



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: October 20, 2021	
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, A PROPOSED DEVELOPMENT IN APOPKA, ORANGE COUNTY, FLORIDA, DISTRICT 2, IN AN AMOUNT NOT-TO-EXCEED \$26,300,000.	
	ORANGE COUNTY BOARD OF COUNTY COMMISSIONERS MEETING November 16, 2021 - 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 (OCHF), and each governmental unit having jurisdiction over the area in which the bond financed facility will be located.

BACKGROUND

At its meeting of October 6, 2021, the Authority's Board of Directors approved the inducement of a proposal for the Southwick Commons, received under the 2021 Open Cycle Allocation Process. The proposal was submitted by Wendover Housing Partners, LLC. 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 Investment Banker/Placement Agent is RBC Capital Markets.

CURRENT

The proposal is for the construction of a 195-unit community. The community will offer one, two and three bedroom units. This proposed development will set-aside 77% of the units for families that earn 60% or less of the Area Median Income (AMI). 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 Multi-Family Mortgage Revenue Bonds (or tax-exempt loan) are proposed to be issued in the not-to-exceed amount of \$26,300,000.

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 \$26,300,000, with 4% Tax-Credits of approximately \$22,445,895. At construction completion (24-months), the bonds will be paid down to \$14,000,000 at conversion to permanent. The projected interest rate is 2.65%. The debt coverage ratio for the proposed development is 1.39, which exceeds the Authority's minimum Threshold Criteria of 1.10. Staff utilized a conservative base approach in determining the debt coverage ratio.

PROJECT DESCRIPTION

The proposed development is located at 461 E. 7th Street, Apopka, Orange County, FL., District 2. The proposed development will consist of 58 1-bd/1-ba; 98 2-bd/2-ba; and 39 3-bd/2-ba, with rents ranging from \$264 – \$1,493 per month.

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 Board meeting Staff Report of 10/06/2021
- Attachment F Proof of Publication of TEFRA Public Hearing Notice
- Attachment G TEFRA Public Hearing Minutes

The TEFRA public hearing was held on Tuesday, October 19, 2021 at 11:30 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, a proposed development in Apopka, Orange County, Florida, District 2, in an amount not-to-exceed \$26,300,000.

Attachments