

**Reappropriation from AHFC Loussac Manor Projects to San Roberto/Mountain View Development**

**FY2013 Request: \$0**  
**Reference No: 43076**

**AP/AL:** Appropriation **Project Type:** Construction  
**Category:** Development  
**Location:** Anchorage Areawide **House District:** Anchorage Areawide (HD 11-27)  
**Impact House District:** Anchorage Areawide (HD 11-27) **Contact:** Les Campbell  
**Estimated Project Dates:** 04/15/2013 - 06/30/2018 **Contact Phone:** (907)330-8356

**Brief Summary and Statement of Need:**

The unexpended and unobligated balances of the following appropriations, estimated to be a total of \$9,764,000, are reappropriated to the Alaska Housing Finance Corporation for the San Roberto/Mountain View development project:

- (1) sec. 4, ch. 30, SLA 2007, page 103, lines 16 - 17 (Department of Revenue, Alaska Housing Finance Corporation, Loussac Manor Renovation and Replacement - \$2,336,000);
- (2) sec. 13, ch. 29, SLA 2008, page 157, lines 10 - 12 (Department of Revenue, Alaska Housing Finance Corporation, AHFC Loussac Manor Renovation and Replacement Phase 2 - \$2,336,000);
- and
- (3) sec. 1, ch. 15, SLA 2009, page 20, lines 16 - 18 (Department of Revenue, Alaska Housing Finance Corp

| <b>Funding:</b> | <u>FY2013</u> | <u>FY2014</u> | <u>FY2015</u> | <u>FY2016</u> | <u>FY2017</u> | <u>FY2018</u> | <u>Total</u> |
|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|
| Gen Fund        |               |               |               |               |               |               | \$0          |
| <b>Total:</b>   | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0          |

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

**Prior Funding History / Additional Information:**

**Project Description/Justification:**

The Loussac Manor Redevelopment project, funded over three capital budget years, was redeveloped using a new mixed financing strategy with a third party developer that allowed us to have unexpected and unused appropriated funds after the project was completed. Alaska Housing Finance Corporation (AHFC) needs to use these remaining funds on the San Roberto/Mountain View Development project to develop an additional 82 units of affordable housing in Anchorage.

**Reappropriation from PCI Compliance to Oil and Gas Fiscal Systems Analysis** **FY2013 Request: \$0**  
**Reference No: 51568**

**AP/AL:** Appropriation **Project Type:** Research / Studies / Planning  
**Category:** General Government  
**Location:** Statewide **House District:** Statewide (HD 1-40)  
**Impact House District:** Statewide (HD 1-40) **Contact:** Jerry Burnett  
**Estimated Project Dates:** 01/01/2013 - 12/31/2017 **Contact Phone:** (907)465-2312

**Brief Summary and Statement of Need:**

The unexpended and unobligated balance, estimated to be \$1,878,294, of the appropriation made in sec. 1, ch. 5, FSSLA 2011, page 97, lines 20-23 (Department of Revenue - Payment Card Industry Data Security Standards Statewide Compliance - \$2,000,000), is re-appropriated to the Department of Revenue for oil and gas fiscal systems analysis and work related to the commercialization of oil and gas resources.

| <b>Funding:</b> | <u>FY2013</u> | <u>FY2014</u> | <u>FY2015</u> | <u>FY2016</u> | <u>FY2017</u> | <u>FY2018</u> | <u>Total</u> |
|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|
| Gen Fund        |               |               |               |               |               |               | \$0          |
| <b>Total:</b>   | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0          |

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

**Prior Funding History / Additional Information:**

Previous appropriation number is AR16337

**Project Description/Justification:**

Previously it had been determined that several of the state departments were non-compliant with the Payment Card Industry (PCI) data security standards. In FY2012, the legislature approved a \$2.0 million appropriation to the Department of Revenue, that was designed to assist all state departments to remediate their systems to be PCI compliant. Many of the departments have changed the way that they accepted credit card payments or remediated their systems with funding within their department. Approximately \$46.5 was used by Department of Transportation to complete a study to determine how to best update the Alaska Marine Highway's credit card payment system. The legislature has since increased Treasury's operating budget in FY2013 in the amount of \$77.0 for an annual contract for ongoing monitoring to ensure that all State systems are PCI compliant.

The re-appropriated monies will be used for ongoing work, both internally and externally, related to oil and gas fiscal analysis. This is needed because the commercialization of the North Slope natural gas either with a small state line in the Cook Inlet area or a larger line to Valdez that may result in required changes to the State's taxation system for natural gas. It is essential that the Department of Revenue have the resources available to analyze the effects of fiscal changes on project economics.

**AHFC San Roberto/Mountain View Development**

**FY2013 Request: \$25,200,000**

**Reference No: 48811**

**AP/AL:** Appropriation

**Project Type:** Construction

**Category:** Development

**Location:** Anchorage Areawide

**House District:** Anchorage Areawide (HD 11-27)

**Impact House District:** Anchorage Areawide (HD 11-27)

**Contact:** Les Campbell

**Estimated Project Dates:** 04/15/2013 - 06/30/2018 **Contact Phone:** (907)330-8356

**Brief Summary and Statement of Need:**

This request combines the Mountain View development project with the San Roberto Redevelopment project into a single project. These two developments are being combined for cost effectiveness in the bidding process and in order to generate a higher equity price for the larger combined project size. The San Roberto project will redevelop 16-18 units on San Roberto Street, and the Mountain View project will develop approximately 80 new units on vacant land recently purchased on Mountain View Drive. Due to the use of multiple funding sources as well as timing issues regarding some of the funding, this project is being requested as a supplemental.

| <b>Funding:</b> | <b>FY2013</b>       | <b>FY2014</b> | <b>FY2015</b> | <b>FY2016</b> | <b>FY2017</b> | <b>FY2018</b> | <b>Total</b>        |
|-----------------|---------------------|---------------|---------------|---------------|---------------|---------------|---------------------|
| AHFC Bonds      | \$22,000,000        |               |               |               |               |               | \$22,000,000        |
| Gen Fund        | \$3,200,000         |               |               |               |               |               | \$3,200,000         |
| <b>Total:</b>   | <b>\$25,200,000</b> | <b>\$0</b>    | <b>\$0</b>    | <b>\$0</b>    | <b>\$0</b>    | <b>\$0</b>    | <b>\$25,200,000</b> |

|   |  |                                       |   |                                   |
|---|--|---------------------------------------|---|-----------------------------------|
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| 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             |              |
| <b>Totals:</b>       | <b>0</b>      | <b>0</b>     |

**Prior Funding History / Additional Information:**

Sec7 Ch43 SLA2010 P34 L26 SB 230 \$9,708,504

The original San Roberto Redevelopment project was funded in FY2011.

**Project Description/Justification:**

This project is a part of Alaska Housing Finance Corporation (AHFC) and its subsidiary the Corporation for Affordable Housing's (ACAH) multi-phased redevelopment strategy for the Anchorage public housing portfolio. Both the San Roberto and Mountain View developments together will create 96 new units, which will provide construction industry jobs, and will result in quality, safe, affordable housing for low to moderate income families in Anchorage. The need for this type of housing has existed for several years, AHFC's public housing waiting list in Anchorage is 2337, and the Anchorage vacancy rate has averaged at or below 4% since 2008. The project enjoys strong support in the Mt. View Community and AHFC has been working with the Mt. View Community Council and the Anchorage Community Land Trust to insure community input into the project.

**The projected outcome will:**

- Increase the supply of public housing;
- Increase development efficiencies;
- Use federal rental assistance that is currently in reserve;
- Develop a mixture of family and senior housing; and
- Improve the local neighborhood.

Funding

Of the estimated total cost of the San Roberto/Mt. View Development, \$8 million is anticipated to come from tax credit equity, the balance will be split among previously authorized Federal Capital Fund program funds, Neighborhood Stabilization Program funds, a re-appropriation of the balance in the Loussac Development capital project and other AHFC Dividend Receipts, as well as the appropriation from the National Mortgage Settlement Fund (GF).

The authority to issue up to \$22 million in additional tax-exempt bonds is critical to AHFC/ACAH in order to participate in the complimentary receipt of Low Income Tax Credits. In order to complete the HUD approval process, a complete "mixed-finance" application must be submitted prior to the start of construction. In order to do that, the development team, and investor must be selected and the amount of equity to be generated by the sale of the tax credits must be known. Before an investor will commit to a partnership agreement or tender an offer, they must be certain that tax-exempt bonds can be issued in compliance with IRS rules. AHFC must have the authority to issue the bonds or the project will have to be delayed until authority can be received. A delay of a full year will mean escalated construction costs and loss of the NSP funds due to required expenditure timelines.

Mountain View Project Details

The Mt. View development utilizes Corporate and General Funds in conjunction with federal bonds, leveraging the Low Income Housing Tax Credit (LIHTC) program, combined with other capital budget funding. The project is aiming to build 80 units on land overlooking the Glenn Square mall in Anchorage. This proposal includes the new construction of 40 new Senior Housing units with the remaining 40 units as Family Housing units. The funding strategy calls for using a combination of Corporate Dividend Receipts (Re-appropriated from the Loussac Redevelopment Project), General Funds (Mortgage Settlement Funds), Federal Capital Fund Program (CFP) funds, AHFC Corporate tax-exempt bonds and Low-Income Housing Tax credit equity to finance the project.

San Roberto Project Details

AHFC is proposing to demolish 16 of the 24 units in the San Roberto neighborhood and dispose of the land to an AHFC owned instrumentality called the Alaska Corporation for Affordable Housing (ACAH). The land will be leased by ACAH to a Low Income Housing Tax Credit limited partnership. The limited partnership will continue to operate the project as public housing with ACAH as the managing general partner. It is anticipated that up to 18 new units will be built on site. The balance of the units in the San Roberto project will be redeveloped in a subsequent phase as part of a larger re-positioning project for AHFC's scattered site public housing portfolio targeted for 2015.

Operations Management

The management of the public housing once developed will be different than the typical public housing management, at least initially. AHFC's instrumentality, the Alaska Corporation for Affordable

Housing (ACAH) will be the managing general partner in a tax credit partnership with an as yet undetermined investor. The partnership will be the owner of the project and contract with AHFC (through shared services agreement) for management and maintenance of the project. A development team will be selected through an RFP process. That team will handle the design and development of the project on behalf of AHFC/ACAH.

**Completed Milestones**

- Incorporation of AHFC instrumentality, Alaska Corporation for Affordable Housing;
- Procured technical assistance for mixed-finance applications;
- Adoption of shared services agreement between AHFC and ACAH;
- HUD Completed Environmental Reviews on both San Roberto and Mt. View sites; and
- Commitment of sufficient capital funds to leverage LIHTC equity to complete the project.

**Future Milestones to Complete**

- Submit a Demo/Disposition plan to the HUD Special Applications Center. Anticipated demolition to occur during the 2013-14 construction season;
- Review/update the Cooperation Agreement with the Municipality of Anchorage;
- Conduct resident relocation following URA requirements;
- Procure a development partner using a Request for Qualifications process as allowed at 24 CFR Part 941, subpart F;
- Submit two applications under HUD's mixed-finance process at 24 CFR 85.36 for the San Roberto and Mt. view projects