



ASSOCIATION OF ALASKA HOUSING AUTHORITIES

Building communities, empowering Alaskans.

State Legislative Priorities

FY 2019

Priority #1: AAHA strongly supports the Governor's request that the Legislature fund the AHFC Supplemental Housing Development Grant (SHDG) in the amount of \$3 million for FY2019, a 74% reduction in funding since 2011. AAHA urges the Legislature to fund the SHDG through the State Capital Budget, as it has for many years. Because the SHDG funds no more than 20% of the costs of any particular development, the state's investment will leverage at least \$12 million in additional private and federal funding, a return of 4:1.

Priority #2: AAHA strongly supports continued state investment for the AHFC Weatherization Program in the FY2019 Capital Budget and in the Governor's Budget Request under the Alaska Economic Recovery Act, Maintenance Capital Fund.

Priority #3: AAHA strongly supports the Governor's Budget Request for the AHFC Senior Citizens Housing Development Grant Program (SCHDGP) for \$2 million to be funded in the FY2019 Capital Budget to meet the rapidly growing need for senior housing in Alaska.

Priority #4: AAHA strongly supports the Governor's Budget Request for the AHFC Teacher, Health Professional, and Public Safety Housing Grant Program for \$1.75 million for communities throughout Alaska to recruit and retain teachers, health, and public safety professionals.

Priority #5: Support the passage of HB 81 which expands the eligibility for the Alaska Energy Efficiency Revolving Loan Fund (AEERLF) to include non-profit entities, federally recognized tribes and Regional Housing Authorities.

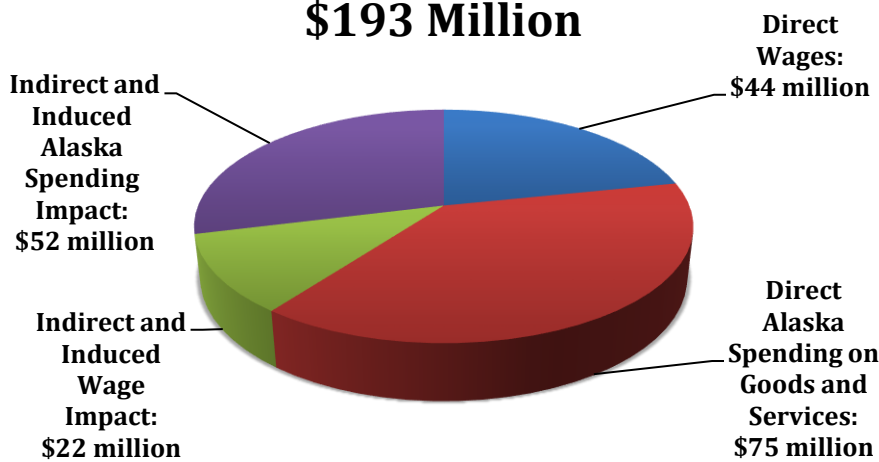
Alaska’s Regional Housing Authorities (RHA’s) have built thousands of housing units since their inception in 1971. Approximately 20,000 Alaskans live in housing built, improved and/ or managed by RHA’s. Regional Housing Authorities, along with their partners, are among the largest employers in rural Alaska and play a critical role in sustaining many local economies. They are also a major player in the state’s urban centers – Cook Inlet Housing Authority has built more new, affordable housing in Anchorage in the last ten years than any other organization.

The Association of Alaska Housing Authorities (AAHA) is a 501(c)(3) non-profit corporation whose membership consists of 14 RHAs created pursuant to Alaska Statute, plus the Alaska Housing Finance Corporation (AHFC). AAHA is dedicated to increasing the supply of safe, sanitary and affordable housing in Alaska. In partnership with AHFC and our other state, federal and private sector partners, AAHA members serve residents and communities in every part of Alaska, both rural and urban.

Alaska RHA’s statewide economic impact for 2016:

- Invest ~\$94M of Federal Funding. Bring annual funding of ~\$94M in federal funding from US Department of Housing and Urban Development to invest in preservation of existing housing and construction of new housing
- Leverage or Match Additional \$193M. Generated approximately \$193 million direct & indirect statewide economic activity by leveraging federal funding with other public, private, federal and state funding
- Statewide Employment. Employed approximately 1,400 individuals
- Build New Housing. Constructed 125 affordable and highly energy-efficient homes
- Energy Efficient Housing. Weatherized 100 homes
- Preserve Existing Housing. Rehabilitated or renovated 500 homes

RHA Economic Impacts in Alaska \$193 Million



AAHA members greatly appreciate the ongoing efforts of Alaska’s Governor, State Legislators and staff in supporting affordable housing, job creation and economic development in our state. We look forward to working together to advance our mutual interest in improving the lives of those we have the privilege to serve.



Priority #1: AAHA strongly supports the Governor’s request that the Legislature fund the AHFC Supplemental Housing Development Grant (SHDG) in the amount of \$3 million for FY2019, a 74% reduction in funding since 2011. AAHA urges the Legislature to fund the SHDG through the State Capital Budget, as it has for many years. Because the SHDG funds no more than 20% of the costs of any particular development, the state’s investment will leverage at least \$12 million in additional private and federal funding, a return of 4:1.

Although the RHA’s have demonstrated an approximate annual need up to \$15 million for this critical housing program AAHA strongly supports the Governor’s request and seeks legislative support for maintaining the FY 2018 appropriated amount of \$3 million to be funded in the FY2019 Capital Budget. SHDG mandates energy efficient construction as a component of accepting the funds so the result is housing that is less expensive to heat and more affordable to residents. Funding for new housing development requires assembling capital stacks from a multitude of sources of funding due to the increased material and labor costs and decreasing or stagnant Federal support. This grant program has been used to provide a foundation for development, from Architectural & Engineering to Permitting to Logistics.

The SHDG program provides up to a 20% match to federal HUD funds, providing a 5X leverage return on State of Alaska funding.

Priority #2: AAHA strongly supports continued state investment for the AHFC Weatherization Program in the FY2019 Capital Budget and in the Governor’s Budget Request under the Alaska Economic Recovery Act, Maintenance Capital Fund.

The success of the Weatherization Program in improving the health and safety of Alaskans, reducing the use of fossil fuels, reducing the energy bills, improving and preserving housing stock across the state, reducing housing stock that is unsafe from carbon dioxide, mold and other health risks, creating jobs, and boosting struggling local economies has been unprecedented. AAHA urges the legislature to continue to capitalize on its existing investment and provide access to this critical program for low- and moderate- income families to live in decent, safe and affordable housing.

Priority #3: AAHA strongly supports the Governor’s Budget Request for the AHFC Senior Citizens Housing Development Grant Program (SCHDGP) for \$2 million to be funded in the FY2019 Capital Budget to meet the rapidly growing need for senior housing in Alaska.

SCHDP funds are used to support the development of housing for the fastest growing population of Alaska, our senior citizens. The requested amount will provide necessary “gap funding” which will result in approximately three development projects or 30 new senior housing units for low- and middle-income seniors. AAHA strongly supports the Governor’s request and seek legislative support for \$2 million to be funded in the FY2019 Capital Budget. Funding this program can potentially attract a funding match from private entities that have supported this program in past fiscal years.

Priority #4: AAHA strongly supports the Governor’s Budget Request for the AHFC Teacher, Health Professional, and Public Safety Housing Grant Program for \$1.75 million for communities throughout Alaska to recruit and retain teachers, health, and public safety professionals. This funding will be matched with a minimum of 5 times the dollar amount with federal and private funding.

The Teacher, Health Professional and Public Safety Housing Grant Program allows small communities in Alaska to recruit and retain teachers, health and public safety professionals. An inadequate public service labor force negatively impacts a community’s potential, health and resilience. Priority projects include those that leverage the program funds with multiple other funding sources. These funds require at least a 20% match with other sources of funding, leveraging their impact 5X above the State of Alaska funding level.

Priority #5: Support the passage of HB 81 which expands the eligibility for the Alaska Energy Efficiency Revolving Loan Fund (AEERLF) to include non-profit entities, federally recognized tribes and Regional Housing Authorities.

In 2010, the state created the AEERLF (AS 18.56.855) permanent energy-efficient improvements to buildings owned by public entities such as schools, the University of Alaska, and municipal governments. To date, the AEERLF has seen exceptionally limited use, loaning less than 1% of the authorized \$250 Million. Representative Kreiss-Tomkins introduced HB 81 to expand the eligibility for the AEERLF to include non-profit entities, federally recognized tribes and Regional Housing Authorities, and thereby, increasing the utilization of the loan program.

Thank you for your consideration of our concerns and priorities.

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