

**2018 -~~B~~-01**  
**RESOLUTION**

**WHEREAS**, the **ORANGE COUNTY HOUSING FINANCE AUTHORITY** (the “Authority”) was created pursuant to Ordinance 78-18, codified in the Code of Orange County at Section 2-151 *et seq*; and

**WHEREAS**, the Tax Equity and Fiscal Responsibility Act of 1982 (“TEFRA”) has 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 Authority, and each governmental unit having jurisdiction over the area in which the bond financed facility is located; and

**WHEREAS**, such approval is to be given after a public hearing for which reasonable notice has been given; and

**WHEREAS**, the Authority is contemplating the issuance of up to \$25,000,000 Orange County Housing Finance Authority Multifamily Housing Revenue Bonds, Series [to be designated] (Willow Key Apartments) (the “Bonds”), the proceeds of which would finance the acquisition, rehabilitation and equipping of a residential rental project to be owned by LIH Willow Key, LP, a Florida limited partnership, for persons of low, middle and moderate income (the “Project”).

**PROJECT/LOCATION**

Willow Key Apartments  
5590 Arnold Palmer Drive,  
Orlando, Orange County,  
Florida 32811

**NUMBER OF UNITS**

384

**WHEREAS**, a public hearing was held at 10:00 A.M. on April 27, 2018, with regard to financing this qualified housing development, at the place and time described in the Notice of Public Hearing attached hereto as **Exhibit A**, which Notice was published at least 14 days in advance of the hearing date in a newspaper of general circulation in Orange County; and

**WHEREAS**, the Authority has presented the issue in the aggregate principal amount set forth above for approval to the Board of County Commissioners of Orange County;

**THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ORANGE COUNTY:**

**SECTION 1. Authority.** This Resolution is adopted pursuant to the Constitution of the State of Florida, Chapters 125 and 166, Florida Statutes, and other applicable provisions of law.

**SECTION 2. Findings.** The Board hereby finds, determines and declares as follows: The Board is the elected legislative body of Orange County and has jurisdiction over the Project located in Orlando, Orange County, Florida.

**SECTION 3. Approval.** For the purpose of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), the Board hereby approves the issuance of the Bonds to finance the Project, acknowledging, however, that the Bonds will not be issued until the Authority gives its final approval to the issuance of the Bonds.

**SECTION 4. Limited Approval.** The approval given herein shall be solely for the purpose of satisfying the requirements of Section 147(f) of the Code and shall not be construed as (i) an endorsement of the creditworthiness of the Borrower or the financial viability of the Project, (ii) a recommendation to any prospective purchaser to purchase the Bonds, (iii) an evaluation of the likelihood of the repayment of the debt service on the Bonds, or (iv) approval of any rezoning application or approval or acquiescence to the alteration of existing zoning or land use or approval for any regulatory permit relating to the Project, or creating any vested right with respect to any land use regulations, and the Board shall not be construed by virtue of its adoption of this Resolution to have made any such endorsement, finding or recommendation or to have waived, or be estopped from asserting, any rights or responsibilities it may have in that regard. Further, the approval by the Board of the issuance of the Bonds by the Authority shall not be construed to obligate the County to incur any liability, pecuniary or otherwise, in connection with either the issuance of the Bonds or the acquisition, rehabilitation and equipping of the Project, and the Authority shall so provide in the financing documents setting forth the details of the Bonds.

**SECTION 5. Effective Date.** This Resolution shall become effective immediately upon its passage.

PASSED AND ADOPTED this 22<sup>nd</sup> day of May, 2018.



Attest: Phil Diamond, CPA, Orange  
County Comptroller as Clerk of the  
Board of County Commissioners

By: Craig A. Stopa  
fo Deputy Clerk

**ORANGE COUNTY, FLORIDA**

By: Board of County Commissioners

By: R. J. Dalchard  
Orange County Mayor  
fu

**EXHIBIT A**  
**NOTICE OF PUBLIC HEARING**  
**ORANGE COUNTY HOUSING FINANCE AUTHORITY**  
**RESIDENTIAL RENTAL PROJECT**

Notice is hereby given that the Orange County Housing Finance Authority (the "Authority") will conduct a public hearing concerning the proposed issuance by the Authority of its not to exceed \$25,000,000 Multifamily Housing Revenue Bonds, Series [to be designated] (Willow Key Apartments) (the "Bonds"). The proceeds of the Bonds would be used to finance the acquisition, rehabilitation and equipping of the following residential rental project:

<b>PROJECT/LOCATION</b>	<b>DESCRIPTION OF PROJECT/NO. OF UNITS</b>	<b>OWNER</b>
<u>Willow Key Apartments</u> 5590 Arnold Palmer Drive, in Orlando, Orange County, Florida 32811	384 units on approximately 21 acres, and related amenities	LIH Willow Key, LP, a Florida limited partnership

The public hearing will be held at the following time and location:

<b>TIME</b>	<b>LOCATION</b>
10:00-10:30 A.M. April 27, 2018	Orange County Administration Center 3 <sup>rd</sup> Floor, Conference Room Legal "A" 201 South Rosalind Avenue Orlando, Florida 32801

Interested persons are invited to submit written comments or present oral comments at the hearing regarding the proposed issuance of the Bonds. Written comments should be received by the Authority on or before Wednesday, April 25, 2018. Oral comments will be limited to no more than 3 minutes per person. Written comments or notice of intent to present oral comments should be directed to:

Orange County Housing Finance Authority  
2211 E. Hillcrest Street  
Orlando, Florida 32803  
Attention: Executive Director

SECTION 286.0105, FLORIDA STATUTES, STATES THAT IF A PERSON DECIDES TO APPEAL ANY DECISION MADE BY A BOARD, AGENCY, OR COMMISSION WITH RESPECT TO ANY MATTER CONSIDERED AT A MEETING OR HEARING, SUCH PERSON WILL NEED A RECORD OF THE PROCEEDINGS, AND THAT, FOR SUCH PURPOSE, MAY NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDINGS IS MADE, WHICH RECORD INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS TO BE BASED.

## **ATTACHMENT 'A'**

### **Project Description and Location Map**

## Site Analysis

The following chart summarizes the salient characteristics of the subject site.

SITE SUMMARY			
<b>Physical Description</b>			
Gross Site Area	21.41 Acres	932,620 Sq. Ft.	
Net Site Area	21.41 Acres	932,620 Sq. Ft.	
Primary Road Frontage	Kirkman Road	780 Feet	
Secondary Road Frontage	Arnold Palmer Drive	1,265 Feet	
Average Depth	1,265 Feet		
Excess Land Area	None	n/a	
Surplus Land Area	None	n/a	
Shape	Irregular		
Topography	Generally Level		
Zoning District	O-2, Office and Residential		
Flood Map Panel No. & Date	12095C0240F	25-Sep-09	
Flood Zone	Zone X		
Adjacent Land Uses	Commercial and residential uses		
Earthquake Zone	N/A		
<b>Comparative Analysis</b>		<b><u>Rating</u></b>	
Visibility	Good		
Functional Utility	Assumed adequate		
Traffic Volume	Good		
Adequacy of Utilities	Assumed adequate		
Landscaping	Average		
Drainage	Assumed adequate		
<b>Utilities</b>		<b><u>Provider</u></b>	<b><u>Adequacy</u></b>
Water	OUC		Yes
Sewer	OUC		Yes
Natural Gas	TECO/People's Gas		Yes
Electricity	OUC		Yes
Telephone	Multiple Providers		Yes
Mass Transit	Lynx Transportation		Yes
<b>Other</b>		<b><u>Yes</u></b>	<b><u>No</u></b>
Detrimental Easements			<b><u>Unknown</u></b>
Encroachments			X
Deed Restrictions			X
Reciprocal Parking Rights		X	
Source: Various sources compiled by CBRE			

## Improvements Analysis

The following chart shows a summary of the improvements.

IMPROVEMENTS SUMMARY		
Property Type	Apartment	(Multi-family Garden)
Number of Buildings	16	
Number of Stories	3	
Year Built	1999	
Gross Building Area	493,398 SF	
Net Rentable Area	432,964 SF	
Number of Units	384	
Average Unit Size	1,128 SF	
Development Density	17.9 Units/Acre	
Parking Spaces:	769	
Parking Ratio (spaces/unit)	2.00	
Source: Various sources compiled by CBRE		

UNIT MIX				
Unit Mix/Type	Comments	No. Units	Percent of Total	Unit Size (SF) NRA (SF)
2BR/2BA @ 60% AMI		40	10.4%	983 39,320
2BR/2BA @ 60% AMI		156	40.6%	1,034 161,304
3BR/2BA @ 60% AMI		100	26.0%	1,201 120,100
3BR/2BA @ 60% AMI		48	12.5%	1,225 58,800
4BR/2BA @ 60% AMI		40	10.4%	1,336 53,440
Total/Average:		384	100.0%	1,128 432,964
Source: Various sources compiled by CBRE				

### YEAR BUILT

The subject was built in 1999.

### CONSTRUCTION CLASS

Building construction class is as follows:

D - Wood frame, floor and structure; considered combustible

The construction components are assumed to be in working condition and adequate for the building.

The overall quality of the facility is considered to be average for the neighborhood and age. However, CBRE, Inc. is not qualified to determine structural integrity and it is recommended that the client/reader retain the services of a qualified, independent engineer or contractor to determine the structural integrity of the improvements prior to making a business decision.

**FOUNDATION/FLOOR STRUCTURE**

The foundation is assumed to be of adequate load-bearing capacity to support the improvements. The floor structure is summarized as follows:

Ground Floor:	Concrete slab on compacted fill
Other Floors:	Plywood deck with light-weight concrete cover

**EXTERIOR WALLS**

The exterior walls are wood frame with painted stucco exterior finish. The buildings have single pane aluminum frame windows.

**ROOF COVER**

All buildings have pitched roofs with a built-up composition shingle covering.

**ELEVATOR/STAIR SYSTEM**

Exterior stairwells provide access to the upper stories. The stairwells are steel framed, with concrete treads.

**HVAC**

The individual units feature surface mounted electric condenser/compressor units with forced air handlers located within the interior of the units. The HVAC systems are assumed to be in good operating condition and adequate for the respective square footage of each individual unit. Management reported that the units are replaced as needed.

**UTILITIES**

Each unit is individually metered for electrical usage. Current operations indicate the landlord is responsible for water, sewer and trash costs to the individual units with the tenants paying all other utility costs. Management is responsible for utility costs for vacant units and common areas.

**SECURITY**

The property appears to have adequate exterior lighting. It was also reported that the subject has a courtesy officer patrolling the property on a regular basis.

**LIFE SAFETY AND FIRE PROTECTION**

Fire protection equipment consists of fire sprinklers and smoke detectors. It is assumed the improvements have adequate fire alarm systems, fire exits, fire extinguishers, fire escapes and/or other fire protection measures to meet local fire marshal requirements. CBRE, Inc. is not qualified

to determine adequate levels of safety & fire protection, whereby it is recommended that the client/reader review available permits, etc. prior to making a business decision.

## **PROJECT AMENITIES**

The project amenities include a clubhouse/leasing office, swimming pool, fitness center, indoor racquetball, and children's playground.

## **UNIT AMENITIES**

### **Kitchens**

Each unit features a full appliance package including an electric range/oven, vent-hood, frost-free refrigerator, garbage disposal and dishwasher. Additionally, each unit features wood cabinets with Formica countertops and vinyl or ceramic tile flooring in the kitchen area. According to management, the project has experienced an adequate on-going replacement program for all kitchen appliances and no appliances are known to be inoperable.

### **Bathrooms**

The bathrooms within each unit feature combination tub/showers with ceramic tile wainscot. Additionally, each bathroom features a commode, wood cabinet with Formica counter and built-in porcelain sink, wall-mounted medicine cabinet with vanity mirror and vinyl or ceramic tile flooring.

### **Interior Features**

Each unit includes a standard kitchen appliance package, washer/dryer connections, central heating and air, ceiling fans, carpet and vinyl and/or ceramic tile flooring and blinds. Upper floor units feature vaulted ceilings.

### **Interior Lighting**

Each unit features incandescent lighting in appropriate interior and exterior locations with fluorescent lighting in bathrooms and kitchen areas.

### **Patios, Balconies and Storage**

None of the units have a private patio/balcony area or an exterior storage closet.

## **SITE AMENITIES**

### **Parking and Drives**

The project features adequate surface parking, including reserved handicap spaces. Access to the property is controlled via electronic security gates located at the primary entry point. All parking spaces and vehicle drives are asphalt paved and considered to be in good condition.

### **Landscaping**

Landscaping is considered to be in good condition and well maintained.



## FUNCTIONAL UTILITY

All of the floor plans are considered to feature functional layouts and the layout of the overall project is considered functional in utility. Therefore, the unit mix is also functional and no conversion is warranted to the existing improvements.

## ADA COMPLIANCE

All common areas of the property appear to have handicap accessibility. The client/reader's attention is directed to the specific limiting conditions regarding ADA compliance.

## FURNITURE, FIXTURES AND EQUIPMENT

The apartment units are rented on an unfurnished basis. However, miscellaneous maintenance tools, pool furniture, leasing office furniture, recreational room and clubhouse furniture, and various exercise machines are examples of personal property associated with and typically included in the sale of multifamily apartment complexes.

## ENVIRONMENTAL ISSUES

CBRE, Inc. is not qualified to detect the existence of any potentially hazardous materials such as lead paint, asbestos, urea formaldehyde foam insulation, or other potentially hazardous construction materials on or in the improvements. The existence of such substances may affect the value of the property. For the purpose of this assignment, we have specifically assumed there are no hazardous materials that would cause a loss in value to the subject.

Although CBRE was not provided an Environmental Site Assessment (ESA), a tour of the site did not reveal any obvious issues regarding environmental contamination or adverse conditions. This included walking the site, as well as cursory inspections of the buildings, road, parking, etc.

## DEFERRED MAINTENANCE

Our inspection of the property indicated no significant items of deferred maintenance.

## ECONOMIC AGE AND LIFE

CBRE, Inc.'s estimate of the subject improvements effective age and remaining economic life is depicted in the following chart:

<b>ECONOMIC AGE AND LIFE</b>	
Actual Age	18 Years
Effective Age	15 Years
MVS Expected Life	45 Years
Remaining Economic Life	30 Years
Accrued Physical Incurable Depreciation	33.3%
Compiled by CBRE	



Rick Singh, CFA, Orange County Property Appraiser



**Elected Officials**

**State Senate**

**State Representative**

**US Representative**

**County Commissioner**

**School Board Representative**

**Orange County Property Appraiser**

Randolph Bracy

Bruce Antone

Val Demings

Victoria P. Siplin

Kathleen Gordon

Rick Singh

## **ATTACHMENT 'B'**

### **Related Financials**

# **WILLOW KEY APARTMENTS**

## **OCHFA Application**

### Question #14:

#### Financing Plan

The development financing will be comprised of two third party funding components:

1. The financing currently contemplates Freddie Mac credit enhanced bonds in the approximate amount of \$25,000,000, with an anticipated AAA rating, or a direct purchase by Freddie Mac. However, because of the recent tax law changes, the applicant will continue to evaluate the most efficient debt financing structure alternatives.

Also, during the construction phase, a taxable negotiated direct loan with Freddie Mac or a comparable lender in the approximate amount of \$15,000,000 will be funded until construction completion and be retired with equity investor capital contributions following construction completion.

2. LIHTC Equity – the property is beyond the 15 year original LIHTC compliance period and consequently is eligible as an acquisition for new LIHTC financing. The financing plan includes an application for 4% non-competitive credits. A specific LIHTC investor has not yet been selected, but the pro-forma development numbers provided in this application assume a purchase price of .92 cents.

Finance Letters with final parties to the financing will follow upon acceptance of their terms.

## Willow Key Apartments

### Source & Use of Funds

#### **Permanent Sources & Uses**

##### Sources:

Permanent Loan	29,791,320
Tax-Credit Equity	13,991,867
Cash Flow from Operations	2,212,588
Deferred Developer Fee	6,475,252

**Total Sources** **52,471,028**

##### Uses:

Acquisition	32,381,178
Soft Costs	338,675
Rehab	8,405,543
Financing	949,549
Construction Period Interest	2,212,588
Miscellaneous Costs	226,600
Reserves	795,844
Developer Fee	7,161,052

**Total Uses** **52,471,028**

#### **Construction Sources & Uses**

##### Sources:

Construction Loan	40,000,000
Tax-Credit Equity	8,395,120
Cash Flow from operations	623,225
Deferred Developer Fee	0

**Total Sources** **49,018,345**

##### Uses:

Acquisition	32,381,178
Soft Costs	338,675
Rehab	8,405,543
Financing	949,549
Construction Period Interest	623,225
Miscellaneous Costs	226,600
Reserves	0
Developer Fee	0

**Total Uses** **42,924,769**

## **ATTACHMENT 'C'**

### **Proforma**

**Development Proforma**  
Willow Key Apartments

	Totals		Included In Acquisition Basis	Included In Rehab Basis
<b>Uses:</b>				
<u>Acquisition</u>				
Acquisition - Land	1,935,000			
Acquisition - Building	30,315,000		30,315,000	
Title Insurance, Escrow, Recording	131,178		131,178	
<u>Soft Costs</u>				
ALTA Survey	15,000			15,000
Appraisal & Market Study	15,000			15,000
Environmental Reports	10,000			10,000
Property Condition Report	10,000			10,000
Zoning Report	2,500			2,500
Architect & Engineer	100,000			100,000
Permitting Fees	50,000			50,000
Project Monitoring	15,000			15,000
Professional Fees / Accounting	47,000			47,000
Consulting Fees	30,000			
Soft Cost Contingency	44,175			44,175
<u>Loan &amp; Bond Fees</u>				
Bond Issuance Fee (SHRA)	700,000			
Bond Counsel	60,000			
Construction Period Issuer Admin Fee	15,000			
Permanent Loan Legal & Underwriting	76,832			
Permanent Loan Fee	52,500			
Financing Contingency	45,217			
Construction Period Interest	2,212,588			623,225
<u>Miscellaneous Costs</u>				
Tax Credit Application Fees	100,000			
Bond Application Fees	25,000			
Developer Legal	50,000			
Investor Due Diligence & Legal	50,000			
Shipping/Mailing/Travel	1,600			
<u>Hard Costs</u>				
Construction Cost	6,528,000			6,528,000
General Conditions	391,680			391,680
Overhead	138,394			138,394
Profit	415,181			415,181
Payment & Performance Bond	93,416			93,416
General Liability Insurance	74,733			74,733
Construction Contingency	764,140			764,140
<u>Reserves</u>				
Operating Deficit Reserve	795,844			
<u>Developer Fee</u>	7,161,052		5,480,312	1,680,740
<b>Total:</b>	<b>\$52,471,028</b>		<b>\$35,926,490</b>	<b>\$11,018,182</b>
<b>Sources:</b>				
Construction Loan	0			3.75%
Permanent Loan	29,791,320			
Tax Credit Equity	13,991,867			
Deferred Developer Fee	6,475,252		Total Developer Fee	
Operating Cash Flow	2,212,588		\$7,161,052	
<b>Total:</b>	<b>\$52,471,028</b>			

## Willow Key Apartments Proforma Operating Expenses

	<u>Total</u>	<u>Per Unit</u>
<b>Gross Rental Income</b>	<b>3,877,367</b>	<b>10,097</b>
Vacancy & Concessions	-193,868	
	<b>3,683,499</b>	
Other Income - "net"	95,000	
<b>Net Revenues</b>	<b>3,778,499</b>	<b>9,840</b>
Real Estate Taxes	231,563	
Insurance	134,400	
<b>Total Taxes &amp; Insurance</b>	<b>365,963</b>	<b>953</b>
Management Fee	116,321	
Audit/Tax Return	10,000	
Legal	15,000	
Office Supplies	2,000	
Phone, Internet, etc.	5,000	
Miscellaneous	5,000	
<b>Total Administrative</b>	<b>153,321</b>	<b>399</b>
Electricity	46,000	
Water & Sewer	276,000	
Trash	36,000	
<b>Total Utilities</b>	<b>358,000</b>	<b>932</b>
Landscaping	45,000	
Pool	7,000	
Pest Control	1,000	
Security	50,000	
Repairs & Maintenance	134,400	
<b>Total Services, Repair &amp; Maintenance</b>	<b>237,400</b>	<b>618</b>
Office Salaries	160,000	
Maintenance Salaries	175,000	
Payroll Taxes, Benefits, WC	83,750	
<b>Total Payroll</b>	<b>418,750</b>	<b>1,090</b>
Issuer Fee - Orange County		0
Replacement Reserve	115,200	300
Trustee Fee	5,000	13
<b>Total Expenses</b>	<b>1,653,634</b>	<b>4,306</b>
<b>Operating Income</b>	<b>2,124,865</b>	<b>5,534</b>



## Willow Key - Cash Flow Projection

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Gross Potential Rent	3,877,367	3,974,301	4,073,659	4,175,500	4,279,888	4,386,885	4,496,557	4,608,971	4,724,195	4,842,300	4,963,358	5,087,442	5,214,628	5,344,993	5,478,618
Other Income	100,000	102,500	105,063	107,689	110,381	113,141	115,969	118,869	121,840	124,886	128,008	131,209	134,489	137,851	141,297
Economic Vacancy	(198,868)	(203,840)	(208,936)	(214,159)	(219,513)	(225,001)	(230,626)	(236,392)	(242,302)	(248,359)	(254,568)	(260,933)	(267,456)	(274,142)	(280,996)
Net Rental Income	3,778,499	3,872,961	3,969,785	4,069,030	4,170,756	4,275,025	4,381,900	4,491,448	4,603,734	4,718,827	4,836,798	4,957,718	5,081,661	5,208,702	5,338,920
Operating Expenses	1,653,634	1,703,243	1,754,340	1,806,970	1,861,179	1,917,014	1,974,525	2,033,761	2,094,773	2,157,617	2,222,345	2,289,016	2,357,686	2,428,417	2,501,269
Net Operating Income	2,124,865	2,169,719	2,215,446	2,262,060	2,309,577	2,358,010	2,407,375	2,457,687	2,508,960	2,561,211	2,614,453	2,668,702	2,723,975	2,780,286	2,837,651
<b>First Mortgage</b>															
Total Debt Service	(1,529,743)	(1,529,743)	(1,529,743)	(1,529,743)	(1,529,743)	(1,529,743)	(1,529,743)	(1,529,743)	(1,529,743)	(1,529,743)	(1,529,743)	(1,529,743)	(1,529,743)	(1,529,743)	(1,529,743)
Interest	1,117,175	1,101,703	1,085,652	1,068,998	1,051,720	1,033,795	1,015,197	995,901	975,882	955,112	933,564	911,207	888,012	863,947	838,980
Principal	(412,568)	(428,039)	(444,091)	(460,744)	(478,022)	(495,948)	(514,546)	(533,842)	(553,861)	(574,630)	(596,179)	(618,536)	(641,731)	(665,796)	(690,763)
Loan Balance	29,791,320	29,378,752	28,950,713	28,506,622	28,045,878	27,567,855	27,071,907	26,557,361	26,023,520	25,469,659	24,895,029	24,298,850	23,680,314	23,038,583	22,372,787
<b>DSCR</b>	<b>1.39x</b>	<b>1.42x</b>	<b>1.45x</b>	<b>1.48x</b>	<b>1.51x</b>	<b>1.54x</b>	<b>1.57x</b>	<b>1.61x</b>	<b>1.64x</b>	<b>1.67x</b>	<b>1.71x</b>	<b>1.74x</b>	<b>1.78x</b>	<b>1.82x</b>	<b>1.85x</b>
Asset Management Fee	7,500	7,725	7,957	8,195	8,441	8,695	8,955	9,224	9,501	9,786	10,079	10,382	10,693	11,014	11,344
Cash Remaining	587,623	632,251	677,746	724,122	771,393	819,573	868,677	918,720	969,717	1,021,682	1,074,631	1,128,578	1,183,539	1,239,529	1,296,564
<b>Developer Note</b>															
Interest	210,446	198,187	184,080	168,036	149,963	129,767	107,348	82,605	55,431	25,717	-	-	-	-	-
Payment	(587,623)	(632,251)	(677,746)	(724,122)	(771,393)	(819,573)	(868,677)	(918,720)	(969,717)	(1,021,682)	-	-	-	-	-
Loan Balance	6,475,252	6,098,075	5,664,011	5,170,346	4,614,260	3,992,831	3,303,025	2,541,696	1,705,580	791,295	-	-	-	-	-
Cash Remaining	0	0	0	0	0	0	0	0	0	204,670	1,074,631	1,128,578	1,183,539	1,239,529	1,296,564

## **ATTACHMENT “D”**

### **Financial Advisor’s Summary of Sales Method**

**MEMORANDUM**

<b>TO:</b>	W.D. Morris, Executive Director
<b>FROM:</b>	David Jones, CSG Advisors
<b>SUBJECT:</b>	Orange County Housing Finance Authority Multifamily Housing Revenue Bonds (Willow Key Apartments)
<b>DATE:</b>	March 27, 2018

CSG Advisors serves as Financial Advisor to the Orange County Housing Finance Authority in connection with multifamily debt issues. In that capacity we are asked to comment on proposed multifamily debt issues under certain circumstances prior to submitting the TEFRA approval request to Orange County.

**Summary Description**

The applicant for Willow Key Apartments is LIH Willow Key, LP. The primary contact person for LIH Willow Key, LP is Jacob Levy, located in Santa Monica, CA. The General Partner (0.01% ownership) is LIH Willow GP, LLC, owned by Shaoul Levy (33.33%), Aryeh Asian (33.33%), and Jacob Levy (33.33%). The Limited Partner is Jacob Levy (99.99% ownership) until a tax credit investor is admitted into the partnership. The primary entity affiliate of the ownership structure is Levy Affiliated Holdings, LLC. Levy Affiliated is a California-based owner, developer and manager founded in 1988 and which has sourced, negotiated, and executed 80 transactions totaling nearly \$900 million.

The development is located at 5590 Arnold Palmer Drive, Orlando FL, in incorporated Orange County and was originally built in 1999. The affordable rental community is an acquisition and rehabilitation property that upon stabilization will consist of a total of 384 apartment units across 16 buildings, consisting of 196 2 bedroom/2 bath units, 148 3 bedroom/2 bath units and 40 4 bedroom/2 bath units. The sponsors have proposed that Orange County Housing Finance Authority issue up to \$25,000,000 of multifamily housing revenue bonds to finance a \$25,000,000 first lien mortgage loan. The bond proceeds along with other sources described below will be used by the applicant for the purchase and new construction of Willow Key Apartments.

In accordance with the tax exempt bond requirements, a minimum of 40% of the rental units will be set aside for rental to persons or families with household incomes of 60% or less of the Area Median Income, or alternatively 20% of the units as 50% or less of the Area Median Income. For purposes of the Orange County application and the 4% housing tax credits applied for, 100% of the units will be set aside at household incomes of 60%.

## **Proposed Debt Structure**

### **Construction Period**

The tax-exempt mortgage revenue bonds are expected to be issued in the not-to-exceed amount of \$25,000,000. Such bonds are anticipated to be interest only at a fixed rate of interest for 24 months and while outstanding will be collateralized by either cash or Treasury notes. The bonds will be repaid at conversion from permanent loan funds and tax credit equity proceeds. The bonds are expected to be sold on a negotiated basis, and are expected to be rated AA+. Such bonds will meet all of the underwriting requirements of the Orange County Housing Finance Authority.

In addition to the \$25,000,000 proceeds of the bonds, the sources of funds for this development during construction anticipate the following financing sources:

- (a) taxable bridge loan with Freddie Mac (or a comparable lender) in the amount of \$15,000,000,
- (b) Federal Tax Credit equity in the amount of \$2,301,544, and
- (c) cash flow from operations in the amount of \$623,225.

The proposed financing plan during construction anticipates acquisition and rehab costs, financing, construction interest and other development costs currently expected to total approximately \$42,924,769.

### **Conversion to Permanent Financing**

The \$25,000,000 of multifamily housing revenue bonds are anticipated to be paid down in full upon conversion to permanent financing. It is anticipated that the bonds will be paid down by a taxable FHA loan which will have an initial balance of \$29,791,320. In addition to the first mortgage loan, the sources of funds for this development upon conversion to permanent financing anticipate the following financing sources:

- (a) Federal Tax Credit equity in the amount of \$13,991,867,
- (b) cash flow from operations of \$2,212,588 and
- (c) deferred developer fee in the amount of \$6,475,252.

The anticipated uses of funds upon conversion to permanent financing is currently expected to total approximately \$52,471,028.

## **Method of Bond Sale**

The Applicant has designated RBC Capital Markets as investment banker subject to the approval of Orange County Housing Finance Authority. At this time, the applicant is still determining the best execution for the property's first mortgage commitment and bond structure.

The bonds are anticipated to be issued as fully registered bonds, in the minimum denomination of \$5,000.

Orange County Housing Finance Authority  
Multifamily Housing Revenue Bonds  
(Willow Key Apartments)

**Equity**

The tax credits are anticipated to be marketed to a tax credit investor.

**Credit Underwriting**

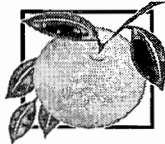
Pursuant to Orange County Housing Finance Authority's policy, the proposed financing will be subject to credit underwriting by a third party firm qualified in affordable housing real estate underwriting and loan servicing. A credit underwriting report acceptable to the Orange County Housing Finance Authority will be required prior to authorizing the issuance of the bonds.

**Investment of Proceeds**

To the extent bond proceeds will be available to be drawn down during construction, the Orange County Housing Finance Authority will require such proceeds be invested pursuant to its investment policy. If applicable, CSG Advisors will oversee competitive bidding of any investment agreements.

**ATTACHEMENT 'E'**

**OCHFA Staff Report of the  
Board of Directors meeting of 4/04/2018**



ORANGE COUNTY  
HOUSING FINANCE AUTHORITY

4/14/18  
APPROVED BY: *[Signature]*  
Orange County Housing Finance Authority  
BOARD OF DIRECTORS

W.D. MORRIS  
EXECUTIVE DIRECTOR

DISCUSSION ITEM

BOARD OF DIRECTORS

MARSHALL SIPLIN  
CHAIRMAN

MERCEDES MCCALL  
VICE CHAIRMAN

CLEMENTE CUEVAS  
BOARD MEMBER

VERNICE ATKINS-BRADLEY  
BOARD MEMBER

SASCHA RIZZO  
BOARD MEMBER

MEMORANDUM

TO: OCHFA Board of Directors

FROM: W.D. Morris, Executive Director

DATE: March 21, 2018

RE:

CONSIDER APPROVAL OF THE REIMBURSEMENT  
RESOLUTION FOR MULTI-FAMILY TAX-EXEMPT BONDS  
APPLICATION, SUBMITTED BY LIH WILLOW KEY, LP FOR THE  
ACQUISITION AND REHABILITATION OF THE PROPOSED  
WILLOW KEY APARTMENTS, NOT-TO-EXCEED \$25MM.  
APRIL 4, 2018 REGULAR BOARD OF DIRECTORS' MEETING

**BACKGROUND**

On March 16, 2018, the Authority received the Willow Key Apartments proposal under the 2018 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. Once the Reimbursement Resolution is approved by the Board, staff will conduct a TEFRA hearing and engage Professionals and proceed with the underwriting process.

**CURRENT**

The applicant for Willow Key Apartments is LIH Willow Key, a Florida Limited Partnership. The General Partner is LIH Willow GP, LLC, and sole member of the general partner. The proposal involves the acquisition and rehabilitation of 384-units of existing affordable multi-family housing. The community will offer two, three and four bedroom units. The proposed development is located at 5590 Arnold Palmer Dr, in Orlando. The development consists of one hundred ninety-six (196) 2-bd/2-ba; one hundred forty-eight (148) 3-bd/2-ba and forty (40) 4-bd/3-ba – with rents ranging from \$772-\$995 per month. The set-asides are 100% at 60% Area Medium Income (AMI).

The proposed transaction contemplates utilization of a short-term, collateralized bond structure, in conjunction with an FHA 223(f) loan that will be used to pay-off the bonds at permanent financing (18-24months). The Authority will continue its monitoring and administration of the development through the Qualified Project Period of fifteen years (15-yrs), or as long as the Land Use Restrictions (LURA) are in place.

The total cost during construction is \$42,924,769, including Tax-Exempt Bonds of \$25MM; FHA 223(f) loan of \$15MM; Tax Credit Equity of \$2,301,544; and \$623,255 of Developer Equity. The bonds will be redeemed at the permanent financing phase. The proposed development Debt Coverage Ratio is 1:33. Due to the short-term structure of this transaction, the bonds are reflected in the construction sources and uses only. Enclosed for your review are copies of the Proformas Analysis, Reimbursement Resolution and supporting information.

#### **ACTION REQUESTED**

**Board approval of the Reimbursement Resolution for Multi-Family Tax-Exempt Bonds for the acquisition and rehabilitation of the proposed Willow Key Apartments, not-to-exceed \$25MM; authorization for staff and Bond Counsel to take the required steps to complete the TEFRA process, with subsequent submission to the Division of Bond Financing.**



**WILLOW KEY APARTMENTS**  
**PRO FORMA ANALYSIS**

Applicant LIH Willow Key  
 Developer LIH Willow Key

COUNTY ORANGE  
 CITY Orlando

**SOURCES:**

<u>Construction</u>	<u>Permanent</u>
\$ 25,000,000.00	\$ - <i>Tax Exempt Bonds</i>
\$ 15,000,000.00	\$ 29,791,320.00 <i>FHA</i>
\$ 2,301,544.00	\$ 13,991,867.00 <i>Tax Credit Equity</i>
\$ 623,225.00	\$ 2,212,588.00 <i>Cash Flow From Operations</i>
	\$ 6,475,253.00 <i>Deferred Developer Fee</i>
<b>\$ 42,924,769.00</b>	<b>\$52,471,028.00 TOTAL SOURCES</b>

**Debt Service Calculation**

1) The proceeds of the bonds issued will be used to purchase a U.S. treasury security. The interest earned on this investment will offset the debt service, and associated fees.

2) ...

<b>\$29,791,320.00</b>	Interest Only FHA Loan
<b>4.1%</b>	Rate
<b>\$1,604,416.00</b>	Debt Service/Yearly
<b>\$133,701.00</b>	Debt Service/Monthly
<b>35</b>	Term

**USES: (TOTAL DEVELOPMENT COSTS)**

\$ 296,049.00	\$ 296,049.00 <i>FHA Fees</i>
\$ 32,381,178.00	\$ 32,381,178.00 <i>Acquisition Costs</i>
\$ 653,500.00	\$ 653,500.00 <i>Financing Costs</i>
\$ 623,224.00	\$ 2,212,588.00 <i>Construction Period Interest</i>
\$ 8,405,543.00	\$ 8,405,542.00 <i>Constr. Costs</i>
\$ -	\$ 7,161,052.00 <i>Developer's Fee</i>
\$ 338,675.00	\$ 338,675.00 <i>Soft Costs</i>
\$ 226,600.00	\$ 226,600.00 <i>Miscellaneous Costs</i>
	\$ 795,844.00 <i>Reserves</i>
<b>\$ 42,924,769.00</b>	<b>\$ 52,471,028.00 TOTAL USES</b>

**VARIANCE**

**INCOME ANALYSIS**

**\*Set Asides: 100% @60%AMI**

Unit/ Type	# of Units	Net Rent	Monthly Income	Annual Income
2-bd/ 2-ba	40	\$772.00	\$30,880.00	\$370,560.00
2-bd/ 2-ba	156	\$772.00	\$120,432.00	\$1,445,184.00
3-bd/ 2-ba	100	\$892.00	\$89,200.00	\$1,070,400.00
3-bd/ 2-ba	48	\$892.00	\$42,816.00	\$513,792.00
4-bd/ 3-ba	40	\$995.00	\$39,800.00	\$477,600.00
<b>TOTAL</b>	<b>384</b>	<b>\$4,323.00</b>	<b>\$323,128.00</b>	<b>\$3,877,536.00</b>

Gross Income	\$3,877,536.00
Other Income	\$100,000.00
	\$3,977,536.00
Less 5% Vacancy+0% COLLECTION LOSS	(\$193,876.80)
<b>EFFECTIVE GROSS INCOME</b>	<b>\$3,783,659.20</b>
Total Expenses	\$1,653,634.00 (A)
Net Operating Income	\$2,130,025.20 (B)
Annual Debt Service Payments	\$1,604,416.00 (A)/(B)
DEBT COVERAGE RATIO:	1.33

**ATTACHMENT 'F'**

**Proof of Publication of TEFRA Public Hearing**

**NOTICE OF PUBLIC HEARING  
ORANGE COUNTY HOUSING FINANCE AUTHORITY  
RESIDENTIAL RENTAL PROJECT**

Notice is hereby given that the Orange County Housing Finance Authority (the "Authority") will conduct a public hearing concerning the proposed issuance by the Authority of its not to exceed \$25,000,000 Multifamily Housing Revenue Bonds, Series [to be designated] (Willow Key Apartments) (the "Bonds"). The proceeds of the Bonds would be used to finance the acquisition, rehabilitation and equipping of the following residential rental project:

<b>PROJECT/LOCATION</b>	<b>DESCRIPTION OF PROJECT/NO. OF UNITS</b>	<b>OWNER</b>
<b><u>Willow Key Apartments</u></b> 5590 Arnold Palmer Drive, in Orlando, Orange County, Florida 32811	384 units on approximately 21 acres, and related amenities	LIH Willow Key, LP, a Florida limited partnership

The public hearing will be held at the following time and location:

<b>TIME</b>	<b>LOCATION</b>
10:00-10:30 A.M. April 27, 2018	Orange County Administration Center 3 <sup>rd</sup> Floor, Conference Room Legal "A" 201 South Rosalind Avenue Orlando, Florida 32801

Interested persons are invited to submit written comments or present oral comments at the hearing regarding the proposed issuance of the Bonds. Written comments should be received by the Authority on or before Wednesday, April 25, 2018. Oral comments will be limited to no more than 3 minutes per person. Written comments or notice of intent to present oral comments should be directed to:

Orange County Housing Finance Authority  
2211 E. Hillcrest Street  
Orlando, Florida 32803  
Attention: Executive Director

**SECTION 286.0105, FLORIDA STATUTES.** STATES THAT IF A PERSON DECIDES TO APPEAL ANY DECISION MADE BY A BOARD, AGENCY, OR COMMISSION WITH RESPECT TO ANY MATTER CONSIDERED AT A MEETING OR HEARING, SUCH PERSON WILL NEED A RECORD OF THE PROCEEDINGS, AND THAT, FOR SUCH PURPOSE, MAY NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDINGS IS MADE, WHICH RECORD INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS TO BE BASED.

# Orlando Sentinel

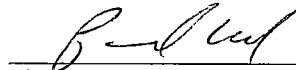
Published Daily  
ORANGE County, Florida

## STATE OF FLORIDA

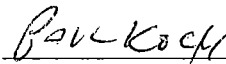
## COUNTY OF ORANGE

Before the undersigned authority personally appeared Paul Koch/Karen Pistone, who on oath says that he or she is an Advertising Representative of the ORLANDO SENTINEL, a DAILY newspaper published at the ORLANDO SENTINEL in ORANGE County, Florida; that the attached copy of advertisement, being a Legal Notice in the matter of 11150-Public Hearing Notice, **Orange County Housing Finance Authority** was published in said newspaper in the issues of Apr 11, 2018.

Affiant further says that the said ORLANDO SENTINEL is a newspaper published in said ORANGE County, Florida, and that the said newspaper has heretofore been continuously published in said ORANGE County, Florida, each day and has been entered as periodicals matter at the post office in ORANGE County, Florida, in said ORANGE County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement; and affiant further says that he or she has neither paid nor promised any person, firm or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper.



Signature of Affiant

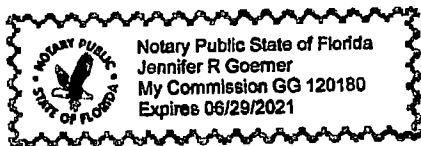


Printed Name of Affiant

Sworn to and subscribed before me on this 11 day of April, 2018,  
by above Affiant, who is personally known to me ( X ) or who has produced  
identification ( ).



Signature of Notary Public



Name of Notary, Typed, Printed, or Stamped

**NOTICE OF PUBLIC HEARING ORANGE COUNTY HOUSING FINANCE AUTHORITY RESIDENTIAL RENTAL PROJECT**

Notice is hereby given that the Orange County Housing Finance Authority (the "Authority") will conduct a public hearing concerning the proposed issuance by the Authority of its not to exceed \$25,000,000 Multifamily Housing Revenue Bonds, Series (to be designated) (Willow Key Apartments) (the "Bonds"). The proceeds of the Bonds would be used to finance the acquisition, rehabilitation and equipping of the following residential rental project:

**PROJECT/LOCATION**  
Willow Key Apartments  
5590 Arnold Palmer Drive, in Orlando, Orange County, Florida 32811

**DESCRIPTION OF PROJECT/NO. OF UNITS**  
384 units on approximately 21 acres, and related amenities

**OWNER**  
LH Willow Key, LP, a Florida limited partnership

The public hearing will be held at the following time and location:  
**TIME**  
10:00-10:30 A.M.  
April 27, 2018

**LOCATION**  
Orange County Administration Center  
3rd Floor, Conference Room Legal "A"  
201 South Rosalind Avenue  
Orlando, Florida 32801

Interested persons are invited to submit written comments or present oral comments at the hearing regarding the proposed issuance of the Bonds. Written comments should be received by the Authority on or before Wednesday, April 25, 2018. Oral comments will be limited to no more than 3 minutes per person. Written comments or notice of intent to present oral comments should be directed to:

Orange County  
Housing Finance Authority  
2211 E. Hillcrest Street  
Orlando, Florida 32803  
Attention: Executive Director

**SECTION 286.0105, FLORIDA STATUTES, STATES THAT IF A PERSON DECIDES TO APPEAL ANY DECISION MADE BY A BOARD, AGENCY, OR COMMISSION WITH RESPECT TO ANY MATTER CONSIDERED AT A MEETING OR HEARING, SUCH PERSON WILL NEED A RECORD OF THE PROCEEDINGS, AND THAT, FOR SUCH PURPOSE, MAY NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDINGS IS MADE, WHICH RECORD INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS TO BE BASED.**

OS552490 04/11/2018

# Meeting Notice



**Board Name:** Orange County Housing Finance Authority  
TEFRA Public Hearing Meeting for Willow Key  
Apartments

**Date:** Friday, April 27, 2018

**Location:** Third Floor Conference Room Legal "A"  
Orange County Administration Center

**Time:** 10:00 – 10:30 AM

---

**TEFRA** (Tax Equity and Fiscal Responsibility Act) public hearing meeting for the proposed issuance of Multi Family Housing Revenue Bonds to finance the acquisition and rehabilitation of Willow Key Apartments.

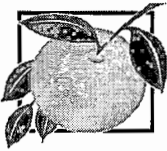
**Section 286.0105, Florida Statutes states that if a person decides to appeal any decision made by a board, agency, or commission with respect to any matter considered at a meeting or hearing, he or she will need a record of the proceedings, and that, for such purpose, he may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.**

In accordance with the Americans with Disabilities Act (ADA), if any person with a disability as defined by the ADA needs special accommodation to participate in this proceeding, then not later than two business days prior to the proceeding, he or she should contact the Orange County Communications Division at (407) 836-3111.

Para mayor información en español, por favor llame al (407) 836-3111.

**ATTACHMENT 'G'**

**TEFRA Public Hearing Minutes**



ORANGE COUNTY  
HOUSING FINANCE AUTHORITY

---

**W.D. MORRIS**  
EXECUTIVE DIRECTOR

---

**MEMORANDUM**

**BOARD OF DIRECTORS:**

**MARSHALL SIPLIN**  
CHAIRMAN

**MERCEDES MCCALL**  
VICE CHAIRMAN

**SASCHA RIZZO**  
BOARD MEMBER

**VERNICE ATKINS-BRADLEY**  
BOARD MEMBER

**CURTIS HUNTER**  
BOARD MEMBER

TO: **FILE**  
FROM: Mildred Guzman, Multi Family Program Administrator  
DATE: April 27, 2018  
RE: TEFRA Hearing Meeting Minutes for Multi-family Housing  
Revenue Tax Exempt Bonds – Willow Key Apartments

---

Today, Friday, April 27, 2018, at 10:00 A.M. a TEFRA Public Hearing was conducted in Orange County at the Orange County Administration Center, 3<sup>rd</sup> floor, Conference Room Legal "A".

The meeting was presided over by Mildred Guzman, Multi-Family Program Administrator. Also present at the meeting was Danielle Philippe, Orange County Fiscal & Business Services Division.

The purpose of the hearing was to receive public comments regarding the issuance by the Orange County Housing Finance Authority of Multi-Family Housing Revenue Tax Exempt Bonds to finance the acquisition and rehabilitation of a multifamily rental development in Orange County as follows:

<u>PROJECT/LOCATION</u>	<u>NUMBER OF UNITS</u>	<u>OWNER</u>	<u>AMOUNT</u>
<b>Willow Key Apartments</b> 5590 Arnold Palmer Drive, Orlando, Orange County, Florida 32811	<b>384</b> units on approximately 21 acres, and related amenities	<b>LIH Willow Key, L.P.</b> , a Florida limited partnership.	<b>\$25,000,000</b>

No comments, oral or written, were presented during or before the hearing. The meeting adjourned at 10:30 A.M.