



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

Monday, October 02, 2023 at 6:00 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 September 20, 2023, meeting.**
- 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.**
- 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.**

- 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.**
- 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 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.**

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: Thursday, September 28, 2023, 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: October 2, 2023
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 September 20, 2023, meeting.

BACKGROUND/SUMMARY:

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

- September 20, 2023, MPFC Meeting Minutes

STAFF RECOMMENDATION:

Staff recommends that the PFC Board approve the Manor Housing Public Facility Corporation Minutes of the September 20, 2023, meeting.



**MANOR HOUSING PUBLIC FACILITY CORPORATION
REGULAR SESSION MINUTES
SEPTEMBER 20, 2023**

PRESENT:

Dr. Christopher Harvey, Mayor

COUNCIL MEMBERS:

- 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

CITY STAFF:

- Scott Moore, City Manager
- Lluvia T. Almaraz, City Secretary
- 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 President Harvey at 6:06 p.m. on Wednesday, September 20, 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 May 31, 2023, meeting.

MOTION: Upon a motion made by Board Member Moreno and seconded by Board Member Amezcua to approve the Manor Housing Public Facility Corporation Minutes of the May 31, 2023, meeting.

There was no further discussion.

Motion to approve carried 7-0

2. Discussion of status updates for the MHPFC/W2 multifamily development.

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

There was no further discussion, and no action was taken.

3. Consideration, discussion, and possible action to reaffirm its 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 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.

Board President Harvey requested for the timeline to be presented at the next board meeting.

A discussion was held regarding the final documents to be presented at the next board meeting prior to approval.

There was no further discussion, and no action was taken.

4. Consideration, discussion, and possible action to reaffirm its 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 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.

A discussion was held regarding the final documents to be presented at the next board meeting prior to approval.

There was no further discussion, and no action was taken.

5. Presentation and discussion of the proposed Tower Road affordable multifamily housing development, including discussion of the potential financing structure for the development which may include PFC bond financing, PFC tax benefits, LIHTC, loans, developer equity, and other sources of funding.

Gregory Miller, Bond Counsel provided information to the board on the next steps if they decide to move forward with the project.

David D'Amelio with Dominion presented the attached PowerPoint presentation.

There was no further discussion, and no action was taken.

6. Consideration, discussion, and possible action to set the next meeting of the Manor Housing Public Facility Corporation.

MOTION: Upon a motion made by Board Member Moreno and seconded by Board Member Wallace to set the next PFC meeting to October 2, 2023, at 6:00 p.m.

There was no further discussion.

Motion to approve carried 6-0 (Mayor Pro Tem Emily Hill was not present during the vote)

ADJOURNMENT

The Regular Session of the Manor Housing Public Facility Corporation was Adjourned at 6:48 p.m. on Wednesday, September 20, 2023. *(Video Recording Archived)*

These minutes were approved by the Manor Housing Public Facility Corporation on the 2nd day of October 2023.

APPROVED:

Dr. Christopher Harvey
PFC Board President

ATTEST:

Lluvia T. Almaraz,
PFC Board Secretary



DOMINIUM

City of Manor Introductory Meeting

What we do hits H O M E 7



DOMINIUM

About Us

About Dominionium

Focused on results and long-term value

- Founded in 1972
- 2nd largest private developer of workforce housing
- Over 220 properties in portfolio nationwide
- Four regional offices, own properties in 19 states
- Launched "Dominium Gives" to further support the communities we serve
- On track to become the country's pre-eminent developer, owner, and property manager of high-quality, workforce housing



Crossroad Commons
Travis County, TX

Giving Back to Our Communities

DOMINIUM GIVES

DONATES



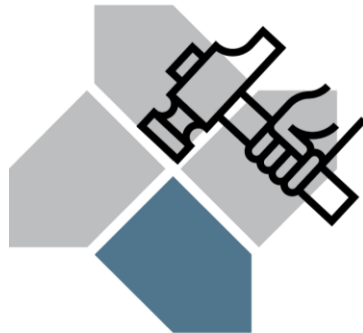
DOMINIUM FOUNDATION

Direct donations to organizations that build stronger families and neighborhoods

Includes a Scholarship Program and Resident Internship Program

2019-2021: \$8.0mm

BUILDS



DOMINIUM PRO BONO PROGRAM

Free development services to nonprofit housing providers

To date, more than 2,500 workforce units across 13 developments worth over \$860mm

Closed or working on over 700 units designed to address U.S. homeless crisis

ASSISTS



DOMINIUM EMPLOYEE EMERGENCY FUND (EEF)

Employees donate to assist colleagues

Funds available for employees in need

Employee participation of more than 35%

Helping 86 families annually

VOLUNTEERS



DOMINIUM VOLUNTEER PROGRAM

Aligns company resources with employee passion

Dominium donates matching funds

750 Employees

30,000 Hours



DOMINIUM Case Studies



Case Study

Crossroad Commons

TRAVIS COUNTY, TX

Workforce Family Apartment Community

Completed in Spring 2022, Crossroad Commons is Dominion's third new family construction project in Texas

Property provides workforce housing for up to 216 families, subject to the 60% AMI limit

Features 7 residential buildings with 1, 2 and 3 bedroom layouts that include granite counters, resilient flooring, and in-home laundry

The community features a clubhouse with a resident services area, fitness center with yoga studio, café lounge, and children's playroom

22 acres have been preserved for surrounding watershed, allowing residents to enjoy walking trails

Dominium partnered with a subsidiary of the Housing Authority of the City of Austin (HACA) to develop the community

An affiliate of HACA issued tax-exempt bonds, and the Texas Department of Housing and Community Affairs issued Housing Tax Credits to finance the project

Total Development Cost: \$65M



Case Study

Crossroad Commons

TRAVIS COUNTY, TX



Case Study

Timbers at Hickory Tree

BALCH SPRINGS, TX

Workforce Family Apartment Community

New construction project built in 2020

Property provides workforce housing for up to 216 families, subject to the 60% AMI limit

Features 7 residential buildings with 1, 2 and 3 bedroom layouts that include granite counters, resilient flooring, and in-home laundry

The community features a clubhouse with a fitness center with yoga studio, resident café, and activity center

Dominium Construction and Architectural Services was General Contractor

Financed through a Freddie Mac Forward Tax-Exempt Loan, TCF Bank Construction Loan Low Income Housing Tax Credits from Texas Department of Housing and Community Affairs

Total Development Cost: \$54M



Case Study

Item 1.

Timbers at Hickory Tree

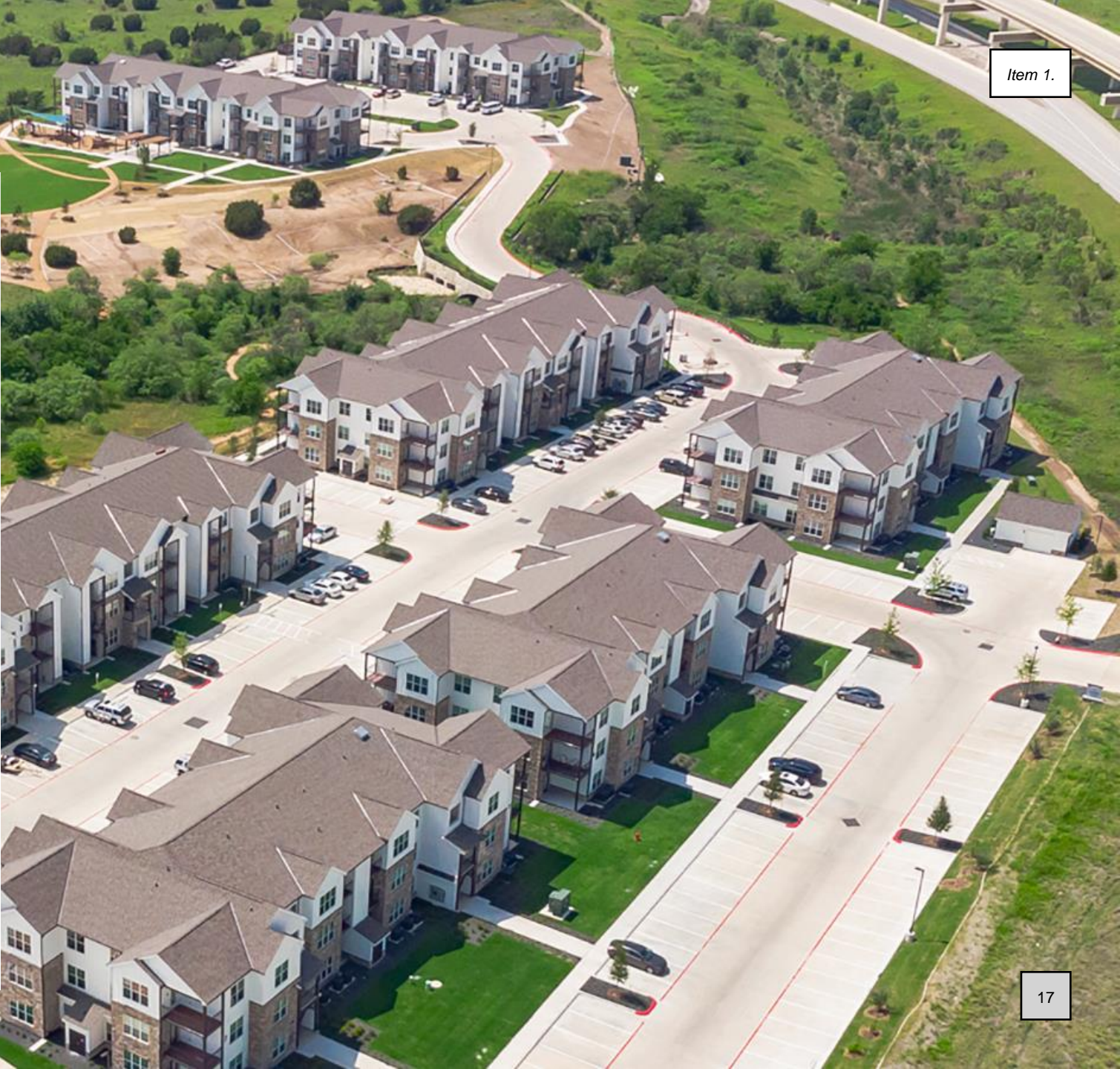
BALCH SPRINGS, TX



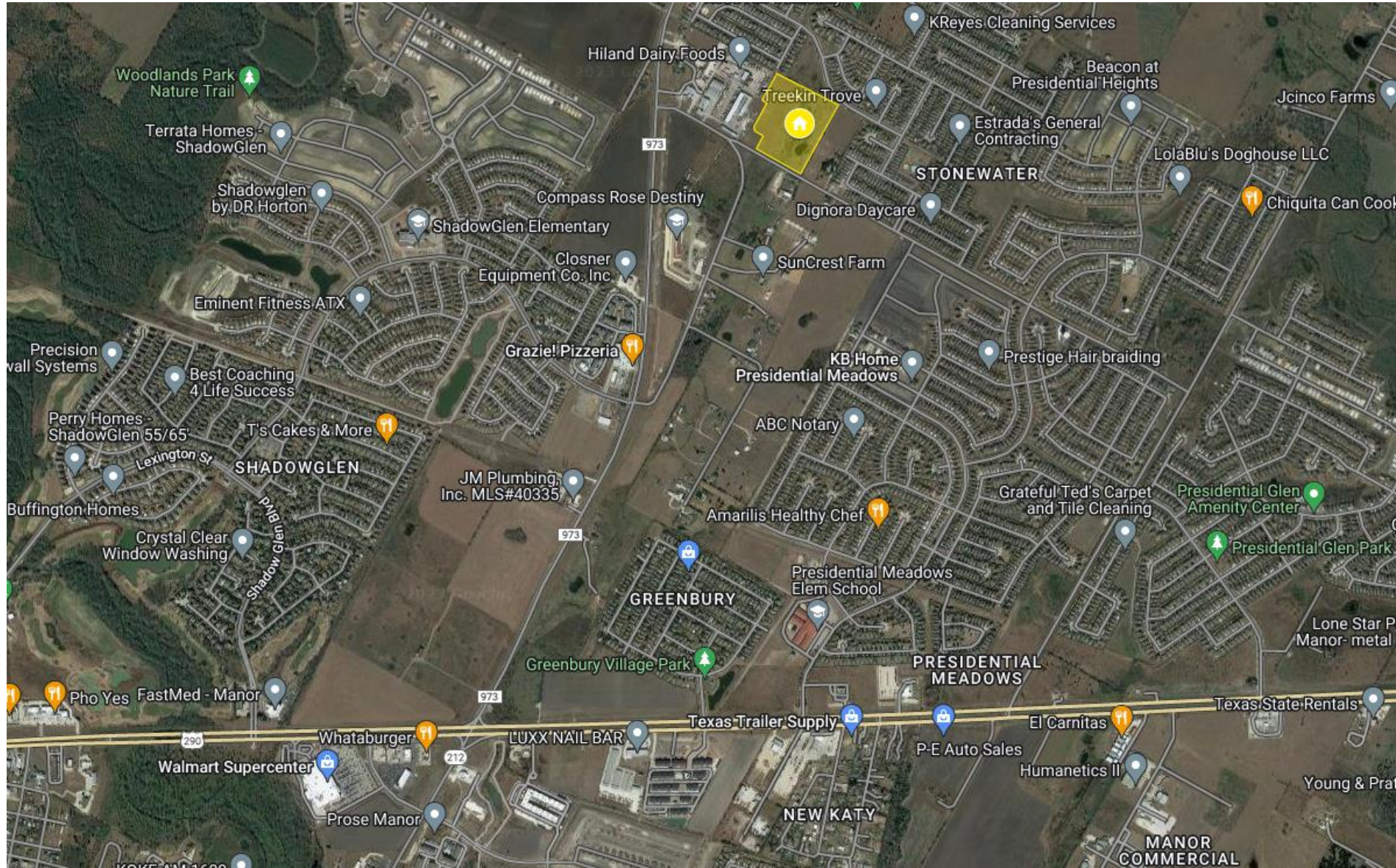


DOMINIUM

Project Overview



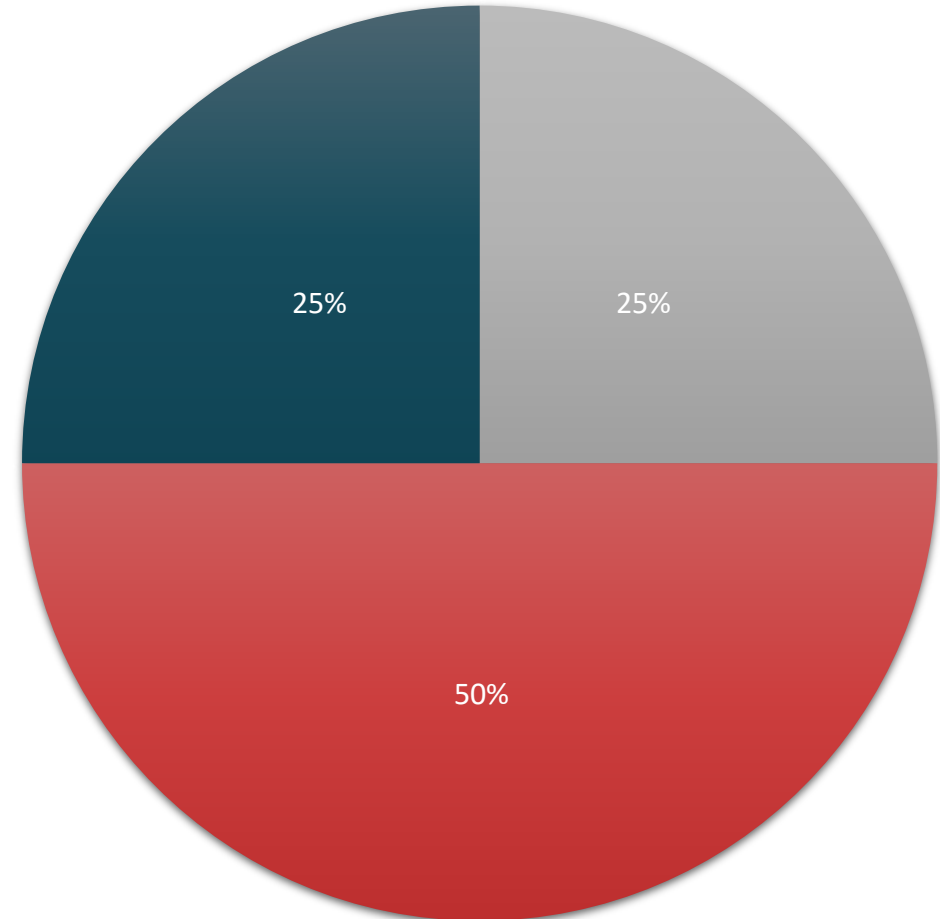
Site Location



High Level Specifics of the Project

- Long-Term Affordability Unit Restrictions
 - 100% of the units will be restricted to 60% Area Median Income through a 30-year period.
- Unit Mix
 - 72 – 2-bedroom units
 - 144 – 3-bedroom units
 - 72 – 4-bedroom units
 - Total Units Count – 288 units
- Income Limits Per Bedroom Type
 - Two Person Income Limit – \$56,100
 - Three Bedroom Income Limit – \$63,120
 - Four Bedroom Income Limit – \$ 70,080
- 2023 Net Max Rent Limits
 - Two Bedroom – \$1,512
 - Three Bedroom – \$1,744
 - Four Bedroom – \$1,940

Unit Mix



■ 2 Bed ■ 3 Bed ■ 4 Bed

Amenity Overview

In-Unit Amenities

- Private Balcony
- Full-size washer and dryer
- Gourmet Kitchens with full stainless steel appliance package
- Hardwood flooring, 9-foot ceilings, and walk-in closets

Community Amenities

- Clubhouse
- Picnic and grill areas
- Fitness center
- Professional on-site management
- Outdoor dining ramadas
- Salon
- Library
- Central courtyard with game areas – bocce ball, corn hole, etc.
- Covered porte-cochere entry
- Community Kitchen
- Dedicated supportive services room with service staff



In-Unit Amenities

Item 1.



Community Room

Item 1.



Outdoor Pool

Item 1.



Resident Services

- Resident services are provided in all Dominion communities. Below are the resident services we provide to our Crossroad Commons Community in Travis County.
 - Annual income tax preparation (offered by an income tax prep service) or IRS-certified VITA (Volunteer Income Tax Assistance) program that also emphasizes how to claim the Earned Income Tax Credit.
 - Annual health fair provided by a health care professional.
 - Twice monthly arts, crafts, and other recreational activities.
 - Twice monthly on-site social events.
 - Food pantry consisting of an assortment of non-perishable food items and common household items accessible to residents at least on a monthly basis or upon request by a resident.
 - Partnership with local law enforcement and/or local first responders to provide quarterly on-site interactive activities intended to foster relationships with residents.



Item 1.





DOMINIUM

Rent Savings



Rent Savings

- Two Bedroom
 - Net Max LIHTC Rent – \$1,512
 - Average Manor Market Rent - \$1,729
 - Monthly Savings (Per Tenant) – \$217
 - Yearly Savings (Per Tenant) – \$2,604
 - Yearly Savings (Property Wide – 72 Units) - \$187,488
- Three Bedroom
 - Net Max LIHTC Rent – \$1,744
 - Average Manor Market Rent – \$2,135
 - Monthly Savings (Per Tenant) – \$391
 - Yearly Savings (Per Tenant) – \$4,692
 - Yearly Savings (Property Wide – 144 Units) - \$675,648
- Four Bedroom
 - Net Max LIHTC Rent – \$1,940
 - Average Manor Market Rent – \$2,175
 - Monthly Savings (Per Tenant) – \$235
 - Yearly Savings (Per Tenant) – \$2,820
 - Yearly Savings (Property Wide – 72 Units) - \$203,040

Total Rent Benefit (15 Year Period)

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
2 Bedroom															
Average Manor Market Rent	\$ 1,493,856	\$ 1,523,733	\$ 1,554,208	\$ 1,585,292	\$ 1,616,998	\$ 1,649,338	\$ 1,682,324	\$ 1,715,971	\$ 1,750,290	\$ 1,785,296	\$ 1,821,002	\$ 1,857,422	\$ 1,894,571	\$ 1,932,462	\$ 1,971,111
2023 Net Max LIHTC Rent	1,306,368	1,332,495	1,359,145	1,386,328	1,414,055	1,442,336	1,471,183	1,500,606	1,530,618	1,561,231	1,592,455	1,624,304	1,656,790	1,689,926	1,723,725
Yearly Rent Savings	\$ 187,488	\$ 191,238	\$ 195,063	\$ 198,964	\$ 202,943	\$ 207,002	\$ 211,142	\$ 215,365	\$ 219,672	\$ 224,066	\$ 228,547	\$ 233,118	\$ 237,780	\$ 242,536	\$ 247,386
Total Savings (15 Years)	\$ 3,242,308														
3 Bedroom															
Average Manor Market Rent	\$ 3,689,280	\$ 3,763,066	\$ 3,838,327	\$ 3,915,093	\$ 3,993,395	\$ 4,073,263	\$ 4,154,728	\$ 4,237,823	\$ 4,322,580	\$ 4,409,031	\$ 4,497,212	\$ 4,587,156	\$ 4,678,899	\$ 4,772,477	\$ 4,867,927
2023 Net Max LIHTC Rent	3,013,632	3,073,905	3,135,383	3,198,090	3,262,052	3,327,293	3,393,839	3,461,716	3,530,950	3,601,569	3,673,601	3,747,073	3,822,014	3,898,454	3,976,423
Yearly Rent Savings	\$ 675,648	\$ 689,161	\$ 702,944	\$ 717,003	\$ 731,343	\$ 745,970	\$ 760,889	\$ 776,107	\$ 791,629	\$ 807,462	\$ 823,611	\$ 840,083	\$ 856,885	\$ 874,023	\$ 891,503
Total Savings (15 Years)	\$11,684,263														
4 Bedroom															
Average Manor Market Rent	\$ 1,879,200	\$ 1,916,784	\$ 1,955,120	\$ 1,994,222	\$ 2,034,107	\$ 2,074,789	\$ 2,116,284	\$ 2,158,610	\$ 2,201,782	\$ 2,245,818	\$ 2,290,734	\$ 2,336,549	\$ 2,383,280	\$ 2,430,946	\$ 2,479,564
2023 Net Max LIHTC Rent	1,676,160	1,709,683	1,743,877	1,778,754	1,814,329	1,850,616	1,887,628	1,925,381	1,963,889	2,003,166	2,043,230	2,084,094	2,125,776	2,168,292	2,211,658
Yearly Rent Savings	\$ 203,040	\$ 207,101	\$ 211,243	\$ 215,468	\$ 219,777	\$ 224,173	\$ 228,656	\$ 233,229	\$ 237,894	\$ 242,652	\$ 247,505	\$ 252,455	\$ 257,504	\$ 262,654	\$ 267,907
Total Savings (15 Years)	\$ 3,511,255														
Total Rent Savings	\$18,437,826														

Current Rents are annualized then grown at a 2% rate yearly

OUR RESIDENTS

Item 1.



Daniela and Her Daughter

Enrollment Manager at
iKids U Central Texas

Annual Income: \$52,000
2-Person Income Limit: \$56,100
2-Bedroom Rent: \$1,512



*PER PUBLISHED SALARIES ON ZIPRECRUITER

Alisha R & Two Kids

Librarian at Manor Highschool

Annual Income: \$61,185
3-Person Income Limit: \$63,120
3-Bedroom Rent: \$1,744



*PER PUBLISHED SALARIES ON ZIPRECRUITER

Umar & Sarah K and Two Kids
Education Assistant at ShadowGlen
Elementary & Manor ISD Bus
Mechanic

Combined Annual Income: \$67,154
4-Person Income Limit: \$70,080
4-Bedroom Rent: \$1,940



*PER PUBLISHED SALARIES ON ZIPRECRUITER



DOMINIUM

Financing &
Partnership



PFC Partnership

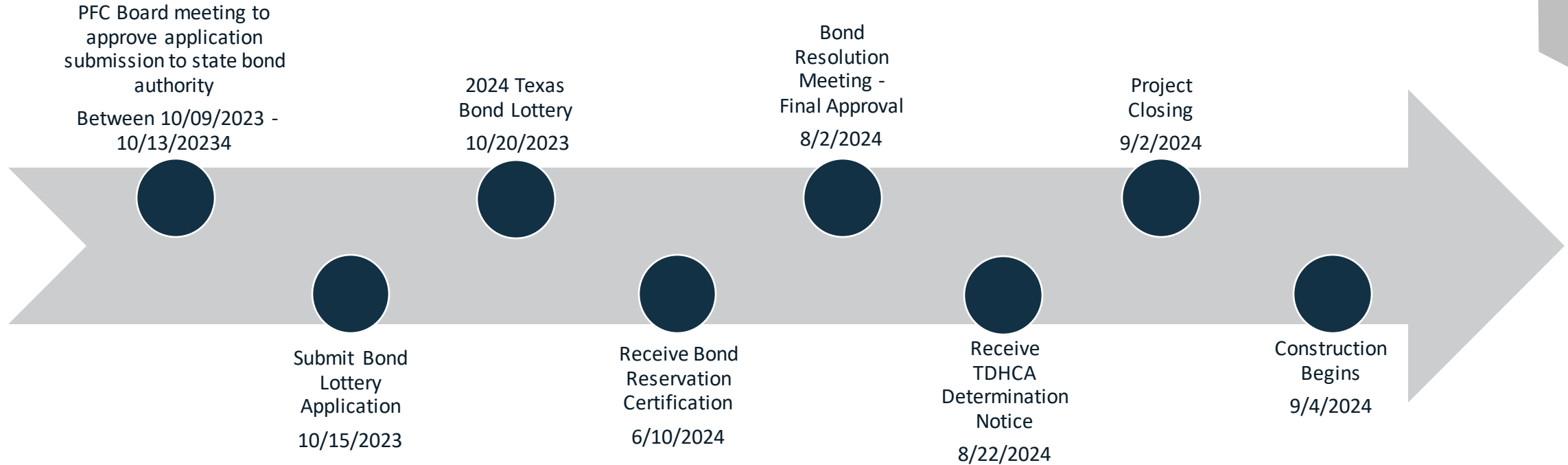
- Manor PFC Structure
 - Issue the Tax-Exempt Bonds
 - Manor PFC issues the tax-exempt bonds for the project. These bonds are sold to an outside lender who makes a loan.
 - Dominion pays issuance fees at closing and over the 15-year term of the bonds.
 - Provide the Project with Tax Abatement
 - Manor PFC involvement in the partnership qualifies the project for a 100% real estate tax exemption.
 - In exchange, Dominion will make PILOT payments at closing and annually to offset property taxes. The amount will be equal to the City's share of the un-exempt taxes and will be calculated and agreed upon by Dominion and the PFC advisors.
- This partnership enables us to bring 288 homes to the City of Manor at affordable rent levels.



Financing Sources

- 4% LIHTC Credits
 - This credit program is coupled with the Multifamily Bond Program when the bonds are used to finance at least 50% of the cost of the land and buildings in the development.
 - There are state-level requirements to receive this financing, all of which Dominion will meet.
- Private Activity Bonds
 - We are proposing Manor PFC to be the issuer of the Bonds. Once the application to the state is received, Manor PFC will apply to the Texas Bond Review Board for an allocation in October 2023.
 - Currently anticipating receiving the financing reservation in Q2 of 2024.
- Conventional Construction Loan
 - This is provided similarly to conventional financing for any other type of real estate development.
- Freddie Mac Tax Exempt Loan
 - The permanent loan for the project will have a fixed interest rate at the construction loan closing, although it won't be funded for 30-36 months.
 - The proceeds from the Freddie Mac Loan will be used to pay off the Conventional Construction Loan.
- Equity
 - Will be provided through the investor who will purchase the associated tax credits.

Project Milestones



Thank You



<p>David D'Amelio 👤 (214) 960-1309 📞 David.DAmelio@dominiuminc.com ✉</p>	<p>Neal Route 👤 (214) 960-1162 📞 nroute@dominiuminc.com ✉ DominiumApartments.com 🌐</p>	<p>Nicholas Koutani 👤 (214) 233-3104 📞 Nicholas.Koutani@dominiuminc.com ✉</p>
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AGENDA ITEM SUMMARY FORM

PROPOSED MEETING DATE: October 2, 2023
PREPARED BY: Gregory Miller, Bond Counsel
DEPARTMENT: Bickerstaff Heath Delgado Acosta LLP

AGENDA ITEM DESCRIPTION:

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.

BACKGROUND/SUMMARY:

The action items is to authorize the negotiation and execution of three documents that are essential to the project: the Company Agreement, Lease Agreement, and Regulatory Agreement.

Company Agreement

This agreement establishes the terms by which the PFC, through its limited liability corporation partners with W2 to develop and operate the project and share in project revenues of the project. The agreement also covers how major decisions are made as regards the operation of the project, project marketing requirements, liability for claims and damages relating to the operation of the project, affordability levels, and how funds are distributed when the project is sold or the project otherwise ends.

The project may be sold to a different developer with or without affordability restrictions after 15 years.

The key terms regarding affordability, which are incorporated into the agreement, are summarized in the attached draft MOU, which formed the basis for the Board's approval of the project at the May 31, meeting.

Lease Agreement

Because this is a PFC transaction, W2 will transfer ownership of the site to the MHPFC so that the land will be exempt from taxes. MHPFC will lease the land back to W2 so that it may complete the development of the housing project.

The lease is for a period of 75 years. However, the project may be sold to a different developer with or without affordability restrictions after 15 years.

As with the Company Agreement, this lease states terms for the responsibility for the day-to-day management of the project, project marketing, affordability levels, indemnification, and rent payments by W2 to MHPFC. These payments are as specified in the attached draft MOU.

Regulatory Agreement

Whereas the Company Agreement and the Lease set out affordability requirements, marketing requirements, and tenant protections, this agreement is filed in the real property records, and as such, binds whoever uses the land to comply with those provisions. The document is a safeguard to ensure that the property is used for affordable housing for the full term of the agreement.

This agreement is operational for at least 15 years, and as long as the property qualifies for the PFC tax exemption.

The key terms regarding affordability, which are incorporated into the agreement, are summarized in the attached draft MOU, which formed the basis for the Board’s approval of the project at the May 31, meeting.

- LEGAL REVIEW:** Yes
- FISCAL IMPACT:** Yes. The finalization and execution of the documents commits the PFC to the agreements, which include the tax exemption. This is for the City a tax-neutral transaction because of the lease payment structure. The developer will offset the City’s share of the tax exemption with lease payments to the City.
- PRESENTATION:** No
- ATTACHMENTS:** Yes

- Draft MOU
- Company Agreement
- Lease Agreement
- Regulatory Agreement

STAFF RECOMMENDATION:

Staff recommends that the PFC Board authorizes and directs 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.



AGENDA ITEM SUMMARY FORM

PROPOSED MEETING DATE: October 2, 2023
PREPARED BY: Gregory Miller, Bond Counsel
DEPARTMENT: Bickerstaff Heath Delgado Acosta LLP

AGENDA ITEM DESCRIPTION:

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.

BACKGROUND/SUMMARY:

This item authorizes the creation of a limited liability corporation to represent the MHPFC in its partnership with W2 for the PFC multifamily housing development.

Typically, when a PFC partners with a developer for a PFC project, the PFC will form a limited liability corporation (LLC) to be the entity that stands in for the PFC. The use of an LLC provides a level of protection for the MHPFC in that any claims arising from the project that would otherwise be directed to the MHPFC, will be against the LLC, which by nature has limited liability from claims.

LEGAL REVIEW: Yes
FISCAL IMPACT: No
PRESENTATION: No
ATTACHMENTS: None

STAFF RECOMMENDATION:

Staff recommends that the PFC Board authorizes and directs the General Manager to incorporate one or more special purpose entities on behalf of the Manor Housing Public Facility Corporation in furtherance of the MHPFC/W2 multifamily development that was previously approved by the Board at a meeting held on May 31, 2023.



AGENDA ITEM SUMMARY FORM

PROPOSED MEETING DATE: October 2, 2023
PREPARED BY: Gregory Miller, Bond Counsel
DEPARTMENT: Bickerstaff Heath Delgado Acosta LLP

AGENDA ITEM DESCRIPTION:

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

BACKGROUND/SUMMARY:

This item is related to the following item No. 5, which authorizes the submission of an application for authority to issue affordable multifamily housing bonds on behalf of the developer of the Tower Road Apartments project. This item is to engage Hilltop Securities as financial advisor (FA) to the PFC in connection with affordable housing developments that are financed in part with PFC multifamily development bonds.

Because the development involves the PFC's issuance of bonds and the granting of the PFC tax exemption, there will be a range of financial considerations for which it will be necessary to have a financial advisor who will represent the PFC in the transaction. Moreover, a financial advisor will support the MHPFC in analyzing and structuring the transaction, determining the best return for the PFC, and completing the required documentation for the transaction.

The General Manager and I made inquiries of market participants and were informed that Hilltop is a recognized leader in representing PFCs in bond-financed affordable housing transactions. Additionally, we had a call with representatives of Hilltop to learn from them about their approach to representing PFCs and what benefits they might bring to the MHPFC in any affordable housing transaction.

As with Bond Counsel, the FA is compensated on a contingency basis from the proceeds of any bonds issued to finance an affordable housing project.

This item is ahead of the following one because, if the MHPFC approves the submission of an application for bond authority, an MHPFC financial advisor must be identified within the submission. By approving the hiring of a financial advisor at this point, the MHPFC will be better positioned to authorize the submission of an application.

LEGAL REVIEW: Yes

FISCAL IMPACT: No

PRESENTATION: Yes- Claire Merritt of Hilltop Securities will provide a brief introduction and overview of the firm.

ATTACHMENTS: Yes

- PowerPoint presentation of Hilltop Securities. This presentation is for background purposes and will not be part of Ms. Merritt's presentation.

STAFF RECOMMENDATION:

Staff recommends that the PFC Board 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.



AGENDA ITEM SUMMARY FORM

PROPOSED MEETING DATE: October 2, 2023
PREPARED BY: Gregory Miller, Bond Counsel
DEPARTMENT: Bickerstaff Heath Delgado Acosta LLP

AGENDA ITEM DESCRIPTION:

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 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.

BACKGROUND/SUMMARY:

At the previous Board meeting on September 20, representatives from Dominion presented the Tower Road Apartments project. Two of the potential funding sources for the project depend on the MHPFC: 1) the PFC tax exemption discussed above, and 2) the MHPFC's issuance of bonds for affordable multifamily housing developments.

This item concerns the issuance of bonds. The issuance includes the following considerations:

- a. The MHPFC will issue the bonds and the proceeds will be used by the developer (Manor Leased Housing Associates is an entity created by Dominion for the project) to complete the project.
- b. These bonds are "Private Activity Bonds" meaning that they finance private activity,- the development of affordable housing by a commercial entity- but can be sold as tax-exempt because they further a public purpose (here, affordable housing).
- c. Borrowers prefer tax-exempt bonds because they can be sold at lower interest rates and are thus a less expensive way to borrow money for development.
- d. The amount of Private Activity Bonds that may be sold in any state is capped at a certain level each year (this amount is called the "volume cap").

To qualify for the authority to issue Private Activity Bonds, an application must be submitted to the Bond Review Board (BRB). The deadline for applying is October 20. The BRB has a lottery to select which applications will receive authority for the issuance of Private Activity Bonds.

The bonds under discussion in connection with this item are tax-exempt Private Activity Bonds. If authorized, the MHPFC will issue the bonds. The proceeds will be used by the developer to finance the Tower Road Apartment project. The developer will pay the debt service on the bonds through payments to the MHPFC. The MHPFC will not be liable for the debt service and the bonds will not be an obligation of the MHPFC.

This item then is to authorize an application for the authority to issue Private Activity Bonds. Moreover:

- a. This application is not an approval of or request to issue bonds, it is a request for authority to issue at a future time.
- b. **The MHPFC is not committing to issue bonds.** It may decide to not issue at any time.

- c. The purpose of the MHPFC’s authorization is to indicate to the Bond Review Board that the MHPFC is strongly interested in the project so that the application for authority will be for a viable project.
- d. The amount of authority requested is \$70,000,000. **This amount is not necessarily the amount of bonds that will be issued by the MHPFC.** Instead, it is the maximum amount that may be authorized. The developer requests this to maximize the amount that may be borrowed as needed to complete the project.

LEGAL REVIEW: Yes
FISCAL IMPACT: No
PRESENTATION: N
ATTACHMENTS: Yes

- Resolution No. 2023-MHPFC02

STAFF RECOMMENDATION:

Staff recommends that the PFC Board approve Resolution No. 2023-MHPFC02 as presented.

RESOLUTION NO. 2023-MHPEC02

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 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

WHEREAS, the Manor Housing Public Facility Corporation (the "Corporation") was created and organized under the provisions of the Texas Housing Public Facility Corporations Act, Chapter 303 of the Texas Local Government Code (the "Act"), to provide a means of financing the costs of residential ownership and development that will result in decent, safe, and sanitary housing for persons of low and moderate-income at prices they can afford; and

WHEREAS, the Corporation, or an entity legally acting for and on behalf of the Corporation (either or both, the "Issuer"), is authorized to provide for the acquisition and construction of multifamily housing developments and to provide for the issuance of revenue bonds (the "Bonds") for this purpose; and

WHEREAS, Manor Leased Housing Associates I, Limited Partnership, is a Texas limited partnership under the laws of the State of Texas; and

WHEREAS, the term "Borrower" means Manor Leased Housing Associates I, Limited Partnership or one of its subsidiaries, affiliates, or related corporations or entities; and

WHEREAS, the Borrower advised the Issuer that it is considering proceeding with the acquisition, construction, equipping, ownership, and operation of certain real and/or personal property within the jurisdiction of the Issuer consisting of an approximately 288-unit multifamily residential rental project situated on approximately 15.42 acres located at or near 12200 Tower Road, City of Manor, Texas (the "Development"); and

WHEREAS, the Borrower advised the Issuer that a contributing factor, which would further induce the Borrower to proceed with the Development, would be a commitment and agreement by the Issuer to issue Bonds; and

WHEREAS, the Borrower also proposed to the Issuer that the Borrower will be further induced to proceed with the Development if the Issuer will commit and agree to issue the Bonds and adopt this Resolution; and

WHEREAS, all or a portion of the expenditures related to the Development (the "Expenditures") were paid within sixty (60) days prior to the passage of this Resolution or will be paid on or after the passage of this Resolution; and

WHEREAS, the Issuer reasonably expects, based upon information supplied by the Borrower upon which it is reasonable and prudent for the Issuer to rely, to reimburse the Borrower or persons acting on its behalf for the Expenditures with the proceeds of the Bonds; and

WHEREAS, the Issuer declares that this Resolution and its provisions constitute the Issuer's agreement to issue Bonds in such aggregate principal amount, now estimated not to exceed \$70,000,000, as is actually required to finance and pay for the Development; and

WHEREAS, the Issuer finds, considers, and declares that the issuance of Bonds in the amount identified above and for the purpose identified above is appropriate and consistent with the objectives of the Act and that the adoption of this Resolution constitutes: (i) an inducement for the Borrower to proceed with providing for the acquisition, construction, and improvement of the Development; (ii) an affirmative official action by the Issuer, acting by and through its Board of Directors, towards the issuance of the Bonds, and that such action is similar to the adoption of a bond resolution within the meaning of Section 1.103-8(a)(5) of the Federal Treasury Regulations; and (iii) in accordance with the provisions of Section 1.150-2 of the Federal Treasury Regulations, a declaration of the Issuer's intent to reimburse the Expenditures for the Development at such time as the Bonds are issued.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MANOR HOUSING PUBLIC FACILITY CORPORATION:

Section 1. The Issuer agrees as follows:

- (a) To adopt a bond resolution or bond resolutions, when requested by the Borrower, to authorize the issuance of Bonds pursuant to the Act; to issue the Bonds subject to the requirements of the Act; and to execute the appropriate agreements or contracts described in (b) below; to sell the Bonds under terms and conditions satisfactory to the Issuer and the Borrower; to finance and pay for the Development, including amounts sufficient to pay the fees, expenses, and costs in connection with such issuance; and to reimburse the Issuer for its administrative and overhead expenses and costs with respect to the Bonds and the Development, to be payable from payments by the Borrower to the Issuer, or to a corporate trustee, in such sums as are necessary to pay the principal of, interest on, and redemption premium, if any, together with the paying agent's and trustee's fees on the Bonds, as and when the same becomes due and payable.
- (b) Prior to the issuance of the Bonds, when requested by the Borrower, to enter into such loan agreement, installment sale agreement, lease, and any other appropriate contract or agreement between the Issuer and the Borrower as mutually acceptable in all respects to the Issuer and the Borrower, under which the Borrower will be obligated to make payments to the Issuer, or to a corporate trustee, in such sums as necessary to pay the principal of, interest on, and redemption premium, if any, together with the paying agent's and trustee's fees on the Bonds, as and when the same becomes due and payable, and with such payments

sufficient to defray the Issuer’s administrative, overhead, and other expenses and costs with respect to the Bonds and the Development.

- (c) To take, or cause to be taken, such other action and to execute such additional contracts and agreements mutually agreeable to the parties in all respects, when requested by the Borrower as may be required in accordance with the Act and this Resolution, to cause the issuance of the Bonds and to obtain an allocation of the state volume cap for the Bonds.

Section 2. Subject to the provisions of Section 3 of this Resolution, by accepting this Resolution and proceeding with the Development, the Borrower agrees that it will: (i) fully indemnify and hold the Issuer harmless from any and all damages, losses, and reasonable expenses, including attorneys’ fees, arising at any time from or with respect to the Bonds and the Development, except those resulting from gross negligence or willful misconduct of the Issuer; and (ii) pay or reimburse the Issuer for all reasonable and necessary out-of-pocket expenses, including attorneys’ fees and expenses and the fees and expenses of other consultants, which the Issuer may incur at the request of the Borrower, arising from the performance or attempted performance by the Issuer of its obligations hereunder.

Section 3. Nothing contained in this Resolution binds the Issuer to issue any Bonds. The Issuer has the authority, without cause, not to issue the Bonds.

Section 4. Subject to the provisions of Section 3 of this Resolution, adopting this Resolution constitutes the acceptance of the Borrower’s proposal that it be further induced to proceed with providing for the Development and that this proposal and acceptance constitutes an agreement between the Issuer and the Borrower in accordance with the provisions of this Resolution.

Section 5. The Issuer reasonably expects, based upon information supplied by the Borrower upon which it is reasonable and prudent for the Issuer to rely, to reimburse the Expenditures with the proceeds of the Bonds.

[Execution page follows]

PASSED AND APPROVED on the ___ day of _____, 2023.

Dr. Christopher Harvey, President
Board of Directors

ATTEST:

Lluvia T. Almaraz, Secretary
Board of Directors