Agenda Item #: 5C-

PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

November 15, 2022 [] Consent [X] Regular
[] Public Hearing **Meeting Date:** [] Ordinance

Submitted By: Department of Housing and Economic Development

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 Housing Finance Authority of Palm Beach County, Florida, Multifamily Housing Revenue Bonds for Lakeside Commons, by the Housing Finance Authority of Palm Beach County, Florida (the "Authority") in the principal amount of \$21,000,000 (the "Bonds").

Summary: The Bonds are being issued by the Authority to finance the costs of acquiring, rehabilitating and equipping a multifamily rental housing facility containing approximately 99 units known as Lakeside Commons (the "Project"). The Project is located at 550 Executive Center Drive, in the City of West Palm Beach, Florida. Pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), these units will be rented to qualified persons and families whose household incomes do not exceed 60% of area median income (\$55,200 for a family of four for 2022). The Borrower (as defined below) has agreed that the Project will have a 50 year affordability period. The borrower is Lakeside Commons Preservation, Ltd., a Florida limited partnership, or an affiliate thereof (the "Borrower"), and the developer is Lincoln Avenue Capital. The Bonds will be payable solely from revenues derived from the Borrower and/or other collateral provided by or on behalf of the Borrower. Bryant Miller Olive, P.A. is Bond Counsel to the Authority with respect to the Bonds. The Bonds are expected to be issued in two series – senior lien bonds (the "Senior Lien Bonds") and subordinate lien bonds (the "Subordinate Lien Bonds"). RBC Capital Markets, LLC will be the underwriter or placement agent for the Senior Lien Bonds and Lakeside Commons, Ltd., the seller of the Project, or an affiliate thereof will be the direct purchaser of the Subordinate Lien Bonds.

The resolution of the Authority authorizing the issuance of the Bonds will include language substantially as follows:

The County assumes no responsibility for monitoring compliance by the Borrower of applicable federal income tax, securities laws or other regulatory requirements. Borrower understands and agrees that it is responsible for monitoring its compliance with all applicable federal income tax, federal securities law and other regulatory requirements, retaining adequate records of such compliance, and retaining qualified counsel to respond to or assist the Authority and the County in responding to any audit, examination or inquiry of the Internal Revenue Service, the Securities and Exchange Commission or other regulatory body. The Borrower assumes responsibility for monitoring compliance with applicable provisions of federal tax laws and U.S. Treasury Regulations relative to the Bonds, and shall retain adequate records of such compliance until at least three (3) years after the Bonds are retired. Summary continued on Page 3

Attachments: 1. Resolution			
Recommended By:	nothan Brown	10/18	2022
	Department Director	1 [Date

Approved By: _ Assistant County Administrator

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fisc	cal Years	2023	2024	2025	2026	2027
Сар	ital Expenditures					
Ope	erating Costs					
Exte	ernal Revenues					
Prog	gram Income					
In-K	ind Match (County)					
NET	FISCAL IMPACT					
	ODITIONAL FTE SITIONS (Cumulative)					
s Ite Does	m Included In Curre this Item include th	nt Budget? e use of Fe	deral funds?	Yes	No <u>X</u> No <u>X</u>	
Зudg	et Account No.:					
В.	Recommended Sources of Funds/Summary of Fiscal Impact:					
	All costs to be bo fiscal impact to Pa			ance Autho	rity or the B	orrower. No
С.	Departmental Fisc	al Review:	N/A			
		III. <u>RE</u>	VIEW COM	<u>MENTS</u>		
۸.	OFMB Fiscal and/or Contract Development and Control Comments:					
(Juse North OFMB JA 10/20	10/24/202	v) iofuliz Con	An. 3.	oment and Co	10/26/23
В.	Legal Sufficiency:			' 1	19/2 1/20	
	Assistant County At	lo/2	<u>1/</u> 22_			
C.	Other Department	Review:				
	Department Directo	r				

Summary: Continued from Page 1:

In the event of any audit, examination or investigation by the Internal Revenue Service with respect to the tax-exempt status of the Bonds or any other related tax matters, the Borrower shall be responsible for retaining qualified counsel to respond to such audit.

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, or interest on the Bonds. District 7. (HJF)

Background and Policy Issues: Continued from Page 1

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.

RESOLUTION OF THE BOARD OF COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA; APPROVING THE ISSUANCE OF HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA, MULTIFAMILY HOUSING REVENUE BONDS FOR LAKEDISE COMMONS, BY THE HOUSING FINANCE AUTHORITY OF PALM BEACH | COUNTY, FLORIDA IN THE PRINCIPAL AMOUNT OF \$21,000,000.

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 <u>et seq.</u>, 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 an application to the Authority to issue its hereinafter defined Bonds for the purpose of financing a portion of the costs of acquisition, rehabilitation and equipping of an approximately 99 unit multi-family rental housing facility known as Lakeside Commons (herein the "Project"), and located at 550 Executive Center Drive, West Palm Beach, Florida 33401, to be occupied by qualified persons and families whose household incomes do not exceed 60% of area median income; and

WHEREAS, the bonds and/or notes (collectively, the "Bonds") shall be issued in one or more series, shall be limited obligations of the Authority payable from revenues derived from and secured by collateral provided by or on behalf of Lakeside Commons Preservation, 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 other collateral; and

WHEREAS, the Bonds are expected to be issued as senior lien bonds (the "Senior Lien Bonds") and subordinate lien bonds ("the Subordinate Lien Bonds"); and

WHEREAS, the Authority held a properly noticed public hearing pursuant to the provisions of Section 147(f) of the of the Internal Revenue Code of 1986, as amended (the "Code") on September 23, 2022, regarding the proposed issuance of the Bonds in the noticed principal amount of \$21,000,000; 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 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, RBC Capital Markets, LLC will be the underwriter or placement agent with respect to the Senior Lien Bonds (the "Underwriter") and Lakeside Commons, Ltd., the seller of the Project, or an affiliate thereof will be the direct purchaser of the Subordinate Lien 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 underwriter or placement agent for 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; THAT:

- 1. The above recitals are hereby adopted by the Board as the findings of the County and are incorporated herein.
- 2. The issuance of the Bonds is approved within the meaning of Section 147(f) of the Code and Section 2-190, Palm Beach County Code of Ordinances.
- 3. The Underwriter is approved as the underwriter or placement agent for the Senior Lien Bonds and the Purchaser is approved as the direct purchaser of the Subordinate Lien Bonds, both within the meaning of Section 2-190, Palm Beach County Code of Ordinances.

	Ordinances.					
4.	The Clerk is authorized to executive Florida.	te this Resolution on behalf of Palm Beach County,				
5.	This Resolution shall take effect upon adoption.					
moved	d its adoption. The	ed by Commissioner, who motion was seconded by Commissioner to a vote, the vote was as follows:				
	District 1: Maria Mari District 2: District 3: Dave Kern District 4: District 5: Maria Sacl District 6: District 7: Mack Bern	er				
	Mayor thereupon declared the Region 2022.	esolution duly passed and adopted this day				
		PALM BEACH COUNTY, FLORIDA, BY ITS BOARD OF COUNTY COMMISSIONERS				
	ROVED AS TO AL SUFFICIENCY	ATTEST: JOSEPH ABRUZZO CLERK & COMPTROLLER				
By:	ssistant County Attorney	By: Deputy Clerk				