

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

PRELIMINARY DECISION
ADL 422799

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

RELATED ACTIONS:
Proposed Amendment to the Eastern Tanana Area Plan
AS 38.04.065
Proposed Land Classification Order
AS 38.04.065 and AS 38.05.300

PUBLIC COMMENT PERIOD ENDS 4:30 PM, TUESDAY, SEPTEMBER 1, 2026

Executive Summary: The State of Alaska (State), Department of Natural Resources (DNR), Division of Mining, Land and Water (DMLW) proposes to convey approximately 220 acres (subject parcels), more or less, of State-owned land in the Fairbanks North Star 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 parcels to AHFC for 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 422799

Attachment A: Vicinity Map

Attachment B: Site Features

Attachment C: Public Notice

The public is invited to comment on the proposed related actions:

Draft Amendment to the Eastern Tanana Area Plan (ETAP) NC-10-004A03

¹ The term “no cost” conveyance is 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 parcels, including but not limited to the costs of survey.

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Draft Land Classification Order CL NC-10-004A03

Primary Proposed Action, Noncompetitive Sale: DNR proposes to convey the subject parcels through a noncompetitive conveyance to AHFC under AS 38.05.810(a) Public and Charitable Use. The subject parcels are located within DNR's Northern Region, approximately 7 miles southwest of Ester, Alaska in the Fairbanks North Star Borough. The legal description for the parcels is Tract D, Alaska State Land Survey 80-118, Rosie Creek Subdivision, according to the plat filed in the Fairbanks Recording District on April 22, 1981, as Plat No. 81-66, and Tract E, Alaska State Land Survey 80-118, Rosie Creek Subdivision, according to the plat filed in the Fairbanks Recording District on April 22, 1981, as Plat No. 81-66, excepting the NW1/4 NW1/4 of Section 1, T2S R3W F.M., Alaska according to ASLS 80-118, aggregating 220 acres, more or less.

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

Proposed Related Actions: The related actions will be developed separately; however, public notice is being conducted concurrently.

Amendment to the Eastern Tanana Area Plan: DNR proposes to amend the Eastern Tanana Area Plan (ETAP, adopted August 2015). The amendment will create subunit F-18A, a new subunit with a designation of Settlement (Se) and classification of Settlement Land. This new subunit will encompass the subject parcels only. There will be no changes to designations, classifications, management intent, or guidelines for the remainder of land within Unit F-18. Refer to Section **VIII. Planning, Classification, and Mineral Orders** for more information on this proposed related action.

Land Classification Order: In relation to the Area Plan Amendment, DNR proposes to classify the subject parcels in a Land Classification Order to Settlement Land. Refer to Section **VIII. Planning, Classification, and Mineral Orders** for more information on this proposed related action.

These related actions will be developed separately. However, approval of each proposed action is dependent upon approval of the others; one action will not proceed without the approval of all other related actions.

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 422799), draft Amendment to the ETAP NC-10-004A03 and draft Land Classification Order NC-10-004A03.

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 actions and identifying any changes from the Preliminary Decision.

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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 for no cost if commissioner "ensures...that disposals of lands under this subsection serve[s] a public purpose and are in the public interest." In doing so, DNR must consider "the terms of 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.

Related actions are supported by statutory authority, AS 38.04.065 Land Use Planning and Classification, AS 38.05.300 Classification of Land, and AS 38.05.185 Generally allow for amendments to area plans and land classifications.

III. Administrative Record

The case file for Alaska Divisions of Lands (ADL) 422799 constitutes the administrative record for this proposed action. Also incorporated by reference are:

- Eastern Tanana Area Plan (ETAP, adopted August 2015) and associated land classification files;
- DNR case file: GS 541, ASLS 80-118, MCO 176;
- Federal patent No. 50-66-0351 and No. 50-89-0377;
- United States Fish & Wildlife Service (USFWS) National Wetlands Inventory Mapper; and
- USFWS Information for Planning and Consultation (IPaC).

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

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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 actions will be issued concurrently with the FFD. These actions are described in more detail in Section **VIII. Planning, Classification, and Mineral Orders** of this document.

V. Description

- a. Location: The subject parcels are located within DNR’s Northern Region, approximately 7 miles southwest of Ester, Alaska in the Fairbanks North Star Borough, within Section 1, Township 2, Range 3 West, Fairbanks Meridian. See *Attachment A: Vicinity Map* for additional information.

USGS Map Coverage: Fairbanks D-3

Platting Authority: Fairbanks North Star Borough

Regional Corporation: Doyon, Limited

Village Corporation: None

Federally Recognized Tribes: None

- b. Legal Description:
Tract D, Alaska State Land Survey 80-118, Rosie Creek Subdivision, according to the plat filed in the Fairbanks Recording District on April 22, 1981, as Plat No. 81-66, AND Tract E, Alaska State Land Survey 80-118, Rosie Creek Subdivision, according to the plat filed in the Fairbanks Recording District on April 22, 1981, as Plat 81-66, EXCEPTING the NW1/4NW1/4 of Section 1, T2S R3W F.M., Alaska according to ASLS 80-118, aggregating 220 acres, more or less.

VI. Title

Title Report Numbers 24339 and 24368, current as of April 28, 2026, indicate that the State holds fee title to the land under Patent No. 50-89-0377, dated July 31, 1989. The applicable State case file is General Grant (GS) 541. These parcels are subject to valid existing rights, such as 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

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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 provide 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.

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.

Alaska Native Interest: The subject lot is within the boundaries of Doyon, Limited regional corporation. There are no Alaska Native interests identified within these parcels.

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 subject parcels as part of Patent No. 50-66-0351, originally issued on February 17, 1966. The amended Patent No. 50-89-0377 was issued June 13, 1989. Tracts D and E were created as part of ASLS 80-118, Plat 81-66 in 1981 as part of the Rosie Creek Subdivision.

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

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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 422799. 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.
- 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.

AHFC anticipates one new housing unit to be built per 0.75 buildable acres, depending on water and sewer availability and anticipates that most housing will be developed adjacent to Rosie Creek Trail.

The current use of the subject parcels is primarily use of existing trails for public recreation, hunting, trapping, access to Rosie Creek, and access to other trail systems in the area.

The subject parcels are closed to mineral entry by Mineral Closing Order 176.

VIII. Planning, Classification, and Mineral Orders

Planning

The subject parcels are located within the Eastern Tanana Area Plan (ETAP, adopted August 2015), Fairbanks Region, Unit F-18. The plan designates the subject parcel as Settlement which converts to the classification Settlement Land under Land Classification Order No. NC-10-004. The project area comprises only a small portion, approximately 220 acres, of the more than 6,300-acre unit. DNR reviewed the area-wide management guidelines and unit specific management intent of the ETAP for consistency with the proposed offering.

The management intent for unit F-18 states “Except for potential reoffers of lots returned to the state, further land disposals within this unit are not appropriate. The remaining areas of the unit, occupied by tracts, are to be retained in state ownership. Portions of this unit are affected by LLO 39.”

DNR is proposing to amend the ETAP to create a new subunit consisting only of the subject parcels with management intent that allows disposals of land under AS 38.05.810. The subject parcels are appropriate for settlement and disposal due to accessibility, consistency with adjacent settlement uses, and a need for community development.

Area-wide Considerations: DNR reviewed ETAP’s Chapter 2 Areawide Land Management Policies and will incorporate these considerations into the disposal. Lands to be retained in public ownership, conditions, and reservations will be included in the conveyance document and plats, where applicable. Specific area-wide management intent and management guidelines affecting this proposal are discussed below.

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Coordination and Public Notice: Management guidelines provide that public notice in accordance with AS 38.05.945 is required for decisions involving the sale, lease, or disposal of (or interests in) land, property, or resources. Notice will be given to parties known or likely to be affected by an action proposed by the state or an applicant to the state. Public notice is being conducted in accordance with AS 38.05.945. Refer to **Section XVII. Submittal of Public Comments** for more information.

Fish and Wildlife Habitat Areas: The Resource Allocation Table for unit F-18 states moose wintering occurs throughout the spatially separated subunits and calving and rutting habitat are present in portions of the unit. Impacts to fish and wildlife habitat will be mitigated by the small size of the development relative to the size of the unit, any development will be localized and sited near existing residential development, and by implementing a riparian buffer on Rosie Creek. Refer to the Easements, Setbacks, and Reservations subsection for more information.

Public Access: DNR assessed the need for public access prior to the proposed disposal of the subject parcels and identified the need to create a public access easement (50) feet in width, 25 feet on either side of the centerline of Department of Transportation (DOT) trail (73E-System registered in 1973 DOT Trail inventory) to maintain access within the area of state land. Refer to the Easements, Setbacks, and Reservations subsection for more information.

Settlement: Goals regarding settlement provide that DNR will offer land suitable for settlement purposes. This includes seasonal residences for recreation, year-round residences for community expansion, and industrial or commercial development. Applicable management guidelines include Planning and Coordination; Protection, Management, and Enhancement of Other Resources; and Design. DNR should retain buffer areas, public use corridors, stream corridors, legal access, and other public facilities are appropriate to help preserve important habitat, recreational, and public use areas. AHFC's intent to construct new housing on Tracts E and D which support the plan's settlement goals.

Shorelands and Stream Corridors: Rosie Creek is identified in the ETAP as a navigable waterbody significant for public recreation and is designated Public Recreation-Dispersed, which converts to the classification of Public Recreation Land. 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, the department recognizes the demand for property along streams and will provide land for private purchase in some stream corridors. A 50-foot easement for public access, a 100-foot Fresh Waterbody Buffer, and a 50-foot Building Setback will be reserved along the Ordinary High Water (OHW) of Rosie Creek. Refer to the Easements, Setbacks, and Reservations subsection for more information.

Subsurface Resources: Management guidelines note that some lands within the planning area may be subject to a Leasehold Location Order or a Mineral Order. Land status research indicated that the subject parcels are closed to mineral entry under Mineral Closing Order 176.

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The proposed conveyance will be consistent with area-wide land management policies and general management intent of the ETAP, and unit specific management intent if the proposed Area Plan Amendment and Land Classification Order are approved in accordance with AS 38.04.065 Land Use Planning and Classification, AS 38.05.300 Classification of Land, and AS 38.05.185 Generally. Currently, the project area is designated and classified Settlement; however, the management intent unit F-18 is inconsistent with the purposes of this conveyance, an amendment to the ETAP is required. The proposed amendment and associated Land Classification Order will create a new management unit, F-18A, designated and classified Settlement, with updated management intent that allows the conveyance of the subject parcel to AHFC.

AS 38.04.065(b) Requirements: The factors identified in this section of statute have been considered in this plan amendment and the proposed action is consistent with that portion of statute.

Area Plan Amendment: DNR proposes to amend the 2015 Eastern Tanana Area Plan to create a new management unit, Unit F-18A, designated Settlement and classified Settlement Land. with associated new management intent. This amendment only affects the subject parcels proposed for conveyance. The management intent for Unit F-18A The management intent for unit F-18A will be “Public and Charitable land disposals under AS 38.05.810 are appropriate during the planning period. See Chapter 2 requirements for management guidelines related to Settlement.”

Land Classification Order: In relation to the proposed Area Plan amendment, DNR proposes to classify the newly created management subunit F-18A Settlement Land.

Mineral Order

The subject parcels are closed to mineral entry by Mineral Closing Order 176.

Local Planning

The project area is zoned GU-1, General Use-1 (Tract E) and OSB, Open Space Buffer (Tract D) by the Fairbanks North Star Borough. The applicant should research zoning regulations and work with the Fairbanks North Star Borough to ensure intended use of the proposed conveyance aligns with local planning guidelines.

Flood Risk

Both parcels are within a Zone X by the Federal Emergency Management Agency (FEMA), indicating that the area presents minimal, if any, flood hazard, which can be seen mapped on the Flood Insurance Rate Map panel 02090C4320J.

IX. Traditional Use Findings

The subject parcels are located within the Fairbanks North Star Borough, and a traditional use finding is therefore not required per AS 38.05.830 Land Disposal in the Unorganized Borough. Additional information on traditional use is welcome during the public comment period, and if this proposal is approved, DNR will address the information received in a subsequent FFD, if one is issued. See Section **XVII. Submittal of Public Comments** and *Attachment C: Public Notice* for details on how to submit a comment.

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

Public Access

Legal access is by platted Right of Way Rosie Creek Trail, connecting with Cripple Creek Road to the Parks Highway.

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 section has determined that Rosie Creek, which flows through Tract E, is public water for the purposes of AS 38.05.127 based on size as described in 11 AAC 51.035. There are indications of public recreation usage and by the definition of public water in AS 38.05.965(21) the public use of the stream makes this waterbody public water for the purposes of AS 38.05.127. Due to this determination and the existing public use of Rosie Creek and nearby trails, a public access easement 50-feet landward from ordinary high water on either side of Rosie Creek will be established in accordance with AS 38.05.127.

Easements and Setbacks

The subject parcels do not currently have any RS 2477 rights-of-way, utility easements, or public access easements.

Pursuant to 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. The section lines within Tract E are surveyed. Hence, the exact location of the section line easements can be identified. The estimated location of these easements is shown on *Attachment A: Vicinity Map*. There are no section lines within Tract D.

Public access has been historically honored via Department of Transportation (DOT) trail (73E-System registered in 1973 DOT Trail inventory) that runs through the southwest corner of Tract E to meet Rosie Creek. A 50-foot public access easement will be established for DOT Trail “73E-System” and will be included in the survey and patent.

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 right-of-way easement fifty (50) feet in width along each side of the surveyed section line common to Sections 1 and 2, Township 2 South, Range 3 West, Fairbanks Meridian, pursuant to AS 19.10.010 Dedication of Land for Public Highways, 11 AAC 51.025 Section Line Easements, and AS 19.25.010 Use of Rights-of-way for Utilities;
- A right-of-way easement fifty (50) feet in width along each side of the surveyed section line common to Sections 1, Township 2 South, Range 3 West, Fairbanks

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Meridian, and Section 36, Township 1 South, Range 3 West, Fairbanks Meridian, pursuant to AS 19.10.010 Dedication of Land for Public Highways, 11 AAC 51.025 Section Line Easements, and AS 19.25.010 Use of Rights-of-way for Utilities;

- A right-of-way easement fifty (50) feet in width along each side of the surveyed section line common to Sections 1, Township 2 South, Range 3 West, Fairbanks Meridian, and Section 6, Township 2 South, Range 2 West, Fairbanks Meridian, pursuant to AS 19.10.010 Dedication of Land for Public Highways, 11 AAC 51.025 Section Line Easements, and AS 19.25.010 Use of Rights-of-way for Utilities;
- An easement fifty (50) feet in width for public access, upland, abutting, and running in common with the ordinary high-water mark along either side of Rosie Creek within Tract E, Alaska State Land Survey 80-118, Rosie Creek Subdivision, according to the plat filed in the Fairbanks Recording District on April 22, 1981, as Plat No. 81-66, Alaska according to ASLS 80-118, pursuant to AS 38.05.127 Access to Navigable and Public Water, 11 AAC 51.045 Easements To and Along Navigable and Public Water;
- A public access easement (50) feet in width, 25 feet on either side of the centerline of Department of Transportation (DOT) trail (73E-System registered in 1973 DOT Trail inventory) within Tract E, Alaska State Land Survey 80-118, Rosie Creek Subdivision, according to the plat filed in the Fairbanks Recording District on April 22, 1981, as Plat No. 81-66, Alaska according to ASLS 80-118.
- A 50-foot building setback upland, abutting, and running in common with the ordinary high-water mark along either side of Rosie Creek within Tract E, Alaska State Land Survey 80-118, Rosie Creek Subdivision, according to the plat filed in the Fairbanks Recording District on April 22, 1981, as Plat No. 81-66, Alaska according to ASLS 80-118 pursuant to the Eastern Tanana Area Plan.
- A 100-foot riparian buffer upland, abutting, and running in common with the ordinary high-water mark along either side of Rosie Creek within Tract E, Alaska State Land Survey 80-118, Rosie Creek Subdivision, according to the plat filed in the Fairbanks Recording District on April 22, 1981, as Plat No. 81-66, Alaska according to ASLS 80-118, pursuant to the Eastern Tanana Area Plan.
- 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.

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.

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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 parcels according to the Alaska Department of Environmental Conservation Contaminated Sites Program (DEC CSP).

The applicant is expected to inspect the subject parcels 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

The subject parcels are determined to be unsurveyed despite the existing Alaska State Land Survey 80-118, Rosie Creek Subdivision, according to Plat No. 81-66, filed in the Fairbanks Recording District on April 22, 1981. These two parcels do not meet the State's survey criteria for conveyance. For Tract E, a subdivision plat (Alaska State Land Survey) will be required to meet State and Fairbanks North Star Borough requirements and exclude the portion conveyed to the Mental Health Trust Authority. For Tract D, a Record of Survey would be sufficient to satisfy State survey criteria and would not require platting authority approval.

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 parcels that should be taken into consideration during disposal and future development of the parcels:

According to USFWS's IPaC tool, there are no threatened or endangered species or critical habitat identified on the subject parcels.

The National Wetlands Inventory Map shows that the following categories of wetlands are found on the subject parcels (see *Attachment B: Site Features*).

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- Tract E contains:
 - Palustrine, Scrub-Shrub, Broad-Leaved Deciduous, Needle-Leaved Evergreen, Seasonally Saturated (PSS1/4B)
 - Palustrine, Forested, Needle-Leaved Evergreen, Seasonally Saturated (PFO4B)
 - Palustrine, Scrub-Shrub, Broad-Leaved Deciduous, Needle-Leaved Evergreen, Seasonally Flooded (PSS1/4C)
 - Palustrine, Forested, Needle-Leaved Evergreen, Scrub-Shrub, Broad-Leaved Deciduous, Seasonally Saturated (PFO4/SS1B)
 - Palustrine, Emergent, Persistent, Scrub-Shrub, Broad-Leaved Deciduous, Seasonally Flooded (PEM1/SS1C)
 - Palustrine, Unconsolidated Bottom, Permanently Flooded, Beaver (R5UBH)
 - Palustrine, Scrub-Shrub, Needle-Leaved Evergreen, Broad-Leaved Deciduous, Seasonally Saturated (PSS4/1B)
- Tract D contains:
 - Palustrine, Scrub-Shrub, Needle-Leaved Evergreen, Broad-Leaved Deciduous, Seasonally Saturated (PSS4/1B).
 - Palustrine, Forested, Needle-Leaved Evergreen, Seasonally Saturated (PFO4B)

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

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 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 Findings 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 for no cost 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

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AS 38.05.810 Public and Charitable Use – ADL 422799

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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.

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 and anticipates that most housing will be developed adjacent to Rosie Creek Trail.

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 Fairbanks North Star Borough, and is in close proximity to Fairbanks, 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.”

² 11 AAC 98.010 Public Purpose.

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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 parcels 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 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 these parcels 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 approximately 220 acres of land out of state ownership for the purpose of developing affordable housing. The cumulative impacts that may result from conveyance of the subject parcels 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 proposed ensure 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

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.*

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managed by DNR will require a separate public process undertaken by both DNR's Easement Vacation Unit and the Fairbanks North Star 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 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. AHFC's proposed use aligns 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 for no cost is in the best interest of the state and in doing so that the conveyance serves a public purpose and is in the public interest.

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 Fairbanks area while still maintaining and protecting public recreation opportunities. 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

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development. For these reasons, DNR finds that given AHFC's proposed use, retaining the parcels 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 28, 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 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:

Department of Transportation and Public Facilities (DOT&PF), 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 (CSP):

CSP found no sites within 1,500 feet of the proposed project and does not have any comments related to this information request. If the scope of the project changes, update research and contact CSP as needed.

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

Alaska Department of Fish & Game (ADF&G): An Area Plan Amendment may be required prior to conveyance of subject parcels. Restrictions to access Rosie Creek Trail system could result in significant impacts. Maintaining trail connectivity and public access should be incorporated into project design. Impacts to small game species are expected to be minor as they are unlikely to rely heavily on the subject parcels. A 50-foot riparian buffer on both sides of Rosie Creek, as well as 50-foot setbacks from the Ordinary High Water Mark, is recommended. Disturbance of wetlands and sensitive habitat should be minimized, and protection easements up to 100 feet may be needed to maintain hydrology, habitat connectivity and reduce erosion risk. Use of the USFWS IPaC tool to identify Endangered Species Act-listed species in the project area is recommended. A copy of the final decision document is requested, once issued.

DNR DMLW response: DMLW appreciates your review of the proposal. Your comments have been incorporated into this PD. A public access easement and building setback 50-feet landward from ordinary high water on either side of Rosie Creek and a riparian buffer 100-feet landward from ordinary high water on either side of Rosie Creek will be established and included in the survey and patent. DMLW will provide a copy of the FFD to ADF&G once issued.

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DNR DMLW Land Conveyance Section, Project Development Team: Site may consist of permafrost and poorly drained soils. Recommends that applicants evaluate whether the soil and drainage conditions of the parcels would support housing foundations, wastewater systems, and costs of construction.

DNR DMLW response: DMLW appreciates your review of the proposal. Your comments have been noted and will be provided to the applicant via this decision.

DNR DMLW Public Access Assertion and Defense (PAAD): The subject parcels are too narrow to qualify as public water under AS 38.05.127. No known RS 2477 rights-of-way crossing or adjacent to parcels. DOT Trail “73E-System” registered in 1973 DOT Trail Inventory is visible on aerial imagery of site (Tract E). Public access should be included in the replat or Decision and Patent.

DNR DMLW response: DMLW appreciates your review of the proposal. Comments from DNR DMLW Public Access Assertion and Defense have been incorporated into this PD. A 50-foot public access easement will be established for DOT Trail “73E-System” and will be included in the survey and patent.

DNR DMLW Resource Assessment & Development Section (RADS): Consulting with RADS regarding possible area plan amendment details for the decision document, is recommended. Reviewing Rosie Creek subdivision document for intentions of subject parcels during that period. Consulting with Army Corp of Engineers regarding set-backs for construction activities from wetlands on the parcels is recommended. Rosie Creek is designated as Public Recreation water, and it is recommended that management intent and goals for public recreation are considered.

DNR DMLW response: DMLW appreciates your review of the proposal. Comments from RADS have been incorporated into this PD. An area plan amendment is included with this decision as a related action. A public access easement and building setback 50-feet landward from ordinary high water on either side of Rosie Creek and a riparian buffer 100-feet landward from ordinary high water on either side of Rosie Creek will be established and included in the survey and patent.

DNR Division of Geological and Geophysical Survey (DGGS): DGGS provided information regarding geologic units within the subject parcels, suitability for constructions, permafrost, susceptibility to frost action, thaw stability, drainage and potential flooding, and seismic, landslide, volcanic, and radon hazards. DGGS recommends following EPA guidelines for radon testing and using best construction practices to address the above listed factors.

DNR DMLW response: DMLW appreciates your review of the proposal. Your comments have been noted and will be provided to the applicant via this decision.

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

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- Department of Commerce, Community and Economic Development
- DNR Division of Forestry and Fire Protection (DF&FP)
- DNR Office of Project Management and Permitting
- DNR State Pipeline Coordinator's Office
- DNR State Historical Preservation Office
- Mental Health Trust Land Office
- U.S. Fish and Wildlife Service
- Fairbanks Soil and Water Conservation District

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, draft area plan amendment, and draft land classification 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, draft area plan amendment, and draft land classification 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, draft land classification order, or draft area plan amendment including any deletions, minor changes, and summary of comments and DNR responses, will be issued as a subsequent FFD, ETAP Amendment NC-10-004A03, and Land Classification Order NC-10-004A03 without further notice. The related actions 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. Upon approval and issuance of an FFD, the Area Plan Amendment and associated Land Classification Order NC-10-004A03, a copy of the decision, amendment, and order 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, TUESDAY, SEPTEMBER 1, 2026**

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XVIII. Stipulations

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 reconsiderations are received, or when requests for reconsiderations 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 applicant's 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 purchase application. The purchase 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. A right-of-way easement fifty (50) feet in width along each side of the surveyed section line common to Sections 1 and 2, Township 2 South, Range 3 West, Fairbanks Meridian, pursuant to AS 19.10.010 Dedication of Land for Public Highways, 11 AAC 51.025 Section Line Easements, and AS 19.25.010 Use of Rights-of-way for Utilities;
2. A right-of-way easement fifty (50) feet in width along each side of the surveyed section line common to Sections 1, Township 2 South, Range 3 West, Fairbanks Meridian, and Section 36, Township 1 South, Range 3 West, Fairbanks Meridian, pursuant to AS 19.10.010 Dedication of Land for Public

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Highways, 11 AAC 51.025 Section Line Easements, and AS 19.25.010 Use of Rights-of-way for Utilities;

3. A right-of-way easement fifty (50) feet in width along each side of the surveyed section line common to Sections 1, Township 2 South, Range 3 West, Fairbanks Meridian, and Section 6, Township 2 South, Range 2 West, Fairbanks Meridian, pursuant to AS 19.10.010 Dedication of Land for Public Highways, 11 AAC 51.025 Section Line Easements, and AS 19.25.010 Use of Rights-of-way for Utilities;
4. An easement fifty (50) feet in width for public access, upland, abutting, and running in common with the ordinary high-water mark along either side of Rosie Creek within Tract E, Alaska State Land Survey 80-118, Rosie Creek Subdivision, according to the plat filed in the Fairbanks Recording District on April 22, 1981, as Plat No. 81-66, Alaska according to ASLS 80-118, pursuant to AS 38.05.127 Access to Navigable and Public Water, 11 AAC 51.045 Easements To and Along Navigable and Public Water;
5. A public access easement (50) feet in width, 25 feet on either side of the centerline of Department of Transportation (DOT) trail (73E-System registered in 1973 DOT Trail inventory) within Tract E, Alaska State Land Survey 80-118, Rosie Creek Subdivision, according to the plat filed in the Fairbanks Recording District on April 22, 1981, as Plat No. 81-66, Alaska according to ASLS 80-118.
6. A 50-foot building setback upland, abutting, and running in common with the ordinary high-water mark along either side of Rosie Creek within Tract E, Alaska State Land Survey 80-118, Rosie Creek Subdivision, according to the plat filed in the Fairbanks Recording District on April 22, 1981, as Plat No. 81-66, Alaska according to ASLS 80-118, pursuant to the Eastern Tanana Area Plan.
7. A 100-foot riparian buffer upland, abutting, and running in common with the ordinary high-water mark along either side of Rosie Creek within Tract E, Alaska State Land Survey 80-118, Rosie Creek Subdivision, according to the plat filed in the Fairbanks Recording District on April 22, 1981, as Plat No. 81-66, Alaska according to ASLS 80-118, pursuant to the Eastern Tanana Area Plan.
8. 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.
9. 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.
10. 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 38.05.810(a) or (e) Public and Charitable Use, unless the reversionary interest is waived. In this case, the commissioner shall waive the reversionary interest clause.

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Recommendation follows.

Recommendation and Preliminary Decision

This PD for the proposed disposal of State lands described herein 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 purchase 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 29, 2026

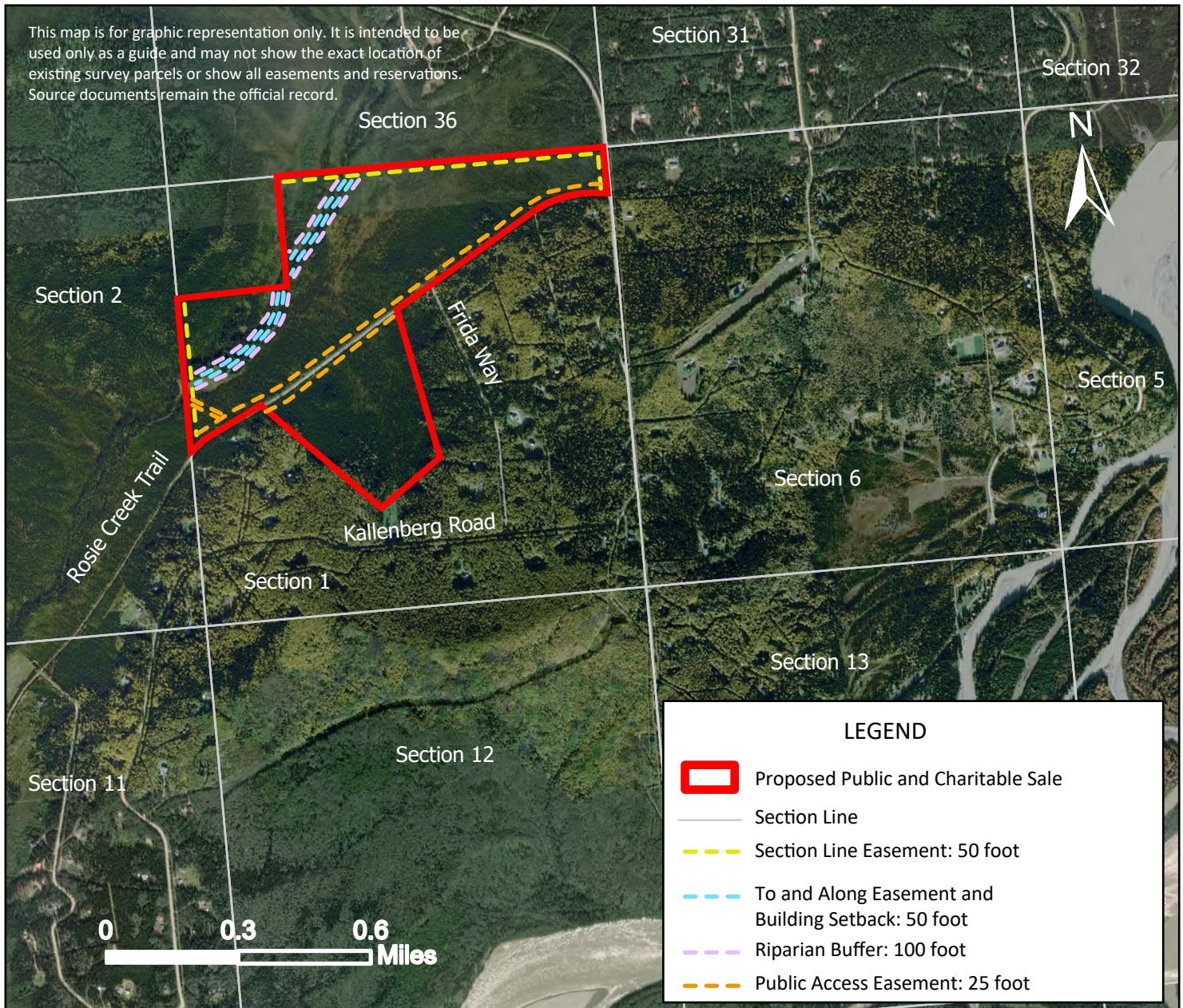
Date of Signature



Attachment A : Vicinity Map

Alaska Housing Finance Corporation - ADL 422799

Proposed Noncompetitive Conveyance AS 38.05.810

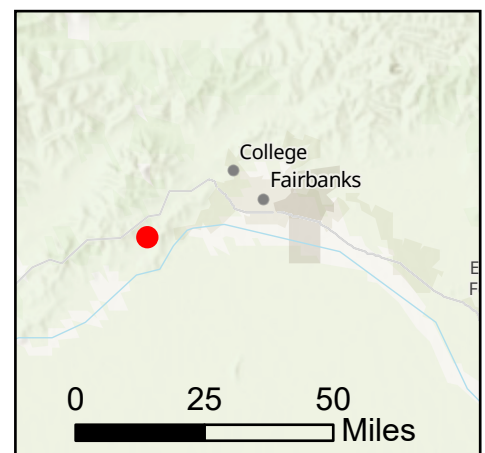


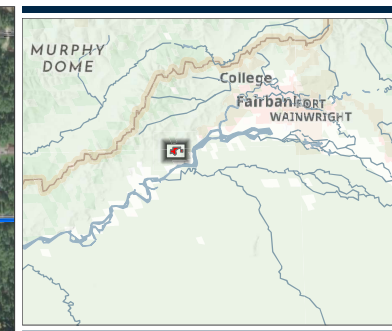
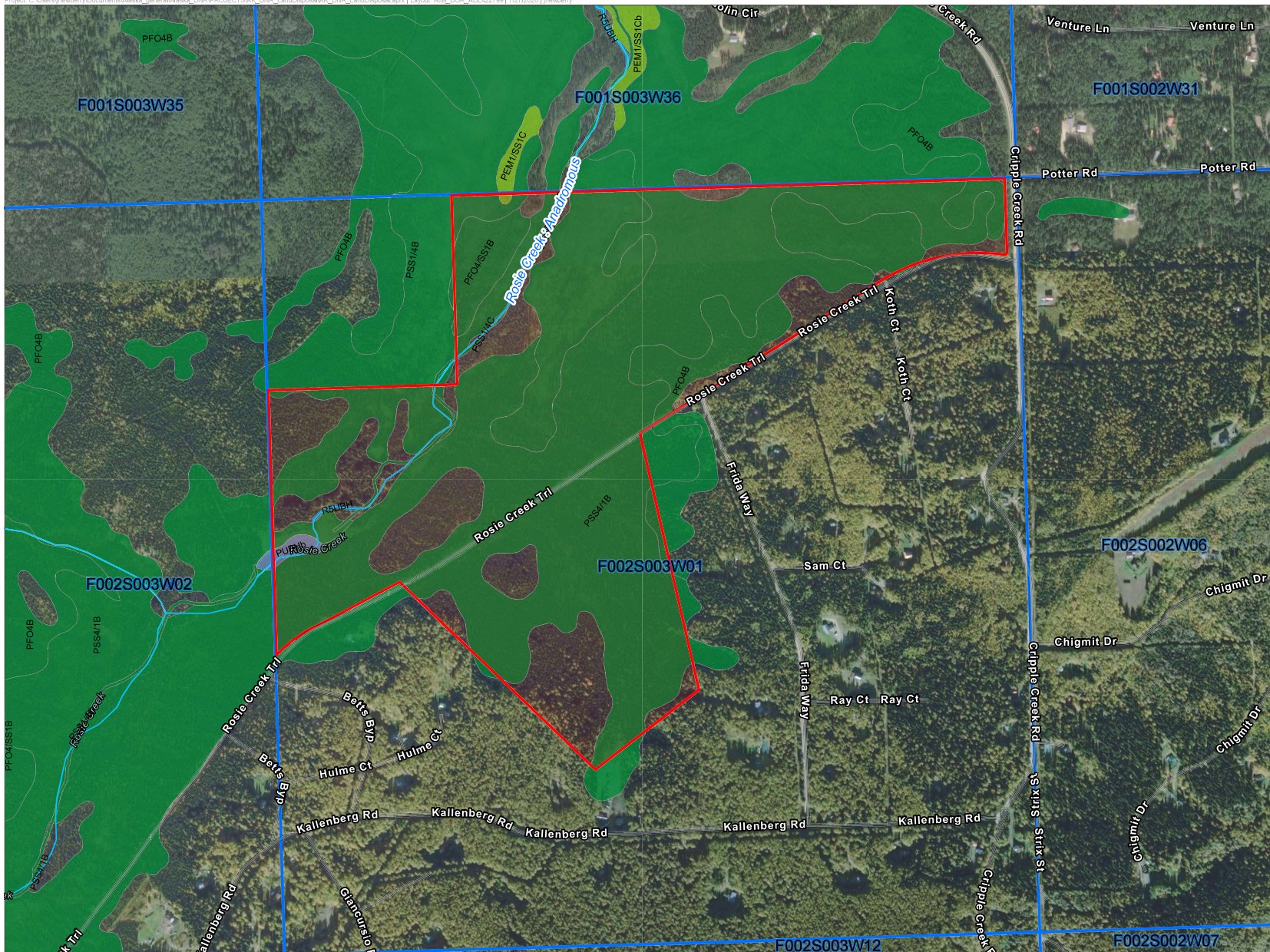
USGS Quad 1:63,360: Fairbanks D-3

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

CM 7/28/2026

Portions of Section 1, Township 2S,
 Range 3W, Fairbanks Meridian

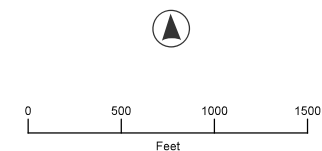




- ▭ ADL422799
- ~ River
- Freshwater Emergent Wetland
- Freshwater Forested/Shrub Wetland
- Freshwater Unconsolidated Bottom
- ▭ Riverine
- ▭ Public Land Surveying System -Sections

For More Information Contact:
 Andrew Miller
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 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



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 Use Applicant - ADL 422799
AS 38.05.810**

COMMENT PERIOD ENDS 4:30 PM, TUESDAY, SEPTEMBER 1, 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 seven miles southwest of Ester, in the Fairbanks North Star Borough. The legal description for the parcel is Tract D, Alaska State Land Survey 80-118, Rosie Creek Subdivision, according to the plat filed in the Fairbanks Recording District on April 22, 1981, as Plat No. 81-66, AND Tract E, Alaska State Land Survey 80-118, Rosie Creek Subdivision, according to the plat filed in the Fairbanks Recording District on April 22, 1981, as Plat 81-66, EXCEPTING the NW1/4NW1/4 of Section 1, T2S R3W F.M., Alaska according to ASLS 80-118, aggregating 220 acres, more or less.

To obtain the notice, Preliminary Decision (PD), 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, Tuesday, August 25, 2026.

Pursuant to AS 38.05.945 Notice, the public is invited to submit comments on the Preliminary Decision. **The deadline for public comment is 4:30 PM, TUESDAY, SEPTEMBER 1, 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 EASTERN TANANA AREA PLAN AMENDMENT
NC-10-004A03

Management Unit F-18: Fairbanks Region, Subunit F-18A

related to the
**Proposed Alaska Housing Finance Corporation Noncompetitive Public and
Charitable Use Sale – ADL 422799**

The Commissioner of the State of Alaska, Department of Natural Resources (DNR) finds that the following amendment to the Eastern Tanana Area Plan, described more fully in the Attachment, meets the requirements of AS 38.04.065 *Land Use Planning and Classification* and 11 AAC 55.010-030 *Land Planning and Classification* for land use plans and hereby adopts the amendment. The Department of Natural Resources will manage state lands within the area of the revision consistent with this designation and management intent.

- Designation: The amendment will create subunit F-18A, a new subunit encompassing only the subject parcels identified in the Alaska Housing Finance Corporation Noncompetitive Public and Charitable Use Sale serialized as ADL 422799, by transferring approximately 220 acres from unit F-18 to unit F-18A. The designation of unit F-18A will be Settlement, and unit F-18 will retain the existing designation of Settlement.
- Classification: Unit F-18A will be classified Settlement Land. Unit F-18 will retain the classification of Settlement Land.
- Management Intent: The management intent for unit F-18A will be “Public and Charitable land disposals under AS 38.05.810 are appropriate during the planning period. See Chapter 2 requirements for management guidelines related to Settlement.” The management intent for the remainder of unit F-18 will remain unchanged.

John Crowther, Commissioner
Department of Natural Resources

Date

ATTACHMENT

to the
DRAFT EASTERN TANANA AREA PLAN AMENDMENT
NC-10-004A03

Fairbanks Region, Unit F-18 and Subunit F-18A

related to the
**Proposed Alaska Housing Finance Corporation Noncompetitive Public and
Charitable Use Sale – ADL 422799**

Location and Legal Description of new subunit F-18A: Located within DNR's Northern Region, approximately 7 miles southwest of Ester, Alaska in the Fairbanks North Star Borough, more specifically described as:

Tracts D and E of Alaska State Land Survey No. 80-118, according to the plat recorded in the Fairbanks recording district on April 22, 1981, as plat No 81- 66, excluding the NW 1/4, containing approximately 220 acres.

Authority: The authority to revise plans derives from AS 38.04.065(a) and AS 38.04.065(b) *Land Use Planning and Classification*; and 11 AAC 55.030(f) *Land Use Plan*, defines when a revision constitutes a plan amendment.

Current Plan: The subject parcels are located within the Eastern Tanana Area Plan (ETAP, adopted August 2015), Fairbanks Region, Unit F-18. The plan designates the subject parcel as Settlement which converts to the classification Settlement Land. The management intent for unit F-18 states "Except for potential reoffers of lots returned to the state, further land disposals within this unit are not appropriate. The remaining areas of the unit, occupied by tracts, are to be retained in state ownership. Portions of this unit are affected by LLO 39."

- Proposed Plan Amendment: DNR proposes to amend the ETAP to create new subunit F-18A. The new subunit will be created by transferring approximately 220 acres, encompassing the subject parcels, from existing unit F-18 to the newly created subunit F-18A. Subunit F-18A will be designated Settlement and classified Settlement Land. The management intent for unit F-18A will be "Public and Charitable land disposals under AS 38.05.810 are appropriate during the planning period. See Chapter 2 requirements for management guidelines related to Settlement." The management intent for the remainder of unit F-18 will remain unchanged.

Explanation: The Eastern Tanana Area Plan was adopted in August 2015. Residential development on state land within the planning area prior to the plan's adoption was relatively modest, with most of the growth occurring with the Fairbanks metropolitan area and at the small communities along the Richardson Highway. It has also occurred along the major highways – Parks, Richardson, and to a lesser degree because of the small amount of length within the

Attachment to the Eastern Tanana Area Plan Amendment

Management Unit F-18, Subunit F-18A

related to a Proposed Public and Charitable Use Sale Applicant ADL 422799

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planning area, the Elliot, and Steese Highways. In the more remote areas, much of the development has occurred in the areas west and east of the Tanana River in generally flat areas or adjacent to the Parks and Richardson Highways. Near and within community areas, this growth has predominately involved pre-survey lots, created through state subdivisions. Most of the lots created in this manner have been conveyed out of state ownership, either to individuals, disposal to borough and cities under the Municipal Entitlement program, or disposals to the University of Alaska or the Mental Health Trust.

The application of the Settlement designation/classification to land within the ETAP stems from a constitutional and statutory directive to provide suitable public land for transfer to private ownership for settlement purposes. Identification of land appropriate for settlement results from the consideration of a number of factors. In the ETAP, it was primarily based on whether it had reasonable access, consisted of topography that would be suitable for development, and posed minimal conflict with recreation, scenic values, important fish and wildlife resources, or resource development. Compatibility with adjacent land uses and plan designations are also considered. Settlement goals for the ETAP include Private Land Ownership, Community, Social, and Aesthetic Values, and Fiscal Impacts.

Providing opportunities for private ownership or leasing of state-owned land, with a focus on providing suitable land for settlement purposes, is one of the major areawide goals in the ETAP. The plan identifies three settlement categories within the planning area: seasonal residences for recreation, year-round residences for community expansion, and industrial or commercial development. Under the year-round residences for community expansion category, DNR will offer accessible land to meet the needs of existing communities. This category serves people whose principal place of residence and work is, or will be, in the area of the land disposal. This category also includes land disposals of commercial and industrial land to accommodate the expansion needs of communities. The proposed conveyance to the AHFC for their stated purpose of providing housing development aligns with this goal.

Another major goal is to maintain compatibility with the cultural lifestyle and aesthetic values of residents and users, and to minimize undesired impacts on those values while considering the needs and demands of all state residents when designing future disposals. This is accomplished through a public comment period, where for a period of at least 30 consecutive days, the public will have the opportunity to submit written comments on the draft Area Plan Amendment (APA) and the related draft Land Classification Order (LCO). While all comments are welcome, the public is encouraged to provide information specifically related to compatibility with the cultural lifestyle in the area and the aesthetic values of residents and users to help adjudicators assess compatibility and investigate methods to minimize undesired impacts where applicable. DNR will conduct public notice in accordance with AS 38.05.945 Notice that will inform the public of this opportunity and how to participate.

A third major goal is to protect critical recreation areas, environmental resources, and habitats. Sensitive environmental features, habitat resource areas, and areas (or corridors) used by local residents for recreation purposes have been considered in the proposed conveyance. Conditions on the conveyance reserve public access where needed, aligning with and fulfilling the area plan's goal.

Attachment to the Eastern Tanana Area Plan Amendment

Management Unit F-18, Subunit F-18A

related to a Proposed Public and Charitable Use Sale Applicant ADL 422799

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A fourth major goal to consider when planning a land disposal is to site and plan the project area in a way that minimizes the infrastructure costs and other services. Land disposals should be focused on areas of existing settlement; areas along the road system or areas where service requirements may be provided by local government or community organizations. Due to the adjacent area of existing settlement and access to the road system, the subject parcels could be developed with minimal infrastructure cost.

Amending the plan to allow land disposal of the subject parcels would allow suitable state land to be conveyed to AHFC for the purposes of providing expanded opportunities for private ownership of land for settlement purposes as well as affordable housing development to Alaskan residents.

Requirements of AS 38.04.065(b): The factors identified in this section of statute have been considered, and the proposed action is consistent with that portion of the statute.

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

LAND CLASSIFICATION ORDER
NO. CL NC-10-004A03

**Proposed Alaska Housing Finance Corporation Public and Charitable Use Sale –
ADL 422799**

- I. Name: Alaska Housing Finance Corporation Public and Charitable Use Sale – ADL 422799
- II. The classification in Part III is based on written justification contained within the following:
- Eastern Tanana Area Plan, adopted August 2015
 - Amendment to the Eastern Tanana Area Plan No. NC-10-004A03
 - Preliminary Decision for the Proposed Alaska Housing Finance Corporation Public and Charitable Use Sale – ADL 422799, July 29, 2026; and subsequent Final Finding and Decision for same, dated _____

Property ADL 422799		Acquisition	Existing	Classification
Description	Acreage	Authority	Classification	by this Action
Tracts D and E of Alaska State Land Survey No. 80-118, according to the plat recorded in the Fairbanks recording district on April 22, 1981, as plat No 81-66, excluding the NW 1/4.	~220	Alaska Statehood Act, Patent No. 50-89-0377, Patent No. 50-66-0351	Settlement Land.	Settlement Land.

This order replaces and supersedes all existing land classification orders within the boundaries of this Area Plan Amendment.

- IV. This order is issued under the authority granted by AS 38.04.065 and AS 38.05.300 to the Commissioner of the Department of Natural Resources. The above-described lands are hereby designated and classified as indicated. Nothing shall prevent the reclassification of these lands if warranted in the public interest

Classified:

John Crowther, Commissioner
Department of Natural Resources

Date