

Manor Housing Public Facility Corporation

Tower Road Apartments

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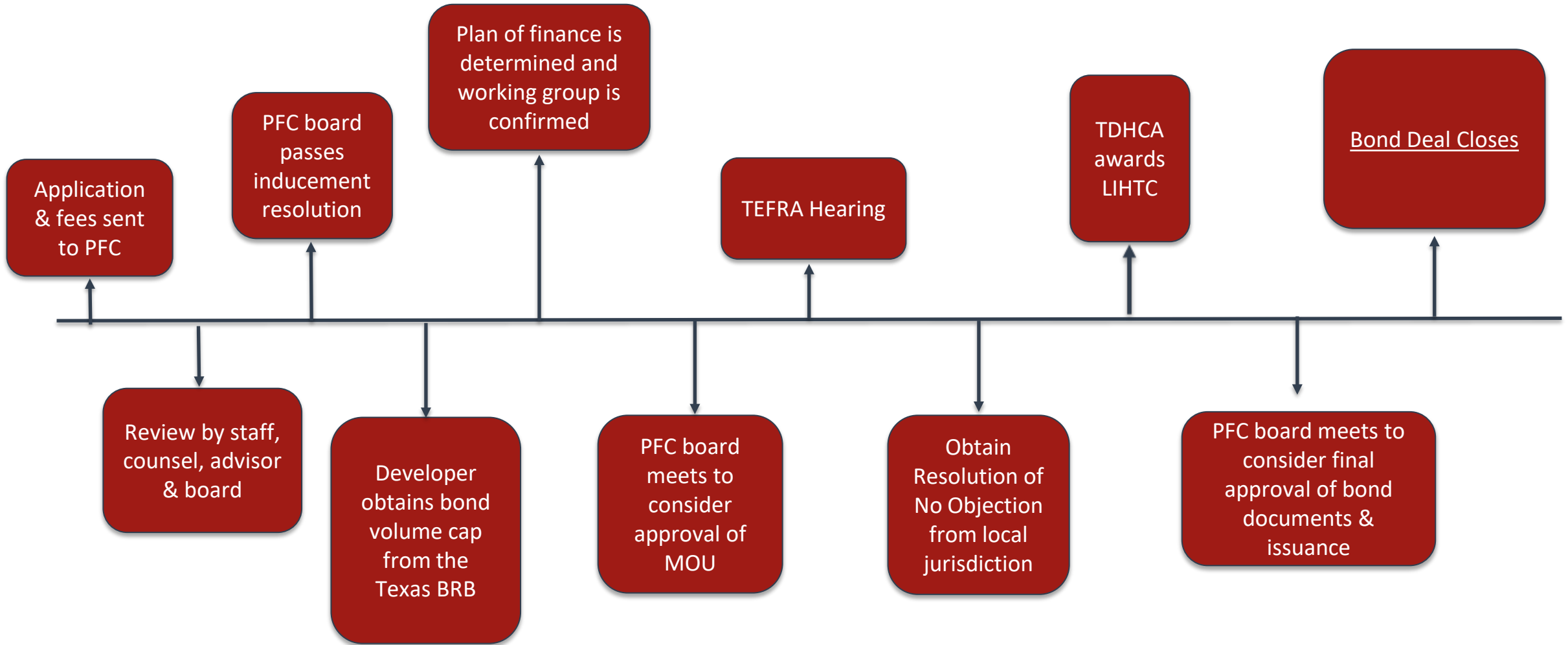
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Summary of Project



Apartment Location:	Tower Road Apartments At or near 12200 Tower Road Manor, Texas 78653
Developer:	Dominium 250 W. 55th Street, Floor 35 New York, NY 10019
Borrower:	Manor Leased Housing Associates I, Limited Partnership 2905 Northwest Blvd. Suite 150 Plymouth, MN 55441-2644
Issuer:	Manor Housing Public Facility Corporation
Manor Housing PFC Wholly Owned Entities	General Partner: Co – Developer: Ground Lessor: General Contractor:
Affordability Mix:	100% of the units will be restricted to 60% Area Median Income
Unit Mix:	78 – 2 bedroom units 180 – 3 bedroom units 66 – 4 bedroom units Total Unit Count – 324 Units

Multifamily Bond Transaction Timeline



Multifamily Bond Transaction Timeline



- Developer fills out PFC application to establish a process, identify criteria, and set application fees and deposits paid by developer to the PFC and its professionals
- Upon receipt of developer's completed application, MHPFC staff and counsel prepares an inducement resolution. PFC takes preliminary action to approve or reject at a meeting called the inducement meeting.
 - **Preliminary action does not obligate board to issue final approval at later date**
- Developer submits Low Income Housing Tax Credit (LIHTC) Application to TDHCA
- Developer obtains bond volume cap from the Texas BRB
- Working group is confirmed
 - Biweekly update calls begin and eventually transitions to weekly update calls
- Preliminary plan of finance determined
- **MHPFC/Third Party Staff begin work on MOU negotiation. Once substantially final, MOU will come back to the PFC for review and approval**
- MHPFC and counsel draft and submit documentation to legally form LLCs/LPs
- Developer receives Resolution of No Objection from the local jurisdiction

Multifamily Bond Transaction Timeline



- TEFRA Hearing (1982 requirement & must post publication of TEFRA Notice 7 days in advance) coordinated by MHPFC staff and Counsel
- Financial bond documents are drafted and commented on over the course of several months
- TDHCA Board Meeting to Approve Award of LIHTC
- **Upon completion of financing and financing documents, the PFC meets to consider final approval of the note documents and issuance**
- Submit substantially final documents at least 12 business days prior to closing to TX AG
- All documents related to MHPFC roles as Issuer, General Partner, General Contractor require MHPFC's Executive Director's (President) signature
- Price/rate lock the bond
- Executed initial bond due to AG 5 business days prior to closing
- All fully executed documents due to AG 3 business days prior to closing
- On the closing date, AG issues opinion as to the validity of the bond
- Bond deal closes, closing fees are paid to MHPFC and on-going annual fees begin to accrue



- Bond Issuer Transaction Fees
 - Based on the estimated \$65,000,000 principal amount of the bonds Manor Housing PFC will receive the following issuers fees at closing.

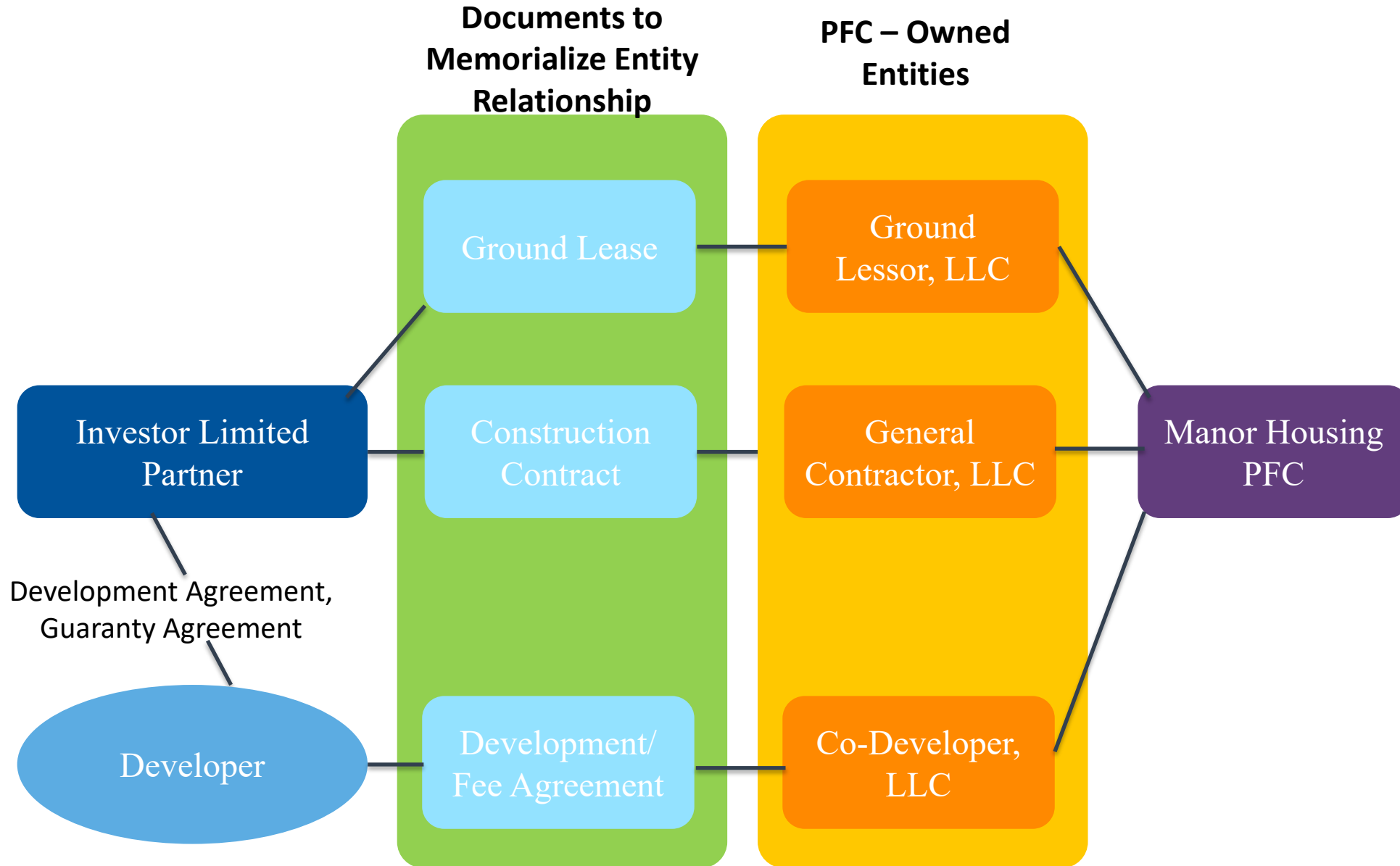
• Manor Housing PFC Issuance Fee (50 bps)	\$325,000
• Manor Housing PFC Issuer Admin Fee (12.5 bps/year for 2 years)	\$162,500
• Total Due at Bond Closing	\$487,500

*Issuer Admin Fee of 12.5 bps on the original par amount is payable annually so long as the bonds are outstanding. In the event where the Bonds are expected to be outstanding for less than 10 years, 10 years of Issuer Admin Fee will be due at the Bond Closing.



- The “partnership structure” generally involves participation of the PFC in one or more of the following roles:
 - **General Partner**
 - GP in a limited partnership with the development entity and elects to be taxed as a corporation.
 - Fee to PFC: Developer Fee – typically between 20% - 35% of total Developer Fee
 - Fee to PFC: Typical share in sale of the project of 1.5% (gross)
 - Fee to PFC: Partnership Management Fee of \$10,000 increasing 3% annually to cover administrative expenses
 - **Ground Lessor**
 - Formed to own the land on which the development is located. Leases land back to borrower pursuant to long-term lease. Lease will have an up-front lease payment sufficient to acquire land.
 - Fee to PFC: Annual lease payment (15% - 20% of taxes abated) in lieu of a cash flow split
 - **General Contractor**
 - Enters into a construction contract (and subcontract) with the construction company to bring about a sales tax exemption for the purchase of materials.
 - Fee to PFC: Typical share in sales tax savings of 25% or 1.5% of total hard costs

Overview of Partnership Structure





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