



Housing Appendix

APPENDIX

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APPENDIX B - 2017 Basic Allowance Housing by Rank and Dependent Status

Rank	Basic Allowance : 2017	
	Without Dependents	With Dependents
Enlisted		
Junior (E1-E3)	\$1,115	\$1,539
E4	\$1,115	\$1,539
E5	\$1,539	\$2,049
E6	\$1,545	\$2,058
E7	\$1,620	\$2,160
E8	\$1,710	\$2,280
E9	\$1,803	\$2,406
Subtotal Enlisted		
Officers		
O1/O2	\$1,623	\$2,055
O3	\$1,866	\$2,352
O4	\$2,172	\$2,532
O5	\$2,244	\$2,661
O6	\$2,358	\$2,688
Subtotal Officer		

APPENDIX C - Tax Increment Financing Overview

Tax increment financing (TIF) is a public financing tool used by local jurisdictions and enabled by numerous states throughout the United States. While TIF programs vary between states and communities, TIF typically has the following characteristics.

Requires a District | A TIF district is formed based on the need for redevelopment and economic development in a particular area. Communities have various ways of determining how to define the boundary of a TIF district. In California, prior to the dissolution of California’s redevelopment agencies in 2011, state law enabled local jurisdictions to define a redevelopment project area (also called a TIF district) through a “blight” study. Blight was defined as either economic or physical blight with a set of quantitative measures that had to be met to form a district. Examples include the number of under-utilized properties, unemployment rates, stagnant or decreasing property values, poverty rates, condition of buildings based on a window survey, lack of typical neighborhood businesses, high number of “adult” uses, among others. Not all properties in a TIF district had to be blighted but the overall TIF district had to meet a certain threshold of blight, either physical, economic or a combination of both. States enable the formation of a TIF district in different ways, but the common denominator is that the local community generally defines the boundary of the area where TIF will apply, within the constraints of the state TIF enabling legislation.

Utilizes Incremental Property Tax Revenue for Financing | When a TIF district is formed, the year of the formation becomes the base year for property tax calculations. The base year is “frozen.” The incremental increase in assessed value between a future year and the base year assessed value is

used to calculate available tax increment revenues. For example, if the base year of a TIF district is 2015 with an assessed value of \$12 million and five years later in 2020, the assessed value is \$27 million, \$15 million in incremental assessed value is available to calculate property tax increment revenues for use within the district.

Use of Funds | Once a TIF district is formed and TIF revenues are collected, the use of those funds are authorized and potentially limited by state enabling legislation and the local agency’s policies. Common uses for TIF revenues are public infrastructure to support redevelopment projects and infill housing, business loans, direct subsidies to redevelopment projects, and land acquisition to assemble larger parcels that can be made available for redevelopment projects. In California, there was an affordable housing set-aside requiring 20 percent of TIF revenues be allocated to housing for those of low and moderate income. Typically, TIF revenues cannot be used for ongoing operating expenses associated with municipal government. It is also important to note that TIF revenues are collected from within the TIF district and must typically be spent within the same district from which they were collected.

Property Tax Payments | For the most part, TIF districts require property owners to pay the same amount of property taxes as those outside of a TIF district. Once collected, tax increment can be returned to the property owner or developer, as part of a development agreement (DA) or owner participation agreement (OPA) to help improve project feasibility. Often the amount of tax increment generated from a particular project forms the basis for identifying the amount of tax increment available to help support an eligible

development project. Other times, agencies fund public improvements at, or adjacent to, the project to help improve project feasibility.

Allows for the Issuance of Bonds | Enabling legislation that allows for the formation of TIF districts typically include an authorization to issue tax exempt or taxable bonds. These bonds are often called tax allocation bonds and the revenue source pledged to repay those bonds is the TIF revenue. Tax allocation bonds do not require a pledge of the local jurisdiction's general fund revenues to support bond repayment. Having said that, the bond market sometimes looks for a general fund guarantee depending on the creditworthiness of the TIF agency, the financial position of the TIF district, or the need to reduce interest rates or create favorable terms for bond repayment. Additionally, it is important to understand that the bond market typically does not support the issuance of bonds that are based on revenue sources from expected future redevelopment projects. Instead, bonds are typically issued based on demonstrated revenue that has a track record of already having been collected from within the TIF district. Because TIF districts often allow for the issuance of bonds, the districts are usually in place for at least 30 years in order to provide adequate time to repay bonds and

create a sizeable amount of TIF revenue to support an initial bond issuance. Bonding allows the TIF district to secure a larger amount of funds up-front and use those funds to help incentivize housing and economic development goals.

Impacts to Special Districts or Other Taxing Entities | Often there are concerns regarding the formation of a TIF district because other taxing entities, such as service areas or school districts perceive that future tax revenues will accrue to the TIF district instead of these other taxing entities. In California, redevelopment law allowed for the other taxing entities to continue to receive their share of property taxes from the base year assessed value plus an escalation factor tied to inflation. The theory behind this practice was that absent redevelopment and TIF, the taxing entities would still receive an increase in property tax revenues commensurate with inflation. However, without redevelopment, the larger increase in property taxes that accrues due to the redevelopment of new projects would not occur. Once a TIF district expires, the taxing entities receive the benefit of the higher property tax revenues from successful projects that have been developed throughout the duration of the TIF district.

APPENDIX D

List of Housing Related Stakeholders Interviewed

Air Force housing planners and EAFB
personnel (5)

Alaska Housing Finance Corporation (3)

Alaska Industrial Development and Export
Authority (1)

City of Fairbanks, Housing and Homeless
Coordinator & Housing Homeless Coalition
(3)

Cold Climate Housing Research Center (1)

Corvias (2)

Denali State Bank (1)

Design Alaska (1)

Fairbanks Economic Development
Corporation (2)

Fairbanks Neighborhood Housing (1)

Fairbanks North Star Borough Planners (3)

Fischer Properties (3)

GHEMM Company (1)

Housing and Urban Development (HUD)
Anchorage Field Office (1)

Intella Homes (1)

Interior Alaska Building Association (3)

JL Properties (2)

Mt.McKinley Bank (2)

Northern Appraisers (1)

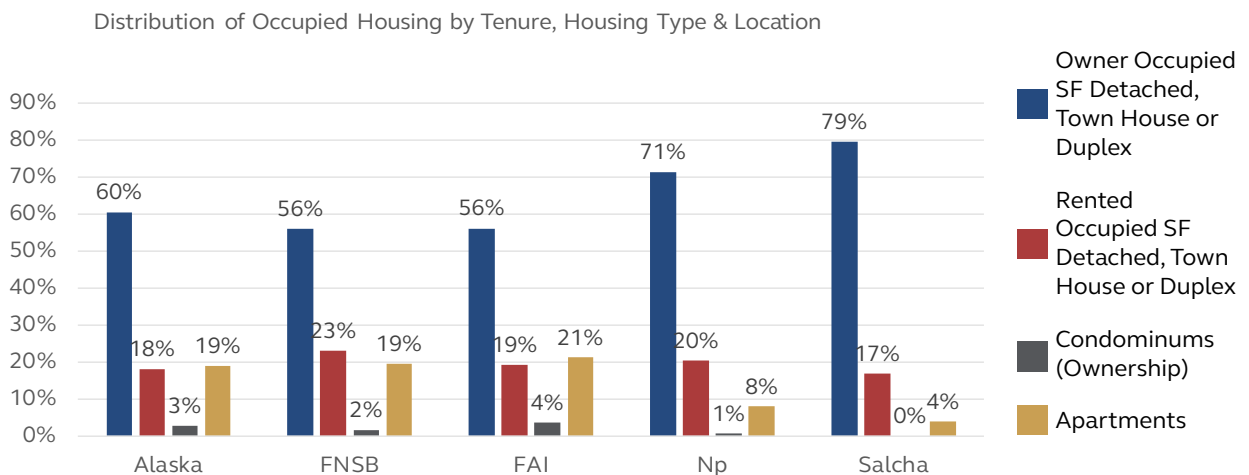
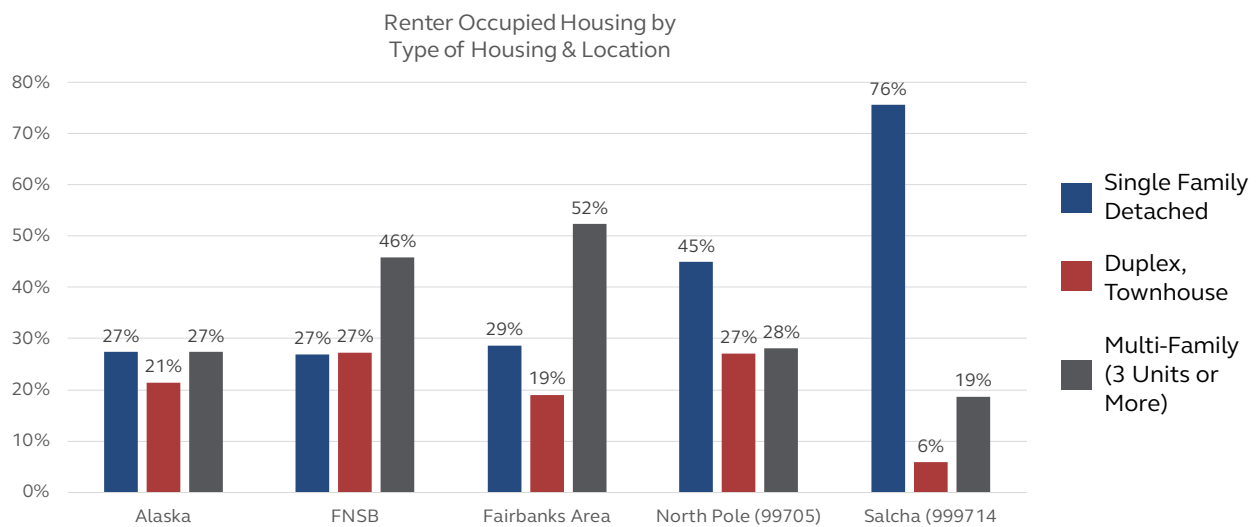
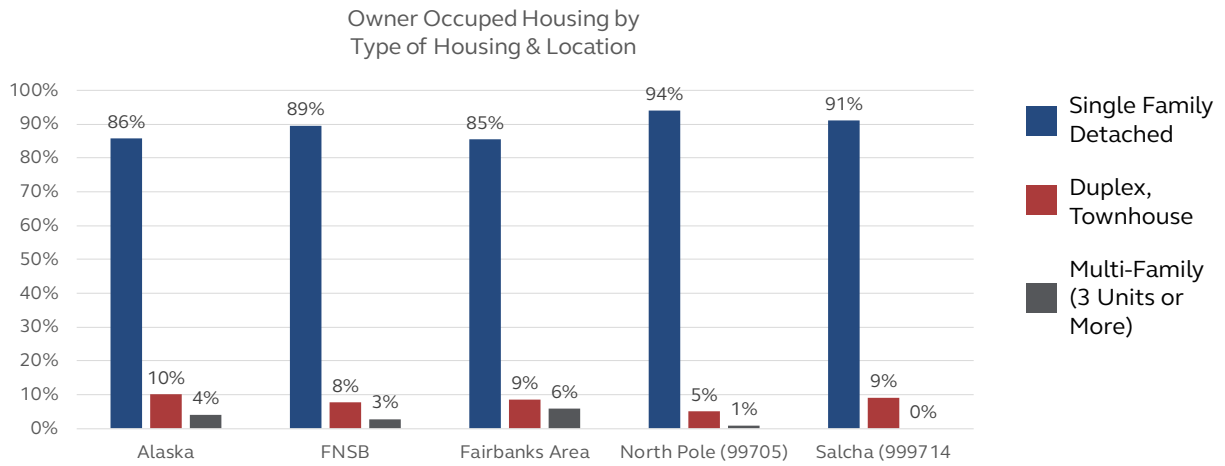
PT Capital via email (1)

State of Alaska, Department of Military and
Veteran Affairs (1)

Well Fargo (local branch) (2)

Numbers in parenthesis are the number of individuals interviewed for that particular organization.

APPENDIX F: HOUSING TENURE & HOUSING TYPE



Source: ACS 2015 5-Year Estimate; excludes zip codes associated with EAFB and Ft. Wainwright. Excludes mobile homes and boats