



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.