

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND AND WATER

PRELIMINARY DECISION
ADL 234803

Proposed Noncompetitive Sale to Public and Charitable Use Applicant
AS 38.05.035(e), AS 38.05.810(a)(1)

RELATED ACTIONS:
Proposed Mineral Order (Closing)
AS 38.05.185 and AS 38.05.300

PUBLIC COMMENT PERIOD ENDS 4:30 PM, MONDAY, AUGUST 31, 2026

Executive Summary: The State of Alaska (State), Department of Natural Resources (DNR), Division of Mining, Land and Water (DMLW) proposes to convey approximately 7 acres (subject parcel), more or less, of State-owned land in the Kenai Peninsula Borough to the Alaska Housing Finance Corporation (AHFC) through a noncompetitive public and charitable use conveyance. AHFC is a political subdivision of the state with the statutory purpose pursuant to Alaska Statute (AS) 18.56.010(c) “[...] to assist in the acquisition and development of land and the construction, rehabilitation, financing, management, maintenance, sale, and rental of dwelling units for persons of lower and moderate income or for persons in remote, underdeveloped, or blighted areas and that these activities serve a public purpose in benefiting the people of the state.[...]” AHFC is empowered to act on behalf of the state in serving that purpose for the benefit of the general public. The proposed conveyance is subject to existing authorizations, third party interests, and borough zoning and platting authority. With due consideration given to the cumulative impacts and public purpose of the proposed conveyance, DNR finds that disposal of the subject parcel to AHFC at no cost¹ is in the public interest, serves a public purpose, and is in the best interest of the state.

I. Proposed Actions

Preliminary Decision: Approval of Proposed Noncompetitive Sale to Public and Charitable Use Applicant, ADL 234803

Attachment A: Vicinity Map

Attachment B: Site Features

Attachment C: Public Notice

The public is invited to comment on the proposed related actions:
Draft Mineral Order (Closing) MO 1345

Primary Proposed Action, Noncompetitive Sale: DNR proposes to transfer the subject parcel of State-owned land through a non-competitive conveyance to AHFC pursuant to AS

¹ The term “no cost” conveyance used in this decision describes a conveyance in which AHFC will not provide compensation for the value of the land. However, AHFC will still be responsible for administrative costs related to acquiring the subject parcel, including but not limited to the costs of survey.

Preliminary Decision

AS 38.05.810 Public and Charitable – ADL 234803

Page 2 of 20

38.05.810(a)(1) Public and Charitable Use. The subject parcel is located within DNR's Southcentral Region, approximately 10 miles northwest of Homer in the Kenai Peninsula Borough. The legal description for the parcel is an unsurveyed portion of land south of the road in the NW1/4SW1/4 of Section 28, Township 5 South, Range 14 West, Seward Meridian, containing approximately 7 acres, more or less.

See *Attachment A*: Vicinity Map for a visual depiction of the subject parcel.

Proposed Related Action: This related action will be developed separately; however, public notice is being conducted concurrently.

Mineral Order (Closing): DNR proposes to close the land described above to new mineral entry. There are no current mining claims located within the parcel. Refer to **Section VIII. Planning, Classification, and Mineral Orders** for more information on this proposed related action.

This related action will be developed separately. However, approval of this proposed action is dependent upon approval of the primary action and will not proceed without the approval of the primary action.

Public Notice of Proposal: In accordance with AS 38.05.945 Notice, during a period of at least 30 consecutive days, the public will have the opportunity to submit written comment on this proposal. Public notice for all actions is conducted concurrently and will include the Preliminary Decision (PD) for the noncompetitive conveyance (ADL 234803) and draft Mineral Order (Closing) 1345.

See **Section XVII. Submittal of Public Comments** and *Attachment C*: Public Notice for details on how to submit a comment for consideration. After consideration of timely, written comments, DNR will issue a Final Finding and Decision (FFD), stating whether the State intends to move forward with the proposed and related action and identifying any changes from the Preliminary Decision.

II. Authority

DNR's land management policies are governed by Article VIII, Section 1 of the Alaska Constitution, which states, "It is the policy of the State to encourage the settlement of its land and the development of its resources by making them available for maximum use consistent with the public interest." Consistent with Article VIII, Section 1, the legislature adopted AS 38.04.005(a) which states, "In order to provide for maximum use of state land consistent with the public interest, it is the policy of the State of Alaska to plan and manage state-owned land to establish a balanced combination of land available for both public and private purposes." Additionally, AS 38.05.035(e) preconditions disposal of state land on a finding that the disposal serves the best interests of the State. These constitutional and statutory provisions confirm that DNR is to promote the development of natural resources on state land by making the lands available for maximum use in a manner consistent with the public interest.

Under AS 38.05.810(a)(1) Public and Charitable Use, DNR may dispose of State-owned land to a state or federal agency, or political subdivision at no cost if the commissioner "ensures ... that disposals of lands under this subsection serve[s] a public purpose and are in the public interest".

Preliminary Decision

AS 38.05.810 Public and Charitable – ADL 234803

Page 3 of 20

In doing so, DNR must consider the terms of the grant under which the land [being considered for disposal] was acquired by the state.”

Collectively under these statutes, DNR may dispose of state land at no cost or for less than the appraised fair market value to a state or federal agency, or political subdivision if the disposal is in the best interests of the public: Under AS 38.05.810(a), DNR’s best interest finding must consider: (1) the terms of the grant under which the land was acquired by the State; (2) how the applicant will use the lands and if that use is in the public interest and for a public purpose. AS 38.05.810(g) requires that the State retain a reversionary interest in land conveyed under AS 38.05.810(a), unless DNR determined that the waiver is in the public interest.

The related action is supported by statutory authority, AS 38.05.300 Classification of Land and AS 38.05.185 Generally, allow for mineral orders.

III. Administrative Record

The case file for Alaska Division of Lands (ADL) 234803 constitutes the administrative record for this proposed action. Also incorporated by reference are:

- Kenai Area Plan (KEAP, adopted January 2000) and associated land classification files;
- DNR case files: GS 1198;
- Federal Patent No.1232380 (June 21, 1963);
- Alaska Department of Fish and Game (ADF&G) *Catalog of Waters Important for Spawning, Rearing, or Migration of Anadromous Fishes- Interior Region, June 2025*;
- ADF&G publication titled *86-465 Nomination for Waters Important to Anadromous Species* (1986);
- United States Fish and Wildlife Service (USFWS) National Wetlands Inventory Wetlands Mapper; and
- USFWS Information for Planning and Consultation (IPaC).

Also incorporated by reference are additional files and documents listed throughout this decision.

IV. Scope of the Proposal

The scope of this proposal, under the statutes described in the preceding Section **II. Authority**, is limited and specific to the following: (A) that AHFC qualifies for disposal at no cost under AS 38.05.810(a); (B) that the disposal of this land is in the public interest and for a public purpose; (C) a waiver of the reversionary interest is in the public interest; (D) the State has accounted for the reasonable foreseeable cumulative impacts resulting from the conveyance; (E) that DNR considered “the terms of the grant under which the land was acquired by the State; and (F) that in summation the proposed disposal is in the best interest of the State.

The scope of this decision does not include the control of post-patent land use, and, by waiving the reversionary clause, DNR does not intend to impose restrictions for this purpose. Restrictions regarding land use will be handled by the local zoning authority, if any.

The proposed related action will be issued concurrently with the FFD. This action is described in more detail in Section **VIII. Planning, Classification, and Mineral Orders** of this document.

Preliminary Decision

AS 38.05.810 Public and Charitable – ADL 234803

Page 4 of 20

V. Description

- a. Location: The subject parcel is located within DNR's Southcentral Region, approximately 10 miles northwest of Homer in the Kenai Peninsula Borough, within Section 28, Township 5 South, Range 14 West, Seward Meridian. Portion that is south of North Fork Road. See *Attachment A*: Vicinity Map for additional information.

USGS Map Coverage: Seldovia C-5

Platting Authority: Kenai Peninsula Borough (KPB)

Regional Corporation: Cook Inlet Regional Corporation (CIRI)

Village Corporation: Ninilchik Natives Association Incorporated, Seldovia Native Association Incorporated

Federally Recognized Tribes: None.

ANCSA Non-Profit: Cook Inlet Tribal Council, Incorporated

Other Native Organizations: Ninilchik Traditional Council, Seldovia Village Tribe

- b. Legal Description:

An unsurveyed portion of land south of the road in NW1/4SW1/4 of Section 28, Township 5 South, Range 14 West, Seward Meridian, containing approximately 7 acres, more or less.

The legal description of the proposed mineral order is the same as the subject parcel.

VI. Title

Title Report No. 24310, current as of April 30, 2026, indicates that the State holds fee title to the land and mineral estate under Federal Patent No. 1232380 dated June 21, 1963. The applicable State case file is General Grant (GS) 1198. The parcel is subject to valid existing rights, including but not limited to platted easements and reservations.

State Reservation of Title:

Retention of and Access to Mineral Estate: In accordance with Section 6(i) of the Alaska Statehood Act and AS 38.05.125 Reservation, the State retains ownership of all oil, gas, coal, ore, minerals, fissionable material, geothermal resources, and fossils that may be in or upon the land that it sells. This retention is for all minerals, including both locatable minerals (such as gold, copper, silver, etc.) and leasable minerals (such as oil, gas, coal, etc.).

The State and its successors reserve the right to enter onto the land for the purposes of exploring for, developing, and producing these reserved mineral resources. Access reserved to these retained interests is superior to any and all land uses. The State may also lease these retained interests to mineral developers or allow mining locations to be staked. However, AS 38.05.130 Damages and Posting of Bond also provides that the surface owner will be compensated for damages resulting from mineral exploration and development. For more information, see Section **VIII. Planning, Classification, and Mineral Orders** of this document.

Preliminary Decision

AS 38.05.810 Public and Charitable – ADL 234803

Page 5 of 20

Navigable Waters: Per AS 38.05.126(b) Navigable and Public Waters, “...the state has full power and control of all of the navigable or public water of the state, both meandered and not meandered, and the state holds and controls all navigable or public water in trust for the use of the people of the state.” This trust is in accordance with the principles of the Public Trust Doctrine, which are included in Article VIII, Section 14 of the Constitution of the State of Alaska and protected in the United States Constitution. It is vested in the title to this land, is not transferable, and the State’s title to submerged lands under navigable waters cannot be relinquished by a transfer of the property. In holding with this concept, navigability determinations are made, and access will be reserved per AS 38.05.127 Access to and Along Public and Navigable Water. For more information, see Section **X. Access, Including Access To and Along Public and Navigable Water** of this document.

The Bureau of Land Management has not made navigability determination for waters within the affected townships for title purposes.

Telephone Creek, on the south side of the road, is anadromous and will require public access easement according to AS 38.05.127.

Alaska Native Interest: The subject lot is within the boundaries of CIRI. There are no Alaska Native interests identified within this parcel.

Other Conflicts or Pending Third-Party Interest: There are no known conflicts or pending interests. If conflicts or third-party interests are discovered during the public notice period, they will be addressed in the FFD.

VII. Background

The State received title to the land and mineral estates within the NW1/4SW1/4 of Section 28, Township 5 South, Range 14 West, Seward Meridian, under Patent 1232380 which was acquired through State Selection GS 1198 on June 21, 1963, and recorded in Historic Book 29, Page 230, and re-recorded on Document Number 2009-002588-0.

AHFC was created by the Alaska Legislature as a public corporation and government instrumentality within the Department of Revenue. AHFC’s statutory purpose is to assist in the acquisition and development of land and the construction, rehabilitation, financing, management, maintenance, sale, and rental of dwelling units for lower and moderate income persons and for remote, underdeveloped, or blighted areas, and these activities are expressly declared to serve a public purpose. AHFC is empowered to act on behalf of the state in serving that purpose for the benefit of the general public. To fulfill this purpose, AHFC is granted broad financing authorities, including general powers to make and purchase mortgage loans and acquire real property, the authority to issue bonds and notes, and administration of a housing development fund from which it may make loans to expand residential supply.

On March 6, 2026, AHFC submitted to DMLW a completed application to purchase state land under AS 38.05.810(a)(1), serialized as ADL 234803. In the application, AHFC proposes to develop the subject parcels as part of a broader statewide initiative to catalyze new housing starts by accomplishing three fundamental things:

- Secure viable land for housing developments that can be advanced with private sector equity and local government support.

Preliminary Decision

AS 38.05.810 Public and Charitable – ADL 234803

Page 6 of 20

- Reduce or remove the land costs from the development equation.
- Leverage funds available to AHFC and their local government partners to bridge the gap between the resources needed to support development and the resources currently available to homebuilders.

A revised application was received on July 21, 2026, reducing the parcel acreage and focusing the application on lands south of North Fork Road. AHFC anticipates one new housing unit to be built per 0.75 buildable acres, depending on water and sewer availability. Housing is anticipated along the south side of North Fork Road.

Legal access is by North Fork Road, a public easement serialized as ADL 39502.

VIII. Planning, Classification, and Mineral Orders

Planning

The subject parcel is located within KEAP, Region 7, Unit 272, adopted January 2000. The plan designates the subject parcel as Settlement and are therefore classified Settlement Land under Land Classification Order No. SC-99-002.

The KEAP states the management intent for Unit 272 as follows:

“Low density residential along the Anchor River Access Road [aka North Fork Road].”

In Chapter 3- Land Use Designations of the KEAP (pg. 3-8) Settlement lands are described as follows:

“Uplands suitable for sale, leasing, or permitting of State lands to allow private recreational, residential, commercial, industrial, or community use. This designation will generally be used for areas appropriate for land offerings for residential or residential and commercial uses. Unsettled or unsold land in the unit will be managed for uses compatible with settlement. This may include uses such as selling additional lots, laying out new subdivisions, Native allotment reconveyances, identifying greenbelts through subdivisions, reserving materials sites for subdivision roads and building lots, placing easements on access routes, or reserving lots for community facilities and open space. Areas designated Settlement should be closed to mineral entry prior to sale. This land may also be conveyed to municipalities.”

Area-wide Considerations: Chapter 2 Goals, Management Intent and Guidelines provide further guidance. Specific area-wide management intent and management guidelines affecting this proposal are discussed below.

Fish and Wildlife Habitat and Harvest: These management guidelines primarily provide guidelines for areas classified Wildlife Habitat Land. However, management guidelines regarding fish and wildlife habitat in other classifications provide that habitat altering uses will be sited consistently with the management guidelines in Chapter 2, and the management intent and guidelines in Chapter 3, and applicable statutes and regulations.

Mineral Resources: Management guidelines note to determine the location of areas closed to mineral entry in the planning area consult the DNR Alaska Mapper, available through

Preliminary Decision

AS 38.05.810 Public and Charitable – ADL 234803

Page 7 of 20

the DNR website. By consulting the DNR Alaska Mapper, it was determined that there is no mineral order affecting the subject parcel.

Settlement and Agriculture: Goals regarding settlement state to provide suitable public land for transfer to private ownership for settlement purposes for year-round residences for community expansion and seasonal residences for recreation. AHFC expresses intent to construct new housing on the subject parcel which supports the plan's settlement goals.

Shorelands, Stream Corridors and Wetlands: Area-wide management guidelines provide that DNR will place a higher priority on protecting public use values in stream corridors than on providing opportunities for private ownership or development of land. However, it is recognized that development along some streams occurs. A 50-foot easement on each side of Telephone Creek will be reserved. Additionally, a building setback of 100 feet is required on anadromous streams. Telephone Creek is an anadromous stream, and a 100-foot building setback will be reserved.

Trails and Access: The need for public access will be assessed before disposing of the land estate. If local access needs are identified through the public review process, access trails may be reserved. This will occur through the retention of state land in public ownership or through the creation of a public use easement. Under either approach, the public is to have the right of access within the area of state land or the public use easement pursuant to the requirements of 11 AAC 51.015.

A conveyance of the subject parcel supports the management goals of the KEAP by fulfilling the purpose of the land classification of the subject parcel.

Land Classification Order

The current land classification order on the subject parcel is CL SC-99-002. The subject parcel is classified as Settlement Land.

Mineral Order

DNR proposes to close the subject parcel, to new mineral entry in accordance with AS 38.05.185 Generally and AS 38.05.300 Classification of Land. There are no current mining claims located within the subject parcel. Closing the parcel to new mineral entry is consistent with the management intent of the KEAP and minimizes the potential for conflict between the land estate and mineral estate users. If approved by the Commissioner, Mineral Order 1345 will close the subject parcel to new mineral entry. If the Department approves the public and charitable sale, the Mineral Order will accompany the FFD. The approval of the Mineral Order is a separate action occurring concurrently with the FFD.

Mineral Orders, which close an area to mineral entry, close the area to new exploration and development of locatable minerals (e.g., gold, copper, platinum, etc.). Such Mineral Orders do not apply to leasable minerals (e.g., oil, gas, coal, etc.), or exploration licensing for such, nor do they preclude reasonable surface access to these resources. However, AS 38.05.130 Damages and Posting of Bond stipulates that the land estate owner will be compensated for damages resulting from mineral exploration and development.

Mining activity for locatable minerals would be incompatible with current and proposed land estate uses for land disposal. Allowing new mineral location within the boundary of the parcel

Preliminary Decision

AS 38.05.810 Public and Charitable – ADL 234803

Page 8 of 20

encompassed by the decision could create conflict between land estate and mineral estate users. KEAP subsurface management policy states that, in general, areas or parcels scheduled for disposal will be closed to mineral entry prior to sale to minimize potential conflict between land estate and mineral estate users.

Local Planning

The project area is zoned as “Vacant Land” by the Kenai Peninsula Borough. The applicant should research zoning regulations to ensure intended use of the proposed conveyance aligns with local planning guidelines.

Flood Risk

This parcel is not zoned by the Federal Emergency Management Agency (FEMA) National Flood Hazard Layer (NFHL) Viewer.

IX. Traditional Use Findings

The subject parcel is located within the Kenai Peninsula Borough. Therefore, a traditional use finding is not required per AS 38.05.830 Land Disposal in the Unorganized Borough. However, information on current or traditional use is welcomed during the public comment period. See **Section XVII. Submittal of Public Comments** and *Attachment C: Public Notice* for details on how to submit a comment.

X. Access, Including Access To and Along Public and Navigable Water

Public Access

Legal and constructed access to the subject parcel is provided via North Fork Road, a public easement serialized as ADL 39502, which is a paved two-lane roadway. North Fork Road connects to the Sterling Highway which provides access to the greater roadway network of the surrounding area.

Access to and Along Public or Navigable Waters

In accordance with AS 38.05.127 Access to Navigable or Public Water, DNR will determine if a water body is navigable or public and establish easements or rights-of-way as necessary to ensure unobstructed access to and along the body of water. Regulations dictating the creation of easements or rights-of-way under this statute include 11 AAC 51.035 Determination of Navigable and Public Water, 11 AAC 51.045 Easements to and Along Navigable and Public Water, and 11 AAC 53.450 Buffer Strips, Reserved Areas, and Public Easements.

DNR DMLW Public Access Assertion and Defense has identified Telephone Creek as anadromous, AWC 244-10-10010-2090, and to be considered public water. Telephone Creek starts at Anchor River and continues south of North Fork Road, which is being considered for disposal to AHFC. Therefore, a 50-foot public access easement from ordinary high water (OHW) is required per AS 38.05.127 Access To Navigable or Public Water.

Easements and Setbacks

Under AS 19.10.010 Dedication of Land for Public Highways, the application of a 50-foot section line easement is required on all protracted or surveyed section or township lines on State land. There are no provisions under the law to exclude this 50-foot section line easement dedication at conveyance or reconveyance back to the federal government. However, an affected landowner may, under 11 AAC 51.065 Vacation of Easements, file a request with DNR to vacate, modify, or relocate a section line easement.

Preliminary Decision

AS 38.05.810 Public and Charitable – ADL 234803

Page 9 of 20

The subject parcel is unaffected by any section lines and the accompanying easements. The subject parcel is also unaffected by any known trails or RS2477 easements.

Building Setbacks from Navigable or Public Water: The KEAP requires a 100-foot building setback on anadromous and high-value resident fish waters. DNR proposes to place a note on the final survey plat describing a building setback upland from the OHW of Telephone Creek to protect access and fish and wildlife habitat. Except for utilities, water-dependent structures whose purpose is access to or across the stream or lake, or minor accessory structures for uses that must be in or adjacent to the water body in order to function, structures and subsurface sewage disposal systems will not be permitted within the building setback.

The conveyance will except, reserve, or be subject to the reservations brought forth by the public notice, if any, and the following:

Subject to:

- a) An easement fifty (50) feet in width for public access, upland, abutting, and running in common with the ordinary high-water mark along each side of the Telephone Creek within the NW1/4SW1/4, Section 28, Township 5 South, Range 14 West, Seward Meridian, pursuant to AS 38.05.127 Access to Navigable and Public Water, 11 AAC 51.045 Easements To and Along Navigable and Public Water;
- b) A one hundred (100) foot building setback from the ordinary high-water mark on each side of Telephone Creek within the NW1/4SW1/4, Section 28, Township 5 South, Range 14 West, Seward Meridian, in accordance with the Kenai Area Plan, January 2000,
- c) All other valid existing rights, including reservations, and exceptions in the U.S. Patent, or other state or federal conveyance, and in acts authorizing the issue thereof; easements, rights-of-way, covenants, conditions reservations, notes of the plat, and restrictions of record, if any.

Where appropriate, reservations and restrictions will be depicted on the final plat and described in plat notes.

XI. Reservation of Mineral Estate

In accordance with section 6(i) of the Alaska Statehood Act and AS 38.05.125 Reservation, the State, in this decision, reserves unto itself the mineral estate, including oil and gas, and the rights expressed in the reservation clause of the statute, that being the right to reasonable access to the surface for purposes of exploring for, developing and producing the reserved mineral resources. Exploration and development, if any, which could occur, would be consistent with AS 38.05.130 Damages and Posting of Bond and other applicable statutes and regulations.

XII. Hazardous Materials and Potential Contaminants

There is no known contamination of, or hazardous materials on, the subject parcels. Additionally, no known contaminated sites exist within 1,500 feet of the parcel according to the Alaska Department of Environmental Conservation Contaminated Sites Program (ADEC CSP).

Preliminary Decision

AS 38.05.810 Public and Charitable – ADL 234803

Page 10 of 20

The applicant is expected to inspect the subject parcel to ascertain the quality and condition of the land. The State makes no representations and no warranties, expressed or implied, concerning the existence or absence of any hazardous substances, hazardous wastes, contaminants, or pollutants on the land proposed for conveyance to the applicant. The State does not assume any liability for the removal of hazardous substances, hazardous wastes, contaminants, or pollutants, nor for the remediation of the site should such substances ever be identified.

XIII. Survey

Preliminary Survey Determination #20265062 dated April 16, 2026, from the DMLW Survey Section determined that the subject parcel is unsurveyed.

XIV. Compensation and Appraisal

As a political subdivision of the state, AHFC is eligible for a public and charitable use conveyance under AS 38.05.810(a) at no cost. This is justified by the public purpose of the conveyance and discussed in detail in Section **VII. Background**.

XV. Decision

In reviewing AHFC's AS 38.05.810(a) application, DNR must: (A) determine whether AHFC qualifies for a no cost disposal under AS 38.05.810(a); (B) evaluate whether the disposal of this state land to AHFC is in the public interest and for a public purpose; (C) determine if a waiver of the reversionary interest in AS 38.05.810(g) is in the public interest; (D) consider the reasonably foreseeable cumulative impacts resulting from the conveyance of this land to AHFC; and (E) consider "the terms of the grant under which the land was acquired by the State."

As the below confirms, DNR approves AHFC's request. DNR finds that AHFC qualifies for a no cost conveyance of the land, that their proposed use of the land serves a public purpose and is in the public interest. DNR also waives the AS 38.05.810(g) reversionary interest, finding such a waiver is in the public interest. DNR finds that AHFC's proposed disposal of state land is in the best interest of the State

The following are natural resources and environmental aspects of the subject parcel that should be taken into consideration during disposal and future development of parcel:

According to the USFWS IPaC tool, there are no endangered species or critical habitat identified on the subject parcel. However, the Steller's Eider bird was listed on the IPaC tool as a threatened species that may be present on the site. Consultation with USFWS and ADF&G should occur before construction activities begin.

The National Wetlands Inventory Map shows that the following categories of wetland are found on the subject parcel:

- Freshwater Emergent Wetland habitat with Palustrine, Emergent, Persistent, and Continuously Saturated components (PEM1D).

See Attachment B Wetlands.

The ADF&G *Anadromous Waters Catalog* was reviewed to identify any such water resources at the subject parcel. Telephone Creek is recorded as anadromous water, which intersects the eastern portion of the subject parcel. This catalog categorizes the Telephone Creek as "CO", with "CO" representing Coho salmon presence, and "r"

Preliminary Decision

AS 38.05.810 Public and Charitable – ADL 234803

Page 11 of 20

indicating that the stream is important for the “rearing” life stage of Coho salmon. The catalog also indicates “DVp”, with “DV” representing Dolly Varden trout, and “p” indicating their presence in all life stages. Additionally, Telephone Creek is categorized as “SHp”. “SH” refers to steelhead trout, and “p” indicating their presence in all life stages.

Additionally, the ADF&G *Anadromous Waters Catalog* identified Telephone Creek as anadromous waters located adjacent to or within the subject parcel.

Due to the environmental aspects of the subject parcel outlined above, it is recommended that AHFC consult with the United States Army Corps of Engineers (USACE) prior to construction activities due to presence of wetlands. Additionally, ADF&G should be consulted to minimize the possibility of disturbance to Telephone Creek that could result from AHFC’s intended use of the subject parcel.

Further recommendations and comments regarding natural resources can be found in the **XVI. DMLW and Agency Review** section of this document.

A. AHFC is eligible for a less than appraised value, specifically at a no cost disposal under AS 38.05.810(a).

Under AS 38.05.810(a), a no cost disposal of state land may be made to a “state or federal agency or political subdivision.” By statute AS 18.56.010 Finding and Purpose, AHFC is “a public corporation and government instrumentality within the Department of Revenue...” AHFC is a political subdivision of the state and thus eligible for a no cost disposal under AS 38.05.810.

B. DNR finds that the proposed disposal of state land to AHFC is in the public interest and serves a public purpose.

In creating AHFC pursuant to AS 18.56, the legislature recognized that “...there exists a serious shortage of decent, safe, and sanitary residential housing available at low or moderate prices or rentals to persons of lower and moderate income. There also exists within the state remote, underdeveloped, or blighted areas where the development of decent, safe, and sanitary housing is necessary to economic growth.” Further, the legislature found that “...the creation of the Alaska Housing Finance Corporation is essential to assist in the acquisition and development of land and the construction, rehabilitation, financing, management, maintenance, sale, and rental of dwelling units for persons of lower and moderate income or persons in remote, underdeveloped, or blighted areas and that these activities serve a public purpose in benefiting the people of the state...” and declared that “The Alaska Housing Finance Corporation is empowered to act on behalf of the state and its people in serving this public purpose for the benefit of the general public.” AS 18.56 clearly demonstrates the intent of the legislature to align AHFC’s purpose with public purposes and public benefit. This makes AHFC’s land conveyance application unique. AHFC is not simply a political subdivision of the State, but a political subdivision expressly tasked with undertaking development projects that benefit the general public and are for a public purpose².

² 11 AAC 98.010 Public Purpose.

Preliminary Decision

AS 38.05.810 Public and Charitable – ADL 234803

Page 12 of 20

The legislature using both “benefit of the general public” and “public purpose” in AS 18.56 dovetails with the language in AS 38.05.810 authorizing the DNR Commissioner to convey state land to a political subdivision like AHFC for less than fair market value (which can include a no cost conveyance) for projects that are in the “public interest” and serve a “public purpose.”

AHFC proposes using this state land to:

- Secure viable land for housing developments that can be advanced with private sector equity and local government support.
- Reduce or remove the land costs from the development equation.
- Leverage funds available to AHFC and their local government partners to bridge the gap between the resources needed to support development and the resources currently available to homebuilders.
- Build one new housing unit per 0.75 buildable acres, depending on water and sewer availability.

In addition to AHFC’s projects generally being for a public purpose and in the public interest under statute, AHFC specifically clarified in their application that their proposed use of these lands will be for a public purpose and in the public interest because it will:

- Facilitate development objectives that meet the needs and capacities of the community.

Where practicable, focus on lands that can be made available for cost-effective single family home builds.

The location of this land is also important to consider. Because this location already has road access, is within the Kenai Peninsula Borough and is in close proximity to Anchor Point and Homer, this land is in alignment with the intent of AS 38.04.010, which states “In making state land available for private use, the director shall seek to guide year-round settlement to areas where public services already exist, or can be extended with reasonable economy, or where development of a viable economic base is probable.”

For these reasons, DNR finds that a no cost conveyance to AHFC of the land described herein is appropriate under AS 38.05.810(a).

C. DNR determines that waiver of the statutory reversionary interest for this conveyance of state land to AHFC is in the public interest.

Under AS 38.05.810(g), DNR is required to “retain a reversionary interest on each” disposal it grants under AS 38.05.810. DNR “may waive the reversionary interest on a written determination that the waiver is in the public interest.”

The array of financing and investment tools available to AHFC relies in part upon the assurance that the land will remain under the long-term ownership of AHFC. Inclusion of a revisionary clause would impose a degree of uncertainty to long-term land ownership in the proposed conveyance of the parcel and would therefore limit the ability of AHFC to fully exercise the financing options available under statute. Furthermore, AHFC is proposing to establish residential units on the land, which is not a use that the State wants to manage or take on the liability for. In order to reduce management and liability concerns for the State, as well as to

Preliminary Decision

AS 38.05.810 Public and Charitable – ADL 234803

Page 13 of 20

guarantee long-term predictability and a higher level of confidence for potential tenants, financiers, and investors, DNR will waive the reversionary interest under AS 38.05.810(g).

D. There will be cumulative impacts associated with conveying this parcel to AHFC, but DNR finds those impacts will be mitigated.

In *Sullivan v. REDOIL*, the Alaska Supreme Court held “that consideration of cumulative impacts is constitutionally required [by DNR] throughout all phases of a project.”³ A *REDOIL* review of a project’s cumulative impacts must be completed for all DNR disposals.⁴ To comply with the Alaska Supreme Court’s direction in *REDOIL*, DNR must conduct a “whole-project analysis” that “takes into account all aspects of a project, considered as a whole *and its existing development context*.”⁵ DNR’s *REDOIL* review does not need to consider future and speculative impacts.⁶

There are likely cumulative impacts related to the conveyance of the subject parcel out of state ownership for the purpose of developing affordable housing. The cumulative impacts that may result from conveyance of the subject parcel can reasonably be expected to include:

- Loss of public access to state land that is conveyed.
- Potential impacts to surface water resources resulting from infrastructure development, and impacts to subsurface water resources resulting from the water usage needs of new housing.
- Potential impacts to wildlife populations resulting from the loss of habitat.

Additional impacts are dependent on the specific nature of development that occurs and are therefore impossible to assess with reasonable accuracy. Through careful planning and coordination with state agencies, potential impacts can be minimized or mitigated to offset any detrimental impacts that may occur. AHFC will be subject to all applicable State permitting requirements.

The proposed conveyance will not close or vacate any legal easements or RS 2477 trails and several new easements, setbacks, and buffers are proposed ensuring mitigation of impacts to public access, wildlife, and other resources. Full or partial vacation of section-line easements, RS 2477s rights-of-way, easements under AS 38.05.127, and any other easements reserved and managed by DNR will require a separate public process undertaken by both DNR’s Easement Vacation Unit and the Kenai Peninsula’s Platting Division.

E. The State acquired the land by General Grant conveyance which does not affect DNR’s decision to convey the land to AHFC.

Upon statehood, Alaska was granted a land entitlement of 105,000,000 acres of federal land under three types of grants: Community (400,000 acres), National Forest Community (400,000 acres), and General (102,550,000 acres). The 102,550,000 acres of General Grant lands were to be selected from the vacant, unappropriated, and unreserved public lands in Alaska for the

³ *REDOIL*, 311 P.3d 625, 634 (Alaska 2013).

⁴ *ONC v. Boyle*, 579 P.3d 434, 439-440 (Alaska 2025)(quoting Alaska Const. art. VIII, §§ 1–2).

⁵ *REDOIL*, 311 P.3d at 636 (quoting *Greenpeace, Inc. v. State Office of Management and Budget*, 79 P.3d 591, 893–94 (Alaska 2003)) (emphasis added)).

⁶ *Id.*

Preliminary Decision

AS 38.05.810 Public and Charitable – ADL 234803

Page 14 of 20

purpose of furthering the economic development of the State. This general purpose supports a broad latitude of uses, as provided in AS 38.04 and AS 38.05. This includes managing the lands for their “maximum use,” which includes conveying lands for development purposes.

These are General Statehood Grant lands. AHFC intends to use the lands for development of affordable housing. These uses align with the intended purpose of General Grant lands under which the State received title.

F. To conclude, DNR finds that disposal of the identified state lands to AHFC for no cost is in the best interests of the state.

DNR has determined that conveying the parcels at no cost, is in the best interest of the public.

The legislature created AHFC as a state public corporation to invest in and develop housing projects that serve a public purpose and are in the public interest. AHFC would be satisfying its statutory goals, as well as the goals outlined in AS 38.05.810, with the proposed use of the subject parcels. The conveyance will enable AHFC to assist in the acquisition and development of land and the construction, rehabilitation, financing, management, maintenance, sale, and rental of dwelling units for persons of lower and moderate income or for persons in remote, underdeveloped, or blighted areas. Such uses provide a public benefit and serve a clear public purpose.

Conveying this land to AHFC for no cost reduces upfront land and capital costs to accelerate public-purpose development while still providing direct remuneration to the State for services rendered (e.g. survey costs) during the conveyance of the subject parcels. Conveyance at no cost also improves the rate of return on the project and de-risks private investment. This all supports AHFC’s statutory mission by providing the necessary property rights needed to secure investment funding, to construct site improvements, and to develop affordable housing for Alaskans.

In the alternative, DNR could retain the subject parcels. By retaining the parcels, the land would continue to be used primarily for public recreation and would not support creation of affordable housing in the area. By conveying the land to AHFC, DNR would aid in the creation of affordable and quality housing, job creation, and private investment in the Anchor Point/Homer area while still maintaining and protecting public recreation opportunities nearby. As noted in **Section XV Decision Subsection D**, there are potential impacts associated with conveying this land out of state ownership; but DNR believes those impacts can be mitigated by the proposed stipulations and restrictions, or because additional public processes will be required for certain development. For these reasons, DNR finds that given AHFC’s proposed use, retaining the parcel for continued DNR management is not in the public interest and would not serve a public purpose.

XVI. DMLW and Agency Review

Information and comments received from multiple sections within DMLW prior to and during agency review have been considered and included in the preparation of this PD. The conveyance application documents were distributed to State agencies for review from March 27, 2026, to April 27, 2026. The intent of an agency review is to request comments from agencies that may be affected by a conveyance decision. Agencies are given the opportunity to evaluate and comment on AHFC’s land request to determine if the State should retain all or a portion of

Preliminary Decision

AS 38.05.810 Public and Charitable – ADL 234803

Page 15 of 20

the subject lands, and if so, provide supporting reasons for the requested action. Additional timely comments received during the Public Notice period will be considered and addressed in a subsequent FFD, if one is issued.

DNR DMLW received brief comments of non-objection from the following agencies:

DNR Division of Oil and Gas (DOG), and DNR Division of Parks and Outdoor Recreation (DPOR).

DNR DMLW response: DMLW appreciates your review of the proposal.

Alaska Department of Environmental Conservation - Contaminated Sites Program (DEC-CSP): CSP found no sites within 1,500 feet of the proposed project.

DNR DMLW response: DMLW appreciates your review of the proposal.

Department of Transportation and Public Facilities (DOT&PF): DOT&PF offered the following comments:

- North Fork Road and the roadway right of way are part of the State highway system, for which DOT&PF holds 100 ft right of way, per ADL 35902.
- North Fork Road is maintained year-round by DOT&PF Maintenance & Operations (M&O). This includes activities such as signage, vegetation, drainage, gravel and asphalt repairs, and winter snow and ice control, to prolong the life of the roadway and maintain a safe roadway for all users. The roadway during winter months is classified as a Priority 3, meaning that snow and ice control may take up to 24hrs to complete after a winter storm event.
- Access to the North Fork Road requires a driveway or approach permit, which might not be up to date for the proposed uses. Please direct the applicant to coordinate with DOT&PF in advance to ensure existing access is compliant and new or improved access and any related construction activities can be permitted. No access to DOT&PF right of ways without prior, valid authorization is allowed (17 AAC 10.020 - 10.095). Please direct the applicant to <https://dot.alaska.gov/permits/> or the DOT&PF Central Region Right-of-Way Office in Anchorage.

DNR DMLW response: DMLW appreciates your review of the proposal. Comments from DOT&PF will be provided to the applicant via this decision. With the reduction in parcel size, the North Fork Road is no longer within parcel. The south edge of North Fork Road right-of-way (ADL 39502) is now the north boundary of the parcel.

DNR DMLW Public Access Assertion and Defense (PAAD): PAAD offered the following: Parcel should be meandered to the Ordinary High Water Mark (OHWM) and a to-and-along easement established to provide public access per AS 38.05.127. The unnamed tributary flowing southeast through the parcel is anadromous and public water under AS 38.05.126. No known RS 2477 ROWs crossing or adjacent to the proposed project, but Homer Electric Association has an easement bisecting the parcel (ADL 59124).

DNR DMLW response: DMLW appreciates your review of the proposal. The unnamed tributary is locally known as Telephone Creek and will have an easement per AS 38.05.127. The Homer Electric Easement (ADL 59124) lies

Preliminary Decision

AS 38.05.810 Public and Charitable – ADL 234803

Page 16 of 20

north of North Fork Road and does not affect the revised subject parcel, which is limited to land south of the road.

DNR Division of Geology and Geologic Survey (DGGS): DGGS offered several points of information concerning the area. Relevant points are below. All comments received from DGGS are available upon request.

- Suitability For Construction: Areas of clean sand and gravel may be suitable as a material resource, depending on their distribution, thickness, and ice content, as well as the thickness of any fine-grained surface cover. Materials on slopes may be unsuitable as a resource due to potential instability.

Ice-rich areas susceptible to thawing and areas of poor drainage may be unsuitable as foundation material.

Use best construction practices.

DNR DMLW response: DMLW appreciates your review of the proposal. This information will be provided to the applicant via this decision.

Department of Fish and Game (ADF&G): ADF&G had several comments stating their reasons for opposing this project. A summary of their points is below. The entirety of ADF&G's comments is available upon request.

Primary:

- Retain in state ownership to protect Winter Moose Habitat,
- Public Access and Fish Habitat Concerns

Additional:

- Adjacent Exxon Valdez Oil Spill Lands and Recommended Vegetative Buffers
- Adjacent to Anchor River/Fritz Creek Critical Habitat Area
- ADF&G Fish Habitat Permitting for any activities below ordinary high water – contact dfg.hab.info@alaska.gov or (907) 714-2475
- Stream Buffers, Setbacks and State Retention Areas – follow area plan plus 200-foot corridor from ordinary high water
- Nesting Bird habitat
- USFWS Endangered Species and Sensitive Resources.

DNR DMLW response: DMLW appreciates your review of the proposal. DMLW worked with AHFC on these concerns. AHFC agreed to reduce the parcel size and configuration to remove the land north of the road which is the focus of ADF&G's concerns. This mitigates ADF&G concerns. DMLW will provide a copy of the FFD to ADF&G once issued.

Homer Soil and Water Conservation District: The Homer Soil and Water Board is in favor of this concept, but not the location. The entire north side of the road is not appropriate for building on as it is all floodplain.

DNR DMLW response: DMLW appreciates your review of the proposal. AHFC has updated their application to remove land north of the road, which resolves this concern.

Preliminary Decision

AS 38.05.810 Public and Charitable – ADL 234803

Page 17 of 20

The following agencies or groups were included in the agency review, but no comment was received:

- DNR Division of Forestry and Fire Protection
- DNR State Historical Preservation Office
- DNR State Pipeline Coordinator's Office
- DNR Office of Project Management and Permitting
- Department of Commerce, Community and Economic Development, Division of Community and Regional Affairs
- Mental Health Trust Land Office
- U. S. Fish and Wildlife Service

XVII. Submittal of Public Comments

See *Attachment C: Public Notice* for specific dates and conditions.

Pursuant to AS 38.05.945 Notice, DNR is issuing public notice inviting comment on this PD and draft mineral order.

In accordance with AS 38.05.946(a) Hearings, a municipality or corporation entitled to receive notice under AS 38.05.945(c) may hold a hearing within 30 days after receipt of the notice. If a hearing is held, the Commissioner (or representative) shall attend the hearing. The Commissioner has discretion whether or not to hold a public hearing.

DNR will consider all timely, written comments received. If analysis of such comments indicates the need for significant changes to the PD or draft mineral order, additional public notice for the affected lands will be given. Reducing the amount of land offered and making minor changes to any of the proposals will not be considered significant changes requiring additional public notice.

If the proposals are approved and no significant change is required, the PD and draft mineral order, including any deletions, minor changes, and summary of comments and DNR responses, will be issued as a subsequent FFD and Mineral Order 1345 without further notice. The related action will be developed separately. However, approval of any action is dependent upon one another. One action will not proceed without approval of all actions.

Only persons from whom DNR receives timely, written comment during the identified comment period will be eligible to file a request for reconsideration of the FFD and Mineral Order 1345. Upon approval and issuance of an FFD and the related action, a copy of the decision and related action will be made available online at <http://landsales.alaska.gov/> and sent with an explanation of the reconsideration process to any party who provides timely written comment.

DNR is prepared to accommodate individuals with disabilities by providing auxiliary aids, services, or special modifications in order to participate in this review. Individuals who may need such assistance should contact DNR's Public Information Center. For more information refer to *Attachment C: Public Notice*.

**DEADLINE TO SUBMIT WRITTEN COMMENT IS
4:30 PM, MONDAY, AUGUST 31, 2026**

XVIII. Stipulations

Preliminary Decision

AS 38.05.810 Public and Charitable – ADL 234803

Page 18 of 20

If approved for conveyance, the applicant will be required to comply with the following stipulations to complete the land conveyance:

A. Conditions

1. A notice to proceed to survey will be issued if no requests for reconsideration are received or when requests for reconsideration are resolved, after the issuance of the FFD. The applicant must hire a surveyor, and the surveyor must apply to the DMLW Survey Section for Survey Instructions. The applicants survey must be approved by DMLW and the local platting jurisdiction, if any, as set forth in the Survey Instructions. Survey costs must be borne by the applicant.
2. Upon approval and recording of the survey, a notice to proceed to purchase will be issued to the applicant. Within the time period specified in this notice, the applicant must submit the following to DNR:
 - A completed and signed Declaration of Intent form; and
 - Patent application and recording fees. Fees are established under 11 AAC 05.100 Land Disposals, and 11 AAC 05.200 Recorder's Office, and are subject to change. Some fees have been reduced by Director's Order Number 3.
3. Prior to the completion of the purchase and issuance of a state conveyance document, the applicant must remain in good standing with respect to all terms of the Contract for the Sale of Real Property throughout its term, if such a contract is issued. The applicant must also remain in compliance with all applicable State and local ordinances and regulations, including all applicable taxes. Failure to do so may result in termination of the Contract for the Sale of Real Property, if such a contract is issued.

If extenuating circumstances delay any of the stipulations listed above, the applicant is responsible for notifying DNR and receiving approval from DNR for the delay with new timeframes for completion to be given. Failure to do this could result in the closure of the conveyance application. The conveyance cannot be completed until all the above stipulations have been satisfied.

B. Restrictions and Reservations

A conveyance document will be issued subject to the following restrictions and reservations:

1. An easement fifty (50) feet in width for public access, upland, abutting, and running in common with the ordinary high-water mark along each side of the Telephone Creek within the NW1/4SW1/4, Section 28, Township 5 South, Range 14 West, Seward Meridian, Alaska, pursuant to AS 38.05.127 Access to Navigable and Public Water, 11 AAC 51.045 Easements To and Along Navigable and Public Water.
2. A one hundred (100) foot building setback from the ordinary high-water mark on each side of Telephone Creek within the NW1/4SW1/4, Section 28, Township 5 South, Range 14 West, Seward Meridian, in accordance with the Kenai Area Plan, January 2000.

Preliminary Decision

AS 38.05.810 Public and Charitable – ADL 234803

Page 19 of 20

3. Valid existing rights, including reservations, easements, and exceptions in the U.S. Patent, or other State or federal conveyance, and in acts authorizing the issue thereof; easements, rights-of-way, covenants, conditions, reservations, notes on the plat, and restrictions of record, if any.
4. Reservation of the mineral estate pursuant to Section 6(i) of the Alaska Statehood Act and AS 38.05.125 Reservation; and reservation of reasonably necessary access to the mineral estate in accordance with AS 38.05.130 Damages and Posting of Bond.
5. AS 38.05.810(g) Public and Charitable Use states that the commissioner shall retain a reversionary interest on each sale or other disposal granted under AS 38.05810(a) or (e) Public and Charitable Use, unless the reversionary interest is waived. In this case, the commissioner shall waive the reversionary interest clause.

Recommendation follows.

Preliminary Decision

AS 38.05.810 Public and Charitable – ADL 234803

Page 20 of 20

XIX. Recommendation and Preliminary Decision

This PD for the proposed disposal of State lands herein described is consistent with the overall management intent for state-owned land and the public interest

Conveyance of this land to AHFC provides for the maximum and best use of the land and thus is in the best interest of the state. The AS 38.05.810(a) conveyance of land to AHFC, a political subdivision of the State, for less than fair market value utilizes these parcels for the public purpose of providing opportunities for quality affordable housing to the local community.

This is a PD, and analysis of subsequent public review may result in changes. The FFD will address any significant issues or concerns during the public review process. If the applicant is unable to complete the stipulations, DMLW may decide to close this conveyance application.

Finding: The recommended action may be in the best interest of the State. It is hereby approved to proceed to public notice.



for

Approved by: Christianna Colles
Director
Division of Mining, Land and Water
Department of Natural Resources
State of Alaska

July 28, 2026

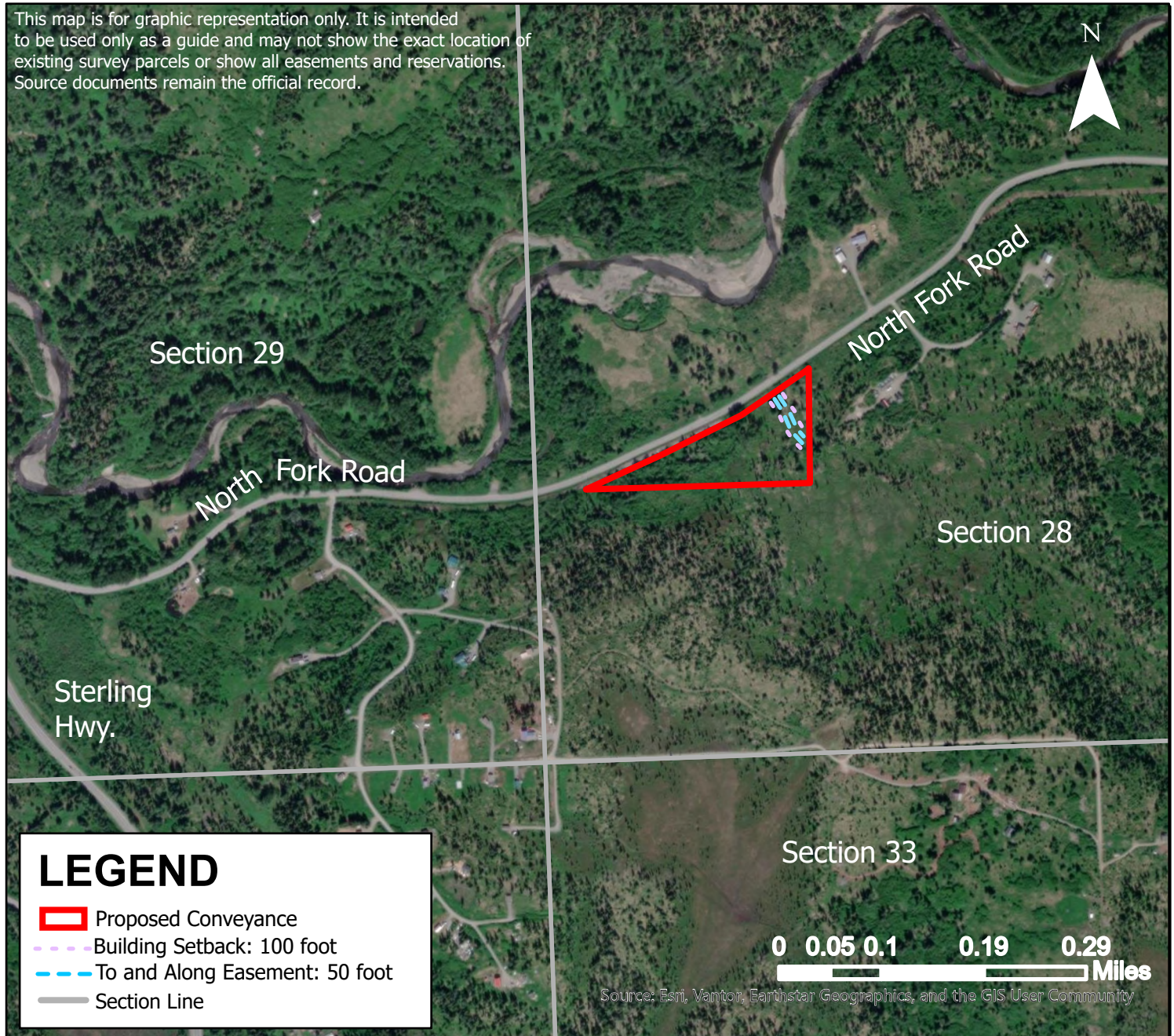
Date of Signature



Attachment A: Vicinity Map

AK Housing Finance Corp., ADL 234803, under AS 38.05.810

This map is for graphic representation only. It is intended to be used only as a guide and may not show the exact location of existing survey parcels or show all easements and reservations. Source documents remain the official record.



Section 28, Township 5 South, Range 14 West, Seward Meridian

USGS Quad 1:63,360 Seldovia C-5

For more information contact:

Andrew Miller

Department of Natural Resources

Division of Mining, Land and Water

Land Conveyance Section

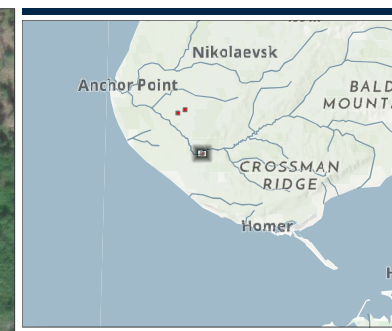
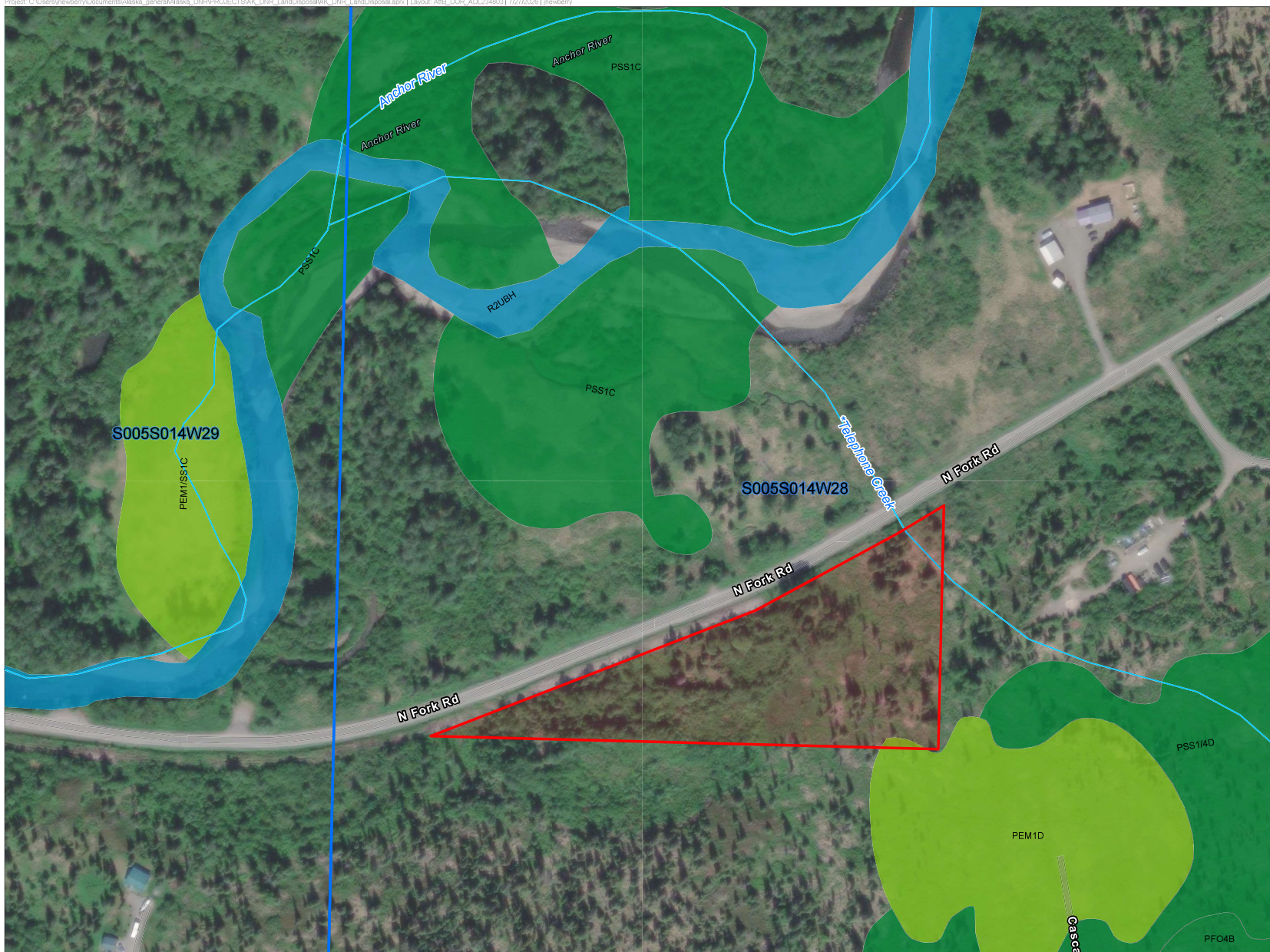
Phone: 907-269-8599

Fax: 907-269-8916

Email: andrew.miller@alaska.gov

KRY 7/16/2026





- ADL234803
- Freshwater Emergent Wetland
- Freshwater Forested/Shrub Wetland
- Riverine
- Anadromous Rivers/Streams
- Public Land Surveying System -Sections

For More Information Contact:
Andrew Miller
Department of Natural Resources
Division of Mining, Land and Water
Land Conveyance Section
Phone: 907-269-6599
Fax: 907-269-6916
Email: Andrew.miller@alaska.gov

Data Sources:
ESRI Streaming Imagery, State Of Alaska GeoPortal



0 200 400 600
Feet

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND AND WATER

Attachment C: PUBLIC NOTICE

**Requesting Input for Proposed Noncompetitive Sale to
Public and Charitable Applicant - ADL 234803
AS 38.05.810**

COMMENT PERIOD ENDS 4:30 PM, MONDAY, AUGUST 31, 2026

The Alaska Department of Natural Resources (DNR), Division of Mining, Land and Water (DMLW) is conducting a public notice for a noncompetitive land sale located approximately 10 miles northwest of Homer in the Kenai Peninsula Borough. The parcel is an unsurveyed portion of land south of the road in NW1/4SW1/4 of Section 28, Township 5 South, Range 14 West, Seward Meridian, Alaska containing approximately 20.00 acres, more or less.

To obtain the notice, Preliminary Decision (PD), draft mineral order (MO) or instructions on submitting comment, go to <https://dnr.alaska.gov/mlw/landsales/> or <https://aws.state.ak.us/OnlinePublicNotices/>. For assistance in obtaining the documents by an alternative method, to request auxiliary aids, services, or special accommodations, contact DNR's Public Information Centers on State work days, Monday through Friday, between 8:30 AM and 4:00 PM in Anchorage at (907) 269-8400 or Fairbanks at (907) 451-2705 or the Southeast Land Office in Juneau at (907) 465-3400 or TTY: 711 for Alaska Relay or 1-800-770-8973 or go to <https://dnr.alaska.gov/commis/pic/> for additional contact information. Individuals who require special assistance must request assistance from the Public Information Center in Anchorage no later than 4:00 PM, Monday, August 24, 2026.

Pursuant to AS 38.05.945 Notice, the public is invited to submit comments on the Preliminary Decision or draft mineral order. **The deadline for public comment is 4:30 PM, MONDAY, AUGUST 31, 2026.** Only persons from whom DNR DMLW receives timely, written comment during the identified comment period will be eligible to file an appeal of the Final Finding and Decision (FFD). Written comment may be received by fax, email, or postal mail. To submit comments or for direct inquiries, contact Andrew Miller by mail at 550 West 7th Ave, Suite 640, Anchorage, AK 99501 or by fax at (907) 269-8916 or by email at andrew.miller@alaska.gov. If you have questions, call Andrew Miller at (907) 269-8599.

If no significant change is required, the PD, including any minor changes and a summary of comments and responses, will be issued as the FFD without further notice. A copy of the FFD will be sent to any persons who commented timely on the PD.

DNR reserves the right to waive technical defects in this notice.

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND AND WATER

DRAFT MINERAL ORDER No. 1345

 X **Closing Lands to Mineral Entry** Opening Lands to Mineral Entry

I. Name of Mineral Order: Noncompetitive Sale for Public and Charitable Use – Alaska Housing Finance Corporation – ADL 234803.

II. Reason for Mineral Order: This Mineral Order is based upon the attached *Commissioner's Administrative Finding*, applicable statutes, and the written justification contained in the following:

- Kenai Area Plan (adopted January 2000);
- Preliminary Decision, Noncompetitive Sale for Public and Charitable Use – Alaska Housing Finance Corporation – ADL 234803, July 28, 2026, and the subsequent Final Finding and Decision for same.

III. Authority: *AS 38.05.185 Generally* and *AS 38.05.300 Classification of Land*.

IV. Location and Legal Description: Located within DNR's Southcentral Region, approximately 10 miles northwest of Homer, Kenai Peninsula Borough, more specifically described as:

ADL 234803: An unsurveyed portion of land south of the road in NW1/4SW1/4 of Section 28, Township 5 South, Range 14 West, Seward Meridian, containing approximately 7 acres, more or less.

V. Mineral Order: This order is subject to valid existing rights and is issued under the authority granted by *AS 38.05.185 – AS 38.05.275* and *AS 38.05.300* to the Alaska Department of Natural Resources. In accordance with *AS 38.05.185(a)*, I find that the best interests of the State of Alaska and its residents are served by the closure of the lands described in this mineral order to entry under mineral location and mining laws of the State of Alaska. The above-described lands are hereby closed to entry under the locatable mineral and mining laws of the State of Alaska.

Approved:

Christianna Colles, Director
Division of Mining, Land and Water
Department of Natural Resources

Date

Approved:

John Crowther, Commissioner
Department of Natural Resources

Date

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND AND WATER

**DRAFT ADMINISTRATIVE
FINDING MINERAL ORDER
NO. 1345
Closing Lands to Mineral Entry**

**Noncompetitive Sale for Public and Charitable Use – Alaska Housing
Finance Corporation – ADL 234803**

Pursuant to *AS 38.05.035 Powers and Duties of the Director*, the State of Alaska, Department of Natural Resources, Division of Mining, Land and Water (DMLW) proposes to issue a Final Finding and Decision to convey State-owned land to Alaska Housing Finance Corporation through a Noncompetitive Sale to Public and Charitable Use Applicant, ADL 234803. As noted in the Preliminary Decision – Alaska Housing Finance Corporation Noncompetitive Sale to Public and Charitable Use Applicant, issued **July 28, 2026**, the subject parcel is within Unit 272 of Region 7 of the Kenai Area Plan. In accordance with the area plan, DMLW proposes to close the entire project area to mineral entry. The attached mineral order includes the legal description of the area to be closed to mineral entry.

DMLW requests the mineral estate of approximately 7 acres, identified in the attached mineral order, be closed to mineral entry and location in accordance with *AS 38.05.300 Classification of Land* for land disposal. Mining activity on the subject parcel would be incompatible with the current and proposed land estate use. The land contains no known mineral deposits and was not selected for mineral values. There are no mining claims on the land.

Public notice of the comment period for the proposed mineral order was conducted in accordance with *AS 38.05.945 Notice*. Review of the comments will be addressed in the final documents.

In accordance with *AS 38.05.185(a) Generally* and *AS 38.05.300 Classification of Land*, I find that the best interests of the State of Alaska and its residents are served by the closure of the land to entry under the mineral location and mining laws of the State of Alaska, as described by Mineral Order (Closing) No. 1345.

Approved:

John Crowther, Commissioner
Department of Natural Resources

Date