



ORANGE COUNTY
HOUSING FINANCE AUTHORITY

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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:	June 3, 2021
RE:	APPROVAL AND EXECUTION OF RESOLUTION FOR THE ISSUANCE OF MULTI-FAMILY HOUSING MORTGAGE REVENUE BONDS, TO FINANCE THE ACQUISITION AND CONSTRUCTION OF SANDPIPER GLEN APARTMENTS, A PROPOSED DEVELOPMENT IN ORANGE COUNTY, FLORIDA, DISTRICT 3, IN AN AMOUNT NOT TO EXCEED \$50,000,001. ORANGE COUNTY BOARD OF COUNTY COMMISSIONERS MEETING June 22, 2021 - AGENDA.

BACKGROUND

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 (OCHFA), and each governmental unit having jurisdiction over the area in which the bond financed facility will be located.

On September 10, 2019, the Authority received the Orlando Senior New Construction Development Apartments proposal under the 2019 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. Subsequent to Board approval, staff will engage Professionals and proceed with the underwriting process.

The applicant for Orlando Senior New Construction Apartments is Orlando Leased Housing Associates XIII, LLP; and the General Partner is Orlando Leased Housing Associates XIII, LLLP. The investment banker is RBC Capital Markets and Trustee is U.S. Bank.

The proposal involves the issuance of Multi-Family Mortgage Revenue Bonds (MMRB) in an amount-not-to-exceed \$50,000,001 for the development of a 346-unit community. The bonds are to be interest only, at a fixed rate during construction, then amortized over a 35-year period with a 15-year term after conversion to permanent financing. The bonds will be secured by a first mortgage loan with term-to-match the bonds. The bonds will be privately placed (Freddie Mac TEL Loan) Multi-Family Direct Purchase, tax-exempt loan, an unrated product. The financing structure will be required to comply with all the requirements of OCHFA Unrated Bond Policy.

The net proceeds of the bonds sources for this transaction, during construction, are as follows: (1) 4% Housing Tax Credit Equity in the amount of \$4,254,543; and (2) a taxable construction loan in the amount of \$10,825,314. The sources during construction will provide funding for the proposed financing plan, including land acquisition, development, construction and total development cost estimated at \$65,079,858. At conversion, a portion of the bonds will be repaid leaving a permanent loan of \$38MM. After conversion to permanent financing, the total tax-credit proceeds are estimated to be \$28,363,622.

On December 3, 2019, the Board approved the TEFRA public hearing, subsequent to the approval the project has been involved in the Regulatory Approval process with Orange County. It has met the requirements of the process up to this point and anticipates final approval over the next several months.

CURRENT

The Developer has revised the proposed development; (1) the number of units was reduced from 346 to 288; (2) The site was zoned as "C-1", Retail Commercial District and "A-2", Farmland Rural District. The proposed development is currently going through the County's Development Review process including comprehensive planning, review, permitting, environmental, and special area planning. In addition to the Development Review process, there are financial aspects of a Commercial Real Estate transaction including obtaining private activity bond allocation and tax credits which are subject to certain time sensitivities. Obtaining the Board approval allows the development to proceed into the Financial Underwriting phase. Enclosed is a Summary of Development Issues related to this proposed community.

PROJECT DESCRIPTION

This proposed development will be a senior independent living community, with 100% of the units restricted to age 62+. The Development will be located at the intersection of East Colonial Drive and SR 417 in Orlando, Orange County, Florida, District 3. The community will offer 288 units of one, two and three bedrooms, consisting of 164- 1-bd/1-ba; 100- 2-bd/2-ba; and 24- 3-bd/2-ba – with rents ranging from \$818 to \$1,134 per month. The community will have a Set-Aside of 60% AMI or income averaging. It is designed to be a rent-to-market, where the partnership will pay all utilities.

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 11/06/2019 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 Monday, June 14, 2021, at 10:00 a.m., at the Orange County Administration Building, third floor, OMB Conference Room. 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 construction of Sandpiper Glen Apartments, a proposed multi-family rental development in Orange County, Florida, District 3, in an amount not-to-exceed \$50,000,001.

Attachments