



SCHERTZ CITY COUNCIL

A Presentation of
Housing Structure Options

Partners in Community

DEVELOPMENT

NRP Development handles every aspect of development from concept to completion. Experienced multifamily developer of market rate, affordable, and senior housing projects along with significant experience in single- family infill housing.

CONSTRUCTION

NRP Contractors is a full-service general contractor, licensed in 14 states, providing professional construction services for multifamily and single- family homes. Over 40,000 units have been built since inception.

MANAGEMENT

NRP Management is a full-service property manager with over 19,000 market-rate, affordable, and senior rental units under management.



NRP is Texas Strong

25,000+

UNITS DEVELOPED

450+

TEXAS EMPLOYEES

\$3.0+ Billion

TOTAL DEVELOPMENT VALUE



**AFFORDABLE
HOUSING**
FINANCE

2020 U.S. Ranked
DEVELOPER #2



2019 & 2020
DEVELOPER OF THE YEAR



2021 U.S. Ranked
DEVELOPER #5
BUILDER #3

The PFC Statute - What is a PFC?

- Title 9 - Subtitle C - Chapter 303 - Public Facility Corporations (PFC)
 - Purpose of a PFC is to authorize the creation and use of public facility corporations with the broadest possible powers to finance or to provide for the acquisition, construction, rehabilitation, renovation, repair, equipping, furnishing, and placement in service of public facilities in an orderly, planned manner and at the lowest possible borrowing costs
- ### Section 303.042 Taxation
- (a) A public facility, including a leasehold estate in a public facility, that is owned by a corporation and that, except for the purposes and nonprofit nature of the corporation, would be taxable to the corporation under Title 1, Tax Code, shall be assessed to the user of the public facility to the same extent and subject to the same exemptions from taxation as if the user owned the public facility.

The PFC Statute - Multifamily Real Estate

- Title 9 - Subtitle C - Chapter 303 - Public Facility Corporations (PFC)
- Section 303.042 Taxation
 - (d) An exemption under this section for a multifamily residential development which is owned by a public facility corporation created by a housing authority under this chapter and which does not have at least 20 percent of its units reserved for public housing units, applies only if:
 - (1) the housing authority holds a public hearing, at a regular meeting of the authority's governing body, to approve the development;
 - (2) at least 50 percent of the units in the multifamily residential development are reserved for occupancy by individuals and families earning less than 80 percent of the area median family income.

PFC vs HFC

- The NRP Group is proposing a Public Facility Corporation (PFC) partnership which provides the flexibility to create either Affordable-Workforce Housing or Market-Affordable Housing [Chapter 303 of the Texas Local Government Code]
- Housing Finance Corporations (HFCs) have the ability to create Affordable-Workforce Housing [Chapter 394 of the Texas Local Government Code]

Affordable-Workforce Housing

- All units are income restricted
- Proposed 50% - 70% Area Median Income (AMI) (development must average < 60%)

Market-Affordable Housing

- 50% of units are @ 80% Area Median Income (AMI) or below
- Remaining 50% of units are unrestricted, market drives rent

San Antonio Metropolitan Workforce Housing

- 2022 San Antonio Metropolitan Statistical Area (MSA) 4-person FMI - \$80,100.00

San Antonio Metropolitan Area Median Income			
Family Size	50% AMI	60% AMI	70% AMI
1 Person	\$28,051	\$33,661	\$39,272
2 Person	\$32,051	\$38,461	\$44,871
3 Person	\$36,050	\$43,260	\$50,471
4 Person	\$40,050	\$48,060	\$56,070



Workers at the Amazon distribution center have a starting salary around \$31,200



Schertz Police Officer starting salary is \$46,137



SCUSISD teacher salaries start at \$48,780



Children's Hospital of San Antonio™

Registered Nurses salaries start at \$75,112



Paralegal & Legal Assistants salaries start at \$55,588



National Association of Social Workers

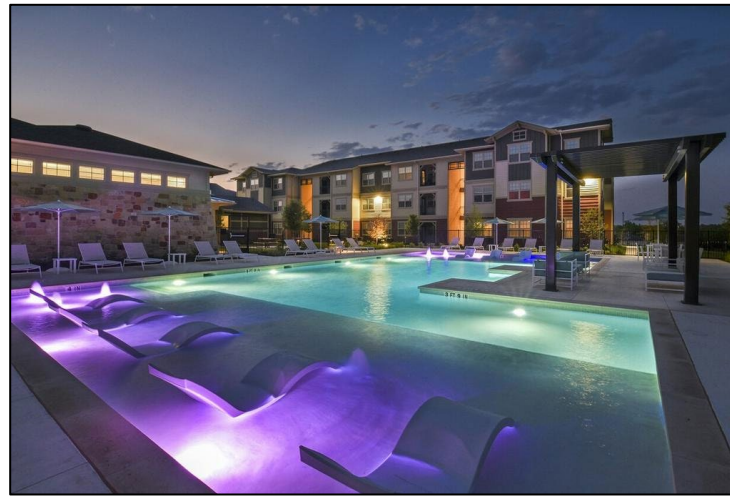
Child, Family, and School Social Workers salaries start at \$52,007

Affordable-Workforce HFC Case Study

3700 Dacy

3700 Dacy Ln, Kyle, TX 78640

- Partnership with Capital Area HFC
- 324 units
- 100% at or below 60% AMI
- 1-4 bedroom units



Affordable-Workforce PFC Case Study

Bridge at Loyola

6400 Loyola Ln, Austin, TX 78724

- Partnership with Austin Affordable Housing Corp.
- 204 units
- 16% at 40% AMI, 66% and 60% AMI, 16% at 80% AMI, and 2% at Market Rate
- 1-4 bedroom units

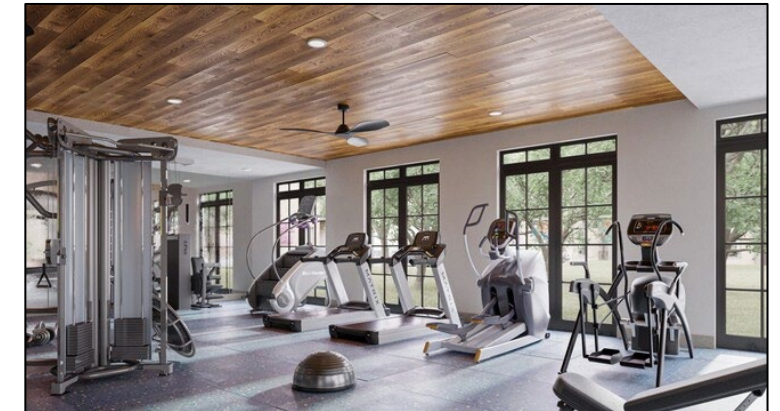


Market-Workforce PFC Case Study

Trophy Oak

224 Broad Oak Dr, Cibolo, TX 78108

- Partnership with City of Cibolo PFC
- 324 units
- 50% at or below 80% AMI and 50% at Market Rate
- 1-3 bedroom units



PFC Creation

- The Public Facility Corporation (PFC) can be created by either:

The City of Schertz

- The City of Schertz would create a PFC entity
- Board Members typically comprised of City Council Members



or

Schertz Housing Authority

- The Schertz Housing Authority would create a PFC Entity
- Board Members comprised of SHA Board Members

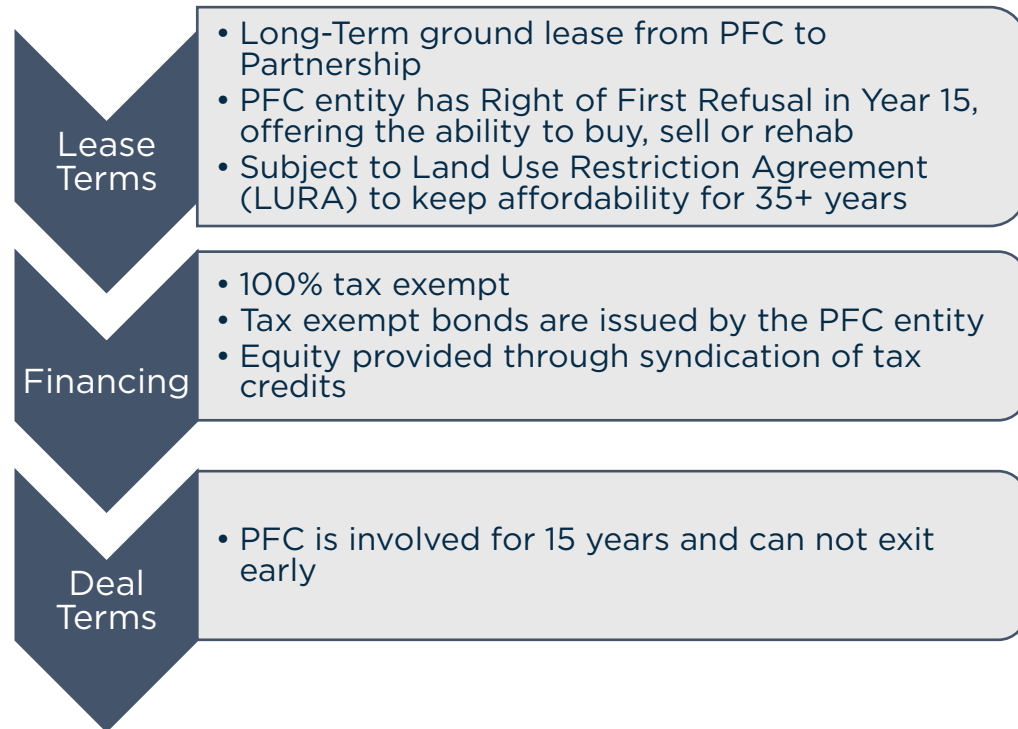


PFC Structure Process

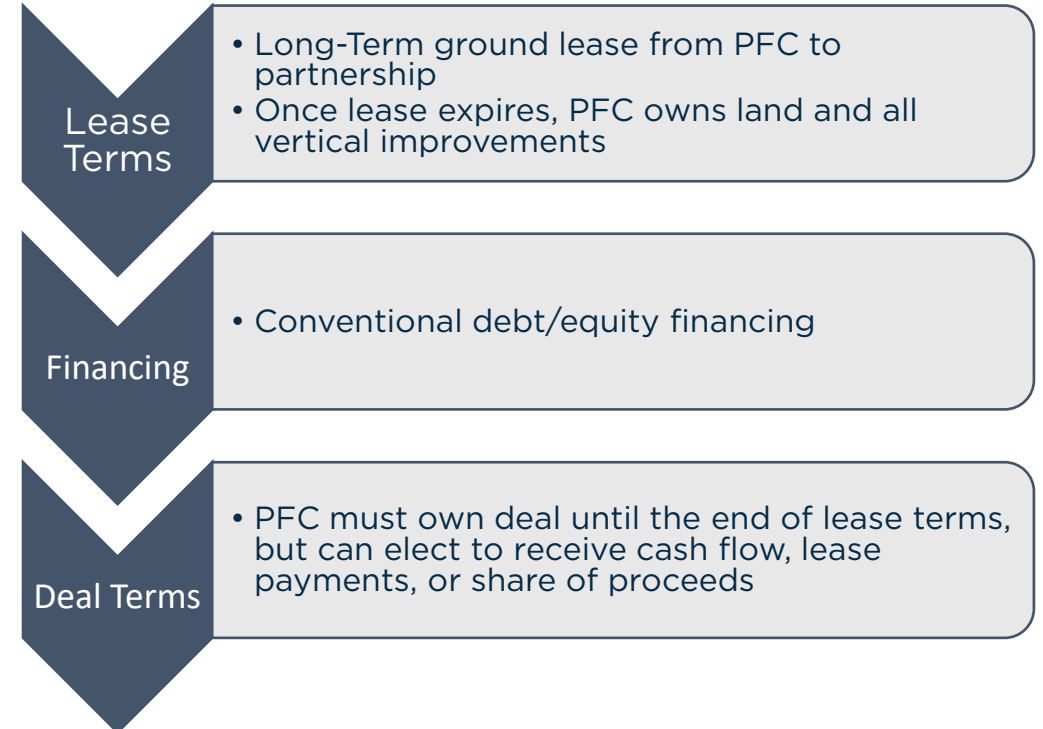
- Property under contract with Developer with intent to purchase
- Municipality or Housing Authority forms a Public Facility Corporation (PFC) to partner with Developer to create new multifamily rental development
- The PFC entity issues tax-exempt Multifamily Housing Revenue Bonds (Affordable-Workforce) to finance development
- At land closing, the title to the property is conveyed to the PFC and a lease is signed between the PFC and the developer
- The municipality's PFC is the owner of the land and the built improvements

PFC Business Terms

Affordable-Workforce Housing



Market-Workforce Housing



Affordable-Workforce: Benefits & Financing

- Provide much needed, high-quality affordable housing for working individuals, families, and seniors integral to local community
- Opportunity to 'lock-in' affordability in rapidly developing region
- PFC receives financial returns through partnership via cash flow, developer fee, issuer fees, etc.
- PFC/City takes no financial liability on the project and does NOT fund pre-development costs
- PFC has 'Right of First Refusal' to control asset after 15 years

Market–Workforce: Benefits & Financing

- High quality new multi-family residential construction
- Origination Fee paid at Closing
- Ongoing Fee structured via:
 - Annual Lease Payment
 - Negotiated Percentage of Cash Flow OR Portion of Sale Proceeds
- At lease expiration, PFC controls the property and can repurpose, continue to operate for cash flow, or sell and take 100% of proceeds
- PFC/City takes no financial liability on the project and does NOT fund pre-development costs

Affordable-Workforce Examples

3700 Dacy

3700 Dacy Ln, Kyle, TX 78640

- Partnership with Capital Area HFC
- 324 units
- 100% at or below 60% AMI
- 1-4 bedroom units



The Scott at Medio Creek

9130 Excellence Dr, San Antonio, TX 78252

- Partnership with Las Varas PFC
- 324 units
- 10% at 30% AMI, 70% at 60% AMI, & 20%
- 1-4 bedroom units



Affordable-Workforce Examples

Residences at Decker

9000 Decker Lane, Austin, TX 78724

- Partnership with Strategic HFC of Travis County
- 262 units
- 18% at 40% AMI, 63% at 60% AMI, 18% at 80% AMI, and 1% at Market Rate
- 1-4 bedroom units



Bridge at Loyola

6400 Loyola Ln, Austin, TX 78724

- Partnership with Austin Affordable Housing Corp
- 204 units
- 16% at 40% AMI, 66% and 60% AMI, 16% at 80% AMI, and 2% at Market Rate
- 1-4 bedroom units



Market-Workforce Examples

Acero

333 W Cevallos, San Antonio, TX 78204

- Partnership with San Antonio Housing Trust
- 323 units
- 50% at or below 80% AMI and 50% at Market Rate
- 1-3 bedroom units



Trophy Oak

224 Broad Oak Dr, Cibolo, TX 78108

- Partnership with City of Cibolo PFC
- 324 units
- 50% at or below 80% AMI and 50% at Market Rate
- 1-3 bedroom units



Market-Workforce Examples

The Baldwin at St. Paul Square

239 Center St, San Antonio, TX 78205

- Partnership with San Antonio Housing Trust
- 271 units
- 50% at or below 80% AMI and 50% at Market Rate
- 1-2 bedroom units



The Salado at Red Berry

902 Gemblar Rd, San Antonio, TX 78219

- Partnership with San Antonio Housing Trust
- 330 units
- 50% at or below 80% AMI and 50% at Market Rate
- 1-3 bedroom units

