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# Collin County Attainable Housing Summit

## Trends and Innovations in Public Private Partnerships
## October 2, 2025
## 10:00am – 10:30am

Alliance for Community Impact

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# Current Financing Structures

| | Section 142(d) Bonds | 501(c)(3) Bonds | 501(c)(3) Bonds | Essential Function Bonds | Taxable Bonds |
|---|---|---|---|---|---|
| **Type of Bond** | Private Activity Bond | Private Activity Bond[1] | Private Activity Bond[1] | Government Bond | Municipal or Corporate Bond[2] |
| **Charitable Purpose** | - | Relief of the poor and distressed[3] | Lessening the burdens of government[4] | - | - |
| **Income Restrictions** | 20% at 50% or 40% at 60% | 20% at 50% or 40% at 60% and 75% at 80% | None | None | None |
| **Rent Restrictions** | 30% of AMI | Contractual[5] | None | None | None |
| **LIHTC Eligible** | ✓ | x | x | x | x |
| **For-Profit Ownership** | ✓ | x | x | x | ✓ |
| **TEFRA** | ✓ | ✓ | ✓ | x | x |
| **Volume Cap** | ✓ | x | x | x | x |
| **Private Use Limitation** | None | 5% | 5% | 10% | None |
| **Issuer** | Conduit Issuer[6] | Conduit Issuer[6] | Conduit Issuer[6] | Public Housing Authority | Conduit Issuer[6] |
| **Determination of Fees** | QAP | FMV | FMV | FMV | - |
| **Developer Economics** | Fees + Ownership | Fees | Fees | Fees | Fees + Ownership |
| **Closing Timeline** | 6-8 months | 75-90 days | 75-90 days | 90-120 days | 50-75 days |

Notes:
1 Qualified 501(c)(3) Bonds are a type of Private Activity Bond ("PAB") available under Section 145 of the Internal Revenue Code ("IRC").
2 Taxable bonds can be issued with a corporate CUSIP number or a municipal CUSIP number.
3 The Internal Revenue Service ("IRS") sets forth a "safe harbor" under which organizations that provide low-income housing will be considered charitable as described in section 501(c)(3) of the IRC if the following income set-asides are satisfied: (i) 20% at 50% or 40% at 60% of AMI and (ii) 75% at 80% of AMI. The remaining 25% can be rented to market rate tenants.
4 Whether an organization is lessening the burdens of government is determined by considering all relevant facts and circumstances. First, it is necessary to identify whether an organization is conducting activities that a government unit considers its burden, and second, whether such activities lessen the government unit's burden. Under this charitable purpose, there is no "safe harbor" and the burden of proof falls on the organization.
5 Rents are usually based on some governmental program such as the LIHTC program or HUD fair market rents (FMRs).
6 The bonds are generally issued by a state or local government issuer the proceeds of which are loaned to the Borrower.

# Current Financing Structures

## 501(c)(3) Bonds

**Nonprofit developers are generally formed and operated under the following two charitable purposes**

### "Relief of the Poor and Distressed"

- The project operates under Revenue Procedure 96-32 which establishes a "safe harbor"[1]
- The safe harbor provision is satisfied if the following is achieved:
  - Income restrictions include (i) 20% at 50% or 20% at 40% and (ii) 75% at 80%
  - The project is occupied by those considered "poor and distressed"
  - Rents are considered "affordable"[2]

| Benefits | Considerations |
|---|---|
| ✓ No volume cap | x TEFRA required[3] |
| ✓ Property tax exemption usually available | x For-profit ownership not allowed |
| ✓ Sequential pay or "turbo" amortization | x All fees subject to FMV |
| ✓ Max leverage | x Not eligible for LIHTC |
| ✓ Bonds serve as construction and perm financing | |

### "Lessening the Burdens of Government"

- No safe harbor provision
- The non-profit organization has the "burden of proof" to show the following is met:
  - The non-profit is conducting activities that the government considers to be its "burden"
  - Whether these activities "actually lessen the government's burden"

| Benefits | Considerations |
|---|---|
| ✓ No volume cap | x TEFRA required[3] |
| ✓ No income or rent restrictions | x For-profit ownership not allowed |
| ✓ Sequential pay or "turbo" amortization | x All fees subject to FMV |
| ✓ Max leverage | x Not eligible for LIHTC |
| ✓ Bonds serve as construction and perm financing | |

Notes:

1 The Internal Revenue Service ("IRS") sets forth a "safe harbor" under which organizations that provide low-income housing will be considered charitable as described in section 501(c)(3) of the IRC if the following income set-asides are satisfied: (i) 20% at 50% or 40% at 60% of AMI and (ii) 75% at 80% of AMI. The remaining 25% can be rented to market rate tenants.

2 Rents are usually based on some governmental program such as the LIHTC program or HUD fair market rents (FMRs).

3 The Tax Equity and Fiscal Responsibility Act (TEFRA) is a public hearing required by the IRS that provides the public an opportunity to comment on a specific project. After the hearing is held, the highest elected official in the jurisdiction must execute an TEFRA approval certificate.

# Selected Transactions

## 501(c)(3) Bonds

### The Promenade

**Overview**

$48,155,000

PUBLIC FINANCE AUTHORITY

The Promenade
Plano, TX

February 2024

- In February 2024, Piper Sandler served as sole underwriter on $48,155,000 of tax-exempt bonds issued for Unified Housing Foundation, Inc. (UHF)
- Bond proceeds will be used to finance the acquisition and construction of 233 units of multifamily housing for individuals aged 55 and older

**Structure**

| | |
|---|---|
| Issuer | Public Housing Authority |
| Sponsor | Unified Housing Foundation, Inc. (UHF) |
| Par Amount | $48,155,000 |
| Term | 15 Year |
| Amortization | 30 Year |
| Rating | Not Rated |
| Interest Rate | 6.25% |
| Optional Redemption | 5-year call @ 103% |
| Capex | $44.68MM (or $192,000 per unit) |
| Income Restrictions | 20% at 50% AMI and 50% at 80% AMI |

### Buckingham Foundation Portfolio

**Overview**

$68,000,000

NFA
NATIONAL FINANCE AUTHORITY

Buckingham Portfolio
Indianapolis, IN

October 2025

- In October 2025, Piper Sandler will serve as sole underwriter on $68,000,000 of tax-exempt bonds issued for Buckingham Foundation, Inc.
- The Bonds are rated BB+ by S&P Global Ratings with a stable outlook
- Bond proceeds will be used to finance the acquisition and rehabilitation of 690 units of multifamily housing

**Structure**

| | |
|---|---|
| Issuer | National Finance Authority |
| Sponsor | Buckingham Foundation, Inc. |
| Par Amount | $68,000,000 |
| Term | 40 Year |
| Amortization | 40 Year |
| Rating | BB+ / S&P Global Ratings |
| Interest Rate | TBD |
| Optional Redemption | 7-year call @ 103% |
| Capex | $6.2MM (or $9,000 per unit) |
| Income Restrictions | 40% at 60% and 75% at 80% |

# Current Financing Structures

## Essential Function Bonds

**The Problem**

- Critical members of the US workforce have struggled to find housing near areas of employment
- These individuals include teachers, nurses and first responders
- Many individuals in these areas do not earn enough to afford market rate housing but earn too much to qualify for housing operating under the LIHTC program
- Limited federal, state and local subsidies for workforce housing projects

**The Solution**

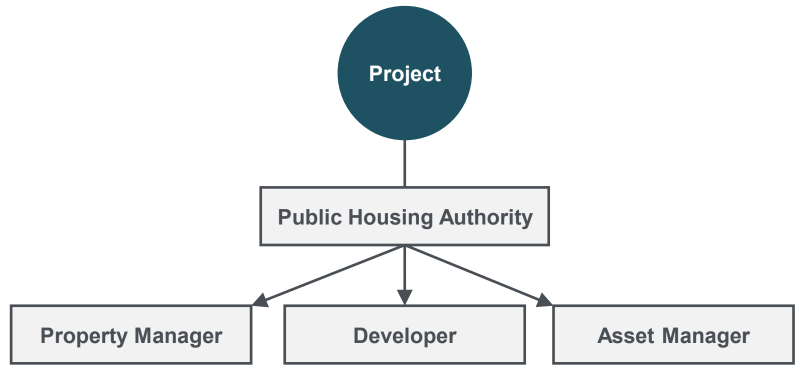
- Piper Sandler has engineered an innovative structure utilizing government ownership to take advantage of tax-exempt bonds and qualify for property tax exemption
- Under this structure, a public housing authority (PHA) would issue essential function bonds (EFB) to finance the acquisition or new construction of workforce housing
- EFB are government bonds, so they are exempt from certain restrictions associated with Section 142(d) Bonds
- The projects are still "sourced" by a third-party developer

**Benefits / Considerations**

- ✓ No volume cap
- ✓ No income restrictions[1]
- ✓ No rent restrictions
- ✓ No TEFRA
- ✓ Property tax exemption
- ✓ Non-recourse
- ✓ Sequential pay or "turbo" amortization
- ✓ Bonds sized on proforma

- × Property and improvements owned by PHA
- × Developer provides construction completion guarantees on new construction projects[2]
- × Developer serves in a "fee" role
- × All fees are based on fair market value (FMV)

**Basic Structure**




Notes:
1 Some states require certain income restrictions to receive full property tax exemption. However, EFB themselves do not require income restrictions.
2 Developers may charge a fee for providing certain guarantees.

# Selected Transactions

## Essential Function Bonds

### Las Ventanas and Puerta Villa at Cimarron

**Overview**

$82,665,000

HOUSING OPPORTUNITY MANAGEMENT ENTERPRISES
H.O.M.E
formerly HACEP

El Paso Portfolio
El Paso, TX

December 2021

- In December 2021, Piper Sandler served as sole placement agent on $82,665,000 of tax-exempt bonds issued for EP Cimarron Ventanas PFC
- The PFC was created for the benefit of the Housing Authority of the City of El Paso d/b/a HOME
- Bond proceeds will be used to finance the acquisition and rehabilitation of 466 units of workforce housing

**Structure**

| | |
|---|---|
| Issuer | EP Cimarron Ventanas PFC |
| PHA | Housing Authority of the City of El Paso |
| Par Amount | $82,665,000 |
| Term | 30 years |
| Amortization | Turbo amortization |
| Rating | Not Rated |
| Interest Rate | 4.00% |
| Optional Redemption | 7-year call @ 103% |
| Capex | $3.85MM (or $8,300 per unit) |
| Income Restrictions | 50% at 80% AMI and 90% (including the 50% above) at 160% AMI |

### McDermott Park and Crossing Apartments

**Overview**

$69,365,000

McDermott Facilities
Plano, TX

February 2022

- In February 2022, Piper Sandler served as sole placement agent on $69,365,000 of tax-exempt bonds issued for Pecan PFC
- The PFC was created for the benefit of the Plano Housing Authority
- Bond proceeds will be used to finance the acquisition and rehabilitation of 267 units of workforce housing

**Structure**

| | |
|---|---|
| Issuer | Pecan PFC |
| PHA | Plano Housing Authority |
| Par Amount | $69,365,000 |
| Term | 30 years |
| Amortization | Turbo amortization |
| Rating | Noted Rated |
| Interest Rate | 5.00% |
| Optional Redemption | 10-year call @ 100% |
| Capex | $1.0MM |
| Income Restrictions | 50% at 80% AMI and 90% (including the 50% above) at 140% AMI |

# Selected Transactions

## Essential Function Bonds

### Westwood Apartments

**Overview**

$41,935,000

Westwood Apartments
Jacksonville, FL

February 2024

- In February 2024, Piper Sandler served as sole underwriter on $41,935,000 of tax-exempt bonds for Jacksonville Housing Authority (JHA)
- The Bonds were rated A+ by S&P Global with a stable outlook
- Bond proceeds will be used to finance the acquisition and rehabilitation of 256 units of workforce housing

| Structure | |
|---|---|
| Issuer | Jacksonville Housing Authority |
| PHA | Jacksonville Housing Authority |
| Par Amount | $41,935,000 |
| Term | 10 Years |
| Amortization | 30 Years |
| Rating | A+ |
| Interest Rate | 4.05% |
| Optional Redemption | 10-year call @ 100% |
| Capex | $4.0MM (or $15,625 per unit) |
| Income Restrictions | 80% at 80% AMI and 20% at 140% AMI |

### West Middle Creek Apartments

**Overview**

$189,190,000

West Middle Creek
Vail, CO

December 2021

- In May 2025, Piper Sandler served as sole underwriter on $189,190,000 of tax-exempt bonds for the Housing Authority of Vail
- The Town of Vail issued $63,155,000 of the total bonds using its AA- rating. The remaining bonds were issued not rated
- Bond proceeds will be used to finance the new construction of 268 units of workforce housing

| Structure | |
|---|---|
| Issuer | Vail Home Partners Corporation |
| PHA | Housing Authority of Vail |
| Par Amount | $189,190,000 |
| Term | 40 Years |
| Amortization | 40 Years |
| Rating | AA- / Not Rated |
| Interest Rate | 4.99% / 6.02% |
| Optional Redemption | 10-year call @ 100% |
| Capex | $147.0MM (or $548,000 per unit) |
| Income Restrictions | 100% at 120% AMI |

# Key Professional Bios

## Cody N. Wilson

| Banker | Professional Background | Selected Transactions | |
|---|---|---|---|
|  | • Managing Director<br>• Expertise in the following financing structures and programs:<br>○ HUD<br>○ Freddie Mac (M Series)<br>○ Fannie Mae (M.TEBs)<br>○ USDA Rural Development<br>○ Low-Income Housing Tax Credit (LIHTC) Program<br>○ Public Private Partnerships (P3)<br>○ Securitizations<br>○ B Bonds<br>○ Corporate Bond Issues<br>○ Section 142(d) Bonds<br>○ 501(c)(3) Bonds<br>○ Essential Function Funds<br>○ Rating Agency Presentations<br><br>• Education Background and Designations<br>○ Troy University, B.S. Finance Concentration<br>○ Troy University, MBA<br>○ FINRA Series 7, 50 and 63 | • Ohio Housing Finance Agency (Havens Edge Apartments)<br>• Iowa Finance Authority (Union at the Marina)<br>• Wisconsin Health and Education Facilities Authority (WHPC Portfolio)<br>• Ohio Housing Finance Agency (Middletown RAD Projects)<br>• Ohio Housing Finance Agency (Hamilton RAD Projects)<br>• California Municipal Finance Authority (The Lakes)<br>• Housing Authority of DeKalb County (Avenues at North Decatur)<br>• Indiana Housing Community Development Authority (Oasis at 52nd)<br>• South Carolina Housing Finance Agency (Garden Lakes)<br>• Cleveland Housing Authority (RAD Phase I Project)<br>• South Carolina Jobs-Economic Development Authority (Palmera)<br>• Capital Trust Authority (University Bridge Apartments)<br>• EP Cimarron Ventanas PFC (El Paso Portfolio)<br>• Public Finance Authority (Gulf Coast Portfolio)<br>• Kentucky Housing Corporation (Churchill Park Apartments)<br>• Housing Authority of the City of Raleigh (Capital Towers)<br>• Housing Authority of the City of Raleigh (Union at Capital) | • Capital Trust Authority (Waters at North Port Apartments)<br>• Public Finance Authority (Villas at Sonterra)<br>• Illinois Housing Development Corporation (Drexel and East Lake)<br>• Oregon Housing and Community Development (Union at Pacific Highway)<br>• The City of Waterloo (Camelot and Crossroads Apartments)<br>• Tri-River Valley Development Authority (Cedars at Lebanon)<br>• Greenville Housing Authority (Victor Verdae)<br>• Oregon Housing and Community Development (Vuela Apartments)<br>• Rockdale County Economic Development Corporation (Terraces at Fieldstone)<br>• Pecan PFC (McDermott Senior Housing Portfolio)<br>• Housing Authority of Prince George's County (The Cassidy)<br>• Washington State Housing Finance Corporation (Madison at Rivers Edge)<br>• Housing Authority of Miami-Dade County (Four Freedoms House)<br>• Louisiana Community Development Authority (The Cove at Nola)<br>• Jacksonville Housing Authority (Westwood Apartments) |

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