

**DEPARTMENT OF REVENUE
ALASKA HOUSING FINANCE CORPORATION
Total ARRA Funds Available \$95,171.4
Total ARRA Budget Request \$39,642.2 Federal ES**

WEATHERIZATION PROGRAM

Total ARRA Funds available: \$18,466.2

Budget Request: \$0

Purpose: Provide funding for standard allowable Weatherization activities. The average cost per unit under DOE moves from \$3,000 to \$6,500. The reweatherization dates moves to 1994 (possibly more), and the income moves to 200% of poverty (lower than state guidelines). All efficiency measures must have a savings to investment ration of one or more. Health and Safety tied to implementation are allowed. Some electrical efficiency measures allowed such as lighting and refrigeration. Primary measures include attic insulation and air sealing; crawl/basement insulation and air sealing; heating system repair and replacement; ventilation, etc.

Timing Issues:

- Funding will be made available by April 1, 2009
- 75% funding must be obligated/expended prior to Sept. 30, 2010
- Will utilize five existing Subgrantees and assist with expansion at that level
- Agencies will train and hire more staff and contractors to deliver services
- Seasonal nature or some of work will delay implementation and completions

Other Restrictions

- Guidance details will be issued regarding funding
- Process for application for funds may follow public notification and hearing process
- Amendments or new grants issued to grantees

Sub Recipients

- Funding will be distributed to sub-grantees that received funding in FFY08
 1. Alaska Community Development Corporation
 2. Interior Weatherization
 3. Municipality of Anchorage
 4. Rural Alaska Community Action Partnership
 5. Tanana Chiefs Conference

STATE ENERGY PROGRAM (SEP)

Total ARRA Funds available: \$28,563.0

Budget Request: \$0

Purpose: The State Energy Plan (SEP) is designed to provide a range of services which work toward the reduction of fossil fuel energy use, encourage energy efficiency and energy conservation. This wide ranging program allows funding for energy efficiency and conservation to be spent in buildings, transportation, commerce or industry. A Memorandum of Agreement between the Alaska Housing Finance Corporation and the Alaska Energy Authority under the AIDEA agrees to split this funding on a 50/50 basis.

Requirements:

- 20% non-federal match is required for original SEP, waived for American Reinvestment and Recovery Act funding.
- Restrictions on equipment capital purchases waived for American Reinvestment and Recovery Act funding.

Timing:

- The entire amount is available upon enactment. Funds must be obligated within 180 days, and spent in their entirety within three years.

Restrictions: The bill requires that in order to receive stimulus funds, the Governor of a state must notify the Secretary of Energy in writing that the Governor has obtained necessary assurances that each of the following will occur:

March 20, 2009

- The applicable state regulatory authority will seek to implement in appropriate proceedings with each utility, a general policy that ensures utility financial incentives are aligned with helping customers use energy more efficiently and provides the utility with timely cost recovery and a timely earnings opportunity
- The State or applicable local government that has authority to adopt building codes will adopt residential codes that exceed the most recently published International Energy Conservation Code or achieves equivalent/greater savings; adopt a commercial building code that meets or exceeds ANSI/ASHRAE/IESNA Standard 90.1-2007 or achieves equivalent/greater savings; a plan is developed for the jurisdiction achieving compliance to do so within 8 years of the date of enactment in at least 90 percent of new or renovated residential and commercial building space.
- The State will give priority to the extent practicable to projects that include an expansion of existing energy efficiency programs approved by the State or appropriate regulatory authority, including building and industry retrofits funded by the state or through ratepayers; the expansion of existing programs to support renewable energy projects and deployment activities and cooperation and joint activities between States to advance more efficient and effective use of this funding to support energy efficiency priorities.
- Matching funds not required on ARARA funding, 20% on Standard SEP grants
- Competitive grant information not yet available (\$25 million available nationwide) AHFC is reviewing or awaiting additional federal guidance before determining whether to apply.

Sub-recipients:

- Alaska Energy Authority
- University of Alaska Cooperative Extension Service
- Other non-profit organization through competitive bid process

ENERGY EFFICIENCY & CONSERVATION BLOCK GRANTS (EECBG)

Total ARRA Funds available: \$8,500

Budget Request: \$0

Purpose: Provide funding for energy efficiency and conservation activities for communities, including but not limited to: developing/implementing an energy efficiency and conservation strategy; retaining technical consultant services to assist in the development of such a strategy; Conducting residential and commercial building energy audits; Establishing financial incentive programs for energy efficiency improvements (*e.g., loan programs, rebate programs, waive permit fees*); Providing grants to nonprofit organizations to perform energy efficiency retrofits; Developing/implementing programs to conserve energy used in transportation (*e.g., flex time by employees, satellite work centers, promotion of zoning requirements that promote energy efficient development, transportation infrastructure: bike lanes/pathways, pedestrian walkways, and synchronized traffic signals*); Developing and implementing building codes and inspection services to promote building energy efficiency; implementing energy distribution technologies; Developing public education programs to increase participation and efficiency rates for recycling programs; Purchasing/implementing technologies to reduce and capture methane and other greenhouse gases generated by landfills or similar sources; Installing light emitting diodes (LED S); Developing, implementing, and installing on or in any government building of onsite renewable energy technology that generates electricity from renewable resources (solar and wind energy, fuel cells, and biomass); and Any other activity as determined by the Secretary of Energy in consultation with the Secretaries of Transportation and Housing and Urban Development and the Administrator of the Environmental Protection Agency.

Timing Issues:

- Funding is available until September 30, 2010
- Recipients prioritize projects that award bid-based contracts within 180 days from funding availability
- 68% designated for cities over 35,000 or county/boroughs over 200,000; or ten largest cities will be direct recipients from US DOE
- 2% designated for Indian tribes.
- 2% competitive
- Of the 28% to the state, 60% of that must be passed through to municipalities not eligible for direct funding.
- Matching funds not required

- Competitive grant information not yet available. AHFC is reviewing or awaiting additional federal guidance before determining whether to apply

Other Restrictions

- Application due to US DOE within 60 days of grant guidance issue.
- State has 180 days to encumber the funds
- All funding must be spent within 3 years

Sub-Recipients

- Cities and municipal governments

√HOME INVESTMENT PARTNERSHIPS – Modified for Low-Income Housing Tax Credit

Total ARRA Funds available: \$5,490.7

Budget Request: \$5,490.7 Federal ES – FY2009 Capital Budget

Purpose: To provide capital investments in low-income housing tax credit projects

National Funding Level: \$2.25 billion

Allocation Method: Competitive (after initial formula allocation to States, based on Fiscal Year 2008 HOME formula)

Decision-Maker: HUD Office of Community Planning and Development, then state housing credit agencies - AHFC

Eligible Applicants: Affordable housing developers of qualified projects that, within a certain timeframe, received or simultaneously receive a Low Income Housing Tax Credit (LIHTC)

Special Criteria:

Timing

Housing credit agencies must commit at least 75 percent of funds within 1 year of enactment, and demonstrate that project owners have expended 75 percent of funds within 2 years of enactment and 100 percent within 3 years – failure by an owner to do so will result in redistribution of funds within the State

Available until September 30, 2011

Project Selection Criteria:

For housing credit agencies decisions, prioritize projects that will be completed within 3 years

Eligible projects must be awarded LIHTC in Fiscal Years 2007, 2008, or 2009

Housing credit agencies shall assure asset management functions comply with LIHTC requirements

Eligible basis of a qualified LIHTC building receiving assistance cannot be reduced by the amount of any stimulus grant
Environmental compliance remains subject to HOME requirements

√LOW-INCOME HOUSING GRANTS IN LIEU OF TAX CREDITS

Total ARRA Funds available: \$28,500.0

Budget Request: \$28,500.0 Federal ES – FY2009 Capital Budget

Purpose: The Act allows taxpayers to receive a grant from the Treasury Department in lieu of low-income housing tax credits. State housing agencies would receive a grant in an amount up to 85 percent of 40 percent of the State’s low-income housing tax credit allocation in lieu of credits. The grants would apply to each State’s 2009 low-income housing tax credit allocation.

Timing Issues:

- Funding must be spent within two years of receiving the funds.

Other Restrictions – Beyond the existing regulations and statutes of 26 USC Section 42, unknown at this time. The US Treasury department hasn’t issued regulations yet and ARRA didn’t detail out any other restrictions.

Sub-Recipients - Multi-family rental projects that are unable to syndicate a tax credit allocation received in 2009.

√CAPITAL FUND PROGRAM (CFP)

Total ARRA Funds available: \$3,307

Budget Request: \$3,307 Federal ES FY2009 Capital Budget

Purpose: Provide funding for the capital and management activities of Public Housing Agencies as authorized under Section 9 of the United States Housing Act of 1937 (42 U.S.C. 1437g), including modernization and development of public housing.

Timing Issues:

- Funding must be obligated 100% within one year of the effective date
- Funding must be 60% expended within two years of the effective date
- Funding must be 100% expended within 3 years of the effective date
- Grantees must submit an annual statement and board resolution no later than 21 calendar days from the effective date
- Recipients prioritize projects that can award bid-based contracts within 120 days from the effective date
- Recipients prioritize capital projects that are already underway or included in the 5-year Capital Fund Plan

Other Restrictions

- Funds cannot be transferred to operations or used for rental assistance activities
- Extensions to the obligation and expenditure dates are not permitted
- Priority consideration shall be given to the rehabilitation of vacant rental units
- Funds provided in this grant to supplement expenditures not supplant expenditures from other Federal, State, or local sources or funds independently generated by the grantee
- Grantee will provide a physical needs assessment as specified by HUD
- Requirements relating to the procurement of goods and services arising under state and local laws and regulations shall not apply to the CFP assistance provided by this agreement
- Secretary of HUD may waive or specify alternative requirements for any provision of any statute or regulation in connection with the obligation if necessary to expedite or facilitate the timely use of this funding and if it is not inconsistent with the overall purpose of the statute (42 U.S.C. 5301)

Sub Recipients

- Funding will be distributed to grantees that received funding in FFY08

√CAPITAL FUND PROGRAM (CFP)

Total ARRA Funds available: \$1,200.5

Budget Request: \$1,200.5 Federal ES - FY2009 Capital Budget

Purpose: Provide funding for the capital and management activities of Public Housing Agencies as authorized under Section 9 of the United States Housing Act of 1937 (42 U.S.C. 1437g), including modernization and development of public housing.

Timing Issues:

- Funding must be obligated 100% within one year of the effective date
- Funding must be 60% expended within two years of the effective date
- Funding must be 100% expended within 3 years of the effective date
- Grantees must submit an annual statement and board resolution no later than 21 calendar days from the effective date
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- Secretary of HUD may waive or specify alternative requirements for any provision of any statute or regulation in connection with the obligation if necessary to expedite or facilitate the timely use of this funding and if it is not inconsistent with the overall purpose of the statute (42 U.S.C. 5301)

Recipients

- Total Funding will be distributed competitively to Public Housing Authorities nationwide

✓EMERGENCY SHELTER GRANTS (ESG)

Total ARRA Funds available: \$1,144

Budget Request: \$1,144 Federal ES – FY2009 Capital Budget

Purpose: To provide funding for foreclosure prevention and re-housing; case management and social services; renovation, major rehabilitation, or conversion of buildings for use as emergency shelters or transitional housing; shelter operating costs; and related activities.

Decision-Maker: HUD Office of Community Planning and Development

Eligible Applicants: Commerce and AHFC have agreed to transfer this program to AHFC because of AHFC's role as the coordinator of homeless housing programs in Alaska. A request is being prepared for the Governor's approval.

Special Criteria:

Timing Issues:

Grantees must expend at least 60 percent of funds within 2 years of fund availability, and 100 percent within 3 years

– HUD may recapture unexpended funds if 2-year expenditure requirement is not met and Reallocate to others in compliance.

HUD must publish a notice establishing requirements within 30 days of enactment

HUD may set a minimum formula grant result for localities to receive funds that ensures critical mass of resources to have impact.

Eligible Use:

Including short- and medium-term rental assistance and prevention activities, housing relocation, and stabilization services including: housing search, mediation or outreach to property owners, credit repair, security or utility deposits, utility payments, rental assistance for a final month at a location, moving cost assistance, and case management, or other activities for homelessness prevention and rapid re-housing of persons who have become homeless.

Grantee Administration – There is an Administrative cost allowance of up to 5 percent; Data collection to be in HUD's Homeless Management Information System.