

ATTACHMENT A
CALCULATION OF SUBSIDIES

Upon execution of the Moving to Work (MTW) Agreement (MTW Agreement) between the U.S. Department of Housing and Urban Development (HUD) and the Alaska Housing Finance Corporation (Agency), HUD will provide the Agency with operating subsidy, capital funds and Housing Choice Voucher Program assistance as described below.

A. Operating Subsidy

1. The calculation of operating subsidy will continue in accordance with applicable operating subsidy formula law and regulations.
2. Per 24 CFR 990.225, the Agency has experienced a reduction in their operating subsidy. On October 15, 2007, the Agency submitted its year one “stop-loss” application. The Agency is subject to a verification review to confirm its conversion to asset management. Upon a successful verification of said conversion, the Agency will not be subject to further “stop-loss” reductions, as set forth in 24 CFR 990.230.
3. For operating funds provided in years prior to the execution of the MTW Agreement, the Agency may use any accumulated operating reserves for eligible MTW purposes, subject to applicable provisions of the MTW Agreement.
4. All funds programmed for MTW purposes will be recorded and drawn from MTW designated line items on relevant HUD forms.

B. Capital Funds Program

1. The Agency's formula characteristics and grant amounts will continue to be calculated in accordance with applicable law and regulations.
2. For capital funds provided in years prior to the execution of the MTW Agreement, The Agency may submit, and HUD will, as permitted by law, approve a request to reprogram by grant year any unobligated funds for eligible MTW purposes. Such request will be made in accordance with current procedures governing amendments to the Annual Plan, except that no public consultation will be necessary prior to submission of the request.
3. All funds programmed for MTW purposes will be recorded and drawn from MTW designated line items on relevant HUD forms.

C. Housing Choice Voucher Program (HCVP) Subsidy

1. For purposes of the Housing Choice Voucher Program funding, the Initial Year is calendar year 2008 (January 1, 2008 through December 31, 2008).
2. For purposes of the Housing Choice Voucher program funding, the base period for calculating initial funding is federal fiscal year 2007 (October 1, 2006 through September 30, 2007).
3. Initial year (CY 2008) HCVP housing assistance payments (HAP) subsidy will be based on the actual HAP expenses incurred by the Agency in the base period (FFY 2007). Initial year

HCVP administrative fee funding will be based on the requirements of the Consolidated Appropriations Act, FY 2008.

4. Funding eligibility for the HCVP HAP in the Initial Year of this agreement will be equal to the base period expenses, adjusted for new units not fully represented in the base period expenses, and adjusted by the Annual Adjustment Factor (AAF) and by the applicable proration factor. For subsequent years, the HAP subsidy will be equal to the previous year's HAP subsidy eligibility adjusted by the current year's AAF and applicable proration factor percentage. Administrative Fee eligibility will be based on voucher leasing during the base period, defined as the calendar year immediately preceding the initial year. For the initial period (CY), the fee eligibility will be calculated by applying the current year's administrative fee rates to that base period's leasing. For subsequent years, the fees will be based upon applying each subsequent year's administrative fee rates to the base period's leasing. This methodology will apply only to those vouchers for which administrative fees are not already included in a combined calculation of both housing assistance and administrative fees. In every year, fee eligibility will be pro-rated at the same level as applies to all other agencies. Administrative fees for vouchers added to the agency's inventory after the base period will be paid according to each year's appropriation requirements.
5. If the Agency receives incremental HCVP funding, the Agency must decide to either apply the incremental funding to their MTW block grant or to keep the incremental funding separate, as provided by law. In some cases, incremental funding may not be eligible for inclusion in the block grant as may be dictated by law.
6. All HCVP funding provided by HUD and not restricted under item 5, above, or otherwise prohibited by law in the Initial Year and subsequent years under this agreement may be eligible for inclusion in the MTW flexible block grant.
7. The Agency will be eligible to receive Family Self Sufficiency coordinator funding in accordance with available appropriations and requirements.
8. There will be no year-end settlement of annual funds provided for the MTW HCVP subsidy. All funds provided through this calculation will remain available for authorized purposes.
9. Any sum held by the Agency in the Net Restricted Assets account resulting from HAP funding that exceeded HAP expenses for the period of January 1, 2005 through September 30, 2007, shall remain available and may be used for authorized purposes, subject to applicable provisions of the MTW Agreement and future appropriations statutes. Any sum held by the Agency as excess administrative funds (Net Unrestricted Assets) shall remain available and may be used for authorized purposes subject to applicable provisions of the MTW Agreement and future appropriations statutes.

SECOND AMENDMENT
TO
THE STANDARD MOVING TO WORK (MTW) AGREEMENT
BETWEEN
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
AND
THE ALASKA HOUSING FINANCE CORPORATION

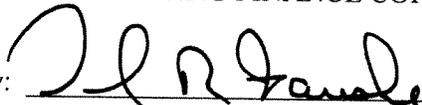
This Second Amendment to the Moving to Work ("MTW") Agreement ("Agreement") is entered into by and between the United States of America through the U.S. Department of Housing and Urban Development ("HUD") and the Alaska Housing Finance Corporation ("AHFC") and is effective on the date of execution by HUD. Unless otherwise defined herein, all capitalized terms used herein shall have the same meanings ascribed to them in the Agreement.

Attachment A is amended as follows:

The entire original Attachment A to the Moving to Work Agreement is replaced with the attached version.

IN WITNESS WHEREOF, the parties have caused this Second Amendment to be executed by their duly authorized representatives.

ALASKA HOUSING FINANCE CORPORATION

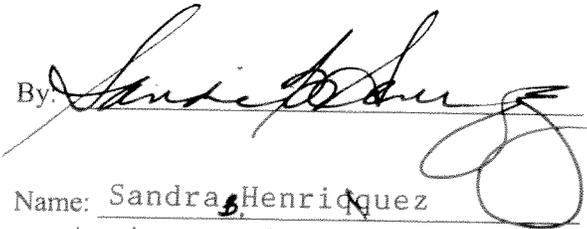
By: 

Name: Daniel R. Fauske

Its: Chief Executive Officer / Executive Director

Date: 7.14.10

UNITED STATES DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT

By: 

Name: Sandra Henriquez

Its: Assistant Secretary, Public
and Indian Housing

Date: 08/23/2010