THE LAKE AND PENINSULA SCHOOL DISTRICT

101 Jensen Drive
King Salmon, AK 99613
907-246-4280

1617 S Industrial Way #1
Palmer, AK 99645
907-745-7090



September 24, 2026

RE: Response to Proposed AHFC Rural Professional Housing Grant Application Newhalen Duplex

Dear Manager Hill and Members of the Borough Assembly,

Thank you for your letter dated September 15, 2026, regarding the proposed Alaska Housing Finance Corporation (AHFC) Rural Professional Housing Grant application for a new duplex in Newhalen. The Lake and Peninsula School District Board of Education values our continued partnership with the Borough and shares your goal of securing adequate, high-quality housing for our teachers and staff.

In response to your questions, the School Board supports pursuing opportunities to expand housing in Newhalen; however, we would like to provide key clarifications regarding local match funds, tenant eligibility, and project details as we evaluate our participation:

1. Match Funding & Endowment Clarification

- *Endowment Balance:* We wish to clarify that the current School Endowment Fund balance is approximately $3.756 million, rather than the $8.6 million stated in your letter.
- *In-Kind & Non-Cash Match Opportunities:* Before committing direct cash from the Endowment, we recommend exploring non-cash and in-kind contributions that AHFC has historically accepted toward local match requirements. These include:
    - Allocation of District-owned property for the site
    - Site preparation and earthwork
    - Utility connections (e.g., expanding the waste heat loop and electric hookups)
    - Provision of furnishings
    - In-kind project management and administration by District personnel

2. Market Rates and Program Restrictions

- *Rent Affordability:* The Board is concerned that if the Borough provides the match independently and sets rent at full market rates, teachers may not be able to afford the units, defeating the primary objective of staff retention.

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- *Occupancy Rules:* Under AHFC guidelines, these grant-funded units must strictly house qualified teachers, healthcare professionals, or public safety personnel. Renting to non-eligible community members can trigger a requirement to repay grant funds.

3. Request for Additional Information

To help the School Board finalize its position prior to Borough Assembly's October meeting (to meet the November 6 deadline), we respectfully request the following additional details:

- *Unit Specifications:* Clarification on the proposed layout and size of the duplex units (e.g., 1-, 2-, or 3-bedroom configurations).
- *Draft Application Worksheet:* A copy of the Borough's draft AHFC application worksheet or project cost breakdown to help us understand the total budget and match structure.
- *Data Coordination:* Coordination on required scoring metrics, such as our unhoused staff ratios, multi-year turnover data, staff qualification documentation for housing management, utility connections, and housing placement on Lake and Pen Borough school property.
- *Assembly & School Board Resolution:* The Borough provides the School Board with an AFHC-formatted draft resolution.

We appreciate the Assembly's initiative in bringing this grant opportunity forward to benefit our educational staff and community. We look forward to reviewing the additional details so we can formalize our support and match structure.

Sincerely,

Kasie Luke

Superintendent, Lake and Peninsula School District
On behalf of the Lake and Peninsula School District School Board