



ASSOCIATION OF ALASKA HOUSING AUTHORITIES

Building communities, empowering Alaskans.

2020 State Legislative Priorities

Priority #1: AAHA strongly supports the AHFC Supplemental Housing Development Grant (SHDG) in the amount of **\$3 million** in the FY2020 Capital Budget. Because the SHDG funds no more than **20% of the costs** of any particular development, the state's investment will require at least **\$12 million in additional private and federal funding**, a minimum **return of 4:1**, however, the return on the state's investment **regularly exceeds 5X** the funding amount. 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. Many projects will not happen without the initial investment from the SHDG.

Priority #2: AAHA strongly urges the Governor and the Alaska Legislature to prioritize and allocate state resources to the departments and agencies responsible for coordinating the Census count in Alaska and that the Alaska Complete Count Commission is endorsed and supported by the Administration and Alaska Legislature.

Priority #3: AAHA strongly supports the AHFC Weatherization (Wx) Program in the amount of **\$5 million** in the FY2020 Capital Budget. The Wx Program is often leveraged with additional funding by Regional Housing Authorities (RHAs). For example, one RHA received **\$280,000 State Wx Funding** and added **ICDBG funds (\$600,000)**, **IHBG funds (\$90,000)** and additional **Tribal funds (\$93,000)** to **expand** the Wx project from 8 homes to the **entire community of Clarks Point.**

Priority #4: AAHA strongly supports the AHFC Senior Citizens Housing Development Grant Program (SCHDGP) for **\$1.75 million** in the FY2020 Capital Budget. The requested amount will provide necessary "gap funding" to allow leveraging of additional funding sources. For example, a current application proposal from a RHA includes **\$500,000 SCHDGP** funding. That is mixed with **8 other sources** for a **project total development cost of \$13.8M**. Without the SCHDGP, the other funding sources would not be leveraged and the project would not happen.

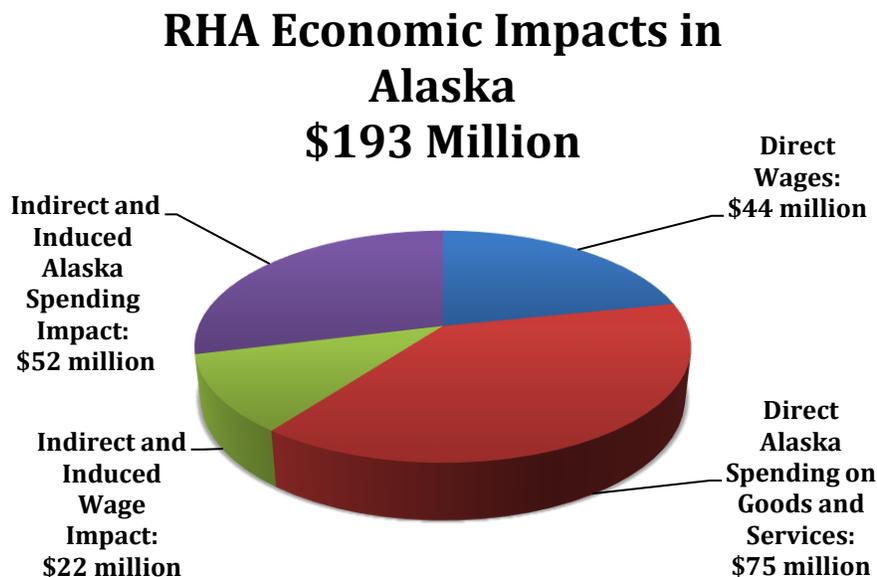
Priority #5: AAHA strongly supports the AHFC Teacher, Health Professional, and Public Safety Housing Grant Program (THHP) for **\$1.75 million** for communities throughout Alaska to recruit and retain teachers, health, and public safety professionals. For example, a new 5-unit project consisted of **State Grant Funding \$328,955**. The project total development cost is **\$1,716,813.00** leveraging the **grant** funding more than 4:1.

The Association of Alaska Housing Authorities (AAHA) is a 501(c)(3) non-profit corporation whose membership consists of 14 Regional Housing Authorities (RHAs) created pursuant to Alaska Statute, and 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’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 and the RHA regularly purchase building material and services from local companies.

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



Priority #1: AAHA strongly supports the AHFC Supplemental Housing Development Grant (SHDG) in the amount of \$3 million in the FY2020 Capital Budget.

- The requested amount for 2020 is a 74% reduction in funding since 2011. Because the SHDG funds no more than 20% of the costs of any particular development, the state's investment will require at least \$12 million in additional private and federal funding, a minimum return of 4:1, however, the return on the state's investment regularly exceeds 5X the funding amount.
- Although the RHA's have demonstrated an approximate annual need up to \$15 million for this critical housing program, AAHA strongly supports AHFC's requested appropriation in the amount of \$3 million to be funded in the FY2020 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. Many projects will not happen without the initial investment from the SHDG.
- SHDG provides a foundation for development, from Architectural & Engineering to Permitting to Logistics.

Priority #2: AAHA strongly urges the Governor and the Alaska Legislature to prioritize and allocate state resources to the departments and agencies responsible for coordinating the Census count in Alaska and that the Alaska Complete Count Commission is endorsed and supported by the Administration and Alaska Legislature.

- Alaska communities, particularly our rural communities, are among the most difficult in the nation to count accurately due to challenges such as geographical location and language barriers.
- Insufficient federal appropriations for Census Bureau data collections will require personnel from multiple state agencies, particularly the Department of Labor and Workforce Development, to engage directly with the U.S. Census Bureau on a frequent and ongoing basis to evaluate and recommend strategies to enhance the accuracy of Census Bureau data collections in Alaska.
- The most significant consequence of an undercount of our communities include the potential of reduced federal funding based on the Census data.
- Additional consequences of undercounting Alaska include: inequitable redistricting, decreased federal funding that exacerbates Alaska's fiscal situation, reductions in essential services like infrastructure repairs, decreased funding for education and programs that make up Alaska's social safety net, improper enforcement of laws that protect vulnerable populations, and less accurate data available to communities to strategically plan for the future.

Priority #3: AAHA strongly supports the AHFC Weatherization Program in the amount of \$5 million in the FY2020 Capital Budget.

- 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.
- The AHFC Weatherization program is often leveraged by RHAs with other funding to increase the number of homes being weatherized.

Priority #4: AAHA strongly supports the AHFC Senior Citizens Housing Development Grant Program (SCHDGP) for \$1.75 million in the FY2020 Capital Budget.

- 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” to allow leveraging of additional funding sources which will result in approximately three development projects or 30 new senior housing units for low- and middle-income seniors.

Priority #5: AAHA strongly supports the AHFC Teacher, Health Professional, and Public Safety Housing Grant Program for \$1.75 million in the FY2020 Capital Budget.

- 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.

Thank you for your consideration of our concerns and priorities. Contact Information:

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