



# Kenai Peninsula Borough


## Planning Department – Land Management Division

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### MEMORANDUM

**TO:** Peter Ribbens, Assembly President  
Members, KPB Assembly

**THRU:** Peter A. Micciche, Mayor   
Robert Ruffner, Planning Director 

**FROM:** Aaron Hughes, Land Management Officer 

**DATE:** April 24, 2025

**RE:** Ordinance 2025-09, Authorizing and Approving the Land Affordability Program (Mayor)

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The Kenai Peninsula Borough (KPB) administration has been working hard to develop a comprehensive approach to general land sales with a focus on providing KPB residents an opportunity to become land owners and develop lands sold by the KPB for residential purposes. Toward that end, this Ordinance will establish a Land Affordability Program (LAP). The LAP's purpose is to support additional opportunities for KPB residents to obtain affordable residential property, and to encourage residential property development. The intent is to identify "LAP Eligible" properties for KPB land sales. The "LAP Eligible" properties will be consistent with residential parcels. High-value, tax foreclosure, or recreational properties will not be considered "LAP Eligible".

The full terms and legal obligations of the program will be detailed in the Ordinance, legal documents and contracts between the KPB and the "LAP participant". The below summary outlines the high-level terms of the LAP:

- An LAP property must be improved with a permanent foundation and Property Class Codes 110 or 112, as determined by the KPB Assessing Department. An acceptable alternative to the foregoing is an owner provided professional appraisal showing that the property is a habitable residential dwelling qualifying for conventional financing.
- An LAP participant must demonstrate Alaska residency and be domiciled in the KPB upon the LAP property closing date or comply with the requirements to prove a demonstratable intent to immediately establish Alaska residency and be domiciled within the KPB.
- A LAP participant may not have more than one LAP property with an active LAP lien against it.
- LAP properties may be financed through the KPB at an authorized rate and term. KPB financing is not a requirement of the program.
- Qualified buyers will be eligible, subject to the terms of the LAP program including recapture and development provisions, to receive a 25% discount off the winning bid

Page -2-  
April 24, 2025  
RE: O2025-09

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amount at the time of sale if they choose to participate in the LAP.

- Qualified buyers will be responsible to pay 75% of the winning bid amount over the term of the agreement ("LAP Amount").
- A down payment of 10% of the LAP Amount is required, with the remaining 90% of the LAP Amount eligible for KPB financing.
- If KPB tax records indicate construction of a structure on a permanent foundation with a Property Class Codes 110 or 112, as determined by the Assessing Department, on the property and the LAP participant has provided the affidavit of occupancy, the LAP requirements and lien will be deemed satisfied.
- If the property is sold or ownership is transferred without addressing the provisions of LAP lien, the lien will immediately be due and payable. The KPB reserves the right to foreclose any LAP lien that is not satisfied within 90 days of being due and payable.
- The LAP lien shall run with the property until LAP terms have been satisfied, the LAP recapture has been paid in full, or 30 years

Your consideration is appreciated.