Agenda Item #: 5C-2

PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date:

December 5, 2023

[] Consent
 [X] Regular
 [] Public Hearing

Submitted By: 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 Calusa Pointe II, by the Housing Finance Authority of Palm Beach County, Florida (the "Authority") in the principal amount of \$27,000,000 (the "Bonds").

Summary: The Bonds are being issued by the Authority to finance a portion of the costs of acquiring, constructing and equipping a multifamily rental housing facility to contain approximately 168 units to be known as Calusa Pointe II (the "Project"). The Project will be located at the southeast of the intersection of SR 80 and CR827A, Belle Glade, Florida 33430. On July 12, 2022, the Board of County Commissioners approved \$2,500,000 of ARPA Response Projects funding for this Project.

The Authority will require that at least 40% of these units will be rented to qualified persons and families whose average household incomes do not exceed 60% of area median income (\$58,440 for a family of four for 2023). The Borrower (as defined below) has agreed that the Project will have a fifty (50) year affordability period. In addition, the Project is expected to receive low-income housing tax credits under Section 42 of the Internal Revenue Code of 1986, as amended (the "Code") that will require that 100% of the units will be rented to qualified persons and families, the average household incomes of which will not exceed 60% of area median income. The Borrower is SP Field LLC, a Florida limited liability company, or an affiliate thereof (the "Borrower"), and the developer is Southport Development, Inc. The total project cost is \$51,618,411. 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. RBC Capital Markets, LLC will be the underwriter or placement agent for the Bonds. Summary continued on Page 3

Background and Policy Issues: Continued on Page 3.

Attachment: 1. Resolution		
Recommended By:	Surn Honard	12-4-23
	Department Director	Date
Approved By:	+ae	12/4/23
	Assistant County Administrator	Date

II. FISCAL IMPACT ANALYSIS

	cal Years	2024	2025	2026	2027	2028
Car	pital Expenditures					
Ope	erating Costs					
Ext	ernal Revenues					***************************************
Pro	gram Income					
ln-k	Kind Match (County)					
NE	T FISCAL IMPACT	-0-				
	DDITIONAL FTE SITIONS (Cumulative)					
Doe:	em Included In Currents this Item include the sthis Item include the get Account No.:	use of Fed		Yes Yes Yes	No X No X No X	- -
В.	Recommended Sou	ırces of Fur	nds/Summa	ry of Fiscal l	mpact:	
	All costs to be borne impact to Palm Beac	by the Housh County.	using Financ	e Authority of	or the Borrow	er. No fiscal
C.	Departmental Fisca	l Review:				
				kyne, Divisior d Administra	i Director II tive Services,	DHED
			Finance an	Administra	tive Services,	
A.	OFMB Fiscal and/o		Finance an	Administra	tive Services,	
A .	OFMB Fiscal and/or OFMB OF III (c) MB Legal Sufficiency:		Finance and VIEW COMINATE OF THE PROPERTY OF T	MENTS t and Contro	tive Services,	s: Cearly/19/2
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В.	OFMB OF IIICE MB Legal Sufficiency: Assistant County Atte	r Contract E	Finance and VIEW COMINATE OF THE PROPERTY OF T	MENTS t and Contro	ol Comments	s: Cearly/19/2

Page 3 HFA: Calusa Pointe II December 5, 2023

Summary: Continued from Page 1:

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. The 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.

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 6. (HJF)

Background and Policy Issues: Continued from Page 1

The Authority was established by the Board of County Commissioners (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.

RESOL	UTION	NO. R	-2023 -	
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RESOLUTION OF THE OF BOARD COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA; APPROVING THE ISSUANCE OF HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA, MULTIFAMILY HOUSING REVENUE **BONDS** (CALUSA POINTE II) BY THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA IN THE PRINCIPAL AMOUNT OF \$27,000,000.

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 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 hereinafter defined Bonds for the purpose of financing a portion of the costs of acquisition, construction and equipping of an approximately 168 unit multi-family rental housing facility to be known as Calusa Pointe II (herein the "Project"), and to be located southeast of the intersection of SR 80 and CR 827A in the City of Belle Glade, Florida, to be occupied by qualified persons and families; 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 SP Field LLC, a Florida limited liability company, 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 Executive Director of 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 November 9, 2023, regarding the proposed issuance of the Bonds in the noticed principal amount of \$27,000,000; 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 Bonds (the "Underwriter"); 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:

- 1. That the above recitals are hereby adopted by the Board as the findings of the County and are incorporated herein.
- That the issuance of the Bonds is approved within the meaning of Section 147(f) of the 2. Code and Section 2-190, Palm Beach County Code of Ordinances.
- 3. That the Underwriter is approved as the underwriter or placement agent for the Bonds, within the meaning of Section 2-190, Palm Beach County Code of Ordinances.
- 4. That the Clerk is authorized to execute this Resolution on behalf of Palm Beach County, Florida.
- 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: District 1: Commissioner Maria G. Marino District 2: Commissioner Gregg K. Weiss District 3: Commissioner Michael Bennett District 4: Commissioner Marcy Woodward District 5: Commissioner Maria Sachs District 6: Commissioner Sara Baxter District 7: Commissioner Mack Bernard

The Mayor thereupon declared the Resolution duly passed and adopted this ____ day of _____, 2023.

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

APPROVED AS TO FORM AND **LEGAL SUFFICIENCY**

ATTEST: JOSEPH ABRUZZO CLERK & COMPTROLLER

Howard J/Falcon

Chief Assistant County Attorney

By: Deputy Clerk