

BOARD OF DIRECTORS

RESOLUTION _____, AUTHORIZING THE KILLEEN PUBLIC FACILITY CORPORATION TO APPROVE THE TRANSACTION FOR THE AVANTI LEGACY PARKVIEW TRANSACTION, A PROPOSED 9% LOW INCOME HOUSING TAX CREDIT PROJECT FOR SENIORS.

[Ramon Alvarez]
[President]

[Laura Calcote]
[Secretary]

REQUESTED ACTION:

Consideration and approval regarding Resolution _____, Authorizing the Killeen Public Facility Corporation to approve The Avanti Legacy Parkview transaction, a Proposed 9% Low Income Housing Tax Credit Project, which may include condominium units, for seniors.

FINANCIAL IMPACT:

The total project cost is expected to be approximately \$25,000,000. Crimson Bulldog Development, Inc., and/or its affiliates, will give all required guaranties. The PFC will receive 5% of the developer fee and 5% of net cash flow from the Project. At the end of the tax credit compliance period (15 years from the date of stabilization), the PFC will have a put option to require the developer to purchase the PFC's interest in the Project for the amount of foregone City taxes and the Project will become subject to ad valorem taxation at that time.

SUMMARY:

Final approval of a 9% tax credit project, the Avanti Legacy Parkview, an approximately 108-unit housing project for seniors located at approximately 51 N W S Young Drive in Killeen (the "Project"), to be developed by Crimson Bulldog Development, Inc. ("Developer").

The Project is expected to cost approximately \$25,000,000. The project does not have tax exempt bonds as this is not a requirement of the 9% LIHTC Program. The approximate sources of funds are as follows: \$16,198,380 in tax credit equity; \$17,506,000 in construction financing; \$4,960,000 in permanent financing; \$1,709,704 in construction to permanent financing from a HOME Loan from the City of Killeen, and \$2,843,794 in deferred developer fees.

The Project will be new construction and will target senior citizens at 60% or below of the area median income, except for 8 units that are at market rate. All of the units will be one- and two-bedroom units. The Killeen Public Facility Corporation will own the land and create a single member limited liability company to serve as the general partner of the tax credit partnership that will own the Project.

The attached Resolution authorizes the Killeen Public Facility Corporation to approve the Project.

ALTERNATIVES:

If the Board does not approve the resolution, the 108 units will not be built.

STRATEGIC GOAL:

Strategically expand the supply of affordable housing for seniors.

RECOMMENDATION:

Staff recommends the approval of the attached resolution authorizing the Avanti Legacy Parkview transaction.

ATTACHMENTS:

Resolution _____