

**APRIL 2, 2025  
CITY COUNCIL MEETING  
ADDITIONAL MATERIAL/REVISIONS**

**REQUESTED ADDITIONS TO THE PACKET**

<b><u>ACTION</u></b>	<b><u>ITEM</u></b>	<b><u>REQUESTED BY</u></b>
Add Item H.5.	<p><b>Ordinance No. 3463-2025</b> - Conditionally Donating Certain City Owned Property Described as Three Approximately 1 ½ Acre Parcels to be Subdivided from a Portion of the Approximately 69 ½ Acre Parcel Described as Kenai Meadows Addition No 1, Tract A1 According to Plat 2023-48 (KPB Parcel No. 03901067) to Kenai Peninsula Housing Initiative for the Development of Restricted Income and Senior Housing. (Administration)</p> <ul style="list-style-type: none"><li>• Ordinance for Introduction</li><li>• Memo</li></ul>	Administration



**CITY OF KENAI  
ORDINANCE NO. 3463-2025**

AN ORDINANCE CONDITIONALLY DONATING CERTAIN CITY OWNED PROPERTY DESCRIBED AS THREE APPROXIMATELY 1 ½ ACRE PARCELS TO BE SUBDIVIDED FROM A PORTION OF THE APPROXIMATELY 69 ½ ACRE PARCEL DESCRIBED AS KENAI MEADOWS ADDITION NO 1, TRACT A1 ACCORDING TO PLAT 2023-48 (KPB PARCEL NO. 03901067) TO KENAI PENINSULA HOUSING INITIATIVE FOR THE DEVELOPMENT OF RESTRICTED INCOME AND SENIOR HOUSING.

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WHEREAS, Kenai Municipal Code 22.05.110, Determination as to Need for Public Purpose in conjunction with KMC 22.05.095-Methods of Sale or Disposal, allows the Council, by Ordinance, to donate real property that is no longer needed by the City for a public purpose, to a non-profit corporation for a consideration agreed upon between the City and grantee without a public sale if the donation is in the best interest of the City; and,

WHEREAS, Kenai Peninsula Housing Initiatives (KPHI) is a non-profit corporation with a mission to provide low income, very low income, senior and special needs residents affordable housing options; and,

WHEREAS, there is a need for low income and senior housing in the City of Kenai; and,

WHEREAS, the City desires to support further development of low income and senior housing in the community, and;

WHEREAS, donating the subject parcels to KPHI at less than fair market value is in the best interest of the City; and,

WHEREAS, conditions must be placed on the transfer to ensure low income and senior housing is developed or the property is returned to the City, including in the event of a land sale, to a for profit entity, the market value of the property shall be reimbursed to the City, if the sale occurs within twenty years after transfer to KPHI.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, AS FOLLOWS:

**Section 1.** That the City Council determines that three approximate 1 1/2-acre parcels to be subdivided from a portion of the 69 ½ acre portion of the parcel described as Kenai Meadows Addition No 1, Tract A1, according to Plat 2023-48 (KPB PARCEL No. 03901065), are not needed for a public purpose.

**Section 2.** That the Kenai City Council hereby authorizes the City Manager to execute, upon completion of a subdivision and necessary proof of financing for the development, the transfer of title for the properties: three approximate 1 1/2-acre parcels to be subdivided from a portion of the 69 ½ acre portion of the parcel described as Kenai Meadows Addition No 1, Tract A1, according to Plat 2023-48 (KPB PARCEL No. 03901065), to Kenai Peninsula Housing Initiatives, Inc. (KPHI), on a form approved by the City Attorney, for less than fair market value (\$1.00), for the sole purpose of developing income restricted and senior housing, and with conditions upon sale if sold to a for profit entity within 20 years.

**Section 3.** That KPHI must complete at its own expense all actions necessary for the subdivision and development of the properties; and provide proof of financing sufficient for the projects as prior conditions of the transfer of title; and to pay all closing costs and fees for said properties and said consideration to the City for the properties.

**Section 4.** That the Kenai City Council further finds the disposal of the parcels to be in the best interests of the citizens of the City of Kenai and that the public interest shall be served by disposing of the properties interest for less than the fair market value, in accordance with the recitals above which are incorporated herein.

**Section 5.** That the Kenai City Council further finds that if the action items described herein are not completed by April 16, 2030, the authorization to transfer the lands lapses unless further authorized by the City Council.

**Section 6.** Severability: That if any part or provision of this ordinance or application thereof to any person or circumstances is adjudged invalid by any court of competent jurisdiction, such judgment shall be confined in its operation to the part, provision, or application directly involved in all controversy in which this judgment shall have been rendered, and shall not affect or impair the validity of the remainder of this title or application thereof to other persons or circumstances. The City Council hereby declares that it would have enacted the remainder of this ordinance even without such part, provision, or application.

**Section 7.** Effective Date: That pursuant to KMC 1.15.070(f), this ordinance shall take effect 30 days after enactment.

ENACTED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, THIS 16<sup>th</sup> DAY OF April, 2025.

\_\_\_\_\_  
Brian Gabriel Sr., Mayor

ATTEST:

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Michelle M. Saner, MMC, City Clerk

Introduced:	April 2, 2025
Enacted:	April 16, 2025
Effective:	May 16, 2025



# KENAI

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## MEMORANDUM

**TO:** Mayor Brian Gabriel and Kenai City Council

**THROUGH:** Terry Eubank, City Manager

**FROM:** Kevin Buettner, Planning Director

**DATE:** April 1, 2025

**SUBJECT:** **Ordinance No. 3463-2025 - Conditionally Donating a Portion of Tract A1, Kenai Meadows Addition to Kenai Peninsula Housing Initiative for the Development of Restricted Income and Senior Housing.**

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On July 7, 2021, City Council approved Ordinance No. 3217-2021 authorizing the conditional donation of land along Redoubt Avenue to Kenai Peninsula Housing Initiative (KPHI) for the development of housing for low income and senior populations. Per the aforementioned ordinance, development is to be completed by July 16, 2026. Currently, development has been completed on two of the four lots, and land clearing is commencing on the remaining two lots. Construction on the third lot will start in Spring 2025 and the fourth lot will go to construction following the execution of a grant agreement, which is currently pending. All planned construction is forecast to be completed by the five-year deadline established by Council.

In late 2024 and early 2025, KPHI approached the City to discuss potential future development within the City of Kenai. The Administration acknowledges the need for safe, quality housing for low income and seniors in the community. The reliable performance of KPHI in obtaining grant funds and building the proposed housing according to their established timelines has also been noted. As discussions matured, it was suggested that KPHI update City Council about their progress.

KPHI is formally requesting a conditional land donation to complete future phases of development. The land is located on approximately five acres immediately to the north of their current development along Redoubt Avenue. Land would not be conveyed from the City of Kenai to KPHI until all funding is secured for their developments on each affected parcel. This land donation, if approved, would be subject to the five-year development window as was outlined in the ordinance for the 2021 land donation. Further conditions are recommended to be placed on the transfer to ensure low income and senior housing is developed or the property is returned to the City, including in the event of a land sale, to a for profit entity, the market value of the property shall be reimbursed to the City, if the sale occurs within twenty years after transfer to KPHI.

To demonstrate their continued commitment to developing housing in the City, KPHI is pursuing new funding, which is directly related to the petition for a conditional land donation. The current Federal Home Loan Banks' Affordable Housing Program funding opportunity is open for

applications. This funding source is one of the primary funding sources used by the Kenai Peninsula Housing Initiative (KPHI) to construct housing for low income and/or seniors. The current solicitation opened April 1, 2025 and closes May 1, 2025. All documentation, including a conditional allowance for use of the land is due to the funder by this date. Further information regarding the ordinance content is contained within a separate memorandum.

Due to the short application window, the applicant (KPHI) has requested an ordinance, regarding a conditional approval of a land donation of approximately five acres of land immediately to the north of their current development, be introduced by the City Council at tonight's meeting with public hearing and action at the April 16, 2025 meeting. The late notice of the grant cycle precluded the Administration from including this ordinance in the packet as normal necessitating laydown this evening.

If introduced as a laydown, and approved for public hearing on April 16, 2025, the ordinance would meet all applicable Alaska state statute and Kenai Municipal Code requirements regarding noticing of public hearings.

Additional development of housing along the Redoubt Avenue corridor is in line with the current Comprehensive Plan and associated Land Use Plan. Denser developments with multiple units are preferred directly along Redoubt Avenue, as the road functions as a collector and hosts more traffic than other local roads. Planned access to the new lots will reduce the number of needed driveways impacting traffic flow on Redoubt Avenue. Furthermore, the current and proposed developments are architecturally styled in a way that mimics existing single-family dwellings nearby and would be preferred in future suburban residential subdivisions in this area.

Quality affordable housing is needed to allow people of all ages and abilities to live, work, and age in place in the City of Kenai. Housing has been noted as a concern throughout the nation, and Kenai is no exception. Allowing future development and expanding the number of units available will enable the City to grow in a sustainable manner, supporting existing and future businesses as they seek to locate their operations within the City.

Based on the above information, the Administration believes it is advantageous to the City to proceed with the land donation, as it will serve as a catalyst for future market-rate development north of Redoubt Avenue. With 64.5 remaining acres of City-owned land immediately to the north of this development, this land donation will not preclude future subdivisions from being constructed. Development of low-income and senior housing will benefit the City and appropriate rights of way and utility easements will be conveyed to the City as a part of the platting process. As such, there would not be a public purpose remaining for the land proposed for donation.

Thank you for your consideration.

