



Broward County

Legislation Details (With Text)

File #: 21-679 **Version:** 1

Status: Agenda Ready

In control: County Attorney

On agenda: 5/4/2021 **Final action:** 5/4/2021

Title: MOTION TO DISCUSS Interlocal Agreement Among Broward County, the City of Hollywood, and the City of Hollywood Community Redevelopment Agency Regarding Funding for Affordable Housing, and to provide direction and authority to the County Administrator and the Office of the County Attorney regarding certain invoices from the City of Hollywood.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit 1 - Copy of Interlocal Agreement

Date	Ver.	Action By	Action	Result
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Broward County Commission Regular Meeting

Director's Name: Andrew J. Meyers

Department: County Attorney

Information

Requested Action

MOTION TO DISCUSS Interlocal Agreement Among Broward County, the City of Hollywood, and the City of Hollywood Community Redevelopment Agency Regarding Funding for Affordable Housing, and to provide direction and authority to the County Administrator and the Office of the County Attorney regarding certain invoices from the City of Hollywood.

Why Action is Necessary

Necessary to permit Board discussion and to provide appropriate direction and authority.

What Action Accomplishes

Permits Board discussion as stated above and provides direction and authority to staff.

Is this Action Goal Related

No

Previous Action Taken

Summary Explanation/Background

On October 3, 2018, the County entered into an interlocal agreement ("ILA") with the City of Hollywood and the City of Hollywood Community Redevelopment Agency ("CRA") regarding the tax increment financing ("TIF") amounts due to the CRA. The key terms of the ILA included: (1) a 16-

year, non-TIF extension of the Downtown District of the CRA through September 30, 2041; (2) an agreed termination of TIF obligations to the Beach District on December 31, 2026; and (3) payments of \$1.75 million annually by the County to the City for ten (10) years, commencing December 31, 2027, for affordable housing. In addition, for the remaining duration of the County's TIF obligations to the Beach District, by September 30 of each year the CRA can designate a "set aside" amount of between 17% and 25%, and by December 31, the County will pay that "set aside" portion of the TIF to the City rather than to the CRA. The "set aside" amounts paid to the City must be used solely for affordable housing programs. The other taxing authorities, including the City, retain the "set aside" portion of their TIF, with no restriction on the use of the funds. If the CRA does not timely designate the "set aside" amount, the default set aside amount is 17%, according to the terms of the ILA.

Under Florida law, community redevelopment agencies are required to refund to the taxing authorities any money remaining in their trust fund at the end of the fiscal year that has not been appropriated to a specific project or used or escrowed to reduce indebtedness. In each of 2017 and 2018, the Hollywood CRA refunded certain amounts to the County for the prior fiscal year (\$1.4M refund paid April 26, 2017, for FY2016; \$2.2M refund paid April 16, 2018, for FY2017). Under the ILA, the County agreed to transfer those two statutory refunds to the City, and the same agreement expressly applied to any other statutory refunds paid by the CRA to the County prior to the effective date of the ILA. No additional statutory refunds were paid by the CRA prior to the effective date of the ILA.

The City has invoiced the County for two amounts, totaling \$3,521,636, which are addressed below.

The first invoice regards the FY2017 TIF payment, which predated the effective date of the ILA. The year before the ILA was executed, on or about December 31, 2017, the County paid to the CRA the full TIF amount of \$13.8 million. On December 3, 2018 (two months after the ILA became effective), the CRA refunded to the County 17% of the prior year's TIF, or \$2,484,855 ("**First Refund**"). The CRA and the City are requesting that the County treat the First Refund as the equivalent of a retroactive 17% set aside (which would be paid to the City and not to the CRA).

The second invoice regards the FY2018 TIF payment, which occurred while the ILA was in effect. The CRA did not timely designate the "set aside" amount, so the County applied the default 17% amount, paying the 17% set aside amount to the City and the remainder of the TIF to the CRA. On March 7, 2019, the CRA paid a statutory refund of \$2,471,418 to the County ("**Second Refund**"). This refund, characterized by the CRA as "Total Carryforward Refund to Broward County," is due under both the statutory scheme and the ILA, and is separate from the "set aside" provision. The CRA and the City are requesting that the County treat the Second Refund as a retroactive increase of the prior year's "set aside" from 17% to 25%, which would require the County to pay a portion of the Second Refund in the amount of \$1,036,781 (i.e., the difference between the 17% set aside and the proposed 25% set aside) to the City.

This item permits the Board to discuss and provide appropriate direction to the County Administrator and the Office of the County Attorney.

Source of Additional Information

Chief Deputy County Attorney Rene D. Harrod, 954-357-7600

Fiscal Impact

Fiscal Impact/Cost Summary

Subject to direction by the Board.