works to expand mortgage programs to rural Alaska**

**Issues $144,025,000 in bond debt**

**Principal balance of mortgages held: $336.8 million (serving 55 Alaskan communities)**

## 1979

**Establishes General Insured Rural Mortgage Program and issues $5.6 million in bonds to expand mortgage programs to rural Alaska**

**Issues $171,620,000 in bond debt**

**Principal balance of 8,782 mortgages held: $496.6 million**

## 1980

**Legislature expands AHFC loan programs**. In legislation enacted June 1980, the Legislature finds that the conventional sources of finance for residential dwellings in Alaska are inadequate and identifies the following problems: serious shortage of capital available to finance residential housing; continually fluctuating conventional mortgage interest rates; and mortgage interest rates far above what most Alaskans can afford. So it mandates AHFC to provide financing without regard to income limits. AHFC is no longer restricted to purchasing only those loans made to low- and moderate-income families. The statutes now allow refinancing for home improvements; purchase financing for owner-occupied, single-family and duplex residences without restrictive income limitations; and an easing of loan-to-value ratios (AS 18.56)

**Legislature fixes interest rate, mandates subsidy.** Interest rate cannot exceed 9% on first $90,000 of a mortgage for a veteran; cannot exceed 10 percent on first $90,000 for other than a state veteran (AS 18.56.098)

**Legislature mandates home ownership assistance program (HOF Program).** Subsidy increases for those of low- to moderate-incomes (AS 18.56.091).

[Later, it was found that the net effect of Legislative action in FY80 caused loan volume to surge by $850 million.]

**Congress substantially reduces and limits AHFC's ability to raise lower-cost capital through the sale of tax-exempt Mortgage Revenue Bonds.** (Mortgage Subsidy Bond Tax Act)

**AHFC implements PAM** (Pledged Account Mortgage), allowing borrowers to offset their monthly payment with accumulated savings.

**Implements Rural Housing Loan Program and Non-Owner Occupied Rural Mortgage Purchase Program**

**Sets Up Mobile Home Loan Program**

**Issues $148.8 million in bond debt**

**Principal Balance of 15,879 mortgages held: $986.4 million**

## 1981

**Legislature fixes interest rate subsidy at no more than 3 percent** (AS 18.56.098)

**Legislature mandates Seconds Program.** AHFC allowed to purchase second mortgages for the purpose of improvement of the residences; not restricted to purchasing a second only if refinancing

**Legislature allows lenders to receive additional loan origination fees when lending in rural Alaska** (AS 18.56.107)

**Legislature mandates that Mobile Home Loan Program be brought under Special Mortgage Loan Purchase Program.** The effect of this directs AHFC to apply the lower-interest rates to mobile-home loans and treat the personal property as real estate. (AS 18.56.098)

**Legislature expands rural programs.** Loan maximums increase, loan-to-value ratios and terms increase to 95 percent on 30-year loan from 90 percent on a 20-year loan

**Legislature allows Mortgage Pass-Through Certificates as sources of funding**

**Legislature requires implementation of due-on-sale provisions (assumptions not allowed)**

**AHFC issues $620 million in bond debt**

**Principal balance of 20,351 mortgages held: $1.6 billion** (fiscal year end changes from 11/30 to 06/30 to bring into line with state fiscal year)

## 1982

Nationally, 1982 was considered a bad year for housing. However, it was a year of success and accomplishment for AHFC. By virtue of the state's generous appropriation of funds, AHFC continues to offer financing for mortgage loans at an interest rate far below the national average.

**Legislature enacts programs establishing Owner-Occupied Loan Programs for triplexes and fourplexes** (AS 18.56.098)

**Legislature votes to place an amendment to the State Constitution to allow General Obligation bonds for veterans housing**

**Legislature approves international borrowing to obtain access to international capital markets** (AS 18.56.084)

**Legislature transfers rural loan programs to the Alaska Department of Community & Regional Affairs**

**AHFC implements HOF** as mandated by the Legislature in 1982. The program was designed to assist low- to moderate-income families by further subsidizing the mortgage payments. The program was initially funded with an appropriation of $2.5 million in cash and $50 million in mortgages from the State. AHFC receives an additional $43 million appropriation

**Implements the ABE Mortgage.** Disruption and volatility in the capital markets cause mortgage interest rates to rapidly increase from previously fixed rate of 10 percent to 12-3/8 percent on the first $90,000 of a loan. In response, AHFC implements the Alaska Building Equity (ABE) mortgage. The ABE mortgage enhances a corporation's ability to access the less expensive short-term capital mortgage market. (Under the ABE mortgage, the interest rate is fixed on the life of mortgage, but in years four through nine, the monthly payment increases by five percent each year, with the increased portion going directly to principal.)

**Issues $802 million in bond debt**

**Principal balance of 29,037 mortgages held: $2.075 billion**

## 1983

**Legislature raises loan limits for lending on single-family homes**

**Legislature creates Alaska Housing Finance Revolving Fund.** The fund consists of appropriations made to the revolving fund by the Legislature, money or other assets transferred to the revolving fund, and unrestricted payments of principal on loans made or purchased by the Corporation. Amounts deposited into the revolving fund must be expended for purposes of the Corporation.(AS 18.56.082)

**Legislature authorizes special election for voter approval of issuance of $500 million of General Obligation bonds for the Veterans Mortgage Program**

**Legislature requires AHFC to be in compliance with Executive Budget Act** (AS 18.56.089)

**AHFC implements two new loan programs**: The Triplex/Four-plex Program is developed in response to the concerns about the shortage of rental units throughout the state and as mandated by the Legislature the prior year. The Veterans Mortgage Program is implemented after voter passage of an amendment to the Constitution and a bonding authorization of $400 million.

**Issues $760 million in bond debt**

**Principal balance of 37,323 mortgages held: $2.8 billion**

## 1984

**Loan activity increases due to long-awaited drop in interest rates**

**Congress extends the ability of states to sell tax-exempt bonds for first-time homebuyers**

**Voters approve second Veterans Mortgage Program General Obligation bond issue of $500 million**

**Legislature mandates changes to the HOF and Mobile Home Programs** to expand the group of low- to moderate-income borrowers who are eligible to participate

**Legislature extends residential mortgage assistance for members of the Alaska Congressional Delegation.** (AS 18.56.205)

**AHFC obtains the first AAA rating on taxable bond issues,** when an agreement is reached with Federal National Mortgage Association (Fannie Mae), a large national purchaser of mortgages in the secondary market

**Becomes first U.S. public agency to sell bonds in the European bond market**

**Issues $980 million in bond debt**

**Principal balance of 46,973 mortgages held: $3.8 billion**

## 1985

**Legislature establishes Non-Conforming Housing Loan Program in AHFC.** The Non-Conforming Loan Program is for borrowers who are purchasing housing that does not meet typical structural standards as required by other private mortgage lenders. The program transfers from the Alaska Department of Community & Regional Affairs (AS 18.56.106)

**Government National Mortgage Association (Ginnie Mae) approves AHFC as issuer**

**AHFC receives no state general funds for the first time. All programs and operations now funded by Corporation funds**

**Signs Pool Purchase Contract with Federal National Mortgage Association (Fannie Mae),** allowing the funding of tax-exempt loans, and AAA ratings for the tax-exempt Home Mortgage Bonds and Veterans Mortgage Bonds

**Implements Delegated Underwriting Program**, allowing seller/servicers to approve and purchase loans, giving them more flexibility and resulting in shorter turnaround times for borrowers

**Issues $604,935,000 million in bond debt**

**Principal balance of 52,000 mortgages held: $4.3 billion**

## 1986

**Legislature approves refinancing,** allowing AHFC borrowers to take advantage of new low interest rates now at 9.25 percent. AHFC offers some of the lowest interest rates available in the country. Six-hundred eight borrowers take advantage of the program, saving an average of $240 per month and making $7 million available for spending elsewhere in the economy. Full credit and property package still required

**AHFC implements Rental Refinance Program,** allowing AHFC borrowers an alternative to selling their homes

**Adopts regulations allowing assumptions**; reaches agreement with the Federal National Mortgage Association (Fannie Mae) restructuring bond maturities to allow for refinancing

**Sells second European bond issue for $100 million**

**Obtains Approval of ABE Loan Structure from FHA**, easing down-payment requirements for moderate-income borrowers

**Issues $1,277,445,000 in bond debt.** This was a record year for obtaining capital because of refinancing and refunding of outstanding tax-exempt debt

**Principal balance of 53,121 mortgages held: $4.6 billion**

## 1987

**The Alaska economy slows; no employment growth; oil prices decline, cutbacks in industry.** AHFC's delinquency rate increases; foreclosures on properties begin; loan portfolio balance decreases for the first time**.**

Homeowners and AHFC grapple with **declining income and property values**. AHFC experiences **increasing delinquency and foreclosures** due to the slow economy.

Most private-mortgages insurers and mortgage lenders pull out of Alaska. **AHFC implements new procedures and programs** and with multi-layers of insurance, weathers the situation without serious impact.

**Legislature approves Refinance Program,** allowing AHFC borrowers to refinance existing loans to lower-interest-rate loans with minimal qualifications and no appraisal. Program approval is for only one year, with a one-year extension.

**Legislature allows non-conforming housing to be located on land to which borrower has agricultural rights.** (AS18.56.106 (b))

**AHFC expands Special Credits department; implements a real-estate-owned (REO) broker program, employing real estate firms across Alaska**

**Restructures the Mobile Home Loan Program,** changing the basis of valuation from real estate to personal property

**Purchases $70 million in mortgage loans from the Alaska Department of Community & Regional Affairs, Housing Assistance Division**

**Issues $482 million in bond debt**

**Principal balance of 51,973 mortgages held: $4.25 billion**

## 1988

**Another difficult year for the economy and housing market.** Population and employment drop, delinquency rates are in the double digits, and foreclosures are at record levels. AHFC's portfolio of foreclosed properties swells to more than 4,000. AHFC develops an extensive marketing plan. Develops and refines forbearance and workout plans.

**AHFC experiences first net loss**; a $12.6 million net loss results from substantial increases in loan-loss reserves, a decrease in the value of real-estate-owned, and a decrease in the collective value of the real-estate-owned

**Legislature approves Housing Stabilization legislation to stabilize the market price and demand for residential housing.** (AS 18.56.210) The legislation: 1) allows for conveyances for borrowers; 2) allows for exchanges of condominiums; 3) allows AHFC to demolish substandard housing; 4) allows AHFC to convert resident housing to other uses; 5) provides financing to promote the sale of resident housing owned by AHFC; and 6) establishes a stabilization fund to permit grants by the Corporation to fund the cost to demolish resident housing. Bulk sales of properties are allowed

**Legislature mandates loan-servicing requirements** (AS 18.56.135)

**AHFC implements HOAP**, the Home Owners' Assistance Program, designed to make mortgage payments more affordable for AHFC borrowers experiencing involuntary economic hardships

**Signs $200 million commitment contract** with Federal Home Loan Mortgage Corporation (Freddie Mac). AHFC discontinues ABE mortgage

**Doubles the size of the staff** to 80 to take on the increasing number of properties and special programs

**Issues $447 million in bond debt**

**Principal balance of 44,815 mortgages held: $3.76 billion**

## 1989

**Delinquency and foreclosure rates steadily decrease;** property sales increase substantially, averaging 200 to 400 percent higher than prior year

Legislature permanently approves ability of AHFC to refinance mortgages (AS 18.56.108)

AHFC purchases 9,081 loans totaling $868.4 million

**Establishes the Condominium Stabilization Program**

**Adds 74 staff positions to handle increasing workloads; staff totals 154**

**Reports net loss of $124 million** due to increased loan losses and reduction in values of loan portfolio

**Processes six thousand refinances under HOAP**

**Continues Condominium Stabilization Program** by adding Special Retail Sales Financing Program and Condominium Association Loan Program

**Implements Health and Safety Repairs Program** for borrowers with AHFC loans who have properties in need of improvement because of a threat to the homeowners' health or safety

**Opens branch office in Fairbanks**

**Issues $635 million in bond debt**

**Principal balance of 42,785 mortgages held: $3.52 billion**

## 1990

**Alaska's real estate market strengthens**; past-due loans decrease by 5 percent, foreclosure rate decreases to low of 120 properties per month from a high of 230 per month; portfolio of foreclosed properties down from 4,653 to 2,504

Legislature mandates subsidy phase-out over three years. AHFC returns focus to serving low- to moderate-income Alaskans (AS 18.56.098)

Legislature increases Board of Directors membership from five to seven. (AS 18.56.030)

**Legislature mandates Construction Standards/Inspection Program** effective June 1992. (AS 18.56.300)

**Legislature creates Senior Housing Loan Program in Department of Community & Regional Affairs;** appropriates $10 million in AHFC funds to the program; authorizes AHFC to issue bonds not to exceed $30 million (AS 18.56.083)

**AHFC earns $34.3 million** following two years of losses

**Implements bulk sales**

**Issues $567 million in bond debt**

**Principal balance of 42,330 mortgages held: $3.39 billion**

## 1991

**Alaska's housing indicators improve; delinquencies at or below national averages; real-estate-owned decreases to 1,000 properties**

**Legislature allows AHFC to lend to public and private corporations** to develop housing for low- to moderate-income Alaskans. (AS 18.56.900 (14).

**Legislature requires annual accounting of AHFC's assets.** (AS 18.56.089)

**Legislature requires five construction inspections of new homes** to qualify for AHFC financing

**Board of Directors approves Dividend Plan; AHFC pays $17,171,000 in dividends to State.**

**Moody's Investors Service upgrades credit ratings of three AHFC bond issues,** citing its ability to withstand economic and financial instability such as occurred in the 1980s.

**AHFC posts $99.9 million net income**

**Leads collective effort in solving state's housing problems**, including the Comprehensive Housing Affordability Strategy

**Becomes first state or local housing entity in the U.S. to be assigned a short-term rating on an unsecured financing;** Moody's Investors Service assigns Prime-1 rating to AHFC's Euro Commercial Paper Program

**Issues $831,103,544 million in bond debt**

**Principal balance of 42,723 mortgages held: $3.2 billion**

## 1992

**Alaska's housing indicators favorable;** 330 foreclosed properties in portfolio; phase-out of mortgage subsidy continues

**Legislature mandates merger of all State housing functions into AHFC;** mandates purchase of rural housing portfolio from Alaska Department of Community & Regional Affairs; mandates that Public Housing report under the Executive Budget Act**.** Housing functions of the Alaska Department of Community & Regional Affairs and the Alaska State Housing Authority merge into AHFC. AHFC now has 350 employees in 27 offices statewide.

**MGIC settles lawsuit,** $58 million in payments to AHFC

**Standard & Poor's affirms A+ rating** of AHFC's general obligation debt, following passage of legislation which merges two State housing departments into the Corporation

**U.S. Department of Energy recognizes AHFC's residential energy-efficiency program**, Alaska Craftsman Home Program, as one of the most outstanding state energy programs in the nation

**AHFC posts a $147.4 million profit; pays $19.4 million dividend to the State**

**Revises Homeownership Assistance Program** (HOF Program) to allow for subsidized loans to low- to moderate-income borrowers

**Begins Multi-Family Loan Programs**. Finances $15.4 million purchase of 476 units in Anchorage, refinances a property loan in Juneau

**Grants $285,000 for emergency shelters for homeless**

**Sells Anchorage property to the Salvation Army for $10** to be used as a temporary home for women and children

**Grants $580,000 and the use of 10 Fairbanks properties** to the Permafrost Technology Foundation for permafrost mitigation research

**Issues $831,104,544 in bond debt**

**Principal balance of 40,405 mortgages held: $3.0 billion**

## 1993

**Survey shows average rents in Alaska up sharply since 1990**; rental vacancy rates drop significantly; single-family homes more affordable with lower interest rates and sales prices and higher incomes

**Moody's upgrades seven AHFC bond issues**

**AHFC posts earnings of $89.4 million; pays $40.7 million dividend to State**

**Implements Streamlined Refinance Program**

**Finances $16.5 million in multi-family and special needs housing**

**Approves $54 million in long-term financing to provide 366 units of military housing on Eielson Air Force Base** under Section 801 Military Construction Authority Act

**Provides $250,000 in homeless emergency grants**

**Receives $269,000 HUD grant** for prevention and elimination of drug problems in public housing, literacy and basic education

**Receives award from the National Council of State Housing Agencies** for Warm Homes for Alaskans program as most outstanding in the nation for serving low- and moderate-income citizens in the area of homeownership, home improvement and rehabilitation

**Implements rural loan program** that allows a portion of the home to be used for in-home business purposes

**Enters into agreement with Idaho, Oregon and Washington** to promote residential energy efficiency and export Alaska's energy know-how to the Pacific Northwest; enters into similar agreement with United Kingdom's National Energy Foundation

**Grants property in the Anchorage Muldoon area to Habitat for Humanity** for construction of a home for a low-income family

**Issues $200 million in bond debt**

**Principal balance of 35,310 mortgages held: $2.56 billion**

## 1994

**Alaska's rental market continues to stabilize;** rents unchanged in many markets; slight increase in overall vacancy rate; Anchorage construction costs increase less than inflation

**AHFC realizes net earnings of $72,519,000**; pays $16,983,000 dividend to State of Alaska general fund; Board approves "State Payment Plan" calling for payment of $200 million to the general fund in $50 million installments over one year

**Implements Small Building Material Loan Program** for rural Alaskans

**Implements Interest-Rate Reduction for Energy Efficiency Program**

**Awards $230,000 Emergency Housing Assistance Grant** to build temporary emergency housing for Koyukuk flood victims

**Develops** Home**Choice**, a statewide homebuyer counseling program

**Installs three experimental multi-point, rigid-frame foundation systems** (triodetic foundations) in rural Alaska

**Implements Affordable Housing Enhanced Loan Program (AHELP)**

**Awards $735,000 in grants to statewide electric utilities** to develop electrical savings programs

**Makes five-year commitment of $37.4 million to the Warm Homes for Alaskans Initiative**

**Purchases 8,110 loans totaling $732.5 million under Streamlined Refinance Program**

**Contributes $8 million to Supplemental Housing Development Grant Program**

**Completes construction of 47 three- & four-bedroom units in Fairbanks** to replace Birch Park public housing

**Purchases 20 Family Self-Sufficiency housing units in Anchorage**

**Approves $51 million in Multi-Family and Special Needs Loans**

**Awards $4.9 million in Low-Income Housing Tax Credits**

**Receives $997,672 HUD grant** for Housing Opportunities for Persons with AIDS

**Receives national "best in category" award for Energy Technology and Education** from the U.S. Department of Energy for its role in transforming the state's housing market by mainstreaming the concept of energy efficiency through its Energy Rated Homes of Alaska Program

**Awards $728,000 in HOME grants** to low-income homeowners for energy-efficiency and moderate rehabilitation improvements.**; $150,000** in CHDO operating assistance funds; and **$2.6 million** under the Owner-Occupied Rehabilitation Program

**Receives one of four National Agency Awards of Excellence in Program Innovation: Direct Client and Resident Services** from the National Association of Housing & Redevelopment Officials for Juneau's "Breakfast Club"

**Receives awards from the Alaska Chapter of the Public Relations Society of America**: first place for "Mortgage Problems" brochure; third place for 1992 annual report; and third place for the video "Making Your House a Home"

**Issues $514,060,000 in bond debt**

**Principal balance of 35,320 mortgages held: $2.25 billion**

## 1995

**Alaska's rental housing market continues to tighten,** with average contract rents increasing in eight of ten selected areas of Alaska. Rural loan activity doubles to $33.5 million

Today's Environment **features AHFC's energy-efficient mortgage on its national television series**

AHFC posts net earnings of $96,058,000; pays $20,043,000 dividend to the State

**Approves $200 million "State Payment Plan"**; pays to the State of Alaska general fund in four installments

**Approves a Series (State) Transfer Plan** and authorizes an agreement between the State of Alaska Commissioner of Revenue and the Corporation, which provides for the transfer of $270 million to the State's general fund in a series of scheduled installments during the subsequent five fiscal years

**Provides $12 million for energy and weatherization programs**

**Awards grants totaling $603,270** under the HOME Rental Development Program

**Implements a 10-year modernization and rehabilitation plan** for public housing

**Completes reconstruction of 31 homes at Bethel Heights, Bethel, and 28 three- and four-bedroom units at Birch Park, Fairbanks**

**Provides $5.6 million in financing under the Multi-Family and Special Needs Loan Program**

**Awards $815,000 in Low-Income Housing Tax Credits**

**Awards $8.3 million in grants and loans toward development of senior housing**

**Obtains judgments of more than $75,000** in three fraud cases against former AHFC public housing tenants

**Awards $150,000 in Operating Assistance Funds**

**Awards $2,720,758 in grants** for acquisition, rehabilitation, or new construction of single-family, multi-family, and senior facilities

**Funds $460,000 in low-income rental assistance Coupons** outside Anchorage

**Establishes Family Self-Sufficiency (FSS) Program** in Anchorage

**Opens AHFC's first computer learning lab** at Geneva Woods, Juneau

**Awards $9,443,310 in Supplemental Housing Development grants**

**Awards $2.7 million in grants** for emergency and supportive housing assistance

**Offers Affordable Homeownership Guaranteed Loan Program**—also known as the 5 Percent Program. Purchased 910 loans, for a total of $92.6 million, under the program

**Maintains an average real-estate-owned (REO) inventory of 60; average mortgage portfolio delinquency rate of 3.9 percent; forecloses on 109 loans and disposes of 68 properties**

**Issues $365 million in bond debt**; **reaches milestone of $10 billion in bonds issued since inception**

**Principal balance of 31,426 mortgages held: $2.27 billion**

## 1996

**Miller's Reach Fire devastates Wasilla/Big Lake area** 60 miles north of Anchorage in June; more than 37,500 acres burn, 344 buildings destroyed, valued at $8.8 million. **Survey shows an increase in Alaska's homeless women and children;** chronic homelessness increases; transient population in economically-distressed areas of the state declines. **Alaska's homeownership increases by 7.5 percent** from 1993 to 1996, while increasing 2 percent nationally. **Construction costs decrease in rural Alaska;** slight increase in urban areas

**Legislature authorizes the University of Alaska to borrow $33 million from AHFC** to finance the construction of student housing and dining facilities in Anchorage

***Institutional Investor* names AHFC's $335 million mortgage-backed governmental-purpose bond issue "Deal of the Year"**

**Standard & Poor's issues improved outlook on AHFC's rating from negative to stable; affirms single 'A'-plus rating on AHFC's G.O. bonds and 'A-1' rating on its Eurocommercial paper program**

**Family Self-Sufficiency Program has first successful "graduate" participant**

**AHFC posts net earnings of $114,805,000; pays $70 million to the State of Alaska general fund** pursuant to Series (State) Transfer Plan

**Provides grants, gap financing, and initial construction funds to nearly 100 fire victims**

**Awards $8,879,010 in Supplemental Housing Development grants**

**Maintains an average real estate-owned (REO) inventory of 51; average mortgage portfolio delinquency rate of 4.24 percent**

**Purchases 417 home loans totaling $51 million under the Conventional Loan Programs**

**Purchases 584 loans under the First-Time Homebuyer Program**

**Purchases $1,762,300 in loans under the Non-Owner-Occupied Loan Program**

**Participates in Homeownership Demonstration Project** by donating a 6250 sq. ft. lot in Mountain View, Anchorage, to establish affordable homeownership opportunities for five targeted communities

**Receives a 1996 national "Significant Achievement" award** from the National Council of State Housing Agencies for encouraging new production of affordable housing through *Building Homes to Build Communities*, a video and workbook package

**Grants $250,000 to organizations to assist homeless or near-homeless families**

**Receives HUD's "High Performer" rating** for the 1995 Public Housing Management Assessment Program (PHMAP)

**Provides Supportive Housing matching grants totaling $775,000**

**Obtains a $716,166 Housing Opportunities for Persons with AIDS grant**

**Provides grants of $60,000 to the Alaska Native Health Board and $175,000 to the Association of Alaska Housing Authorities**

**Uses $6,229,967 for comprehensive weatherization of homes in rural Alaska**

**Obtains judgments of $131,439** in two fraud cases against former public housing and Section 8 tenants

**Amends public housing lease to allow evictions for "any drug-related activity on or off" AHFC's property** to implement President Clinton's "One-Strike-You're-Out" Policy

**Approves Resident Home Business Policy & Procedures** to allow tenants in AHFC's public housing properties to operate home businesses

**Offers new Interest-Rate Reduction for Energy Efficiency Program,** for new and existing homes

**Approves $1 million loan to Fairbanks Neighborhood Housing Services** under the Loans to Sponsors Program

**Amends Multi-Family Loan Program** to include participation from the private lending institutions and equity extraction

**Commits to loans of $11,440,250** under the Multi-Family and Special Needs Loan Program

**Awards $790,970** in Low-Income Housing Tax Credits

**Purchases $1,762,300 in loans** under the Non-Owner-Occupied Loan Program

**Originates $283,850** in Building Material loans

**Provides $790,970** in start-up funding for senior housing

**Awards $100,000** in operating grants to development organizations

**Awards $3,661,400** in rental development grants

**Issues $365 million in long-term debt** to continue various ongoing lending programs

**Adopts Fiscal Policies** for investments, securities lending, reverse-repurchase agreements, underwriter selection, and the issuance of long-term debt

**Completes reconstruction of final 31 units at Bethel Heights, Bethel**

**Receives $800,003** in HUD Supportive Housing grants

**Completes replacement of 33 houses and an office/maintenance building at Beringvue, Nome; exterior/interior renovation of 17 units at Cedar Park Annex, Juneau; and demolition of 50 units at Cedar Park, Juneau**

**Establishes AHFC website**, www.ahfc.state.ak.us

**Issues $370,055,000 in bond debt**; **completes refundings of two issues totaling $5,055,000**

**Principal balance of 29,015 mortgages held: $2.2 billion**

## 1997

Survey shows continuing decline in percentage of homeless veterans

**AHFC posts net earnings of $101,346,000; pays $50 million to the State of Alaska general fund** pursuant to Series (State) Transfer Plan

**Family Self-Sufficiency Program "graduates" 20 participants**

**AHFC employees reject ASEA union representation.**

**AHFC finances $180 million in home loans**

**Issues 1024** Home**Choice Certificates of Completion** at 71 classes held in 36 communities; holds record class of 139 participants

**Approves $4 million in loans and $1.8 million in grants for senior housing**

**Completes construction of the 50 replacement units and multipurpose room** at Cedar Park, Juneau

**Uses the Weatherization Assistance Program** to increase energy efficiency of 1140 homes

**Receives A *Blue Ribbon Practices in Community Development Award for 1997*** *for Effectively Leveraging HOME Funds* from HUD's Office of Community Planning and Development

**Receives an *Annual Award for Significant Achievement for Homeownership: Home Improvement and Rehabilitation*** from the National Council of State Housing Agencies

**Receives a *1997 Merit Award for Administrative Innovation*** from the National Association of Housing & Redevelopment Officials for "The Raven Makes a Home—Alaskar-miut enilii Tulukaruum—Program"

**Receives a *1996 International Blue Pencil Competition Award, First Place for Publications for a Technical Audience*,** from the National Association of Government Communicators for the *Alaska Affordable Housing Development Workbook*

**Receives a score of 100 percent on HUD's 1996 Public Housing Management Assessment Program** (PHMAP)

**Provides $15 million to Alaska DEC** for water and sewer projects and **$1.5 million to Alaska DHSS** for Mental Health Trust beneficiaries

**Provides $33 million in financing to the University of Alaska** to build student housing in Anchorage

**Contributes $2.6 million to DHSS** for Pioneer Home renovations

**Contributes nearly $2 million** toward construction of the Bethel sea wall and the Valdez Harborview study

**Finances the purchase of the Bank of America building** in Anchorage for future occupancy by State agencies, estimated to result in cost savings of more than $100 million to the State over the life of the building

**Contributes $1 million toward the design and construction of a multipurpose center** in Mountain View, Anchorage

**Awards $11,753,532** in development grants and Low-Income Housing Tax Credits

**Grants $250,000** under the Emergency Reconstruction HOME Program

**Awards $60,000** to match a USDA Emergency Housing Preservation Grant

**Awards $200,000 to the Northwest Arctic Borough** to match a federal grant to study the feasibility of relocating the village of Kivalina

**Awards $7,353,828** in Supplemental Housing Development grants

**Releases AkWarm**, a Windows-based home-energy-rating-and-weatherization-assessment software developed by AHFC

**Provides $6.1 million** in HOME Single-Family Owner-Occupied Program funds to improve the health and safety and energy efficiency of homes

**Provides $180 million in financing** for 1535 Alaskans to purchase or refinance homes

**Maintains an average real-estate-owned inventory of 41; average mortgage-portfolio delinquency rate of 3.92 percent**

**Purchases** 821 home loans for more than **$76 million** under the tax-exempt First-Time Homebuyer Program, 340 loans for **$52 million** under the Veterans Mortgage Program, and 97 loans for nearly **$19 million** under the taxable loan programs

**Approves $5 million loan commitment** to Tlingit-Haida Regional Housing Authority under the Loans to Sponsors Program

**Implements Interest-Rate Reduction for Low-Income Borrowers Program** to provide a sliding-scale interest-rate reduction for borrowers with incomes at or below the median income for their location

**Purchases $2 million in loans** under the Non-Owner-Occupied Loan Program

**Approves nearly $4 million in financing** for senior housing

**Revises Multi-Family and Special Needs Participation Loan Program** to allow for equity extraction

**Provides lower mortgage interest rates** for 580 existing and new homes under the Interest-Rate Reduction for Energy-Efficient Homes

**Purchases the largest volume of loans in the history of the rural loan program**: 292 loans at $40.1 million

**Purchases first straw-bale home** under the rural loan program

**Provides loan commitments of more than $27.1 million** under the Multi-Family and Special Needs Program

**Creates a Regional Housing Authority (RHA) Exchange Program** to enable RHAs to initiate and service loans in rural Alaska to expand AHFC's housing services into remote areas of the state

**Provides $1,209,950 for Emergency Reconstruction loans** to people who suffered a loss in the Miller's Reach fire

**Issues $594,781,477 in bond debt; reaches milestone of $11 billion in bonds issued since inception**

**Principal balance of 27,466 mortgages held: $2.05 billion**

## 1998

**Survey shows decrease in reported homeless; increase in homeless veterans. Alaska's rental vacancy rates continue to decline**

**Legislature directs $17,444,000 of AHFC's $50 million dividend toward school funding**, with the balance available for debt-service payment on capital-project bonds

**Legislature authorizes AHFC to issue $224 million in bonds** to finance projects of the State and municipalities

**Legislature appropriates $37,795,000 of AHFC's capital budget for non-housing purposes,** including $33,246,700 for water and sewer projects

**Family Self-Sufficiency Program "graduates" eight participants**

**AHFC posts net earnings of $95,916,000**; **pays $50 million to the State of Alaska general fund** pursuant to Series (State) Transfer Plan

**Opens the Gateway Learning Center** in Anchorage

**Implements a Section 3 Program** to give a preference to public housing tenants or applicants who qualify as low-income

**Increases the energy efficiency** of 1504 low-income homes

**Processes more than 1500 home-energy ratings,** a 50 percent increase from FY97

**Becomes an Ally of the U.S. Environmental Protection Agency's ENERGY STAR Homes Program**

**Completes nearly $1 million in statewide energy upgrades** at public-housing properties

**Provides $112.5 million** in lower-interest mortgage loans under the Energy Efficiency Interest-Rate Reduction program

**Provides financing of $33 million for the University of Alaska** to build student housing in Anchorage

**Contributes $700,000 to DHSS** for Pioneer Home renovations

**Awards $1 million** to non-profits under the Owner-Occupied Rehabilitation Program

**Finances $2.7 million** in senior housing complexes

**Completes total renovation of Golden Ages**, a 20-unit senior facility in Fairbanks

**Provides $706,541** in Low-Income Housing Tax Credits, **$1,878,300** in HOME funds, and **$1,581,700** in Senior Citizen Housing Development (SCHDF) funds

**Develops the Assistance Provider Interest Rate Reduction Program**

**Provides loan commitments of nearly $19 million** under the Multi-Family and Special Needs Loan Program

**Awards $1.9 million** in HOME rental development funds

**Solicits and hires two firms for Investment Management Services (IMS)**

**Provides $14.6 million** to Department of Environmental Conservation for water and sewer projects throughout the state and **$1.7 million** toward joint housing programs with the Alaska Department of Health & Social Service for Mental Health Trust beneficiaries

**Transfers $27.6 million from the State Mortgage Insurance Fund (SMIF) to the State** after it became legally available upon the redemption of AHFC's remaining Insured Mortgage Program Bonds

**Increases urban loan activity by 130 percent; rural loan activity by 88 percent**

**Conducts 114 HomeChoice workshops** in 30 communities, with 2,219 certificates issued

**Provides $384 million in financing** for 3159 Alaskans to purchase homes

**Purchases 1615 First-Time Home Buyer loans totaling $156 million**

**Provides $85.5 million** to finance 864 loans under the Interest-Rate Reduction for Low-Income Borrowers Program

**Implements a Streamline Refinance Program**; uses $99 million to refinance 1145 loans

**Provides financing for 597 low-interest loans** under the Veterans Mortgage Program

**Implements Rural Initiative Housing Pilot Program** in Bethel and Aniak

**Awards $7,735,696 in Supplemental Housing Development Grants** to regional housing authorities

**Completes construction of 50 replacement units at Cedar Park and 45 new units at Riverbend in Juneau**

**Receives a score of 100 percent on HUD's 1997 Public Housing Management Assessment Program** (PHMAP)

**Receives John J. Gunther award from HUD** for using HOME funds to provide assistance to low-income homeowners following the Miller's Reach fire

**Contributes more than $132.5 million toward state revenues and capital projects**

**Completes purchase of the Bank of America building**

**Contributes $1 million toward the design and construction of a multipurpose community center** in the neighborhood of Mountain View in Anchorage

**Forms a Y2K team**, writes a plan, accesses all hardware and software for compliancy, and begins remediation and testing of all systems

**Uses $233,500 in funds from the U.S. Department of Energy** for consumer energy education, institutional conservation, Healthy House training, and rural technical assistance

**Maintains a 2.2 percent average vacancy rate** for the Conventional Low Rent housing program

**Provides public housing or Section 8 rental assistance to 1819 new individuals or families**

**Develops workshop curriculum for Realtors®, builders, and lenders; receives approval for Continuing Education Units for Realtor® training**

**Maintains an average real estate-owned inventory of 27; average mortgage portfolio delinquency rate of 3.83 percent**

**Maintains a delinquency rate of zero percent for multi-family loans**

**Approves $1 million loan to Fairbanks Neighborhood Housing Services** under the Loans to Sponsors Program

**Receives a $572,800 HUD grant** for AIDS supportive services and rental assistance

**Awards $125,700 in matching funds** under the USDA Housing Preservation Grant program and $750,000 in grant matching funds under the Continuum of Care, Supportive Housing Program

**Awards $386,000 in grants** under the Homeless Assistance Program

**Holds statewide workshops** for more than 200 agencies and individuals in housing quality standards, internal controls, supported housing, reasonable accommodations, and fair housing

**Partners with the Department of Health & Social Services and the Alaska Mental Health Trust Authority** for a housing-grant program to provide $1.1 million to non-profit service providers for housing Alaskans with special needs and $150,000 for home accessibility modifications

**Issues $470,404,750 in bond debt**

**Principal balance of 26,044 mortgages held: $2.1 billion**

## 1999

**Loan portfolio increases** slightly to 26,776; **delinquency rate rests** at less than 4**%**

**Posts net earnings** of $79,850,000

**Develops a northern housing and development Web site**—www.north.rthn.org—in cooperation with the Canada Mortgage Corporation and Yukon College

**Receives annual Award for Significant Achievement from the National Council of State Housing Agencies** for *Homeownership: Encouraging New Production,* recognizing the Rural Initiative Housing Pilot Program

**Approves new loan program: Interest-Rate Reduction for Housing for Disabled** (later renamed Assistance Provider Interest-Rate Reduction Program)

**Receives design award from the Pacific Northwest Regional Council and Award of Merit from the National Association of Housing & Redevelopment Officials** for landscaping improvements and playground equipment installed on a special surface at Etolin Heights in Wrangell

**Receives $338,000 HUD Drug Elimination grant**

**Receives 100 percent score on HUD's 1998 Public Housing Management Assessment Program** (PHMAP)

**Receives National Recognition Award from the U.S. Department of Energy** for outstanding contributions to the Weatherization Assistance Program

**Issues $93 million in non-housing bonds** to pay for deferred maintenance and capital projects throughout Alaska; 10 percent of the bonds purchased by Alaskan investors prior to major investor offering

**Receives National Award of Merit for Project Design from the National Association of Housing & Redevelopment Officials** for the Cedar Park Affordable Housing Program in Juneau

**Receives National Award of Merit for Project Design from the National Association of Housing & Redevelopment Officials** for the Riverbend Affordable Housing Program in Juneau

**Receives 1998 Award of Excellence from the Alaska Chapter Public Relations Society of America** for Second Place Tie for 1997 Annual Report

**Principal balance of 26,776 mortgages held: $2,367,754,221**

## 2000

**Loan portfolio increases** to 28,325; **delinquency rate rests** at less than 3.8 percent; **homeownership rate stabilizes** at 66.4 percent

Alaska sees **highest percentage increase** of any state in homeownership throughout the ‘90s

**Posts net earnings of $81,802,000**

**Receives HUD Secretary´s commendation** in recognition as a High Performer

**Receives Standard & Poor´s highest rating of "strong"** for AHFC´s Public Housing Division

**Receives 2000 HUD Best Practices Award** for the HOME Opportunity Program

**Receives HUD´s John J. Gunther Blue Ribbon Best Practices Award** for the Supplemental Housing Development Grant Program

**Receives 1999 Award of Excellence from the Alaska Chapter Public Relations Society of America** for Third Place for 1998 Annual Report

**Contributes $103.6 million** toward state revenues and capital projects

**Develops** an **Intranet**

**Becomes HUD contract administrator** for 24 Section 8 Project-Based contracts throughout Alaska

**Provides a $6.75 million loan to Alaska Pacific University** for housing and student-activity-center renovations

**Approves a $38.8 million loan to Aurora Military Housing LLC** to build and own 780 units of military housing on Elmendorf Air Force Base

**Awards 52 grants** for a total of **$14.8 million**

**Awards $6 million** in Supplemental Housing Development grants for new construction of 222 houses in 27 communities statewide, including Kwigillingok, Koyuk, Chignik Lagoon, Rampart, Nanwalek, and Hoonah, leveraging $30 million in federal funds

**Increases Energy-Efficiency Interest-Rate Reduction Program** (EEIRR) loans by 12 percent, to 1,345

**Expands EEIRR program** to include previously owned energy-efficient homes

**Weatherizes** 941 homes

**Co-sponsors** the Energy Northwest weatherization conference

**Trains** 405 persons in the application of computerized home-energy ratings and 118 builders in energy-efficient residential construction

**Responds to 3,632 requests for energy and construction information** from 2,979 users in 67 communities in Alaska and throughout the world

**Issues $103,980,000 in State Capital Project Bonds**, 1999 Series B—the second of two issues to provide financing for capital projects throughout Alaska

**Legislature authorizes AHFC to issue $77 million** in general obligation debt for state capital projects

**Legislature authorizes AHFC** (or a subsidiary) to purchase 40 percent of the State of Alaska´s right to receive tobacco-settlement proceeds and issue bonds secured by the tobacco settlement payments to finance $93 million of school construction projects

**Legislature authorizes the issuance of bonds** to fund the construction of various State capital projects; extends the Transfer Plan authorizing transfer of $103 million annually from AHFC to the State until the year 2008

**Conducts 214 HomeChoice workshops** in 28 communities; issues 5,446 certificates

**Holds 41 classes** for 1,319 home buyers, home builders, housing agencies, subcontractors, lenders, real estate agents, and general audiences on AHFC loan and energy programs

**Provides $229 million to finance 2,205 homes** under the Tax-Exempt First-Time Home Buyer Program

**Implements Taxable First-Time Home Buyer Program**; purchases 285 loans, totaling **$42.4 million**

**Provides $561 million** for 4,295 Alaskans to purchase homes

**Increases 1–4 residential loan activity** by 20 percent in the urban loan programs

**Provides $153 million** to lower mortgage rates for 1,530 low-income borrowers under the Interest-Rate Reduction for Low-Income Borrowers Program

**Graduates** 22 families from the Family Self-Sufficiency Program

**Receives a set-aside from HUD of 652 Welfare to Work vouchers**

**Provides $250,000 to the Department of Health & Social Services** for housing modifications for people with special needs

**Expands role of Senior Housing Office** to help special needs groups and developers increase accessible housing

**Renovates five single-family public housing units** in Anchorage for sale to low-income first-time home buyers under HUD's 5(h) Public Housing Homeownership Program; **Completes sale of five** homes under this program

**Receives funding for 310 new vouchers** with approximately 50 set aside for people with disabilities or families receiving a Medicaid waiver

**Purchases/closes 76 Multi-Family Loans** in 14 communities totaling **$54.5 million** for 1,468 units of affordable housing

**Provides $6.2 million** in funds under the Loans to Sponsors Program

**Issues $883,535,000** in long-term bond debt

**Principal balance of 28,325 mortgages held: $2,714,816,145**

## 2001

**Loan portfolio increases** to 30,239; **delinquency rate remains low** at 3.47 percent; **homeownership rate stabilizes** at 66.4 percent

**Posts net earnings of $96,353,000, up 18 percent from FY00 and 21 percent from FY99**

**Sees 13 percent increase in mortgage-loan interest from 16 percent increase in net mortgage loans**

Submits score of **100 percent "High Performer**" under HUD's Public Housing Assessment System (PHAS)

Submits score of **100 percent under HUD's Section 8 Management Assessment Program** (SEMAP)

**Receives 2000 Award of Excellence** from the Alaska Chapter Public Relations Society of America for Third Place for 1999 Annual Report

**Increases loan applications** from 3,940 to 4,742 and loan purchases to $647.6 million

**Completes construction** of 15 low-income rental duplexes and a multi-purpose building at Spruce Park in Fairbanks

**Provides grants of $6,454,147** under the Supplemental Housing Development Grant Program to 11 regional housing authorities to facilitate the construction of 198 single-family homes and 68 multi-family units of housing in rural Alaska

**Constructs multi-purpose building** at Riverbend public housing development in Juneau

**Completes replacement** of seven public-housing units in Valdez

**Weatherizes** 1,127 homes

**Awards 92 grants for a total of $25 million**

**Establishes AHFC Toastmasters Club**

**Completes video production** of *Alaska Log Building Construction Techniques*

**Conducts 198** Home**Choice workshops** in 41 communities; issues 4,464 certificates

**Graduates 11 families** from the Family Self-Sufficiency Program; 112 participants enrolled in the program

**Renovates five single-family public housing units** in Anchorage for sale to low-income first-time home buyers under HUD's 5(h) Public Housing Homeownership Program; **Completes sale of five** homes under this program

**Responds to 4,056 requests** for energy and construction information—the highest number on record—from 3,105 users in 56 communities in Alaska and throughout the world

**Provides $190 million for 1,230 home buyers under the Energy-Efficiency Interest-Rate Reduction**

**Provides $176 million** to finance 1,764 homes under the **Tax-Exempt First-Time Home Buyer Program** and **$270 million** to finance 1,768 homes under the **Taxable First-Time Home Buyer Program**

**Provides $648 million** for 4,816 Alaskans to purchase homes

**Provides $155 million** to lower mortgage rates for 1,527 low-income borrowers under the Interest-Rate Reduction for Low-Income Borrowers Program

**Purchases/closes 117 Multi-Family Loans** in 14 communities totaling **$103.8 million** for 2,976 units of affordable rental housing

**Issues $156,635,000** in Mortgage Revenue Bonds and $62,450,000 in Housing Development Bonds

In October 2001, AHFC **creates subsidiary, the Northern Tobacco Securitization Corporation** (NTSC), to purchase from the State 40 percent of the revenues to be received from the Master Settlement Agreement between major tobacco producers and the State of Alaska

**NTSC sells $116,050,000 of Tobacco Settlement Asset-Backed Bonds**, Series 2000. The net proceeds of $93 million are made available for the capital projects authorized by the Legislature

**Legislature authorizes NTSC** to purchase an additional 40 percent of the tobacco-settlement revenues for $109,942,839, and issue bonds for additional State capital projects

**Issues $74,535,000 in State Capital Project Bonds** for State construction and renovation projects throughout Alaska

**Principal balance of 30,239 mortgages held: $3,215,722,000**

## 2002

**Loan portfolio increases** to 30,263; **delinquency rate steady** at 3.8 percent; **homeownership rate** drops slightly to 65.2 percent

**Posts net earnings** of **$75,660,000**, down 21 percent from FY02 and 8 percent from FY00

**Receives HUD Secretary´s commendation** in recognition as a High Performer

**Receives 2002 Energy Star Labeled Homes** Outstanding Achievement Award from the U.S. Environmental Protection Agency

**Receives three national awards** and a local award for the Assistance Provider Interest-Rate Reduction program for increasing the quality of life for Alaskans who experience a developmental disability

**Receives award** from the National Association of Housing and Redevelopment Officials (NAHRO) for the 5(h) Homeownership Program in which 19 **former public housing homes** are sold to low-income first-time home buyers

**Receives Award of Excellence from the Alaska Chapter Public Relations Society of America** for Third Place for 2001 Annual Report

**Distributes $15.5 million to 30 grantees**

**Weatherizes** nearly 900 homes

**Responds** to 3,525 requests from 2,955 users in 74 Alaskan communities for RIC library and information services

**Conducts 240** Home**Choice workshops** in 35 communities; issues nearly 4,000 certificates

**Provides $514.8 million** for 3,721 Alaskans to purchase homes

**Provides $160.2 million** to finance 1,475 homes under the **Tax-Exempt First-Time Home Buyer Program and** $159.1 million for 1,023 homes under the **Taxable First-Time Home Buyer Program**

**Provides $79.3 million** to lower mortgage rates for 782 low-income borrowers under the **Interest-Rate Reduction for Low-Income Borrowers Program**

**Provides $125 million** in financing for 791 homes under the **Rural Owner-Occupied Loan Program**

**Closes 21 Assistance Provider Interest-Rate Reduction** loans totaling **$4.4 million**

**Purchases/closes 94 Multi-Family Loans** totaling **$58.477 million** for 1,368 units of affordable housing

**Renovates six single-family public housing units** in Anchorage for sale to low-income first-time home buyers under HUD's 5(h) Public Housing Homeownership Program

**Issues $370,170,000 in Governmental Purpose Bonds; $137,190,000 in Mortgage Revenue Bonds; $50 million in Veterans Collateralized Bonds; and $200 million in Home Mortgage Revenue Bonds**

**Principal balance of 30,263 mortgages held: $3,366,184,042**

## 2003

**Loan portfolio decreases** to 27,816; **maintains delinquency rate** of 3.8 percent; **homeownership rate increases** to a new high of 67.3 percent, slightly below the nationwide rate of 68.0 percent

**Interest rates on mortgage loans decline** to levels not seen in 40 years. Mortgage-loan portfolio experiences $960 million in prepayments. AHFC receives a record $1.2 billion in new mortgage-loan applications.

**Posts net earnings** of **$67.1 million**, down 11 percent from FY02 and 30 percent from FY01. Mortgage-loan portfolio decreases by about $80 million. When combined with lower interest rates on new loans, results in a 1 percent decrease in mortgage-loan interest. Investment income decreases 6 percent over the prior fiscal year due to lower interest rates earned on short-term investment portfolio.

**Alaska Legislature passes and Governor Murkowski signs into law SCS HB256**, codifying the **Transfer Plan** between AHFC and the State of Alaska, which calls for payments by AHFC in FY 04–06 of $103 million, with the amounts thereafter equaling a percentage of the Corporation's Change in Net Assets: 95 percent in FY 07, 85 percent in FY 08, and 75 percent thereafter

**Alaska Legislature passes and Governor Murkowski signs into law SB181,** providing for changes and enhancements to **rural loan programs**. Effective October 3, 2002, streamline refinances are allowed under Rural Owner-Occupied Loan Program.

**Receives HUD Secretary´s commendation** in recognition as a High Performer for tenth consecutive year

**Receives Award of Excellence from the Alaska Chapter Public Relations Society of America** for Third Place for 2001 Annual Report

**Receives 2003 Communications Contest Award from the Alaska Press Women** for Second Place for 2001 Annual Report

**Receives 2003 Energy Star for Homes** Outstanding Achievement Award from the U.S. Environmental Protection Agency

**Receives Certificate for Outstanding Accomplishment** from the U.S. Department of Agriculture, USDA Rural Housing Loan Programs, for superior efforts in providing homeownership training

**Receives 2002 National Award of Merit** from the National Association of Housing and Redevelopment Officials for Program Innovation – Community Revitalization – for the Fairmont Home Ownership Program

**Receives 2002 National Award of Merit** from the National Association of Housing and Redevelopment Officials for Program Innovation – Resident and Client Services – for the Fairmont Home Ownership Program

**Receives 2002 National Award of Merit** from the National Association of Housing and Redevelopment Officials for Program Innovation – Affordable Housing – for the Fairmont Home Ownership Program

**Receives 2002 National Award of Merit** from the National Association of Housing and Redevelopment Officials for Program Innovation – Resident and Client Services – for the Assistance Provider Interest-Rate Reduction Program

**Receives 2002 National Award of Merit** from the National Association of Housing and Redevelopment Officials for Program Innovation – Affordable Housing – for the Assistance Provider Interest-Rate Reduction Program

**Receives Affiliate Honors Awards** from the Mat-Su Valley Board of Realtors FY03

**Distributes $12 million to 30 grantees**

**Weatherizes 900 homes**

**Responds to 6,284 requests** from 3,506 users in 76 Alaskan communities for RIC library and information services, a 29 percent increase over FY02

**Renovates two single-family public housing units** in Anchorage for sale to low-income first-time home buyers under HUD's 5(h) Public Housing Homeownership Program; **Completes sale of seven** homes under this program

**Conducts 256 HomeChoice workshops** in 33 communities (45 in rural areas); issues 4,283 certificates; 1,658 obtain AHFC loan commitments

**Provides $536.9 million** for 3,501 Alaskans to purchase homes

**Purchases 1,835** Streamline Refinance loans with an average monthly savings of $137 per month

**Provides $92.3 million** to finance 807 homes under the Tax-Exempt **First-Time Home Buyer Program and $222.2 million** for 1,301 homes under the Taxable First-Time Home Buyer Program

**Purchases 890 loans** for $152 million under Energy-Efficiency Interest-Rate Reduction

**Provides $38 million** to lower mortgage rates for 394 low-income borrowers under the **Interest-Rate Reduction for Low-Income Borrowers Program**

**Provides $108 million** in financing for 609 homes to be purchased under the **Rural Owner-Occupied Loan Program**

**Provides** $61 million for 458 Alaskans to refinance homes under the **Rural Owner-Occupied Loan Program**

**Closes two Assistance Provider Interest-Rate Reduction** loans totaling $386,000

**Purchases/closes 62 Multi-Family Loans** totaling **$47.4 million** for 979 units of affordable housing

**Issues $125 million in Housing Development Bonds; $150 million in General Mortgage Revenue Bonds; and $107.7 million in State Capitol Project Bonds**

**Contributes more than $12.7 million** in servicing fees to Alaskan lenders

**Contributes $27 million** to private landlords for low-income rental assistance under the Section 8 Housing Choice Voucher Program

**Approves 16 new condominium/PUD projects** (1493 housing units)

**Principal balance of 27,816 mortgages held: $3,285,612,327, a decrease of $80 million**

## 2004

Continued record-low interest rates prompt Alaskans to continue refinancing. Mortgage **prepayments exceed $640 million**, while AHFC keeps mortgage interest rates at levels sufficiently attractive to maintain its portfolio.

**Finances $867 million** in new and refinanced loans

**Loan portfolio decreases** to 26, 439; **delinquency rate drops slightly** to 3.75 percent; **homeownership rate increases to a new high** of 70 percent, above the nationwide rate of 68.3 percent

**Assists more than 21,000 Alaska families**, approximately one in every 10 families in the state

**Finances 4,812 mortgages**, 15.5 percent of which are refinances with average monthly savings of $137

**Finances 1,941 homes** under the First-Time Home-Buyer Programs

**Finances 1,070 homes** under the rural loan programs

Legislature authorizes and governor signs into law a program designed to help attract and retain teachers and nurses in rural Alaska. AHFC implements a new homeownership option that provides $26.1 million for **100 percent financing of home loans to full-time teachers and nurses**. The bill also allows regional education areas to apply for AHFC's multi-family lending programs to build or purchase housing for teachers.

**Provides $21 million** for the Teachers and Nurses Loan Program for 100 percent financing to 112 teachers and nurses in 18 communities

Develops new **grant program for teacher and health professional housing** in rural areas; **awards $2.1 million** for the construction of $6 million in teacher housing in Kotzebue and Savoonga

**Provides financing for 125 veterans** under the Veterans Mortgage Program

**Invests $57.4 million** in arbitrage to lower mortgage interest rates for 526 families under the Interest-Rate Reduction for Low-Income Borrowers

**Invests $198 million** in arbitrage to lower mortgage interest rates for 1,075 families under the Energy-Efficiency Interest Rate Reduction

**Provides $87.3 million** for 63 multi-family loans for 1,588 units of privately owned rental housing

Phase One of a **$48 million military housing project** financed by AHFC at Elmendorf Air Force Base in Anchorage is completed. Board commits another **$110**

**million for the second phase** to replace, renovate, or add an additional 1,200 homes for military families at Elmendorf.

Provides **rental assistance to 4,000** low-income families in the private sector under the Housing Choice Voucher Program

Provides **assistance to 6,000 individuals and/or families** under the Homeless Assistance Program, the Low-Income Weatherization Program, the GOAL Program, and other grant programs that address housing for Alaskans with special needs

**Awards $5.6 million** in 29 grants to eight Native Regional Housing Authorities under the Supplemental Housing Development Grants, leveraging an additional $28 million in federal funds to build or rehabilitate 1,300 homes statewide

**Assists 10 disabled clients** in obtaining homeownership under HUD's Housing Choice Voucher Homeownership Program

**Renovates one former public housing home** for sale to a first-time home buyer in Anchorage under HUD's 5(h) Public Housing Homeownership Program

**Holds 243** Home**Choice** and Home**Options** pre-homeownership classes with 4,239 attendees in 46 communities

Receives more than **$1.2 million in federal awards** from three grant applications for AHFC and public housing programs

**Receives $800,000** Aging and Disability Resource Center grant from the Centers for Medicare Services and Administration on Aging for five senior resource centers

**Weatherizes 680 homes** under the Low-Income Weatherization Program

**Contributes $13 million** in servicing fees to Alaska lenders

Receives HUD's **High Performer** ratings, with a PHAS score of 94 percent and a SEMAP score of 95 percent

Establishes two additional domain names for the public to access AHFC's website: www.ahfc.us and www.alaskahousing.us

**Transfers $100 million dividend** to the State of Alaska, bringing the total dividends provided since 1986 to $1.5 billion

**Governor establishes Interagency Council on Homelessness**, chaired by AHFC CEO/Executive Director

**Awards $750,000** under the Homeless Assistance Program; $1 million under the Grant Match Program for the HUD Supportive Housing Program; $2.1 million under the Home Opportunity Program; $500,000 under the Senior Access Accessibility Modification program; $150,000 under the Community Housing Development Organization operating assistance grant program; and $1.2 million in AHFC capital funding and $200,000 in operating assistance from the Alaska Mental Health Trust Authority under the Special Needs Housing Grant Program

**Awards $3.4 million** in grants and **$20 million in federal tax credits** under the GOAL Program to develop 177 units in seven projects with a total development cost of $32.2 million

**Weatherizes 19 single-family homes** for low-income families under the $2.2 million Owner-Occupied Rehabilitation Program

**Receives 2003 Award of Excellence from the Alaska Chapter Public Relations Society of America** for First Place for 2002 Annual Report

**Receives 2004 Communications Contest Award from the Alaska Press Women** for Second Place for 2002 Annual Report

Implements **conversion to new grants administration and financial accounting system** to track all grants (currently more than 150 grants worth $68 million) issued and administered by three AHFC departments

Completes **multi-million dollar renovations** for 199 family and senior units in Anchorage, Sitka, Juneau, and Seward

Produces AHFC’s **2003 annual report on CD-ROM**, providing more information while achieving savings in publication costs

**Principal balance of 26,439 mortgages held: $3,370,574,955, an increase of $85 million**

## Alaska Housing Finance Corporation

PO Box 101020
Anchorage, AK 99510

907-338-6100
1-800-478-AHFC (2432) outside Anchorage, but within Alaska

fax: 907-338-9218

e-mail: ssimmond@ahfc.state.ak.us

web site: www.ahfc.us

Quick Reference: Who to Contact at AHFC

Alaska Housing Finance Corporation provides statewide financing for multi-family complexes, congregate facilities, and single-family homes, with special loan options for low- and moderate-income borrowers, first-time homebuyers, veterans, teachers, nurses, and those living in rural areas of the state. We also provide energy and weatherization programs, low-income rental assistance, and special programs for the homeless and those seeking to become self-sufficient.

Click on the links to the left to read this year's highlights about the programs. If you are connected to the Internet, you can click on one of the following links for an overview of that program.

## Loan Programs

### Residential

Mobile Home Program
Non-Conforming Program
Refinance Program
Rural Owner Occupied Program
Second Mortgage Program
Second Mortgage Program for Health and Safety Repair
Small Building Material Program
Streamline Refinance Program
Taxable First Time Home Buyer Program
Taxable Program
Tax-Exempt First Time Home Buyer Program
Teachers' and Nurses' Housing Loan Program
Veterans Mortgage Program
What you can do with an AHFC residential loan

### Multi-Family and Special Needs Housing

Assistance Provider Interest-Rate Reduction Program
Multi-Family, Congregate and Special Needs Program
Multi-Family Federally Insured Program
Multi-Family Loan Purchase Program
Senior Housing Program

**Other Loan Programs**
Association Loan Program
Loans to Sponsors

**Add-On Options**
Affordable Housing Enhanced Loan Program (AHELP)
Energy Efficiency Interest Rate Reduction (EEIRR)
Interest Rate Reduction for Low Income Borrowers (IRRLIB)
Rural Enhanced Loan Program (RELP)
State Veterans Interest Rate Preference (State Vet)
Teachers' and Nurses' Housing Loan Program

Energy and Weatherization
AkWarm™ Energy Rating Software
Energy Efficiency Interest-Rate Reduction
Low-Income Weatherization Assistance Program
Small Building Material Loan Program

**Grants and Tax Credits**
Accessibility Modification Grants (for seniors)
GOAL (Greater Opportunities for Affordable Living) Program
Grant Match Program
HOME Investment Partnerships Program (HOME)
Homeless Assistance Grant Program
Low-Income Housing Tax Credit Program (LIHTC)
Senior Citizens Housing Development Fund (SCHDF) (Grant) Program
Special Needs Housing Grant Program
Supplemental Housing Development Grant Program

**Rental Assistance Programs**
Barrow/Browerville Housing Choice Voucher Program
Family Self-Sufficiency Program
Gateway Learning Center
Housing Choice Voucher Program
Housing Choice Voucher Homeownership Plan (PDF)
HUD Project-Based Section 8 Contracts
Public Housing Rental Program

## Franklin C. Roppel, Chair

Franklin Roppel was appointed to the board in July 2003 as a representative with senior or low-income housing expertise. He previously served on the Alaska State Housing Authority board from 1974 – 1977 and the AHFC board from 1975 – 1987. Mr. Roppel retired from Alaska Pulp Corporation in 2001 and previously worked for Sealaska Timber Corporation.

907-874-2627
froppel@yahoo.com

## Jan Sieberts

Jan Sieberts was appointed to the board in July 2003 as a representative with expertise in energy-efficient home building or weatherization. He is the Alaska manager for Washington Capital Management, Inc., and spent a majority of his career as the senior officer of National Bank of Alaska in real estate development.

907-272-5022
jansieberts@gci.net

## Bert Sharp

Bert Sharp was appointed to the board on July 1, 2004, as a representative with finance or real estate expertise/experience. Mr. Sharp, from Fairbanks, served 10 years in the Alaska Legislature, six of those in the Senate. He also worked as chief financial officer for Golden Valley Electric Association for 30 years and co-chaired the Senate finance committee for AHFC budgets during his tenure in the Legislature. Mr. Sharp earned a BS degree from the University of Alaska in business administration, concentrating in accounting and management. He has been a trustee of Mt. McKinley Bank since 1982 and is active in a variety of public service organizations in the Fairbanks area.

907-452-2427

## Marty Shuravloff

Marty Shuravloff was first appointed to the board in February 2000 as a rural resident or representative with experience with a regional housing authority. He is the executive director of the Kodiak Island Housing Authority. Mr. Shuravloff serves on the board's budget/housing policy and audit committees.

907-486-8111
marty@kiha.org

## The Honorable Edgar Blatchford, Commissioner, Department of Commerce, Community, & Economic Development

Commissioner Blatchford was appointed to the board in January 2003. The former Mayor of Seward, Alaska, he was Commissioner of the Department of Community & Regional Affairs under the Hickel administration and served on the AHFC board of directors from 1992 – 1994.

Commissioner Blatchford appointed Bill Noll, deputy commissioner, as his designee to the board.

907-269-8112
edgar_blatchford@dced.state.ak.us

## The Honorable William A. Corbus, Commissioner, Department of Revenue

Commissioner Corbus was appointed to the board in December 2002. He served as a Lt. J.G. in the U.S. Naval Reserve, including one year as an advisor to the Vietnamese Navy. He worked for Stone & Webster in New York City, providing public utility security analysis, financial planning, and accounting. He joined Alaska Electric Light & Power as assistant manager, becoming general manager and later president of the company.

Commissioner Corbus appointed Tomas H. Boutin, deputy commissioner, as his designee to the board. Boutin serves on the board's audit and investment advisory committees.

907-465-4880
tom_boutin@revenue.state.ak.us

## The Honorable Joel Gilbertson, Commissioner, Department of Health & Social Services

Commissioner Gilbertson was appointed to the board in December 2002. He has worked in a variety of positions related to health care and welfare systems, focusing on the efficient delivery of services and expanding access to underserved communities. Most recently, he served as legislative director and counsel on Senator Murkowski's U.S. Senate staff, managing policy on a variety of issues, including Medicaid, the State Children's Health Insurance Program (SCHIP, also known in Alaska as "Denali KidCare"), Medicare, Social Security and welfare reform.

Commissioner Gilbertson appointed Janet Clarke, Director Division of Administrative Services, as his designee to the board. Ms. Clarke serves on the board's budget/housing policy and personnel committees.

907-465-1630
janet_clarke@health.state.ak.us

## Daniel R. Fauske, CEO/Executive Director

Daniel R. Fauske began his career as CEO/Executive Director of AHFC on March 1, 1995, a term that far surpasses any previous CEO of the Corporation. He has served on the Governor's Jobs Cabinet, Rural Sanitation Committee, Fannie Mae's National Housing Impact Advisory Council, the Millennial Housing Commission, the UAA School of Nursing Board, and the Fiscal Policy Council. Mr. Fauske serves on the board of directors for the Federal Home Loan Bank of Seattle and the National Housing Development Corporation. He was appointed by the governor as chair of the Alaska Interagency Council on Homelessness.

Mr. Fauske previously worked for the North Slope Borough, serving as the Borough's Chief Financial Officer and Chief Administrative Officer.

907-330-8452
dfauske@ahfc.state.ak.us

## S&P RAISES AHFC ISSUER CREDIT RATING TO 'AA' WITH STABLE OUTLOOK

An upgrade by a national bond rating agency will allow AHFC to provide lower mortgage interest rates to Alaskans. Standard & Poor's (S&P) rating agency upgraded AHFC's issuer credit rating to 'AA' with a stable outlook. For several years, S&P had been concerned with legislative appropriations, preventing upgrades in the past. HB 256, which passed by the 2003 legislature and was signed into law by Gov. Murkowski, alleviated those concerns and allowed AHFC to be rated based more upon its financial strength. S&P said the upgrade is "based on passage by the Alaska state legislature of a dividend plan that helps protect the corporation's equity reserves from further state appropriations". The outlook is stable.

According to S&P, the corporation's credit quality reflects the following strengths:

- The general creditworthiness of the State of Alaska ("AA" GO bond rating);
- A large and liquid asset base capable of producing strong returns and of absorbing a significant amount of mortgage loan losses;
- Strong management; and
- An ongoing ability to meet its legislative mandate.

Credit weaknesses include:

- A highly concentrated Alaskan economy, centered around the oil industry;
- The potential for significant balance sheet growth and resulting dilution of equity reserves;
- A high-risk mortgage loan portfolio; and

- A GO pledge to all debt obligations, many of which mature beyond current forecasts of significant oil production and revenues to the state.

S&P said that the Corporation's success in meeting its statewide housing mission, as well as financially assisting the state with some of its capital needs, has strengthened legislative relations during the past several years. Standard & Poor's views AHFC's strong management team and the state's improving economy as playing key roles in these accomplishments.

In 1998, the Alaska State Legislature authorized a plan for AHFC to assist the state with its operating and capital needs through cash transfers, capital budgets, and issuance of GO state capital project bonds totaling $720 million through fiscal 2006. House Bill 281 extended the 1998 plan through 2008 and authorized an additional $77 million of state capital project bonds.

On July 1, 2003, House Bill 256, which authorized a dividend plan (2003 dividend plan) was adopted by the state legislature. The 2003 dividend plan replaced asset-transfer language in the 1998 plan and credits AHFC with issuance and payment on state capital project bonds and funding a capital budget. The 2003 dividend plan obligates the corporation to transfer to the state the lesser of 75 percent of net income or $103 million beginning in fiscal 2009; prior to fiscal 2009, the corporation will transfer $103 million each fiscal year through fiscal 2006, followed by the lesser of $103 million, or 95 percent of net income (fiscal 2007), and 85 percent of net income (fiscal 2008).

S&P said the 2003 dividend plan seemingly protects the corporation's current level of equity reserves from further state appropriations over the longer term, despite the equity dilution risk resulting from the potential, significant expansion of mortgage lending programs or asset quality erosion. The state has a good track record in honoring the terms of prior asset-transfer plans. However, given AHFC's current rating and the state's chronic budget deficits, the Corporation's credit quality will be heavily influenced by the State's credit quality. The stable outlook reflects the adequacy of AHFC's equity reserves, said S&P, which are expected to be sufficient to allow the Corporation to exist as a strong affordable housing provider for State residents. The stable outlook also reflects the State of Alaska's GO bond rating and outlook and an expectation that the state will honor the terms and conditions of the 2003 dividend plan.

## HOUSING FOR TEACHERS AND HEALTH CARE PROFESSIONALS

**Teachers and Nurses Housing Loan Program**
**Teacher and Health Professional Housing Grant Program**

**Patrick and Anna Knapp bought their first home using AHFC's new Teachers and Nurses Housing Loan Program. Umpi, joins them on their new deck.**

### Teachers and Nurses Housing Loan Program

A program designed to help attract and retain teachers and nurses in Alaska, was authorized by the 2003 Alaska Legislature and signed into law by Governor Murkowski on June 18. Under the legislation, AHFC implemented a new homeownership option on August 20, 2003, that provides 100 percent financing for home loans to qualifying full-time teachers and nurses. Qualified applicants may use any of AHFC's loan programs to purchase owner-occupied, single-family housing without a down payment. The bill also allows regional attendance areas to apply for AHFC's multi-family lending programs to build or purchase housing for teachers.

One year after SB25, sponsored by Sen. Gary Wilken (R-Fairbanks), went into effect, AHFC has provided $26.1 million for 100 percent financing to 139 teachers and nurses in 21 communities.

### Program Qualifications

The new statutes limit eligible borrowers to individuals employed full-time as education professionals in a public elementary or secondary school as teachers, counselors, principals, vice or assistant principals, and providers of special education or related services, and who are certified under AS 14.20; and registered nurses who are licensed to practice registered nursing under AS 08.68.230(a).

## Teacher and Health Professional Housing Grant Program

Alaska school superintendents have identified housing as one reason for poor teacher retention. To address this issue, the 2003 Alaska legislature authorized AHFC to develop a grant program to respond to the need for additional housing for these professionals and their families. The initial $2.15 million in grants under the Teacher and Health Professional Housing Grant Program was held in the fall of 2003. AHFC awarded two grants for the construction of teacher housing in rural Alaska. NW Arctic School District is building 18 homeownership units in Kotzebue and Bering Straits School District is building four rental units in Savoonga. The combined projects are worth nearly $6 million.

### Program Qualifications

The application deadline for the latest round of funding for $2 million was held November 15, 2004. AHFC anticipates requesting approval of $4 million from the 2005 legislature to expend additional funds for this program. Grant applicants inexperienced in developing housing are encouraged to form partnerships with more experienced non-profit or for-profit developers.

## ALASKA'S HOMEOWNERSHIP RATE SURPASSES NATIONAL AVERAGE

Alaska's homeownership rate reached an all-time high of 70 percent in 2003, surpassing the national rate of 68.3 percent, according to the latest U.S. Census data. Alaska's homeownership rate was higher than the nation's once previously, in 1997. The Census data show Alaska experienced a 13.4 percent increase in homeownership over the previous 10 years, the highest of any state in the nation.

"Low interest rates have had a profound effect on purchases," said Alaska Housing Finance Corporation (AHFC) CEO/Executive Director Dan Fauske, "and our new programs, including a first-time homebuyer program without income or acquisition cost restrictions and a teachers and nurses housing loan program that provides 100 percent financing, have encouraged many renters to purchase their first home."

The average sales price of a single-family home in Alaska increased 44 percent from $145,231 to $209,416 between 1994 and 2003, according to a survey conducted for AHFC by the State of Alaska Department of Labor and Workforce Development. AHFC financed the purchase of 37,957 homes during that period.

# THREE-YEAR MILITARY HOUSING PROJECT COMPLETED

**AHFC Board Approves $110 Million**
**Loan for Elmendorf Military Housing**

**Funding to Provide 1,194 New or Renovated Units**

"Within four years, nearly 1,200 military personnel stationed in Alaska will be living in new or upgraded housing," Governor Frank Murkowski said in early June. He made the announcement after the AHFC board of directors approved a $110 million loan for the project, a public/private partnership to improve housing on military bases.

The term loan to Aurora Military Housing, LLC (Aurora) is for Phase II to build or renovate 1,194 housing units on Elmendorf Air Force Base, Anchorage. AHFC anticipates the final loan amount to be approximately $106.7 million, pending final negotiations with the Air Force. Total development cost of the project is estimated at $232 million. "Approximately 700 jobs will be created, with $25.5 million in wages and salaries," Murkowski said.

The Elmendorf project is part of a national initiative by the military to improve housing for military personnel by providing incentives to private developers. Phase II of the project involves an approximately four-year real estate transaction under which, at completion, there will be 1,194 housing units. The Air Force will convey 986 existing housing units and provide a 50-year lease for 586 acres of improved land on which the units are located. Of the existing units, 552 will be demolished, 552 units will be newly constructed to replace the demolished units, 310 units will be renovated, and 124 will remain as is. To achieve the 1,194 required housing units, an additional 208 units will be constructed. In all, a total of 760 units will be newly constructed.

"AHFC has spent more than a decade working with private developers to improve the quality of military housing throughout Alaska," said AHFC CEO/Executive Director Dan Fauske, "and we're glad to continue that tradition with this loan to Aurora. They did a great job with Phase I, and now Phase II should really improve the quality of housing on the base."

AHFC's first endeavor into financing military housing occurred in 1990 when AHFC provided a $54 million, 30-year term loan to build 366 units of military housing on Eielson AFB.

In 2001, AHFC provided a $48 million, 30-year term loan to Aurora Military Housing, LLC, for Phase I of housing for military personnel on Elmendorf AFB. The development consisted of new construction, renovation, and demolition. At the completion of the project, there were 828 new or renovated units.

Phase I at Elmendorf has been widely identified as one of the most successful housing privatization projects in the Air Force. In its annual site visit report, Phase I was cited as exceeding expectations in a number of areas. Phase I also received the Air Force's highest overall rating in its quarterly report and earned that rating throughout 2003.

Pacific Air Force Command selected "Dallas" housing project in Phase I as the residential project of the year, and Headquarters Air Force selected Phase I as its nominee for the National Association of Installation Developers residential project of the year for 2003.

The contractor, Aurora Military Housing, LLC, is a limited liability company formed for the purpose of developing and owning military housing. The LLC consists of Elmendorf Housing, LLC, as managing member and Anchorage Housing, LLC.

## HOUSING CHOICE VOUCHER HOMEOWNERSHIP PROGRAM

Homeownership has become a reality for 10 former renters under HUD's Housing Choice Voucher Homeownership Program. AHFC's board of directors approved the pilot program for Alaska in July 2003.

Antonia Fandycz of North Pole became the first person in Alaska to use her Section 8 rental voucher to purchase a home. She works for Adult Learning Programs of Alaska. "Please accept my deepest gratitude," said Fandycz, "for your help and that of your wonderful staff. Thank you for the enrichment you and your staff have brought into my life! I truly love my home and feel very blessed."

Fandycz contributed to a Home$tart account, with a matching-grant component through the Federal Home Loan Bank, which assisted with the down payment and closing costs. USDA Rural Development provided long-term financing for 80 percent of the loan, with AHFC participating at 20 percent. Northern Schools Federal Credit Union in Fairbanks originated the loan.

**Don Ewing purchased a condo in Anchorage using his Housing Choice Voucher.**

For Don Ewing, a renter under AHFC's Section 8 Voucher program since 1997, homeownership was a dream come true. Ewing moved to Alaska from Detroit eight and a half years ago. "I just had to get away from the big city," said Ewing. "This is the land of opportunity; but you have to bring something to the table. Nobody's going to give you something for nothing. This is wonderful. I feel very blessed."

When the homeownership program was first announced, Ewing immediately decided to pursue it and became the first Alaskan to receive authorization to use his rental voucher for a home purchase. Although the process took longer than anticipated, Ewing continued his pursuit until the final paperwork was completed this spring. Anchorage Neighborhood Housing Services (ANHS) assisted Ewing with the down payment and closing costs, while Alaska USA Federal Credit Union served as the lender.

The Housing Choice Voucher Homeownership program became possible nationally in 2000 when the U.S. Department of Housing and Urban Development (HUD) began to allow individuals and families to use vouchers for homeownership.

AHFC's pilot program targets qualified families where the head of household or spouse has a permanent disability. Participants must have completed a minimum one-year rental lease under the Housing Choice Voucher Program and be in good standing with their landlord. Participants must be a first-time home buyer and must satisfactorily complete an AHFC-approved pre-homeownership program. A three percent down payment is required, with one percent coming from the family's personal resources.

Alaskans in Anchorage, Fairbanks, Valdez, Kodiak, Wasilla and Palmer have become home owners under the program. Alaska USA Federal Credit Union, Northern Schools Federal Credit Union, First National Bank of Alaska, and Residential Mortgage have agreed to originate loans under this program.

Statewide, AHFC manages more than 4,000 Housing Choice Vouchers, which provide rental assistance to low-income Alaskans through private landlords. The pilot program allocates 10 Vouchers to the homeownership program. Under the program, voucher payments are used to subsidize a portion of the mortgage payments and homeownership expenses.

Nationwide more than 1,200 homes have closed under the program. All participants must independently qualify for a mortgage loan and meet the specific underwriting criteria for the loan program they use.

## Research & Rural Development Division

- Weatherized approximately 680 households in more than 25 communities, of which 60 percent were occupied by either a senior citizen or a disabled person; 39 percent included children under the age of six
- RIC Library increased total outreach to 8,349, up 33 percent from FY03; responded to 4,739 requests from 4,157 users in 66 Alaskan communities for library and information services, an increase of 18 percent
- Awarded $5.6 million in 29 Supplemental Housing Development grants to eight regional housing authorities for new construction or rehabilitation of 1,220 houses and 101 Low Rent units, leveraging $28.1 million in federal Native American Housing Assistance and Self-Determination Act funds
- Presented "House as a System" lectures to approximately 937 homebuyers at 39 HomeChoice classes in Anchorage, Eagle River, Fairbanks, Homer, Juneau, Kenai, Palmer, St. Paul, and Wasilla
- Provided 23 informational presentations on carbon monoxide, ice dams, healthy, energy-efficient housing technology and regulatory requirements to 823 Realtors, builders and other professionals throughout the state
- Produced and presented PowerPoint presentation on “Carbon Monoxide and Your Home” to the general public and safety groups in Anchorage and Fairbanks
- Developed and presented “Solutions for Healthy Home Environments” at the Alaska Tribal Conference on Environmental Management in Anchorage
- Produced DVDs: “Mold…Why Now?” and “Alaska Log Building Construction,” as well as training videos on disaster preparedness and workplace ergonomics
- Produced *Gimme Shelter*, a consumer guide to home ownership; distributed in newspapers statewide
- Awarded $500,000 grant to the Cold Climate Housing Research Center
- Awarded $150,000 to the Alaska Building Science Network Builder Education Contract
- Awarded $87,000 to the Rural Alaska Sanitation Coalition
- Awarded $140,000 to the Alaska Association of Housing Authorities
- Worked with Habitat for Humanity in constructing homes that meet the Building Energy Efficiency Standards and provided small financial incentives

## Public Housing Division

- Successfully assisted 10 disabled clients (as of October 2004) in obtaining homeownership under HUD's Housing Choice Voucher Homeownership Program
- Renovated the last of 19 (former public housing) single-family homes under the 5h Homeownership Program. Eighteen homes have sold, and the final home is currently for sale to a low-income family
- Secured HUD funding under the ROSS and FSS Coordinator grant programs
- Obtained approval from the AHFC board to increase the participants in the Family Self-Sufficiency Program from 81 to 230. Fourteen participants graduated upon completing their goals in the program
- Received all applicable incentive and administrative fees for the Contract Administration program
- Established access to the Department of Labor's statistical database for obtaining applicant and client employment information
- Awarded $500 scholarships to 10 students in public housing to help attend higher education or vocational schools
- Continued to receive HUD's High Performer ratings, with a PHAS score of 94 percent and a SEMAP score of 95 percent
- Successfully renovated and re-rented public housing properties in Anchorage, Seward, and Sitka
- Renovated three fourplexes in Anchorage for low-income family rental housing
- Completed interior renovation and exterior siding replacement at Geneva Woods family housing in Juneau
- Completed exterior painting at Cedar Park family housing in Juneau
- Installed new windows and entry doors at the Birch Park family housing in Fairbanks
- Installed new entry doors for New Willows family housing in Anchorage
- Completed new construction of the AVTEC student dormitory in Seward
- Completed renovation of 120 senior housing units at Chugach View in Anchorage
- Completed design and began renovation of Chugach Manor senior housing in Anchorage

- Began design work for renovation of the Sunset View senior housing in Cordova
- Completed design work and awarded construction of interior renovation of the Sea View Terrace senior housing in Ketchikan
- Completed design work, completed Phase I of the demolition, and began replacement of family housing at Pacific Terrace in Kodiak
- Completed renovation of Glacier View senior housing in Seward
- Completed replacement of 24 units of family housing for Paxton Manor in Sitka
- Completed design and began renovation of the Swan Lake Terrace senior housing in Sitka
- Completed site assessment for code compliance, energy efficiency, fire safety, structural, mechanical, and electrical deficiencies at Bethel Heights family housing in Bethel
- Completed 19 deferred maintenance projects at housing facilities throughout the state
- Contracted for energy audits at three properties at various location throughout the state
- Closed out the year with no contractor claims

## Mortgage Operations

- Provided $679 million for 4,065 Alaskans to purchase homes
- Provided $292 million for 1,941 first-time home buyers to purchase their first home
- Provided $57.5 million to lower mortgage rates for 526 low-income borrowers under the Interest-Rate Reduction for Low-Income Borrowers
- Provided $137 million for 820 Alaskans to purchase homes under the Rural Loan Program
- Seven-hundred forty-seven Alaskan families saved an average of $137 monthly after refinancing under AHFC's Streamline Refinance Program
- Provided $198 million for 1,075 borrowers to purchase energy-efficient homes under the Energy-Efficiency Interest-Rate Reduction
- Provided 11 Small Building Material Loans in 10 communities
- Obtained legislative authorization to offer a no-down-payment loan program for teachers and health-care providers
- Purchased 112 Teachers and Nurses Housing Loan Program loans totaling $21 million in 18 communities
- Received legislative authorization to amend the Rural Loan Program to include a Rural Multi-Family Loan Program, which will go into effect in FY05
- Amended regulations to accommodate legislation that requires home inspectors be licensed
- Participated with the Predatory Lending Task Force to obtain legislation regarding "payday" lenders
- Participated with the Alaska Mortgage Bankers Association in the establishment of the groundwork for the possible licensing of mortgage lenders
- Participated on the AMBA/FHA/VA/RD Liaison Committee, resulting in enhanced communications and issue-resolving between the participants
- Purchased/originated 63 multi-family loans totaling $87.3 million for 1,588 units
- Provided $945, 000 for three Assistance Provider loans
- Provided three loans to Associations totaling $900,000

- Closed out the final stage of funding (Phase I) and termed out a $48 million loan involving 828 units of military housing on Elmendorf AFB

- Committed to a $110 million loan (Phase II) for 1,194 units of military housing on Elmendorf AFB

- Conducted 235 Home**Choice** pre-homeownership seminars (52 in rural areas) in 38 communities with 4,193 certificates issued; conducted Home**Options** classes with 46 participants in eight rural villages

- Waived up to $250 on AHFC's commitment fee for 1,782 former Home**Choice** participants; a total savings of $445,500

- Conducted 21 classes for Realtors/builders with 311 participants in 10 communities

- Recognized by the Mat-Su Board of Realtors as an outstanding participating affiliate

- Participated with USDA in "Growth in the Valley," a forum held in Anchorage and Nome for builders, real-estate professionals, lenders, appraisers, inspectors, etc, to discuss the rapid growth in the local area and what can be done to assist

- Participated in the Safety Code Task Force to study and make recommendations on a consistent set of building safety codes for Alaska, resulting in proposed legislation

- Received a three-year, $799,581 Aging & Disability Resource Center grant from the Centers for Medicare Services and Administration on Aging. In cooperation with the Statewide Independent Living Council, five resource centers will provide "one-stop" shopping for all services related to long-term care within the state

- Co-sponsored the Senior Housing Fair held at Anchorage Senior Center, providing assistance to approximately 400 senior citizens

- Traveled to Ketchikan and Metlakatla with representatives from the Robert Wood Johnson Foundation to evaluate rural senior-assisted-living needs. A financing tool was developed, incorporating various funding criteria into one format to simplify the process and promote rural assisted living for these communities

- Participated in first annual Seward Senior Housing Fair; the Kodiak Aging Conference; and moderated a panel discussion at the National Council of State Housing Authorities Conference in Portland, Ore., on "Alternatives to Assisted Living"

- Completed a 34-page assisted-living survey on the current state of the Anchorage/Eagle River assisted living market

## Planning & Program Development

- Oversaw formation of the Governor's Interagency Council on the Homeless to develop strategic plan to address homelessness in Alaska
- Completed planning and development of the Annual Action Plan for the Housing and Community Development Plan (HCD) and the Annual Performance Report (APR), bringing $7 million in HUD funds to Alaska
- Completed the spring and winter 2004 statewide surveys of homeless service providers; information is most complete statistical profile of the homeless population in Alaska and is used to support over $3 million in federal grant applications each year
- Compiled all housing market data for the *Fall 2003 and Spring 2004 Alaska Housing Market Indicators*, a comprehensive profile of the Alaska housing market: construction costs, rental-market surveys, loan and home-sale-price information
- Completed Annual Update for the Public Housing Agency Plan
- Conducted survey on "Impediments to Fair Housing" among Realtors, lenders, landlords, consumers, and advocacy groups
- Held one funding round and awarded $750,000 under the Homeless Assistance Program
- Held one funding round and awarded $1 million under the Grant Match Program for the HUD Supportive Housing Program
- Held one funding round of the GOAL program for low-income rental housing development (Low-Income Housing Tax Credits, Senior Citizens Housing Development Fund, and HOME funding), which has a homeownership development component and pre-development for senior housing and special needs. Awarded $3.4 million in grants and $20 million in federal tax credits to develop 177 units in seven projects with a total development cost of $32.2 million
- Provided $2.1 million under the Home Opportunity Program to develop low-income home ownership, assisting 53 homeowners
- Under the $2.2 million Owner-Occupied Rehabilitation Program, weatherized 19 single-family homes for low-income families
- Provided $500,000 under the Senior Access Accessibility Modification program
- Held one funding round and awarded $150,000 under the Community Housing Development Organization operating assistance grant program

- Held one round of the Special Needs Housing Grant Program (joint venture with Alaska Mental Health Trust Authority and Department of Health & Social Services). Awarded $1.2 million in AHFC capital funding, $200,000 in operating assistance from the Alaska Mental Health Trust Authority to fund two projects with 18 units for persons with severe mental illness.

- Paid out $15.5 million in grant payments to more than 35 organizations and agencies

- Submitted three grant applications for various AHFC and public housing programs and received more than $1.2 million in federal awards

- Developed new grant program to implement $2 million authorization for teacher and health professional housing in rural areas

- Began managing two programs funded through the Denali Commission for teacher and elder housing, totaling $7 million for five grantees

- Successfully implemented conversion to new grant administration and financial accounting system to track all 150 AHFC grants worth $68 million and administered by three different departments

- Held housing development workshops for 75 attendees in Fairbanks, Kenai and Anchorage on the rental housing development process for the GOAL program

- Provided more than 500 hours of technical assistance to current grantees, individuals and organizations applying for funds, and public and private-sector requests for statistical information on housing and the housing market

- Sponsored the annual conference of the Alaska Coalition on Housing and Homelessness for 50 attendees

- Sponsored, organized, and managed the 2004 Alaska Regional Training Institute in Anchorage with more than 200 attendees from across Alaska. Courses included accessible design, supportive services, project feasibility analysis, business-plan development, and strategic planning for nonprofits

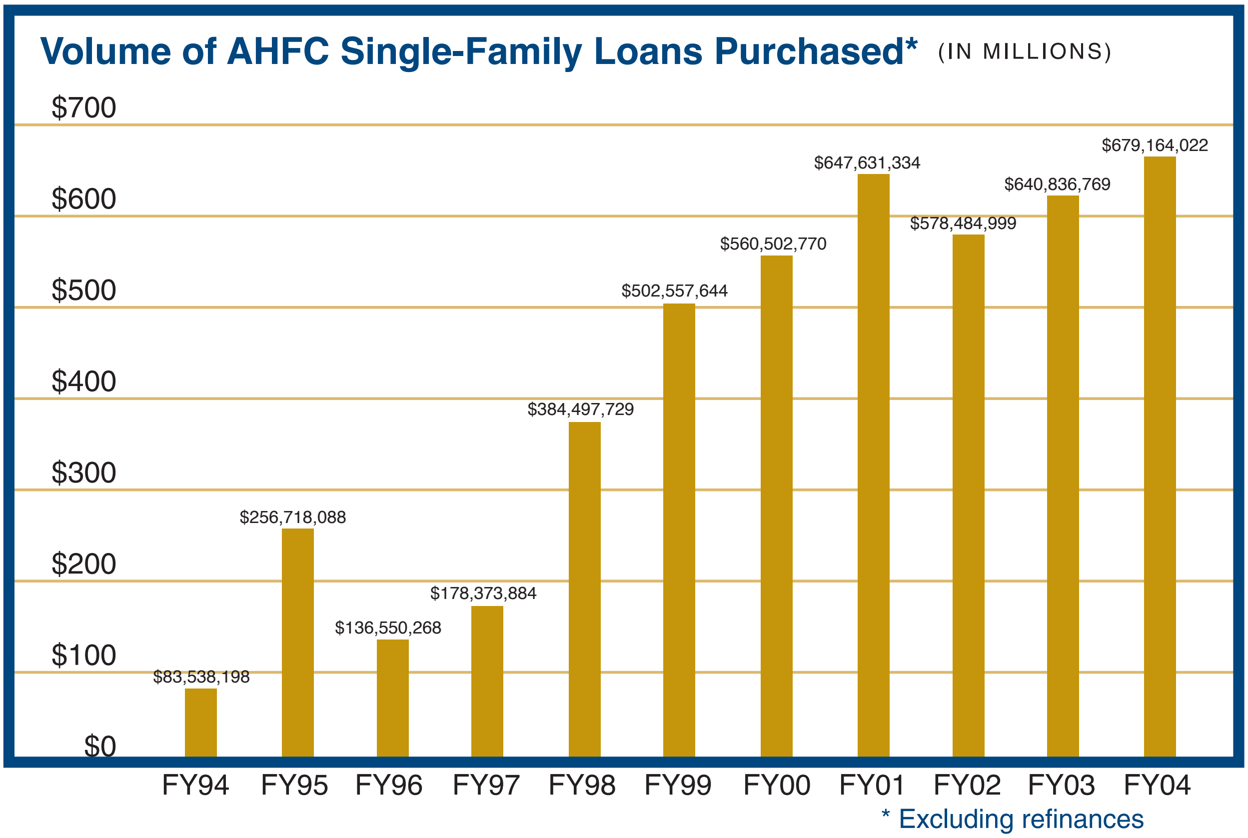
- Maintained partnerships with more than 50 organizations, agencies, and individuals to develop programs for and market AHFC's programs to special needs housing populations

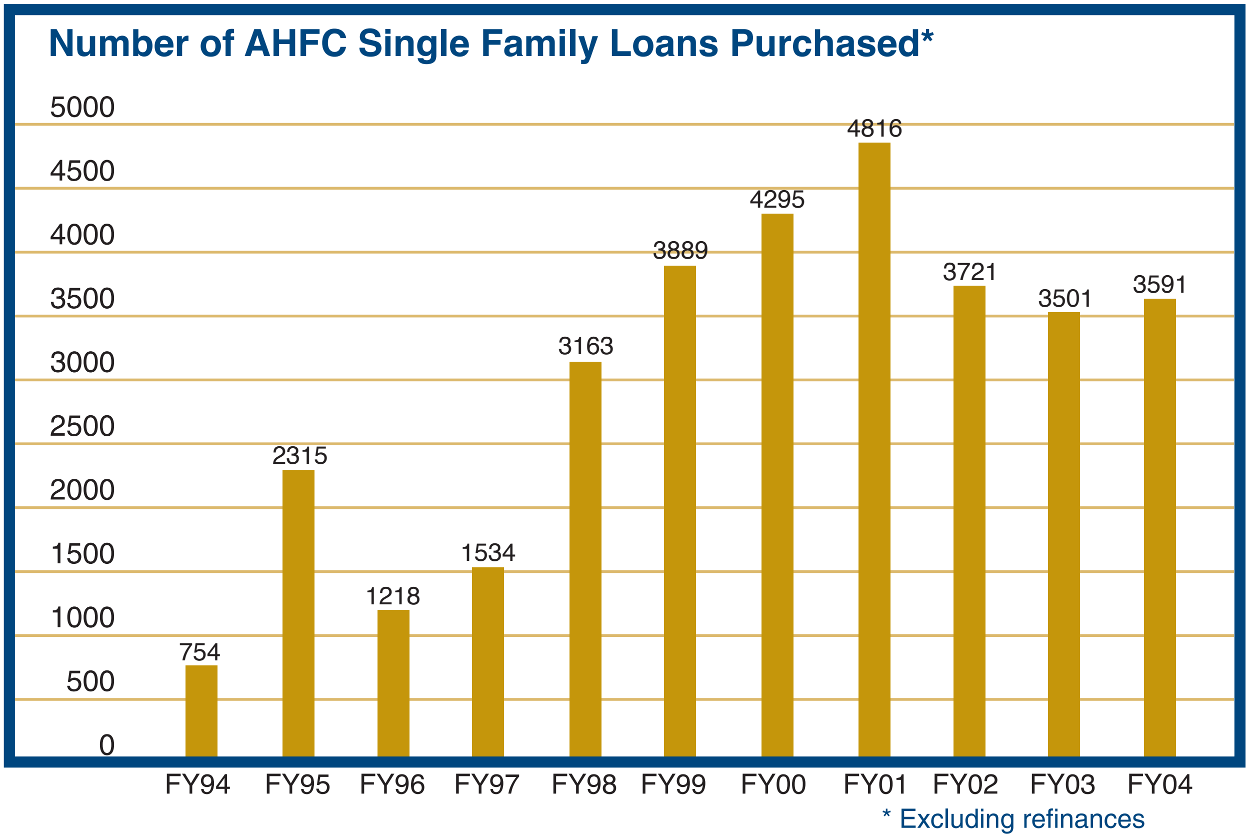
## Single-Family Loan Programs Statistics FY04

| *Programs* | *Number of Loans* | *Dollar Volume* |
|---|---|---|
| Tax-Exempt First-Time Home Buyer | 872 | $106,968,037 |
| Taxable First-Time Home Buyer | 1,069 | $185,098,197 |
| Taxable* | 1,176 | $224,044,304 |
| Veterans Mortgage | 125 | $25,472,549 |
| New Urban Loans** | 3,245 | $541,889,635 |
| New Rural Loans** | 820 | $137,274,387 |
| *Features* | | |
| Interest Rate Reduction for Low-Income Borrowers | 526 | $57,422,886 |
| Energy-Efficiency Interest Rate Reduction | 1,075 | $197,898,322 |
| Streamline Refinance | 747 | $97,007,374 |

* Excluding Taxable First-Time Home Buyers.

** Excluding refinances


Volume of AHFC Single-Family Loans Purchased* (IN MILLIONS)
$700
$600
$500
$400
$300
$200
$100
$0
$83,538,198
$256,718,088
$136,550,268
$178,373,884
$384,497,729
$502,557,644
$560,502,770
$647,631,334
$578,484,999
$640,836,769
$679,164,022
FY94
FY95
FY96
FY97
FY98
FY99
FY00
FY01
FY02
FY03
FY04
* Excluding refinances


Number of AHFC Single Family Loans Purchased*
5000
4500
4000
3500
3000
2500
2000
1500
1000
500
0
754
2315
1218
1534
3163
3889
4295
4816
3721
3501
3591
FY94
FY95
FY96
FY97
FY98
FY99
FY00
FY01
FY02
FY03
FY04
* Excluding refinances

## Multi-Family Projects/Units Financed

| *Fiscal Year* | *Number of Projects* | *Units Financed* | *Dollar Volume* |
|---|---|---|---|
| 1992 | 6 | 592 | $15,355,700 |
| 1993 | 2 | 41 | $1,705,000 |
| 1994 | 12 | 522 | $13,501,336 |
| 1995 | 6 | 246 | $15,763,350 |
| 1996 | 16 | 776 | $73,012,335 |
| 1997 | 21 | 460 | $9,939,780 |
| 1998 | 29 | 532 | $17,519,540 |
| 1999 | 79 | 1,097 | $34,705,731 |
| 2000 | 76 | 1,468 | $54,456,876 |
| 2001 | 117 | 2,976 | $103,847,605 |
| 2002 | 94 | 1,368 | $58,477,200 |
| 2003 | 62 | 979 | $47,363,301 |
| 2004 | 63 | 1,588 | $87,297,150 |
| **Totals** | **583** | **12,645** | **$532,944,904** |

## Borrower & Single-Family Program Average Comparison[2] FY04

| | All Programs | Tax-Exempt First-Time Home Buyer | Taxable First-Time Home Buyer | Taxable[1] | Veterans |
|---|---|---|---|---|---|
| Total Number of Loans | 3591 | 866 | 1,040 | 999 | 117 |
| Sales Price | $178,772 | $130,460 | $181,847 | $210,315 | $222,679 |
| Loan Amount | $164,327 | $122,677 | $172,394 | $187,726 | $203,406 |
| Loan-to-Value Ratio | 92.79% | 93.60% | 95.00% | 90.67% | 93.32% |
| Interest Rate | 5.350% | 5.185% | 5.594% | 5.470% | 5.463% |
| P & I Payment | $927 | $678 | $993 | $1,067 | $1,146 |
| Monthly Income | $5,261 | $3,545 | $5,315 | $6,246 | $7,106 |
| Age of Borrower | 37 | 32 | 34 | 40 | 51 |
| Household Size | 2 | 2 | 3 | 3 | 2 |

1. Excluding Taxable First-Time Home Buyer

2. Comparison excludes owner/builder, purchase renovation, non-conforming and refinance loans

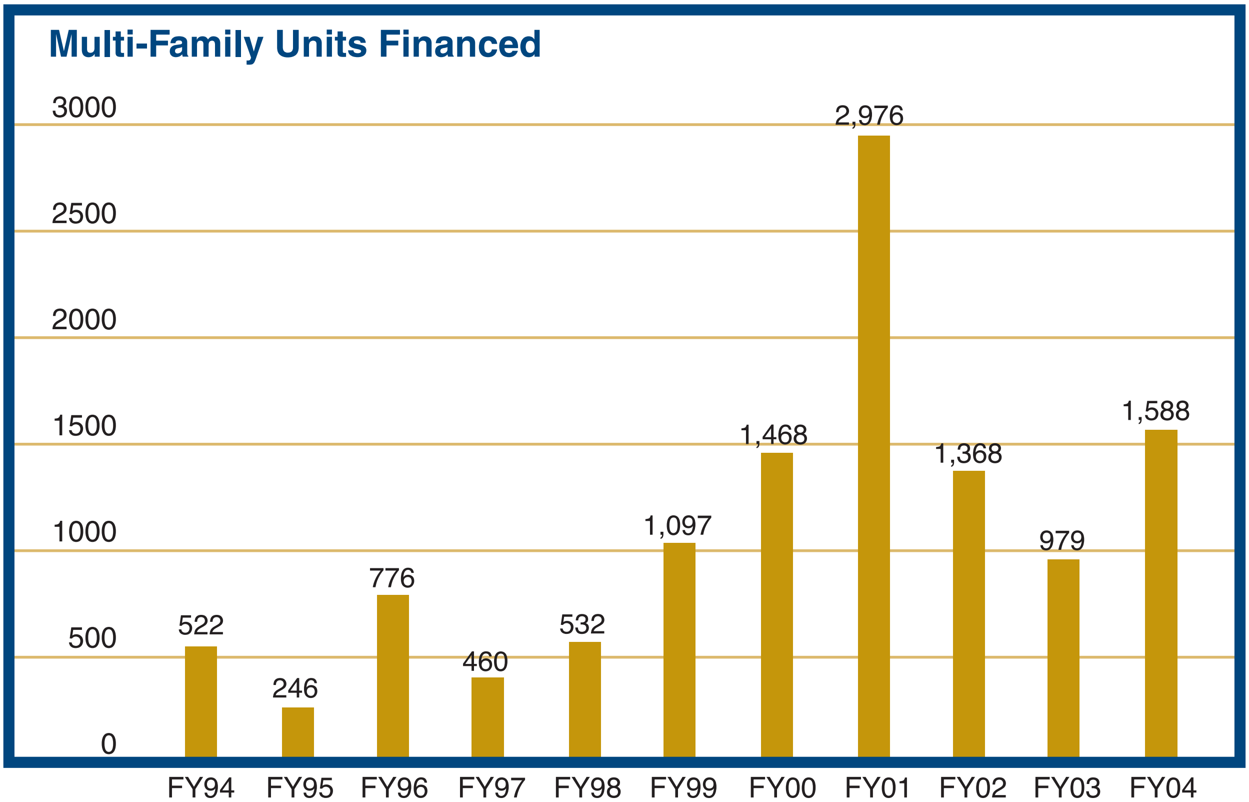
## Low Income Housing Tax Credit Projects

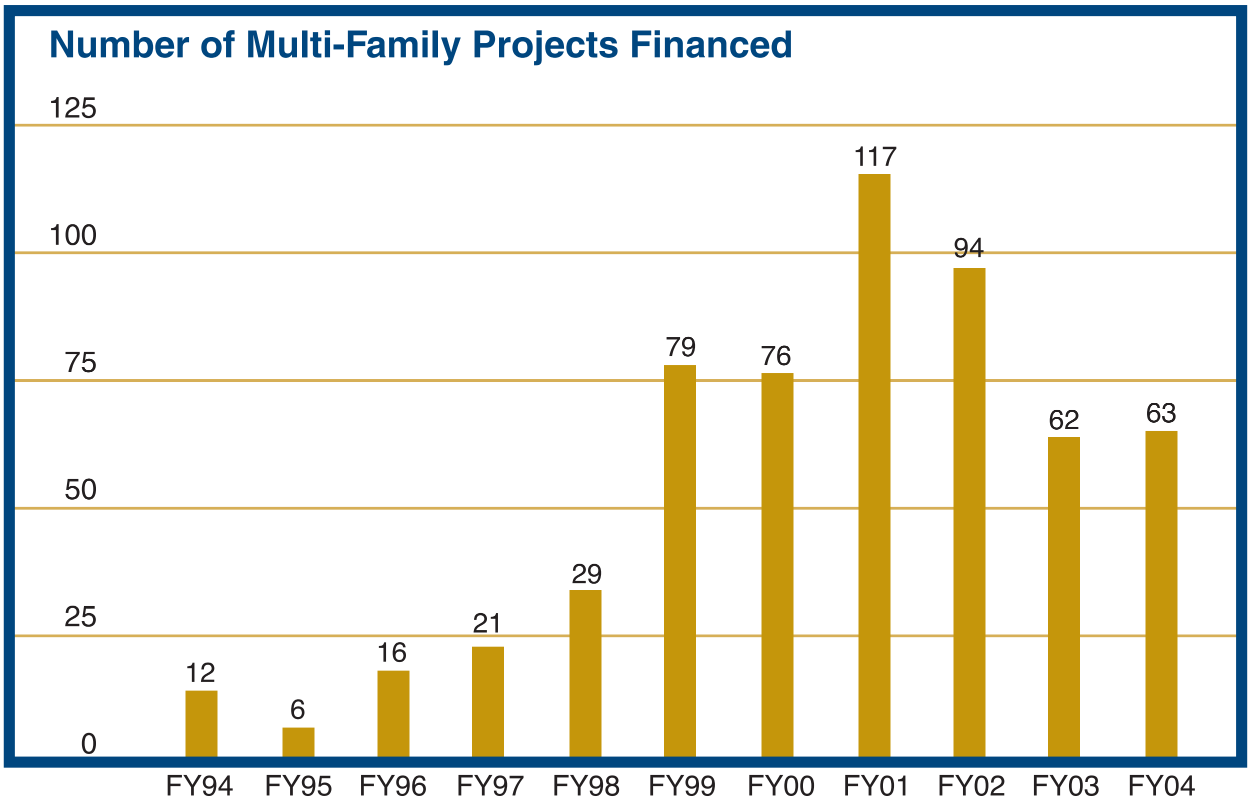
| *Fiscal Year* | *Number of Projects* | *Units Financed* | *Tax Credits Allocated* |
|---|---|---|---|
| 1987 | 1 | 22 | $62,307 |
| 1988 | 0 | 0 | 0 |
| 1989 | 2 | 107 | $210,937 |
| 1990 | 1 | 16 | $54,498 |
| 1991 | 1 | 23 | $71,575 |
| 1992 | 2 | 39 | $162,594 |
| 1993 | 2 | 55 | $154,369 |
| 1994 | 6 | 297 | $2,027,521 |
| 1995 | 1 | 87 | $783,651 |
| 1996 | 7 | 238 | $2,139,751 |
| 1997 | 4 | 120 | $568,093 |
| 1998 | 6 | 195 | $1,105,395 |
| 1999 | 4 | 61 | $674,860 |
| 2000 | 7 | 610 | $1,443,975 |
| 2001 | 6 | 165 | $2,083,037 |
| 2002 | 7 | 205 | $2,320,355 |
| 2003 | 6 | 143 | $1,992,792 |
| 2004 | 6 | 164 | $2,321,145 |
| **Totals** | **69** | **2547** | **$18,176,855** |

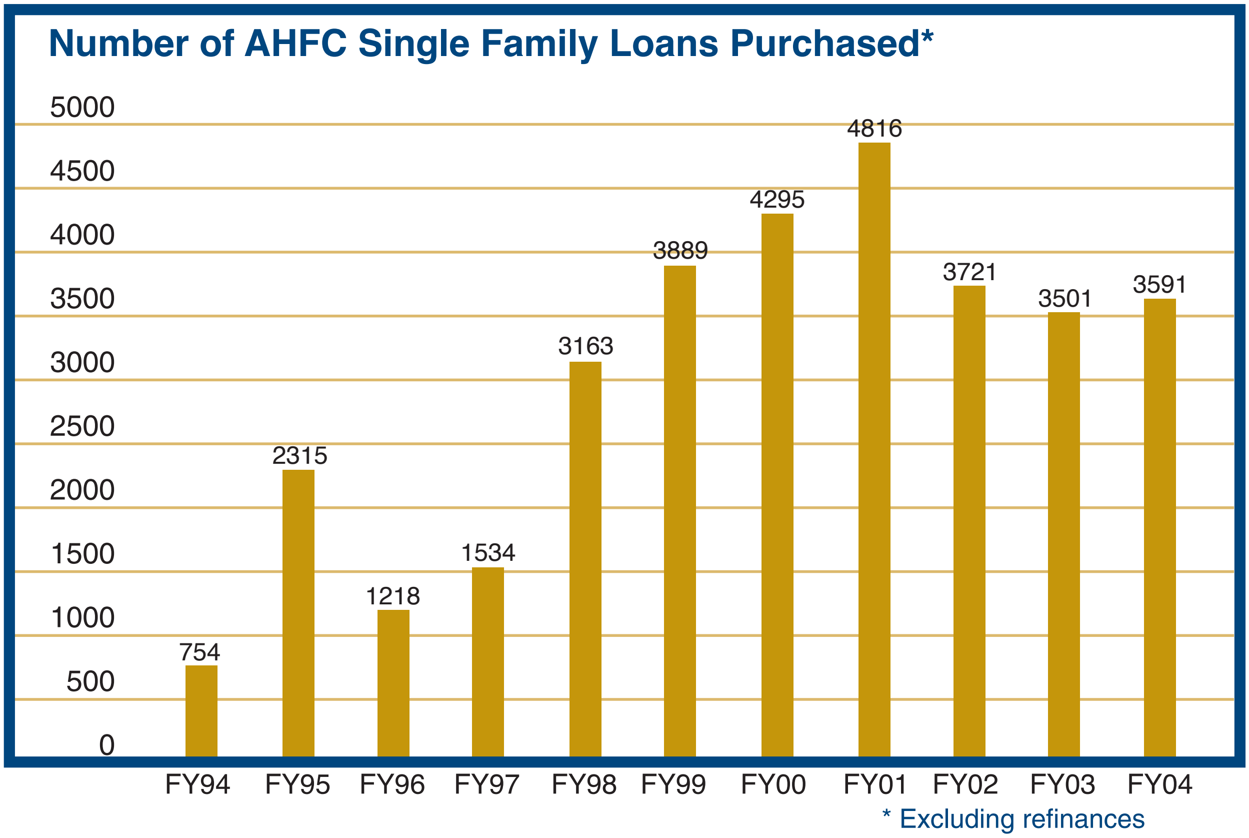
## Senior Citizen Housing Development Funds

| *Fiscal Year* | *Number of Projects* | *Units Financed* | *SCHDF Funds* |
|---|---|---|---|
| 1994 | 5 | 126 | $2,197,671 |
| 1995 | 0 | 0 | 0 |
| 1996 | 1 | 13 | $773,150 |
| 1997 | 2 | 40 | $1,484,807 |
| 1998 | 5 | 127 | $3,046,239 |
| 1999 | 1 | 8 | $156,250 |
| 2000 | 1 | 26 | $675,000 |
| 2001 | 3 | 39 | $2,030,521 |
| 2002 | 2 | 13 | $2,651,000 |
| 2003 | 4 | 77 | $2,109,460 |
| 2004* | 0 | 0 | 0 |
| **Totals** | **24** | **469** | **$15,124,098** |

* One senior project used HOME funds and Low-Income Housing Tax Credits, but did not use SCHDF.


Multi-Family Units Financed
3000
2500
2000
1500
1000
500
0
522
246
776
460
532
1,097
1,468
2,976
1,368
979
1,588
FY94
FY95
FY96
FY97
FY98
FY99
FY00
FY01
FY02
FY03
FY04


Number of Multi-Family Projects Financed
125
100
75
50
25
0
12
6
16
21
29
79
76
117
94
62
63
FY94
FY95
FY96
FY97
FY98
FY99
FY00
FY01
FY02
FY03
FY04


Number of AHFC Single Family Loans Purchased*
5000
4500
4000
3500
3000
2500
2000
1500
1000
500
0
754
2315
1218
1534
3163
3889
4295
4816
3721
3501
3591
FY94
FY95
FY96
FY97
FY98
FY99
FY00
FY01
FY02
FY03
FY04
* Excluding refinances

## HOMEOWNERSHIP

Alaska's homeownership rate reached an all-time high of 70 percent, exceeding the national rate of 68.3 percent, according to the latest U.S. Census data. Alaska's homeownership rate was higher than the nation's once previously, in 1997.

In 1984, Alaska's homeownership rate was 57.6 percent, compared to 64.5 percent for the entire U.S. After jumping to 61.5 percent in just two years, the numbers plummeted during the recession of the '80s, landing at 55.4 percent in 1993. Alaska experienced a 34.4 percent increase in homeownership over the next 10 years, the highest of any state in the nation.

In spite of historically low interest rates, it would be impossible for most Alaskans to buy their first home without programs offered by AHFC. It now takes an Alaskan family 1.44 household incomes to achieve homeownership, compared to 1.35 incomes 10 years ago. Alaska, which boasted the highest per-capita income of any state in 1980, ranked 8th in 1990, and by 2000, had fallen to 15th where it remains. This drop in earnings combined with steadily increasing average home sales prices has made AHFC's programs in demand by an even wider cross-section of the population.

The average sales price of a single-family home in Alaska increased 44 percent from $145,231 to $209,416 between 1994 and 2003, according to a survey conducted for AHFC by the State of Alaska Department of Labor and Workforce Development. Through its diverse loan programs, AHFC helped 37,957 Alaskans become homeowners during that period.

To provide homeownership opportunities to low-income persons with disabilities, AHFC implemented a pilot program in FY03. The Housing Choice Voucher Homeownership Program allocates 10 vouchers, traditionally used as rental assistance through a private landlord, to instead be used toward mortgage payments. Eight of the 10 potential homeowners had finalized their home purchase by the end of the fiscal year.

This past year, AHFC's add-on options provided lower interest rates for 526 borrowers under the Interest-Rate Reduction for Low-Income Borrowers and for 1,075 borrowers under the Energy-Efficiency Interest-Rate Reduction.

AHFC paid $13 million in servicing fees to Alaskan lenders and maintained an overall delinquency rate of less than 3.75 percent in FY04, while providing:

- $107 million to finance 872 homes under the Tax-Exempt First-Time Home Buyer Program
- $185.1 million to finance 1,069 homes under the Taxable First-Time Home Buyer Program
- $25.5 million to finance 125 homes under the Veterans Mortgage Program
- $137 million to finance 820 homes under the Rural Loan Program
- $679 million for a total of 4,065 Alaskans to purchase homes
- $2.1 million in Home Opportunity Program funds to assist 53 low-income households close on their first home

## LOW INTEREST RATES FUEL REFINANCES AND THE ECONOMY

**Long-time Alaskan Wilbur Green of Salcha was one of nearly 2,800 Alaskans to refinance their homes in the past three years of record-low interest rates.**

With interest rates remaining at historic lows of 5 percent to 6 percent, refinancing continued to be a popular - and financially smart - option for Alaskans. AHFC's loan activity topped $963 million, fueled by nearly 750 refinances and more than 1,900 first-time homebuyer purchases.

Of the more than 4,800 mortgage loans financed by AHFC from July 1, 2003, through June 30, 2004, 747 families used AHFC's streamline refinance program to lower their interest rate. Some elected to increase their monthly payments by refinancing from a 30-year to a 15-year loan, producing an even lower interest rate and increasing overall savings to the borrower. The majority of borrowers of the $97 million in refinancing activity reduced their monthly payment by an average of $137 per month.

With changes to the rural loan program approved by the 2002 Legislature, refinancing became available in rural Alaska for the first time in October 2002. Home buyers who had purchased homes under AHFC's Rural Owner-Occupied Loan Program quickly took advantage of the historic low interest rates. More than 1,100 rural Alaskan families refinanced that first year; and in FY04, AHFC provided $30.5 million for another 250 Alaskans living in remote areas to refinance. Some borrowers saw monthly savings of up to $207 per month.

## FIRST-TIME HOMEBUYERS

Steven and Stephanie Schag moved to Alaska from Ohio in 2001 with their one-year-old son, Jared. Steven had just graduated from graduate school and had accepted the position he now holds as a physician's assistant with the Fairbanks Clinic. Stephanie is a stay-at-home mom with their now three young sons, Jared, Caleb, and David.

"The process was very smooth," says Schag. "We were pleased with the outcome."

This is the Schags first home purchase, so they qualified for a lower interest rate using AHFC's First-Time Homebuyer Program.

Statistics:
Since the inception of its first-time home buyer programs, AHFC has helped more than 25,300 Alaskans buy their first home. The Taxable First-Time Homebuyer Program, introduced in 2000, eliminated the income and cost restrictions. Since it began, this program has provided homeownership for 5,369 first-time homebuyers.

AHFC provided $292 million to finance 1,941 homes for first-time homebuyers in FY04. The 872 borrowers under the tax-exempt program with its income and cost restrictions borrowed an average $122,677, while 1,069 homebuyers used AHFC's taxable first-time homebuyer program to purchase homes with loans averaging $172,394.

## HOUSING FOR TEACHERS, NURSES, AND OTHER HEALTH CARE PROFESSIONALS

Programs designed to help attract and retain teachers and nurses in rural Alaska were authorized by the 2003 Alaska Legislature and signed into law by Governor Murkowski. Under the legislation, AHFC implemented a new homeownership option on August 20, 2003, that provides 100 percent financing for home loans to full-time teachers and nurses. Qualified applicants may use any of AHFC's loan programs to purchase owner-occupied, single-family housing without a down payment.

AHFC also developed a grant program to generate new construction, rehabilitation, or acquisition of housing for teachers and health professionals in rural Alaska by helping fill the funding gap.

Read more about these under Top Stories (Housing Expanded for Teachers, Nurses, and Other Health Care Professionals).

## RURAL HOUSING

AHFC offers special loan programs designed to assist homebuyers in rural Alaska. Read more about these programs under the Rural Housing Programs.

## VETERANS MORTGAGE PROGRAM

**Robert and Nancy Kilbourn, at home with son Robert Jr., purchased their Fairbanks home under the Veterans Mortgage Program. They returned to Alaska when Robert retired following his duty in Panama.**

Robert Kilbourn was stationed in Alaska, 2 1/2 years each at Ft. Richardson in Anchorage and Ft. Wainright in Fairbanks. Upon retiring from the military after being stationed in Panama, he moved back to Fairbanks, because “It’s a good place to raise a family.” Kilbourn says his family is the center of his activities and continues working at the community Head Start and Pike’s Landing. “It’s such a blessing. We’re really thankful to AHFC, Fairbanks Neighborhood Housing, and Northern Schools Credit Union for all their help,” said Kilbourn. “It’s a blessing to have all these resources.” Kilbourn said he and his wife want to have a home that’s an asset to the neighborhood.

Last year, AHFC helped 125 qualified veterans obtain home loans with the Veterans Mortgage Program. More than 9,600 qualified Alaskan veterans have achieved homeownership since the program began. Alaska is one of only five states, including California, Oregon, Wisconsin and Texas, to provide this financing to our nation’s veterans.

The program uses funds raised by bond sales to finance low-interest loans for qualifying veterans. Because the interest payments generated by the loans are used to service the bond debt, AHFC can provide the program at no cost to the State of Alaska. Since the program began in 1983, AHFC has issued more than $2.1 billion in bonds, with voter approval, to fund the program.

**PROGRAM QUALIFICATIONS**

To be eligible, a veteran must have entered active duty service prior to January 1, 1977, and been honorably discharged no more than 30 years prior to the loan-commitment date. AHFC has been working closely with Alaska's Congressional Delegation to remove the restriction that limits eligible veterans to those who began active duty more than 28 years ago.

## **HOME**CHOICE/**HOME**OPTIONS **HOMEOWNERSHIP CLASSES**

With interest rates low, more Alaskans are realizing the goal of homeownership. But buying a home can be intimidating, even if someone has been through the process before. AHFC offers free eight-hour classes and makes them even more attractive by waiving the $250 commitment fee if a participant purchases a home using one of AHFC's programs within two years.

As more Alaskans attend the Home**Choice/**Home**Options** classes, word has spread about the increasingly popular program. In FY04, AHFC held 243 classes in 57 communities throughout the state (52 in rural areas), with certificates of completion issued to 4,283 prospective homebuyers.

The seminars cover such topics as:

- the range of loan options available;
- money management and budgeting;
- local real estate market conditions;
- earnest-money agreements;
- home inspections;
- pros and cons of homeownership;
- how to obtain a home loan;
- how to work with a real estate agent;
- how title insurance works; and
- why energy efficiency is important.

In smaller rural communities, AHFC offers an abbreviated course called Home**Options**. For more information about Home**Choice** seminars or Home**Options** classes, call the Home**Choice** hotline at 907-330-8437 or 800-459-2921, or visit us online at HomeChoice/HomeOptions.

## What Alaskans Say About AHFC's HomeChoice Seminars

*Because of the class, my husband and I knew all of the right things to ask. Things we wouldn't have even thought of.*
– *Adriana Rosas Walsh, Anchorage 2003*

*Home**Choice** is worth every penny spent by AHFC. Keep up the good work.*
– *Jeremey Anderson, Nome 2004*

*This presenter was very good, patient with questions, friendly, and knowledgeable.*
– *Craig Simmons, Bethel 2004*

*Great course; awesome price; great instructor – very personable. I loved the stories and anecdotes. We have a much better idea now what to expect when we go to purchase our first home.*
– *Karen Hopfer, Petersburg 2004*

*This is my second time attending and the program continues to provide insight even for the more experienced home buyers. I intend to promote the program, as it is a valuable financial planning and home investing resource.*
– *Larry Lawson, Kodiak 2004*

*The presentations and class were very informative and even though we have owned a prior home, new points were learned.*
– *Eileen Sheridan, Anchor Point 2004*

*Very informational. Wish I had learned all this sooner!*
– *Danielle Tolliver, Soldotna 2004*

## PROGRAM SUMMARIES

If you are connected to the Internet, you can click on any of the following links to find more specific information about these programs.

**Residential**

Mobile Home Program
Non-Conforming Program
Refinance Program
Rural Owner Occupied Program
Rural Teacher Housing Loan Program
Second Mortgage Program
Second Mortgage Program for Health and Safety Repair
Small Building Material Program
Streamline Refinance Program
Taxable First Time Home Buyer Program
Taxable Program
Tax-Exempt First Time Home Buyer Program
Veterans Mortgage Program
What you can do with an AHFC residential loan

**Add-On Options**

Affordable Housing Enhanced Loan Program (AHELP)
Energy Efficiency Interest Rate Reduction (EEIRR)
Interest Rate Reduction for Low Income Borrowers (IRRLIB)
Rural Enhanced Loan Program (RELP)
State Veterans Interest Rate Preference (State Vet)
Teachers' and Nurses' Housing Loan Program

***Energy and Weatherization***

Energy Efficiency Interest-Rate Reduction
Low-Income Weatherization Assistance Program
Small Building Material Loan Program

## RENTAL HOUSING

**Annastasia, Solomon, and Lara Davis relax in their newly remodeled home at Paxton Manor in Sitka.**

## RENTAL ASSISTANCE PROGRAMS

“It’s made a huge difference for us,” said Lara Davis, about her move into Sitka’s Paxton Manor. Davis noted the difficulty she had in finding a home in Sitka that was both affordable and big enough for her family. She and her two children had moved five times in the past two years usually a sharing one-bedroom apartment. She had planned to apply for a housing assistance voucher when the property manager told her about openings at the newly renovated Paxton Manor, affordable rental units owned and operated by AHFC. She said, “It’s been very good! We can settle in and not worry about moving again.” Davis said she’s doing what she can to work from her home and still support her family. She has been a child-care provider in the past but now works with her daughter in her home-school tutoring business. She also does some restaurant laundry.

AHFC provides rental housing assistance to nearly 5,500 eligible low-income and very low-income Alaskan families through federal funding. Certain housing complexes are designated exclusively for seniors and disabled. AHFC:

- Owns and operates 1,687 low-income units in 14 communities across the state.
- Administers the federal Housing Choice Voucher program to provide private-sector rental assistance to more than 4,000 families in 12 Alaskan communities.
- Increased the number of Housing Choice Vouchers from fewer than 2,500 in 1994 to more than 4,000 currently.
- Formed a partnership with the Tagiugmiullu Nunamiullu Housing Authority to provide rental assistance to 30 low-income families in Barrow and Browerville under the Housing Choice Voucher program.
- Expanded homeownership opportunities to low-income persons with disabilities with implementation of a Housing Choice Voucher Homeownership pilot program. Ten vouchers, traditionally used as rental assistance through a private landlord, are being used instead toward mortgage payments.
- Pays nearly $27 million a year to private landlords for rental assistance for Alaskans who earn less than 50 percent of the median income.

## FAMILY SELF-SUFFICIENCY

AHFC encourages programs which assist tenants in becoming self-sufficient by offering opportunities through the Family Self-Sufficiency program, the Gateway Learning Center, computer labs in Juneau and Anchorage, child care, and public and private grants for senior and youth services.

## GATEWAY LEARNING CENTER

A “Reading is Fundamental” Coca Cola Ingenuity grant helped form a community of older students helping younger kids from Park View Manor keep reading all summer. The program was made available through Nine Star Enterprises, a Gateway Learning Center partner and AHFC grantee to provide the Homework Club and GED classes.

The Gateway Learning Center (the Center) was first established to house AHFC’s Family Self-Sufficiency (FSS) Program. FSS is designed to complement Alaska’s welfare-to-work initiative by providing additional training and incentives to families seeking to improve work-related life and vocational skills. The Gateway’s programs help AHFC housing participants become more self-sufficient.

AHFC’s board of directors approved expansion of the Family Self-Sufficiency Program. And from September 2003 to September 2004 the number of participants doubled from 114 to 230, while maintaining the same staff. Last year, 14 participants graduated upon completing their goals in the program.

FSS enables families to increase earnings and accumulate an escrow saving account. Since rent is based on income, AHFC sets aside a portion of the increased rent payment in the escrow account. Completion of the program occurs when the participant meets his or her goals and has received no public assistance for 12 months. At that time, the escrow is paid to the participant to use for any purpose and is often used as a down payment for homeownership.

The primary focus of the Center is adult training for families lacking competitive job skills. The Center provides classes days, evenings, and weekends for adult basic education and GED training, English-as-a-second-language training, entrepreneurial (small business) training, and computer skills in office-environment software.

## MULTI-FAMILY AND SENIOR HOUSING

When the Low-Income Housing Tax Credit Program (LIHTC) began in 1987, AHFC was designated the agency to oversee allocation of Alaska's tax credits Since then, AHFC has allocated $121 million in tax credits for the development of 2,225 units of multi-family rental housing in 22 communities.

AHFC also provides multi-family loan financing. Since 1994, AHFC has provided $455 million to developers and non-profit organizations to build and/or purchase and rehabilitate 501 multi-family projects. That equates to 11,033 units of affordable rental housing in 27 communities throughout Alaska. Whether a renter lives in Anchorage with its increasing population density or in rural Alaska, AHFC probably helped make it a reality. Combining resources often determines whether a project is feasible.

Held one funding round of the GOAL program for low-income rental housing development (Low-Income Housing Tax Credits, Senior Citizens Housing Development Fund, and HOME funding). The program has a homeownership development component and pre-development funds for senior housing and special needs. Awarded $3.4 million in grants and $20 million in federal tax credits to develop 177 units in seven projects with a total development cost of $32.2 million

AHFC also provided $87.3 million in long-term financing for 1,588 units of multifamily housing in 63 properties across the state.

Through senior housing grants, tax credits, federal HOME funds, and loan programs, AHFC has helped make possible nearly $89 million of senior housing since 1994? a total of 758 units in 37 projects.

**Developer Testimonial:**

Through tax credits and multi-family financing, AHFC has partnered with developer Glen Gellert to develop new senior and multi-family housing from Girdwood to Wasilla. Gellert had this to say about AHFC:

*I always look forward to working with AHFC. They make projects possible.*

## SUPPLEMENTAL HOUSING DEVELOPMENT GRANT PROGRAM

AHFC awarded $5.6 million in 29 Supplemental Housing Development grants in FY04 to eight regional housing authorities. The grants will be used for new construction or rehabilitation of 1,220 houses and 101 Low Rent units, leveraging $28.1 million in federal Native American Housing Assistance and Self-Determination Act funds

AHFC has provided $124.1 million to build or upgrade 9,766 home ownership and rental homes since 1993.
For more details about this program, see Programs - Rural Housing – Supplemental Housing Development

## MODERNIZATION AND REHABILITATION

As part of a 10-year modernization and rehabilitation plan, this year AHFC completed multi-million dollar renovation work for 120 senior units at Chugach View in Anchorage, for 24 units of family housing at Paxton Manor in Sitka, for 25 family units at Geneva Woods in Juneau, and for 30 senior units at Glacier View in Seward. These are just some of the projects under way to upgrade and maintain the 1,687 units AHFC owns in 14 communities statewide.

For details of this year's projects, see FY2004 Highlights – Departmental Highlights - Public Housing Division.

# PROGRAM SUMMARIES

If you are connected to the Internet, you can click on any of the following links to find more specific information about these programs.

## Rental Assistance Programs Summaries

Barrow/Browerville Housing Choice Voucher Program
Family Self-Sufficiency Program
Gateway Learning Center
Housing Choice Voucher Program
Housing Choice Voucher Homeownership Plan (PDF)
HUD Project-Based Section 8 Contracts
Public Housing Rental Program

## RURAL HOUSING

## HOME OWNERSHIP

Last year, AHFC helped 820 Alaskans purchase homes in rural Alaska. AHFC offers special low-interest-rate loan programs to qualified borrowers living in small communities throughout Alaska.

## REFINANCING AVAILABLE TO RURAL ALASKANS

With changes to the rural loan program approved by the 2002 Legislature, refinancing became available in rural Alaska for the first time in October 2002. Homebuyers who had purchased homes under AHFC's Rural Owner-Occupied Loan Program continued to take advantage of the historic low interest rates into 2004. AHFC provided $30.5 million for 250 Alaskans living in remote areas to refinance. Some borrowers saw monthly savings of up to $207 per month.

**Qualifications:**

Owner-occupied, single-family, condo and multi-unit residences qualify for the 15- or 30-year fixed-interest-rate loans, and the cost of renovations and/or improvements can be rolled into the new loan. The maximum loan amount is limited to the current unpaid balance, plus up to 30 days' unpaid interest and new loan closing costs.

## SUPPLEMENTAL HOUSING DEVELOPMENT GRANT PROGRAM

Northwest Inupiat Housing Authority recently finished four new homes in Kobuk and six in Shungnak funded in part by $640,000 grant from a Supplemental Housing Development Grant.

The Shungnak new home shown here is on a Triodetic Foundation. In the past decade, this type of foundation has been found suitable for northern communities that have permafrost conditions which can lead to frost heaves and seasonal swelling and shrinking of the soil caused by freezing and thawing of water. The Triodetic foundation is a three-point space frame of aluminum tubing that can withstand major shifting and settling and acts like a floating slab. It permits movement of the soil and footings but still maintains a level building. AHFC funded a demonstration project in three Alaska communities to test the foundation in the '90s. It is now being used by many northern communities for new and retrofitted foundation systems.

A rural housing needs assessment shows an immediate need for approximately 7,500 new houses and upgrades to 80,000 houses throughout Alaska. Funding from the U.S. Department of Housing & Urban Development is not adequate for the high cost of construction of homes in remote Alaska.

In 1981, the Alaska legislature established the Supplemental Housing Development Grant program to supplement HUD Indian housing development funds for projects constructed by regional housing authorities. Each state dollar contributed to this program leverages approximately five dollars in federal funds. AHFC is limited to contributing 20% of HUD's total development cost of a project. The funds can be used for on-site water and sewer facilities, roads to project sites, electrical distribution systems, and energy-efficient design features.

Tlingit-Haida Regional Housing Authority completed a 50-unit project this summer in picturesque Glacier Valley in Juneau. The project includes single-family, three-bedroom, ranch and two levels, as well as duplexes. Tlingit-Haida used local hire in their core building crew and participants in the apprenticeship youth-builder program - high school students working under the direct supervision of skilled construction supervisors.

**Statistics:**

In FY04, AHFC awarded $5.6 million in 29 Supplemental Housing Development grants to eight regional housing authorities for new construction or rehabilitation of 1,220 houses and 101 Low Rent units, leveraging $28.1 million in federal Native American Housing Assistance and Self-Determination Act funds.

## PROGRAM SUMMARIES

If you are connected to the Internet, you can click on any of the following links to find more specific information about these programs.

**Rural Residential Loan Programs**

Non-Conforming Program
Rural Owner Occupied Program
Rural Teacher Housing Loan Program
Second Mortgage Program for Health and Safety Repair
Small Building Material Program

## PARTNERS

Alaska Association of Housing Authorities
Aleutian Housing Authority
Association of Village Council Presidents (AVCP)
Baranof Island Housing Authority
Bering Straits Regional Housing Authority
Bristol Bay Housing Authority
Cook Inlet Housing Authority
Copper River Basin Regional Housing Authority
Interior Regional Housing Authority
Kodiak Island Housing Authority
North Pacific Rim Housing Authority
Northwest Inupiat Housing Authority
Tagiugmiullu Nunamiullu (TNHA)
Tlingit-Haida Regional Housing Authority
United States Department of Housing and Urban Development (HUD)

## ENERGY AND WEATHERIZATION

### ENERGY EFFICIENCY INTEREST-RATE REDUCTION (EEIRR)

**Success Story**
Rodney and Rebecca Jensen built an energy-efficient home for their first home purchase in Alaska "It's mid-October, and we just barely turned on the heat for winter," said Rebecca. "It's very, very efficient." She was born and raised in Skagway. They met at her sister's wedding Outside and have lived in Skagway for 10 years. He works in the public works department for the City of Skagway, and she works at the Skagway health clinic. Rebecca said they had a great contractor; the whole process was quick and easy. The Jensens qualified for a low-interest-rate loan using AHFC's rural loan program and the energy-efficiency add-on.

AHFC offers interest-rate reductions to homebuyers to promote energy efficiency of existing and newly constructed homes. Reductions of .25 - .50 percent are available for newly constructed properties exceeding Alaska Building Energy Efficiency Standard (BEES) with a 5★ or 5★+ rating.

For existing properties, AHFC offers interest-rate reductions ranging from .125 - .375 percent when a homebuyer increases the energy efficiency of the newly purchased home. AHFC must be notified at the time of the purchase.

Statistics:
In FY04, AHFC helped 1,075 families purchase energy-efficient homes using $198 million in loan funds under the Energy-Efficiency Interest-Rate Reduction add-on option.

## LOW-INCOME WEATHERIZATION AND ENHANCED WEATHERIZATION

**Before** **After**

With an aging housing stock and the rapid increase in property values, affordable housing is becoming ever more difficult for low- or moderate-income families to find and maintain. AHFC's low-income weatherization programs increase the durability, livability, longevity, and affordability of Alaska's housing. Studies show that for every dollar spent on weatherization, $2.40 is saved in energy costs and life of the home.

Weatherization addresses life-threatening health and safety issues in many homes. A majority of households receive at least a tune-up to their heating system, while more than 500 annually receive repairs to systems that are fire hazards or leaking deadly carbon monoxide (CO). Smoke and CO detectors are placed in 350 homes annually. By providing ventilation in many homes, high levels of indoor moisture, mold, and other microbes are reduced, improving the overall health of the occupants and ensuring a longer life for the home. Drafts are reduced and comfort is increased - upgrades especially important for infants, elderly, and disabled Alaskans.

The programs operate with grants to five non-profits to make cost-effective, home-energy improvements. Much of the funding comes from the U.S. Department of Energy (DOE), which allows a maximum of $2,614 per home, regardless of its location. With the cost of improvements far exceeding this amount in rural Alaska, the programs have been successful with additional grants from AHFC.

AHFC administered more than $5 million of DOE, state and AHFC funds for the low-income weatherization program in FY04. The program served approximately 680 households in 25 different rural and urban communities across the state in FY04, of which fifty percent included either a senior citizen or a disabled person, and thirty-three percent had children under the age of six.

AHFC also provided $688,550 in federal Owner-Occupied Rehabilitation Program funds to weatherize 19 single-family homes for low-income families.

## AHFC FUNDS COLD-CLIMATE HOUSING RESEARCH

Since 2001, AHFC has funded research on housing issues in cold climates through the Cold Climate Housing Research Center, an industry-based, non-profit corporation created to facilitate the development, use and testing of energy-efficient, durable, healthy and cost-effective building technologies for cold-climate regions.

Alaska offers an excellent testing ground for cold-climate technologies and products. Our geography provides the full range of climatic conditions a researcher would encounter across the northern U.S. - from the windy, cool, wet weather of the northeastern and northwestern states to the very cold, snowy conditions across the northern plains and Rocky Mountain regions. In addition, Alaska’s cold season lasts for six months or longer in any given year, allowing ample time for researchers to conduct experiments and evaluations of housing performance.

AHFC helped the center, located in Fairbanks, obtain more than $2 million in funds. The center conducts research on such issues as mold, causes and prevention of upper respiratory illness in children, ventilation, heat-recovery systems, energy efficiency, and performance of various building materials. Research results can improve the quality and safety of housing not only in Alaska but in all the world’s cold climates.

## PARTNERS

Alaska Building Science Network
Alaska Community Development Corporation
*(Serves the road-connected Southcentral region - Homer to Tok, including Valdez, Mat-Su, etc., and Southeast region, except Juneau)*
Alaska Craftsman Home Program
Alaska Department of Environmental Conservation
Alaska Energy Authority
Alaska Fire Marshall's Office
Alaska Legal Services
Alaska Native Health Board Rural Sanitation Coalition
Alaska State Department of Community and Economic Development
Alaska State Department of Health and Social Services
Alaska State Home Builders Association
Alaska State Library
Alaska SUN
American Lung Association of Alaska
Anchorage Board of Realtors
Anchorage Home Builders Association
Building Science Consortium
Canada Mortgage & Housing Corporation
Center for Universal Design
Cold Climate Housing Research Center
Denali Commission
Energy and Environmental Building Association (EEBA)
Energy OutWest
Habitat for Humanity
Home Builders Association of Juneau
Interior Alaska Building Association, Inc.
Interior Weatherization *(Serves the North Star Borough and Fairbanks)*
Kenai Peninsula Home Builders Association
Ketchikan Home Builders Association
Mat Su Home Builders Association
Municipality of Anchorage *(Serves Anchorage from Chugiak to Girdwood)*
NAHB Research Center
National Association of Community Service Providers (NASCSP)
National Association of State Energy Officials

Northwest Energy Coalition
Rural Community Action Program (RurALCAP)
*(Serves the Western Region, the Northwestern Region and Juneau)*
Tanana Chiefs Conference *(Serves the remote Interior)*
United States Department of Agriculture – Rural Development
United States Department of Energy
University of Alaska Fairbanks Cooperative Extension Service
University of Alaska Southeast
U.S. Arctic Research Commission
U.S. Consumer Product Safety Commission
U.S. Department of Housing and Urban Development
U.S. Environmental Protection Agency
Wisdom and Associates

## PROGRAM SUMMARIES

If you are connected to the Internet, you can click on any of the following links to find more specific information about these programs.

### Residential

Second Mortgage Program
Second Mortgage Program for Health and Safety Repair
Small Building Material Program

### Multi-Family and Special Needs Housing

Multi-Family, Congregate and Special Needs Program
Multi-Family Federally Insured Program
Multi-Family Loan Purchase Program
Senior Housing Program

*Add-On Options*
**Energy Efficiency Interest Rate Reduction (EEIRR)**

### Energy and Weatherization

**AkWarm™ Energy Rating Software**

Energy Efficiency Interest-Rate Reduction
Low-Income Weatherization Assistance Program
Small Building Material Loan Program

## Grants and Tax Credits

Accessibility Modification Grants (for seniors)
GOAL (Greater Opportunities for Affordable Living) Program
Grant Match Program
HOME Investment Partnerships Program (HOME)
Homeless Assistance Grant Program
Low-Income Housing Tax Credit Program (LIHTC)
Supplemental Housing Development Grant Program

## LEVERAGING RESOURCES

Through the power of partnerships, AHFC is able to expand its resources and programs. From tapping into the financial resources of federal and private grants or low-income housing tax credits to providing low interest rate loans to developers and nonprofits for multifamily and senior housing, we thank and commend our many state, federal, and private partners.

AHFC is the lead agency for the State of Alaska's Housing and Community Development Plan. The completion of the Annual Action Plan will bring $6.5 million in federal funds to AHFC. AHFC also completed biannual statewide surveys of service providers to the homeless, which support more than $2.3 million in federal grant applications annually.

## HOMEOWNERSHIP

- Assisted 53 low-income households with $2.1 million to purchase a home with AHFC's Home Opportunity Program
- Waived the $250 loan commitment fee for 1,782 HomeChoice attendees, saving Alaskans a total of $445,500 on the purchase price of their home
- Provided $57.4 million to provide lower mortgage rates for 526 low-income borrowers under the Interest-Rate Reduction for Low-Income Borrowers

## RENTAL ASSISTANCE

- Awarded 29 Supplemental Housing Development grants to eight regional housing authorities for new construction or rehabilitation of 1,220 houses and 101 Low Rent units, leveraging $28.1 million in federal Native American Housing Assistance and Self-Determination Act funds
- Provided $87.3 million in long-term financing for 1,588 units of multifamily housing in 63 properties across the state.
- Provided $23.4 million in tax credits, HOME funds, and Senior Citizens Housing Development Fund grants for the development of 177 units of rental housing with a total development cost of $32.2 million.

## ENERGY AND WEATHERIZATION

- Helped 1,075 families purchase energy-efficient homes using $198 million in loan funds under the Energy-Efficiency Interest-Rate Reduction add-on option
- Administered more than $5 million of DOE, state, and AHFC funds for the low-income weatherization program in FY04. The program served approximately 680 households in 25 different rural and urban communities across the state in FY04, of which 60 percent included either a senior citizen or a disabled person, and thirty-nine percent had children under the age of six
- Provided $688,550 in federal Owner-Occupied Rehabilitation Program to weatherize 19 single-family homes for low-income families
- Add-on options provided lower interest rates for 526 borrowers under the Interest-Rate Reduction for Low-Income Borrowers and for 1,075 borrowers under the Energy-Efficiency Interest-Rate Reduction

## SELF-SUFFICIENCY

- Renovated the last of 19 (former public housing) single-family homes under the 5h Homeownership Program. Eighteen homes have sold, and the final home is currently for sale to a low-income family.
- Received HUD Resident Opportunities and Self-Sufficiency (ROSS) grant to provide heavy chore services to elderly or disabled residents who are considered frail and in need of assistance with housekeeping services
- Oversaw a pilot program to provide homeownership opportunities to low-income persons with disabilities. The Housing Choice Voucher Homeownership Program provided vouchers, traditionally used as rental assistance through a private landlord, to instead be used toward mortgage payments.
- Assisted 14 participants to graduate from the Family Self-Sufficiency (FSS) program
- Partnered with Alaska Division of Public Assistance to double the FSS Program enrollment to 230 participants
- Awarded 10 $500 scholarships to students in public and assisted housing to aid students in attending college or vocational schools

## SENIORS AND SPECIAL NEEDS

- Received HUD Resident Opportunities and Self-Sufficiency grant to provide heavy chore services to elderly or disabled residents who are considered frail and in need of assistance with housekeeping services.
- Provided $319,317 for the Senior Access Accessibility Modification Program, providing modifications to 43 homes, allowing seniors or disabled Alaskans to continue living independently in their own homes.
- Received a three-year, $799,581 Aging & Disability Resource Center grant from the Centers for Medicare Services and Administration on Aging. In cooperation with the Statewide Independent Living Council, five resource centers will provide "one-stop" shopping for all services related to long-term care within the state.
- Completed a 34-page assisted-living survey on the current state of the Anchorage/Eagle River assisted living market.
- Provided $945, 000 for three Assistance Provider loans.
- Held one funding round and awarded $750,000 under the Homeless Assistance Program.
- Held one funding round and awarded $1 million under the Grant Match Program for the HUD Supportive Housing Program.
- Awarded two projects serving persons with severe mental illness under the Special Needs Housing Grant Program worth $1.2 million, leveraged with Alaska Mental Health Trust funds ($200,000) for operating assistance.

## HOME Funds

| *Fiscal Year* | *Number of Projects* | *Units Financed* | *HOME Funds* |
|---|---|---|---|
| 1992 | 1 | 1 | $57,677 |
| 1993 | 0 | 0 | 0 |
| 1994 | 3 | 36 | $820,636 |
| 1995 | 0 | 0 | 0 |
| 1996 | 6 | 109 | $3,286,884 |
| 1997 | 5 | 152 | $2,571,906 |
| 1998 | 3 | 76 | $1,953,585 |
| 1999 | 4 | 50 | $1,931,692 |
| 2000 | 4 | 69 | $406,250 |
| 2001 | 6 | 53 | $1,664,314 |
| 2002 | 4 | 46 | $1,677,475 |
| 2003 | 5 | 65 | $2,058,971 |
| 2004 | 3 | 55 | $1,950,000 |
| **Totals** | **44** | **712** | **$18,379,390** |

Phill Adams • Sandra Amox • Jane Anderson • Ross Anderson • Roy Anderson • Steve Anderson • Griselda Andujar • Marge Arnold • Debra Athan • Jennifer Austin • Jean Ayers • Sue Ayers • Kelvin Bailey • Brian Baines • Barbara Baker • Linda Banovich • Nancy Barnacle • Linda Barrows • Stuart Barrows • Kristian Beckner • Toni Bell • Vince Benjamin • Ineke Benkers • Tony Berdahl • Barry Billings • Brian Blackwell • Martha Blanchett • Permelia Boatman • Cary Bolling • Peter Bonadurer • Genie Borgford • Kari Bowers • Debbie Boyce • Kimberly Branch • Roxanne Brandenburg • Bob Brean • Nick Brewer • Danny Brown • Edgar Brown • Kelley Brown • Shannon Brown • Linda Bueltmann • Mike Buller • Diane Buls • Mimi Burbage • Bryan Butcher • Toni Butler • Doreen Calahan • Les Campbell • Mark Carey • Lucy Carlo • Marion Carter • Nola Cedergreen • Ed Chan • Richard Chartrand • Cera Choi • Naomi Christensen • Inge Clark • Patrick Cochran • Colin Coker • Debi Cole • Esther Combs • Jenny Coppola • Ann Cothron • Gerry Cox • Kim Coy • Doc Crouse • Lisa Curran • Robert Dalton • Mike David • Bernard Davis • Maria DeBaun • Sarah De Jesus • Steve DeBusk • Jan Delaney • Martin Delfino • John DeMott • Judith DeSpain • Gerry Deta • Marlon Dimatulac • Jeff Doll • Christopher Doucette • Sherrylee Dovolos • Joe Dubler • Kris Duncan • Gloria Dunmore • Pam Duran • Wayne Eaker • Sheila Edward • Henry Elizarde • Dianna Erwin • Gregory Evans • Linda Faro • Diane E. Faude • Diana L. Faude • Martin Faulkner • Jeanne Faulknor • Dan Fauske • Robert H. Ferguson III • David Finley • Kari Flansaas • Virgialee Florez • Les Forbes • Melissa Ford • Victor Forrester • Dennis Fradley • Susan Garrett • Douglas Giles • Brenda Glaze • Joseph Gleaton • David Gonzales • Manuelita Goodall • Paula Graber • Gwen Graham • Margaret Gregorich • Renee Griffin • Debbie Grizzle • Jim Gurke • Peter Haines • Betty Hall • Sheryl Hall • Lona Hammer • Jennifer Hamsley • Cynthia Hanson • Jeri Harris • Judy Harris • Kurt Hartman • Eric A. Havelock • Christopher Haynes • Amy Hiley • Candace Hiner • Linda Hobert • Marie Hockmuth • Elaine Hodl • Dawn Hoebermann • Eric Hoffman • Elaine Hollier • Marjorie Holt • Laurie Holte • Marilyn Holvoet • Tammy Hunter-Greco • Deborah Inama • Arturo Irizarry • Gary Isaacson • Jessie Jackson • Tammie James • Shelly Jehlen • Harvey Jennings • Margaret Jetton • Anna Jolliff • Iiljones • Gay Jurgensen • Paul Kapansky • Bob Kelly • Jacqueline Kelly • Joseph Kilian • Kelli Killian • Michael Kincaid • Terry Kincaid • Larry King • Gerri Koechling • Robert Koerperich • Robert Koski •

Daniel Kuntze • Maureen Lavoie • Kathy Lepley • James Lester • Steve Lewis • Wilda Libby • JoAnn Lipps • Beverly Lopez • Christie George Maiden • David Maiden • Debra Manzo • Diane March • Mark Martenson • Charles Martin • Joseph Martin • Sheila Martin • Brian D. Massey • Bernie Massin • Willy J. Mathias • Jim McCall • Walt McCrumb • Dave McDowell • Peggy McGuire • Jay McInerney • Jodee McNutt • Carol McPherron • Elaine M. Mello • Klaus Menn • Teeny Metcalfe • Teresa Meyers • Joyce Michaelson • Glenn Molyneux • Andy Montoya • Latoya Moore • Ken More • Jim Morris • Bette Morrison • Maude Morse • Tammy Murry • Jimmie Nelson • Timothy Nelson • Janet Niemann • James Nitchman • Jeanie Nixa • Stanley Olchowski • Judy Ondeck • Beverly Ovitt • Sandra Palmer • Bill Pellman • Victor Peralta • Michael Phelps • Bob Pickett • Harold "Hap" Pierce • Martin Pigg • Monica Pirrotta • Hess Poland • Kassye Potter • Ana Poulivaati • Huston Prescott • Sabrina Pulu • James D. Rainforth • Susan Ramsdell • Kuya Randall • Roy Range • Dewey (Raymond) Ransom • Anna Margaret Rear • Greg Reed • Sheila Reese • Kenton Reeves • Thomas Remaklus • David Remme • James Rheault • Syrena Rheault • Donnis Richard • Carol Richards • Catherine Richter • Marietta Roberts • Michelle Robinson • Tim Rock • Vickie Rollins • Fay Romer • Mark Romick • Vita Rosier • Ray Rouzan • Patti Ruppert • Michael Russin • Holly Rutka • Grant Salisbury • Linda Samuelson • Marsland Sanders • Jeniffer Santos • Karen Savage • Fina Schlosser • Brian Seim • Robert Sherry • Sherrie Simmonds • Debbie Sims • Jill Smart • Herman Smith • Melanie Smith • Vickie Snelgrove • Konni Snyder • Cindi Sowder • Cindy Spaulding • Cyndy Speight • Cynthia Spezialy • Jon Stachelrodt • Norma Stanford • Pamela Stantorf • Tammy Steele • Michele Stewart • Rutha Stone • Michael Strand • Mike Sullivan • Jose Sumabat • Derenty Tabios • Robbie Tabios • Carla Taff • Pola Takher • Gary Teague • Robenett Terrell • Brad Thomas • Tracy Thornton • Brenda Tomuro • R. Kevin Tune • Glen Turner • Ray Utter • Richard VanCamp • Barbara Venarchick • Patricia M. Verdugo • Jesus-Antonio Vizcocho • Rodney Vitt • Douglas Wade • Reggie Ward • Scott Waterman • Ron Wehrli • Wes Weir • David White • Deidre White • Larry White • James Wiedle • Calvin Williams • Victoria Wilson • Kelly Windom • Greg Wood • James Wright • Laurie Wright • Joseph Yaletchko • Cherie Young • Deborah Zenger