



ORANGE COUNTY  
HOUSING FINANCE AUTHORITY

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EXECUTIVE DIRECTOR

MEMORANDUM

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TO:	Mayor Teresa Jacobs and Orange County Board of County Commissioners
FROM:	W.D. Morris, Executive Director
CONTACT:	Mildred Guzman, Multi-Family Program Administrator Orange County Housing Finance Authority 407-894-0014, Ext. 810
DATE:	April 30, 2018
RE:	APPROVAL AND EXECUTION OF RESOLUTION FOR THE ISSUANCE OF MULTI FAMILY HOUSING MORTGAGE REVENUE BONDS TO FINANCE THE ACQUISITION AND REHABILITATION OF WILLOW KEY APARTMENTS, A PROPOSED DEVELOPMENT IN ORANGE COUNTY, FLORIDA, DISTRICT 6, IN AN AMOUNT NOT TO EXCEED \$25,000,000.  ORANGE COUNTY BOARD OF COUNTY COMMISSIONERS MEETING MAY 22, 2018 - 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 March 16, 2018, OCHFA 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 OCHFA's consideration throughout the year, or as long as Volume Cap Allocation remains available. Once a Reimbursement Resolution is approved by the OCHFA Board of Directors, staff conducts a TEFRA public hearing, engages professionals, and proceeds 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 Drive in Orlando. The development consists of 196 2-bd/2-ba units; 148 3-bd/2-ba units; and 40 4-bd/3-ba units with rents ranging from \$772 to \$995 per month. The set-aside is 100% at 60% Area Medium Income (AMI).

<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. a</b> Florida limited partnership	<b>\$25,000,000</b>

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 (18-24 months). OCHFA will continue its monitoring and administration of the development through the Qualified Project Period of 15 years, 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.

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 4/04/2018 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 Friday, April 27, 2018, at 10:00 a.m., at the Orange County Administration Building on the 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 WILLOW KEY APARTMENTS, A PROPOSED DEVELOPMENT IN ORANGE COUNTY, FLORIDA, DISTRICT 6, IN AN AMOUNT NOT TO EXCEED \$25,000,000.

Attachments