



W.D. MORRIS
EXECUTIVE DIRECTOR

MEMORANDUM

BOARD OF DIRECTORS

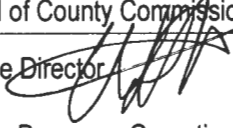
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TO:	Mayor Jerry L. Demings and Orange County Board of County Commissioners
FROM:	W.D. Morris, Executive Director 
CONTACT:	Frantz Dutes, Director, Programs Operations Orange County Housing Finance Authority 407-894-0014, Ext. 806
DATE:	December 4, 2019
RE:	APPROVAL AND EXECUTION OF RESOLUTION FOR THE ISSUANCE OF MULTI-FAMILY HOUSING MORTGAGE REVENUE BONDS, TO FINANCE THE ACQUISITION, REHABILITATION AND EQUIPPING OF JERNIGAN GARDENS APARTMENTS, A PROPOSED DEVELOPMENT IN ORANGE COUNTY, FLORIDA, DISTRICT 6, IN AN AMOUNT NOT TO EXCEED \$43,000,000. ORANGE COUNTY BOARD OF COUNTY COMMISSIONERS MEETING December 17, 2019 - CONSENT AGENDA.

BACKGROUND

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.

CURRENT

On November 7, 2019, the Authority received the Jernigan Gardens Apartments proposal under the 2019 Open Cycle Allocation Process. The Open Cycle process allows developers to submit Multi-Family proposals for the Authority's consideration throughout the year, or as long as Volume Cap Allocation remains available. Subsequent to Board approval, staff will engage Professionals and proceed with the underwriting process.

The applicant for Jernigan Gardens Apartments is The Millennia Housing Development Ltd. The investment banker is RBC Capital Markets.

The proposal involves the acquisition, rehabilitation and equipping of an existing 256-unit residential rental community in Orange County, District 6.

The Multi-Family Mortgage Revenue Bonds (MMRB) are proposed to be issued in an amount not-to-exceed \$43,000,000. The bonds are to be interest only, at a fixed rate for approximately 18 to 24 months and while outstanding will be collateralized with cash or treasury notes. Upon construction completion, the bonds will be paid-off from the permanent loan funds and Tax-Credit Equity proceeds. The proposed development Debt Coverage Ratio is 1.11, exceeding the Authority's required minimum threshold criteria of 1.10. The sources of funds during construction anticipates the following:

SOURCES	FUNDS
(a) Tax Exempt Bonds First Mortgage ...	\$39,960,000.00
(b) Housing Tax-Credit Equity in the amount of...	\$4,050,833.00
(c) PNC Equity Bridge Loan of...	\$13,000,000.00
(d) Deferred Developer Fee in the amount of...	\$6,650,055.00
(e) Deferred Developer Fee paid after construction completion...	\$1,629,682.00
(f) Construction Period Income of...	\$3,285,767.00
(g) Working Capital of...	\$799,200.00
Total development costs is projected to be...	\$69,375,537.00

PROJECT DESCRIPTION

The proposed development is an existing community located at 1488 Mercy Drive, in Orlando. This community offers two and three bedroom units consisting of 96 2-bd/1-ba; and 160 3-bd/1-ba – with rents of \$1,190 and \$1,435 per month. The proposed development will be subsidized by a HUD (Housing Urban Development) Housing Assistance Plan (HAP) contract for a period of 20-years. The Set-Aside for this project will be 100% of the units at 60% of the AMI (Area Median Income).

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 Related Financials
- Attachment C Proforma
- Attachment D Financial Advisor's Summary of Sales Method
- Attachment E OCHFA Staff Report of the 12/04/2019 Board meeting
- Attachment F Proof of Publication of TEFRA Public Hearing and
- Attachment G TEFRA Public Hearing Minutes

The TEFRA public hearing was held on Monday, December 2, 2019, at 10:00 a.m., at the Orange County Administration Building, third floor, Conference Room "Legal A". The results of the Public Hearing are included as Attachment G.

ACTION REQUESTED

APPROVAL AND EXECUTION OF RESOLUTION FOR THE ISSUANCE OF MULTI-FAMILY HOUSING MORTGAGE REVENUE BONDS TO FINANCE THE ACQUISITION, REHABILITATION, AND EQUIPPING OF JERNIGAN GARDENS APARTMENTS, A PROPOSED MULTI-FAMILY RENTAL DEVELOPMENT IN ORANGE COUNTY, FLORIDA, DISTRICT 6, IN AN AMOUNT NOT TO EXCEED \$43,000,000.

Attachments