



Broward County

Legislation Text

File #: 20-223, Version: 1

Broward County Commission Regular Meeting

Director's Name: Henry A. Sniezek

Department: Environmental Protection

Division: Housing Finance & Comm. Redevelopment

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 "Authority") of its Multifamily Housing Mortgage Revenue Note Series 2020A (Marquis Apartments Project) and its Multifamily Housing Mortgage Revenue Note Series 2020B (Marquis Apartments Project) in a total aggregate principal amount of not to exceed \$12,000,000 (collectively, the "Notes") for the purpose of financing the acquisition, construction and equipping of a multifamily housing project known as the Marquis Apartments located in Broward County, Florida; approving and authorizing the execution and delivery of a Land Use Restriction Agreement by and among the Authority, the Bank of New York Mellon Trust Company, N.A., as Fiscal Agent and Marquis Partners, Ltd., as Borrower; approving and authorizing the execution and delivery of a Funding Loan Agreement by and among Authority, Citibank, N.A. and the Fiscal Agent; approving and authorizing the execution and delivery of a Borrower Loan Agreement by and between the Authority and the Borrower; approving and authorizing the execution and delivery of a Placement Agent Agreement for the Notes by and among the Authority, 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 Authority and the Fiscal Agent; approving and authorizing a Contingency Draw-Down Agreement by and between the Authority, the Borrower and Citibank, N.A.; approving and authorizing the execution of the assignment of the Multifamily Notes; approving and authorizing the execution of the assignment of mortgage and loan documents; approving and authorizing the execution and delivery of certain additional agreements necessary or desirable in connection with the issuance of the Notes; authorizing the Authority to consent to the Borrower placing subordinate financing on the project and approving the execution of such agreements as may be necessary in connection with such consent; waiving the fee for services related to the Authority's annual audit of the project; waiving the Authority's prohibition against utilizing subordinate debt funds to pay off the Notes; authorizing the proper Officers of the Authority to do all things necessary or advisable in connection with the issuance of the Notes; and providing an effective date. **(Commission District 2)**

Why Action is Necessary

The Housing Finance Authority (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 County Commissioners of Broward County, Florida (the "Board") on June 20, 1979, as amended, to issue multifamily housing revenue bonds.

What Action Accomplishes

i) Allows the HFA to issue the Notes to finance the cost of the acquisition, rehabilitation and equipping of a multifamily rental housing development known as “Marquis Apartments”, (ii) approves a public hearing, and notice thereof by the HFA, each as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), and (iii) approves the form, execution, and delivery of various documents in connection with the delivery of the Notes.

Is this Action Goal Related

Yes

Previous Action Taken

No previous action.

Summary Explanation/Background

THE ENVIRONMENTAL PROTECTION AND GROWTH MANAGEMENT DEPARTMENT AND THE HOUSING FINANCE AND COMMUNITY REDEVELOPMENT 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 May 6, 2019, the Housing Finance Authority of Broward County (the “HFA”) received a multifamily bond application from Marquis Partners, LP, a Florida Limited Partnership (the “Borrower”). The Borrower has requested the HFA to issue a Multifamily Housing Revenue Note, Series 2020A (the “2020A Note”) and a Multifamily Housing Revenue Note, Series 2020B (the “2020B Note” and together with the 2020A Note, collectively, the “Notes”) in an amount not to exceed \$12,000,000 for the purpose of financing the acquisition, construction and equipping of a 100-unit multifamily residential rental housing development, located at Northwest 9th Street, Northwest Corner of Northwest 9th Street and Dr. B. J. McCormick Avenue in the City of Pompano Beach, known as the Marquis Apartments, for persons of low to moderate income (the “Project”).

The HFA will enter into a Funding Loan Agreement between Citibank, 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 forth the terms, conditions and covenants that are necessary to secure the Notes and protect the rights of the Funding Lender of the Notes, and the term and conditions of the funding loan from the Funding Lender to the HFA .

At its July 17, 2019 meeting, the HFA adopted Resolution No. 2019-008 (Exhibit 2), pursuant to which

the HFA, among other things, (i) declared its official intent to issue its multifamily housing revenue notes in one or more series in the amount not to exceed \$12,000,000, and (ii) authorized (a) the holding of a public hearing under the Tax Equity and Fiscal Responsibility Act (the “TEFRA Hearing”), and (b) the publication of a notice of the TEFRA Hearing (the “TEFRA Notice”). The HFA (i) caused the TEFRA Notice to be published in the Sun Sentinel on July 24, 2019, and (ii) held the TEFRA Hearing on August 14, 2019, each as required by Section 147(f) of the Code. The Mayor and City Manager of Pompano Beach were provided notice concerning the proposed issuance of the Bonds.

At its January 15, 2020 board meeting, the HFA approved Resolution 2020-003 (Exhibit 3) authorizing the issuance the Notes in the amount not to exceed \$12,000,000 for the Project, subject to the approval of the County Commission. The HFA has agreed to issue the Notes for the purpose of financing the Project to provide funds with the Funding Lender and make loan to the HFA, which proceeds will be used by the HFA to make a loan to the Borrower (the “Borrower Loan”) to finance the Project. The transaction is scheduled to close on or about March 2020. HFA Resolution 2020-003 was prepared and approved as to form by Bond Counsel.

Adoption of this Resolution authorizes the HFA to issue its Notes in an amount not to exceed \$12,000,000 for the purpose of financing the Project.

Source of Additional Information

Ralph Stone, Director, Housing Finance and Community Redevelopment Division, (954) 357-5320

Fiscal Impact

Fiscal Impact/Cost Summary

There is no fiscal impact to the County.