



**PUBLIC FACILITY CORPORATION
AGENDA ITEM SUMMARY FORM**

PROPOSED MEETING DATE: October 16, 2024
PREPARED BY: Scott Moore, General Manager

AGENDA ITEM DESCRIPTION:

Consideration, discussion, and possible action on a Resolution authorizing the issuance, sale and delivery of Subordinate Multifamily Housing Revenue Bonds (Tower Road Apartments), Series 2024 in an aggregate principal amount not to exceed \$4,000,000; approving the form and substance of a subordinate indenture, a subordinate loan agreement, a regulatory agreement and declaration of restrictive covenants, a tax exemption certificate and agreement, and a bond purchase agreement; authorizing the execution of any other documents and instruments necessary or convenient to carry out the purposes of this resolution; and containing other provisions relating thereto.

BACKGROUND/SUMMARY:

This item is for the MHPFC's authorization of the issuance of Subordinate Bonds to finance the Tower Road Apartments, and the negotiation and execution of all documents, certifications, agreements, contracts, and security instruments necessary to facilitate the sale of the bonds. The City Council, at its October 16th meeting, will consider an item to ratify and authorize the PFC's authorization of the issuance of the Subordinate Bonds. The PFC is serving primarily two functions in this project which will provide 324 units of affordable housing for low-income residents of the City: issuer of bonds for the financing, and lender, landlord and contractor. This resolution primarily relates to the PFC's issuance of bonds. It should be noted that because the PFC is serving as landlord and contractor, the project is exempt from ad valorem tax and sales tax for the construction of the project. The PFC will be serving as the landlord, and as general contractor through its wholly-owned LLC, MHPFC TR GP 1 LLC, and its wholly-owned LLC, Tower Road Contractor LLC. The ownership, financing, development, and construction of the project is structured to protect and indemnify the PFC, the City, and its officials and employees from liability for matters arising in connection with the project.

For the bonds and the project to be tax-exempt, the City Council must authorize the PFC to issue the bonds. The City Council will take up this matter at the Council meeting following this meeting of the PFC.

LEGAL REVIEW: Yes, Gregory Miller, Bond Counsel

FISCAL IMPACT: No, The bonds will be special obligations of the PFC payable from the revenues of the project. Neither the PFC nor the City will be responsible for payment. The PFC will be compensated in the approximate amounts shown on the table attached with this summary.

PRESENTATION: Yes
ATTACHMENTS: Yes

- Resolution 2024-MHPFC05

PROPOSED MOTION: Move to approve Resolution No. 2024-MHPFC05 authorizing the issuance, sale and delivery of Subordinate Multifamily Housing Revenue Bonds (Tower Road Apartments), Series 2024 in an aggregate principal amount not to exceed \$4,000,000; approving the form and substance of a subordinate trust indenture, a subordinate loan agreement, a regulatory agreement and declaration of restrictive covenants, a tax exemption certificate and agreement, and a bond purchase agreement; authorizing the execution of any other documents and instruments necessary or convenient to carry out the purposes of this resolution; and containing other provisions relating thereto.

STAFF RECOMMENDATION: Staff recommends approval