



MEMORANDUM

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	TO: Mayor Jerry L. Demings -AND- County Commissioners
FROM: W.D. Morris, Executive Director	
CONTACT: Frantz Dutes, Director, Programs Operations Orange County Housing Finance Authority 407-894-0014, Ext. 806	
DATE: June 5, 2023	
RE: Approval and execution of Resolution for the issuance of Multi-Family Housing Mortgage Revenue Tax Exempt Bonds, to finance the acquisition, construction, and equipping of Southwick Commons Apartments, a proposed development in Apopka, Orange County, Florida, District 2, in an amount not-to-exceed \$31,000,000.	
	ORANGE COUNTY BOARD OF COUNTY COMMISSIONERS MEETING June 20, 2023 - CONSENT AGENDA.

The Tax Equity and Fiscal Responsibility Act of 1982 ("TEFRA") created a requirement that all industrial development bonds issued after December 31, 1982, for the purpose of financing multi-family housing developments require approval by the Orange County Housing Finance Authority (OCHFA), and each governmental unit having jurisdiction over the area in which the bond financed facility will be located.

BACKGROUND

At its meeting on November 16, 2021, the Board of County Commissioners (Board) approved a Tax Equity and Fiscal Responsibility Act (TEFRA) Public Hearing (federal requirement) for a proposed development, Southwick Commons Apartments. The source of financing is provided via Volume Cap Allocation which is administered by the State Division of Bond Finance that has specific time frames which must be adhered to. Per federal tax law, the Board's TEFRA approval is only good for one year which expired on November 16, 2022.

The Southwick Commons Apartments was not able to close on the financing by the deadline of November 16, 2022 due to a legal proceeding related to regulatory approvals involving the City of Apopka. Accordingly, the Board approved a second TEFRA Public Hearing at its meeting of September 27, 2022.

CURRENT

Subsequently, on May 24, 2023, the Orange County HFA received updated financial information from the developer, reflecting a projected Bond request of \$31MM, an increase of \$4.7MM, which reflects current Market conditions. This increase exceeds 10% of the original projected Bond request of \$26.3MM in 2021, necessitating a third TEFRA Public Hearing.

In order to remain in compliance, the Orange County HFA is required to have a current TEFRA approval prior to submitting a financing request to the Division which must be done prior to June 30, 2023.

The bonds will be a Private Placement via a direct purchase securitization of the bonds by JP Morgan Chase and will be unrated. The structure involves tax-exempt bonds in the amount of an estimated \$31,000,000, with 4% Tax-Credits. At construction completion (24-months), the bonds will be paid down at conversion to permanent.

PROJECT DESCRIPTION

The proposal is for the construction of a 195-unit community development to be located at 461 E. 7th Street, Apopka, Orange County, FL., District 2. The development will consist of 58 1-bd/1-ba; 98 2-bd/2-ba; and 39 3-bd/2-ba. This proposed development will set-aside 77% of the units for families that earn 60% or less of the Area Median Income (AMI) - currently at \$85,700 for a family of four. The proposed development will be supported by Project Based Section-8 Voucher Program and by utilizing Income Averaging (IA) will achieve an average AMI of 80%.

The following information is provided as required by the County's Debt Issuance Policy. OCHFA will produce an Official Statement and related offering documents for this bond issue.

- Attachment A Project Description and Location Map
- Attachment B Proof of Publication of TEFRA Public Hearing Notice
- Attachment C TEFRA Public Hearing Minutes

The TEFRA public hearing was held on Monday, June 5, 2023 at 10:00 AM, at the Orange County Administration Bldg., 3rd Floor, Conference Room Legal 'A', 201 S. Rosalind Ave., Orlando, FL 32801.

ACTION REQUESTED

Approval and execution of Resolution for the issuance of Multi-Family Housing Mortgage Revenue Tax Exempt Bonds, to finance the acquisition, construction, and equipping of Southwick Commons Apartments, a proposed development in Apopka, Orange County, Florida, District 2, in an amount not-to-exceed \$31,000,000.

Attachments