

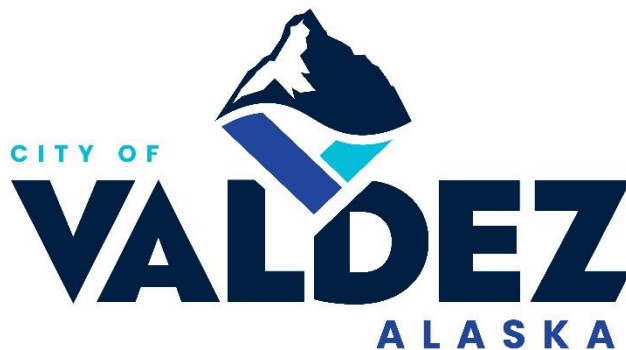
CITY OF VALDEZ, ALASKA

HOUSING INCENTIVE PLAN

Adopted – March 15, 2022

Amended-June 21, 2022

**Expires – 12/31/2027 or once
appropriations are expended**



CITY OF VALDEZ, ALASKA HOUSING INCENTIVE PLAN

PURPOSE

This City of Valdez, Alaska Housing Incentive Plan (the “Plan”) shall take effect on March 15, 2022 and is intended to promote the development of housing in areas within the City of Valdez, Alaska (the “City”) in order to promote the public health, economic stability, safety, expansion of housing capacity, and welfare of the residents of the City. More specifically, through the Plan, the City offers assistance for newly constructed residential dwelling units that meet specific criteria.

The City’s Housing Incentive Plan is available to newly constructed single-family, two-family, and multi-family residential dwelling units within areas of the City of Valdez that are outside the special flood hazard area.

Subject to the terms and conditions of this Plan, the owner of property participating in the Plan may receive an incentive of a one-time payment of \$10,000 per newly established dwelling unit.

CRITERIA FOR DETERMINATION OF ELIGIBILITY

- I. Subject to the requirements of this Plan, a new dwelling will receive a one-time payment of \$10,000.
- II. City staff will use the following criteria to determine eligibility for participation in the Plan:
 - A. Construction of new dwelling units must be completed on or after the application date. No applications will be accepted for completed improvements. The final inspection date must be after date of commencement of program.
 - B. New dwelling units constructed must meet Valdez Building Code requirements and must be issued a Certificate of Occupancy by the Building Official (the “Building Official”).
 - C. The new dwelling units must meet minimum occupancy requirements under the Valdez Building Code and, prior to issuance of Certificate of Occupancy, shall not have been listed on assessment rolls as residential dwelling units.
 - D. Upon completion, all new dwelling units must conform to all City codes and regulations in effect at the time new dwelling units are constructed. Building permits must be approved before commencement of construction. All building permits must be renewed prior to expiration.
 - E. Dwelling units must be located outside of the Special Flood Hazard Area to be eligible for this Plan.
 - F. Dwelling units may not be used as short-term rental units (as defined in Title 17) for a period of five years after any award of funds under this Plan. Should the applicant or a subsequent owner be found to have used the dwelling units as a short-term rental unit during the five-year period after the award of funds, the applicant or owner shall remit the \$10,000 awarded under this Plan to the City as liquidated damages. Prior to enforcing

this condition, the City shall provide a written notice of the alleged violation and have an opportunity to cure the violation within 30 days.

- G. City staff shall have the authority and discretion to approve or reject applications based on the eligibility standards and review criteria contained herein and in the Plan. If any applicant is dissatisfied with City staff's decision, a written appeal may be submitted to the City Manager for final determination.

APPLICATION PROCEDURE

Prior to filing an application for the housing incentive, the following steps must be taken:

- A. **COMPLETE PART I: Pre-Qualification:** Prior to the commencement of construction of any new dwelling unit, the property owner must complete and submit to the Building Official Part I of the application.
- B. **Preliminary Approval:** The Building Official will certify that the application, property, and proposed new dwelling units meet the requirements of this Plan. The Finance Department will ensure all property taxes for the development site are current.
- C. **Notice of Final Approval and Procedure Construction:** The Building Official, or a designated representative, will file, with the City Manager approval of Part 1, with the associated building permit, and withhold permit approval until such City Manager approval is secured. The City Manager will forward a copy of the application to the City Clerk for monitoring purposes. Note: commencing construction prior to receiving this notice from the City will cause the property and improvements to be ineligible for participation in the Plan.
- D. **COMPLETE PART II: Recertification:** If construction of the dwelling unit(s) has not been completed within three (3) calendar years, the property owner must complete and submit Part II of the application to the Building Official by January 30 of the third year. The Building Official may, upon written application from the property owner, approve an extension of six months for completion of construction.
- E. **COMPLETE PART III: Final Approval:** Immediately upon completion of the improvements and after issuance of Certificate of Occupancy, the property owner shall file Part III of the application with the Building Official. Upon receipt of Part III, the Building Official's Office will conduct an on-site inspection of the construction project to confirm completion, confirm compliance with all applicable building codes, zoning law and regulations, and issue any occupancy permits. The Building Official may deny the property and improvements participation in the Plan for any violation of applicable building codes or regulations or failure to qualify for an occupancy permit.

FURTHER TERMS AND CONDITIONS

- A. Any property that is delinquent in payment to City of Valdez, Alaska of real estate tax and/or assessment will be ineligible to receive payment through the Housing Incentive Plan; however, the City, in its sole discretion, may reinstate the property for eligibility one time after being delinquent on the above-mentioned taxes or assessments during the life of the property's participation in the Housing Incentive Plan.
- B. If the property that has been approved for the Housing Incentive Plan is sold prior to issuance of Certificate of Occupancy, the new property owner shall be eligible for housing incentive payment upon satisfaction of the requirements set forth herein.

- C. The City of Valdez will issue incentive checks to the property owner or their designee after the issuance of the Certificate of Occupancy.

PLAN PERIOD

This Plan will terminate on December 31, 2027, unless terminated sooner by City action. The termination date of December 31, 2027 represents the deadline for filing an application for this Plan. Construction of any project approved under this Plan must receive a certificate of occupancy within three (3) years approval of participation in the housing incentive program unless a six-month extension is granted by the Building Official.

DWELLING UNIT DEFINITIONS & INCENTIVE PLANT PAYMENT EXAMPLES

DWELLING UNIT - A dwelling unit means a structure or portion thereof containing a kitchen, living room, bathroom, and sleeping accommodations on a permanent foundation.

SINGLE FAMILY DWELLING UNIT - A dwelling unit that is a detached building constructed on permanent foundation, designed for long-term human habitation exclusively and constituting one dwelling unit = \$10,000 Incentive Payment

TWO FAMILY DWELLING UNIT - Dwelling unit that is a detached building constructed on a permanent foundation designed to be occupied exclusively for two families and constituting two dwelling units, set side by side or one on top of the other with common wall and/or a floor/ceiling assembly between, whichever is appropriate, and having a common roof = \$20,000 Incentive Payment.

MULTI-FAMILY DWELLING UNIT - Dwelling unit that is a residential building on permanent foundation designed for or occupied by 3 or more families, with the number of families in residence not exceeding the number of dwelling units provided = \$10,000 per dwelling unit payment.

EXAMPLE = 20 dwelling units completed in Multifamily Dwelling Unit = \$200,000 Incentive Payment.