



Brevard County Board of County Commissioners

2725 Judge Fran Jamieson
Way
Viera, FL 32940

Legislation Text

File #: 2782, **Version:** 1

Subject:

Resolution approving the issuance of multi-family housing revenue bonds by Brevard County Housing Finance Authority (Millennia Project)

Fiscal Impact:

None.

Dept/Office:

County Attorney's Office

Requested Action:

The Brevard County Housing Finance Authority (the "Authority") is requesting that the Board approve a Resolution to allow the Authority to increase the amount of multi-family housing revenue bonds from \$24,840,000 to \$32,340,000 to finance the acquisition, rehabilitation and development of Jupiter Ridge, Armstrong Glen and Sandpoint Village (collectively "Millennia Project").

Summary Explanation and Background:

On May 19, 2020, the Board of County Commissioners adopted Resolution 20-050, which approved the issuance within the meaning of Section 147 (f) of the Internal Revenue Code of 1986, as amended, of the Authority's Multifamily Housing Revenue Bonds (Millennia Project), in the principal amount of not to exceed \$24,840,000. Subsequently, Brevard FL TC, LP and Millennia Housing Development, Ltd., submitted a request for an additional \$7,500,000 in bonds to cover increased construction and development costs for the Project and an increase in the relocation budget, for a total issue size of \$32,340,000 to finance the acquisition, rehabilitation, equipping and development of the Project. The increased project costs are attributable to (1) increased cost of construction materials including lumber (which has nearly tripled in price), flooring, windows, appliances, steel and drywall; (2) increased cost of shipping with fuel surcharges and higher shipping fees, and (3) increased tenant relocation budget during construction. The Project consists of the rehabilitation of three existing apartment complexes: Jupiter Ridge (formerly Arch Creek Run), 173 Rachel Street, Melbourne, FL, containing 96 units (52 one bedroom, 37 two bedroom and 7 three bedroom apartments), Armstrong Glen (formerly Cocoa Lakes), 201 St. Clair Drive, Cocoa, FL, containing 50 units (18 one bedroom, 20 two bedroom and 12 three bedroom apartments) and Sand Point Village (formerly Forest Park South) 512 Rock Pit Road, Titusville, FL, containing 68 units (16 one bedroom, 16 two bedroom and 36 three bedroom apartments), all of which will be rented to families. A Land Use Restriction Agreement encumbering the property will require that a minimum of 40% of the apartment units will be set aside and available only to persons earning less than 60% of median income, for as long as the financing is outstanding, or for a term of 15 years, whichever is longer.

The Millennia Companies ("Millennia") acquired two of the properties comprising the Project as part of the

purchase of the portfolio of Global Ministries Foundation (“GMF”). Millennia’s acquisition of the GMF portfolio acquisition was endorsed by HUD which provided rental subsidy for most of the portfolio. The sale of GMF’s portfolio occurred after HUD withdrew rental subsidies from a portion of GMF’s properties and required relocation of the tenants. All three properties in this Project were in very poor condition, and the rehabilitation of the properties is critical. Millennia is a national leader in the preservation of affordable housing. It has successfully completed extensive rehabilitation of over 100 properties. The Authority has considered the qualifications and performance of Millennia and has determined that it is in the best interest of the residents of Brevard County for this financing to move forward. The issue will be ready to close in May, with construction to begin shortly thereafter.

On February 24, 2021, the Authority held a public hearing, following proper publication of notice, for the purpose of receiving public input on the proposed project and bond issuance. A report of the public comments received is attached. In order to issue tax exempt bonds for the Project, the Authority must receive the limited approval of the Board of County Commissioners.

The tax-exempt financing will be in the form of a construction/permanent loan. As a condition of approval, the County’s financial advisor will verify that the financing meets or exceeds the Guidelines of the Authority. The County’s Financial Advisor has reviewed the project and anticipates the funding will be within the County’s debt issuance guidelines if it remains at proposed levels. (See attachment.)

The Board's approval of the issuance of the Bonds by the Authority to finance costs of the Project is required by applicable federal tax law.

The County’s outside bond counsel has reviewed the project and stated the following: “The resolution proposed to be adopted by the BOCC satisfies the pertinent federal and state law requirements and provides that neither the County nor any of the elected officials or staff of the County will have any obligation or liability, financial or otherwise, with respect to the Project or the Bonds.” (See attachment.)

Cost Benefit Analysis provided by Brevard County Housing Finance Authority:

This issue will provide funds to finance the acquisition, rehabilitation and development of 214 rental housing units which will be available to Brevard County residents of lower and moderate income. There is no fiscal impact to the Board of County Commissioners or the Authority. The County is only authorizing the Housing Finance Authority to issue the bonds under the IRS requirements for tax exempt bonds and the County shall be indemnified from the issuance of bonds and the Project.

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Clerk to the Board Instructions:

Return a signed Resolution to the County Attorney’s Office