

AHFC Supplemental Housing Development Program**FY2007 Request: \$6,000,000****Reference No: 6323****AP/AL:** Appropriation**Project Type:** Construction**Category:** Housing/Social Services**Location:** Statewide**Contact:** Les Campbell**House District:** Statewide (HD 1-40)**Contact Phone:** (907)330-8356**Estimated Project Dates:** 07/01/2006 - 06/30/2011**Brief Summary and Statement of Need:**

Supplemental Housing Development Program utilizes Corporate (AHFC) funds to supplement Federal (HUD) funds to construct decent, safe and sanitary housing through regional housing authorities established under AS 18.55.996. Funds are used to cover housing development costs related to water distribution, sewer hookups, electrical distribution systems, road construction to project site, site development, and energy efficiency improvements. State laws limit the use of these funds to 20% of the HUD's total development cost per unit. These funds are also prohibited from being used for administrative or other costs of the housing authority.

Funding:	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>Total</u>
AHFC Div	\$6,000,000	\$4,300,000	\$4,300,000	\$4,300,000	\$4,300,000		\$23,200,000
Total:	\$6,000,000	\$4,300,000	\$4,300,000	\$4,300,000	\$4,300,000	\$0	\$23,200,000

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" 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	0
Totals:	0	0

Additional Information / Prior Funding History:

FY2006 - \$4,300,000 Corporate; FY2005 \$4,300,000 Corporate; FY2004 \$4,300,000 Corporate; FY2003 \$4,300,000 Corporate; FY2002 - \$4,500,000 Corporate; FY2001 - \$3,900,000 Corporate; FY2000 - \$3,868,000 Corporate; FY1999 - \$4,000,000 Corporate.

Project Description/Justification:

The purpose of the program is to supplement federal housing funds provided to Regional Housing Authorities to ensure safe, decent, affordable housing throughout Alaska.

The projected outcomes are:

- Construction of affordable homes in up to 20 urban and rural communities;
- On-site water and sewer facilities;
- Provide clients with new safe, energy efficient, comfortable housing;
- Roads to project sites;
- Electrical distribution systems;
- Energy-efficient design features in homes.

Program Description:

AHFC is limited by State statute to contributing 20% of HUD's Total Development Cost (TDC) of a project. Funds are used for on-site water and sewer facilities, roads to project sites, electrical distribution systems, and energy-efficient design features in homes constructed by the regional housing authorities. HUD regulations prohibit the use of

development funds for construction of access roads, electrical distribution systems and certain other infrastructure costs.

Since its inception, the State has appropriated more than \$100 million to augment over \$500 million in HUD funds and \$50 million in Public Health Service funds to build a total over 9,000 houses in over 250 communities.

Supplemental Housing Grant program reinvests funds into communities by creating 700 local jobs statewide, creating nearly 100 training and apprenticeship opportunities in local labor pools, and through the purchase of supplies from local vendors.

Because HUD funds are restrictive in their use, AHFC supplemental funds can be used to pay for site development, water and sewer systems, electrical distribution, and will be used to leverage HUD funds to stretch them further.

Alaskans living in more than 135 rural communities throughout the state have substandard and inadequate water and sewer facilities. This lack of basic facilities results in many rural Alaskans drinking untreated water from ponds, creeks or rivers and having to use a bucket as a toilet or an outhouse as a bathroom facility. This often results in sewage pooling in close vicinity to homes, liquid wastes leaching into the water used for drinking and exposing children to raw sewage in their play areas.

Alaska census data shows that the largest population growths have occurred in rural Alaska. According to the 2005 Alaska Housing Assessment Study, at least 25,771 new housing units are needed to meet population growth, relieve overcrowding, and replace substandard housing. Major repairs to substandard but salvageable housing are estimated to be 20,000 housing units. It is important to note that for every home built in the State, 600 jobs are affected, i.e. jobs are created for construction workers, teachers have more students to teach, and expanded schools become eligible for federal dollars. As the economy is strengthened in rural Alaska, urban businesses benefit through increased sales of material and goods, which can account for 40 percent of their annual profits.