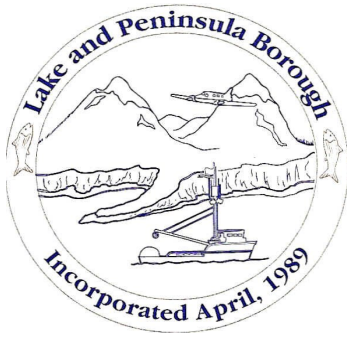
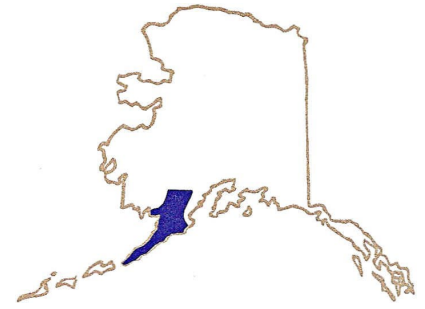




Lake and Peninsula Borough

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September 15, 2026

Kasie Luke, Superintendent
Lake and Peninsula School District
101 Jensen Rd
King Salmon, AK 99613

Re: Proposed AHFC Rural Professional Housing Grant Application – Newhalen Duplex

Dear Superintendent Luke and Members of the Board,

The Lake and Peninsula Borough is considering an application to the Alaska Housing Finance Corporation (AHFC) Rural Professional Housing Grant Program, which awards competitive grants each year to construct, rehabilitate, or acquire rental housing for rural teachers, health care workers, and public safety personnel. Because the primary beneficiaries of this project would be District staff, the Borough Assembly would like the District's input before committing to an application.

Proposed project. The Borough would construct a new duplex in Newhalen on the school lot, using the same duplex design the Borough has built previously. The project is estimated to cost approximately \$1.1 million and would require at least \$400,000 in matching funds from local sources, as AHFC does not fund projects at 100 percent.

The Borough respectfully asks the District to consider and respond to the following questions:

1. Does the District want the Borough to pursue an AHFC Rural Professional Housing grant to construct a new duplex in Newhalen?
2. If so, is the District willing to contribute a portion of the School Endowment Fund (currently approximately \$8.6 million) to provide the matching funds required for the grant application?
3. If the District does not wish to contribute matching funds, does the District nonetheless support the Borough applying for and securing this grant and providing

the approximately \$400,000 in matching funds itself? Under this approach, the Borough would rent the units at market rates.

AHFC's application window is time-limited, so we would appreciate a response from the Board by October 25, 2026, so the Borough can determine whether and how to proceed. Borough staff is available to present this proposal at an upcoming Board meeting or to answer questions at your convenience.

Thank you for your consideration and your continued partnership in addressing housing needs in our communities.

Sincerely,

A handwritten signature in black ink, appearing to read 'Nathan Hill', with a long, sweeping horizontal line extending to the right.

Nathan Hill
Borough Manager

cc: Lake and Peninsula Borough Assembly