

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

PRELIMINARY DECISION
ADL 422800

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, 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 30.92 acres (subject parcel), 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 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 422800

Attachment A: Vicinity Map

Attachment B: Site Features

Attachment C: Public Notice

Public is invited to comment on the proposed related actions:
Draft Mineral Order (Closing) MO 1346

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.

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Primary Proposed Action, Noncompetitive Sale: DNR proposes to convey the subject parcel through a noncompetitive conveyance to AHFC under AS 38.05.810(a) Public and Charitable Use. The subject parcel is located within DNR's Northern Region, approximately 7 miles southeast of Ester, Alaska in the Fairbanks North Star Borough. The legal description for the parcel is Lot 5, Section 6, Township 2 South, Range 2 West, Fairbanks Meridian, according to the Survey Plat approved by the U.S. Surveyor General's Office in Juneau, Alaska on August 6, 1919, containing 30.92 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) MO 1346: DNR proposes to close the subject parcel 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 the related action is dependent upon approval of the primary action; the related action 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 comments on this proposal. Public notice for all actions is conducted concurrently and will include the Preliminary Decision (PD) for the noncompetitive conveyance (ADL 422800) and draft Mineral Order (Closing) 1346.

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 PD.

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."

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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 determines 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) 422800 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 files: GS 1379, ADL 419932;
- Federal patent No. 50-2013-0065;
- United States Fish and Wildlife Service (USFWS) National Wetlands Inventory Mapper;
- USFWS Information for Planning and Consultation (IPaC); and
- Leasehold Location Order 39 (LLO 39)

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 state 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.

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V. Description

- a. Location: The subject parcel is located within DNR's Northern Region, approximately 7 miles southeast of Ester, Alaska in the Fairbanks North Star Borough, within Section 6, Township 2 South, Range 2 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:

Lot 5, Section 6, Township 2 South, Range 2 West, Fairbanks Meridian, according to the Survey Plat approved by the U.S. Surveyor General's Office in Juneau, Alaska on August 6, 1919, containing 30.92 acres, more or less.

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

VI. Title

Title Report Number 24340, current as of May 8, 2026, indicates that the State holds fee title to the land and mineral estate under Patent No. 50-2013-0065, dated March 5, 2013. The applicable State case file is GS 1379. The parcel is subject to valid existing rights including Public Utility Easement ADL 419932.

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 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

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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 (BLM) 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 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 selected the subject parcel under selection file General Grant (GS) 1379 and received fee title on March 5, 2013, through Patent 50-2013-0065. The subject parcel is encumbered with ADL 419932, a public utility easement, granted on June 24, 2020, in Document No. 2020-010808-0, Fairbanks Recording District, to Golden Valley Electric Association (GVEA).

Additionally, a limited easement exists authorizing Alaska Communications Systems Inc (ACS) for construction and maintenance of an underground telephone line within the GVEA easement. This limited easement is recorded in Document No. 2003-014393-0, Fairbanks Recording District. While this ACS utility easement does not directly impact the project area, it is likely the underground telephone line continues onto the subject parcel within the GVEA easement serialized under ADL 419932.

The subject parcel contains an airstrip. This aircraft runway right-of-way, recorded under ADL 420371, expired on December 31, 2014. DNR determined the proposed activities were acceptable under generally allowed use of the State land, so the lease was not renewed.

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 422800. In the application, AHFC proposes to

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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.

This unit is affected by Leasehold Location Order No. 39 which restricts rights to locatable minerals to those acquired only under the leasehold locations system, AS 38.05.205, and may not be acquired by locating a mining claim under AS 38.05.195. LLO 39 affects all units designated Settlement, and Settlement-Commercial in the ETAP, as listed in Table C-1 and as depicted on Map C-1 (see pages C-3 through C-5).

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-147. The plan designates the subject parcel as Settlement which converts to the classification of Settlement Land. Pursuant to 11 AAC 55.202, an upland area classified settlement is land, by reason of its physical qualities and location, is suitable for year-round residential or private recreational use or for commercial or industrial development. Management intent for Unit F147 states that the “Unit is appropriate for land disposal during the planning period. Future disposals or authorizations shall consider the present and continued airstrip-related uses within this unit. Continued use of the airstrip is appropriate and shall be continued in this unit.”

A goal of ETAP is to provide suitable land for transfer to private ownership for settlement purposes. 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 year-round residences for community expansion, 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 disposal. It also includes land disposals of commercial and industrial land to accommodate the expansion needs of communities.

The application of the settlement designation was primarily based on whether it had reasonable access by road, water, or air, 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. Land disposals should be sited and planned to minimize the costs of infrastructure and other services resulting from settlement. Disposals should be focused on areas of existing settlement, that can be easily accessed, or areas where service requirements may be provided by local government or community organizations.

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A public and charitable use conveyance of the parcel to a “state or federal agency or political subdivision” under AS 38.05.810, subject to continued use of the airstrip, is consistent with ETAP guidance. AHFC proposes to develop the subject parcels as part of a broader statewide initiative to catalyze new housing starts for lower and moderate-income persons, and for remote, underdeveloped, or blighted areas through securing viable land for housing developments that can be advanced with private sector equity and local government support.

The proposed conveyance is subject to existing authorizations, third party interests, and borough zoning and platting authority.

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 ETAP and minimizes the potential for conflict between the land estate and mineral estate users. If approved by the Commissioner, Mineral Order 1346 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 stipulate that the land estate owner will be compensated for damages resulting from mineral exploration and development.

Local Planning

The project area is zoned RE-4 (Rural Estate-4) by the Fairbanks North Star 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 within 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 parcel is located within Fairbanks North Star Borough. Therefore, a traditional use finding is 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.

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

Legal and constructed access to the subject parcel is via Cripple Creek Road, a gravel road connected to the Parks Highway.

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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 has not identified any public, navigable, or anadromous water bodies within the subject parcel. If any such water bodies are discovered, the parcel will be subject to access reservations in accordance with AS 38.05.127 Access to Navigable or Public Water.

Easements and Setbacks

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. 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.

The section lines within Lot 5 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*.

The reconveyance 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 the east side of the surveyed section line common to Section 6, Township 2 South, Range 2 West, Fairbanks Meridian, and Section 1, 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 public utility easement under ADL 419932, recorded in Document No. 2020-010808-0, Fairbanks Recording District, and shown on EPF 2019-0032, recorded concurrently as Plat 2020-50, Fairbanks Recording District, within Lot 5, Section 6, Township 2 South, Range 2 West, Fairbanks Meridian, pursuant to AS 38.05.850 Permits;
- A public utility easement under ADL 418653, recorded in Document No. 2003-014393-0, Fairbanks Recording District, within Lot 5, Section 6, Township 2 South, Range 2 West, Fairbanks Meridian;
- A right-of-way for an existing aircraft runway under ADL 420371, two hundred (200) feet in width and approximately six hundred fifty (650) feet in length within Section 6, SE1/4 Lot 5, Township 2 South, Range 2 West, Fairbanks Meridian;

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- 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.

XII. Hazardous Materials and Potential Contaminants

There is no known contamination of, or hazardous materials on, the subject parcel. 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).

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 #2026-66 dated April 24, 2026, from the DMLW Survey Section determined that the subject parcel is surveyed. The exterior boundary of the parcel has monuments in place due to prior survey of adjoining parcels. The secondary monuments set during the adjacent surveys will be accepted for the purpose of considering this parcel surveyed.

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

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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 threatened or endangered species or critical habitat identified on the subject parcel.

The National Wetlands Inventory Map shows that there are no known wetlands on the subject parcel see *Attachment B: Site Features*.

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 to confirm the absence of wetlands. 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, 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 exist 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.

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

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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 approximately 30.92 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 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 ensure mitigation of impacts to public access, wildlife, and other resources. Full or partial vacation of section-line easements, RS 2477 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 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

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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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 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 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

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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), Department of Transportation and Public Facilities (DOT&PF), 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 and Game (ADF&G): ADF&G has no objection to this land conveyance, but offers the following comments and recommendations for consideration:

- Reduced Habitat: Although development of the area would slightly reduce habitat for local species, it is unlikely to have a population-level impact on wildlife.
- USFWS Endangered Species and Sensitive Resources: Project activities may affect species listed under the Endangered Species Act (ESA) and other sensitive resources, such as migratory birds which are managed by the U.S. Fish and Wildlife Service (USFWS). Recommend using the Information for Planning and Consultation (IPaC) tool to identify USFWS trust resources that may be present within the project boundary, including determining the probability of presence during project activities. For further details, contact the Northern Alaska Fish & Wildlife Field Office at 907-456-0203 (phone) or 907-456-0208 (fax).
- Nesting: Conserving habitat features such as trees, shrubs, and ground cover can help support breeding bird populations while still meeting project objectives. Information on typical nesting season in Alaska is available at <http://fws.gov/alaska-bird-nesting-season> and may be useful when planning the timing of vegetation clearing.

Thank you for the opportunity to review and comment. Please share any applicable comments with the applicant. We also request a copy of the final decision document once it is issued.

DNR DMLW response: DMLW appreciates your review of the proposal. DMLW will provide this information to AHFC via this decision. DMLW will provide a copy of the FFD to ADF&G once issued.

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

- DNR Division of Geological & Geophysical Surveys
- DNR Division of Forestry and Fire Protection
- DNR Office of Project Management and Permitting
- DNR State Historical Preservation Office
- DNR State Pipeline Coordinator's Office

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- Department of Commerce, Community, and Economic Development
- Fairbank Soil and Water Conservation District
- U.S. Fish and Wildlife Service
- Mental Health Trust Land Office

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 mineral order, including any deletions, minor changes, and summary of comments and DNR responses, will be issued as a subsequent FFD and Mineral Order 1346 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 1346. Upon approval and issuance of an FFD and related actions, a copy of the decision and all related actions 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**

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 purchase will be issued if no requests for reconsideration are received, or when requests for reconsiderations are resolved, after issuance of the

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FFD. Within the time period specified in this notice, the applicant must submit the following to DNR:

- A completed and signed Declaration of Intent form;
 - 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.
2. 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 the east side of the surveyed section line common to Section 6, Township 2 South, Range 2 West, Fairbanks Meridian, and Section 1, 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 public utility easement under ADL 419932, recorded in Document No. 2020-010808-0, Fairbanks Recording District, and shown on EPF 2019-0032, recorded concurrently as Plat 2020-50, Fairbanks Recording District, within Lot 5, Section 6, Township 2 South, Range 2 West, Fairbanks Meridian, pursuant to AS 38.05.850 Permits;
3. A public utility easement under ADL 418653, recorded in Document No. 2003-014393-0, Fairbanks Recording District, within Lot 5, Section 6, Township 2 South, Range 2 West, Fairbanks Meridian,
4. An aircraft runway one hundred (100) feet in width under 420371, as shown on page 9 of recorded Document No. 1999-026775-0, Fairbanks Recording District, within Section 6, SE1/4 Lot 5, Township 2 South, Range 2 West, Fairbanks Meridian.
5. 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.

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6. 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.
7. 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) Public and Charitable Use, unless the reversionary interest is waived. In this case, the commissioner shall waive the reversionary interest clause.

Recommendation follows.

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XIX. 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 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 422800

Proposed Noncompetitive Conveyance AS 38.05.810

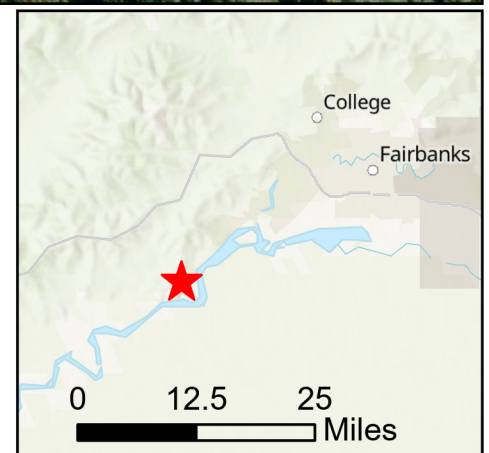


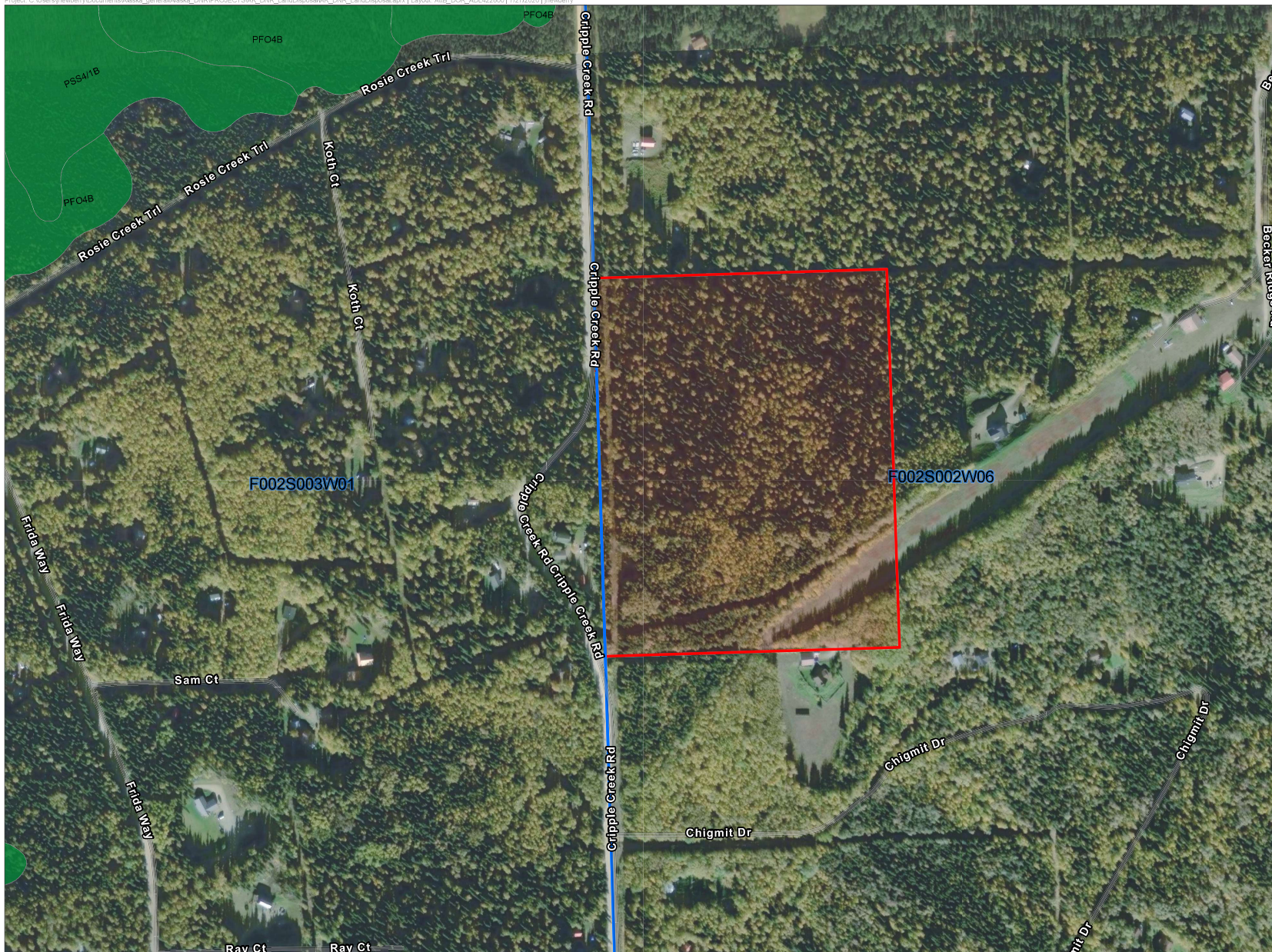
USGS Quad 1:63,360: Fairbanks D-3

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 6, Township 2S,
 Range 2W, Fairbanks Meridian

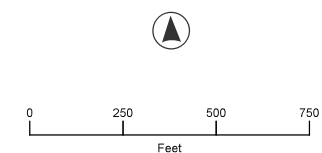




- ADL422800
- Freshwater Forested/Shrub Wetland
- Public Land Surveying System
- Sections

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



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 422800**
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 southeast of Ester, in the Fairbanks North Star Borough. The legal description for the parcel is Lot 5, Section 6, Township 2 South, Range 2 West, Fairbanks Meridian, containing 30.92 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 MINERAL ORDER No. 1346

 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 422800

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:

- Eastern Tanana Area Plan (adopted 2015)
- Preliminary Decision, Proposed Noncompetitive Sale to Public and Charitable Use Applicant – ADL 422800, July 29, 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 Northern Region, within the Fairbanks North Star Borough, more specifically described as:

ADL 422800: LOT 5, SECTION 6, TOWNSHIP 2 SOUTH, RANGE 2 WEST, FAIRBANKS MERIDIAN, ACCORDING TO THE SURVEY PLAT APPROVED BY THE U.S. SURVEYOR GENERAL'S OFFICE IN JUNEAU, ALASKA ON AUGUST 6, 1919, CONTAINING 30.92 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.

Concur:

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. 1346
Closing Lands to Mineral Entry**

**Alaska Housing Finance Corporation Noncompetitive Sale for Public
and Charitable Use – ADL 422800**

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 the Alaska Housing Finance Corporation through a Noncompetitive Sale to Public and Charitable Use Applicant (ADL 422800). As noted in the Preliminary Decision – A Proposed Noncompetitive Sale to Public and Charitable Use Applicant, issued July 29, 2026, the subject parcel is within Unit F-147 of the Fairbanks region of the Eastern Tanana Area Plan. In accordance with the area plan, DMLW proposes to close the entirety of the subject parcel 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 30.92 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 does not contain any 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 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 lands to entry under the mineral location and mining laws of the State of Alaska as described by Mineral Order (Closing) No. 1346.

Approved:

John Crowther, Commissioner
Department of Natural Resources

Date