

**AHFC Central Terrace and Fairmont Renovation
(Anchorage)**

**FY2001 Request: \$2,072,000
Reference No: 6345**

AP/AL: Appropriation

Project Type: Renovation and Remodeling

Category: Housing/Social Services

Location: Anchorage Areawide

Contact: Les Campbell

House District: Anchorage Areawide (HD 10-26)

Contact Phone: (907)330-8356

Estimated Project Dates: 07/01/2000 - 06/30/2005

Brief Summary and Statement of Need:

Corporate (AHFC) and federal funds for phase three of seven phases to dispose, replace, and renovate approx. 187 units of low rent housing. Due to the deterioration of some units, renovation costs often exceeded reasonable replacement costs. Therefore, it was determined that it would be more economically feasible to dispose of 110 units through sales, and renovate the remaining units using the proceeds supplemented with Corporate receipts.

Funding:	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	Total
AHFC Div	\$2,072,000	\$995,000	\$2,752,700	\$129,500			\$5,949,200
Fed Rcpts		\$1,405,900	\$970,500	\$1,331,100			\$3,707,500
Total:	\$2,072,000	\$2,400,900	\$3,723,200	\$1,460,600	\$0	\$0	\$9,656,700

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input checked="" type="checkbox"/> Phased Project	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
Totals:	0	0

Additional Information / Prior Funding History:

FY2000 - Phase III requested but not funded; FY1999 - Phase II - \$1,300,000 Federal; FY1998 - \$1,000,000 Corporate for the Mountain View Recreation Center / \$500,000 Corporate for Central Terrace and Fairmont Project Phase I.

Project Description/Justification:

The purpose of this project is to upgrade the public housing units of Central Terrace and Fairmont.

The projected outcomes are:

- Continued renovation of single family homes for sale to low income families;
- Renovation of 28 multifamily units for sale;
- Renovation of 20 multifamily units for rental to low income families.

The Central Terrace and Fairmont housing complexes consist of 187 units scattered throughout the Anchorage bowl. These units include single-family houses and multifamily buildings. Professional site assessments were performed on both developments to determine the extent of deterioration of the units. Site assessments indicated that the following work was needed: extensive interior renovations of all the units, code upgrades for accessibility, updates to fire safety and electrical systems; asbestos abatement; lighting replacement; energy efficiency improvements (windows, insulation, etc.); and site improvements for parking and sidewalks. Due to the deterioration of the units over the years, renovation to HUD specifications represents a life cycle cost which is not cost-effective for all units involved. Therefore, it was determined that it would be more economically feasible to dispose of many of the units through sale, and renovate the remaining

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units, thereby increasing their useful lives.

This request will initiate Phase III of AHFC's multi-phased effort (funded in FY98 and FY99, not funded in FY00) to provide homeownership opportunities to low income residents, and will provide funding to return deteriorated housing to a long-term viability status.

Of the 187 units, approximately 110 are to be sold; 91 from Central Terrace's 99 units and 19 from Fairmont's 88 units. The remaining 77 units will be renovated for long-term viability and accessibility. Using the professional site assessments and the maintenance crews' assessments, the units from the two developments have been put in a priority hierarchy, with the highest priority units being renovated and the lowest being sold.

In FY98, AHFC received an appropriation of \$500,000 to begin renovation work on the 19 single-family homes. The architectural firm selected provided generic drawings and specifications for the first single-family units to be renovated. Five homes have been renovated. Another five units will be under contract for renovation in FY00, utilizing the sale proceeds realized from the sale of the first five homes.

This capital request will finish funding the renovation and sale of the remaining nine single-family dwellings. Funding will be used to begin work on the multifamily buildings, some of which will be sold and some retained. AHFC will renovate 28 multifamily units, which are to be sold. Twenty multifamily units will also be renovated and will remain in the housing stock. The work will include hazardous material abatement. This request also funds some closing costs, credit counseling for potential buyers, and relocation expenses for residents.