



ORANGE COUNTY
HOUSING FINANCE AUTHORITY

MEMORANDUM

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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:	March 3, 2020
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 AN AGGREGATE PRINCIPAL AMOUNT OF \$6,000,000, TO BE ADDED TO THE \$17,000,000 PREVIOUSLY ADOPTED UNDER RESOLUTION # 2019-B-03 FOR A TOTAL AMOUNT NOT TO EXCEED \$23,000,000. ORANGE COUNTY BOARD OF COUNTY COMMISSIONERS MEETING March 24, 2020 - 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 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 Application 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.

The proposal requested \$17,000,000 in bonds for the acquisition and rehabilitation of Baptist Terrace Apartments, an existing Section 202 – elderly housing development with 197 units. The previously submitted proposed transaction utilized a short-term bond structure with HUD FHA, section 223(f) Loan as the permanent financing. On June 5, 2019, the Authority's Board approved the original request for a \$17,000,000 Bonds Issue. The applicant for Baptist Terrace Apartment is the Orlando Neighborhood Improvement Corporation (ONIC), a 501(c)(3) Not-for-profit corporation, specializing in affordable housing. ONIC has developed, owned and operated affordable housing communities for more than 30 years in Central Florida.

CURRENT

On August 6, 2019, under Resolution # 2019-B-03, the Orange County BCC approved the issuance of the bonds in an amount of not to exceed \$17,000,000. Subsequent to the Board's action, the Developer increased the scope of the rehabilitation, tenant relocation costs, and various financing costs increasing the total development cost. Thus, demonstrating the need for the developer to request an increase of \$6,000,000 to the previously approved amount of \$17,000,000 for a total amount of not-to-exceed \$23,000,000. This new request was approved for inducement by the OCHFA Board at its meeting of February 5, 2020. The new structure will be a private placement structure with Bank of America as the construction lender and Boston Capital Finance as long-term lender. The structure will utilize Tax-Exempt Bonds, 4% Housing Credits, Deferred Developer Fee and a Low Interest rate Loan from the City of Orlando's Community Redevelopment Agency (CRA), and a GAP Loan from the developer to be paid from available cash flow. Estimated Rehabilitation cost is \$14,000,000.

The current BCC approval is good for one year (8/06/2019 – 8/06/2020). The proposed transaction is not anticipated to close on the financing arrangements before the expiration date of August 6, 2020, therefore, a new TEFRA approval is required.

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 Housing Assistance Payment (HAP) 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 Board meeting Staff Report of February 5, 2020
Attachment F	Proof of Publication of TEFRA Public Hearing and
Attachment G	TEFRA Public Hearing Minutes

The TEFRA public hearing was held on Wednesday, February 26, 2020, 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 AN AGGREGATE PRINCIPAL AMOUNT OF \$6,000,000, TO BE ADDED TO THE \$17,000,000 PREVIOUSLY ADOPTED UNDER RESOLUTION # 2019-B-03 FOR A TOTAL AMOUNT NOT TO EXCEED \$23,000,000.

Attachments