

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.