



Broward County

Legislation Text

File #: 22-756, Version: 1

Broward County Commission Regular Meeting

Director's Name: Leonard Vialpando

Department: Resilient Environment **Division:** Housing Finance Division

Information

Requested Action

MOTION TO ADOPT Resolution of the Board of County Commissioners of Broward County, Florida, authorizing the issuance by the Housing Finance Authority of Broward County, Florida (the "HFA") of its Multifamily Housing Mortgage Revenue Note, Series 2022 (The Gallery at FATVillage) in a principal amount of not to exceed \$42,850,000 (the "Note") for the purpose of financing the construction and equipping of a multifamily housing project known as The Gallery at FATVillage located in Broward County, Florida; approving and authorizing the execution and delivery of a Land Use Restriction Agreement by and among the HFA, the Bank of New York Mellon Trust Company, N.A., as Fiscal Agent and Related FATVillage, LLC, as Borrower; approving and authorizing the execution and delivery of a Funding Loan Agreement among the HFA, JPMorgan Chase Bank, N.A. and the Fiscal Agent; approving and authorizing the execution and delivery of a Project Loan Agreement among the HFA, the Borrower and the Fiscal Agent; approving and authorizing the execution and delivery of a Placement Agent Agreement for the Note by and among the HFA, Raymond James & Associates, Inc. and RBC Capital Markets, LLC; approving and authorizing the execution and delivery of a Fiscal Agent Fee Agreement by and between the HFA and the Fiscal Agent; approving and authorizing the execution of the Allonge to the Multifamily Note (Project Note); approving and authorizing the execution of the Assignment of Leasehold Mortgage and Security Documents; approving and authorizing the execution and delivery of the Recognition, Attornment and Assent to Leasehold Mortgage (Senior mortgage); acknowledging and consenting to subordinate financing; approving and authorizing the execution and delivery of certain additional agreements necessary or desirable in connection with the issuance of the Note; authorizing the proper Officers of the HFA to do all things necessary or advisable in connection with the issuance of the Note; approving the Note for purposes of Section 147(f) of the Internal Revenue Code of 1986; and providing for an effective date. **(Commission District 4)**

Why Action is Necessary

Board approval is required to authorize the Housing Finance Authority of Broward County, Florida ("HFA") to issue the Note and enter into contracts. The HFA is empowered under (i) the laws of the State of Florida, including the Florida Housing Finance Authority law, Florida Statutes, Sections 159.601 through 159.623 (the "Act"), and (ii) Ordinance 79-41 enacted by the Board of Commissioners of Broward County, Florida on June 20, 1979, as amended, to issue multifamily housing revenue bonds and notes.

What Action Accomplishes

(i) Allows the HFA to finance the cost of the construction and equipping of a 195 unit multifamily rental

housing development, known as “The Gallery at FATVillage”, (ii) approves a public hearing as required by Section 147(f) of the Internal Revenue Code of 1986 (the “TEFRA Hearing”), as amended, and notice thereof, and (iii) approves the form, execution, and delivery of various documents in connection with the delivery of the Note.

Is this Action Goal Related

Yes

Previous Action Taken

None taken.

Summary Explanation/Background

THE RESILIENT ENVIRONMENT DEPARTMENT AND THE HOUSING FINANCE DIVISION RECOMMEND APPROVAL OF THE ABOVE MOTION.

This item supports the Board’s vision of offering sustainable, compatible, innovative housing options for all income-levels integrated supportive housing and rapid-rehousing: Goal 1: Facilitate a regional approach to growth and redevelopment through coordination and collaboration at the federal, state, and local levels; Goal 2: Increase the availability of affordable housing of all types, countywide, in every community using effective, uniform criteria, policies and strategies; Goal 3: Identify affordable workforce housing funding, to include a local, dedicated source of revenue; Goal 4: Develop, through municipal collaboration, neighborhoods and communities connecting affordable housing to reliable, accessible modes of transportation; and Goal 5: Promote housing and community redevelopment that integrates energy efficiency, community resilience, and other livability standards and initiatives.

On February 24, 2021, the Housing Finance Authority (the “HFA”) received a multifamily bond application from Related FATVillage, LLC (the “Borrower”) pertaining to the construction and equipping a 195 unit multifamily residential rental housing development for persons of low to moderate income, known as The Gallery at FATVillage (the “Project”). The project will be located at 600 North Andrews Avenue in the City of Fort Lauderdale.

The Borrower has requested the HFA to issue its Multifamily Housing Revenue Note, Series 2022 (The Gallery at FATVillage) in the amount not to exceed \$42,850,000 (the “Note”), to provide funds to make a loan to the Borrower (the “Loan”) to finance the construction and equipping of the Project. The HFA will enter into a Funding Loan Agreement (the “Funding Loan Agreement”), among JPMorgan Chase Bank, N.A., (the “Funding Lender”), the HFA and the Bank of New York Mellon Trust Company, N.A. (the “Fiscal Agent”) for the purpose of setting terms and conditions to secure the Note and protect the rights of the holders of the Note, and to evidence terms and conditions of the funding loan from the Funding Lender to the HFA.

At its January 19, 2022, Board meeting, the HFA adopted Resolution No. 2022-003 (Exhibit 2), a) declaring its official intent to issue the Note in the amount not to exceed \$42,850,000 to finance the Project, and b) authorizing the HFA to publish notice (the “TEFRA Notice”) and hold a public hearing under the Tax Equity and Fiscal Responsibility Act (the “TEFRA Hearing”). The TEFRA Notice was published in the Sun Sentinel on March 7, 2022, and the TEFRA Hearing was held on March 22,

2022, all as required by Section 147(f) of the Internal Revenue Code of 1986 (the “Code”). Prior to the TEFRA Hearing, the Mayor and City Manager of Fort Lauderdale were provided notice regarding the proposed issuance of the Note.

At its April 20, 2022, board meeting, the HFA adopted Resolution No. 2022-009 (Exhibit 3), as amended and supplemented by Resolution No. 2022-011 adopted on August 17, 2022 (Exhibit 4), which among other things, authorized (i) the issuance of the Note in the amount not to exceed \$42,850,000 to finance the Project, which financing shall be tax-exempt, (ii) the form, execution, and delivery of various documents related to the Note, (iii) the acknowledgement and consent of subordinate financing and replacement of the Term Sheets, all of which is subject to the approval of the Board. The HFA intends to issue the Note for the purpose of providing funds to make a loan to the Borrower (the “Loan”) to finance the construction and equipping of the Project. The transaction is expected to close in October 2022. HFA Resolution No. 2022-009 and HFA Resolution No. 2022-011 were prepared by Bond Counsel and approved as to form by the Office of the County Attorney.

Adoption of this Resolution, as amended and supplemented, (i) authorizes the HFA to issue the Note to finance the construction, and equipping of the Project, (ii) ratifies (A) the publishing of the TEFRA Notice by the HFA on March 7, 2022, and (B) the holding of, and minutes resulting from, the TEFRA Hearing held by the HFA on March 22, 2022, in connection with the issuance of the Note, in accordance with the Code (Exhibit 5), and (iii) approves the form, execution, and delivery of various documents in connection with the delivery of the Note.

Source of Additional Information

Ralph Stone, Director, Housing Finance Division, 954-357-5320.

Fiscal Impact

Fiscal Impact/Cost Summary

No fiscal impact.