



Broward County

Legislation Text

File #: 22-550, 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 gap financing for three affordable housing projects and associated amounts as follows: 1) Housing Opportunities Mortgage Assistance & Effective Neighborhood Solutions, Inc. (H.O.M.E.S., Inc.) or its affiliate (Scholars Village) at \$2,500,000 (30 units); 2) Habitat for Humanity of Broward, Inc. or its affiliate (Village at Middle River) at \$2,500,000 (24 units); and 3) Broward County Community Development Corp., Inc. or its affiliate (Senior Solutions) at \$655,315 (six units); authorizing the County Administrator to execute all agreements related to the listed gap financing projects, subject to approval as to legal sufficiency by the Office of the County Attorney; and authorizing the County Administrator to take the necessary administrative and budgetary actions. **(Commission Districts 4 and 8)**

Why Action is Necessary

Board action is required to approve agreements with outside agencies and to create a new capital project above \$25,000.

What Action Accomplishes

Allows the County Administrator to execute agreements for financing three affordable housing projects totaling \$5,655,315 (60 units).

Is this Action Goal Related

Yes

Previous Action Taken

None taken.

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."

On February 11, 2022, the Housing Finance Division issued a Request for Applications (RFA) in the amount of \$5,000,000, soliciting nonprofit affordable housing organizations to utilize "gap" financing

for the development of additional affordable housing units. No more than \$2,500,000 was allowed per project.

The Applications were due on March 4, 2022. Three Applications were submitted in a timely manner and accepted for the Nonprofit RFA. Prior to the Evaluation Committee scoring of the Applications (see Exhibit 1 for the Evaluation Committee Scoring and the list of all applications submitted), staff managing the RFA process reviewed all Applications for minimum requirements and Fatal Flaw criteria. All Applications were deemed responsive to the requirements of the RFA.

The combined three projects total 60 units requesting total gap financing in the amount of \$5,655,315.

A total of \$5,000,000 in funding was allocated from the Broward County Affordable Housing Trust Fund (AHTF) to the affordable housing RFA's. This leaves a difference of \$655,315 dollars to fund all 60 units. In order to fund all three projects, the Housing Finance Division recommends funding the \$655,315 difference from the AHTF. There currently is \$14,520,000 in the AHTF. The funding for these projects would result in a balance in the AHTF of \$8,864,685.

After Board approval, a loan agreement and other related loan documents will be drafted for each affordable housing project and will be executed by the County simultaneously with the closing of the financing for each project. The terms of the loan agreements will include a minimum term of 30 years for the affordable housing land use restriction, a 0% interest rate loan with a minimum term of 30 years, and the loan becomes payable on the maturity date, or upon sale, change of title, or refinancing, whichever occurs first, subject to the provisions of the loan agreement.

The applicants agree that contractor and vendor awards to County Business Enterprises (CBE) are crucial to the achievement of the County's CBE participation objectives. Although these RFA's do not have assigned CBE goals, the applicants agree that whenever possible, every effort will be made to utilize the services of Broward County certified CBE firms and shall include this provision in any subcontract it enters into pursuant to the agreement. The applicants will be required to report the percentage of CBE participation by it and its subcontractors on a quarterly basis.

Staff recommends fully funding all three projects for a total of 60 units using a combination of \$5,000,000 in funding allocated from the AHTF to the RFA and an additional \$655,315 in AHTF funding for a total allocation of \$5,655,315.

Source of Additional Information

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

Fiscal Impact

Fiscal Impact/Cost Summary

The agenda item proposes to utilize \$5,655,315 from the AHTF for new construction and acquisition/rehabilitation of affordable housing units by nonprofit organizations in Broward County.