



Dr. Christopher Harvey, Mayor
Emily Hill, Mayor Pro Tem, Place 1
Anne Weir, Place 2
Maria Amezcua, Place 3
Sonia Wallace, Place 4
Aaron Moreno, Place 5
Deja Hill, Place 6

Manor Housing Public Facility Corporation

Wednesday, February 21, 2024 at 6:30 PM

Manor City Hall, Council Chambers, 105 E. Eggleston St.

AGENDA

CALL TO ORDER AND ANNOUNCE A QUORUM IS PRESENT

PUBLIC COMMENTS

Non-Agenda Item Public Comments (white card): Comments will be taken from the audience on non-agenda-related topics for a length of time, not to exceed three (3) minutes per person.

Agenda Item Public Comments (yellow card): Comments will be taken from the audience on non-agenda and agenda items combined for a length of time, not to exceed five (5) minutes total per person on all items, except for Public Hearings. Comments on Public Hearing items must be made when the item comes before the Corporation and, not to exceed two (2) minutes per person. No Action or Discussion May be Taken by the Corporation during Public Comments on Non-Agenda Items.

To address the Manor Housing Public Facility Corporation, please complete the white or yellow card and present it to the City Secretary, or designee prior to the meeting.

REGULAR AGENDA

- 1. Consideration, discussion, and possible action to approve the Manor Housing Public Facility Corporation Minutes of the October 2, 2023, meeting.**
- 2. Consideration, discussion, and possible action on a resolution approving and authorizing the General Manager to negotiate and execute various agreements and acknowledgements as beneficial, desired, or required to bring the W2 Manor Apartments project (the "Project") to financial close, with such agreements and acknowledgements to include, without limitation or qualification, a Ground Lease Recognition Agreement along with other agreements and acknowledgements that pertain to the design, construction, financing, conveyance of interests in real property, establishment of housing affordability requirements, and the confirming and securing of certain tax exemptions with respect to the Project.**

ADJOURNMENT

In addition to any executive session already listed above, the City Council reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Section §551.071 (Consultation with Attorney), §551.072 (Deliberations regarding Real Property), §551.073 (Deliberations regarding Gifts and Donations), §551.074 (Personnel Matters), §551.076 (Deliberations regarding Security Devices) and §551.087 (Deliberations regarding Economic Development Negotiations).

CONFLICT OF INTEREST

In accordance with Section 12.04 (Conflict of Interest) of the City Charter, “No elected or appointed officer or employee of the city shall participate in the deliberation or decision on any issue, subject or matter before the council or any board or commission, if the officer or employee has a personal financial or property interest, direct or indirect, in the issue, subject or matter that is different from that of the public at large. An interest arising from job duties, compensation or benefits payable by the city shall not constitute a personal financial interest.”

Further, in accordance with Chapter 171, Texas Local Government Code (Chapter 171), no City Council member and no City officer may vote or participate in discussion of a matter involving a business entity or real property in which the City Council member or City officer has a substantial interest (as defined by Chapter 171) and action on the matter will have a special economic effect on the business entity or real property that is distinguishable from the effect on the general public. An affidavit disclosing the conflict of interest must be filled out and filed with the City Secretary before the matter is discussed.

POSTING CERTIFICATION

I, the undersigned authority do hereby certify that this Notice of Meeting was posted on the bulletin board, at the City Hall of the City of Manor, Texas, a place convenient and readily accessible to the general public at all times and said Notice was posted on the following date and time: Friday, February 16, 2024, by 5:00 PM and remained so posted continuously for at least 72 hours preceding the scheduled time of the said meeting.

/s/ Lluvia T. Almaraz, TRMC
City Secretary for the City of Manor, Texas

NOTICE OF ASSISTANCE AT PUBLIC MEETINGS:

The City of Manor is committed to compliance with the Americans with Disabilities Act. Manor City Hall and the Council Chambers are wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 10 days prior to this meeting. Please contact the City Secretary at 512.215.8285 or e-mail lalmaraz@manortx.gov



AGENDA ITEM SUMMARY FORM

PROPOSED MEETING DATE: February 21, 2024
PREPARED BY: Lluvia T. Almaraz, Board Secretary
DEPARTMENT: Administration

AGENDA ITEM DESCRIPTION:

Consideration, discussion, and possible action to approve the Manor Housing Public Facility Corporation Minutes of the October 2, 2023, meeting.

BACKGROUND/SUMMARY:

LEGAL REVIEW: Not Applicable
FISCAL IMPACT: No
PRESENTATION: No
ATTACHMENTS: Yes

- October 2, 2023, MPFC Meeting Minutes

STAFF RECOMMENDATION:

Staff recommends that the PFC Board approve the Manor Housing Public Facility Corporation Minutes of the October 2, 2023, meeting.



**MANOR HOUSING PUBLIC FACILITY CORPORATION
REGULAR SESSION MINUTES
OCTOBER 2, 2023**

PRESENT:

Dr. Christopher Harvey, President (Arrived at 6:27 p.m.)

COUNCIL MEMBERS:

Emily Hill, Mayor Pro Tem, Vice-President
Anne Weir, Board Member
Maria Amezcua, Board Member
Sonia Wallace, Board Member
Aaron Moreno, Board Member
Deja Hill, Board Member

CITY STAFF:

Scott Moore, City Manager
Lluvia T. Almaraz, City Secretary
Ryan Phipps, Chief of Police
Scott Jones, Economic Development Director
Christina Lane, Finance Consultant
Gregory Miller, Bond Counsel

REGULAR SESSION – 6:00 P.M.

With a quorum of the Board Members present, the regular session of the Manor Housing Public Facility Corporation was called to order by Board Vice President Emily Hill at 6:05 p.m. on Monday, October 2, 2023, in the Council Chambers of the Manor City Hall, 105 E. Eggleston St., Manor, Texas.

PUBLIC COMMENTS

No one appeared at this time.

REGULAR AGENDA

1. Consideration, discussion, and possible action to approve the Manor Housing Public Facility Corporation Minutes of the September 20, 2023, meeting.

MOTION: Upon a motion made by Board Member Wallace and seconded by Board Member Amezcua to approve the Manor Housing Public Facility Corporation Minutes of the September 20, 2023, meeting.

There was no further discussion.

Motion to approve carried 6-0

2. Consideration, discussion, and possible action to reaffirm the Board's authorization of the negotiation and execution of agreements and other instruments in furtherance of the MHPFC/W2 multifamily development that was previously approved by the Board at a meeting held on May 31, 2023.

Gregory Miller, Bond Counsel gave an update on the MHPFC/W2 multifamily development and proposed agreements.

A discussion was held regarding sales tax.

MOTION: Upon a motion made by Board Member Moreno and seconded by Board Member Wallace to authorize and direct the General Manager to negotiate and execute all required agreements and other instruments in furtherance of the MHPFC/W2 multifamily development that was previously approved by the Board at a meeting held on May 31, 2023.

There was no further discussion.

Motion to approve carried 6-0

3. Consideration, discussion, and possible action to reaffirm the Board's authorization of its authorization and direction of the General Manager to incorporate one or more special purpose entities in furtherance of the MHPFC/W2 multifamily development that was previously approved by the Board at a meeting held on May 31, 2023.

Gregory Miller, Bond Counsel gave an update on the authorization of the negotiation and execution of agreements and other instruments in furtherance of the MHPFC/W2 multifamily development that was previously approved by the Board at a meeting held on May 31, 2023.

MOTION: Upon a motion made by Board Member Wallace and seconded by Board Member Amezcua to authorize and direct the General Manager to incorporate one or more special purpose entities on behalf of the Manor Housing Public Facility Corporation in furtherance of the MHPC/W2 multifamily development that was previously approved by the Board at a meeting held on May 31, 2023.

There was no further discussion.

Motion to approve carried 6-0

Mayor Harvey arrived at 6:27 p.m.

4. Consideration, discussion, and possible action to select Hilltop Securities as Financial Advisor for one or more Manor Housing Public Facility Corporation affordable housing projects.

Gregory Miller, Bond Counsel discussed the proposed selection of Hilltop Securities as Financial Advisor for one or more Manor Housing Public Facility Corporation affordable housing projects.

Claire Merritt, Vice President with Hilltop Securities introduced herself and gave a brief summary of services that Hilltop Securities provides to their clients.

MOTION: Upon a motion made by Board Member Moreno and seconded by Board Member Wallace to approve the selection of Hilltop Securities as Financial Advisor for one or more Manor Housing Public Facility Corporation affordable housing projects; and authorize the General Manager to execute the agreement.

A discussion was held regarding the clarification of the service agreement and Financial Services qualifications.

There was no further discussion.

Motion to approve carried 7-0

5. Consideration, discussion, and possible action to approve an inducement resolution that authorizes an application to the Texas Bond Review Board for an allocation of up to \$70,000,000 in private activity volume cap multi-family non-recourse bonds to Manor Leased Housing Associates I, LP, or one of Dominium Acquisition, LLC's related entities, for a proposed affordable multi-family development to be known as Tower Road Apartments, located at or near 12200 Tower Road, Manor, Texas 787653.

Gregory Miller, Bond Counsel discussed the proposed resolution.

A discussion was held regarding the next steps for development.

Resolution No. 2023-MHPFC02: A Resolution Of The Manor Housing Public Facility Corporation Authorizing An Application To The Texas Bond Review Board For An Allocation Of Up To \$70,000,000 In Private Activity Volume Cap Multi-Family Non-Recourse Bonds To Manor Leased Housing Associates I, LP, Or One Of Dominion Acquisition, LLC's Related Entities, For A Proposed Affordable Multi-Family Development To Be Known As Tower Road Apartments, Located At Or Near 12200 Tower Road, Manor, Texas 787653.

MOTION: Upon a motion made by Board Member Wallace and seconded by Board Member Amezcua to approve Resolution No. 2023-MHPFC02 as presented.

There was no further discussion.

Motion to approve carried 7-0

ADJOURNMENT

The Regular Session of the Manor Housing Public Facility Corporation was Adjourned at 6:36 p.m. on Monday, October 2, 2023. *(Video Recording Archived)*

These minutes were approved by the Manor Housing Public Facility Corporation on the ____ day of _____ 2023.

APPROVED:

Dr. Christopher Harvey
PFC Board President

ATTEST:

Lluvia T. Almaraz,
PFC Board Secretary



AGENDA ITEM SUMMARY FORM

PROPOSED MEETING DATE: February 21, 2024
PREPARED BY: Scott Moore, City Manager
DEPARTMENT: Administration

AGENDA ITEM DESCRIPTION:

Consideration, discussion, and possible action on a resolution approving and authorizing the General Manager to negotiate and execute various agreements and acknowledgements as beneficial, desired, or required to bring the W2 Manor Apartments project (the "Project") to financial close, with such agreements and acknowledgements to include, without limitation or qualification, a Ground Lease Recognition Agreement along with other agreements and acknowledgements that pertain to the design, construction, financing, conveyance of interests in real property, establishment of housing affordability requirements, and the confirming and securing of certain tax exemptions with respect to the Project.

BACKGROUND/SUMMARY:

On October 2nd, the Board authorized the negotiation and execution of several agreements relating to the development of the W2 Manor Apartments project. These are the: Company Agreement, Lease Agreement, and Regulatory Agreement.

It is anticipated that W2 will close on the financing of the project at the end of this month and that construction will commence shortly thereafter.

For W2 to complete its financing of the project, the lenders will need documentation of the PFC's commitment to and role in the transaction. Some of these documents are listed below.

The resolution specifies that each agreement must be to achieve the objectives outlined in the Letter of Intent (attached) which states the essential terms of the project. The resolution further specifies that it does not grant any authority for purposes other than achieving these objectives.

This resolution provides that the authority to be granted will be conclusive authority to sign the agreements.

DOCUMENTS TO BE NEGOTIATED AND EXECUTED (GENERALLY)

These are most, if not all, of the outstanding documents but the resolution is broadly worded in case there are others that are related to this.

The overall structure of the project is:

- W2 conveys the land to MHPFC, MHPFC leases the land back to W2, who develops and operates the apartments. This structure established the basis for the tax exemption of the property. The relation between W2 and the MHPFC, for the most part, is covered in the Company Agreement approved in October.
- MHPFC has since, as authorized in October, created a Limited Liability Company to “stand in the shoes” of MHPFC for the purpose of that agreement. This structure is an additional way of limiting MHPFC’s liability. However, liability has been effectively limited by the terms of the Company Agreement.
- MHPFC, or an LLC of MHPFC, will serve as the General Contractor for the project. This is to establish a sales tax exemption for the materials and supplies that go into the construction of the project.
- The MHPFC’s obligations and risks in this role are all assigned to W2 with no recourse to the MHPFC through a construction subcontract.

FEES TO MHPFC

After financial close, W2 conveys certain funds to the MHPFC :

- \$100,000 for structuring fees
- Approximately \$396,000 as a development fee
- Once the property has reached rent stabilization, W2 will pay to MHPFC:
 - Approximately \$260,000 (20% of the sales tax savings) and
 - Annually an amount equal the portion of ad valorem tax that the City would have received if it were collecting its share of tax attributable from the property.

LIST OF DOCUMENTS

The documents which will need to be negotiated and executed by the General Manager, in addition to those authorized October 2, 2023 are:

- Memorandum of Ground Lease
- Ground lease recognition agreement
- Construction Contract
- Contractor’s consent
- Assignment of construction contract
- Contracting subcontract

This list is not exhaustive as there may be one or more ancillary documents. However, these do represent the essential documents for the MHPFC’s part of the transaction.

LEGAL REVIEW:	Yes, Gregory Miller, Bond Counsel
FISCAL IMPACT:	See- Fees to MHPFC above
PRESENTATION:	No
ATTACHMENTS:	Yes

- Resolution No. 2024-MHPFC03

STAFF RECOMMENDATION:

Staff recommends approval of Resolution No. 2024-MHPFC03 authorizing the negotiation and execution of certain agreements to bring the W2 Manor Apartments project to financial close.

RESOLUTION NO. 2024-MHPFC03

A RESOLUTION OF THE MANOR HOUSING PUBLIC FACILITY CORPORATION APPROVING AND AUTHORIZING THE GENERAL MANAGER TO NEGOTIATE AND EXECUTE VARIOUS AGREEMENTS AND ACKNOWLEDGEMENTS AS BENEFICIAL, DESIRED, OR REQUIRED TO BRING THE W2 MANOR APARTMENTS PROJECT (THE “PROJECT”) TO FINANCIAL CLOSE, WITH SUCH AGREEMENTS AND ACKNOWLEDGEMENTS TO INCLUDE, WITHOUT LIMITATION OR QUALIFICATION, A GROUND LEASE RECOGNITION AGREEMENT ALONG WITH OTHER AGREEMENTS AND ACKNOWLEDGEMENTS THAT PERTAIN TO THE DESIGN, CONSTRUCTION, FINANCING, CONVEYANCE OF INTERESTS IN REAL PROPERTY, ESTABLISHMENT OF HOUSING AFFORDABILITY REQUIREMENTS, AND THE CONFIRMING AND SECURING OF CERTAIN TAX EXEMPTIONS WITH RESPECT TO THE PROJECT.

RECITALS

WHEREAS, W2 Real Estate Partners (“W2”) has presented the Manor Housing Public Facility Corporation (the “Corporation”) with a proposal for a multifamily residential project (the “Project”) to be owned by the Corporation and developed in accordance with Chapter 303 of the Texas Local Government Code (“Chapter 303”); and

WHEREAS, the Corporation wishes to promote and facilitate the development of affordable housing within the City of Manor and as such wishes to participate in the development, construction, and operation of the Project as authorized by Chapter.

NOW THEREFORE, BE IT RESOLVED BY THE MANOR HOUSING PUBLIC FACILITY CORPORATION AS FOLLOWS:

SECTION 1. The recitals set forth above in this Resolution are true and correct and are hereby adopted as findings of the Board of Directors of the Manor Housing Public Facility Corporation (the “Corporation”) and are incorporated into the body of this Resolution as if fully set forth herein.

SECTION 2. The Corporation hereby authorizes and directs the General Manager of the Corporation (the “General Manager”) to negotiate the terms of all documents, instruments, agreements, and acknowledgements that are beneficial, desirable, or necessary to bring the multifamily residential project as presented by W2 Real Estate Partners, currently known as

“Manor Apartments” (the “Project”), which is to be owned by the Corporation and developed in accordance with Chapter 303 of the Texas Local Government Code (“Chapter 303”), to financial close so that W2 Development Partners may obtain financing for the Project and the Corporation may secure tax exemptions for the Project as authorized by Chapter 303, and thereby support the development of affordable housing within the City of Manor (all such documents, instruments, agreements, and acknowledgements, together, the “Documents”).

SECTION 3. The Documents will include but not be limited to a Ground Lease Recognition Agreement.

SECTION 4. The Documents will include any and all documents to which the MHPFC is a party and which are beneficial, desirable, or necessary to facilitate W2’s financing of the Project including obtaining a loan from International Bank of Commerce, with such documents to include but not be limited to: a memorandum of ground lease, construction contract, subcontract of the construction contract, contractor’s consent, assignment of construction contract, along with all other documents related to the design, construction, financing, conveyance of interests in real property, establishment of housing affordability requirements, and the confirming and securing of certain tax exemptions authorized by Chapter 303 with respect to the Project.

SECTION 5. Where beneficial, desirable or necessary, the authority hereby granted to the General Manager to negotiate and execute the Documents on behalf of the Corporation extends to the negotiation and execution of the Documents on behalf of one or more MHPFC special purpose entities.

SECTION 6. This resolution is the Board’s authorization of the negotiation and execution of the Documents by the General Manager, and no further or additional approval of the Board shall be required for such negotiation, execution, or recording of the Documents.

SECTION 7. The sole purpose of this resolution is to enable the Corporation, acting by and through its duly authorized General Manager to execute the Documents to accomplish and achieve the financing of the Project and more specifically, to achieve the purposes outlined in the attached Letter of Intent dated May 31, 2023, attached hereto. This resolution does not grant or establish any authority of the General Manager that is not beneficial, desirable, or necessary for

this stated purpose.

SECTION 8. This Resolution shall become effective from and after its date of passage.

PASSED AND APPROVED on this the 21st day of February, 2024.

Dr. Christopher Harvey, President
Manor Housing Public Facility Corporation

ATTEST:

Lluvia T. Almaraz, Secretary
Manor Housing Public Facility Corporation



REAL ESTATE PARTNERS

PRIVATE AND CONFIDENTIAL

May 31, 2023

City of Manor and Manor PFC
105 E Eggleston St
Manor, TX 78653
ATTN: Scott Moore

Thank you for the opportunity to submit this Letter of Intent ("LOI") regarding a proposal for a joint venture between the Manor Public Facilities Corporation ("MANOR PFC") and W2 Real Estate Partners, Inc., ("W2"). Our intention with this preliminary LOI is for both parties to efficiently determine if agreement on the most fundamental elements of an agreement can be made. Under this proposal, an affiliate of W2 would partner with MANOR PFC to develop affordable apartments on a premium site on Gregg Manor Rd. just off the Manor Express 290 Tollway and immediately adjacent to the 1MM+ sf Las Entradas Master Planned Development District. W2 believes this opportunity would align very well with MANOR PFC's objectives.

A summary of the proposed joint venture is as follows:

Development: W2 will build a 264-unit 3-story Garden Style apartment complex that is site plan approved with building permits in process on a prominent land parcel W2 currently owns (11.01 - acres) in Manor, TX visible from the 290 Express Tollway.

Affordability: W2 will set aside 50% of the units (132 units) to tenants whose income is 80% or less of the Area Median Income for low and moderate-income households, the "Affordable Units". Inclusive of the 50% at 80% AMI will be 10% (13 units) intended for tenants with household income at 60% AMI. The Affordable Units shall include one-bedroom, two-bedroom, and three-bedroom apartment units in the same proportion as the market rate units. W2 will endeavor to lease such Affordable Units at a rate of 30% rent to income, but in no event shall such Affordable Units be rented at a rate that is greater than 35% rent to income.

*Sourced by Novogradac Rent & Income Limit Estimator for Affordable Housing Program, Travis County, Austin-Round Rock MSA

Deal Structure: W2 will convey the Site to MANOR PFC for \$1 for the project to benefit from MANOR PFC's tax exempt status and capture 100% ad valorem tax savings. These savings will be shared between W2 and MANOR PFC as outlined below.



REAL ESTATE
PARTNERS

- Ground Lease:** MANOR PFC will ground lease the land back to W2 under a 75-year term with rent equal to \$1 per year plus a share of ad valorem tax savings (per below). The Ground Lease will be collapsible in so much as the property tax exemption discontinues to provide the project tax benefits.
- Structuring Fee** W2 will remit to MANOR PFC \$200,000 to account for any structuring costs associated with the partnership.
- Development / Issuance Fee:** W2 will remit to MANOR PFC \$1,500 per unit as a Development / Issuance Fee associated with the partnership.
- MANOR PFC Sales Tax Savings Participation** MANOR PFC will participate in 20% of any and all sales tax savings that are achieved from the purchase of materials and supplies by the nonprofit JV Contractor entity. This amount is estimated to be \$260,000 based on currently projected project cost and not to exceed \$260,000 if the project is delayed.
- MANOR PFC Annual Payments** MANOR PFC would share in the annual real estate tax savings proportionate to the City of Manor mill rate as a proportion of total taxable mill rate. For 2023, this equates to 27.5%.
- MANOR PFC Payment on Sale** MANOR PFC will receive the greater of a) 1% of net sales proceeds or b) \$1.25MM from the initial sale of the leasehold interest.
- MANOR PFC Operating Profits:** Through the combination of the 1) upfront structuring and development fees, 2) share of the ongoing ad valorem tax savings, and 3) the share of sale proceeds, MANOR PFC can expect to receive revenues from the project of totaling almost \$5MM over the first 10 years.
- Capital:** W2 will provide 100% of all funds, construction management and oversight necessary to perform and pay for proposed improvements, including project financing in the form of equity, arranged debt, and debt guarantees.
- Indemnity:** W2 agrees to indemnify and hold harmless MANOR PFC and its related parties against any and all claims arising from the project.



REAL ESTATE
PARTNERS

Due to time sensitivities of this project, this proposal is automatically retracted and withdrawn if not accepted by May 31st, 2023.

W2 appreciates the consideration and welcomes further discussion.

Sincerely,

A handwritten signature in blue ink, appearing to be 'MB', positioned above a horizontal line.

Mike Braeuer
Vice President | W2 Real Estate Partners
1717 W. 6th St. Ste. #108
Austin, Texas 78703
512-680-9610

A handwritten signature in blue ink, appearing to be 'SM', positioned above a horizontal line.

Scott Moore
City Manager
City of Manor
105 E Eggleston St
Manor, TX 78653

DRAFT