



ORANGE COUNTY  
HOUSING FINANCE AUTHORITY

**MEMORANDUM**

**W.D. MORRIS**  
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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:	July, 19, 2010
RE:	APPROVAL AND EXECUTION OF RESOLUTION FOR THE ISSUANCE OF MULTI FAMILY HOUSING MORTGAGE REVENUE BONDS, TO FINANCE THE ACQUISITION AND REHABILITATION OF BAPTIST TERRACE APARTMENTS, A PROPOSED DEVELOPMENT IN ORANGE COUNTY, FLORIDA, DISTRICT 5, IN AN AMOUNT NOT TO EXCEED \$17MM.  ORANGE COUNTY BOARD OF COUNTY COMMISSIONERS MEETING <b>August 6, 2019 - CONSENT AGENDA.</b>

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 multifamily 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**

On May 20, 2019, the Authority received a proposal under the 2019 Open Cycle Allocation Process. The proposal requests \$17MM for the acquisition and rehabilitation of Baptist Terrace Apartments, an existing Section 202 – elderly housing development with 197 units. 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 conducted a TEFRA hearing, engage Professionals and will proceed with the underwriting process.

**CURRENT**

The applicant for Baptist Terrace Apartments is Orlando Neighborhood Improvement Corporation (ONIC), a 501(c)(3) Not-for-Profit Corporation, specializing in affordable housing. ONIC has owned, developed and operated affordable housing communities for more than 30 years in Central Florida. The proposed transaction will utilize a short-term bond structure, whereby, Tax-Exempt Bonds, 4% Tax Credit and a HUD FHA 223(f) Loan as the permanent loan. The bonds will be redeemed within 18-24 months. The proceeds of the bonds issued will be deposited into a "project" account, and used to fund eligible project costs.

Proceeds from the HUD FHA 223(f) loan will be deposited into a "collateral" account, and disbursements will be made from the project account. The combined balance in the "project" and "collateral" accounts will always total \$17MM, and at project completion, sufficient funds will be available to satisfy the outstanding bond obligation. Since the short-term bonds will be paid-off at permanent financing, the Authority's reduced fee in the amount of \$323K for application, financing and upfront issuer fees will be due.

Additionally, the developer will secure a 0% interest deferred gap loan from the City of Orlando's Community Redevelopment Agency for the amount of \$4,375,947. The developer will defer developer fees of \$2,219,886 and provide a General Partner loan of \$500K. The deferred developer fee and General Partner loan will be paid from available cash flow. The total development cost is \$33,827,549. Rehabilitation is estimated to cost in-excess of \$8.5MM.

**PROJECT DESCRIPTION**

The proposed development, Baptist Terrace Apartments, is a 14 story residential high-rise of 197 units -106 efficiencies and 91-1-bd/1-ba units; located at 414 East Pine Street in Orlando. Current rents range from \$451- \$565 per month. After acquisition, the project will have a HAP (Housing Assistance Payment) contract with HUD, and gross rents for units will increase to HUD's Fair Market Rents. The tenant portion of the rent will be determined based on 30% of tenants' monthly adjusted income. The current tenant services will continue to be offered.

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 6/05/2019 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 Tuesday, July 9, 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 AND REHABILITATION OF BAPTIST TERRACE APARTMENTS, A PROPOSED DEVELOPMENT IN ORANGE COUNTY, FLORIDA, DISTRICT 5, IN AN AMOUNT NOT TO EXCEED \$17,000,000.

Attachments