Agenda Item #: 3I-2

PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date:

October 22, 2024

[X] Consent
[] Ordinance

[] Regular [] Public Hearing

Submitted By:

Department of Housing and Economic Development

Submitted For:

Housing Finance Authority of Palm Beach County

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to adopt: a Resolution of the Board of County Commissioners (BCC) of Palm Beach County, Florida; approving the issuance of multifamily housing revenue bonds, notes and/or other debt obligations for Lake Shore Apartments by the Housing Finance Authority of Palm Beach County, Florida (Authority) in the principal amount not to exceed \$28,600,000 (Bonds).

Summary: The Bonds are being issued by the Authority to finance a portion of the costs of acquiring, rehabilitating and equipping a multifamily rental housing facility containing approximately 192 units known as Lake Shore Apartments (Project). The Project is located at 4660 North Congress Avenue in the City of West Palm Beach, Florida. The Authority will require that at least 40% of these units will be rented to qualified persons and families whose average household incomes do not exceed 60% of area median income (\$64,260 for a family of four for 2024). The Richman Lakeshore, LLC, a Florida Limited Liability company or an affiliate thereof (Borrower) has agreed to comply with these limitations for at least 30 years. In addition, the Project is expected to receive low-income housing tax credits under Section 42 of the Internal Revenue Code of 1986, as amended. The developer is The Richman Group of Florida, Inc. The Bonds will be payable solely from revenues derived from the Borrower and/or other collateral provided by or on behalf of the Borrower. Greenberg Traurig, P.A. is Bond Counsel to the Authority with respect to the Bonds. CIBC Bank USA, an Illinois state chartered bank, or an affiliate thereof (Initial Purchaser), will be the purchaser of the Bonds at closing, and Citibank, N.A., or an affiliate thereof, will purchase the Bonds from the Initial Purchaser when the rehabilitation is complete and the Project income has stabilized.

The resolution of the Authority authorizing the issuance of the Bonds will include language substantially as follows: The County assumes no responsibility for monitoring compliance by the Borrower of applicable federal income tax, securities laws or other regulatory requirements. The Borrower understands and agrees that it is responsible for monitoring its compliance with all applicable federal income tax, federal securities law and other regulatory requirements, retaining adequate records of such compliance, and retaining qualified counsel to respond to or assist the Authority and the County in responding to any audit, examination or inquiry of the Internal Revenue Service, the Securities and Exchange Commission or other regulatory body. The Borrower assumes responsibility for monitoring compliance with applicable provisions of federal tax laws and U.S. Treasury Regulations relative to the Bonds, and shall retain adequate records of such compliance until at least three (3) years after the Bonds are retired. **Summary continued on Page 3**

Background and Justification: Continued on Page 3.

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1. Resolution				
Recommended By:	mother Brown	9	20 2024	
	Department Director		Date	••••••
Approved By:	- Khas		10-1-24	
	Assistant County Administrator		Date	

II. FISCAL IMPACT ANALYSIS

Fis	Five Year Summar cal Years	2025	2026	2027	2028	2029
Car	oital Expenditures	— 			LVLU	2023
	erating Costs					
	ernal Revenues					
Pro	gram Income					
ln-k	(ind Match (County)					
NE	T FISCAL IMPACT	-0-				
	DDITIONAL FTE SITIONS (Cumulative)	·				
Does Does	em Included In Currer s this Item include the s this Item include the get Account No.:	use of Fed		Yes Yes	No X	
3.	Recommended Sou	rcos of Eun	udo/Summo	m, of Eigent I		
.	All costs to be borne impact to Palm Beac	e by the Hou		-	•	er. No fisca
: .	Departmental Fisca	l Review:		yhe, Division d Administrat		— DHED
		III. <u>RE\</u>	/IEW COMN	<u>IENTS</u>		
۱.	OFMB Fiscal and/o	r Contract D	evelopmen	t and Contro	I Comments	;;
	OFMB SA-	1/24/24 9/24/DA	9(24 Cont	MMG tract Develop	MMM ment and Co	9/23/2 ntrol
3.	Legal Sufficiency:					
	Chief Assistant Cour	for H.Falo ty Attorney	<u> </u>			
,	Other Department F	Review:				
	Department Director					

(THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT)

October 22, 2024 HFA Multifamily Bonds: Lake Shore Apts. Page 3

Summary: Continued from Page 1:

In the event of any audit, examination or investigation by the Internal Revenue Service with respect to the tax-exempt status of the Bonds or any other related tax matters, the Borrower shall be responsible for retaining qualified counsel to respond to such audit.

Neither the taxing power nor the faith and credit of the County nor any County funds are pledged to pay the principal, redemption premium, if any, or interest on the Bonds. District 7. (HJF)

Background and Justification: Continued from Page 1

The Authority was established by the BCC in 1979 in accordance with Part IV of Chapter 159, Florida Statutes. The adoption of this Resolution by the BCC would constitute approval of the Bonds for purposes of Section 147(f) of the Code and Section 2-190, Palm Beach County Code of Ordinances.

	R	ESC	LU	TION	NO.	R-2024	=
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RESOLUTION OF THE **BOARD** OF COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA; **APPROVING** THE ISSUANCE OF HOUSING **AUTHORITY** OF PALM BEACH COUNTY, FLORIDA. MULTIFAMILY HOUSING REVENUE BONDS (LAKE SHORE APARTMENTS) BY THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$28,600,000.

WHEREAS, the Housing Finance Authority of Palm Beach County, Florida (the "Authority") was created pursuant to Part IV, Chapter 159, Florida Statutes (the "Act") and Sections 2-181 et seq., Palm Beach County Code of Ordinances (the "Ordinance"); and

WHEREAS, the Board of County Commissioners of Palm Beach County, Florida (the "Board"), has heretofore adopted Resolution No. 79-1150 declaring its need for the Authority to function in order to alleviate the shortage of housing and capital investment in housing within Palm Beach County, Florida (the "County"); and

WHEREAS, the Borrower (as defined below) has made application to the Authority to issue its hereinafter defined Bonds for the purpose of financing a portion of the costs of acquisition, rehabilitation and equipping of an approximately 192 unit multi-family rental housing facility known as Lake Shore Apartments (herein the "Project"), and located at 4660 North Congress Avenue, West Palm Beach, Florida 33407, to be occupied by qualified persons and families; and

WHEREAS, the bonds, notes and/or other debt obligations (collectively, the "Bonds") shall be issued in one or more series, shall be limited obligations of the Authority payable from revenues derived from and secured by collateral provided by or on behalf of Richman Lakeshore, LLC, a Florida limited liability company, or an affiliate thereof (the "Borrower"), and the payment of such Bonds will be secured by a pledge of and lien on such revenues and other collateral; and

WHEREAS, the Executive Director of the Authority held a properly noticed public hearing pursuant to the provisions of Section 147(f) of the of the Internal Revenue Code of 1986, as amended (the "Code") on July 19, 2024, regarding the proposed issuance of the Bonds in the noticed principal amount of \$26,000,000; and

WHEREAS, the Bonds shall not be a debt of the Authority, the County, the State of Florida (the "State"), nor any other political subdivision thereof; and neither the Authority, the County, the State nor any other political subdivision thereof shall be liable thereon; and

WHEREAS, the Bonds will be issued by the Authority, and the proceeds thereof will be used to finance a portion of the costs of the Project, to be rented to qualified persons and families in Palm Beach County, Florida as required by the Act and the Code; and

WHEREAS, CIBC Bank USA, an Illinois state chartered bank, or an affiliate thereof (the "Initial Purchaser") will be the initial purchaser of the Bonds, and Citibank, N.A. or an affiliate thereof (collectively with the Initial Purchaser, the "Purchasers") will purchase the Bonds from the Initial Purchaser when the rehabilitation of the Project is complete and Project income has stabilized; and

WHEREAS, the Authority has requested that the Board approve (a) the issuance of the Bonds within the meaning of Section 147(f) of the Code and Section 2-190, Palm Beach County Code of Ordinances, and (b) the Purchaser of the Bonds as required by Section 2-190, Palm Beach County Code of Ordinances.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA;

- 1. That the above recitals are hereby adopted by the Board as the findings of the County and are incorporated herein.
- 2. That the issuance of the Bonds is approved within the meaning of Section 147(f) of the Code and Section 2-190, Palm Beach County Code of Ordinances.
- 3. That the Purchasers are approved as the purchaser of the Bonds, within the meaning of Section 2-190, Palm Beach County Code of Ordinances.

Florida.	ute this Resolution on behalf of Palm Beach County,
5. That this Resolution shall take effect	t upon adoption.
The foregoing Resolution was offered moved its adoption. The m, and being put to	I by Commissioner, who notion was seconded by Commissioner or a vote, the vote was as follows:
District 1: Commissioner Maria District 2: Commissioner Gregg District 3: Commissioner Micha District 4: Commissioner Marci District 5: Commissioner Maria District 6: Commissioner Sara District 7: Commissioner Mack	g K. Weissael Bennettael Woodwardael Sachsael Baxterael Baxter
The Mayor thereupon declared the Res of, 2024.	solution duly passed and adopted this day
	PALM BEACH COUNTY, FLORIDA, BY ITS BOARD OF COUNTY COMMISSIONERS
APPROVED AS TO FORM AND LEGAL SUFFICIENCY	ATTEST: JOSEPH ABRUZZO CLERK & COMPTROLLER
By: Howard J. Falcon Chief Assistant County Attorney	By: Deputy Clerk

RESOLUTION NO. R-2024 -

RESOLUTION OF THE **BOARD** OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA; APPROVING THE ISSUANCE OF HOUSING **FINANCE AUTHORITY** OF PALM **BEACH** COUNTY, MULTIFAMILY HOUSING REVENUE BONDS (LAKE SHORE APARTMENTS) BY THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$28,600,000.

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- 3. That the Purchasers are approved as the purchaser of the Bonds, within the meaning of Section 2-190, Palm Beach County Code of Ordinances.

4. That the Cle Florida.	erk is authorized to ex	recute this Resolution	on behalf	of Palı	n Beach	County,
5. That this Re	solution shall take ef	fect upon adoption.				
moved its ad	option. The	red by Commission motion was se t to a vote, the vote v	conded	by	Comm	, who issioner
District 2: District 3: District 4: District 5: District 6:	Commissioner Ma Commissioner Gr Commissioner Mi Commissioner Ma Commissioner Ma Commissioner Sa Commissioner Ma	egg K. Weiss chael Bennett irci Woodward iria Sachs ra Baxter	- - - - -			
The Mayor thereu		Resolution duly pass	ed and a	dopte	d this _	day
		PALM BEACH O BOARD OF COL				
APPROVED AS T LEGAL SUFFICIE	TO FORM AND ENCY	ATTEST: JOSEF CLERK & COMF				
Howard J. Fa	lcon nt County Attorney	By:	(