Agenda Item #: 4(2)

# PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

### AGENDA ITEM SUMMARY

**Meeting Date:** 

June 7, 2016

[ ] Consent

[X] Regular

[ ] Ordinance

[ ] Public Hearing

Department:

**Department of Economic Sustainability** 

**Submitted For:** 

**Housing Finance Authority of Palm Beach County** 

#### I. EXECUTIVE BRIEF

**Motion and Title: Staff recommends motion to adopt:** a Resolution of the Board of County Commissioners of Palm Beach County, Florida; approving the issuance of not to exceed \$15,000,000 Housing Finance Authority of Palm Beach County, Florida, Multifamily Housing Revenue Bonds (Royal Palm Place Project) within the meaning of Section 147(f) of the Internal Revenue Code of 1986, as amended and Section 2-190, Palm Beach County Code of Ordinances; approving Citibank, N.A. or an affiliate thereof as the Purchaser of said Bonds, within the meaning of Section 2-190 of the Palm Beach County Code of Ordinances; and providing an effective date.

Summary: The Bonds are being issued by the Housing Finance Authority of Palm Beach County, Florida (Authority), to finance the costs of acquiring, constructing and equipping an approximately 125 unit multifamily rental housing development to be known as Royal Palm Place (Project). The Project will be located at the NW corner of 15th Street and Division Avenue in West Palm Beach. These units will be rented to qualified persons and families as required by Section 142(d) of the Internal Revenue Code of 1986, as amended (Code). The Borrower is Royal Palm Place, Ltd. and the Co-Developers are Baobab Development, Inc. and Landmark Development Corp. The Bonds will be payable solely from revenues derived from the Borrower and/or other collateral provided by or on behalf of the Borrower. Greenberg Traurig is Bond Counsel to the Authority with respect to the Bonds, and Citibank, N.A. or an affiliate thereof is the Purchaser of the Bonds. On March 11, 2016, the Authority held a public hearing with respect to the Bonds as required by Section 147(f) of the Code. The County is participating in the funding of this project through a loan of \$115,000 which represents the local match under State Apartment Incentive Loan (SAIL) This SAIL Program match is funded from the State Housing Initiatives Partnership Program. The County also reserved \$219,358 under the Impact Fee Affordable Housing Assistance Program for the project which will be presented for approval by the Board of County Commissioners (BCC) at a later date. Neither the taxing power nor the faith and credit of the County nor any County funds are pledged to pay the principal, redemption premium, if any, of interest on the Bonds. (HFA of PBC) District 7 (PFK)

**Background and Justification:** The Authority was established by the BCC in 1979 in accordance with Part IV of Chapter 159, Florida Statutes. The adoption of this Resolution by the BCC would constitute approval of the Bonds for purposes of Section 147(f) of the Code and Section 2-190, Palm Beach County Code of Ordinances.

Attachment(s):	tachment(s	:(:
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1. Resolution

Recommended By:

Department Director

Date

Approved By:

Assistant County Administrator

Date

## II. FISCAL IMPACT ANALYSIS

# A. Five Year Summary of Fiscal Impact:

Fiscal Years	2016	2017	2018	2019	2020
Capital Expenditures					
Operating Costs					
External Revenues					
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT₩	0				
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# ADDITIONAL FTE POSITIONS (Cumulative)					

Is Item Included In Current Budget?	Yes	No	х
Budget Account No.:	•		

- B. Recommended Sources of Funds/Summary of Fiscal Impact:
  - \*All costs to be borne by the Housing Finance Authority. No fiscal impact to Palm Beach County.
- C. Departmental Fiscal Review:

N/A

### III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development and Control Comments:

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OFMB SP	Shir.	5/23

ontract Development and Control

B. Legal Sufficiency:

Assistant County Attorney

C. Other Department Review:

Department Director

### RESOLUTION NO. R2016 - \_\_\_\_

RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA: APPROVING THE ISSUANCE OF NOT TO EXCEED \$15,000,000 HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA, MULTIFAMILY HOUSING REVENUE BONDS (ROYAL PALM PLACE PROJECT) WITHIN THE MEANING OF SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED AND SECTION 2-190, PALM BEACH COUNTY CODE OF ORDINANCES; APPROVING CITIBANK, N.A. OR AN AFFILIATE THEREOF AS THE PURCHASER OF SAID BONDS, WITHIN THE MEANING OF SECTION 2-190, PALM BEACH COUNTY CODE OF ORDINANCES; AND PROVIDING AN EFFECTIVE DATE.

**WHEREAS**, the Housing Finance Authority of Palm Beach County, Florida (the "Authority") was created pursuant to Part IV, Chapter 159, Florida Statutes (the "Act") and Sections 2-181 et seq., Palm Beach County Code of Ordinances (the "Ordinance"); and

**WHEREAS**, the Board of County Commissioners of Palm Beach County, Florida (the "Board"), has heretofore adopted Resolution No. 79-1150 declaring its need for the Authority to function in order to alleviate the shortage of housing and capital investment in housing within Palm Beach County, Florida (the "County"); and

WHEREAS, the Borrower (as defined below) has made application to the Authority to issue its bonds (herein, the "Bonds") for the purpose of financing all or a portion of the costs of acquisition, construction and/or equipping of an approximately 125 unit rental housing development to be known as Royal Palm Place, to be located at located at the NW corner of 15 Street and Division Avenue, in the City of West Palm Beach, Florida, to be occupied by persons of low or moderate income as required within the meaning of Section 142(d) of the Internal Revenue Code of 1986, as amended (the "Code"); and

**WHEREAS**, the Bonds shall be limited obligations of the Authority payable from collateral provided by or on behalf of Royal Palm Place Ltd., a Florida limited partnership, or an affiliate thereof (the "Borrower") and the payment of such Bonds will be secured by a pledge of and lien on such collateral; and

WHEREAS, the Executive Director of the Authority held a properly noticed public hearing pursuant to the provisions of Section 147(f) of the Code on March 11, 2016, regarding the proposed issuance of its Multifamily Housing Revenue Bonds (Royal Palm Place Project), in the principal amount of not exceeding \$15,000,000; and

**WHEREAS**, the Bonds shall not be a debt of the Authority, the County, the State of Florida (the "State"), nor any other political subdivision thereof; and neither the Authority, the County, the State nor any other political subdivision thereof shall be liable thereon; and

WHEREAS, the Bonds will be issued by the Authority, and the proceeds thereof will be used to finance all or a portion of the costs of the Project, to be rented to qualified persons and families in Palm Beach County, Florida as required by the Act and the Code; and

**WHEREAS**, Citibank, N.A. or an affiliate thereof will be the purchaser of the Bonds (the "Purchaser"); and

**WHEREAS**, the Authority has requested that the Board approve (a) the issuance of the Bonds within the meaning of Section 147(f) of the Code and Section 2-190, Palm Beach County Code of Ordinances, and (b) the purchaser of the Bonds as required by Section 2-190, Palm Beach County Code of Ordinances.

## NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA;

- 1. That the above recitals are hereby adopted by the Board as the findings of the County and are incorporated herein.
- 2. That the issuance of the Bonds is approved within the meaning of Section 147(f) of the Code.
- 3. That the issuance of the Bonds and the sale of the Bonds to the Purchaser are approved within the meaning of Section 2-190, Palm Beach County Code of Ordinances.
- Palm Beach County, Florida.
- 4. That the Mayor and the Clerk are authorized to execute this Resolution on behalf of 5. That this Resolution shall take effect upon adoption. The foregoing Resolution was offered by Commissioner \_\_\_\_\_\_, who moved its adoption. The motion was seconded by Commissioner \_\_\_\_\_\_, and being put to a vote, the vote was as follows: Commissioner Mary Lou Berger, Mayor Commissioner Hal R. Valeche, Vice Mayor Commissioner Paulette Burdick Commissioner Shelley Vana Commissioner Steven L. Abrams Commissioner Melissa McKinlay Commissioner Priscilla A. Taylor The Mayor thereupon declared the Resolution duly passed and adopted this \_\_\_\_\_ day of \_\_\_\_\_\_, 20\_\_\_\_.

PALM BEACH COUNTY, FLORIDA, BY ITS **BOARD OF COUNTY COMMISSIONERS** 

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

ATTEST: SHARON R. BOCK **CLERK & COMPTROLLER** 

Ву:		By:	
	Paul F. King,	Deputy Clerk	
	Senior Assistant County Attorney		