

Somerset Plaza Tower Multifamily Housing Revenue Bond Letter of Intent



Office of Economic
Development

May 12, 2020



Somerset Plaza Tower Apartments



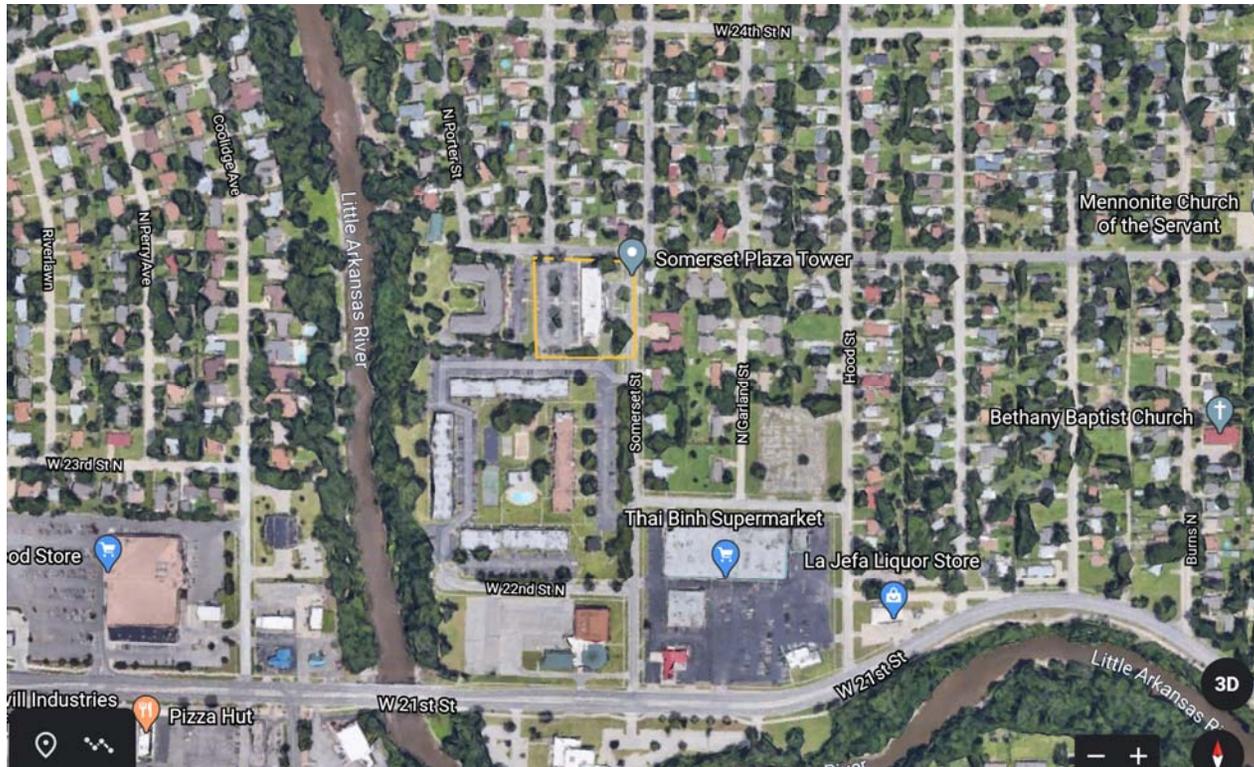
- Steele Somerset, LLC – real estate holding entity (Steele Properties – Denver, CO based)
- Second project in Wichita – Shadyway Plaza Tower
- Acquiring Somerset Plaza Tower apartments (2395 Somerset Street) for rehabilitation
- Requesting Letter of Intent to issue Multifamily Housing Revenue Bonds not to exceed \$12,000,000



Somerset Plaza Tower Apartments



2395 Somerset Street



Somerset Plaza Tower Apartments



- 100 units for low-income seniors and disabled residents
- Built in 1979; few upgrades/renovations
- Covered by Section 8 Housing Assistance Payment –
subsidizes resident portion of rent (developer intends to renew
for additional 20 years)



Somerset Plaza Tower Apartments



- Invest \$3,600,000 renovation
- ADA requirements, bathroom and kitchen renovations, painting and landscaping exterior, installing hardwired smoke/CO2 detectors, new refrigerators and ranges in all units, among other improvements



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- Steele Somerset applied for 4% Low Income Housing Tax Credits – requires use of bonds
- Bonds used for sales tax exemption only; no property tax abatement requested
- Bonds will be placed privately with KeyBank National Association



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- **Recommendation:**

- It is recommended that the City Council close the public hearing, adopt the Resolution of Intent and authorize the necessary signatures.



Somerset Plaza Tower Multifamily Housing Revenue Bond Issue



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