Greater Opportunities for Affordable Living (GOAL)

Program Introduction

Presentation Outline

- Program Overview
- Funding Sources
 - Low-income Housing Tax Credit: Background
- Timeline General Description
- Stages and Events Sequence
 - Pre-Application: invitation and review
 - Invitation: invitation to apply and application review
 - Notice of Intent to Award
 - Post Award

GOAL Program: Overview

- Provides gap funding for the development of new construction and rehabilitation of rental housing for low-income and senior households across Alaska
- Gap funding covers the difference between the total project cost and the identified sources of funds (including debt capacity) that will contributed to the project.

GOAL Program Funding

- HOME Investment Partnership funds

 Sources: HUD & AHFC Match
- Senior Citizens Housing Development Funds

 Source: AHFC Corporate Receipts
- *Denali Commission Elder Housing Funds
 Source: Federal Denali Commission
- Low-income Housing Tax Credits
 Source: IRS, Section 42 of the tax code

Historical GOAL Program Funding – FY 2008 through FY 2010



Historical GOAL Program Funding – FY 2008 through FY 2010 – cont'd



Historical GOAL Program Funding – FY 2008 through FY 2010 – cont'd



GOAL Program Funding – LIHTC Background

- LIHTC awards are determined by "eligible basis" items in the project budget
- AHFC's authority to award LIHTCs is based on Section 42 of the tax code.
- Once AHFC awards LIHTCs to a project, the award of LIHTCs do not generate equity until those credits are sold to an investor

GOAL Program Funding – LIHTC Background – Cont'd

- How do LIHTCs become cash for construction?
 - AHFC awards LIHTCs to a project
 - The project attempts to sell the awarded LIHTCs to investors in the equity market
 - The project sponsor and investor negotiate a sales price for the LIHTCs and reach an agreement
 - The project sponsor and investor finalize an agreement and form a limited partnership or LLC
 - The investor then contributes funds for the project development, based on the sale price for the LIHTCs, according to scheduled payouts (usually linked to project milestones)
 - Once the project is completed, the investor can then use the LIHTCs to offset their tax liability

LIHTC Projects By Community

				F acila		
				Eagle		
	Anchorage	Cordova	Dillingham	River	Fairbanks	Girdwood
Units	1533	22	40	57	437	30
Projects	24	1	2	1	7	1
		Hooper				King S/
	Haines	Bay	Juneau	Kenai	Ketchikan	Nak
Units	32	19	204	48	87	16
Projects	1	1	8	1	3	1
	Kotzebue	Manokotak	Mt. Village	Naknek	Nome	Palmer
Units	16	12	10	11	17	143
Projects	1	1	1	1	1	5
	Scattered*	Seward	Sitka	Soldotna	Tanacross	Togiak
Units	239	2	96	16	49	20
Projects	2	4	1	1	1	1
	Unalaska	Valdez	Wasilla	Yakutat		
Units	16	20	383	11		
Projects	1	1	13	1		

*Scattered-site locations = Kenai, Soldotna, North Pole, Kodiak, Homer, Palmer

Total Projects = 87, Total Units = 3,600

GOAL Program Timeline - General

- Spring Pre-Application Round Announced
- Late Spring Online Application System Registrations due to AHFC -required to submit Pre-Application
- June Pre-applications Due -*submitted online*
- June through August Pre-application Review
- August / September Invitations to Apply Issued -via online system
- November Application Deadline -submitted online
- December / January Awards Announced
- Spring Environmental Reviews / construction begins

Stages and Event Sequence – Pre-Application Announced

- Rating and Award Criteria finalized
- Pre-application notice is distributed and published state-wide
- Reference materials for Pre-Application are posted on AHFC's website
- Pre-application teleconference announced
- Deadline for online registration is set to access application system
- Deadline for online submission of Pre-Applicantions is set (typically in June)

Stages and Event Sequence – Pre-Application Review

- Threshold items
- Experience: Developer, Owner, Property Manager
- Feasibility: Are sources and uses reasonable <u>for the</u> proposed project?
- Penalty Points: Evaluation of project team members' past performance with AHFC
- Market Studies: Evaluation of the following
 - Need for the project
 - Impact on community and neighboring properties
 - Reasonableness of assumptions incorporated into the project proposal (i.e. rent-up, proposed rents, operating costs).
- Recommendations: Penalty points, project modifications, invitations to apply

Stages and Event Sequence – Invitations to Apply Issued

- Invitations, rejections, and recommendations for project changes are issued to pre-applicants
- NOFA and application materials are distributed to applicants receiving an invitation through the online application system
- Applicant training scheduled

 All day event at AHFC which covers application requirements, steps required for complete submissions, scoring process, etc.

• Application deadline is finalized

Stages and Event Sequence – Application Review

- Feasibility: Review of the following
 - Are development costs reasonable?
 - Are expected costs documented, proposed within limits, and supported with third party evidence?
 - Are sources of funding reasonable? (i.e. debt capacity, rents, other forms of income, etc.)
- Experience thresholds verified
- Objective scoring and ranking of applications
 - Scoring and ranking based on criteria outlined in the Qualified Allocation Plan (aka QAP) for GOAL program funds.
- Funding recommendations: Presented to senior management and CEO

Stages and Event Sequence – Notice of Intent to Award

- Notice of intent to award issued to all applicants
- Conditional awards, if present, are communicated
- Protest period begins
- Protest period ends 10-days following the NOI, or 10-days following the final response to any outstanding appeal(s).

Stages and Event Sequence – Post Award

- Awards are finalized
- Awards are published, press release is typically issued
- Environmental reviews begin
- Once environmental review requirements have been satisfied, grant agreements and / or reservations are issued