



ORANGE COUNTY  
HOUSING FINANCE AUTHORITY

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MEMORANDUM

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TO:	Mayor Teresa Jacobs 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:	October 4, 2018
RE:	APPROVAL AND EXECUTION OF RESOLUTION FOR THE ISSUANCE OF MULTI FAMILY HOUSING MORTGAGE REVENUE BONDS, TO FINANCE THE ACQUISITION AND REHABILITATION OF CHAPEL TRACE APARTMENTS, A PROPOSED DEVELOPMENT IN ORANGE COUNTY, FLORIDA, DISTRICT 3, IN AN AMOUNT NOT TO EXCEED \$34.MM.  ORANGE COUNTY BOARD OF COUNTY COMMISSIONERS MEETING October 30, 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 August 29, 2018, OCHFA received the Chapel Trace Apartments proposal under the 2018 Open Cycle Allocation Process. The Open Cycle process allows developers to submit Multi-Family proposals for OCHFA's consideration throughout the year, or as long as Volume Cap Allocation remains available. At its Board meeting of October 3, 2018, OCHFA's Board approved a Reimbursement Resolution for an amount not to exceed \$34MM to finance the acquisition and rehabilitation of the proposed development, **Chapel Trace Apartments**, in Orange County; utilizing Mortgage Revenue Bonds.

**CURRENT**

The applicant for Chapel Trace Apartments is Orlando Leased Housing Associates XI, LLLP, a Florida Limited Liability Limited Partnership. The General Partner is Orlando Leased Housing Associates XI, LLC. The proposal involves the acquisition and rehabilitation of Chapel Trace Apartments, a 312-unit community of existing affordable multi-family housing. The community will offer one, two and three bedroom units. The proposed development is located at 556 North Goldenrod Road in Orlando.

The proposed transaction will utilize a Short-Term bond structure, whereby, the developer pays off a portion the bonds at permanent financing of SERIES-A Bonds (\$25.888MM) in approximately 18-24 months. While the SERIES-A Bonds are outstanding, the interest rate will be 2.00% per annum. OCHFA will require a fee of \$315,834 to include application fee, bond finance fee and bond administrative fee for the short-term bonds. The SERIES-B Bonds will be Long-Term and will be used to finance a Seller Note in the amount \$8.112MM. The SERIES-B Bonds will be repaid from available cash flow after payment of developer fees. The interest rate on the SERIES-B Bonds will equal the Long-Term Adjusted Applicable Federal Rate at the time of closing. OCHFA will continue monitoring and administration of the proposed development through the Qualified Project Period of 15 years or as long as the Land Use Restriction Agreement (LURA) is in place. The proposed development Debt Coverage Ratio is 1.16.

The Tax-exempt bonds amount is \$31.372MM; Tax Credit Equity is \$16,339,713 and Borrower Equity is \$5,804,734, for a Permanent Total Development cost of \$53,516,447. The requested amount of tax-exempt bonds is \$34MM, of which \$31.372MM is used in the transaction.

#### **PROJECT DESCRIPTION**

The proposed development will consist of 72 1-bd/1-ba; 168 2-bd/2-ba; and 72 3-bd/2-ba units with rents ranging from \$647-\$890 per month. The set-asides are 100% at 60% Area Medium Income (AMI).

PROJECT/LOCATION	DESCRIPTION / NO. OF UNITS	OWNER	AMOUNT
<b>Chapel Trace Apartments</b> 556 North Goldenrod Road, Orlando, Orange County, Florida, 32807	312 units on approximately 20.39 acres, and related amenities	Orlando Leased Housing Associates XI, L.L.P., a Florida limited liability limited partnership	Not to exceed \$34,000,000

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 10/03/2018 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 Thursday, September 27, 2018, 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 CHAPEL TRACE APARTMENTS, A PROPOSED DEVELOPMENT IN ORANGE COUNTY, FLORIDA, DISTRICT 3, IN AN AMOUNT NOT TO EXCEED \$34,000,000.

Attachments