



# Broward County

## Legislation Text

File #: 20-2020, 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. 2020-690 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 not to exceed \$21,000,000 Multifamily Housing Revenue Note, Series 2020 (Highland Oaks Townhomes) (the "Note") for the purpose of financing the acquisition, construction and equipping of Highland Oaks Townhomes located in Broward County, Florida (the "Project"); establishing parameters for the award of the sale thereof and establishing criteria for determining the terms thereof, including interest rates, interest payment dates, maturity schedule and other terms of such Note; approving the forms of and authorizing the execution and delivery of (i) a Funding Loan Agreement by and among the HFA, Allianz Life Insurance Company of North America, as Funding Lender (the "Funding Lender"), and The Bank of New York Mellon Trust Company, N.A., as Fiscal Agent (the "Fiscal Agent"); (ii) a Borrower Loan Agreement by and between the HFA and Coral Rock Pompano, LLC (the "Borrower"); (iii) a Land Use Restriction Agreement by and among the HFA, the Fiscal Agent and the Borrower; (iv) an Assignment of Mortgage and Funding Loan Documents by the HFA to the Fiscal Agent; (v) a Placement Agent Agreement by and between the HFA and Raymond James & Associates, Inc. and RBC Capital Markets, LLC, as Placement Agents; and (vi) a Fiscal Agent Fee Agreement by and between the HFA and the Fiscal Agent; approving and authorizing the execution and delivery by the HFA of certain additional agreements necessary or desirable in connection with the issuance of the Note; approving and ratifying the HFA's publication of a notice of public hearing and the subsequent holding of such public hearing each under Section 147(f) of the Internal Revenue Code of 1986, as amended, in connection with the issuance of the Note by the HFA; authorizing the proper Officers of the HFA to do all things necessary or advisable in connection with the issuance of the Note; and providing an effective date for this Resolution. **(Commission District 2)**

#### Why Action is Necessary

The Housing Finance Authority of Broward County, Florida, 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 refund said bonds.

#### What Action Accomplishes

Allows the Housing Finance Authority of Broward County to finance the cost of the acquisition, construction and equipping of a 138-unit multifamily rental housing development, known as "Highland

Oaks Townhomes”, and approve a public hearing as required by Section 147(f) of the Internal Revenue Code of 1986 (the “TEFRA Hearing”), as amended, and notice thereof.

**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, 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 April 13, 2020, the Housing Finance Authority of Broward County (the “HFA”) received a multifamily bond application from Coral Rock Development Group, LLC (the “Developer”) pertaining to the acquisition, construction and equipping of a 138-unit multifamily residential rental housing development for persons of low to moderate income, known as “Highland Oaks Townhomes” (the “Project”), located at 309, 313, 317 and 321 Northwest 10<sup>th</sup> Street in the City of Pompano Beach.

Coral Rock Pompano, LLC, a Florida limited liability company (the “Borrower”) has requested the HFA to issue its Multifamily Housing Revenue Note, Series 2020 in the amount not to exceed \$21,000,000 (the “Note”), to provide funds with which Allianz Life Insurance Company of North America, as funding lender (the “Funding Lender”), will make a loan to the HFA (the “Funding Loan”), and which proceeds will be used by the HFA to make a loan to the Borrower (the “Borrower Loan”) to finance the acquisition, construction and equipping of the Project.

At its May 20, 2020 board meeting, the HFA adopted Resolution No. 2020-009 (Exhibit 2), a) declaring its official intent to issue the Note in the amount not to exceed \$21,000,000 in order to finance the Project, and b) authorizing the HFA to publish notice and hold a public hearing under the Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing. The TEFRA Hearing was held on July 15, 2020, as required by Section 147(f) of the Code. Prior to the TEFRA Hearing, the Mayor and City Manager of Pompano Beach were provided notice regarding the proposed issuance of the Note.

At its October 21, 2020 board meeting, the HFA adopted Resolution No. 2020-015 (Exhibit 3), authorizing the issuance of the Note in the amount not to exceed \$21,000,000 to finance the Project, which financing shall be tax-exempt, subject to the approval of the County Commission. The HFA intends to issue the Note for the purpose of providing funds to the Funding Lender, who will make the

Funding Loan to the HFA. The HFA will then use the proceeds of the Funding Loan to make the Borrower Loan to the Borrower in order to finance the acquisition, construction and equipping of the Project. The transaction is scheduled to close in March 2021. Resolution No. 2020-015 was prepared by Bond Counsel and approved as to form by the Office of the County Attorney.

Adoption of this Resolution authorizes the HFA to issue the Note to finance the acquisition, construction and equipping of the Project and ratifies (i) the publishing of the TEFRA Notice by the HFA on July 6, 2020, and (ii) the holding of, and minutes resulting from, the TEFRA Hearing held by the HFA on July 15, 2020, in connection with the issuance of the Note, in accordance with the Code (Exhibit 4).

**Source of Additional Information**

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

**Fiscal Impact**

**Fiscal Impact/Cost Summary**

There is no fiscal impact to the County.