

Introduced by: Mayor
Date: 06/09/05
Action: Failed
Vote: 6 No, 3 Yes

**KENAI PENINSULA BOROUGH
RESOLUTION 2005-051**

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

- WHEREAS,** according to Alaska Statute 29.45.110(d), the Kenai Peninsula Borough Assessor is required to value property that qualifies for a low-income housing tax credit 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 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 owner of Pacific Park Apartments has applied for assembly consideration on the method of valuation; and
- WHEREAS,** the owner of the Pacific Park Apartments filed a timely application by May 15, 2005, with the 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 a low-income housing tax credit project under 26 U.S.C. § 42 qualifying after January 1, 2001; and
- WHEREAS,** following are the values that would be attributed to the property using the two different valuation techniques:

<u>NAME</u>	<u>2005 FULL VALUE</u>	<u>2005 RESTRICTED RENT VALUE</u>
<u>Pacific Park Apartments</u> <u>Seward, Alaska</u> <u>Parcel 145-023-04</u>	\$2,930,700	\$999,900

WHEREAS, that in accordance with AS 29.45.110(d), the Kenai Peninsula Borough Assembly finds that valuing this project that qualifies 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 Pacific Park Apartments 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 XXX DAY OF XXXX, 2005.

Gary Superman, Assembly President

ATTEST:

Sherry Biggs, Borough Clerk