

TO: City of Albany Industrial Development Agency Finance Committee

FROM: City of Albany Industrial Development Agency Staff

RE: Housing Visions Consultants, Inc. - IDA Application Summary

DATE: September 9, 2012

Applicant: Housing Visions Consultants, Inc. on behalf of “Sheridan Hollow Village, LLC” (to be formed) and “Sheridan Hollow Enterprises, LLC” (to be formed)

Managing Members (% of Ownership):

- Sheridan Hollow Village, LLC ownership will consist of HV Consultants Holding Co., LLC (.01%) as managing member - whose sole member is Housing Visions Consultants, Inc. a 501(c)(3) organization - and Key Community Development Corporation (99.99%).
- Sheridan Hollow Enterprises, LLC ownership will consist of Housing Visions Consultants, Inc. (100%) as sole member.

Project Location: Sheridan Hollow Neighborhood - scattered site

Project Description: The Sheridan Hollow Village project is part of a comprehensive neighborhood revitalization strategy in the Sheridan Hollow neighborhood proposed by non-profit organizations Housing Visions Consultants, Inc., Habitat for Humanity Capital District, Touhey Home Ownership Foundation. The project entails the construction of approximately 17 buildings by entities of Housing Visions Consultants, Inc. which will encompass 57 quality affordable rental housing units, 1,000 +/- SF of on-site management/community space, and 9,900 +/- SF of commercial space. The on-site management/ community space and commercial space will be part of two mixed-use buildings that will include affordable housing on the second and third floors.

Estimated Total Project Cost: \$13,904,169 (estimated amount spent to date is over \$100,000)

Type of Financing: Straight Lease

Amount of Bonds Requested: None

Estimated Total Purchases Exempt from Sales Tax: \$4,749,543

Estimated Total Mortgage Amount: \$6,109,453

Total Current Assessment: \$141,450

Estimated Total Improved Assessment: \$4,704,552 (per discussion with Commissioner of Assessment & Taxation)

Requested PILOTs:

- Sheridan Hollow Village, LLC is requesting a PILOT on 57 units of affordable housing and 1,000 +/- SF of associated community space in which the payment will be calculated as 10% of the “Shelter Rent” (aggregate collected annual tenant paid rents less owner paid utilities). The PILOT will operate for a period of 20 years. Taxes on full assessment will be paid in Year 21 and every year thereafter. Sheridan Hollow Village, LLC’s PILOT request does not deviate from the Agency’s Uniform Tax Exemption Policy for affordable housing.
- Sheridan Hollow Enterprises, LLC is requesting a PILOT on 9,900 +/- SF of commercial space which will equate to 50% abatement on the improved assessment value in Year 1. At which time the abatement on the improved assessment value decreases at 5% per year for the following 9 years. Taxes on full assessment will be paid in Year 11 and every year thereafter. Sheridan Hollow Enterprises, LLC’s PILOT request deviates from the Agency’s Uniform Tax Exemption Policy as it mimics the New York States recommended 485b PILOT.

Estimated Value of Total PILOT Payments:

- Total PILOT Payments: \$941,328 (*Sheridan Hollow Village, LLC with 20 year PILOT for residential and community space at \$831,895. Sheridan Hollow Enterprises, LLC with 10 year PILOT for commercial at \$109,434*)

Estimated Value of Total Tax Exemptions:

- NYS Sales and Compensating Use Tax: \$415,311 (*Sheridan Hollow Village, LLC for residential and community space at \$379,963. Sheridan Hollow Enterprises, LLC for commercial at \$35,348*)
- Mortgage Recording Taxes: \$76,368 (*Sheridan Hollow Village, LLC only*)
- Real Property Taxes: \$3,377,699 (*Sheridan Hollow Village, LLC with 20 year PILOT for residential and community space at \$3,344,747. Sheridan Hollow Enterprises, LLC with 10 year PILOT for commercial at \$32,953*)
- Other: N/A

Employment Impact:

- Projected Permanent: (2) new FTE jobs created and (16) FTE jobs retained
- Projected Construction: (45) jobs

Strategic Initiatives:

- Albany 2030
 - Furthers the plan’s vision to provide safe, livable neighborhoods that include walkable streets, housing choices, mixed-use neighborhood centers, and access to downtown.
 - Targets blighting influences.
 - Encourage investment in urban land and buildings for employment and housing.
 - Increase employment opportunities for all residents
 - Support the retention, expansion and recruitment of new businesses that pledge to hire local residents.

Planning Board Actions:

- Currently seeking necessary approvals. Applicant expects approvals in late September or early to middle of October.

Estimated IDA Fee

- Fee amount: \$139,042

Mission

- The purpose of the Industrial Development Agency is to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing industrial, manufacturing, warehousing, commercial, research and recreation facilities. The Agency aims to protect and promote the health of the inhabitants of the City of Albany by the conservation, protection and improvement of the natural and cultural or historic resources and environment and to control land, sewer, water, air, noise or general environmental pollution derived from the operation of industrial development.