



Broward County

Legislation Text

File #: 22-720, Version: 1

Broward County Commission Regular Meeting

Director's Name: Leonard Vialpando

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

Information

Requested Action

MOTION TO APPROVE Line of Credit Agreement between Broward County (the "County") and the Southeast Florida Community Development Fund, Inc., a not-for-profit corporation organized under the laws of the State of Florida (the "Borrower") pursuant to which County is extending a revolving loan in an amount not to exceed \$1,000,000; for the purpose of financing the construction and/or equipping of single-family residential units in Broward County, Florida (the "Loan"); authorizing County Administrator to execute the Line of Credit Agreement in substantially the form attached as Exhibit 1, and related loan documents, each subject to approval as to form and legal sufficiency by the Office of the County Attorney; authorizing the County Administrator to take all necessary administrative and budgetary actions.

Why Action is Necessary

Board action is required to approve all contracts with outside agencies.

What Action Accomplishes

Allows the County to make a revolving loan in an aggregate principal amount not to exceed \$1,000,000 for the purpose of financing the construction and/or equipping of single-family residential units, and to enter into a Line of Credit Agreement between Broward County and Southeast Florida Community Development Fund, Inc.

Is this Action Goal Related

Yes

Previous Action Taken

No Previous Action.

Summary Explanation/Background

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

This item supports the Board's Value of "Offering sustainable, compatible, innovative housing options for all income-levels, including integrated permanent supportive housing" and the corresponding goal of; "Increase the availability of affordable housing of all types, countywide, in every community using effective, uniform criteria, policies and strategies."

The Southeast Florida Community Development Fund, Inc., is a 501(c)3 nonprofit organization whose primary mission is to promote community and economic development to facilitate the provision of clean, decent, affordable, and sustainable housing.

The Housing Finance Division recommends that the County make a revolving loan in an aggregate principal amount not to exceed \$1,000,000 (the "Loan"); for the purpose of financing the construction and/or equipping of single-family residential units located in Broward County, Florida (each residential unit, a "Project"). The Loan will be disbursed in one lump-sum payment and may be re-borrowed as amounts lent for each Project are repaid to the Borrower.

County will enter into a Line of Credit Agreement (the "Line of Credit Agreement") in substantially the form set forth in Exhibit 1, between County and the Borrower for the purpose of setting the terms, conditions and covenants that are necessary to secure the Loan, and the Borrower will execute a Promissory Note in favor of the County (the "Note").

The Line of Credit Agreement will include the following: (i) a two-year term beginning on the date of the Line of Credit Agreement, with a one-year extension at the option of the County Administrator. Projects will be selected and underwritten by the Borrower but are limited to properties that are owned by a governmental entity or non-profit corporation and are part of a governmental entity's infill housing program; (ii) zero-percent interest for the duration of the term of the Loan. Loan is due and payable in full at the end of the term. Loan will be secured, with respect to the initial Projects, by a mortgage securing the real property for each Project, which would be assigned to the County. Future Projects may be secured by cash collateral equal to the Loan amount and deposited in an escrow account in favor of the County to be held at BankUnited N.A. Loan will be disbursed in full at closing. Once completed, Projects must be sold to Eligible Households, which will be households with incomes at 120% AMI or below; (iii) in the Lender's sole determination, failure to expend any Loan proceeds within the first-year of the term of the Line of Credit Agreement, may constitute an Event of Default; and, (iv) the Borrower has agreed to assist the County in implementing the Broward County Business Enterprises (CBE) policy by providing equal opportunities for SBE and CBE firms to participate in the construction of the Projects and reporting on the use of SBE and CBE firms upon completion of each Project.

Source of Additional Information

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

Fiscal Impact

Fiscal Impact/Cost Summary

There is a \$1,000,000 fiscal impact to the County which will be debited from the Affordable Housing Trust Fund.