

**TO:** City of Albany Industrial Development Board

**FROM:** City of Albany Industrial Development Agency Staff

**RE:** LV Apartments, LP – Final Application Summary

**DATE:** September 13, 2013

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**Applicant:** LV Apartments, LP

**Managing Members (% of Ownership):** LV Apartments GP, LLC (.01%) will serve as General Partner. The Limited Partner (99.98%) and Special Limited Partner (.01%) are to be owned by an entity affiliated with Boston Financial.

**Project Location:** 315 Northern Boulevard

**Project Description:** The project includes the re-use of the former Philip Livingston Magnet Academy. This historic structure served as a junior high and middle school from 1932 to 2009. After more than (3) years of vacancy, the Applicant proposes converting the structure into (103) affordable senior (55+) residential rental units with associated common area amenities and parking. The Applicant currently has a \$2.5 million option in place with the school district to purchase the building and approximately 12 acres, of the approximately 16 acres, of land it currently sits on. The school district will retain approximately 4 acres in front of the building along Northern Boulevard. The Applicant will look to either place approximately 5.5 acres into a conservation easement or deed the land over to the City of Albany for conservation purposes. The building will include approximately (9) studio, (79) one bedroom, and (15) two bedroom units. Once complete the project will provide quality affordable senior housing to residents earning 50%, 60% and 90% of AMI. The Applicant has been awarded both federal and state low income housing tax credits as well as historic tax credits.

**Estimated Project Cost:** \$29,310,000 (estimated amount spent to date \$230,000)

**Type of Financing:** Straight Lease

**Amount of Bonds Requested:** None

**Estimated Total Purchases Exempt from Sales Tax:** \$6,553,779

**Estimated Total Mortgage Amount:** \$24,000,000

**Current Total Assessment:** \$3,500,000 (per discussion with Commissioner of Assessment & Taxation)

**Estimated Improved Total Assessment:** \$10,300,000 (per discussion with Commissioner of Assessment & Taxation)

**Requested PILOT:** Applicant proposes entering into a 30 year PILOT agreement with the IDA in which the payment will be 10% of “shelter rents” for 30 years. “Shelter rents” is defined as the total collected annual rents received from the occupants less owner paid utilities. Total rents shall include rent supplements and subsidies received from the federal government, the state, or a municipality on behalf of such occupants.

**Estimated Value of Total PILOT Payments:**

- Total PILOT Payments: \$2,938,244

**Estimated Value of Tax Exemptions:**

- NYS Sales and Compensating Use Tax: \$524,302
- Mortgage Recording Taxes: \$300,000
- Real Property Taxes: \$21,266,168 (*Not a Net Present Value*)
- Other: N/A

**Employment Impact:**

- Projected Permanent: (3.5) new FTEs
- Projected Construction: (100) jobs

**Strategic Initiatives:**

- Albany 2030
  - Increase job opportunities for all residents.
  - Encourage investment in urban land and buildings for employment and housing.
  - Provide a variety of housing types to meet the varied needs of Albany’s households, including market, moderate and low income housing.
  - Encourage diverse intergenerational housing. Diverse housing includes options for residents throughout different stages of life (e.g. students, couples, families with children, seniors) in the same neighborhood.
  - Encourage non-profit and for-profit developers to design senior housing that is integrated into the neighborhood.

**Other Benefits:**

- Removes not only an expense, but a liability to the school district.
- Provides school district with a guaranteed one-time source of revenue with the potential for additional revenue from the approximate 4 acres it still retains along Northern Boulevard.

**Planning Board Actions:**

- Issued a Negative Declaration for this Unlisted Action as per the provisions of SEQR on 7/25/13.
- Approved the site plan on 7/25/13 with the following conditions:
  - The applicant shall obtain final approval of the Division of Engineering and Department of Water & Water Supply
  - Plans for traffic control signage shall be reviewed and approved by the Traffic Engineering Unit.

- The tax lots comprising the site shall be subdivided and/or consolidated as proposed.
- The land conservation area, as depicted on the site plan, shall be deeded to, and accepted by, the City of Albany; or, if the City will not accept it, be placed into a conservation easement.

**Estimated IDA Fee**

- Fee amount: \$293,100

**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.