

Introduced by:	Mayor
Date:	06/03/25
Hearing:	06/17/25
Action:	Enacted as Amended
Vote:	9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH
ORDINANCE 2025-10**

**AN ORDINANCE AUTHORIZING THE SALE OF CERTAIN PARCELS
OWNED BY THE KENAI PENINSULA BOROUGH VIA A LIVE PUBLIC
OUTCRY/SIMULCAST ONLINE AUCTION FOLLOWED BY A
SECONDARY ONLINE-ONLY AUCTION**

- WHEREAS,** the Kenai Peninsula Borough (KPB) has title to the parcels listed in Section 1 of this ordinance; and
- WHEREAS,** the parcels have been reviewed by the KPB School District, KPB administrative departments, service areas, affected cities, Advisory Planning Commissions, and the KPB Planning Commission; and
- WHEREAS,** the parcels are surplus to KPB needs; and
- WHEREAS,** the parcels listed in Section 2 of this ordinance were acquired through tax foreclosure and retained for public purposes; and
- WHEREAS,** this ordinance enacts an exception to the requirement under KPB 17.10.090 that KPB-owned lands are classified prior to disposal; and
- WHEREAS,** pursuant to KPB 17.10.080(A) the purposes served through classification is review, plan implementation, and management of KPB-owned land or resources; and
- WHEREAS,** classification is not zoning and classification of land pursuant to KPB 17.10.080, does not run with the land, and does not restrict land use after disposal; therefore, classification for the sole purpose of disposal may only confuse buyers, create unnecessary conflict for neighboring land owners, and does not accomplish the code purposes classification aims to provide;
- WHEREAS,** pursuant to KPB 21.04.010, land outside of municipal zoning districts is deemed as the rural zoning district, whereby regulation of land use shall be unrestricted except as otherwise provided in Title 21; and
- WHEREAS,** the Assembly recently enacted Ordinance 2025-09 to create a Land Affordability Program (LAP) which provides an opportunity for qualifying participants to purchase certain residential properties identified as "LAP Eligible" under an approved sale ordinance; and

WHEREAS, the LAP is designed to support residential development and homeownership while maintaining and ensuring a competitive bid process for authorized KPB land sale offerings; and

WHEREAS, the parcels listed in Section 4 of this ordinance have been deemed eligible to participate in the LAP; and

WHEREAS, the KPB Planning Commission conducted a public hearing at its regularly scheduled meeting of June 9, 2025, and recommended approval by unanimous consent;

NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. That this is a non-code ordinance.

SECTION 2. That the parcels listed below are authorized for sale at a minimum of the reserve amounts listed.

Parcel No.	Acres	Legal Description	General Location	Reserve Amount
01204014	0.19	LOT FIFTEEN (15), BLOCK NINE (9), AMENDED PLAT BLOCKS 9, 10, AND 11, AURORA HEIGHTS SUBDIVISION, ACCORDING TO PLAT NO. K-1467, ON FILE IN THE KENAI RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA. (KPB PIN 01204014)	Nikiski	\$6,000
01204017	0.21	LOT EIGHTEEN (18), BLOCK NINE (9), AMENDED PLAT BLOCKS 9, 10, AND 11, AURORA HEIGHTS SUBDIVISION, ACCORDING TO PLAT NO. K-1467, ON FILE IN THE KENAI RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA. (KPB PIN 01204017)	Nikiski	\$6,000
01215004	0.29	LOT FOUR (4), BLOCK ONE (1), T'AIR DEL MAR SUBDIVISION, ACCORDING TO PLAT NO. K-1661, ON FILE IN THE KENAI RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA. (KPB PIN 01215004)	Nikiski	\$6,500

Parcel No.	Acres	Legal Description	General Location	Reserve Amount
01215005	0.29	LOT FIVE (5), BLOCK ONE (1), T'AIR DEL MAR SUBDIVISION, ACCORDING TO PLAT NO. K-1661, ON FILE IN THE KENAI RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA. (KPB PIN 01215005)	Nikiski	\$6,500
01713003	3.87	LOT FIFTEEN (15), SECTION 23, TOWNSHIP 6 NORTH, RANGE 12 WEST, SEWARD MERIDIAN, STATE OF ALASKA, ACCORDING TO THE SUPPLEMENTAL PLAT ACCEPTED BY THE UNITED STATES, DEPARTMENT OF THE INTERIOR, BUREAU OF LAND MANAGEMENT IN WASHINGTON, D.C., ON MARCH 18, 1953; AND FURTHER DEPICTED ON THE RECORD OF SURVEY, SURVEY OF STATE LAND, DNR FILE NUMBER 58-7, SERIALIZED AS EPF 580007, FILED IN THE KENAI RECORDING DISTRICT ON AUGUST 8, 1969, AS PLAT NO. K-1637, KENAI RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA. (KPB PIN 01713003)	Salamatof	\$95,000
01713063	4.28	GOVERNMENT LOTS FIVE (5) AND SIX (6) AND $W\frac{1}{2}W\frac{1}{2}NW\frac{1}{4}SW\frac{1}{4}SE\frac{1}{4}$, SECTION 23, TOWNSHIP 6 NORTH, RANGE 12 WEST, SEWARD MERIDIAN, KENAI RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA. (KPB PIN 01713063)	Salamatof	\$70,000
01713064	1.76	GOVERNMENT LOT EIGHTEEN (18), SECTION 23, TOWNSHIP 6 NORTH, RANGE 12 WEST, SEWARD MERIDIAN, KENAI RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA. (KPB PIN 01713064)	Salamatof	\$33,100
02543309	7.23	LOT THIRTY-ONE (31), MOOSE POINT SUBDIVISION, ACCORDING TO PLAT NO. 84-65, ON FILE IN THE KENAI RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA. (KPB PIN 02543309)	Moose Point	\$36,000

Parcel No.	Acres	Legal Description	General Location	Reserve Amount
02543311	7.40	LOT THIRTY-FOUR (34), MOOSE POINT SUBDIVISION, ACCORDING TO PLAT NO. 84-65, ON FILE IN THE KENAI RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA. (KPB PIN 02543311)	Moose Point	\$37,000
02544718	7.40	LOT TWO HUNDRED FORTY-FIVE (245), MOOSE POINT SUBDIVISION, ACCORDING TO PLAT NO. 84-65, ON FILE IN THE KENAI RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA. (KPB PIN 02544718)	Moose Point	\$37,000
02545717	8.15	LOT THREE HUNDRED SIXTY-EIGHT (368), MOOSE POINT SUBDIVISION, ACCORDING TO PLAT NO. 84-65, ON FILE IN THE KENAI RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA. (KPB PIN 02545717)	Moose Point	\$39,000
03503070	2.42	LOT SEVEN (7), DISCOVERY PARK SUBDIVISION, ACCORDING TO PLAT NO. 2010-11, ON FILE IN THE SEWARD RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA. (KPB PIN 03503070)	Hope	\$140,000
03503071	2.46	LOT EIGHT (8), DISCOVERY PARK SUBDIVISION, ACCORDING TO PLAT NO. 2010-11, ON FILE IN THE SEWARD RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA. (KPB PIN 03503071)	Hope	\$140,000
05503508	1.24	LOT ONE (1), BLOCK TWO (2), WIDGEON WOODS PHASE TWO SUBDIVISION, ACCORDING TO PLAT NO. 2012-32, ON FILE IN THE KENAI RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA. (KPB PIN 05503508)	Kalifornsky	\$55,000
05503527	1.24	LOT FIVE (5), BLOCK FOUR (4), WIDGEON WOODS PHASE TWO SUBDIVISION, ACCORDING TO PLAT NO. 2012-32, ON FILE IN THE KENAI RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA. (KPB PIN 05503527)	Kalifornsky	\$75,000

Parcel No.	Acres	Legal Description	General Location	Reserve Amount
06301166	9.55	TRACT C, OWL PERCH SUBDIVISION, ACCORDING TO PLAT NO. 2024-92, ON FILE IN THE KENAI RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA. (KPB PIN 06301166)	Sterling	\$175,000
06504112	0.31	LOT NINE (9), GATTEN SUBDIVISION, ACCORDING TO PLAT NO. K-995, ON FILE IN THE KENAI RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA. (KPB PIN 06504112)	Sterling	\$7,700
06519063	3.31	LOT FOUR (4), BLOCK EIGHT (8), STEPHENKIE ALASKA SUBDIVISION, ALASKA STATE LAND SURVEY 73-146, ACCORDING TO PLAT NO. 79-83, ON FILE IN THE KENAI RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA. (KPB PIN 06519063)	Sterling	\$367,900
06519070	2.68	LOT ELEVEN (11), BLOCK EIGHT (8), STEPHENKIE ALASKA SUBDIVISION, ALASKA STATE LAND SURVEY 73-146, ACCORDING TO PLAT NO. 79-83, ON FILE IN THE KENAI RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA. (KPB PIN 06519070)	Sterling	\$383,500
06631026	1.23	LOT THREE (3), BLOCK FIVE (5), RIVERBEND RIDGE SUBDIVISION PART FIVE (5), ACCORDING TO PLAT NO. 78-126, ON FILE IN THE KENAI RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA. (KPB PIN 06631026)	Funny River	\$25,100
11907106	2.02	LOT THIRTEEN B (13B) OF U.S. SURVEY 3306, ALASKA, ACCORDING TO THE SURVEY PLAT ACCEPTED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, BUREAU OF LAND MANAGEMENT IN WASHINGTON, D.C. ON JANUARY 24, 1955. (KPB PIN 11907106)	Cooper Landing	\$176,000

Parcel No.	Acres	Legal Description	General Location	Reserve Amount
11911019	1.62	LOT TWO B (2B) OF THE DEPENDENT RESURVEY OF U.S. SURVEY NO. 3531, ALASKA, ACCORDING TO THE SURVEY PLAT ACCEPTED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, BUREAU OF LAND MANAGEMENT IN WASHINGTON, D.C. ON OCTOBER 20, 1970. (KPB PIN 11911019)	Cooper Landing	\$119,000
11915007	3.45	LOT FIFTEEN (15) OF U.S. SURVEY NO. 2688, ALASKA, ACCORDING TO THE SURVEY PLAT ACCEPTED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, BUREAU OF LAND MANAGEMENT IN WASHINGTON, D.C. ON JULY 7, 1948, IN THE SEWARD RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA. LESS AND EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE STATE OF ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES BY QUITCLAIM DEED FILED ON MAY 13, 2022, WITH A RECORDING SERIAL NO. OF 2022-000476-0, IN THE SEWARD RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA. (KPB PIN 11915007)	Cooper Landing	\$136,300
13106031	2.54	LOT SEVEN (7), TWO THE BLUFF SUBDIVISION 2013 ADDITION, ACCORDING TO PLAT NO. 2013-125, ON FILE IN THE KENAI RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA. (KPB PIN 13106031)	Kalifornsky	\$175,000
13106032	2.57	LOT EIGHT (8), TWO THE BLUFF SUBDIVISION 2013 ADDITION, ACCORDING TO PLAT NO. 2013-125, ON FILE IN THE KENAI RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA. (KPB PIN 13106032)	Kalifornsky	\$175,000

Parcel No.	Acres	Legal Description	General Location	Reserve Amount
13505224	1.33	LOT TWO A (2A), BLOCK ONE (1), CARIBOU ISLAND SUBDIVISION KPB 2020 REPLAT, ACCORDING TO PLAT NO. 2020-9, ON FILE IN THE SEWARD RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA. (KPB PIN 13505224)	Caribou Island (Skilak Lake)	\$36,000
16905103	0.51	LOT THREE (3), COMMON GROUND SUBDIVISION, ACCORDING TO PLAT NO. 2024-15, ON FILE IN THE HOMER RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA. (KPB PIN 16905103)	Anchor Point	\$27,000
17908010	2.50	GOVERNMENT LOT ELEVEN (11), SECTION 14, TOWNSHIP 6 SOUTH, RANGE 13 WEST, SEWARD MERIDIAN, ALASKA, ACCORDING TO THE SUPPLEMENTAL SURVEY PLAT ACCEPTED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, BUREAU OF LAND MANAGEMENT IN WASHINGTON, D.C. ON MAY 26, 1952. (KPB PIN 17908010)	City of Homer	\$125,000
17908011	2.50	GOVERNMENT LOT TWELVE (12), SECTION 14, TOWNSHIP 6 SOUTH, RANGE 13 WEST, SEWARD MERIDIAN, ALASKA, ACCORDING TO THE SUPPLEMENTAL SURVEY PLAT ACCEPTED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, BUREAU OF LAND MANAGEMENT IN WASHINGTON, D.C. ON MAY 26, 1952. (KPB PIN 17908011)	City of Homer	\$125,000
19326114	8.77	LOT TWO (2), BLOCK SIX (6), MARINERS WALK SUBDIVISION CORRECTED PLAT, ACCORDING TO PLAT NO. 86-75, HOMER RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA. (KPB PIN 19326114)	Bear Cove (Kachemak Bay)	\$37,000

SECTION 3. That the parcels listed below were obtained by KPB through prior tax foreclosure actions and retained for a public purpose. In accordance with provisions of AS 29.45.460, the Assembly finds that a public need no longer exists for these parcels. The parcels listed below have been retained by KPB in excess of ten (10) years.

Parcel No.	Acres	Legal Description	General Location	Prior Owner
01204014	0.19	LOT FIFTEEN (15), BLOCK NINE (9), AMENDED PLAT BLOCKS 9, 10, & 11, AURORA HEIGHTS SUBDIVISION, ACCORDING TO PLAT NO. K-1467, ON FILE IN THE KENAI RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA. (KPB PIN 01204014)	NIKISKI	WARREN & DOROTHY DAVIS
01204017	0.21	LOT EIGHTEEN (18), BLOCK NINE (9), AMENDED PLAT BLOCKS 9, 10, & 11, AURORA HEIGHTS SUBDIVISION, ACCORDING TO PLAT NO. K-1467, ON FILE IN THE KENAI RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA. (KPB PIN 01204017)	Nikiski	Elizabeth C. Gnagy
01215004	0.29	LOT FOUR (4), BLOCK ONE (1), T'AIR DEL MAR SUBDIVISION, ACCORDING TO PLAT NO. K-1661, ON FILE IN THE KENAI RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA. (KPB PIN 01215004)	Nikiski	Willie Austin Cheeks
01215005	0.29	LOT FIVE (5), BLOCK ONE (1), T'AIR DEL MAR SUBDIVISION, ACCORDING TO PLAT NO. K-1661, ON FILE IN THE KENAI RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA. (KPB PIN 01215005)	Nikiski	Willie Austin Cheeks
06504112	0.31	LOT NINE (9), GATTEN SUBDIVISION, ACCORDING TO PLAT NO. K-995, ON FILE IN THE KENAI RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA. (KPB PIN 06504112)	Sterling	Donald L. Harper
13505224	1.33	LOT TWO A (2A), BLOCK ONE (1), CARIBOU ISLAND SUBDIVISION KPB 2020 REPLAT, ACCORDING TO PLAT NO. 2020-9, ON FILE IN THE SEWARD RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA. (KPB PIN 13505224)	Caribou Island (Skilak Lake)	Robert Fogle, Virginia Duncan

SECTION 4. That the Assembly makes an exception to KPB 17.10.090 requiring classification prior to disposal. This exception is based on the following findings of facts pursuant to KPB 17.10.230:

1. That special circumstances or conditions exist.
 - a. The parcels to be disposed of are deemed surplus to borough needs, thereby eliminating the need for a borough management plan for those lands.
 - b. KPB 17.10.130(D) requires that land shall be conveyed without deed restrictions.

- c. Local option zoning is available when the borough is marketing subdivision land with a development plan for future land use.
2. That the exception is necessary for the preservation and enjoyment of a substantial property right and is the most practical manner of complying with the intent of this chapter.
 - a. Classification of surplus land to be disposed of would place land use restrictions on land that the borough will not have management responsibility over once conveyed.
 - b. The preservation of a substantial property right is not applicable to this case; the considerations under this ordinance as to the management of the land are substantially similar to classification thereby being a practical manner of complying with the intent of classification.
3. That the granting of the exception will not be detrimental to the public or injurious to other property in the area.
 - a. Classifying land uses for surplus land to be disposed of does not serve a useful purpose in guiding future borough management decisions.

SECTION 5. That the parcels listed below are hereby designated as eligible to participate in the Land Affordability Program (LAP) enacted by Ordinance 2025-09.

Parcel No.	Acres	Legal Description	General Location	LAP Eligible
05503508	1.24	LOT ONE (1), BLOCK TWO (2), WIDGEON WOODS PHASE TWO SUBDIVISION, ACCORDING TO PLAT No. 2012-32, ON FILE IN THE KENAI RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA. (KPB PIN 05503508)	Kalifornsky	Yes
05503527	1.24	LOT FIVE (5), BLOCK FOUR (4), WIDGEON WOODS PHASE TWO SUBDIVISION, ACCORDING TO PLAT No. 2012-32, ON FILE IN THE KENAI RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA. (KPB PIN 05503527)	Kalifornsky	Yes
06631026	1.23	LOT THREE (3), BLOCK FIVE (5), RIVERBEND RIDGE SUBDIVISION PART FIVE (5), ACCORDING TO PLAT No. 78-126, ON FILE IN THE KENAI RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA. (KPB PIN 06631026)	Funny River	Yes

Parcel No.	Acres	Legal Description	General Location	LAP Eligible
11911019	1.62	LOT TWO B (2B) OF THE DEPENDENT RESURVEY OF U.S. SURVEY NO. 3531, ALASKA, ACCORDING TO THE SURVEY PLAT ACCEPTED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, BUREAU OF LAND MANAGEMENT IN WASHINGTON, D.C. ON OCTOBER 20, 1970. (KPB PIN 11911019)	Cooper Landing	Yes
16905103	0.51	LOT THREE (3), COMMON GROUND SUBDIVISION, ACCORDING TO PLAT NO. 2024-15, ON FILE IN THE HOMER RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA. (KPB PIN 16905103)	Anchor Point	Yes

SECTION 6. That the method of disposal will be by live public outcry/simulcast online auction pursuant to KPB 17.10.100(B) followed by an online-only auction. The date of the live auction will be August 9, 2025. The auction will be held at Soldotna High School or other such advertised location. A secondary online-only auction will be conducted for those parcels not sold as part of the live auction. The secondary online-only auction is to run a minimum of two weeks beginning not later than October 9, 2025.

SECTION 7. That the Mayor is hereby authorized to remove any or all of the proposed land sale offerings for any reason, including real estate market conditions, at any time prior to the date of the live auction and/or the secondary online-only auction.

SECTION 8. That in the event the administration is unable to proceed with the live auction on the designated date, the administration will reschedule the live auction and subsequent secondary online-only auction not later than 90 days from the date designated in this ordinance. In the event the dates designated in Section 5 are cancelled and an alternative date is rescheduled, then such sale date and location will be re-advertised for at least 30 days prior to the sale, consistent with the original advertisement.

SECTION 9. That all parcels will be conveyed by quitclaim deed. Title insurance in the form of a lenders policy of title insurance must be obtained for all KPB-financed sales. All title insurance and closing fees are at the buyer's expense. Title insurance must show the condition of title and no unsatisfied judgments or liens against the buyer at the time of closing, the latter of which shall also be verified by the buyer prior to closing. In the event a title report showing an acceptable condition of title cannot be obtained by seller, then either the buyer or KPB may elect to terminate the purchase agreement, in which case all monies on deposit will be refunded to

the buyer. For KPB financed sales, buyers must execute a release authorizing KPB to obtain a credit report on the said buyers.

SECTION 10. That KPB will reserve all right, title and interest in and to all unreserved subsurface mineral rights, if any, together with the right to the future extraction of those rights.

SECTION 11. That upon successful sale at auction, the buyer/bidder will enter into an agreement to acquire subject parcel. A down payment of 10 percent of the sale price, or \$1,500.00, whichever is greater, shall be deposited with KPB or its designee and the applicable terms and provisions of KPB 17.10.120 and KPB 17.10.130 shall apply, except that KPB shall retain the down payment, up to \$1,000, if the prospective buyer breaches a term of the sale.

SECTION 12. That auction records will contain first and second position bid amounts for each property. In the event the first position bidder is unable to perform, the property will be offered for sale to the second position bidder for the amount of the second position bid, provided that the second position bid amount is in excess of the established reserve.

SECTION 13. That the Assembly authorizes the use of seller financing as a payment option for purchasers for all lands authorized for sale under this ordinance. Terms of the seller financing shall be as defined in KPB 17.10.120.

SECTION 14. That the Mayor is authorized to sign any documents necessary to effectuate this ordinance.

SECTION 15. That if any provision of this ordinance or its application is determined to be invalid, the remaining provisions shall continue in full force and effect.

SECTION 16. That this ordinance shall be effective immediately.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 17TH DAY OF JUNE, 2025.

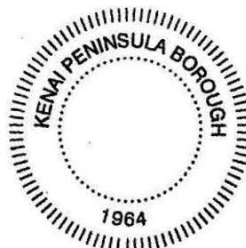


Peter Ribbens, Assembly President

ATTEST:



Michele Turner, CMC, Borough Clerk



Yes: Baisden, Cox, Cooper, Ecklund, Dunne, Johnson, Morton, Tunseth, Ribbens
No: None
Absent: None

Introduced by:	Mayor, Ribbens, Tunseth
Date:	05/06/25
Hearing:	05/20/25
Action:	Enacted
Vote:	8 Yes, 0 No, 1 Absent

**KENAI PENINSULA BOROUGH
ORDINANCE 2025-09**

**AN ORDINANCE AUTHORIZING AND APPROVING THE LAND
AFFORDABILITY PROGRAM**

WHEREAS, the Kenai Peninsula Borough (KPB) recognizes the need to promote affordable land purchase and residential housing development opportunities for residents; and

WHEREAS, this ordinance authorizes and approves a Land Affordability Program (LAP) to provide an opportunity for qualifying participants to purchase certain residential properties identified as "LAP Eligible" under an approved sale ordinance; and

WHEREAS, the LAP is designed to support residential development and homeownership while maintaining and ensuring a competitive bid process for authorized KPB land sale offerings; and

WHEREAS, high-value (a reserve price equal to or greater than \$120,000), tax foreclosure, and recreational properties will not be considered "LAP Eligible" properties under this program; and

WHEREAS, it is in the best interests of the KPB to establish a program that provides residents additional opportunity to become land owners and develop KPB sold lands for residential purposes, while mitigating speculative land purchases and maintaining a competitive bid process;

NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. Classification. This is a non-code ordinance.

SECTION 2. Definitions. For the purposes of this ordinance, unless the context otherwise requires, the following definitions apply:

- (a) "Affidavit of occupancy" means an executed affidavit validly executed by the LAP participant affirming that the LAP property is occupied as a primary residence.
- (b) "Alaskan residency" means a person who establishes residency in the state by being physically present in the state for no less than the preceding 30

consecutive days with the intent to remain in the state indefinitely and to make a home in the state.

- (c) "High-value" means a set reserve amount equal to or greater than \$120,000.
- (d) "Domiciled in the KPB" means physical presence and residence in the KPB along with an intent to remain permanently.
- (e) "LAP participant" means the initial buyer of a KPB designated "LAP property".
- (f) "Permanent foundation" means a foundation constructed of durable materials such as concrete, treated wood, steel piles, or mortared masonry and is site-built.
- (g) "Property Class Code 110" means a residential single unit dwelling.
- (h) "Property Class Code 112" means a residential 2-4 unit dwelling.
- (i) "Recreational Properties" means any property not legally accessed by a dedicated and developed road right-of-way.
- (j) "Tax Foreclosure" means any property disposed as part of a tax foreclosure action.

SECTION 3. Purpose and eligibility

- (a) The established purpose for the KPB's Land Affordability Program (LAP) is to support additional opportunities for KPB residents to obtain affordable residential property, and to encourage residential property development.
- (b) The LAP will apply only to KPB-selected residential properties specifically identified and authorized for the program under an approved sale ordinance. Such properties must be clearly identified as "LAP Eligible".
- (c) The "LAP Eligible" properties will be consistent with residential parcels. High-value, tax foreclosure, or recreational properties will not be considered "LAP Eligible".

SECTION 4. LAP Parameters, Qualifications, and Restrictions.

- (a) An LAP property must be improved with a permanent foundation and a Property Class Code 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.
- (b) An LAP participant must demonstrate Alaska residency and be domiciled in the KPB upon the LAP property closing date. An individual who intends to immediately establish Alaska residency and be domiciled in the KPB may qualify as an LAP participant by providing:

- (1) a properly executed affidavit affirming: (a) that the individual will be a permanent resident of the KPB by the closing date; (b) that the individual intends to develop the property; and (c) that upon completion of construction, the property will be occupied as a primary residence; and
 - (2) a Alaska driver's license showing a an address within the KPB; or
 - (3) a statement of employment from a sales tax compliant employer within the KPB stating that the LAP participant is employed within the KPB.
- (c) An LAP participant must prequalify prior to the sale through a process administered by the KPB.
- (d) A property subject to an LAP Lien may not be subdivided without first satisfying all LAP requirements and release of the LAP lien.
- (e) An LAP participant may not assign their approved interest in the program.
- (f) An LAP participant may not have more than one LAP property with an active LAP lien against it.

SECTION 5. Financial terms, requirements, and lien

- (a) LAP properties may be financed through the KPB at an authorized rate and term. KPB financing is not a requirement of the program.
- (b) Financing and LAP lien documents must include recapture provisions and be secured through the recording of a deed of trust and or LAP lien.
- (c) 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 amount at the time of sale if they choose to participate in the LAP.
- (d) Qualified buyers will be responsible to pay 75% of the winning bid amount over the term of the agreement ("LAP Amount").
- (e) A down payment of 10% of the LAP Amount is required, with the remaining 90% of the LAP Amount eligible for KPB financing.
- (f) Financing documents must identify the total winning bid amount, down payment, and recapture provisions.
- (g) LAP participants who do not satisfy the LAP terms will be subject to Section 6 and Section 7, below.

SECTION 6. LAP Satisfaction, Lien, Release, Assignment, and Foreclosure:

- (a) If KPB tax records indicate construction of a structure on a permanent foundation with 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. Alternatively, a professional appraisal establishing that a habitable residential dwelling on a permanent foundation is complete in a manner necessary to qualify for conventional financing will satisfy the residential construction verification requirement in this subsection.
- (b) As a condition of the program, the KPB will require a Deed of Trust (LAP lien) be filed against the subject property as formal notice of the recapture terms, provisions and conditions of the LAP.
- (c) Should the Buyer utilize the seller financing option made available to participants of the sale, the LAP lien will be filed in a second position to the purchase money lien.
- (d) If Buyer elects to pay cash at the time of closing, only the LAP lien will be recorded as part of closing. No monthly payment obligations will result from the LAP.
- (e) The LAP lien may be released at any time without satisfying the LAP terms upon payment of the full recapture amount: 25% of the initial winning bid amount plus 50% of the current sales price, or appraised value, whichever is greater, less the initial bid amount. Upon request, consideration will be given for improvements made to the property with valuations of improvements determined by KPB assessor or as identified in a third-party appraisal.
- (f) Upon confirmation all terms of the LAP have been satisfied, the LAP recapture will be waived and LAP lien released.
- (g) No assignment of the LAP lien will be allowed.
- (h) 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.
- (i) 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.

SECTION 7. Recapture provisions

- (a) Upon resale of LAP property:
 - (1) If KPB determines that Section 6(a), above, is complied with then the recapture amount of the LAP lien will be waived and KPB will release the LAP lien.

- (2) If KPB determines that Section 6(a), above, is not complied with, then the LAP recapture amount will be 25% of the winning bid amount plus 50% of the current sales price, less the initial bid amount, or appraised value whichever is greater. The LAP recapture amount must be paid in full to satisfy the LAP lien. Upon request, consideration will be given for improvements made to the property with the valuations for the improvements determined by the KPB Assessor, or as identified in a third-party appraisal provided by the owner, in a form approved by the KPB.
- (b) Upon conventional refinance, construction loan, payoff, or completion of loan term without qualified use:
 - (1) If KPB determines that Section 6(a), above, is complied with then, the LAP requirements will be deemed satisfied and the recapture amount of the LAP lien will be waived and KPB will release the LAP lien.
 - (2) If KPB determines that Section 6(a), above, is not complied with, then, the LAP recapture amount will be 25% of the winning bid amount plus 50% of the current appraised value, less the initial bid amount. The LAP recapture amount must be paid in full to satisfy the LAP lien. Upon request, consideration will be given for improvements made to the property with the valuations for the improvements determined by the KPB Assessor, or as identified in a third-party appraisal provided by the owner, in a form approved by the KPB.
 - (3) With full payoff of KPB financing (if any), the LAP lien may be subordinate to the new construction loan upon review of the final settlement statement and approval from the Finance Director. The LAP lien will continue to be active until such time as the LAP requirements have been satisfied or the LAP terms expire.

SECTION 8. Implementation and Enforcement.

- (a) The KPB Administration will be responsible for overseeing program administration, ensuring compliance with financing and recapture provisions, and maintaining proper financial records.
- (b) The Mayor, or designee, may adopt administrative policies as necessary to implement the LAP effectively.
- (c) The KPB may take legal action to recover unpaid recapture amounts in accordance with this ordinance.
- (d) The KPB may, at its sole discretion, accept a “Deed in lieu of Foreclosure” from a property owner that is no longer willing or able to participate in the program.

SECTION 9. Severability. If any provision of this ordinance or its application is determined to be invalid, the remaining provisions shall continue in full force and effect.

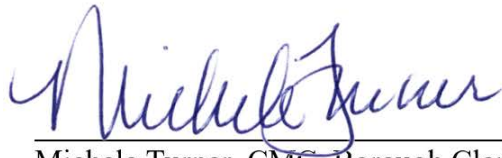
SECTION 10. Effective Date. This ordinance shall be effective immediately.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 20TH DAY OF MAY, 2025.

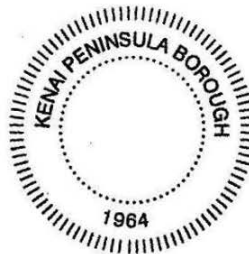


Peter Ribbens, Assembly President

ATTEST:



Michele Turner, CMC, Borough Clerk



Yes: Cox, Cooper, Ecklund, Dunne, Johnson, Morton, Tunseth, Ribbens

No: None

Absent: Baisden