

Introduced by: Mayor
Date: 08/03/04
Hearing: Postponed until 09/21/04
Action: Failed
Vote: 3 Yes, 6 No

**KENAI PENINSULA BOROUGH
RESOLUTION 2004-073
(MAYOR) SUBSTITUTE**

A RESOLUTION AUTHORIZING THE ASSESSOR TO ASSESS LOW-INCOME HOUSING TAX CREDIT (LIHTC) PROJECTS BASED ON RESTRICTED RENTS

- WHEREAS,** according to Alaska State Statute 29.45.110(d), the Kenai Peninsula Borough Assessor is required to value low-income housing tax credit projects 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"; 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; and
- WHEREAS,** if the assembly determines that such property is exempt from the requirement that the assessment be based on restricted rents, it can by parcel authorize the Borough Assessor to assess the projects at either full and true value or based on actual income derived from the property; and
- WHEREAS,** the assembly passed Ordinance 2003-43 on December 16, 2003 stating that all such applications shall be forwarded to the assembly by resolution for a determination of the assessment manner; and
- WHEREAS,** the owners of two projects have applied for assembly consideration on the method of valuation; and
- WHEREAS,** owners of the following two projects have made timely applications, by May 15, with the Assessor to value the property based on actual income derived from the property, and the projects have been verified by AHFC to be low income tax credit housing projects under 26 U.S.C. § 42 qualifying after January 1, 2001:

<u>NAME</u>	<u>2004 FULL VALUE</u>	<u>2004 RESTRICTED RENT VALUE</u>
Bayview Apartments Seward, Alaska Parcel 149-150-15	\$1,141,300	\$722,900
Parkview Apartments Soldotna, Alaska Parcel 059-091-11	\$1,348,800	\$916,100

WHEREAS, that 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 credit on or after January 1, 2001, based on the actual income derived from the property, best serves the interests of the borough by potentially increasing the affordability and availability of such housing;

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. That this resolution takes effect immediately upon its enactment.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 21ST DAY OF SEPTEMBER, 2004.

Pete Sprague, Assembly President

ATTEST:

Linda S. Murphy, Borough Clerk