



U.S. Department of Housing and Urban Development
Anchorage Field Office
Office of Community Planning and Development
3000 C Street, Suite 401
Anchorage, AK 99503
<http://www.hud.gov/alaska>

January 17, 2012

The Honorable Sean Parnell
Governor, State of Alaska
Post Office Box 110001
Juneau, AK 99811-0001

Dear Governor Parnell:

Subject: 2010 Program Year Review Letter

HUD is obligated to determine on an annual basis that the state of Alaska (SOA) has a continuing capacity to implement and operate programs for which HUD assistance is received, primarily, the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), and the Emergency Shelter Grant (ESG).

The Program Year Review Letter serves as the mechanism for HUD to communicate to the SOA and citizens the results of HUD's determinations for the program year. The following is HUD's analysis for the period, July 1, 2010 to June 30, 2011, designated as program year 2010 (PY10). PY10 is the first year of the state's latest five-year Consolidated Housing & Community Development Plan that covers the state fiscal years 2011 – 2015 (Consolidated Plan).

Community Development Block Grant

The SOA's Department of Commerce, Community and Economic Development, Division of Community and Regional Affairs (DCRA), is charged with programmatic responsibility for the administration of the CDBG program. For PY10 the SOA received a CDBG allocation of \$3,128,431.

Performance measure reporting in PY10 indicates that CDBG funds were used for the purpose of creating a suitable living environment by providing owner occupied housing rehabilitation for 19 low and moderate income households. Additionally CDBG funds were used to create a suitable living environment, through the new construction or renovation of public facilities, to the benefit of 3,230 low and moderate-income persons.

Emergency Shelter Grant

The ESG program is administered by the Alaska Housing Finance Corporation (AHFC). For PY10 the SOA received an ESG allocation of \$125,846. The PY10 ESG funds were distributed on a competitive basis to five agencies located in Juneau, Palmer, Kodiak, Kenai/Soldotna, and Bethel. During PY10 ESG funds provided assistance for homeless

prevention, essential services, and shelter operation activities creating a suitable living environment for 780 persons.

HOME Investment Partnerships Program

The HOME allocation for the SOA is also administered by AHFC. The SOA received an allocation of \$3,000,000 in HOME funds for PY10. During PY10 the Greater Opportunities for Affordable Living program committed funding for the development of two HOME assisted rental-housing projects. The Homeownership Housing Development Program awarded funds for the development of nine HOME assisted single family homes. The Owner-Occupied Rehabilitation Program completed the rehabilitation of eight units during the program year. The HOME Opportunity Program provided home-ownership assistance to 38 families during the program year. During PY10 HOME funds were also used to assist 10 households with Tenant Based Rental Assistance. HOME funded activities during PY10 will provide improved affordability and/or sustainability of decent housing for 89 low-income families.

Other HUD Programs

During PY10 the SOA received \$5,000,000 for the Neighborhood Stabilization Program 3 (NSP-3), authorized under the Wall Street Reform and Consumer Protection Act of 2010. AHFC is the agency designated for administration of those funds. Those funds have been targeted for redevelopment and stabilization of neighborhoods with vacant, foreclosed or abandoned properties. Reporting on NSP-3 activities is done quarterly through the Disaster Recovery Grant Reporting system. HUD's review of those reports and any related correspondence is handled under separate cover.

During PY10 DCRA completed its public facility project funded with \$747,372 in Community Development Block Grant Recovery funding (CDBG-R). The CDBG-R completed project provided sidewalk, water and sewer improvements in the City of Fairbanks to the benefit of 2162 persons.

AHFC continues to serve as Alaska's statewide public housing authority (PHA). For PY10 AHFC continued participation in the Moving to Work (MTW) demonstration program. The MTW demonstration is overseen by HUD through the Office of Public and Indian Housing. Full reporting and correspondence for MTW is handled under separate cover.

AHFC continues to lead the statewide Continuum of Care process. AHFC coordinated the development of the Continuum of Care element for applications from the "balance of state continuum" (excepting Anchorage) in the HUD 2010 homeless grant program competition. This resulted in award of \$762,663 in the 2010 competition. AHFC provided over \$1.13 million to entities that received 2010 HUD continuum of care funds statewide.

HUD Conclusion

The SOA has carried out its program substantially as described in its Consolidated Plan. The Consolidated Plan submission, as implemented, complies with the requirements of the Housing and Community Development Act of 1974, the Cranston-Gonzalez National Affordable

Housing Act, and other applicable laws and regulations. The SOA has the continuing capacity to carry out the approved program.

In accordance with 24 CFR 91.525, this letter will be made available to the public by means of the HUD website at <http://www.hud.gov/local/ak/working/cpd/index.cfm>. Availability of the letter will be announced in the “highlights” section of the webpage, and an electronic copy will be found in the “library” section of the site that can be accessed by clicking on the link in the left hand column of the home page.

If you have any questions, please don't hesitate to contact Carma Reed, Director of Community Planning and Development, at (907) 677-9890.

Sincerely,

/s/

Colleen K. Bickford
Field Office Director

cc:

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