



City of Killeen

Legislation Text

File #: PFC-24-4, **Version:** 1

Discuss and take possible action regarding a Resolution inducing the Avanti Legacy Parkview Apartments transaction, including authorizing the execution of all documentation necessary to obtain the financing for such transaction; authorizing all filings and agreements with Texas Department of Housing and Community Affairs in connection with applications for low income housing tax credits; authorizing the formation of any limited liability companies in connection with such transaction; and other matters in connection therewith.

DATE: March 5, 2024

TO: Kent Cagle, City Manager

FROM: Holli Clements, City Attorney

SUBJECT: Inducement Resolution regarding Avanti Legacy Parkview Apartments transaction

BACKGROUND AND FINDINGS:

Pursuant to the Texas Public Facility Corporations Act, the City Council created the Killeen Public Facility Corporation (the "PFC"). The PFC is empowered to finance the costs of public facilities that will provide safe housing at affordable prices for residents of the City.

Avanti Parkview LP ("Avanti") filed an Application for financing requesting that the PFC participate in acquisition, construction, and equipping of a proposed approximately 108-unit multifamily housing facility to be located on W.S. Young Drive and to be known as the Avanti Legacy Parkview Apartments. Avanti intends to finance the project in part with 9% housing tax credits and possibly a direct loan competitively procured from the Texas Department of Housing and Community Affairs.

Avanti has requested that the PFC create a subsidiary limited liability company to serve as general partner and the PFC or subsidiary will own the land on which the project is to be located. The proposed Resolution will constitute the PFC's preliminary non-binding commitment to proceed.

THE ALTERNATIVES CONSIDERED:

N/A

Which alternative is recommended? Why?

Staff recommends that Killeen Public Facility Corporation consider taking action regarding a Resolution inducing the Avanti Legacy Parkview Apartments transaction, including authorizing the execution of all documentation necessary to obtain the financing for such transaction; authorizing all filings and agreements with Texas Department of Housing and Community Affairs in connection with applications for low income housing tax credits; authorizing the formation of any limited liability companies in connection with such

transaction; and other matters in connection therewith.

CONFORMITY TO CITY POLICY:

This item conforms to city policy and state law.

FINANCIAL IMPACT:

What is the amount of the revenue/expenditure in the current fiscal year? For future years?

At the end of fifteen years, Avanti will purchase the property from the PFC for a payment equal to the amount of the foregone property taxes for the fifteen years.

Is this a one-time or recurring revenue/expenditure?

One time

Is this revenue/expenditure budgeted?

N/A

If not, where will the money come from?

N/A

Is there a sufficient amount in the budgeted line-item for this revenue/expenditure?

N/A

RECOMMENDATION:

Staff recommends that Killeen Public Facility Corporation consider taking action regarding a Resolution inducing the Avanti Legacy Parkview Apartments transaction, including authorizing the execution of all documentation necessary to obtain the financing for such transaction; authorizing all filings and agreements with Texas Department of Housing and Community Affairs in connection with applications for low income housing tax credits; authorizing the formation of any limited liability companies in connection with such transaction; and other matters in connection therewith.

DEPARTMENTAL CLEARANCES:

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ATTACHED SUPPORTING DOCUMENTS:

Avanti Inducement Resolution