Agenda Item #: 40-3

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 \$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.

Summary: On June 7, 2016, the Board of County Commissioners (BCC) adopted Resolution R2016-0724 in connection with the Lake Delray Apartments project located at the 700 Lindell Boulevard in Delray Beach. The Resolution approved the issuance of \$34,000,000 in multifamily housing revenue bonds and Citibank, N.A., as the purchaser of said bonds. Lake Delray Apartments, LLLC (Borrower) has advised the Housing Finance Authority of Palm Beach County (Authority) that it now desires issuance of \$38,000,000 in Notes to be purchased by Walker & Dunlop, Inc., or an affiliate thereof, thereby necessitating the adoption of this resolution.

The Notes will be issued by the Authority to finance the costs of acquiring, rehabilitating and equipping 404 units at Lake Delray Apartments which will be rented to elderly persons and families at 60% of area median income for a period of 30 years.

The Developer is AHC-SHAG Development, LLC. Greenberg Traurig, P.A. is Bond Counsel to the Authority with respect to the Notes. On August 12, 2016, the Authority held a public hearing with respect to the Notes as required by Section 147(f) of the Internal Revenue Code. The Notes 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 Notes. (HFA of PBC) District 4 (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 Notes for purposes of Section 147(f) of the Internal Revenue Code and Section 2-190 of the Palm Beach County Code of Ordinances.

1. Resolution			
Recommended By:	Shen Howard	8-1-16	
	Department Director	Date	**************************************
Approved By:	nn GG	8-10-16	
	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★					
			<u> </u>		
# ADDITIONAL FTE POSITIONS (Cumulative)					
s Item Included In Curren Budget Account No.:	t Budget?	Yes	No <u>x</u>		
3. Recommended Sou	rces of Fun	ds/Summar	y of Fiscal In	npact:	
★All costs to be bor Palm Beach County	ne by the F	lousing Fin	ance Author	ity. No fisc	al impac
C. Departmental Fiscal					

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

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B.	Legal Sufficiency:
	Assistant County Attorney
C.	Other Department Review:
	Department Director

N/A

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA; APPROVING THE ISSUANCE OF NOT TO EXCEED \$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 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 Article V, Division 3, 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) previously 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, rehabilitation and/or equipping of an approximately 131 unit rental housing development to be known as New South Bay Villas, to be located at 825 Palm Beach Road, South Bay, Florida 33493 (the "Project"), 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 the revenues derived from the operation of the Project and/or collateral provided by or on behalf of New South Bay Villas, 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 revenues and/or collateral; and

WHEREAS, 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 multifamily housing revenue bonds (New South Bay Villas) in the principal amount not exceeding \$18,600,000; and

WHEREAS, the Board, on June 23, 2015, adopted Resolution No. R-2015-0813 approving issuance of the Bonds in an amount not to exceed \$17,000,000 within the meaning of Section 147(f) of the Code and the Ordinance, and approving Deutsche Bank Securities Inc. or an affiliate thereof as the purchaser of the Bonds; and

WHEREAS, the Board, on June 7, 2016, adopted Resolution No. R-2016-0719 approving issuance of the Bonds in an amount not to exceed \$18,600,000 within the meaning of Section 147(f) of the Code and the Ordinance

WHEREAS, the Borrower has advised the Authority that it requests a change in the purchaser of the Bonds from Deutsche Bank Securities Inc. or an affiliate thereof to RBC Capital Markets, LLC, as purchaser of the Bonds; and

WHEREAS, the Authority has requested that the Board approve the issuance of the Bonds in a principal amount not to exceed \$18,600,000 within the meaning of Section 147(f) of the Code and the Ordinance, and for the approval of RBC Capital Markets, LLC, as the purchaser of the Bonds; 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

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 in a principal amount not to exceed \$18,600,000 is approved within the meaning of Section 147(f) of the Code and the Ordinance.
- 3. That the issuance of the Bonds and the engagement by the Authority of RBC Capital Markets LLC as the purchaser of the Bonds 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-2015-0813 adopted by the Board on June 23, 2015 in h

repealed to the extent of any inconsistency with the provisions hereof.				
6. That this Resolution shall take effe	ect upon adoption.			
The foregoing Resolution was offered its adoption. The motion was second being put to a vote, the vote was as for	by Commissioner, who moved onded by Commissioner, and ollows:			
Commissioner Mary Lo Commissioner Hal R. V Commissioner Paulette Commissioner Shelley Commissioner Steven Commissioner Melissa Commissioner Priscilla	/aleche, Vice Mayore e Burdick Vana L. Abrams ı McKinlay -			
The Mayor thereupon declared the Reday of, 20	esolution duly passed and adopted this			
	PALM BEACH COUNTY, FLORIDA, BY ITS BOARD OF COUNTY COMMISSIONERS			
APPROVED AS TO FORM AND LEGAL SUFFICIENCY	ATTEST: SHARON R. BOCK CLERK & COMPTROLLER			
By:Paul F. King, Senior Assistant County Attorney	By: Deputy Clerk			