



# Alaska

## Low Income Housing Preservation in 2010

### Low Income Housing Tax Credits (9% Tax Credits)

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Alaska's 2010 QAP awards points to rehabilitation properties based on per-unit hard costs. The range of possible points begins at 2 points for developments which have \$15,000 - \$25,-000 in hard construction costs per unit and reaches 10 points for projects with costs of \$50,001 or more in hard costs per unit. Rehabilitation costs must be the greater of \$15,000 per unit or 10% of the "adjusted basis" of the building and must consist of work items that are more than just cosmetic in nature.

Five points are awarded to all projects including rehabilitation. At a minimum, the rehabilitation must consist of some sort of building renovation and/or demolition and reconstruction where a building is currently located at the project site.

#### **Allocations (2003-2009)**

*Properties Preserved:* 6

*Apartments Preserved:* 396

### State Low Income Housing Tax Credits

The Neighborhood Assistance Program (NAP) offers \$2.5 million in tax credits annually for distribution by not-for-profit corporations. Organizations use NAP tax credits as an incentive to help them leverage more contributions from individuals and businesses for certain neighborhood-based programs and projects. Affordable housing in an eligible activity. The maximum tax credit award per organization per fiscal year is \$50,000.

### Private Activity Bonds with 4% Tax Credits

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While there are no particular incentives, applicants may apply for LIHTCs that are obtained automatically with the use of tax-exempt bond financing on a project. To be eligible for these "non-competitive" credits, more than 50% of the project costs must be financed with bonds that are exempt from taxes under the IRS Code (tax-exempt bond issue). Additionally, the project must be considered eligible for LIHTCs under Alaska's QAP (Rating and Award Criteria), including the minimum threshold requirements and points criteria. All requirements of the competitive tax credit program pertain to the non-competitive program, including all application, processing and monitoring fees and the requirements regarding feasibility and viability.

#### **Allocations (2003-2009)**

*Properties Preserved:* 1

*Apartments Preserved:* 47

### Other Preservation Incentives

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On May 19, 2009, AHFC's Board of Directors approved revisions to the Rating and Award Criteria for the GOAL program, including a provision to authorize AHFC to utilize the low-income housing tax credits (LIHTC) authority for "demonstration projects that fulfill the mission of AHFC." In December 2010, AHFC awarded \$26 million in LIHTC to engage in a demonstration project to redevelop Loussac Manor, a public housing project in Anchorage.

In September 2010, AHFC received an additional \$5 million Neighborhood Stabilization Program (NSP) funds to redevelop blighted and foreclosed properties. AHFC was previously awarded \$19.6 million in NSP funds, which have been used to produce 247 units of new or rehabilitated housing. Of the initial NSP funds awarded, \$4.3 million were used by Community Development Inc. to redevelop affordable senior housing in Fairbanks.

## **Green Multifamily Preservation Initiatives**

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### ***Green Incentives in State Tax Credit Allocation Plan***

Alaska's 2010 QAP prioritizes projects that maximize energy efficiency. Additionally, upto 10 points are available for energy efficiency. This includes 5 points for projects using Energy Star appliances exclusively, as well as 5 points for any project that commits to achieving a Five Star Plus energy rating under the Building Energy efficiency Standard (BEES), or to acquire Energy Star Certification. Alaska does not distinguish between new construction and rehabilitation.

### ***Other Green Incentives Relevant to Preservation***

Alaska's 2010 QAP prioritizes projects that maximize energy efficiency. Additionally, upto 10 points are available for energy efficiency. This includes 5 points for projects using Energy Star appliances exclusively, as well as 5 points for any project that commits to achieving a Five Star Plus energy rating under the Building Energy efficiency Standard (BEES), or to acquire Energy Star Certification. Alaska does not distinguish between new construction and rehabilitation.

The Alaska Housing Finance Corporation administers the Weatherization Assistance Program. Alaska sets aside a portion of their WAP allocation for the weatherization of multifamily projects. For complete information on AK's weatherization program see: <http://www.waptac.org/grantee-contacts.aspx>.

Other incentives include loans for home and building material loans for green rehabilitation and energy improvements, interest rate reductions on loans used for energy efficiency improvements on existing properties, and rebates for energy efficient appliances and home improvements.

***For additional information on green initiatives, visit [www.aceee.org](http://www.aceee.org) for more on policies related to energy efficiency or [www.dsireusa.org](http://www.dsireusa.org) for programs that may be available to developers to incentivize renewable energy or energy efficiency.***

## **Sustainable Communities & Transit-Oriented Development Incentives**

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Alaska's 2010 QAP awards 5 points for any project locate in a qualified census tract and is considered to contribute to a community revitalization plan.