



City of Killeen

Agenda

Killeen Public Facility Corporation

Tuesday, July 16, 2024

City Hall
Council Chambers
101 N. College Street
Killeen, Texas 76541

IMMEDIATELY FOLLOWING THE REGULAR CITY COUNCIL MEETING

Call to Order

Roll Call

Directors

___ Debbie Nash-King, Mayor	___ Nina Cobb
___ Riakos Adams	___ Jessica Gonzalez
___ Ramon Alvarez	___ Jose Segarra
___ Michael Boyd	___ Joseph Solomon

City Staff

___ Kent Cagle, Assistant Secretary
___ Holli Clements, City Attorney
___ Laura Calcote, Secretary
___ Judith Tangalin, Treasurer

Approval of Agenda

Citizen Comments

This section allows members of the public to address the Board regarding any item(s), other than a public hearing item, on the agenda for the Board's consideration. Each person shall sign up in advance, may speak only one time, and such address shall be limited to four (4) minutes. A majority of the Board is required for any time extensions. The Board shall have one (1) minute to respond to citizen comments with a statement or explanation without engaging in dialogue.

Approval of Minutes

1. [PFC-24-14](#) Consider Minutes of the Killeen Public Facility Corporation Meeting of July 2, 2024.

Agenda Items

2. [PFC-24-15](#) Consider a memorandum/resolution authorizing the Avanti Legacy Parkview Apartments transaction, including all documentation necessary to carry out the transaction.

Attachments: [Resolution](#)

[Board Memorandum](#)

Adjournment

I certify that the above notice of meeting was posted on the Internet and on the bulletin board at Killeen City Hall on or before 5:00 p.m. on July 12, 2024.

Laura J. Calcote, City Secretary

The public is hereby informed that notices for City of Killeen meetings will no longer distinguish between matters to be discussed in open or closed session of a meeting. This practice is in accordance with rulings by the Texas Attorney General that, under the Texas Open Meetings Act, the City Council may convene a closed session to discuss any matter listed on the agenda, without prior or further notice, if the matter is one that the Open Meetings Act allows to be discussed in a closed session.

This meeting is being conducted in accordance with the Texas Open Meetings Law [V.T.C.A., Government Code, § 551.001 et seq.]. This meeting is being conducted in accordance with the Americans with Disabilities Act [42 USC 12101 (1991)]. The facility is wheelchair accessible and handicap parking is available. Requests for sign interpretive services are available upon requests received at least 48 hours prior to the meeting. To make arrangements for those services, please call 254-501-7700, City Manager's Office, or TDD 1-800-734-2989.



City of Killeen

Staff Report

File Number: PFC-24-14

Consider Minutes of the Killeen Public Facility Corporation Meeting of July 2, 2024.

City of Killeen

Killeen Public Facility Corporation
Killeen City Hall Council Chambers
July 2, 2024 at 5:00 p.m.

Presiding: President Ramon Alvarez

Attending: Vice President Michael Boyd, Board Members Debbie Nash-King, Nina Cobb, Jessica Gonzalez, Jose Segarra, Joseph Solomon, and Riakos Adams

Also attending were Assistant Secretary Kent Cagle, City Attorney Holli Clements, City Secretary Laura Calcote, and Treasurer Judith Tangalin

Approval of Agenda

Motion was made by Board Member Adams to approve the agenda, as presented. Motion was seconded by Vice President Boyd. The motion carried unanimously (7-0).

Citizen Comments

Camron Cochran spoke regarding PFC-24-12 and PFC-24-13.

Mellisa Brown spoke regarding PFC-24-13.

Sean Price spoke regarding PFC-24-13.

Approval of Minutes

PFC-24-12 Consider Minutes of the Killeen Public Facility Corporation Meeting of June 11, 2024.

Motion was made by Board Member Adams to approve PFC-24-12, as written. Motion was seconded by Board Member Nash-King. The motion carried unanimously (7-0).

Agenda Items

PFC-24-13 Discuss the Avanti Legacy Parkview Apartments

City Attorney, Holli Clements; Bracewell Partner, Summer Greathouse; and Madhouse Development Services Representative, Henry Flores, provided an overview of the

Avanti Legacy Parkview Apartments project. One hundred and eight (108) low-income housing units would be available for senior citizens, based on a tiered system. The PFC would have the option to opt out of the project at year 15 and back taxes would be paid, along with interest, to the entity.

No action was taken on this item.

Adjournment

With no further business, upon motion being made by Board Member Adams, seconded by Vice President Boyd, and unanimously approved, the meeting was adjourned at 5:20 p.m.



City of Killeen

Staff Report

File Number: PFC-24-15

Consider a memorandum/resolution authorizing the Avanti Legacy Parkview Apartments transaction, including all documentation necessary to carry out the transaction.

DATE: July 16, 2024

TO: Kent Cagle, City Manager

FROM: Holli Clements, City Attorney

SUBJECT: Authorization of Avanti Legacy Parkview Apartments transaction

BACKGROUND AND FINDINGS:

On March 5, 2024, the Killeen PFC passed a resolution inducing the Avanti Legacy Parkview Apartments transaction, including authorization of the execution of all documentation necessary to obtain financing for the transaction, authorizing filings and agreement with Texas Department of Housing and Community Affairs in connection with applications for low income housing tax credits, and authorizing the formation of any limited liability companies in connection with said transaction. The resolution constituted the PFC's preliminary commitment to proceed.

The proposed resolution would authorize the transaction, including authorizing the execution of all documentation to carry out the transaction, a proposed 9% low-income housing tax credit project, which may include condominium units. Additional details are included in the attached Board Memorandum.

THE ALTERNATIVES CONSIDERED:

If the board does not approve the Resolution, the 108-unit project will not be built.

Which alternative is recommended? Why?

Staff recommends approval of the attached Resolution authorizing the Avanti Legacy Parkview Apartments transaction, including the execution of all documentation necessary to carry out the transaction; authorizing the purchase of the land for the transaction (which may be a condominium) and the lease of such land for the transaction; and authorizing the acquisition of membership interest in Avanti Legacy Parkview, GP, LLC, and its admission as the general partner of Avanti Legacy Parkview, LP; and authorizing the financing for such transaction; and other matters in connection therewith.

CONFORMITY TO CITY POLICY:

This action conforms with state law and city policy.

FINANCIAL IMPACT:

What is the amount of the revenue/expenditure in the current fiscal year? For future years?

The total project cost is expected to be approximately \$25,000,000. Crimson Bulldog Development, Inc., and/or its affiliates, will give all required guaranties. The approximate sources of funds are as follows: \$16,198,380 in tax credit equity; \$17,506,000 in construction financing; \$4,960,000 in permanent financing; \$1,709,704 in construction to permanent financing from a HOME Loan from the City of Killeen, and \$2,843,794 in deferred developer fees.

The PFC will receive 5% of the developer fee and 5% of net cash flow from the Project. At the end of the tax credit compliance period (15 years from the date of stabilization), the PFC will have a put option to require the developer to purchase the PFC's interest in the Project for the amount of foregone City taxes and the Project will become subject to ad valorem taxation at that time.

Is this a one-time or recurring revenue/expenditure?

N/A

Is this revenue/expenditure budgeted?

N/A

If not, where will the money come from?

N/A

Is there a sufficient amount in the budgeted line-item for this revenue/expenditure?

N/A

RECOMMENDATION:

Staff recommends approval of the attached Resolution authorizing the Avanti Legacy Parkview Apartments transaction, including the execution of all documentation necessary to carry out the transaction; authorizing the purchase of the land for the transaction (which may be a condominium) and the lease of such land for the transaction; and authorizing the acquisition of membership interest in Avanti Legacy Parkview, GP, LLC, and its admission as the general partner of Avanti Legacy Parkview, LP; and authorizing the financing for such transaction; and other matters in connection therewith.

DEPARTMENTAL CLEARANCES:

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ATTACHED SUPPORTING DOCUMENTS:

Resolution

Board Memorandum

**CERTIFICATE FOR RESOLUTION
RESOLUTION _____**

The undersigned officer of the Killeen Public Facility Corporation, a Texas nonprofit public facility corporation created pursuant to the laws of the State of Texas ("PFC") hereby certifies as follows:

1. In accordance with the bylaws of PFC, the Board of Directors of PFC (the "Board") held a meeting on July 16, 2024 (the "Meeting") of the duly constituted officers and members of the Board, at which a duly constituted quorum was present. Whereupon among other business transacted at the Meeting, a written

RESOLUTION _____, AUTHORIZING THE AVANTI LEGACY PARKVIEW TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE TRANSACTION; AUTHORIZING THE PURCHASE OF THE LAND FOR THE TRANSACTION (WHICH MAY BE A CONDOMINIUM) AND THE LEASE OF SUCH LAND FOR THE TRANSACTION; AND AUTHORIZING THE ACQUISITION OF MEMBERSHIP INTEREST IN AVANTI LEGACY PARKVIEW, GP, LLC, AND ITS ADMISSION AS THE GENERAL PARTNER OF AVANTI LEGACY PARKVIEW, LP; AND AUTHORIZING THE FINANCING FOR SUCH TRANSACTION; AND OTHER MATTERS IN CONNECTION THEREWITH

(the "Resolution") was duly introduced for the consideration of the Board and discussed. It was then duly moved and seconded that the Resolution be adopted; and, after due discussion, said motion, carrying with it the adoption of the Resolution, prevailed and carried by a majority vote of the Board.

2. A true, full, and correct copy of the Resolution adopted at the Meeting is attached to and follows this Certificate; the Resolution has been duly recorded in the Board's minutes of the Meeting; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the Meeting; and the Meeting was held and conducted in accordance with the Articles of Incorporation and the Bylaws of the PFC.

SIGNED and SEALED this 16th day of July 2024.

Secretary/Treasurer

**Killeen Public Facility Corporation
Resolution _____**

RESOLUTION _____, AUTHORIZING THE AVANTI LEGACY PARKVIEW TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE TRANSACTION; AUTHORIZING THE PURCHASE OF THE LAND FOR THE TRANSACTION (WHICH MAY BE A CONDOMINIUM) AND THE LEASE OF SUCH LAND FOR THE TRANSACTION; AND AUTHORIZING THE ACQUISITION OF MEMBERSHIP INTEREST IN AVANTI LEGACY PARKVIEW, GP, LLC, AND ITS ADMISSION AS THE GENERAL PARTNER OF AVANTI LEGACY PARKVIEW, LP; AND AUTHORIZING THE FINANCING FOR SUCH TRANSACTION; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the City Council of the City of Killeen, Texas (the “City”), has, pursuant to the Texas Public Facility Corporations Act, Chapter 303, Texas Local Government Code, as amended, approved and created the Killeen Public Facility Corporation, a nonstock, nonprofit public facility corporation (the “PFC”);

WHEREAS, PFC on behalf of the City, is empowered to finance the costs of public facilities that will provide decent, safe, and sanitary housing at affordable prices for residents of the City;

WHEREAS, Avanti Legacy Parkview, LP, a Texas limited partnership (the “Partnership”), and Avanti Legacy Parkview GP, LLC, a Texas limited liability company, and its sole general partner (the “General Partner”), have been formed to acquire and construct a low-income housing tax credit housing facility for seniors consisting of 108 individual units and to be known as the Avanti Legacy Parkview, in addition to any buildings, parking spaces, a swimming pool, a pavilion, a playground, a fitness center, and other amenities constructed in connection therewith (the “Improvements”), which such Improvements will be located on that certain tract of real property located at approximately 51 N W S Young Drive, Killeen, Bell County, Texas, (the “Land,” and together with the Improvements, the “Project”);

WHEREAS, the Project may also have a commercial space that may be leased to a third-party and as a result the Project may be divided into two or more condominium units (the “Condominium”);

WHEREAS, at the request of the Partnership, the PFC has agreed to (i) serve as the sole member of the General Partner in connection with the financing of the Project with an affiliate of the Developer (as hereinafter defined) acting as a special limited partner in the Partnership, and (ii) acquire the Land and lease it to the Partnership pursuant to a Ground Lease (the “Ground Lease”);

WHEREAS, in connection with the operation and development of the Condominium, the Partnership may be required to enter into a declaration of condominium, to be entered into by the Partnership, as declarant, and to be recorded in the Official Public Records of Bell County, Texas (the “Condominium Declaration”), in addition to certain other agreements evidencing the establishment of the Condominium, including without limitation (i) those certain bylaws and that certificate of formation of a condominium association (the “Condominium Bylaws and Articles”); (ii) that certain plat of condominium creating the units within the Condominium (the “Condominium Plat”); and (iii) various other similarly named documents and ancillary agreements, assignments, documents and certificates relating to or required in connection with the

establishment and operation of the Condominium (together with the Condominium Bylaws and Articles and the Condominium Plat, the “Condominium Documents”); and

WHEREAS, in connection with the financing for the Project, the Partnership will also enter into a transaction with Stellar Bank, a Texas state chartered bank, for a construction-to-permanent loan (the “Stellar Loan”) in an aggregate amount of approximately \$18,625,000; (the “Stellar Loan”);

WHEREAS, in connection with the execution of the Stellar Loan, the Partnership, the General Partner, and/or PFC will be required to enter into certain agreements, including, but not limited to, loan agreements, promissory notes, deeds of trust, environmental indemnity agreements, security agreements, pledge agreements and various other similarly named documents and ancillary agreements, assignments, documents and certificates relating to or required in connection with the Churchill Stateside Loan (collectively, the “Stellar Loan Documents”);

WHEREAS, in order to provide additional funds for the construction of the Project, the Partnership may enter into one or more subordinate loan transactions, (the “Subordinate Loans”);

WHEREAS, in connection with the Subordinate Loans, the Partnership, the General Partner, and/or PFC will be required to enter into certain agreements, including, but not limited to, program, development or loan agreements, promissory notes, deeds of trust, restrictive covenants, security agreements, pledge agreements, intercreditor and subordination agreements, and various other similarly named documents and ancillary agreements, assignments, documents and certificates relating to or required in connection with the Subordinate Loan (collectively, the “Subordinate Loan Documents”);

WHEREAS, Crimson Bulldog Development, Inc., or its affiliate (the “Developer”), on behalf of the Partnership, has applied for low-income housing tax credits (the “LIHTCs”) from the Texas Department of Housing and Community Affairs (“TDHCA”);

WHEREAS, in connection with the application for LIHTCs, it is anticipated that the Partnership, General Partner and/or PFC will be required to execute, complete and deliver various applications, agreements, documents, certificates and instruments to TDHCA (the “TDHCA Documents”);

WHEREAS, the Partnership will contribute approximately \$16,198,380 of equity to the construction of the Project, which will be raised from the sale of the LIHTCs, which is anticipated to be made to RBC Community Investments, LLC or an affiliate thereof (the “Equity Financing”)

WHEREAS, in connection with the Equity Financing, the Partnership, the General Partner, and/or PFC will be required to enter into certain agreements, including but not limited to an Amended and Restated Agreement of Limited Partnership or any such similarly named document, and any documents attached as exhibits thereto, and closing certificates (collectively, the “Equity Documents”);

WHEREAS, the members of the Board of Directors of PFC (collectively, the “Board”) and their respective offices are as follows:

Name of Directors/Officers	Position
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Error! Unknown document property name.

Ramon Alvarez	President
Michael Boyd	Vice President
Judith Tangalin	Treasurer
Laura Calcote	Secretary
Kent Cagle	Assistant Secretary
Jessica Gonzalez	Director
Riakos Adams	Director
Nina Cobb	Director
Jose Segarra	Director
Joseph Solomon	Director
Debbie Nash-King	Director

WHEREAS, the Board has determined that it is in the public interest and to the benefit of the citizens and residents of the City for the various entities to enter into the transactions described above so that the Partnership may construct the Project; and

WHEREAS, this Board has reviewed the foregoing and determined that the action herein authorized is in furtherance of the public purposes of the PFC.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Killeen Public Facility Corporation, that:

Section 1. The Project; the various forms of financing contemplated for the Project, including but not limited to, the establishment of the Condominium, the Stellar Loan, the Subordinate Loans, the LIHTCs, and the Equity Financing and the terms of the Condominium Documents, Stellar Loan Documents, the Subordinate Loan Documents, the TDHCA Documents, and the Equity Documents are hereby authorized and approved when such documents are executed by the officers provided below.

Section 2. The President, any Vice President, the Secretary, the Treasurer, any Assistant Secretary or any other officer of the PFC, or any of them, are hereby authorized to execute any and all documentation required for the financing and construction of the Project, including, but not limited to, the Condominium Documents, the Churchill Stateside Loan Documents, the City Loan Documents, the Subordinate Loan Documents, the TDHCA Documents, the Equity Documents, indemnity agreements and guaranties covering the Land, the Project, and all other documents relating to the Condominium, the Loan, the City Loan, the Subordinate Loan, the LIHTCs, and/or the Equity Financing to which the Partnership, the General Partner, and/or the PFC is a party.

Section 3. The purchase of the Land, the Ground Lease, the establishment of the Condominium, the acquisition of membership interest in the General Partner by the PFC, and General Partner's admission as the sole general partner of the Partnership are each approved and the President, any Vice President, the Secretary, the Treasurer, any Assistant Secretary or any other officer of the PFC, or any of them, are hereby authorized to execute the documents required to be executed by the PFC in order to effect such transactions.

Section 4. The President, any Vice President, the Secretary, the Treasurer, any Assistant Secretary or any other officer of the PFC, or any of them, and, if required by the form of the document, the Secretary, Treasurer and any Assistant Secretary, or any of them, of the PFC are authorized and directed to modify, execute and deliver any of the documents to be signed by or consented to by PFC, and any and all certificates and other instruments necessary to carry out the intent thereof and hereof. The President, any Vice President, the Secretary, the Treasurer, any Assistant Secretary or any other officer of the PFC, or any of them, are authorized to negotiate and approve such changes in, or additions to, the terms of any of the documents, including amendments, renewals, and extensions, as such officers shall deem necessary or appropriate upon the advice of counsel to the PFC, and approval of the terms of any of the documents by such officers and this Board shall be conclusively evidenced by the execution and delivery of such documents.

Section 5. The members and officers of this Board, or any of them, are authorized to take any and all action necessary to carry out and consummate the transactions described in or contemplated by the documents approved hereby or otherwise to give effect to the actions authorized hereby and the intent hereof.

Section 6. If any section, paragraph, clause, or provision of this Resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

Section 7. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

Section 8. All resolutions hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 9. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 10. This Resolution shall be in force and effect from and after its passage.

BOARD OF DIRECTORS

RESOLUTION _____, AUTHORIZING THE KILLEEN PUBLIC FACILITY CORPORATION TO APPROVE THE TRANSACTION FOR THE AVANTI LEGACY PARKVIEW TRANSACTION, A PROPOSED 9% LOW INCOME HOUSING TAX CREDIT PROJECT FOR SENIORS.

[Ramon Alvarez]
[President]

[Laura Calcote]
[Secretary]

REQUESTED ACTION:

Consideration and approval regarding Resolution _____, Authorizing the Killeen Public Facility Corporation to approve The Avanti Legacy Parkview transaction, a Proposed 9% Low Income Housing Tax Credit Project, which may include condominium units, for seniors.

FINANCIAL IMPACT:

The total project cost is expected to be approximately \$25,000,000. Crimson Bulldog Development, Inc., and/or its affiliates, will give all required guaranties. The PFC will receive 5% of the developer fee and 5% of net cash flow from the Project. At the end of the tax credit compliance period (15 years from the date of stabilization), the PFC will have a put option to require the developer to purchase the PFC's interest in the Project for the amount of foregone City taxes and the Project will become subject to ad valorem taxation at that time.

SUMMARY:

Final approval of a 9% tax credit project, the Avanti Legacy Parkview, an approximately 108-unit housing project for seniors located at approximately 51 N W S Young Drive in Killeen (the "Project"), to be developed by Crimson Bulldog Development, Inc. ("Developer").

The Project is expected to cost approximately \$25,000,000. The project does not have tax exempt bonds as this is not a requirement of the 9% LIHTC Program. The approximate sources of funds are as follows: \$16,198,380 in tax credit equity; \$17,506,000 in construction financing; \$4,960,000 in permanent financing; \$1,709,704 in construction to permanent financing from a HOME Loan from the City of Killeen, and \$2,843,794 in deferred developer fees.

The Project will be new construction and will target senior citizens at 60% or below of the area median income, except for 8 units that are at market rate. All of the units will be one- and two-bedroom units. The Killeen Public Facility Corporation will own the land and create a single member limited liability company to serve as the general partner of the tax credit partnership that will own the Project.

The attached Resolution authorizes the Killeen Public Facility Corporation to approve the Project.

ALTERNATIVES:

If the Board does not approve the resolution, the 108 units will not be built.

STRATEGIC GOAL:

Strategically expand the supply of affordable housing for seniors.

RECOMMENDATION:

Staff recommends the approval of the attached resolution authorizing the Avanti Legacy Parkview transaction.

ATTACHMENTS:

Resolution _____