

Introduced by: Mayor
Date: 06/15/21
Hearing: 07/06/21
Action: Failed to Enact
Vote: 0 Yes, 8 No, 1 Absent

**KENAI PENINSULA BOROUGH
ORDINANCE 2021-22**

**AN ORDINANCE AUTHORIZING THE ASSESSOR TO ASSESS A LOW-INCOME
HOUSING TAX CREDIT PROPERTY BASED ON RESTRICTED RENTS**

- WHEREAS**, in accordance with AS 29.45.110(d), the Kenai Peninsula borough assessor is required to value low-income housing tax credit (“LIHTC”) properties existing as of January 1, 2001, the effective date of the legislation, based on the actual income derived from the property, which can result in a value that is less than the "full and true value" if the property were unencumbered; and
- WHEREAS**, these projects must be qualified and recognized under the United States tax code 26 U.S.C. 42; and
- WHEREAS**, AS 29.45.110(d) requires the borough assembly to determine, by ordinance, whether properties that qualify after January 1, 2001 shall be assessed based on the actual income, which is from restricted rents derived from the property, or if such properties will be exempt from the restricted rent method of assessment; and
- WHEREAS**, under the statute, if the assembly determines that such property is exempt from the requirement that the assessment be based on restricted rents, it may make a parcel-by-parcel determination whether to authorize the borough assessor to assess the properties based on actual income derived from the property; and
- WHEREAS**, the assembly passed Ordinance 2003-43 on December 16, 2003, enacting KPB 5.12.085, which exempts properties that qualify for LIHTC after January 1, 2001 from the restricted rent method of assessment and requires that all such applications must be forwarded to the assembly by resolution for a determination of the manner of assessment; and
- WHEREAS**, owners of the following projects have made timely applications by May 15, 2021 requesting the borough assessor to value the property based on actual income derived from the property, and the properties have been verified by Alaska Housing Finance Corporation to be low income tax credit housing projects under 26 U.S.C. 42 qualifying after January 1, 2001:

PROJECT NAME	2021 FULL VALUE	2021 RESTRICTED RENT VALUE
East End Cottages Homer, AK Parcel 17419285	\$	\$

WHEREAS, KPB 5.12.040(B) does not allow the assessor to make a change to the assessment roll after June 1 for the purpose of requiring the assessor to assess an LIHTC, therefore an exception to KPB 5.12.040 is necessary;

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

SECTION 1. The assembly authorizes the assessor to value the above-listed parcels based on the actual income derived from the property without adjustment based on the value of any federal income tax credit given for the property.

SECTION 2. In accordance with AS 29.45.110(d), the assembly finds that valuing these properties that qualify for a low-income housing tax credit on or after January 1, 2021, based on the actual income derived from the property without consideration of the value of the tax credits, best serves the interests of the borough by potentially increasing the affordability and availability of such housing.

SECTION 3. Notwithstanding KPB 5.12.040(B) the assessor is hereby authorized to make a change to the assessment roll after June 1, 2021, to assess the property in accordance with Section 1.

SECTION 4. That this ordinance takes effect immediately upon its enactment.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS * DAY OF *, 2021.

Brent Hibbert, Assembly President

ATTEST:

Johni Blankenship, MMC, Borough Clerk

FAILED

Yes: None

No: Bjorkman, Carpenter, Chesley, Derkevorkian, Dunne, Elam, Johnson, Hibbert

Absent: Cox