

LIHTC-19-02 Staff Memo-Second Reading of Ordinance



To:	Shannon Mattingly – Planning and Development Services Director
From:	Planning & Development Services – Shavon Caldwell, Planner
Date:	January 28, 2020
Re:	LIHTC-19-02-Council Committee Request for Addition of 40% and 50% AMI Units

Summary and Background

At the January 13th, 2020 meeting of the City Council Committee on Workforce Housing the Committee discussed the applicant’s addition of a PILOT proposal and requested that the applicant also review the possibility of adding units restricted to those making 40% or less and 50% or less of Area Median Income. The applicant responded that 12 units restricted to 40% AMI and 12 units restricted to 50% AMI could be added to the proposed unit mix but doing so would eliminate 24 units restricted to 60% AMI and would also eliminate the possibility of a payment in lieu of taxes.

This memorandum is intended to provide Council members with a summary of the rental savings between the two options. These savings can be compared to the proposed PILOT to estimate the cost benefit of each option. Please see the tables below for a comparison of the unit mix as proposed by the applicant and the unit mix with the addition of the requested 40% AMI and 50% AMI units.

Redwood Unit Mix as Proposed by Applicant

Bedrooms	Bathrooms	% AMI	# of Units	SQFT	Max Rent	Total Annual Rent
1-BR	1-BA	60	20	815	967	\$232,080
1-BR	1-BA	30	4	815	532	\$25,536
2-BR	2-BA	60	120	1032	1161	\$1,671,840
2-BR	2-BA	30	12	1032	639	\$92,016
3-BR	2-BA	60	104	1204	1341	\$1,673,568
3-BR	2-BA	30	12	1204	738	\$106,272
4-BR	2-BA	60	22	1534	1497	\$395,208
4-BR	2-BA	30	2	1534	823	\$19,752
Total			296			\$4,216,272

Redwood Unit Mix with Requested 40% AMI and 50% AMI Units

Bedrooms	Bathrooms	% AMI	# of Units	SQFT	Max Rent	Total Rent
1-BR	1-BA	60	20	815	967	232,080
1-BR	1-BA	30	4	815	532	25,536
2-BR	2-BA	60	108	1032	1161	1,504,656
2-BR	2-BA	50	6	1032	1065	76,680
2-BR	2-BA	40	6	1032	852	61,344
2-BR	2-BA	30	12	1032	639	92,016
3-BR	2-BA	60	92	1204	1341	1,480,464
3-BR	2-BA	50	6	1204	1230	88,560
3-BR	2-BA	40	6	1204	984	70,848
3-BR	2-BA	30	12	1204	738	106,272
4-BR	2-BA	60	22	1534	1497	395,208
4-BR	2-BA	30	2	1534	823	19,752
Total			296			\$4,153,416

Annual Rental Savings for Residents with Addition of 40% and 50% AMI Unit

\$62,856