Agenda Item #:

40-1

## PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

#### **AGENDA ITEM SUMMARY**

**Meeting Date:** 

**September 13, 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 exceeding \$18,600,000 Housing Finance Authority of Palm Beach County, Florida, Multifamily Housing Revenue Bonds (New South Bay Villas) 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 RBC Capital Markets, LLC, as the underwriter of said Bonds, within the meaning of Section 2-190, Palm Beach County Code of Ordinances; and providing an effective date.

**Summary:** On June 7, 2016, the Board of County Commissioners (BCC) adopted Resolution R2016-0719 in connection with the New South Bay Villas project located at 845 Palm Beach Road in South Bay. That Resolution approved the issuance of \$18,500,000 in multifamily housing revenue bonds and Deutsche Bank Securities Inc. as the purchaser of the Bonds. New South Bay Villas, Ltd. (Borrower) has advised the Housing Finance Authority of Palm Beach County (Authority) that it now desires to increase the not to exceed amount of the Bonds from \$18,500,000 to \$18,600,000 and to change the structure of the Bonds from a direct private placement with Deutsche Bank Securities Inc. to an underwritten bond issue with RBC Capital Markets, LLC, as the underwriter, thereby necessitating the adoption of this resolution.

The Bonds will finance a portion of the project acquisition cost and the rehabilitation of a portion of the units and the demolition, reconstruction and equipping of new units resulting in 131 multifamily units which will be rented to persons and families at 60% of area median income for a period of 30 years. The County previously participated in this project by providing \$1,012,870 in Neighborhood Stabilization Program (NSP) funds to assist in the acquisition of a portion of this property and provided \$773,191 in NSP funds for the rehabilitation of 16 of the 131 units.

The Co-Developers are McCurdy Senior Housing Corporation (49%) and the Palm Beach County Housing Authority (51%). Bryant Miller Olive is Bond Counsel to the Authority with respect to the Bonds. On August 12, 2016, the Authority held a public hearing with respect to the Bonds as required by Section 147(f) of the Internal Revenue Code. The Bonds will be payable solely from revenues derived from the Borrower and/or other collateral provided by or on behalf of the Borrower. 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 6 (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 Internal Revenue Code and Section 2-190 of the Palm Beach County Code of Ordinances.

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Attac	n	m	en	t	S	):

1. Resolution

Recommended By:	m Harry	8-19-16
Departme	ent Director	Date
Approved By:	QD y	8-29-16
Assistan	t County Administrat	tor 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					

# ADDITIONAL FTE							
POSITIONS (Cumulative)							

s Item included in Current Budget?	Yes	No x
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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Contract Development and Contro

B. Legal Sufficiency:

Assistant County Attorney

C. Other Department Review:

Department Director

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RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA; APPROVING THE ISSUANCE OF NOT TO EXCEED \$38,000,000 HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA, GOVERNMENTAL LENDER NOTES (LAKE DELRAY APARTMENTS 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 WALKER & DUNLOP, INC., AS THE PURCHASER OF SAID NOTES, 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 governmental lender notes (herein, the "Notes") for the purpose of financing all or a portion of the costs of acquisition, rehabilitation and/or equipping of a 404 unit rental housing development for the elderly known as Lake Delray Apartments, located at 700 Lindell Boulevard, Delray Beach, Florida 33444, 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 Notes shall be limited obligations of the Authority payable from revenues derived from and/or collateral provided by or on behalf of Lake Delray Apartments, LLLP, a Florida limited liability limited partnership, or an affiliate thereof (the "Borrower") and the payment of such Notes will be secured by a pledge of and lien on such revenues and/or 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 August 12, 2016, regarding the proposed issuance of its Governmental Lender Notes (Lake Delray Apartments Project), in the principal amount of not exceeding \$38,000,000; and

**WHEREAS**, the Board, on June 7, 2016, adopted Resolution No. R-2016-0813 approving issuance of the bonds in an amount not to exceed \$34,000,000 within the meaning of Section 147(f) of the Code and the Ordinance, and approving Citibank N.A. or an affiliate thereof as the purchaser of the bonds; and

**WHEREAS**, the Notes 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 Borrower has advised the Authority that it requests an increase in the principal amount of the Notes and a change in the purchaser of the Notes from Citibank N.A. or an affiliate thereof to Walker & Dunlop Inc., or an affiliate thereof; and

WHEREAS, the Authority has requested that the Board approve the issuance of the Notes in a principal amount not to exceed \$38,000,000 within the meaning of Section 147(f) of the Code and the Ordinance, and for the purchase of the Notes by Walker & Dunlop Inc., or an affiliate thereof (the "Purchaser"); and

WHEREAS, the Notes 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**, the Authority has requested that the Board approve (a) the issuance of the Notes 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 Notes 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 Notes is approved within the meaning of Section 147(f) of the Code.
- **3.** That the issuance of the Notes in a principal amount not to exceed \$38,000,000 and the sale of the Notes to the Purchaser are approved within the meaning of Section 2-190, Palm Beach County Code of Ordinances.
- **4.** That the Mayor and the Clerk are authorized to execute this Resolution on behalf of Palm Beach County, Florida.
- **5.** That Resolution No. R-2016-0813 adopted by the Board on June 7, 2016, is hereby repealed to the extent of any inconsistency with the provisions hereof.
- 6. That this Resolution shall take effect upon adoption.

O.	That this Resolution shall take effect	t upon adoption.	
112	e foregoing Resolution was offered be adoption. The motion was secor ng put to a vote, the vote was as foll	naed by Commissio	, who moved ner, and
	Commissioner Mary Lor Commissioner Hal R. Va Commissioner Paulette Commissioner Shelley \ Commissioner Steven L Commissioner Melissa I Commissioner Priscilla	aleche, Vice Mayor Burdick Vana Abrams McKinlay	
The day	e Mayor thereupon declared the Reror of, 20	solution duly passed	and adopted this
		PALM BEACH CO BOARD OF COUN	OUNTY, FLORIDA, BY ITS ITY COMMISSIONERS
	PROVED AS TO FORM AND GAL SUFFICIENCY	ATTEST: SHAROI CLERK & COMPT	
Ву:	Paul F. King, Senior Assistant County Attorney	By: Deputy Clerk	