

Introduced by: Mayor
Date: 05/19/15
Action: Failed to Adopt
Vote: 1 Yes, 8 No, 0 Absent

**KENAI PENINSULA BOROUGH
RESOLUTION 2015-024**

**A RESOLUTION AUTHORIZING THE ASSESSOR TO ASSESS THE CONIFER
WOODS, LAURAWOOD ARMS AND WOODRIDGE APARTMENTS LOW-INCOME
HOUSING TAX CREDIT (LIHTC) PROPERTIES BASED UPON 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 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 traditional "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 the projects 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 project have made timely applications by May 15, 2015 requesting the borough assessor to value the property based on actual income derived from the property, and the project has 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	2015 FULL VALUE	2015 RESTRICTED RENT VALUE (ESTIMATE 75%)
CONIFER WOODS 4014 BEN WALTERS LANE, HOMER PARCEL 17730275	\$1,709,800	\$1,282,350
LAURAWOOD ARMS 131 SHADY LANE, SOLDOTNA PARCEL 05914036	\$837,700	\$628,275
WOODRIDGE APARTMENTS 903 COOK AVE, KENAI PARCEL 04709111	\$957,800	\$718,350

NOW, THEREFORE, BE IT RESOLVED 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 amount of any federal income tax credit given for the property.

SECTION 2. In accordance with AS 29.45.110(d), the Kenai Peninsula Borough Assembly finds that valuing these properties that qualify for a low-income housing tax credit on or after January 1, 2001, 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. That this resolution takes effect immediately upon its adoption.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 19TH DAY OF MAY, 2015.

Dale Bagley, Assembly President

ATTEST:

Johni Blankenship, MMC, Borough Clerk

Yes: Welles

No: Cooper, Haggerty, Gilman, Johnson, McClure, Ogle, Wolf, Bagley

Absent: None