



# City of Valdez

212 Chenega Ave.  
Valdez, AK 99686

## Meeting Agenda - Final

### Economic Diversification Commission

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Wednesday, September 15, 2021

7:00 PM

Civic Center Conference Room

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#### Regular Meeting

#### REGULAR AGENDA - 7:00 PM

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES

1. [Economic Diversification Commission Regular Meeting Minutes of June 16, 2021](#)

IV. PUBLIC BUSINESS FROM THE FLOOR

V. NEW BUSINESS

1. [2022 Milepost](#)
2. [Travel Voucher program](#)
3. [Council 2022 Priorities](#)

VI. COMMISSION BUSINESS FROM THE FLOOR

VII. ADJOURNMENT



Legislation Text

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**File #:** 21-0385, **Version:** 1

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**ITEM TITLE:**

Economic Diversification Commission Regular Meeting Minutes of June 16, 2021

**SUBMITTED BY:** Brianne Skilbred, Executive Administrative Assistant

**FISCAL NOTES:**

Expenditure Required: N/A

Unencumbered Balance: N/A

Funding Source: N/A

**RECOMMENDATION:**

Receive and File

**SUMMARY STATEMENT:**

Economic Diversification Commission regular meeting minutes of June 16, 2021 attached for review.

# City of Valdez

212 Chenega Ave.  
Valdez, AK 99686



## Meeting Minutes - DRAFT

Wednesday, June 16, 2021

7:00 PM

Regular Meeting

Civic Center Conference Room

## Economic Diversification Commission

**REGULAR AGENDA - 7:00 PM**

**I. CALL TO ORDER**

Commissioner Colleen Stephens called the meeting to order at 7:03pm in the Civic Center Conference Room.

**II. ROLL CALL**

Present 4 - Commission Member Rhonda Wade  
Commission Member Colleen Stephens  
Commission Member Meredith Noble  
Commission Member Katharine Adams  
Excused 2 - Commission Member Jamie Berg  
Commission Member Brandon Reid  
Absent 1 - Commission Member Jim Shirrell  
Also Present 2 - Economic Development Director Martha Barberio  
Executive Assistant Brianne Skilbred

**III. APPROVAL OF MINUTES**

**1. Economic Diversification Commission Regular Meeting Minutes of March 17, 2021**

MOTION: Commissioner Noble moved, seconded by Commissioner Wade, to approve Economic Diversification Commission Regular Meeting Minutes of March 17, 2021. The motion carried by the following vote.

**VOTE ON MOTION**

Yays: 4 - Commission Member Wade, Commission Member Stephens,  
Commission Member Noble, and Commission Member Adams  
Excused: 2 - Commission Member Berg, and Commission Member Reid  
Absent: 1 - Commission Member Shirrell

**IV. PUBLIC BUSINESS FROM THE FLOOR**

No public business from the floor was presented at this time.

**V. NEW BUSINESS**

**1. Travel Incentive Program**

Economic Development Director, Martha Barberio, introduced the topic of the Travel Incentive Program. She stated that she was informing the commission that the program has begun and that there have been over 4,000 vouchers download. Ms. Barberio goes on to say that the ability to download vouchers is on pause until the Council meeting after the 4<sup>th</sup> of July weekend where Council could approve more funding for more vouchers to be downloaded. She reported that over 500 of the vouchers have been

submitted and processed for reimbursement at this time and about 43 businesses participating in the program. She further reported that businesses are to turn in receipts once a week but that some have requested a biweekly schedule of whom were approved for this schedule. The first round of checks went out last Friday. It was reported that rounding up to the full \$50 regardless of what was spent was requested by a business but was denied. Ms. Barberio stated that she reached out to businesses for testimonies for reporting on the program and she received some constructive criticism and mostly positive remarks from about 10 businesses. She reported that businesses are very pleased with the program.

Commissioner Meredith Noble asked if there was a distinction between locals and visitors as far as who is submitting and using the vouchers. Ms. Barberio stated that locals are using the vouchers but that there is no distinction other than personally knowing someone on the list. She reported the people who are abusing the system and downloaded multiple vouchers. She stated that she reached out to these people to tell them not to use their vouchers, as well as letting participating businesses being aware of the "naughty" list of offenders. Commissioner Noble requested that should the vouchers reopen putting a zip code on the vouchers to know where people are from. Ms. Barberio stated that this could be added and that the person's city was going to be added to the vouchers. She reported that there is also survey of which about 500 people have taken the survey. Within this survey, it asks where a person is from and if this is the first time in Valdez. Commissioner Noble requested a zip code instead of a city because it would be easier to input. She then congratulated Ms. Barberio on the success of the program.

## VI. REPORTS

### 1. Mayor's Task Force update on projects

Ms. Barberio reported that this was just an update for commissioners and asked for any questions from the commissioners. Commissioner Stephens requested questions from the commissioners. There were no questions at this time.

### 2. Branding Report

Commissioner Stephens introduced the branding project and Jesse and Abby from Spawn Ideas who presented the current status of the branding project. Jesse presented a PowerPoint to show the progress of the project. He then reached out for any questions. Commissioner Noble thanked Spawn for their worked and stated that she will need some processing time before presenting any comments or questions. Commissioner Stephens and Ms. Barberio stated that questions and comments can be submitted at brandvaldez.com, as well as channel any questions through Ms. Barberio can also be done. Commissioner Stephens requested any other questions. There were no other questions at this time. Commissioner Stephens thanked Spawn for their time. Jesse made a final statement that the copywriter is currently coming up with taglines and what was presented are not taglines.

### 3. Senior Housing

Ms. Barberio reported that the project is ongoing and wanted to keep commissioners involved. Commissioner Rhonda Wade asked if this project was moving forward and asked if this was the area by Black Gold. Ms. Barberio corrected Commissioner Wade

in that this is about the Senior Housing over by the Senior Center and not the other housing project. She stated that Council has already approved this to move forward and that the senior housing is a higher need and that the regular housing will hopefully come in after that. Commissioner Wade asked if these are the same people who did SoundView apartments. Ms. Barberio confirmed this question. Commissioner Wade asked for clarification that these two projects are completely separate. Ms. Barberio confirmed that the senior housing and the other housing project are separate projects and reports.

**VII. COMMISSION BUSINESS FROM THE FLOOR**

No commission business from the floor was presented at this time.

**VIII. ADJOURNMENT**

With no further comments, Commissioner Stephens adjourned the meeting at 8:06pm.

\_\_\_\_\_  
Colleen Stephens, Chairperson

\_\_\_\_\_  
Brienne Skilbred, Executive Assistant



## Legislation Text

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**File #:** 21-0444, **Version:** 1

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**ITEM TITLE:**

2022 Milepost

**SUBMITTED BY:** Martha Barberio, Economic Development Director

**FISCAL NOTES:**

Expenditure Required: [Click here to enter text.](#)

Unencumbered Balance: [Click here to enter text.](#)

Funding Source: 352-8300-55500

**RECOMMENDATION:**

Receive & File

**SUMMARY STATEMENT:**

The 2021 & 2022 Milepost came out of the Mayor's Task Force for Economic Recovery. This year we have submitted pictures of Valdez to be featured on the front cover. We also will have pages 5 & 6 (thinner pages) to be used as coupons. They will perforate the page to be easily torn out. We need to come up with a plan to get businesses to purchase a coupon space. This will be available to all businesses for participation. The business will have to pay a fee and offer a coupon amount. This will be especially important in getting travelers to Valdez in 2022 because of the Canadian border being open for RV traffic.

The link to view our ad for 2021 is <https://spaces.hightail.com/space/SnAR5a8yYa> [https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fspaces.hightail.com%2f%2f%2fSnAR5a8yYa&c=E,1,uE-RT0J5WBFE47C-s7MdAXC3\\_q81B1nRNfPMLUI1LRfty5Rp5KEH-pIXmqHRR40I32CDdEeGuyeyWotEwBpjXcqkFu-cVjcJQeYhZLbLqzLvKkKvLWhLnZM9Cta&typo=1](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fspaces.hightail.com%2f%2f%2fSnAR5a8yYa&c=E,1,uE-RT0J5WBFE47C-s7MdAXC3_q81B1nRNfPMLUI1LRfty5Rp5KEH-pIXmqHRR40I32CDdEeGuyeyWotEwBpjXcqkFu-cVjcJQeYhZLbLqzLvKkKvLWhLnZM9Cta&typo=1)

In 2022 we will have pages front through 6, pages 5 & 6 will be perforated for the coupons.



Legislation Text

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**File #:** 21-0445, **Version:** 1

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**ITEM TITLE:**

Travel Voucher program

**SUBMITTED BY:** Martha Barberio, Economic Development Director

**FISCAL NOTES:**

Expenditure Required: n/a

Unencumbered Balance: n/a

Funding Source: n/a

**RECOMMENDATION:**

Receive & File

**SUMMARY STATEMENT:**

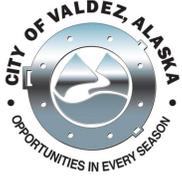
The travel incentive program will end September 30, 2021. As of September 7, 2021 all 6,000 travel vouchers have been downloaded.

To date: Budget \$300,000

Budget spent to date: \$116,467.26

Surveys completed: 644

Vouchers downloaded 6,000



Legislation Text

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**File #:** 21-0446, **Version:** 1

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**ITEM TITLE:**

Council 2022 Priorities

**SUBMITTED BY:** Martha Barberio, Economic Development Director

**FISCAL NOTES:**

Expenditure Required: n/a

Unencumbered Balance: n/a

Funding Source: n/a

**RECOMMENDATION:**

Receive & File

**SUMMARY STATEMENT:**

Council Priorities for 2022.

The EDC needs to align their priorities with Council's and work on housing. In the Comprehensive Plan we have goals to increase housing which include:

- **Develop Housing directed incentive program**
- **Identify & adopt strategic housing investment areas**

We had a work session on August 26, 2021 with council on housing. I am attaching the slide presentation from that work session.

The August 26<sup>th</sup> Work Session featured a presentation on issues related to developing housing in Valdez.

Topics for discussion include:

- Proposed housing incentive plan for creation of new dwelling units.
- St. Patrick Subdivision.
- Valdez Senior Housing Project.
- Chugach Corporation proposed multi-use facility.
- Comprehensive Plan goals for future development.

**The Work Session is discussion involving current projects and ideas for immediate actions.**

**More long term planning will occur as a result of the Comprehensive Plan.**

CITY OF VALDEZ, ALASKA

RESOLUTION #21-34

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALDEZ,  
ALASKA, ESTABLISHING COUNCIL PRIORITIES FOR THE 2022 CITY  
OPERATING BUDGET

WHEREAS, City Council holds a strategic planning session annually to articulate priorities and related action plans; and

WHEREAS, Management and Council meet annually at the beginning of the budget process to discuss budgeting parameters and how to fund strategic planning priorities; and

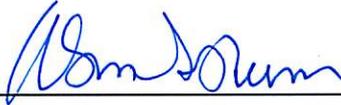
WHEREAS, budgeting best-practices include capturing and disseminating these discussions to management so as to guide the development of their respective budgets; and

WHEREAS, Council and Management adopt a budget priorities resolution in an effort to provide full transparency to the public and other stakeholders at each step of the planning and budgeting process.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, that the 2022 City Operating Budget will be developed in accordance with the priorities and parameters as detailed in Attachment A.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, this 17<sup>th</sup> day of August, 2021.

City of Valdez, Alaska

 **MAYOR  
PRO TEM**  
Sharon Scheidt, Mayor

ATTEST:

  
Sheri L. Pierce MMC, City Clerk



## **Attachment A: Council Priorities for the 2022 Operating Budget**

### **INTRODUCTION**

Valdez City Council held its annual strategic planning retreat on July 9<sup>th</sup>, 2021 to discuss programming, service levels, and project priorities. During this meeting management also presented revised pro-forma budget summaries for 2022, as well as five-year forecasts through 2026. These data were then factored into preliminary Council direction, summarized below, for development of the 2022 Operating Budget.

### **SUMMARY**

Management presented preliminary budget figures and five-year forecasts. The calculations reflect status-quo revenue assumptions, status-quo funding of reserve accounts, slight growth in personnel costs, and no growth in other expense categories. The resulting calculations yield an estimated deficit of \$1.5MM-\$2MM, and five-year aggregate deficit of \$7MM-\$7.5MM.

### **REVENUES**

**Property Tax** – Ad Valorem Tax, i.e. property tax, continues to be the City’s primary revenue source, comprising 90% of General Fund revenues based on a twenty-mill levy. The 2022 preliminary budget will be developed based on a continued twenty-mill levy, reflecting unchanged oil and gas property valuations, and slight inflation in other property values.

**Other Revenues** – 2022 Revenues will reflect a return to normal, historic levels of activity. This assumption will be presented in the General Fund, for items such as Parks and Recreation program participation and hotel occupancy tax, in Utilities Fund, for historic levels of commercial water and sewer charges, and in Ports and Harbor funds, for facilities fees, leases, and shipping volume. Interest earnings on accumulated fund balances will reflect current market rates on investment instruments, which are historically low.

### **EXPENSES**

**Personnel** - The City’s largest expense category is “FTE Personnel”, which is the combined costs of salary, wages, and benefits for all approved positions. Management will continue the convention of budgeting for full employment, so as to reflect the full committed costs of all approved positions. Position vacancies during the budget year will result in actual expenses below budgeted amounts. The resulting “savings” are then carried forward to the next budget-year, when they are typically appropriated to approved maintenance and capital projects. Though not reflected in the preliminary budget, management is encouraged to use position vacancies as an occasion to re-examine staffing levels for potential reductions in overall staffing.

**Cost of Living Adjustment (COLA)** – Salary and Wage rates will reflect a 1.7% COLA. This figure is a two-year aggregate, based on Alaska/Anchorage official Consumer Price Index (CPI) figures. Council has affirmed this preliminary calculation, acknowledging that the two-year figure reconciles the foregone salary/wage reduction that the standard CPI calculation would have yielded in the 2021 Budget.

**Merit/Longevity Increases** – Personnel costs will also reflect Finance and Human Resources best-estimates of scheduled raises pursuant to personnel regulations and current staffing data. Preliminary estimates reflect approximately a 1.2% increase.

**Other Expenses** – Management will attempt to present other expense categories with no growth over adopted 2021 budget levels. This objective is targeted to a citywide aggregate, which allows for variance among individual departments to meet programming and service-level objectives and increased staffing levels. Wherever department expense categories reflect increases, management is encouraged to present a range of offsetting expenses and enhanced revenues for Council consideration. Management is also directed to present expense figures in terms of program and/or service level aggregates whenever possible to facilitate Council’s consideration and analysis relative to their articulated program and service priorities.

**Education** – Council reaffirms its commitment to funding Valdez Schools to the maximum permitted by statutory formula. Management will also present College and dual-credit funding requests as-received for Council consideration. These three expenses reside in the City’s “Education” department within the General Fund, and will be scheduled for coordinated presentation and discussion during regular October budget workshops.

**Community Service Organizations (CSOs)** – During 2021, a Council working-group revisited CSO funding procedures and parameters. The resulting policies have been drafted by management and approved by Council, and will be incorporated into comprehensive citywide budgeting policies upon completion. For 2022, Council will strive to keep overall CSO funding within a reasonable range of growth, and consistent with established Council priorities. Council also acknowledges the likelihood of increased funding requests following reductions in other CSO funding sources, and reflecting economic pressures in the wake of recent health-related events. Council has eliminated CSO funding restrictions for needed equipment, personnel, and capital, and encourages funding levels not to exceed 50% of the applicant’s total expense budget. Council also requests enhanced programming narratives and metrics so as to enable multi-year review and analysis of City-provided funds. These parameters notwithstanding, CSO requests will be compiled by staff and forwarded to Council as-received, for council consideration on a case-by-case basis.

#### **INTER-FUND TRANSFERS**

**Reserve Funds** - Reserve Funds are established via transfers from General Fund, and reflect costs-items that span multiple years, are unpredictable in nature, and/or serve to mitigate drastic annual variances. Examples include maintenance and capital projects, liquidation of accrued leave-time, and purchase of major equipment items, respectively. Management will continue with conventional reserve-fund levels to ensure adequate coverage of related expenses and liabilities. Maintenance and Capital Project appropriations will be set in the Spring of 2022 per established convention.

**Energy Assistance** – Among the Reserve Funds is a specific appropriation for the Energy Assistance program. Council has affirmed their continued support of this program at historic levels, which are \$550 per residential and commercial customer. Management estimates this cost to be approximately \$800,000.

**Special Revenue Funds and Fee Subsidies** – Council has historically approved fee-levels that are less than full cost-recovery levels, so as to provide reduced cost of living and enhanced quality of life for the benefit

of residents. The imbalance of revenues and costs for related services are reflected in transfers from General Fund to impacted funds, specifically Ports, Harbor, and Utilities. Council has affirmed their support of continued service subsidies at historic levels, and management will present preliminary 2022 budget transfers accordingly.

**Valdez Housing (“VHIA”) Fund** – Management proposed additional appropriations in support of Council’s emphasis on the pursuit of new/additional housing development. The preliminary budget will reflect appropriation of accumulated VHIA housing fund balances of approximately \$2.8MM, plus additional transfers of previously appropriated land-development reserves, toward specific housing development programming. The source fund and/or department for this programming is yet to be determined. Council expressed support for this appropriation, and acknowledges that it represents a deduction from accumulated savings.

**Permanent Fund** – Pursuant to City Charter, Council may annually appropriate up to 1.5% of the Permanent Fund for any purpose. This figure currently totals \$3.8 million. Council has articulated that this appropriation will be reflected in the 2022 Budget, and set aside for funding of Major Maintenance priorities in the Spring, at which time it may be specifically distributed among approved projects at the discretion of Council.

## **CONCLUSION**

The directives and parameters articulated in this document represent a starting-point for the 2022 budget and the emerging five-year financial plan. The final adopted operating budget may ultimately reflect revised priorities and parameters following a review of preliminary budgets during related work sessions in October. Council acknowledges a preliminary 2022 Operating Budget deficit, and the necessity of appropriating funds from accumulated savings to balance the shortfall. Council has established a preliminary plan to fund Major Maintenance project priorities in the Spring of 2022, using a combination of the 1.5% Permanent Fund appropriation, 2021 “Carry-Forward” funds, and re-purposed funds previously appropriated. Council further acknowledges that the preliminary budget does not reflect Capital Project needs, and that these costs will be considered as deductions from accumulated savings and/or funded via issuance of additional debt, which will impact future operating budgets.

Council continues to strive to evaluate budget requests within a multi-year context, with an emphasis on sustainability, continuity, flexibility, and pursuit of articulated programming and service-level priorities.

**CITY OF VALDEZ, ALASKA**

**HOUSING INCENTIVE PLAN**

**Adopted – October 1, 2021**

**Expires – December 31, 2024**

# **CITY OF VALDEZ, ALASKA HOUSING INCENTIVE PLAN**

## **PURPOSE**

This City of Valdez, Alaska Housing Incentive Plan (the “Plan”) shall take effect on October 1, 2021 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 units.

## **CRITERIA FOR DETERMINATION OF ELIGIBILITY**

- I. Subject to the requirements of this Plan, 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 begin on or after the application date. No applications will be accepted for completed or under-construction improvements.
  - B. Construction must result in new dwelling units that meet Valdez Building Code requirements for such new units and must result in a Certificate of Occupancy being issued by the Building Official (the “Building Official”) for such new dwelling units.
  - 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 on an annual basis.
  - E. Dwelling units must be located outside of the Special Flood Hazard Area to be eligible for this Program.
  - F. Dwelling units may not be used as short-term rental units for a period of five years after any award of funds under this Program. Short-term rental unit means a privately-owned residential Dwelling or any separable portion of such Dwelling, rented for occupancy for lodging or sleeping purposes for a period of thirty consecutive calendar days or less, counting portions of calendar days as full days. 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 Program 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 housing incentive, the following steps must be taken:

- A. **Application Forms:** The application form is included as attachment to this Plan.
- B. **COMPLETE PART I:** 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.
- C. **Preliminary Approval:** The Building Official will forward the application to the City Manager's Office after certifying that the application, property, and proposed new dwelling units meet the requirements of this Plan. The City Manager will return a copy of Part I to the Building Official and the applicant within fifteen (15) working days indicating approval or denial of participation in the Plan.
- D. **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.
- E. **COMPLETE PART II:** If construction of the dwelling unit(s) has not been completed by January 1 of any year, the property owner must complete and submit Part II of the application to the Building Official by January 30 of the same year.
- F. The owner will have a maximum of three years to complete the dwelling unit(s). The Building Official may, upon written application from the property owner, approve an extension of six months for completion of construction.
- G. **COMPLETE PART III:** Immediately upon completion of the improvements, 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 after the issuance of the Certificate of Occupancy.

### **PROGRAM PERIOD**

This Plan will terminate on December 31, 2024, unless terminated sooner by City action. The termination date of December 31, 2024 represents the deadline for filing an application for this program. Construction of any project approved under this Plan must be complete on or before December 31, 2025, unless the Building Official approves a six-month extension.

### **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.

CITY OF VALDEZ  
HOUSING INCENTIVE PLAN  
APPLICATION FOR PLAN

PART I

**PART I Pre-Construction**

Owner's Name: \_\_\_\_\_

Daytime Phone No. \_\_\_\_\_

Owner's Mailing Address:

\_\_\_\_\_

Address of Property:

\_\_\_\_\_

Property Identification No. (Found on your tax statement or call the City Clerk's office)

\_\_\_\_\_

Legal Description of Property: Lot: \_\_\_\_\_ Block: \_\_\_\_\_

Subdivision \_\_\_\_\_

Other legal description \_\_\_\_\_

\*If residential: \_\_\_\_\_ Residence \_\_\_\_\_ Other (explain) \_\_\_\_\_

\_\_\_\_\_ Single Family or \_\_\_\_\_ Multi-Family \_\_\_\_\_ Number of Units

Does the applicant own the land? \_\_\_\_\_ Yes \_\_\_\_\_ No

Are the property taxes paid up-to-date? \_\_\_\_\_ Yes \_\_\_\_\_ No

Will the proposed project be on a foundation? \_\_\_\_\_ Yes \_\_\_\_\_ No

Will it be permanently attached to the property? \_\_\_\_\_ Yes \_\_\_\_\_ No

Improvements and associated cost: (provide rough draft drawings and dimensions)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ (Use additional sheets if necessary)

Estimated or Actual Cost of Improvements:

(Documentation is needed, even hand-written estimates)

Construction estimated to begin on:

\_\_\_\_\_

Estimated date of completion of construction:

\_\_\_\_\_

I have read and do hereby agree to follow all application procedures and criteria. I further understand that this application will void six months from the date below if improvements or construction have not begun, or if improvements are not complete within Three (3) years from issuance of building permit. Building permits must be renewed on an annual basis.

Acknowledgement

I have received a copy of the City of Valdez, Alaska Housing Incentive Plan and the application form and, by my signature, I have read and am applying for a City of Valdez, Alaska Housing Incentive Plan.

\_\_\_\_\_

Signature of Owner

\_\_\_\_\_

Date

I find this application complete and recommend its consideration for any and all housing incentive payments subject to the City of Valdez, Alaska approval.

\_\_\_\_\_



**CITY OF VALDEZ HOUSING INCENTIVE PLAN**  
**APPLICATION FOR HOUSING INCENTIVE**  
**PART II (Optional) January Status of Completion**

Owner's Name: \_\_\_\_\_

Daytime Phone No. \_\_\_\_\_

Owners Mailing Address: \_\_\_\_\_

Address of Property: \_\_\_\_\_

Building Permit # Assigned:

As of January 1 following commencement of construction, the improvements are approximately  
\_\_\_\_\_ % complete.

\_\_\_\_\_  
Signature of Owner

\_\_\_\_\_  
Date

**FOR CITY MANAGER'S USE ONLY**

As of \_\_\_\_\_, taxes and special assessments on this parcel of property are \_\_\_\_\_ or are not \_\_\_\_\_ delinquent.

By: \_\_\_\_\_ (CITY MANAGER) \_\_\_\_\_ (DATE)

**CITY OF VALDEZ 2021 HOUSING INCENTIVE PLAN  
APPLICATION FOR HOUSING INCENTIVE  
PART III COMPLETION OF CONSTRUCTION**

Owner's Name: \_\_\_\_\_

Daytime Phone No. \_\_\_\_\_

Owners Mailing Address \_\_\_\_\_

Address of Property \_\_\_\_\_

Building Permit # assigned: \_\_\_\_\_

As of \_\_\_\_\_, the construction is complete.

\_\_\_\_\_  
Signature of Owner Date

As of \_\_\_\_\_, the final inspection has been performed.

\_\_\_\_\_  
Building Official Date

**FOR CITY MANAGER'S USE ONLY**

As of \_\_\_\_\_, taxes and special assessments on this parcel of property  
**are** \_\_\_\_\_ or are not \_\_\_\_\_ delinquent.

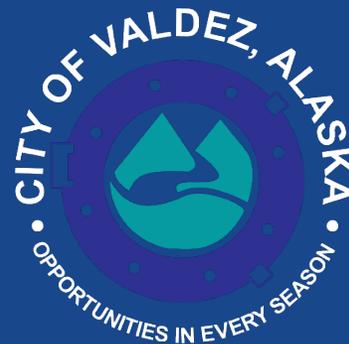
By: \_\_\_\_\_  
(CITY MANAGER)

\_\_\_\_\_  
(DATE)

# 2021 CITY OF VALDEZ HOUSING WORK SESSION

City Council Work Session

August 26, 2021



# HOUSING INCENTIVE PLAN

- **\$10,000 incentive payment for new dwelling units built on permanent foundation.**
- **Builder/property owner must secure building permit and receive Certificate of Occupancy to receive incentive.**
- **Property cannot be located in Special Flood Hazard area.**
- **Dwelling unit must be built on permanent foundation.**
- **Three year time frame to complete property and receive C/O.**
- **Applicants can only apply after program is approved.**
- **Funds will come from Valdez Housing Improvement Authority (Approximately \$2.8 Million available).**

# HOUSING INCENTIVE VS TAX EXEMPTION

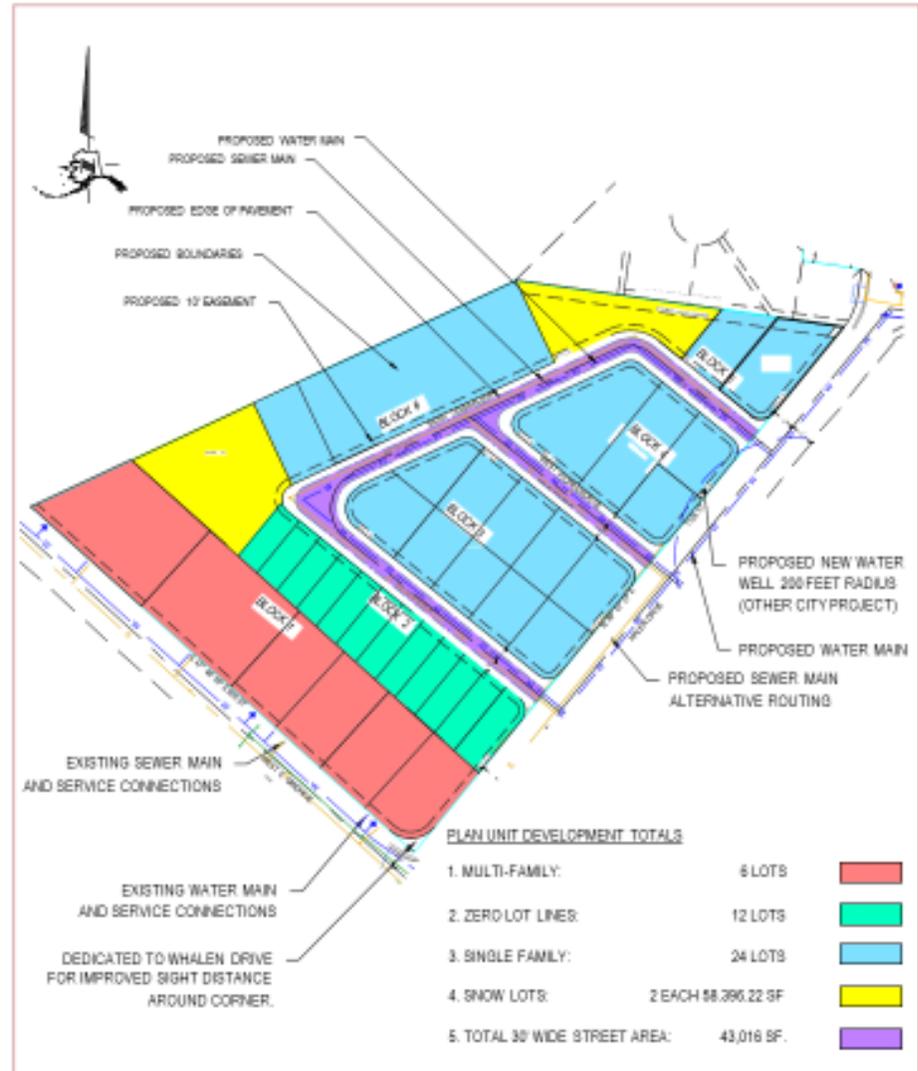
- Tax exemptions may be granted for specific reasons with specific requirements under Alaska State Statute, and must be adopted first in Valdez Municipal Code.
- In other locations with boroughs, tax exemptions many times provide additional benefit when the property is taxed at multiple levels.
- A stand alone housing incentive can be granted under City expenditure authority.
- Housing incentive combined with expenditures on development needs (i.e. infrastructure) are effective ways to encourage residential housing development.

# CITY OF VALDEZ HOUSING PROPOSALS

PROJECT	DEVELOPER OR PARTNERS	POTENTIAL HOUSING UNITS	STATUS	PROJECTED COMMENCEMENT
ST. PATRICK SUBDIVISION- WHALEN & EGAN	HARRIS PAVING/BRAD BARNETT	UP TO 54 UNITS TRIPLEXES ON EGAN OPTIONS WITH SINGLE-FAMILY AND DUPLEXES IN INTERIOR OF SUBDIVISION	DEVELOPER WORKING ON PRELIMINARY PLAT/PUD  MULTI-FAMILY ZONING APPROVED ON EGAN  DESIGN UNDERWAY FOR WHALEN STREET	2022 (BASED ON MARKET CONDITIONS)
VALDEZ SENIOR VILLAGE APARTMENTS	CORDES DEVELOPMENT	27 UNITS-MOSTLY ONE BED ROOMS	APPLICATION DUE TO ALASKA HOUSING DUE NOVEMBER 2021	2022 IF GRANT AWARDED
CHUGACH CORPORATION MULTI-USE FACILITY	CHUGACH ALASKA CORPORATION	28 Units	PROPERTY ACQUIRED. SEEKING FUNDING.	2022 (DEPENDENT ON FUNDING).

# ST. PATRICK SUBDIVISION

- Proposed subdivision on current Tract P, Port Valdez Subdivision (at the corner of Egan Drive and Whalen Avenue)
- Approval process requires a planned unit development, preliminary plat, and final plat approval from the Planning & Zoning Commission
- Parcel owned and developed by Bill Harris (with Brad Barnett – Barnett Construction)
- PUD Application is anticipated in August/September 2021
- PUD and platting process will take approximately 2 months
- Current proposal includes:
  - 24 single family dwellings
  - 12 zero lot line dwellings
  - 18 multi family dwelling units (6 triplex structures)
- 54 Total Proposed Dwelling Units
- Construction will likely begin spring 2022
- Construction will begin with triplex structures on Egan Drive
- City of Valdez is working on development of Whalen Avenue
- Additional Incentives will be negotiated with Developer upon completion of Preliminary Plat/PUD.



**PLAN UNIT DEVELOPMENT TOTALS**

1. MULTI-FAMILY:	6 LOTS	<span style="display:inline-block; width:15px; height:15px; background-color:red;"></span>
2. ZERO LOT LINES:	12 LOTS	<span style="display:inline-block; width:15px; height:15px; background-color:green;"></span>
3. SINGLE FAMILY:	24 LOTS	<span style="display:inline-block; width:15px; height:15px; background-color:lightblue;"></span>
4. SNOW LOTS:	2 EACH 88,396.22 SF	<span style="display:inline-block; width:15px; height:15px; background-color:yellow;"></span>
5. TOTAL 30' WIDE STREET AREA:	43,016 SF.	<span style="display:inline-block; width:15px; height:15px; background-color:purple;"></span>

<b>ST. PATRICK'S SUBDIVISION</b>		<b>Wrangell Mountain Technical Services</b> P.O. BOX 118, CHITINA, ALASKA 99588 (907) 823-2280					
DESCRIPTION:	PLAN UNIT DEVELOPMENT						
STREET ADDRESS:	VALDEZ ALASKA	DATE:	5/24/21	DRAWN BY:	CHUCK WASH	SCALE:	1" = 200'
PREPARED FOR:	WILLIAM J. HARRIS	JOB #:	2102	DRAWING #:	2104 VALDEZ ST PATRICKS SUBD	SHEET:	1 OF 1

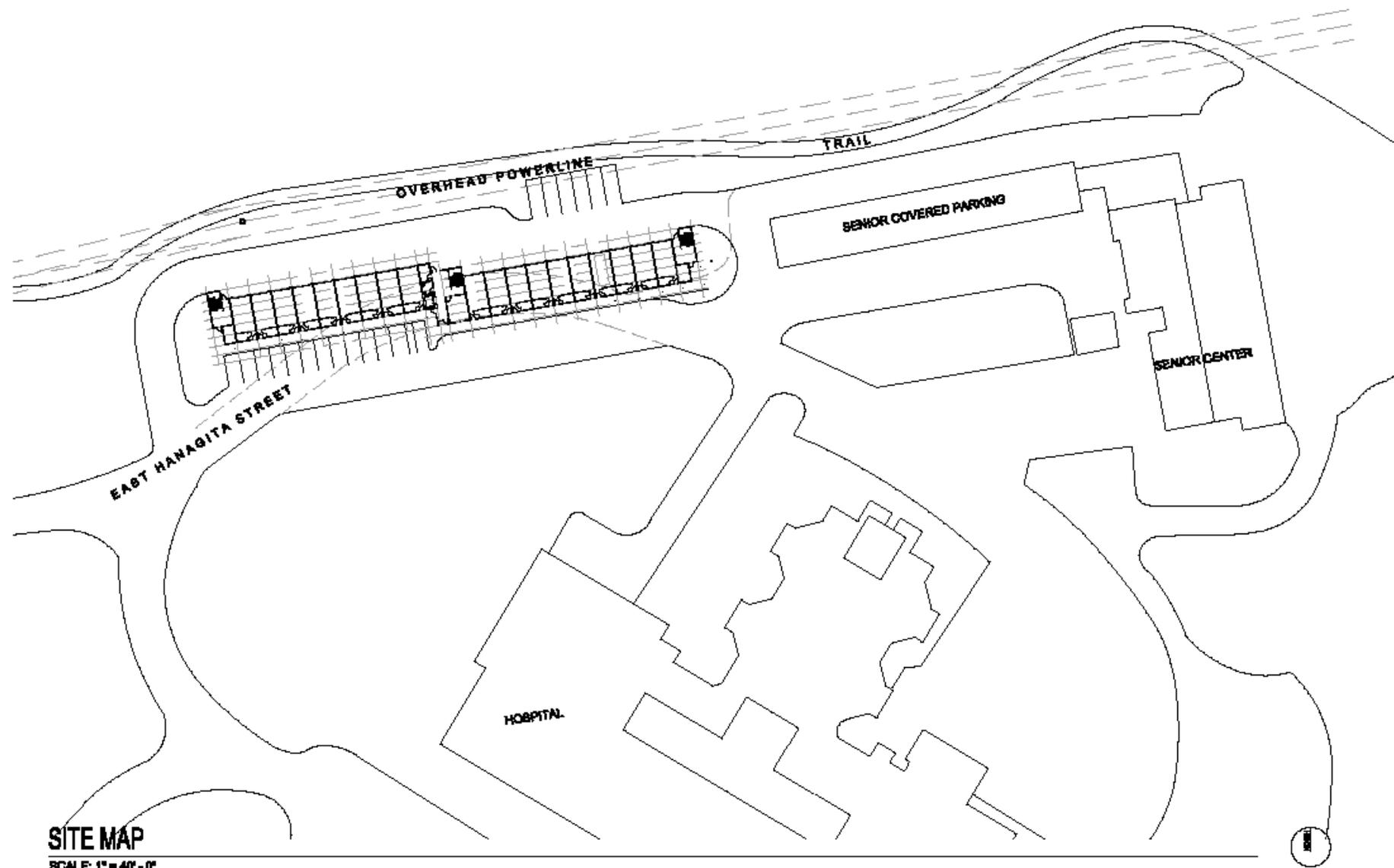
# SENIOR HOUSING TIMELINE

- Pre Application Due Friday August 6, 2021 – Submitted
- Notice to proceed with final application - Granted
- Market Study initiated
- Application due to AHFC November 21, 2021

## Potential Funding outside of AHFC awarded tax credits

- CDBG Due December 3, 2021
  - \*Work session tentatively scheduled for October 19, 2021 to explain CDBG grant
  - \* Senior housing project automatically qualifies Valdez to apply
  - \* This grant requires a 25% match from City

**Preliminary indications are that ARPA funds from census area allocations can be used to finance the project-more research needed.**



**SITE MAP**  
SCALE: 1" = 40' - 0"

**VALDEZ SENIOR VILLAGE APARTMENTS** 07/20/2021 **A.O. BDS**  
ARCHITECTS

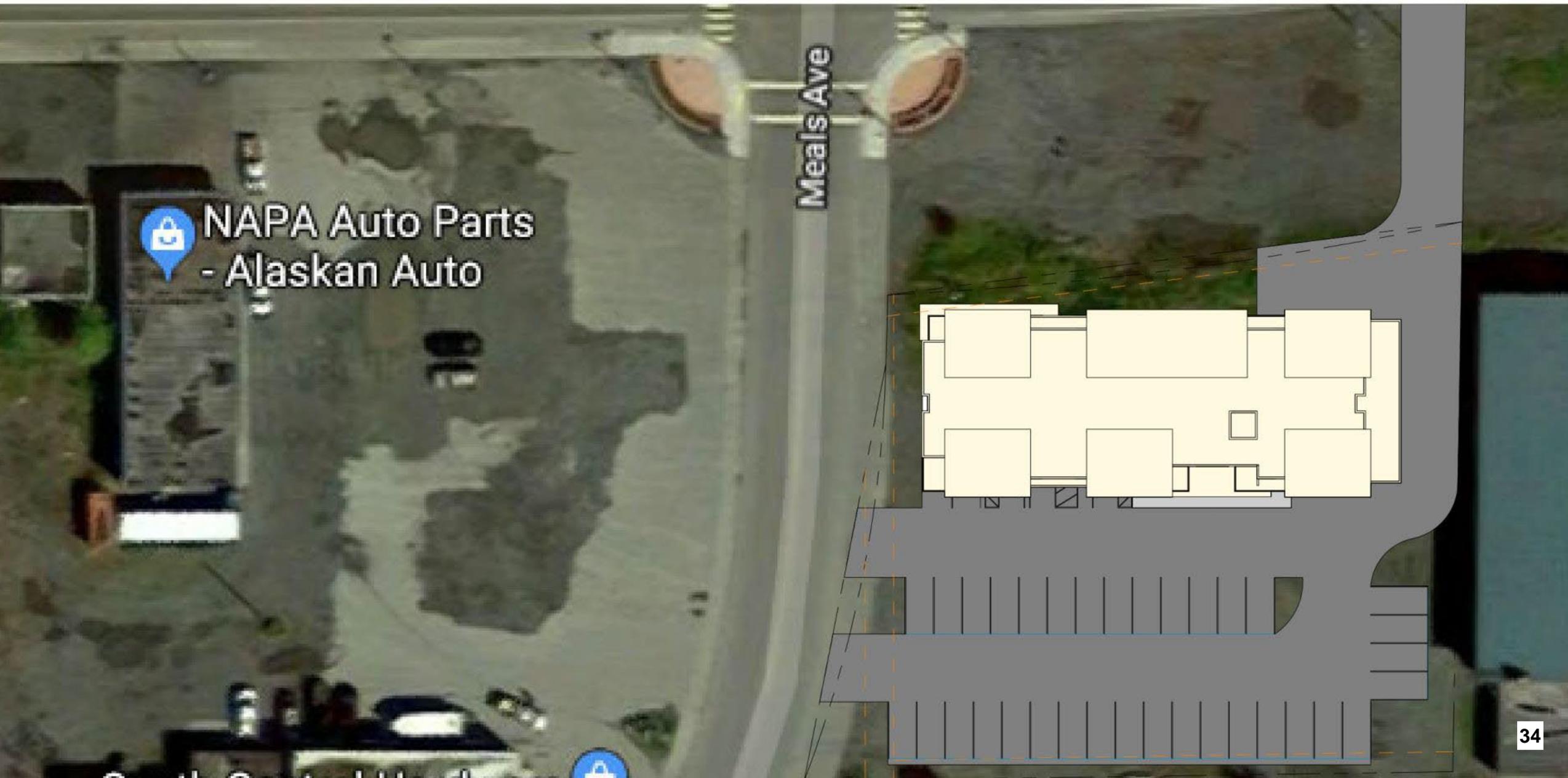
# CHUGACH ALASKA PROPOSED PROJECT

- Site located on Meals Avenue across from NAPA Auto.
- Chugach Alaska Corporation first discussed project in 2018 public meeting.
- Project was reintroduced in community meeting in May of 2021.
- Mayor and several staff met with Chugach to discuss project on August 13<sup>th</sup>.
- Housing concept relates to providing various temporary workers housing accommodations.
- Grant funding and lease commitments are needed for further action.
- Current project involves a potential of 28 units.



2 BEDROOM APARTMENT UNITS: 7 @ 880-893 SF  
1 BEDROOM APARTMENT UNIT: 1 @ 760 SF  
TOTAL UNITS: 28

TOTAL: 32,161 SF + 1,415 SF BALCONY





# PLAN VALDEZ – HOUSING ACTIONS

- **Goal 2.1 – Plan for responsible growth**
  - **Action A: Adopt new residential/recreation planned development zoning district.**
  - **Action B: Rezone City of Valdez parcels to align with future land use map.**
  - **Action D: Conduct a comprehensive rewrite of Title 17 (Zoning) and Title 16 (Subdivisions) to implement Plan Valdez.**
  - **Action G: Investigate development standards to establish a fair allocation to developers of the costs for required off-site improvements needed to help support the impacts of development projects on public infrastructure.**
  - **Action H: Establish standards with which to assess existing and/or needed infrastructure improvements and associated cost for developments during review processes.**
  - **Action L: Research innovative approaches for “Rehabilitation of Abandoned and Dilapidated Buildings” in other states/cities to see if a similar program would be feasible in Valdez.**

# PLAN VALDEZ – HOUSING ACTIONS

- **Goal 2.2 – Encourage development and redevelopment**
  - **Action G: Investigate utility extensions to connect existing septic/well sites to city water/sewer to improve public health, emergency response (fire hydrants) and reduce environmental contamination.**
  - **Action H: Extend sewer and water utilities to service future development.**

# PLAN VALDEZ – HOUSING ACTIONS

- Goal 2.3 – Promote, protect, and build quality housing
  - Action A: Identify and adopt strategic housing investment areas
  - **Action B: Revise residential zones in the Title 17 zoning code**
  - **Action C: Revise Title 17 to provide guidelines for short term rental housing and accessory dwelling units**
  - Action D: Provide expedited development review and permitting for new housing construction in Strategic Housing Investment Areas
  - **Action E: Develop Housing-Directed Incentive Programs**
  - Action F: Investigate a Healthy Housing Funding Program to maintain and increase quality of housing, including energy and health-related needs.
  - Action G: Monitor new loan and grant programs from state and federal housing agencies for local opportunities.

# PLAN VALDEZ – HOUSING ACTIONS

- **Recommended New Action:**

**Evaluate all land zoned for residential, mixed use, commercial (except for single family or rural residential districts) for consideration of future mobile home parks as a conditional use**

# BEYOND PLAN VALDEZ

- **Building Code**
  - **Adopt 2012 IRC to join the State of Alaska**
  - **Adopt 2018 or 2021 IRC, after State of Alaska**
- **Land Sale Options**
- **Updates to 2005 City of Valdez Property Management Policies and Procedures**

## Developer Incentives

The Economic Development Department has identified three properties that could be considered for housing development, with one property being the most prepared for such development. Below are specific Incentives that the City can offer to developers to increase housing development in Valdez.

**Woodside Subdivision:** This property is zoned multi-family and has the potential to have apartments or any other types of housing. Water and Sewer infrastructure are available up to the property line, the property has been partially platted and is eligible for grant funding if affordable housing is developed, which makes it the most prepared for housing development. There are other townhouses and income based apartment units in this area. The City would apply for a Community Development Block Grant for infrastructure in this area. Incentives for this area could include, but not be limited to:

Public/Private partnership to implement the best proposal

Expedited processing of permits from the city

Fees waived

Land offered at low to no cost

Water and sewer hook-ups at low to no cost

Full or partial refunds for development fees

**Cottonwood Extension near Front Street:** This property is zoned single family, needs to be platted and could be sold as one or individual lots. Water and sewer infrastructure are available up to the property line. There are other single family homes in this area. The property is ineligible for a Community Development Block Grant for infrastructure. A developer could design a Planned Unit Development (PUD) for this area. These developments tend to include single-family, two-family and multi-family units to form a larger diversified neighborhood concept. A PUD was created for this area in the early 1980s, and that PUD is on file in the Planning and Zoning Department. Incentives for this area could include, but not be limited to:

Public/Private partnership to implement the best proposal

Expedited processing of permits from the city

Fees waived

No cost water and sewer hook-up charges

**Corbin Creek Extension:** This property is zoned single family. This land has a rocky topography. Staff recommends possibly platting this land and selling it to the public in lots big enough to dig a well and include a septic tank in for housing development. These lots do not have sewer and water infrastructure. There is also limited road access. Incentives would be developed if Council wishes to proceed with developing housing in this area.

**Below are some of the available additional incentives the City of Valdez could offer to developers with City Council approval. Although each developer and their project is different, we would also welcome developers to request additional incentives they might need to complete their project. I have also included some federal programs, for informational purposes which developers are able to utilize with the right projects.**

### **Incentives widely used by local governments**

Payment from a utility energy-efficiency program

Direct monetary payment from a city or county (grant, rebate or reimbursement)

Expedited permit processing

Full or partial refunds for development fees

Besides direct monetary payments (grants, rebates, tax incentives, utility payments)

**I have also submitted, for your own edification, other funding sources and programs that may be available to developers from other sources.**

### **GREATER OPPORTUNITIES FOR AFFORDABLE LIVING (GOAL)**

The GOAL program provides grants, federal tax credits and zero-interest federal loans to developers and project sponsors who build affordable rental housing for low- to moderate-income families and seniors. The program is open to for-profit corporations, nonprofit agencies and regional housing authorities. The following three programs fit under the GOAL umbrella.

## **HOME INVESTMENT PARTNERSHIP ACT**

Under HOME, funding is available to develop new affordable rental housing through new construction, rehabilitation or acquisition and rehabilitation. HOME funds are typically grant funds but may also be loaned to project sponsors.

## **LOW INCOME HOUSING TAX CREDIT PROGRAM**

This program provides federal tax incentives to for-profit or nonprofit organizations to develop affordable rental housing for low and very low-income households. Awards are made under a competitive process. Eligible activities include new construction, acquisition and rehabilitation projects.

## **NEIGHBORHOOD STABILIZATION PROGRAM 1 & 3 (NSP1 & NSP3)**

The State of Alaska was awarded a statewide allocation of \$24.6 million for neighborhood stabilization activities in Alaska. The NSP1 program provided funding to nonprofit organizations to eliminate blight and the presence of vacant, abandoned or foreclosed homes and properties. Vacant and/or foreclosed properties were purchased for redevelopment or resale in order to provide rental and homeownership opportunities for low-, median- and moderate-income families in Alaska. States were required to give priority emphasis to areas of greatest need, targeting areas with the greatest percentage of foreclosures. The NSP3 program provided funding for redevelopment in the Mountain View/Russian Jack final target area in Anchorage and will be used in a mixed financing approach by the Public Housing Division with the potential to develop up to 80 units of affordable housing for families.

## **SENIOR CITIZENS HOUSING DEVELOPMENT FUND (SCHDF)**

Funding can be used to provide housing for Alaska's senior citizens so that they may remain in their home communities as they age. SCHDF distributed under the GOAL program can be used for acquisition, rehabilitation and new construction of senior housing. Grants are made to nonprofit organizations to bridge the gap between the cost of the project and funding from other sources.

Grant recipients must choose a definition of "senior citizens" as either age 55 and older or age 62 and older according to the federal definition of "housing for older persons" under Section 807 of 42 U.S.C. 3607 implemented at 24 CFR 100.300-308. Both choices carry with them requirements detailed in the application process.

## **SUPPLEMENTAL HOUSING DEVELOPMENT GRANT PROGRAM**

The Supplemental Housing Development Grant Program provides funding to Regional Housing Authorities to supplement housing projects approved for development under the U.S. Department of Housing and Urban Development (HUD) Housing Development Programs. The funds in AHFC's program are limited to 20 percent of HUD's Total Development Cost per project and can only be used for the cost of on-site sewer and water facilities, road construction to project sites, electrical distribution facilities and energy-efficient design features in the homes.

### **TAX CREDIT ASSISTANCE PROGRAM**

This program provides federal grants and/or loans to for-profit or nonprofit organizations to develop affordable rental housing for projects that have received an award of Low-Income Housing Tax Credits between October 1, 2006, and September 30, 2009. Awards are made under a competitive process.

### **TEACHER, HEALTH PROFESSIONAL AND PUBLIC SAFETY HOUSING PROGRAM (AHFC/RASMUSON FOUNDATION)**

The THHP Housing Grant Program funds the development of teacher, health professional and public safety housing. Funds are awarded competitively on annual basis for the rehabilitation, construction or acquisition of rural housing projects. Eligible entities include school districts, local governments, regional health corporations, housing authorities and nonprofits.