

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

PRELIMINARY DECISION
ADL 234807

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, WEDNESDAY, SEPTEMBER 2, 2026

Executive Summary: The State of Alaska (State), Department of Natural Resources (DNR), Division of Mining, Land and Water (DMLW) proposes to convey approximately 22 acres (subject parcel), more or less, of State-owned land in the Kenai Peninsula Borough to the Alaska Housing Finance Corporation (AHFC) through a noncompetitive public and charitable use conveyance. AHFC is a political subdivision of the state with the statutory purpose pursuant to Alaska Statute (AS) 18.56.010(c) “[...] to assist in the acquisition and development of land and the construction, rehabilitation, financing, management, maintenance, sale, and rental of dwelling units for persons of lower and moderate income or for persons in remote, underdeveloped, or blighted areas and that these activities serve a public purpose in benefiting the people of the state.[...]” AHFC is empowered to act on behalf of the state in serving that purpose for the benefit of the general public. The proposed conveyance is subject to existing authorizations, third party interests, and borough zoning and platting authority. With due consideration given to the cumulative impacts and public purpose of the proposed conveyance, DNR finds that disposal of the subject parcel to AHFC 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 234807

Attachment A: Vicinity Map

Attachment B: Site Features

Attachment C: Public Notice

The public is invited to comment on the proposed related actions:
Draft Mineral Order (Closing) MO 1344

Primary Proposed Action, Noncompetitive Sale: DNR proposes to convey the subject parcel through a noncompetitive conveyance at no cost to AHFC under AS 38.05.810(a) Public and

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

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234807

Page 2 of 20

Charitable Use. The subject parcel is located within DNR's Southcentral Region, approximately 3.5 miles northeast of Seward in the Kenai Peninsula Borough. The legal description for the parcel is an unsurveyed portion of land northwest of Sawmill Creek and excluding the Iditarod Trail within the E1/2NE1/4 of Section 36, Township 1 North, Range 1 West, Seward Meridian, containing approximately 22 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 1344: 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 this proposed action is dependent upon approval of the primary action and will not proceed without the approval of the primary action.

Public Notice of Proposal: In accordance with AS 38.05.945 Notice, during a period of at least 30 consecutive days, the public will have the opportunity to submit written comment on this proposal. Public notice for all actions is conducted concurrently and will include the Preliminary Decision (PD) for the noncompetitive conveyance (ADL 234807) and draft Mineral Order (Closing) 1344.

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

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234807

Page 3 of 20

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 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) 234807 constitutes the administrative record for this proposed action. Also incorporated by reference are:

- Kenai Area Plan (KEAP, adopted January 2000) and associated land classification files;
- DNR case files: School Grant (SCH) 5;
- Federal patent No.1221953 issued August 14, 1961;
- Alaska Department of Fish and Game (ADF&G) *Catalog of Waters Important for Spawning, Rearing, or Migration of Anadromous Fishes- Interior Region, June 2025* (AWC);
- United States Fish and Wildlife Service (USFWS) National Wetlands Inventory Mapper;
- USFWS Information for Planning and Consultation (IPaC); and
- Historic Iditarod Trail Right of Way.

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.

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234807

Page 4 of 20

V. Description

- a. Location: The subject parcel is located within DNR's Southcentral Region, approximately 3.5 miles northeast of Seward in the Kenai Peninsula Borough, within Section 36, Township 1 North, Range 1 West, Seward Meridian. See *Attachment A: Vicinity Map* for additional information.

USGS Map Coverage: Seward A-7

Platting Authority: Kenai Peninsula Borough (KPB)

Regional Corporation: Chugach Alaska Corporation

Village Corporation: None.

Federally Recognized Tribes: None.

ANCSA Non-Profit: Chugachmiut

Non-Profit Tribal Organization: Qutekcak Native Tribe

- b. Legal Description:

An unsurveyed portion of land north and west of Sawmill Creek and excluding the Iditarod Trail in the E1/2NE1/4 of Section 36, Township 1 North, Range 1 West, Seward Meridian, Alaska, according to the plat accepted by the United States Department of the Interior, Bureau of Land Management, in Anchorage, Alaska on April 28, 2022, containing approximately 22 acres, more or less.

The legal description of the proposed Mineral Order is the same as the subject parcel. The subject parcel will need to be surveyed prior to disposal. See **Section XIII. Survey** for more information.

VI. Title

Title Report No. 24312, current as of June 4, 2026, indicates that the State holds fee title to the land under US Patent No. 1221953 issued August 14, 1961, which was acquired through State Selection SCH 5. No third party interests were identified. The parcel is 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 minerals (such as gold, copper, silver, etc.) and leasable minerals (such as oil, gas, coal, etc.).

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

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234807

Page 5 of 20

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

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

Alaska Native Interest: The subject lot is within the boundaries of Chugach Alaska Corporation 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 file SCH 5 and received title on August 14, 1961, through Patent No. 1221953.

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 234807. In the application, AHFC proposes to develop the subject parcel 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.

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234807

Page 6 of 20

AHFC anticipates one new housing unit to be built per 0.75 buildable acres, depending on water and sewer availability.

The Iditarod National Historic Trail System has been excluded from the subject parcel and passes east of the proposed conveyance. Therefore, related easements ADL 217939 and ADL 228890-A which coincide with the Iditarod National Historic Trail are also excluded from the conveyance. See *Attachment A: Vicinity Map*.

VIII. Planning, Classification, and Mineral Orders

Planning

The subject parcel is located within the Kenai Area Plan (KEAP, adopted January 2000), Seward and Resurrection Bay Region 3, Unit 450. The plan designates the subject parcel as Settlement, which converts to a classification of Settlement Land under Land Classification Order SC-99-002. Under 11 AAC 55.202, an upland area classified settlement is land, by reason of its physical qualities and location, that is suitable for year-round residential or private recreational use or for commercial or industrial development. Management intent for Unit 450 states the unit is “Relatively flat terrain along tributaries of Sawmill Creek with potential for development. Iditarod National Historic Trail passes through the unit. See Chapter 2 guideline applying to the Iditarod National Historic Trail under the ‘Trails and Access’ section.”

Area-wide goals of the KEAP include providing opportunities for private ownership and leasing of land currently owned by the state; minimizing the need for and the fiscal cost of providing government services and facilities, such as schools and roads; and by locating settlement areas where there is a sustainable economic base and necessary services can be efficiently provided. The KEAP attempts to concentrate lands for settlement in areas with existing development or in areas of lower elevations and well-drained soils.

Lands that were determined to be suitable for private recreational, residential, commercial, industrial, or community use through sale, lease, or permit were designated Settlement in the KEAP. The settlement designation will be used for areas appropriate for land offerings for residential and/or commercial uses.

The location of this parcel within the Seward area furthers plan goals regarding settlement by concentrating development near public services and facilities such as schools, roads, utilities, fire protection and emergency medical service. This policy also promotes the goal of preserving continuous blocks of open space remaining in state ownership and recognizing the important recreation, habitat, hunting, forest management, public access, and watershed protection values of the area.

A Public and Charitable conveyance of the parcel to a “state or federal agency or political subdivision” under AS 38.05.810, is consistent with the guidance in the KEAP. The project area is served by roads and near other existing infrastructure and public services and of relatively low elevation with portions of well-drained land. AHFC proposes to develop the subject parcel 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.

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234807

Page 7 of 20

Mineral Order

DNR proposes to close the subject parcel, to new mineral entry in accordance with AS 38.05.185 Generally and AS 38.05.300 Classification of Land. There are no current mining claims located within the subject parcel. Closing the parcel to new mineral entry is consistent with the management intent of the KEAP and minimizes the potential for conflict between the land estate and mineral estate users. If approved by the Commissioner, Mineral Order 1344 will close the subject parcel to new mineral entry. If the Department approves the public and charitable conveyance, the mineral order will accompany the FFD. The approval of the mineral order is a separate action occurring concurrently with the FFD.

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

Local Planning

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

Flood Risk

The majority of the 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 02122C4563D. However, portions of the subject parcel along Sawmill Creek are within Zone AE which designates there is a 1% annual chance for flooding, known as a 100-year flood area.

IX. Traditional Use Findings

The subject parcel is located within the Kenai Peninsula Borough. Therefore, a traditional use finding is not required per AS 38.05.830 Land Disposal in the Unorganized Borough. 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 access is via platted right-of-way, Lundy Road, which connects to Johnson Avenue and the roadway network associated with Seward.

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.

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234807

Page 8 of 20

Sawmill Creek, flowing along the eastern border of the subject parcel, is non-navigable, but public water under AS 38.05.127. The stream is anadromous (AWC 231-30-10096) within the Section but ends below the parcel. Pursuant to 11 AAC 51.035, Sawmill Creek is public water and will require an access reservation along its banks within the proposed conveyance in accordance with AS 38.05.127. Any additional public, navigable, or anadromous water bodies identified within the subject parcel will be subject to access reservations in accordance with AS 38.05.127.

Easements and Setbacks

The portion of the Iditarod National Historic Trail System, its 1000-foot buffer, and the ADL 228890-A USDA Forest Service Public Access Easement have been excluded from the subject parcel. ADL 228890-A is within the buffer for the Iditarod National Historic Trail.

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

The section lines within this parcel are surveyed. Hence, the exact location of the section line easements can be discovered. The estimated location of these easements is shown on *Attachment A: Vicinity Map*.

Building setback from Public Water: The KEAP requires a 50-foot building setback on all waters to protect public values, including public access, recreation, and water quality along all waterbodies.

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

- A right-of-way easement fifty (50) feet in width along each side of the surveyed section line common to Sections 25 and 36, Township 1 North, Range 1 West, Seward 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 the west side of Sawmill Creek within E1/2NE1/4 the Section 36, Township 1 North, Range 1 West, Seward Meridian, pursuant to AS 38.05.127 Access to Navigable and Public Water, 11 AAC 51.045 Easements To and Along Navigable and Public Water;
- A fifty (50) foot building setback from the ordinary high-water mark along Sawmill Creek within E1/2NE1/4 of Section 36, Township 1 North, Range 1 West, Seward Meridian in accordance with the Kenai Area Plan, adopted January 2000;

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234807

Page 9 of 20

- All other valid existing rights, including reservations, and exceptions in the U.S. Patent, or other state or federal conveyance, and in acts authorizing the issue thereof; easements, rights-of-way, covenants, conditions reservations, notes of the plat, and restrictions of record, if any.

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

XI. Reservation of Mineral Estate

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

XII. Hazardous Materials and Potential Contaminants

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

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 wastes, contaminants, or pollutants, nor for the remediation of the site should such substances ever be identified.

XIII. Survey

Preliminary Survey Determination #20265057 dated April 15, 2026, from the DMLW Survey Section determined that the subject parcel is unsurveyed.

XIV. Compensation and Appraisal

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

XV. Decision

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

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

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234807

Page 10 of 20

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 Wetlands Mapper shows that the following categories of wetland are found on the subject parcel (see *Attachment B: Site Features*):

- Palustrine, Scrub-Shrub, Broad-leaved Deciduous, Temporary Flooded (PSS1A)
- Palustrine, Forested, Broad-Leaved Deciduous / Scrub-Shrub, Broad-Leaved Deciduous, Temporary Flooded (PF01/SS1A)
- Riverine, Upper Perennial, Unconsolidated Shore, Seasonally Flooded (R3USC)
- Riverine, Upper Perennial, Unconsolidated Bottom, Permanently Flooded (R3UBH)

The subject parcel is within a Drinking Water Protection Area (DWPA) for a Public Water System (PWS) source. The parcel is in Zone B (GW-2 Year Time of Travel or SW-1 mile buffer) of Bay View Trailer Court Community Water System (PWS ID: AK2241101).

18 AAC 80.015 Well Protection, Source Water Protection, and Well Decommissioning states that a person may not (1) cause pollution or contamination to enter a public water system; or (2) create or maintain a condition that has a significant potential to cause or allow the pollution or contamination of a public water system. The ADEC should be consulted regarding Drinking Water Source Protection prior to any construction activities.

Due to the environmental aspects of the subject parcel outlined above, it is recommended that AHFC consult with USACE prior to construction activities due to presence of wetlands. ADFG should be consulted to minimize the possibility of disturbance to Sawmill Creek that could result from AHFC's intended use of the parcel. ADEC should be consulted regarding the DWPA that the parcel is within.

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

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234807

Page 11 of 20

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.

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 close to a road system, is within the Kenai Peninsula Borough, and is in close proximity to Seward, 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).

² 11 AAC 98.010 Public Purpose.

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234807

Page 12 of 20

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 reversionary 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).

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 22 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

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

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

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

⁶ *Id.*

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234807

Page 13 of 20

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 2477s rights-of-way, easements under AS 38.05.127, and any other easements reserved and managed by DNR will require a separate public process undertaken by both DNR's Easement Vacation Unit and the Kenai Peninsula Platting Division.

E. The State acquired the land as school trust land and is treated as general grant land, which does not affect DNR's decision to convey the land to AHFC.

The parcel was patented to the State under the Alaska Statehood Act as school trust land (State Selection SCH 5). In 1978, the legislature converted the school trust from a land-based trust to a monetary trust and redesignated school trust lands as general grant lands (ch. 182, SLA 1978). In 2017, the Commissioner rescinded Department Order 143 which confirmed that lands granted in lieu of school trust lands under ANILCA § 906(b), and lands with BLM decisions issued after July 1, 1978, confirming title vested before that date, are also treated as general grant lands for disposition under Title 38. Further identifying that future disposals for land previously identified as school trust land will follow the same procedures as general state lands as prescribed by appropriate state statute

General grant lands were selected from vacant, unappropriated, and unreserved public lands to further the State's economic development and are managed for maximum use consistent with the public interest under AS 38.04 and AS 38.05, including conveyances for settlement and development. Accordingly, this parcel is treated as general grant land. AHFC's proposed use of development of affordable housing, aligns with the intended purpose of general grant lands and is consistent with AS 38.05.810(a)(1).

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 parcel for no cost is in the best interest of the state and in doing so that 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 parcel. 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 parcel. Conveyance at no cost also improves the rate of return on the project and de-risks private investment. This all

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234807

Page 14 of 20

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 parcel. By retaining the parcel, 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 Seward 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 26, 2026, to April 24, 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 (DEC): Thank you for the opportunity to comment with respect to public water system (PWS) sources. Given the location(s) provided, this project is near an active registered PWS source. For this reason, we ask that the applicant please adhere to the attached Recommendations for General Project Activities near a PWS source, where applicable.

DNR DMLW response: DMLW appreciates your review of the proposal and the additional information. The Alaska DEC's Recommendations for General Project Activities Associated With, or Near, a Public Water System Source can be found at <https://dec.alaska.gov/media/pkjdrmpw/dec-eh-dw-recommendations-for-general-project-activities-near-a-pws-source.pdf>. Your comments have been noted and will be provided to the applicant via this decision.

Alaska Department of Fish & Game (ADF&G): ADF&G has no objection to this conveyance with the following comments:

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234807

Page 15 of 20

- The extent of anadromous waters in Sawmill Creek ends below this conveyance. ADF&G recommends the 50-ft building setback listed in the KEAP as part of this conveyance.
 - Sawmill Creek is a very dynamic system with substantial bedload transport. You can see from imagery that a former channel of Sawmill Creek has flowed through the parcel being considered for conveyance. The potential for this parcel to flood during high water events should be considered in the conveyance.
- ADF&G requests a copy of the decision document, when issued.

DNR DMLW response: DMLW appreciates your review of the proposal. A 50-foot building setback will be established and included in the survey and patent. DMLW will provide a copy of the FFD to ADF&G once issued.

Alaska Division of Geological & Geophysical Surveys (DGGGS):

Geologic Units: Alluvial deposits (significant), colluvial deposits, glacial deposits, manmade deposits, paludal peat deposits

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

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

Use best construction practices.

Permafrost: Isolated (<10%) to absent

Susceptibility To Frost Action: *Generally intense frost action where sediments are fine-grained and/or wet. Generally less intense where sediment is coarse-grained and/or well-drained. Bedrock may be susceptible to frost action along bedding planes or joints.*

Thaw Stability: *Thaw unstable where ice content is high, especially in areas of poor drainage. Generally, well-drained, coarse sediments are more thaw-stable than poorly drained, fine-grained sediments.*

Surface Drainage and Flooding Potential: *Flooding is possible along streams in spring and during intense storms. Surface drainage is often poor near swamps and permafrost zones, especially where the sediment is fine-grained. Surface drainage is good along slopes where the soil is unfrozen, as well as in coarse-grained sediment when it is unfrozen.*

Seismic Hazard: Very high; Standard best building practices should be used to accommodate the regional seismic hazard.

Landslide Hazard: On March 27, 1964, strong ground shaking triggered several underwater slides in Resurrection Bay within seconds of the 1964 M9.2 earthquake. The locally generated waves flooded town two minutes later, causing devastation and loss of life. In addition, the Alaska landslide inventory database (Nicolazzo and Larsen, 2025) shows several landslides in and near Seward.

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234807

Page 16 of 20

Tsunami Hazard: Suleimani and others (2022) provide updated tsunami inundation maps for Seward, showing that this parcel may be inundated by several meters in the event of a large earthquake. Seward was severely impacted by the March 27, 1964, earthquake and subsequent tsunami waves.

Volcanic/Ashfall Hazard: Yes; This area has been subject to ash fall from erupting Alaska Peninsula volcanoes.

Radon: Radon, a naturally occurring cancer-causing radioactive gas, is modeled as moderate in this area, with limited testing (<https://maps.dggs.alaska.gov/radon/>). The Environmental Protection Agency's (EPA) Action Level for radon is 4 pCi/L; the EPA suggests homeowners consider radon mitigation for test results of 2–4 pCi/L. Any home, school, or building can have high levels of radon and should be tested.

Mineral Resources: No comment

Energy Resources: No comment

Optional Reference(s):

Nicolazzo, J.A., and Larsen, M.C., 2025, Alaska landslide inventory database: Alaska Division of Geological & Geophysical Surveys Digital Data Series 23, 14 p. <https://doi.org/10.14509/31697>

Suleimani, E.N., Salisbury, J.B., and Nicolsky, D.J., 2022, Updated tsunami inundation maps for Seward and northern Resurrection Bay, Alaska: Alaska Division of Geological & Geophysical Surveys Report of Investigation 2022-3, 51 p., 4 sheets. <https://doi.org/10.14509/30893>

Wilson, F.H., and Hults, C.P., 2012, Geology of the Prince William Sound and Kenai Peninsula region, Alaska: U.S. Geological Survey Scientific Investigations Map 3110, pamphlet, 38 p., 1 sheet, scale 1:350,000. <http://pubs.usgs.gov/sim/3110/>

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 Land Conveyance Section, Project Development Team: Notes prior DOF&FP interest in the broader Sawmill Creek area for potential timber sales. The specific harvest area was not identified and may extend beyond the proposed AHFC parcel. Earlier discussions were paused pending resolution of legal access and the Iditarod National Historic Trail (INHT) alignment.

DNR DMLW response: DMLW appreciates your review of the proposal. DMLW has reviewed Division of Forestry and Fire Protection's Nash Road Sale (SC-3265K) and determined that the sale is outside of the subject parcel. The proposed conveyance has been configured to exclude the Iditarod National Historic Trail. ADL 217939 is for access to the timber sale area, is still active, and coincides with the Iditarod National Historic Trail.

DNR DMLW Public Access Assertion and Defense (PAAD): Sawmill Creek, flowing along the eastern border of the parcel, is non-navigable, but public water under AS 38.05.127. Adequate public access to Sawmill Creek must be maintained following the

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234807

Page 17 of 20

conveyance. A portion of the parcel also includes the active floodplain of Sawmill Creek and will require review by ADFG. There are no known RS 2477 ROWs crossing or adjacent to the proposed project. PAAD has no further comments.

DNR DMLW response: DMLW appreciates your review of the proposal. Your comments have been incorporated into this PD. A public access easement to Sawmill Creek will be established and included in the survey and patent.

DNR DMLW Resource Assessment & Development Section (RADS): Please review the (Kenai) area plan, and review chapter 2: Iditarod trail - to ensure that the proposed location is not in conflict with the trail. Location is confusing between AK Mapper and BLM GIS data. BLM is currently revising the trail management plan and might have more updated information. Shorelines, Stream Corridors and Wetlands – appears that an anadromous stream may be within the boundaries of the proposed location. Building setback required see Table 2.4. Adjacent to a private exclusive DOF easement ADL 217939. Access via section line – appears that there may be some private land on the southern portion of the section line. Ensure that a section line easement is in accordance with 11 AAC 51.025, AS 19.10.010.

DNR DMLW response: DMLW appreciates your review of the proposal. Your comments have been incorporated into this PD. The proposed conveyance has been configured to exclude the Iditarod National Historic Trail.

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

- Department of Commerce, Community and Economic Development
- Mental Health Trust Lands Office
- DNR Division of Forestry and Fire Protection
- DNR Office of Project Management and Permitting
- State Pipeline Coordinator's Section
- Kenai 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 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.

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234807

Page 18 of 20

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 1344 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 1344. 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, WEDNESDAY, SEPTEMBER 2, 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 survey will be issued if no requests for reconsideration are received, or when requests for reconsideration are resolved, after the issuance of the FFD. The applicant must hire a surveyor, and the surveyor must apply to the DMLW Survey Section for Survey Instructions. The 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

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234807

Page 19 of 20

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 25 and 36, Township 1 North, Range 1 West, Seward 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. An easement fifty (50) feet in width for public access, upland, abutting, and running in common with the ordinary high-water mark along the west side of Sawmill Creek within E1/2NE1/4 the Section 36, Township 1 North, Range 1 West, Seward Meridian, pursuant to AS 38.05.127 Access to Navigable and Public Water, 11 AAC 51.045 Easements To and Along Navigable and Public Water;
3. A fifty (50) foot building setback from the ordinary high-water mark along Sawmill Creek within E1/2NE1/4 of Section 36, Township 1 North, Range 1 West, Seward Meridian in accordance with the Kenai Area Plan, adopted January 2000;
4. 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.
5. 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.
6. 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 clause.

Recommendation follows.

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234807

Page 20 of 20

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.



7/30/2026

for

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

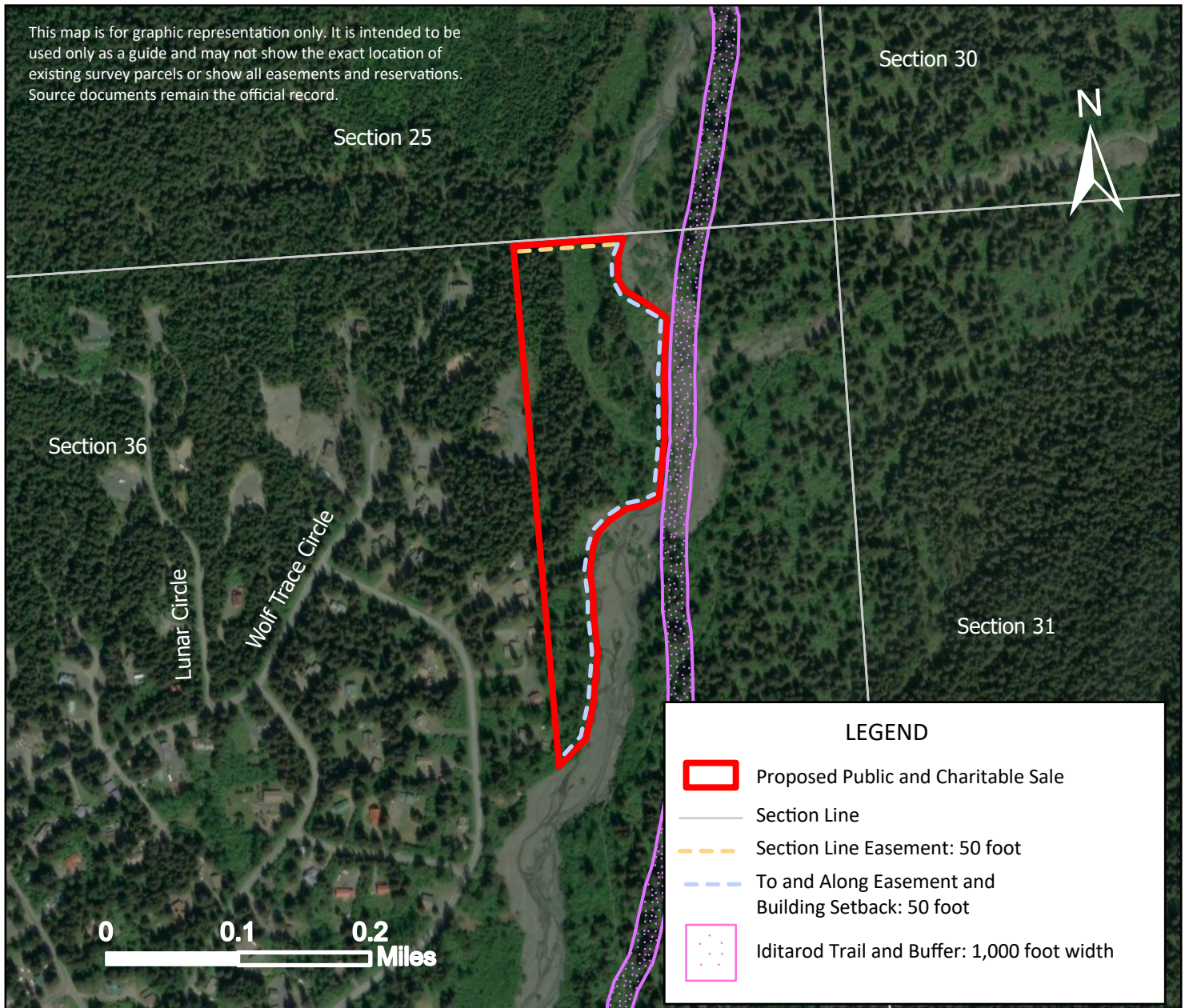
Date of Signature



Attachment A : Vicinity Map

Alaska Housing Finance Corporation - ADL 234807

Proposed Noncompetitive Conveyance AS 38.05.810

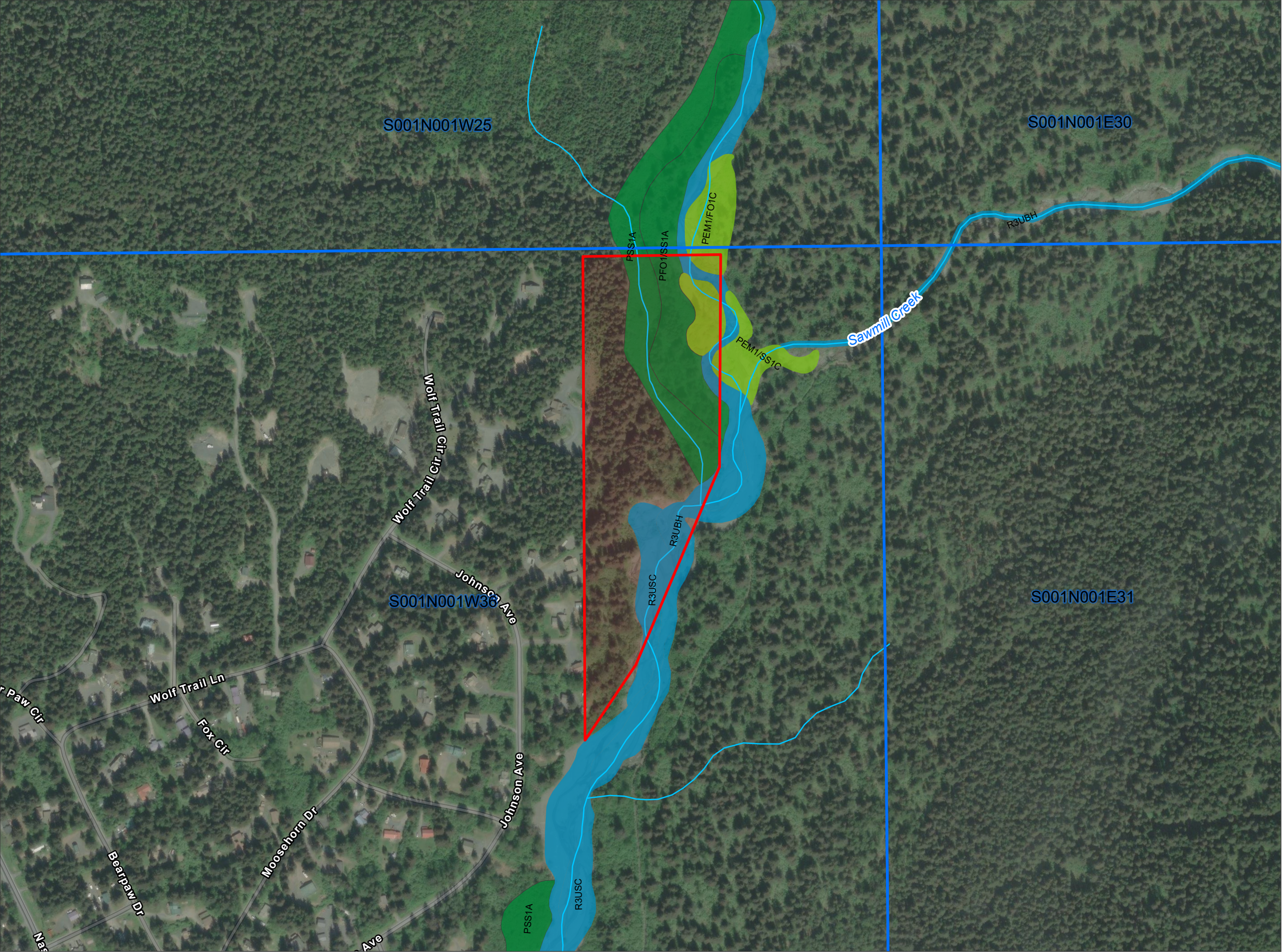


USGS Quad 1:63,360:

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

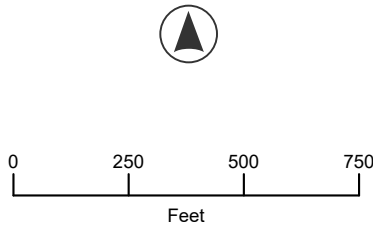




- ADL234807
- River/Stream
- Freshwater Emergent Wetland
- Freshwater Forested/Shrub Wetland
- Riverine
- Public Land Surveying System -Sections

For More Information Contact:
Andrew Miller
Department of Natural Resources
Division of Mining, Land and Water
Land Conveyance Section
Phone: 907-269-8599
Fax: 907-269-8916
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 234807
AS 38.05.810**

COMMENT PERIOD ENDS 4:30 PM, WEDNESDAY, SEPTEMBER 2, 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 3.5 miles northeast of Seward in the Kenai Peninsula Borough. The legal description for the parcel is an unsurveyed portion of land north and west of Sawmill Creek and excluding the Iditarod Trail in the E1/2NE1/4 of Section 36, Township 1 North, Range 1 West, Seward Meridian, Alaska according to the plat accepted by the United States Department of the Interior, Bureau of Land Management, in Anchorage, Alaska on April 28, 2022, containing approximately 22 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, Wednesday, August 26, 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, WEDNESDAY, SEPTEMBER 2, 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. 1344

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

I. Name of Mineral Order: Alaska Housing Finance Corporation Noncompetitive Public and Charitable Use Sale – ADL 234807

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

- Kenai Area Plan (adopted 2000);
- Preliminary Decision, Proposed Noncompetitive Sale to Public and Charitable Use Applicant – ADL 234807, July 30, 2026, and the subsequent Final Finding and Decision for same.

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

IV. Location and Legal Description: Located within DNR's Southcentral Region, approximately 3.5 miles northeast of the city of Seward, more specifically described as:

ADL 234807: An unsurveyed portion of land north and west of Sawmill Creek and excluding the Iditarod Trail in the E1/2NE1/4 of Section 36, Township 1 North, Range 1 West, Seward Meridian, Alaska, according to the plat accepted by the United States Department of the Interior, Bureau of Land Management, in Anchorage, Alaska on April 28, 2022, containing approximately 22 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. 1344
Closing Lands to Mineral Entry**

**Alaska Housing Finance Corporation Noncompetitive Public and
Charitable Use Sale – ADL 234807**

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 (AHFC) through a Noncompetitive Sale to Public and Charitable Use Applicant (ADL 234807). As noted in the Preliminary Decision – AHFC Noncompetitive Public and Charitable Use Applicant, issued July 30, 2026, the subject parcel is within Unit 450 of Region 3 (Seward and Resurrection Bay) of the *Kenai 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 22 acres, identified in the attached mineral order, be closed to mineral entry and location in accordance with AS 38.05.300 Classification of Land, for land disposal. Mining activity on the subject parcel would be incompatible with the current and proposed land estate use. The land contains no known mineral deposits and was not selected for mineral values. There are no mining claims on the land.

Public notice of the comment period for the proposed mineral order was conducted in accordance with AS 38.05.945 Notice. Review of 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. 1344.

Approved:

John Crowther, Commissioner
Department of Natural Resources

Date