

State of Alaska FY2014 Governor's Operating Budget

Department of Revenue Alaska Corporation for Affordable Housing Component Budget Summary

Component: Alaska Corporation for Affordable Housing

Contribution to Department's Mission

The primary purpose of this subsidiary is to allow AHFC to take advantage of a variety of financing options for the expansion of public housing, including the Low Income Housing Tax Credit Program and tax exempt bond financing.

Major Component Accomplishments in 2012

This is a new component.

Key Component Challenges

In May, 2011 HB 119 was signed into law, amending AS 18.56.086 to include “the acquisition, development, management, or operation of affordable housing” to the category of activities for which AHFC could create a subsidiary corporation. The primary purpose of this subsidiary is to allow AHFC to take advantage of a variety of financing options for the expansion of public housing, including the Low Income Housing Tax Credit Program and tax exempt bond financing.

The subsidiary created by AHFC for this purpose will be an “instrumentality” under HUD’s definition. This model has been used by other west coast public housing authorities in Washington, Oregon and California. It will follow existing AHFC administrative policies and procedures. AHFC’s Board of Directors serves as the Board of Directors for the subsidiary corporation and the officers include one board member, the CEO of AHFC and the Director of the Public Housing Division. The benefits of funding ACAH include but are not limited to:

- AHFC cannot access the up to \$9.5 million in equity generated from the Low Income Housing Tax Credit that was going to be used to partial fund the San Roberto and Mt. View projects without the subsidiary structure.
- In order to generate the equity, AHFC’s subsidiary will have to partner with a for-profit investor in a tax partnership. AHFC does not have the statutory authority to participate in a partnership outside the subsidiary structure.
- The equity is needed to bid the San Roberto project (18 units) and the Mt. View (80) project at the same time. San Roberto is too small by itself to generate any economies of scale for construction costs or equity pricing.
- AHFC has already purchased the Mt. View lot using federal Neighborhood Stabilization Program (NSP) funding. If we do not start construction in 2013, AHFC may have to return the remaining \$1.4 million that was earmarked for infrastructure development on the Mt. View site. NSP carries expenditure deadlines that run out at the end of 2013.
- Alaska Corporation for Affordable Housing (ACAH) has already been incorporated, bank accounts are set-up, a 501©(3) application to the IRS is being completed and AHFC has executed a grant agreement with ACAH to transfer the \$1.4 million NSP funds through an RSA with AHFC’s Public Housing Division to get authority in this current year.
- NSP is a capital project and as such only needs the Salaries to be included in the Operating Budget. A component must be set up for the RSA to be processed. The PCN’s will not be transferred to ACAH until the start of the fiscal year.
- The federal funding will come from AHFC’s Moving to Work program (MTW).
- The RSA between AHFC and ACAH will facilitate the transfer of funds and the start of the bidding process. The RFP for development services will need to be awarded in the spring of 2013 in order to get final

HUD approval and start construction in 2013. If both projects don't have the authority to move forward, a full year or more delay will be required and the development costs for both projects will increase, requiring additional funding.

- AHFC has already received preliminary approval from HUD for the development scope of the two projects and waivers of federal occupancy rules to encourage working families and address needs of seniors.

Significant Changes in Results to be Delivered in FY2014

To take advantage of a variety of financing options for the expansion of public housing, including the Low Income Housing Tax Credit Program and tax exempt bond financing.

Statutory and Regulatory Authority

In May, 2011 HB 119 was signed into law amending AS 18.56.086 to include "the acquisition, development, management, or operation of affordable housing" to the category of activities for which AHFC could create a subsidiary corporation.

Contact Information
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**Alaska Corporation for Affordable Housing
Component Financial Summary**

All dollars shown in thousands

	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	255.3
72000 Travel	0.0	0.0	25.0
73000 Services	0.0	0.0	125.0
74000 Commodities	0.0	0.0	29.5
75000 Capital Outlay	0.0	0.0	35.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	0.0	0.0	469.8
Funding Sources:			
1002 Federal Receipts	0.0	0.0	304.2
1061 Capital Improvement Project Receipts	0.0	0.0	165.6
Funding Totals	0.0	0.0	469.8

Estimated Revenue Collections

Description	Master Revenue Account	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
Unrestricted Revenues				
Federal Receipts	51010	0.0	0.0	304.2
Capital Improvement Project Receipts	51200	0.0	0.0	165.6
Unrestricted Total		0.0	0.0	469.8
Restricted Revenues				
None.		0.0	0.0	0.0
Restricted Total		0.0	0.0	0.0
Total Estimated Revenues		0.0	0.0	469.8

**Summary of Component Budget Changes
From FY2013 Management Plan to FY2014 Governor**

All dollars shown in thousands

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
FY2013 Management Plan	0.0	0.0	0.0	0.0	0.0
Adjustments which will continue current level of service:					
-Add Funding and Reclass Two Positions to PFT	0.0	0.0	165.6	304.2	469.8
FY2014 Governor	0.0	0.0	165.6	304.2	469.8

**Alaska Corporation for Affordable Housing
Personal Services Information**

Authorized Positions			Personal Services Costs	
	FY2013 Management Plan	FY2014 Governor		
Full-time	0	2	Annual Salaries	156,508
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	98,761
			<i>Less 0.00% Vacancy Factor</i>	(0)
			Lump Sum Premium Pay	0
Totals	0	2	Total Personal Services	255,269

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Assistant IV	1	0	0	0	1
Manager, Special Project	1	0	0	0	1
Totals	2	0	0	0	2

Component Detail All Funds
Department of Revenue

Component: Alaska Corporation for Affordable Housing (AR0) (3048)
RDU: Alaska Housing Finance Corporation (46)

	FY2012 Actuals	FY2013 Conference Committee	FY2013 Authorized	FY2013 Management Plan	FY2014 Governor	FY2013 Management Plan vs FY2014 Governor
71000 Personal Services	0.0	0.0	0.0	0.0	255.3	255.3 100.0%
72000 Travel	0.0	0.0	0.0	0.0	25.0	25.0 100.0%
73000 Services	0.0	0.0	0.0	0.0	125.0	125.0 100.0%
74000 Commodities	0.0	0.0	0.0	0.0	29.5	29.5 100.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	35.0	35.0 100.0%
77000 Grants, Benefits	0.0	0.0	0.0	0.0	0.0	0.0 0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0 0.0%
Totals	0.0	0.0	0.0	0.0	469.8	469.8 100.0%
Fund Sources:						
1002 Fed Rcpts (Other)	0.0	0.0	0.0	0.0	304.2	304.2 100.0%
1061 CIP Rcpts (Other)	0.0	0.0	0.0	0.0	165.6	165.6 100.0%
Unrestricted General (UGF)	0.0	0.0	0.0	0.0	0.0	0.0 0.0%
Designated General (DGF)	0.0	0.0	0.0	0.0	0.0	0.0 0.0%
Other Funds	0.0	0.0	0.0	0.0	165.6	165.6 100.0%
Federal Funds	0.0	0.0	0.0	0.0	304.2	304.2 100.0%
Positions:						
Permanent Full Time	0	0	0	0	2	2 100.0%
Permanent Part Time	0	0	0	0	0	0 0.0%
Non Permanent	0	0	0	0	0	0 0.0%

Change Record Detail - Multiple Scenarios With Descriptions
Department of Revenue

Component: Alaska Corporation for Affordable Housing (3048)

RDU: Alaska Housing Finance Corporation (46)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
Subtotal		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
***** Changes From FY2013 Management Plan To FY2014 Governor *****												
Time Status Change of Two Permanent Part-Time Positions to Permanent Full-Time												
PosAdj		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2	-2	0
<p>These two permanent part-time (PPT) Laborer positions are being re-classified to permanent full-time (PFT) after being transferring from AHFC's Operations component to the new subsidiary corporation - Alaska Corporation for Affordable Housing (ACAH). They are to be used to provide management staffing requirements for the new subsidiary corporation - ACAH.</p> <p>04-073X PPT Laborer to 04-073X PFT Administrative Assistant IV 04-078X PPT Laborer to 04-078X PFT Special Project Manager</p>												
Add Funding and Reclass Two Positions to PFT												
Trin		469.8	255.3	25.0	125.0	29.5	35.0	0.0	0.0	0	2	0
1002 Fed Rcpts		304.2										
1061 CIP Rcpts		165.6										
<p>This request will establish a start-up budget for the new subsidiary corporation: This request transfers funding and two permanent part-time positions from AHFC's Operations component.</p> <p>These two permanent part-time (PPT) Laborer positions are being re-classified to permanent full-time (PFT) after being transferring from AHFC's Operations component to the new subsidiary corporation - Alaska Corporation for Affordable Housing (ACAH). They are to be used to provide management staffing requirements for the new subsidiary corporation - ACAH.</p> <p>04-073X PPT Laborer to 04-073X PFT Administrative Assistant IV 04-078X PPT Laborer to 04-078X PFT Special Project Manager</p> <p>The ACAH start-up budget transferred funding form AHFC's Operations component is as follows:</p> <ul style="list-style-type: none"> • Add funding for New Subsidiary Corporation \$469.8 <ul style="list-style-type: none"> o Add CIP funding for Salary Cost Increase - \$165.6 o Add Federal funding for Salary Cost Increase - \$89.7 o Add Federal funding for Travel - \$25.0 o Add Federal funding for Contractual - \$125.0 o Add Federal funding for Supplies - \$29.5 o Add Federal funding for Equipment - \$35.0 <p>The primary purpose of this subsidiary is to allow AHFC to take advantage of a variety of financing options for the expansion of public housing, including the Low Income Housing Tax Credit Program and tax exempt bond financing.</p>												
Totals		469.8	255.3	25.0	125.0	29.5	35.0	0.0	0.0	2	0	0

Personal Services Expenditure Detail
Department of Revenue

Scenario: FY2014 Governor (10289)
Component: Alaska Corporation for Affordable Housing (3048)
RDU: Alaska Housing Finance Corporation (46)

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range / Step	Comp Months	Split / Count	Annual Salaries	COLA	Premium Pay	Annual Benefits	Total Costs	GF Amount
04-073X	Administrative Assistant IV	FT	1	--	Anchorage	-A	14F / G	12.0		51,459	0	0	38,186	89,645	0
04-078X	Manager, Special Project	FT	1	--	Anchorage	-A	21M / N	12.0		105,049	0	0	60,575	165,624	0
													Total Salary Costs:	156,508	
													Total COLA:	0	
													Total Premium Pay:	0	
													Total Benefits:	98,761	
													Total Pre-Vacancy:	255,269	
													Minus Vacancy Adjustment of 0.00%:	(0)	
													Total Post-Vacancy:	255,269	
													Plus Lump Sum Premium Pay:	0	
													Personal Services Line 100:	255,269	
Total Component Months:		24.0													

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1002 Federal Receipts	89,645	89,645	35.12%
1061 Capital Improvement Project Receipts	165,624	165,624	64.88%
Total PCN Funding:	255,269	255,269	100.00%

Note: If a position is split, an asterisk (*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (**) will appear in this column. [No valid job title] appearing in the Job Class Title indicates that the PCN has an invalid class code or invalid range for the class code effective date of this scenario.

Line Item Detail
Department of Revenue
Personal Services

Component: Alaska Corporation for Affordable Housing (3048)
RDU: Alaska Housing Finance Corporation (46)

Line Number	Line Name		FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
71000	Personal Services		0.0	0.0	255.3
Expenditure Account	Servicing Agency	Explanation	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
71000 Personal Services Detail Totals			0.0	0.0	255.3
71000	Total Personal Services		0.0	0.0	255.3

Line Item Detail
Department of Revenue
Travel

Component: Alaska Corporation for Affordable Housing (3048)
RDU: Alaska Housing Finance Corporation (46)

Line Number	Line Name		FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
72000	Travel		0.0	0.0	25.0
Expenditure Account	Servicing Agency	Explanation	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
72000 Travel Detail Totals			0.0	0.0	25.0
72100	Instate Travel		0.0	0.0	15.0
72400	Out Of State Travel		0.0	0.0	10.0

Line Item Detail
Department of Revenue
Services

Component: Alaska Corporation for Affordable Housing (3048)
RDU: Alaska Housing Finance Corporation (46)

Line Number	Line Name		FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
73000	Services		0.0	0.0	125.0
			FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
Expenditure Account	Servicing Agency	Explanation			
73000 Services Detail Totals			0.0	0.0	125.0
73750	Other Services (Non IA Svcs)		0.0	0.0	125.0

Line Item Detail
Department of Revenue
Commodities

Component: Alaska Corporation for Affordable Housing (3048)
RDU: Alaska Housing Finance Corporation (46)

Line Number	Line Name		FY2012 Actuals	FY2013 Management Plan	FY2014 Governor	
74000	Commodities		0.0	0.0	29.5	
Expenditure Account		Servicing Agency	Explanation	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
			74000 Commodities Detail Totals	0.0	0.0	29.5
74200	Business		0.0	0.0	29.5	

Line Item Detail
Department of Revenue
Capital Outlay

Component: Alaska Corporation for Affordable Housing (3048)
RDU: Alaska Housing Finance Corporation (46)

Line Number	Line Name		FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
75000	Capital Outlay		0.0	0.0	35.0
Expenditure Account			FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
	Servicing Agency	Explanation			
			75000 Capital Outlay Detail Totals	0.0	0.0
75753	Automobiles/Trucks		0.0	0.0	35.0

Unrestricted Revenue Detail
Department of Revenue

Component: Alaska Corporation for Affordable Housing (3048)
RDU: Alaska Housing Finance Corporation (46)

Master Account	Revenue Description				FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
51010	Federal Receipts				0.0	0.0	304.2
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
51010	Federal Receipts				0.0	0.0	304.2

Unrestricted Revenue Detail
Department of Revenue

Component: Alaska Corporation for Affordable Housing (3048)
RDU: Alaska Housing Finance Corporation (46)

Master Account	Revenue Description				FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
51200	Capital Improvement Project Receipts				0.0	0.0	165.6
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
51200	Cap Improv Proj Rec	AHFC Operations			0.0	0.0	165.6