

1 By: Bryce J. Ward, Mayor  
2 Introduced: 02/11/2021  
3 Adopted: 02/11/2021  
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5 FAIRBANKS NORTH STAR BOROUGH

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7 RESOLUTION NO. 2021 – 03  
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9 A RESOLUTION AUTHORIZING A COOPERATION AGREEMENT WITH INTERIOR  
10 REGIONAL HOUSING AUTHORITY FOR LOW COST RENTAL HOUSING  
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12 WHEREAS, Alaska Statute 18.55.250 exempts the property of Interior  
13 Regional Housing Authority (IRHA) from property taxes but permits payments by IRHA  
14 to local governments for services provided by the local governments to IRHA; and  
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16 WHEREAS, IRHA receives services from the Fairbanks North Star Borough  
17 to properties owned by IRHA within the Borough limits which properties are exempt from  
18 property and sales taxes; and  
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20 WHEREAS, IRHA is willing to continue a Local Cooperation Agreement (LCA)  
21 with the Borough whereby IRHA will make a payment in lieu of taxes (PILT) to the  
22 Borough on behalf of both the Borough and the City of Fairbanks; and  
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24 WHEREAS, The parties have operated under a LCA since 2008, and changes  
25 are being requested by IRHA to comply with federal law requirements; and  
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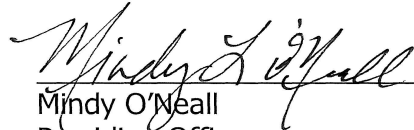
27 WHEREAS, A form of Local Cooperation Agreement is attached to this  
28 resolution.  
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30 NOW THEREFORE BE IT RESOLVED by the Assembly of the Fairbanks North  
31 Star Borough that the Mayor, or his delegate, is hereby authorized to enter into an LCA  
32 with IRHA in substantially the same form as attached to this resolution.  
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34 IT IS FURTHER RESOLVED that the Borough Assembly designates and  
35 authorizes the Mayor or his designee to execute the LCA on behalf of the Borough.

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ADOPTED THE 11<sup>TH</sup> DAY OF FEBRUARY 2021.

  
Mindy O'Neall  
Presiding Officer

ATTEST:

  
April Trickey, CMC  
Borough Clerk

Yeses: Tomaszewski, Cooper, Williams, Sanford, Wilson, Lyke, Cash, Lojewski, O'Neall  
Noes: None

**COOPERATION AGREEMENT**  
**FNSB/IRHA**

THIS AGREEMENT made this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

**BY AND BETWEEN**

The Interior Regional Housing Authority (herein called the "IRHA" or "the Authority")

**AND**

The Fairbanks North Star Borough (herein called the "Borough").

WHEREAS, IRHA is a regional native housing authority organized under Alaska Statutes 18.55.995-.998; and

WHEREAS, Alaska Statute 18.55.996(b) gives IRHA certain powers conferred on the Alaska State Housing Authority; and

WHEREAS, Alaska Statute 18.55.250 exempts the property of IRHA from property taxes but permits payments by IRHA to the Borough for services provided by the Borough to IRHA.

THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties hereto do agree as follows:

1. Whenever used in this agreement:

(a) The term "Project" or "Projects" shall mean any low-rent housing owned, developed or acquired by the Authority with financial assistance of the United States of America acting through the Secretary of Housing and Urban Development (herein called the "Government"), including but not limited to those properties listed on Exhibit A hereto, which list of properties may be amended and updated by the Authority from time to time hereafter by provision of a new Exhibit A to the Borough, which shall become the new Exhibit A to this Agreement. The term specifically includes, but is not limited to, properties administered by IRHA under the following programs:

- (i) The Home Ownership Assistance Program ("HOAP");
- (ii) The Rural Home Ownership Program for the Elderly ("R-HOPE");
- (iii) Properties purchased by the Authority under the Title 184 Loan Program; and
- (iv) Other, similar programs developed and administered by the Authority using Indian Housing Block Grant funds distributed under the Native American Housing Assistance and Self-Determination Act of 1996 ("NAHASDA").

(b) The term "Taxing Body" shall mean the State or any political subdivision or taxing unit thereof in which a Project is situated and which would have authority to assess or

levy real or personal property taxes or to certify such taxes to a taxing body or public officer to be levied for its use and benefit with respect to a Project if it were not exempt from taxation;

(c) The term "Shelter Rent" shall mean the total of all charges to all tenants of a Project for dwelling rents and non-dwelling rents (excluding all other income of such Project), less the cost to the Authority of all dwelling and non-dwelling utilities.

2. The Authority shall endeavor to secure a contract or contracts with the Government for loans and annual contributions covering one or more Projects. The Authority shall plan, develop or acquire, and administer the Project or Projects, which may be located within the corporate limits of the Borough. The obligations of the parties hereto shall apply to each such Project and the Borough shall have no contractual responsibility with respect to the Project other than as expressly provided in this Agreement. The Authority agrees to provide the Borough with copies of appropriate documentation linking each project to applicable federal funding which gives rise to a claim for an exemption from real property tax pursuant to A.S. 29.45.050(1) and FNSBC 8.04.060(L).

3. (a) Under the Constitution and laws of the State of Alaska, the Projects are exempt from all real and personal property taxes and special assessments levied or imposed by any Taxing Body. So long as either (i) the Projects are owned by IRHA or a public body or governmental agency and is used for low rent housing purposes, or (ii) any contract between the IRHA and the Government for loans or annual contributions, or both, in connection with such Projects remains in force and effect, or (iii) any bonds issued in connection with such Projects or any monies due to the Government in connection with such Project remain unpaid, whichever period is the longest, the Borough agrees that it will not levy or impose any real or personal property taxes or special assessment upon such Projects or upon the IRHA with respect thereto. During such period, the IRHA shall make annual payments (herein called "Payments in Lieu of Taxes") in lieu of such taxes and special assessments and in payment for the public services and facilities furnished from time to time without other cost or charge for or with respect to such Projects.

(b) Each such annual Payment in Lieu of Taxes shall be made at the time when real property taxes on such Project would be paid if it were subject to taxation, and shall be in an amount equal to either (i) ten percent (10%) of the Shelter Rent collected by the Authority in respect to such Project during the 12 month period ending December 31 each year or (ii) the amount permitted to be paid by applicable State law in effect on the date such payment is made, whichever amount is the lower.

(c) The Borough shall distribute the Payments in Lieu of Taxes among the taxing Bodies in the proportion which the real property taxes which would have been paid to each Taxing Body for such year if the Project were not exempt from taxation bear to the total real property taxes which would have been paid to all of the Taxing Bodies for such year if the project were not exempt from taxation; provided, however, that no payment for any year shall be made to any Taxing Body in excess of the amount of the real property taxes which would have been paid to such Taxing Body for such year if the Project were not exempt from taxation.

(d) Upon failure of the Authority to make any Payment in Lieu of Taxes, no lien against any project or assets of the Authority shall attach, nor shall any interest or penalties accrue or attach on account thereof.

4. During the period commencing with the date of the acquisition of any part of the site or sites of any Project and continuing so long as either (i) such Project is owned by a public body or governmental agency and is used for low-rent housing purposes, or (ii) any contract between the Authority and the Government for loans or annual contributions, or both, in connection with such Project remains in force or any monies due to the Government in connection with such Project remain unpaid, whichever period is the longest, the Borough, without cost or charge to the Authority or the tenants of such Project (other than the Payments in Lieu of Taxes), shall:

(a) Cooperate with the Authority by such other lawful action or ways as the Borough and the Authority may find necessary in connection with the development and administration of such Project;

(b) Provide the following services and facilities to the Projects to the same extent the services and facilities are made available or provided to other properties in the same taxing jurisdiction: (i) education, (ii) planning, platting and land use, (iii) general taxation, (iv) public transportation, (v) animal control, (vi) air pollution control, (vii) library, (viii) parks and recreation, (ix) health and social services grant pass through, (x) natural gas utility, (xi) solid waste disposal, (xii) emergency disaster powers, (xiii) emergency service communication system (E-911), (xiv) emergency medical services, (xv) economic development, and (xvi) road, fire, lighting, water and sewer service areas (various boundaries throughout the Borough).

5. In respect to any Project, the Borough further agrees that it will consider for acceptance, according to the processes, procedures, and authority set forth in Title 17 of the Fairbanks North Star Borough Code and Chapter 40 of Title 29 of the Alaska Statutes:

(a) the proposed dedication of all interior streets, roads, alleys and, if any, adjacent sidewalks within the area of such Projects built in accordance with the Borough's specifications and requirements;

(b) the proposed dedication of land for all streets bounding such Project or necessary to provide adequate access thereto.

6. If by reason of the Borough's failure or refusal to furnish or cause to be furnished any public services or facilities which it has agreed hereunder to furnish or cause to be furnished to the Authority or to the tenants of any Project, the Authority incurs any expense to obtain such services or facilities, then the Authority may deduct the amount of such expenses from any Payment in Lieu of Taxes due or to become due to the Borough in respect to any Project or any other low-rent housing projects owned or operated by the Authority.

7. No Cooperation Agreement heretofore entered into between the Borough and the Authority shall be construed to apply to any Project covered by this Agreement.

8. No member of the governing body of the Borough or any other public official of the Borough who exercises any responsibilities or functions with respect to any Project during his tenure or for one year thereafter shall have any interest, direct or indirect, in any Project, or any contracts in connection with such Projects or property. If any such governing body member or such other public official of the Borough involuntarily acquires or had acquired prior to the beginning of his tenure any such interest, he shall immediately disclose such interest to the Authority.

9. So long as any contract between the Authority and the Government for loans (including preliminary loans) or annual contributions, or both, in connection with any Project remains in force and effect, or so long as any bonds issued in connection with any project, or any monies due the Government in connection with any project remain unpaid, this Agreement shall not be abrogated, changed or modified without the consent of the Government. The privileges and obligations of the Borough hereunder shall remain in full force and effect with respect to each Project so long as the beneficial title to such Project is held by the Authority or by any other public body or governmental agency, including the Government, authorized by law to engage in the development or administration of low-rent housing projects. If at any time, the beneficial title to, or possession of, any Project is held by such other public body or governmental agency, including the Government, the provisions hereto shall inure to the benefit of and may be enforced by, such other public body or governmental agency, including the Government.

IN WITNESS WHEREOF, the Borough and the Authority have respectively signed this Agreement and caused their seals to be affixed and attested as of the day and year first above written.

BOROUGH:  
Fairbanks North Star Borough  
P.O. Box 71267  
Fairbanks, AK 99707-1267

Bryce J. Ward Borough Mayor

DATE: \_\_\_\_\_

APPROVED AS TO FORM:

Assistant Borough Attorney

DATE: \_\_\_\_\_

ATTEST:

\_\_\_\_\_

DATE: \_\_\_\_\_

AUTHORITY:  
Interior Regional Housing Authority  
828 27<sup>th</sup> Avenue  
Fairbanks, AK 99701

  
Orie Williams, CEO

DATE: 1/27/2021