



# Broward County

## Legislation Text

File #: 20-1443, Version: 1

### **Broward County Commission Regular Meeting**

**Director's Name:** Leonard Vialpando

**Department:** Environmental Protection

**Division:** Housing Finance & Comm. Redevelopment

### Information

#### Requested Action

MOTION TO ADOPT Resolution No. 2020-484 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 2020 (Federation Davie Apartments) in a not to exceed principal amount of \$22,000,000 (the "Note") for the purpose of financing the acquisition, rehabilitation and equipping of a multifamily housing project known as the Federation Davie 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 Federation Davie Preservation LP, as Borrower; approving and authorizing the execution and delivery of a Funding Loan Agreement by and among the 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 Note by and among the Authority, RBC Capital Markets, LLC and Raymond James & Associates, Inc.; 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 the execution of the Assignment of the Multifamily Note; 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 Note; authorizing the proper Officers of the Authority to do all things necessary or advisable in connection with the issuance of the Note; and providing an effective date. **(Commission District 5)**

#### Why Action is Necessary

Board approval is required to authorize the Authority to issue the Note and enter into contracts.

#### What Action Accomplishes

(i) Allows the HFA to finance the cost of the acquisition, rehabilitation and equipping of a multifamily rental housing development known as "Federation Davie 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 Note.

#### Is this Action Goal Related

Yes

### **Previous Action Taken**

None Taken.

### **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, including integrated supportive housing and rapid-rehousing: Goal 1: Facilitate a regional approach to growth and redevelopment through coordination and collaboration at the federal, state, county, and local levels; Goal 2: Strengthen stakeholder partnerships to increase the availability of affordable housing of all types (e.g. rental, purchase, supportive, etc.), county wide, in every community; and Goal 3: Develop, through effective community collaboration, neighborhoods and communities incorporating intermodal connectivity, while integrating energy efficiency, community resilience, and other livability standards and initiatives.

On February 17, 2020, the HFA received a multifamily bond application from Federation Davie Preservation LP, a Florida limited partnership (the "Borrower"), pertaining to the acquisition, rehabilitation, and equipping of a 80-unit multifamily residential rental housing development for persons of low to moderate income, known as "Federation Davie Apartments", located at 5701 Southwest 82 Avenue in the Town of Davie (the "Project").

The Borrower has requested the HFA to issue a Multifamily Mortgage Revenue Note, Series 2020 (the "Note") in a principal amount not to exceed \$22,000,000, to provide funds to make a loan to the Borrower to finance the acquisition, rehabilitation, and equipping of the Project and enter into a Funding Loan Agreement (the "Funding Loan Agreement"), among the HFA, Citibank, National Association ("Funding Lender") and the Bank of New York Mellon Trust Company, N.A. (the "Fiscal Agent") for the purpose of setting forth the terms, conditions and covenant that are necessary to secure the Note.

At its May 20, 2020 meeting, the HFA adopted Resolution No. 2020-008 (Exhibit 2), pursuant to which the HFA, among other things, (i) declared its official intent to issue the Note in the amount not to exceed \$22,000,000, 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 June 10, 2020, and (ii) held the TEFRA Hearing on June 24, 2020, as required by Section 147(f) of the Code. The Mayor and City Manager of Town of Davie were provided notice concerning the proposed issuance of the Note.

At its August 19, 2020 meeting, the HFA adopted Resolution No. 2020-011 (Exhibit 3), which, among other things, authorized (i) the issuance of the Note in the amount not to exceed \$22,000,000 to finance the Project, which financing shall be tax-exempt, and (ii) the form, execution and delivery of various documents related to the Note, all of which is subject to the approval of the Board. The HFA intends to issue the Note for the purpose of securing funds from the Funding Lender pursuant to the Funding Loan Agreement. The HFA will use the proceeds of the Funding Loan to make the Project Loan to the Borrower in order to finance the acquisition, rehabilitation and equipping of the Project.

The proposed transaction is anticipated to close on September 24, 2020.

Adoption of this Resolution (i) authorizes the HFA to issue the Note to finance the acquisition, rehabilitation and equipping of the Project, (ii) ratifies (a) the publishing of the TEFRA Notice, and (b) the holding of, and minutes resulting from the TEFRA Hearing (Exhibit 4), and (iii) approves the form, execution, and delivery of various documents in connection with the delivery of the Note. This Resolution was prepared by Bond Counsel and approved as to form by the Office of the County Attorney.

**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.