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### **Trust Capital Project Questionnaire**

The Alaska Mental Health Trust Authority, along with our funding partners, Rasmuson Foundation, Denali Commission and the Mat-Su Health Foundation, participate in a program that promotes early and thorough planning for capital projects called the Pre-Development Program. It is administered by The Foraker Group.

This program has demonstrated the need for a thorough examination of the health and operations of a non-profit organization before undertaking a capital project. To assist The Trust in this assessment, all applicants seeking capital funds must complete the following questionnaire and be prepared to respond to questions regarding any of the areas covered.

If you would like more information about the Pre-Development Program and how to participate, please see The Foraker Group's website at <http://www.forakergroup.org/index.cfm/Shared-Services/Pre-Development>

Organization name: Rural Alaska Community Action Program, Inc. (RurAL CAP)

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#### **A. Organizational Issues**

A1	<b>What is your organization's core mission? How does this project fit into your core mission?</b>	<b>Response:</b> RurAL CAP's mission is to empower low-income Alaskans through advocacy, education, affordable housing, and direct services that respect our unique values and cultures.
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		The Safe Harbor Village project provides affordable housing and services for low-income Alaskans while respecting values and culture.
A2	<b>Please summarize the status of your organization's strategic plan (i.e. in draft form; complete and being monitored annually, etc.) How is this project part of the plan?</b>	<b>Response:</b> RurAL CAP has a three-year strategic planning cycle. Currently, RurAL CAP is operating under the 2013-2015 Strategic Plan while completing the 2016-2018 Strategic Planning process. It is expected that the Board of Directors will approve the drafted 2016-2018 plan at their December 2015 board meeting. The RurAL CAP 2013-2015 Strategic Plan lists expanding housing inventory and opportunities and increasing green building practices as key agency goals. The Village project contributes to reaching these goals.
A3	<b>Does this project fit into a community or regional plan or process? How?</b>	<b>Response:</b> RurAL CAP uses a Community Needs Assessment as a guide to develop our organization's three-year strategic plan. The Community Needs Assessment draws data and input from a wide variety of resources across Alaska.  In particular, the Safe Harbor Village project meets priorities identified by the Municipality of Anchorage and Housing Anchorage by increasing the number of affordable housing units available in the Municipality and by targeting low-income individuals and families, especially those with special needs, as future tenants.
A4	<b>How many months of operating reserves do you maintain?</b>	<b>Response:</b> RurAL CAP maintains reserves sufficient to cover 1-3 months of operating expenses. Currently, over 100 different sources of funds contribute to the annual agency budget of \$30-35M/year. Approximately 25% of the funds are reimbursed within three days of expenditure. The remainder of these funds are paid on a reimbursement basis every 30-90 days.
A5	<b>Have you explored opportunities for collaboration with other organizations on this project? If so, how?</b>	<b>Response:</b> RurAL CAP is collaborating with dozens of organizations to support the Safe Harbor locations at Safe Harbor Merrill and Safe Harbor Muldoon. Safe Harbor Village is the third component of the Safe Harbor properties and refers to the 23 units of new affordable apartments to be constructed on the property located at 207 Muldoon Road. The Municipality of Anchorage, Rasmuson Foundation, and a collaboration between entities to leverage Low Income Housing Tax Credits will support this project.

## B. Program Issues

B1	<b>What are your current services and how will the project enhance/expand your services?</b>	<b>Response:</b> RurAL CAP services are divided into four divisions serving communities throughout the state: Child Development provides services to prenatal women, children and families; Community Development provides resources, training and service opportunities to low-income Alaskans; and Planning and Construction provides affordable housing opportunities, preserves and improves existing housing, and facilitates community-based planning.
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		<p>This request is specifically for the Supportive Housing Division, which helps individuals move to economic independence, addressing the frequently interrelated problems of homelessness, substance abuse/addiction, and mental illness, and increases access to affordable housing for low income individuals and families. The Division is built upon the principles of self-advocacy and skill building as pathways to permanent housing and community reintegration. This project will enhance and expand services provided through the Supportive Housing Division's Affordable Housing program by increasing the number of affordable apartments available to low-income tenants.</p>
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### C. Site Issues

<b>C1</b>	<b>Has a site been identified for this project?</b>	<b>Response:</b> Yes. This project will be constructed at 207 Muldoon Road in Anchorage.
<b>C2</b>	<b>Were alternative sites fully evaluated?</b>	<b>Response:</b> RurAL CAP is constantly reviewing opportunities to procure and expand safe, affordable housing opportunities in Anchorage. This site was selected because it was available for ownership at no cost as Anchor Arms Inc. sought to divest themselves of their properties. This provided an excellent opportunity to expand housing in Anchorage without the typically exorbitant cost of acquiring land in the Anchorage bowl.
<b>C3</b>	<b>Has the selected site been evaluated for appropriate size, access, utilities, and environmental constraints?</b>	<b>Response:</b> Yes. The site has undergone a rigorous evaluation process for size, access, utilities, and a thorough environmental review in order to qualify for Municipality of Anchorage (MOA) HOME and Community Development Block Grant (CDBG) funding. It has cleared all of these reviews.
<b>C4</b>	<b>Has a site plan been completed?</b>	<b>Response:</b> Yes. A site and development plans were completed as part of the application and award process for MOA CDBG and HOME funding.
<b>C5</b>	<b>What is the status of site ownership?</b>	<b>Response:</b> RurAL CAP is the owner of the property.

### D. Facility Issues

<b>D1</b>	<b>Explain why you need a new, expanded, or remodeled facility.</b>	<b>Response:</b> There is an indisputable high demand for affordable housing units in Anchorage that are managed by entities that have experience with special needs populations, particularly formerly homeless individuals and families. There is also a need for energy efficient housing, which keeps operating costs in check, making rental properties more affordable for tenants and a sustainable source of income for property owners. Whether derived from national statistics or local housing program waitlists, the evidence in Anchorage points definitively to the need for expanding affordable housing. RurAL CAP has made it an agency strategic planning priority to expand housing inventory and
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		<p>opportunities, improve existing housing stock, and is committed to improving and increasing the full spectrum of housing services.</p> <p>The Supportive Housing Division is developing Safe Harbor Village in order to serve low- and very low-income individuals and families, providing affordable housing, addressing the city's well-known struggle with a high cost of living and constrained rental/housing market. Rental recruitment will target Alaskans that earn 60% or less of the Area Medium Income (AMI). A preference will be given to families ready to leave transitional housing at Safe Harbor Muldoon for permanent housing.</p>
<b>D2</b>	<b>How much total square footage do you think you will need?</b>	<p><b>Response:</b></p> <p>The facility will be approximately 22,050 square feet including 23 rental units and common space with a multi-purpose room. Additional features will include a playground and picnic area access, landscaping to provide screening from traffic and noise, and access to Supportive Housing Division staff who work at the adjacent Safe Harbor Muldoon facility.</p>
<b>D3</b>	<b>Has a construction cost estimate been prepared? Who prepared it?</b>	<p><b>Response:</b></p> <p>Construction estimates have been prepared as a collaborative effort between RurAL CAP's Supportive Housing Manager, who will serve as General Contractor for the project, and McCool Carlson Green, the contracted architecture and engineering firm designing the project.</p>

#### E. Financial Issues

<b>E1</b>	<b>Is the full cost of the project identified?</b>	<p><b>Response:</b></p> <p>The total project amount will cost \$7,805,847 including acquisition, construction/rehab, and related soft costs.</p>
<b>E2</b>	<b>What funding has been identified for the capital project? Please provide amounts and sources.</b>	<p><b>Response:</b></p> <p>RurAL CAP has \$2,800,000 in CDBG/HOME funding through the Municipality of Anchorage (\$2,111,529 secured, \$688,417 committed). In addition to the requested Alaska Mental Health Trust Authority (AMHTA) \$930,000 PRI, anticipated funding includes: Rasmuson Foundation \$650,000 PRI; Rasmuson Foundation \$375,000 Tier 2 grant; \$100,000 Wells Fargo Priority Market Program; \$45,000 Energy Credits; \$2,161,387 LIHTC; and a \$444,777 AHFC Loan.</p>
<b>E3</b>	<b>How will increased operating expenses be covered?</b>	<p><b>Response:</b></p> <p>Once capital funding is secured and the project is completed, future operating and maintenance costs will be covered by rental revenue. RurAL CAP operates 58 units of affordable housing apartments located on 12 properties in Anchorage in a similar manner – collecting tenant rent and maintaining reserve accounts to cover ongoing operating, maintenance, and facility upgrades. The pro forma for The Village demonstrates that the rental income will not only cover operating and maintenance costs once construction and rent-up are complete, but also generate income that can be used to provide services at other Safe Harbor properties.</p>

**F. Other information that helps explain your project:**

	<p>Please see attached Letter of Interest for project details. Back-up documentation to the above responses is available upon request.</p>
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