



# **Association of Alaska Housing Authorities**

**2010**

## **State Legislative Priorities**

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**“Dedicated to Increasing the Supply of  
Quality, Affordable Housing in Alaska”**

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## **Overview of the Association of Alaska Housing Authorities (AAHA)**

The Association of Alaska Housing Authorities (AAHA) is a private, non-profit 501(c)(3) corporation whose current membership consists of 14 regional housing authorities created pursuant to Alaska State statute, plus the Alaska Housing Finance Corporation (AHFC). AAHA is dedicated to increasing the supply of quality, affordable housing in Alaska. In partnership with AHFC and an ever-growing list of other state and federal partners, AAHA members serve residents in every part of Alaska. The regional housing authorities have built well over 7,000 housing units since their inception in 1971. AAHA members, working with our partners like AHFC, are one of the largest employers in rural Alaska and play a critical role in sustaining many local economies.

**In 2008 alone, Alaska's regional housing authorities:**

- *Generated \$177 million in economic activity statewide*
- *Provided and created over 2,800 jobs statewide*
- *Achieved an Alaskan-hire rate of 99%*
- *Constructed 200 affordable, energy efficient new homes*
- *Rehabilitated over 1,000 existing homes*

Another critical function that AAHA serves is to provide a forum for private market lenders, housing-related agencies, and other housing partners to share expertise and information with the purpose of developing effective strategies for increasing the supply of affordable housing in Alaska.

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**Association of Alaska Housing Authorities  
State Legislative Priorities  
2010**

The Association of Alaska Housing Authorities (AAHA) is pleased to have this opportunity to submit our state legislative priorities.

AAHA members greatly appreciate the ongoing efforts of Alaska's Governor, State Legislators and staff in supporting affordable housing, job creation and economic development in our state. We look forward to working with you to advance our mutual interest in improving the lives of those we have the privilege to serve.

Detailed below are priority issues for which we are seeking your support, guidance and assistance to successfully advance.

**Issue # 1: Need for Increased AHFC Supplemental Housing Development Grant Program funding to meet demonstrated project based need.**

**Request:** *AAHA members request support for an increase in the Supplemental Grant Program to \$12 million to meet the requested and demonstrated need.*

**Status/Background:** The AHFC Supplemental Housing Development Grant Program has been in existence since the late 1980's. The program has been incredibly valuable in supplementing federal, other state and private resources directed at meeting Alaska's low-income affordable housing needs. *It has been of particular value in terms of leveraging federal and private dollars to meet these critical needs in both rural and urban Alaska.*

The program is designed to provide a 20% match to U.S. Department of Housing and Urban Development (HUD) grants to designated regional housing authorities in the state for purposes of supporting design, energy efficiency and infrastructure costs. These HUD grants are provided under HUD's Native American Housing Assistance and Self-Determination Act (NAHASDA) program. The statewide NAHASDA grants to AAHA members average around \$98-100 million per year.

*This valuable program is a wise investment of state funds and combined with matching federal funds is a critical boost to struggling local economies throughout the State. Each fiscal funding year, the program creates hundreds of jobs, resulting in millions of dollars in new infrastructure and construction related purchases in both rural and urban Alaska.*

*The 2009 Alaska Housing Assessment produced by the Cold Climate Housing Research Center & Information Insights estimates a need for nearly 13,000 new housing units to meet demand created by overcrowded conditions and houses that are severely substandard. Almost half of the*

housing is needed in smaller and more remote rural communities, most of which are Alaska Native villages.

A recent survey of AAHA members indicated that, based on their housing development plans for the upcoming construction seasons, a \$12-\$15 million appropriation for the Supplemental Housing Development Grant Program could be fully utilized. Each state dollar leverages five federal dollars.

According to AHFC documentation, a Supplemental Grant Program distribution of \$7.5 million resulted in the construction or rehabilitation of 300 housing units. Using this amount as a guide, a grant amount of \$12 million would result in the construction or rehabilitation of approximately 500 housing units.

**AHFC Supplemental Grant Program  
Historical Funding Levels – FY93-FY10**

<b>Fiscal Year Funding Amt.</b>	<b>Fiscal Year Funding Amt.</b>		
1993	\$8.2 million	2001	\$3.9 million
1994	\$8.4 million	2002	\$4.5 million
1995	\$8.2 million	2003-2006	\$4.3 million
1996	\$10.0 million	2007	\$6.0 million
1997	\$7.0 million	2008	\$6.0 million
1998	\$6.0 million	2009	\$8.0 million
1999	\$4.0 million	2010	\$6.0 million
2000	\$3.8 million	2011 (Proposed)	\$8.0 million

**Issue #2: Need for Additional Weatherization Program funding to meet demand for known eligible participants and need for funding for skills training.**

**Request:** AAHA requests support for the Draft State Energy Policy and Program Recommendation (State Senate Resources and Energy Committees) for an additional \$150 million for the State Weatherization Program (Wx) in FY11, and as a complement to Wx funding, also seeks

*support for a \$3.4M state appropriation to an Alaskan-based agency to support rural construction trades training.*

AAHA greatly appreciates and strongly supports the Weatherization and Energy Rebate Programs. AAHA members are at the forefront of completing Weatherization improvements to homes throughout Alaska. These critical programs are significantly addressing the need to make homes warmer and healthier and reduce energy costs. *It is estimated that improvements made through these programs will reduce home energy costs from 30 - 40%.*

We understand that the expenditure of \$200 million in funding for the Weatherization Program, appropriated by the Legislature in 2008, will result in the weatherization of 13,000 housing units, 10% of the established need.

AAHA believes it is in the long term interests of the State to make every effort to fully fund the statewide Weatherization Program need, and we request that the Legislature strongly consider making the financial commitment that will ensure this objective is met for all eligible Alaskans.

**Note:** The training fund request justification is provided as a separate attachment.

**Issue # 3: Rapid completion and legislative approval of a comprehensive statewide energy policy.**

**Request:** *AAHA members seek support for the adoption and implementation of a comprehensive energy plan for the state which will provide short and long term solutions for Alaska's energy requirements. The approval of a well thought out, balanced policy will provide guidance as funding decisions are considered, will provide critical employment opportunities, and will aid Alaskans in developing additional energy sources, many of which we hope will be from renewable sources.*

As the owners and operators of many of the senior centers, low-rent facilities and other affordable lease-to-own (or "mutual help") housing across the state, AAHA members and our beneficiaries have a significant stake in this effort. We realize there are no "magic bullets" to solve this difficult problem in the short term, but we strongly encourage all efforts to take whatever short and long term action is possible to relieve some of the economic stress caused by this most recent energy crisis, particularly in rural Alaska.

As stated previously, we particularly support an energy conservation recommendation within the draft policy from the State Senate Resources and Energy Committees for an appropriation of \$150 million for the State

Weatherization Program in FY11.

Thank you for your consideration of our concerns and priorities.