



# Broward County

## Legislation Text

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File #: 20-744, Version: 1

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### **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 No. 2020-281 of the Board of County Commissioners of Broward County, Florida, authorizing the Housing Finance Authority (HFA) of Broward County, Florida to make a Revolving Loan (the "Loan") to Southeast Florida Community Development Fund, Inc. (Borrower) in an amount not to exceed \$1,000,000; for the purpose of financing the construction, renovation, and/or equipping of single-family residential units located in Broward County, Florida; approving and authorizing the execution and delivery of a Line of Credit Agreement by and between the HFA and the Borrower; approving and authorizing the execution and delivery of certain additional agreements necessary or desirable in connection with the loan; authorizing the proper Officers of the HFA to do all things necessary or advisable in connection with the loan; and providing an effective date.

#### **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 make loans to not-for-profit corporations for the development of affordable housing.

#### **What Action Accomplishes**

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

#### **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.

Southeast Florida Community Development Fund, Inc. (Borrower) 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. It should be noted that this agency operates under the broader control of the South Florida Regional Planning Council.

On August 7, 2019, the HFA received a letter from Southeast Florida Community Development Fund, Inc (SFCDFI) (the "Borrower"), requesting a loan from the HFA for the purpose of making loans to third parties to finance the construction of single-family residential housing units (each unit a "Project") located in Broward County.

The HFA desires to make a revolving loan in an aggregate principal amount not to exceed \$1,000,000 for the purpose of financing the construction of the Project for the development of an estimated eight single family homes per year to be sold to low/moderate income home buyers. The homes must be located within Broward County. The initial homes are scheduled to be located within the City of Lauderhill Central Community Redevelopment Agency District (CRA) and the Broward Municipal Service District.

The HFA will enter into: i) a Line of Credit Agreement between the HFA and the Borrower for the purpose of setting the terms, conditions and covenants that are necessary to secure the Loan, and ii) a Promissory Note (the "Note"). The Line of Credit Agreement will include the following: (i) a term of two years, beginning on the date of the Line of Credit Agreement and the HFA and Borrower may extend this Line of Credit Agreement for an additional one-year term, (ii) the principal balance outstanding on the Note will bear interest at 3% per annum from the date of issuance and (iii) the Borrower has agreed to apply the Broward County Business Enterprises (CBE) policy by providing equal opportunities for SBE and CBE firms to participate in the construction of the Projects.

At its February 19, 2020 board meeting, the HFA approved Resolution 2020-005 (Exhibit 2), which authorized the making of a revolving loan to SFCDFI in an aggregate principal amount not to exceed \$1,000,000, at an interest rate equal to 3% per annum from the date of issuance, with a two year term which the parties may extend for an additional one year term. HFA Resolution 2020-005 was prepared and approved as to form by Bond Counsel.

Adoption of this Resolution authorizes the HFA to make a revolving loan in an aggregate principal amount not to exceed \$1,000,000 for the purpose of financing the construction, renovation and/or equipping of single-family residential units located within Broward County, each individually identified

as a 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.