

AGENDA

Palm Beach County Housing Finance Authority

FRIDAY, DECEMBER 8, 2017
9:00 A.M.

**Palm Beach County Airport Center
Complex
100 Australian Avenue
4th Floor (#4-790) Training Room
West Palm Beach, FL 33406**

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Meeting Agenda

December 8, 2017

PBC Airport Center – Human Resources Training Room 4-790

Housing Finance Authority of Palm Beach County

100 Australian Avenue, Suite 410
West Palm Beach, FL 33406
(561) 233-3656
FAX: (561) 233-3657
www.pbchfa.org



Chairperson

Patrick J. Franklin

Vice Chair

Gary P. Eliopoulos

Secretary

James H. Harper, Sr.

Clark D. Bennett

Robin B. Henderson

Charles V. St. Lawrence

Bobby "Tony" Smith

Executive Director

David M. Brandt

dbrandt@pbcgov.org

(561) 233-3652

Administrative Assistant

Jennifer M. Hamilton

jhamilto@pbcgov.org

(561) 233-3656

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I. Call to Order

- a. Roll call and establishment of quorum

II. Public comment on Agenda Items

III. Agenda Approval

- a. Additions, deletions, substitutions
- b. Adoption

IV. Consent Agenda

- a. GF Requisition's #9-2017, #10-2017 and #11-2017

V. Old Business

- a. Consider issuance of not to exceed \$17,000,000 Multifamily Housing Revenue Bonds, Series 2017 – recommendation to approve Resolution #R-2017-11

VII. New Business

- a. Consider subordination of LURA on Azalea Place Apartments – recommendation to approve Resolution #R-2017-12
- b. Consider approval of new general partner – La Joya Villages, Series 2013 bond issue

VIII. Other matters

- a. Matters of Authority members
- b. Matters of the Executive Director and Professionals
- c. Matters of the Public
- d. Next meeting date: 9:00 a.m., January 12, 2018 at the PBC Airport Center, Human Resources Training Rm. 4-790, 100 Australian Avenue, West Palm Beach

IX. Adjournment



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To: Housing Finance Authority

From: Executive Director

RE: December 8, 2017 regular meeting

Dated: November 30, 2017

V. "Old Business" items:

**Item (a.) Consider MF bond issuance for "Village of Valor"
apartments – approve bond award Resolution No.
R-2017-11**

The Authority approved at the November 17 meeting a motion i.) to accept and file the bond financing application for "Village of Valor" apartments, ii.) an inducement resolution for the issuance of up to \$17M of bonds for the project, iii.) the appointment of Bryant Miller Olive as bond counsel, and iv.) authorization for staff to hold a TEFRA hearing upon receipt of the public hearing fee. As discussed at that meeting the US House of Representatives had passed a tax bill known as HR-1 that among other things eliminates tax exempt Private Activity Bond ("PAB") financing after December 31, 2017, and therefor access to the 4% HTC. The project is not financially feasible as presented without HTC's. The US Senate is in the process of crafting their version of a tax bill that is expected to be finalized this week. While the version of the Senate "Tax Cuts and Jobs Act" approved on November 29 does not eliminate the tax exemption of PAB's its remains to be determined if/what amendments may be added before it is finalized. Then a final tax bill will need to be negotiated between the Senate and the House, with an expectation of enactment before year-end.

Your staff and professionals have been working with the developer and their team since the last meeting in an attempt to assure the possibility of a bond issuance before year-end in the event a loss of tax exemption on PAB's after 2017 continues to be a threat. The developer elected to put up the public hearing fee and "good faith deposit" on November 29 and move forward with the bond issuance process. The TEFRA public hearing is scheduled for December 15, and the approval of the public hearing results and issuance of the bonds (assuming Authority approval of the bond award resolution on December 8) will be on the December 19 Board of County Commissioners meeting. In the event it is clearly determined that the issuance of tax exempt PAB's after year-end 2017 will not be hampered, it is very likely that the sale of the bonds will be temporarily shelved until the credit underwriting report can be finalized (requires due diligence on final sources and uses of funds, appraisal, GC contract and near permit ready status) which could be as early as February of 2018. Otherwise the proceeds from the sale of the bonds will be held by the trustee until all conditions for disbursement have been met including mainly the first mortgage and equity closing.

Recap of the project and financing: Representatives of the applicant made a presentation of their request for the issuance of up to \$17,000,000 of bonds for the construction of a 157-unit apartment project to be known as "Village of Valor". The project owner is Village of Valor, LTD whose general partners are KSM Holdings Florida and Village of Valor, LLC. The member principals are Kathy Makino, also owner of Shelborne Development and a tax credit developer of affordable housing located in Detroit, Michigan, and Roy Foster, executive director of Faith*Hope*Love*Charity, Inc., a not-for-profit located in Palm Springs that has been providing services for veterans since 1994. Village of Valor, LTD is the current owner of the four parcels (12 acres) that will make up the project which on 2nd Avenue just east of Congress that straddle the municipal boundaries of both the City of Lake Worth and Palm Springs.

Village of Valor is to consist of 157 apartments are to be targeted but not limited to veterans and their families of which 127 will be income and rent restricted at or below 60% of area median income and therefor qualify for the 4% Low Income Housing Tax Credits ("HTC"). A total of 41 will be 760 square foot one bedroom/one bath units, 93 two bedroom/two bath units at 1,030 square feet, and 23 three bedroom/2-bath 1,175 square feet townhome style units. The project would also house the offices of Faith*Hope*Love*Charity, Inc. for provision of resident/casework services including a community room/dining hall and commercial kitchen. Recreation amenities are to include a basketball court, pool, children's playground and picnic area.

Total development cost is now an estimated at \$26.6M or \$170K per unit. It is anticipated the project will require not more than \$17M of "AAA" rated short-term cash collateralized tax-exempt bonds during the construction phase to be redeemed in whole following completion. The developer has requested that the tax-exempt bonds be underwritten by Stifel Nicolaus. The construction/perm loan is anticipated to be an up to \$15.6M FHA 221(d)(4) first mortgage. The HTC's will be syndicated by Stratford Capital Group and anticipated to raise approximately \$7.4M of equity, and remaining sources of capital are to include \$750K of developer cash and deferred developer fee. The developer had applied to FHFC under Workforce Housing RFA-2017-07 for

\$8.2M of SAIL financing for the project but we understand was not accepted for consideration due to technical reasons.

Included in the agenda materials is a copy of the proposed bond award resolution No. R-2017-11 which approves and authorizes among other things the issuance of not more than \$17,000,000 principal amount of the bonds, substantially final forms of a trust indenture and loan agreement, land use restriction agreement, fee guaranty and environmental indemnity, the preliminary official statement for marketing the bonds, the bond purchase agreement with Stifel, Nicolas & Co., Inc., and the appointment of US Bank as bond trustee. This resolution also designates First Housing Development as credit underwriter for the Authority (to be completed and presented to the Authority prior to disbursement of bond proceeds), and sets forth the parameters for the negotiated sale. First drafts of the the six exhibits to the resolution have been circulated to the working group for this transaction and substantially final forms will be available upon request sometime by the middle of next week and will be presented at the December 8 meeting.

Staff recommends a motion to: i.) approve Resolution No. R-2017-11, and ii.) waive the Authority's guidelines requirement for a credit underwriting report prior to the sale of the bonds.

VI. "New Business" items:

Item (a.) Consider amending the existing Land Use Restriction Agreement on "Azalea Place" apartments – recommendation to approve Resolution No. R-2017-12

The Authority issued bonds in 1999 for the acquisition and substantial rehabilitation of what was then known as the Azalea Place Apartments, a 150-unit elderly high rise project on Australian Avenue in West Palm Beach. The project was sold in 2008 to an entity controlled by Southport Development. The bonds are to be redeemed in whole when the project is sold in early 2018. Although the Authority's bonds will be retired, the bond Land Use Restriction Agreement ("LURA") will survive until the project is no longer subject to project based Section 8 assistance. HUD requires under the expected FHA 221(d)(4) first mortgage financing that any LURA be subordinate to their first mortgage lien; the Authority has consistently approved subordination of our LURA to HUD and GSE first liens. In addition our LURA requires Authority consent to a sale which cannot be unreasonably withheld. Although this is deemed a purchase and sale, the managing general partner of the buyer will continue to be an entity of the current owner Southport Development. The current Fee Guaranty and Environmental Indemnity Agreement will remain in place unchanged.

Included in the agenda materials is a copy of the proposed bond award resolution No. R-2017-12 which approves and authorizes an amendment to the LURA for the subordination as well as an assignment approving the new purchaser and releasing the bond trustee, US Bank, from a requirement to act as a compliance monitoring agent in the event Authority is no longer in existence. The two exhibits to the resolution are not attached but will be presented at the December 8 meeting.

Staff recommends a motion: to approve Resolution No. R-2017-12.

Item (b.) Consider approval of new general partner – La Joya Villages, Series 2013 bond issue

The Authority issued bonds in 2013 for the development of the 55-unit La Joya Villages apartments in the City of Lake Worth. The project developer was for-profit Realtex Development whose principal is Rick Deyoe, and the not-for-profit Community Land Trust of Palm Beach County (“CLT”). Staff was advised by the CLT that Mr. Deyoe, with their consent as well as the limited partners of the project, to enter into an agreement to sell his general partnership interest to the West Palm Beach Housing Authority (“WPBHA”). Authority counsel Skip Miller has advised that the LURA for this project does not require Authority consent for this type of conveyance if the owner, La Joya Villages, Ltd., certifies in writing to the Authority, the majority owner representative and the bond trustee that the transfer does not constitute a change of ownership of the project. If it does, then the Authority’s written consent is required but may not be unreasonably withheld. The Authority has previously issued bonds for two projects where the WPBHA is the co-developer and will ultimately be the sole managing partner of the respective project. In the event

Staff recommends a motion: to provide written consent, in a form acceptable to general counsel, to a proposed purchase of the managing general partner interest of La Joya Villages, Ltd. to the West Palm Beach Housing Authority.

Tab 1

IV. Consent Items - attachments

- a. General Fund Requisition #9-2017, #10-2017 and #11-2017



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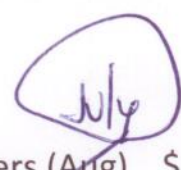
Date: September 22, 2017

To: Susan Fahimi
U.S. Bank Corporate Trust

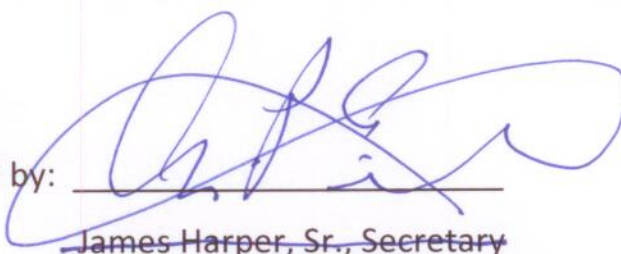
From: David M. Brandt, Executive Director 

Re: General Fund Disbursement #9-2017

The following invoices/reimbursement requests are hereby presented for your approval and payment, with supportive documentation attached, as confirmed for release of payment by the Authority Secretary.

<u>PAYEE</u>	<u>AMOUNT</u>
PBC Board of County Commissioners (Aug) 	\$ 20,356.20
Greenspoon Marder (Aug)	1,275.00
David M. Brandt (Aug auto)	500.00
US Bank (MasterCard - Aug)	<u>804.65</u>
Total General Fund Disbursement:	\$ 22,935.85

Confirmed by: _____


James Harper, Sr., Secretary

GARY P. ELIOPOULOS, VICE CHAIR

Encls.

CC: Amanda Kumar, US Bank



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Date: October 17, 2017

To: Susan Fahimi
U.S. Bank Corporate Trust

From: David M. Brandt, Executive Director

Re: General Fund Disbursement #10-2017

The following invoices/reimbursement requests are hereby presented for your approval and payment, with supportive documentation attached, as confirmed for release of payment by the Authority Secretary.

<u>PAYEE</u>	<u>AMOUNT</u>
PBC Board of County Commissioners (Aug)	\$ 20,347.69
Greenspoon Marder (Sept.)	150.00
David M. Brandt (Sept. auto)	500.00
FL Department of Economic Opportunity	175.00
United States Treasury (3rd quart. 941)	248.51
Florida U.C. Fund (3rd quart. 2017)	1.62
US Bank (MasterCard – Sept.)	22.88
Sadowski Education Effort	5,000.00
FL ALHFA (annual dues)	<u>1,000.00</u>

Total General Fund Disbursement: \$ 27,445.70

Encls.

CC: Amanda Kumar, US Bank



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Executive Director

David M. Brandt

dbrandt@pbcgov.org

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Administrative Assistant

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jhamilton@pbcgov.org

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Date: November 17, 2017

To: Susan Fahimi
U.S. Bank Corporate Trust

From: David M. Brandt, Executive Director 

Re: General Fund Disbursement #11-2017

The following invoices/reimbursement requests are hereby presented for your approval and payment, with supportive documentation attached, as confirmed for release of payment by the Authority Secretary.

<u>PAYEE</u>	<u>AMOUNT</u>
PBC Board of County Commissioners (Sep)	\$ 29,525.37
Goldstein, Zugman, Weinstein & Poole, LLC	23,000.00
Greenspoon Marder (Aug)	775.00
David M. Brandt (Aug auto)	500.00
US Bank (MasterCard - Oct)	<u>179.88</u>
Total General Fund Disbursement:	\$ 53,980.25

Confirmed by: _____



James Harper, Sr. Secretary

Patrick Franklin, Chairperson

Encls.

CC: Amanda Kumar, US Bank

Tab 2

V. Old Business - attachments

- a.** Consider issuance of not exceeding \$17M Multifamily Housing Revenue Bonds, Series 2017
 - i.** Resolution R-2017-11 – w/o exhibits

RESOLUTION NO. R-2017-11

A RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$17,000,000 IN PRINCIPAL AMOUNT OF HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA MULTIFAMILY HOUSING REVENUE BONDS, SERIES 2017 (VILLAGE OF VALOR); APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE, LOAN AGREEMENT, LAND USE RESTRICTION AGREEMENT, AND A FEE GUARANTY AND ENVIRONMENTAL INDEMNITY AGREEMENT RELATING TO THE BONDS; APPROVING THE FORM OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING ITS DISTRIBUTION IN CONNECTION WITH THE SALE OF THE BONDS AND AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT FOR THE BONDS BY AND AMONG THE AUTHORITY, THE BORROWER AND STIFEL, NICOLAS & CO., INC.; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN ADDITIONAL AGREEMENTS NECESSARY OR DESIRABLE IN CONNECTION WITH THE ISSUANCE OF AND PROVISION OF SECURITY FOR THE BONDS; APPOINTING A TRUSTEE WITH RESPECT TO THE BONDS; PROVIDING THAT SUCH BONDS SHALL BE ISSUED IN CERTIFICATED FORM; AUTHORIZING THE AWARD OF THE BONDS TO STIFEL, NICOLAS & CO., INC.; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Board of County Commissioners of Palm Beach County, Florida (the "Board"), has heretofore enacted Ordinance 79-3, as amended by Ordinance No. 02-022 and by Ordinance No. 2012-028 (the "Ordinance"), creating the Housing Finance Authority of Palm Beach County, Florida (the "Authority"), pursuant to the provisions of Chapter 159, Part IV, Florida Statutes, as amended and supplemented (the "Act"); and

WHEREAS, the Board has heretofore adopted a resolution declaring a need for the Authority to function in order to alleviate the shortage of housing and capital for investment in housing within Palm Beach County, Florida (the "County"); and

WHEREAS, the Housing Finance Authority of Palm Beach County, Florida (the "Authority") desires to issue its Multifamily Housing Revenue Bonds (Village of Valor), Series 2017 in an aggregate principal amount not to exceed \$17,000,000 (the "Bonds") to fund a loan to Village of Valor, Ltd., a Florida limited partnership (together with its successors and assigns, the "Borrower") to finance a portion of the costs of the acquisition and construction of a residential multifamily rental facility to be known as Village of Valor to be located at 2431, 2441, 2559 and 2650 2nd Avenue North in the cities of Lake Worth and Palm Springs, Palm Beach County, Florida (the "Project"); and

WHEREAS, the Authority desires to approve the forms of, and authorize the execution and delivery of a Trust Indenture, a Loan Agreement, a Land Use Restriction Agreement, a Fee Guaranty and Environmental Indemnity Agreement, a Bond Purchase Agreement (each as herein defined) and other documents to be executed in connection with the issuance of the Bonds; and

WHEREAS, the Authority desires to approve the form of a Preliminary Official Statement and authorize its distribution and the use and distribution of a final Official Statement; and

WHEREAS, the Authority wishes to award the sale of the Bonds to Stifel, Nicolas & Co., Inc. (the "Underwriter") at a negotiated sale subject to the criteria set forth herein; and

WHEREAS, within Palm Beach County, Florida (the "County") there is a shortage of housing available at prices or rentals which many persons and families can afford and a shortage of capital for investment in such housing. This shortage constitutes a threat to the health, safety, morals and welfare of the residents of the County, deprives the County of an adequate tax base, and causes the County to make excessive expenditures for crime prevention and control, public health, welfare and safety, fire and accident protection, and other public services and facilities; and

WHEREAS, the shortage of capital and housing cannot be relieved except through the encouragement of investment by private enterprise and the stimulation of construction of housing through the use of public financing; and

WHEREAS, the Project and the financing thereof will assist in alleviating the shortage of housing in the County and of capital for investment therein, will serve the purposes of the Act and the Project will constitute a "qualified housing development" under the Act; and

WHEREAS, due to the complexity of the financing, the turmoil in the capital markets and the need to coordinate matters among the Authority, the Borrower and the Underwriter, it is in the best interest of the Authority to negotiate the sale of the Bonds. The disclosure required in Section 218.385, Florida Statutes, as amended, shall be provided to the Authority prior to the sale of the Bonds; and

WHEREAS, a notice of public hearing inviting written and oral comments and discussions concerning the issuance of the Bonds was published in the *Palm Beach Post*, a newspaper of general circulation in the County on December 1, 2017, at least 14 days prior to the date of such hearing; and

WHEREAS, on December 15, 2017, a public hearing concerning the issuance of the Bonds in an aggregate face amount of not to exceed \$17,000,000 to finance the Project will be held by the Executive Director of the Authority; and

WHEREAS, the issuance of the Bonds is expected to be approved by the Board of County Commissioners of the County on December 19, 2017 for purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended and the Ordinance; and

WHEREAS, the Authority has received from the State of Florida Division of Bond Finance 2016 private activity bond volume cap allocation in the amount of \$100,000,000 which may be used by the Authority for the issuance of qualified mortgage bonds, including the Bonds; and

WHEREAS, the Authority wishes to approve the appointment of a Trustee with respect to the Bonds; and

WHEREAS, the Authority desires to authorize the execution of all documents deemed necessary and to be in acceptable form as determined by its Bond Counsel and general counsel to the Authority.

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA THAT:

SECTION 1. RECITALS. The foregoing recitals stated above are hereby found by the Authority to be true and correct and incorporated into this Resolution as findings.

SECTION 2. AUTHORIZATION OF BONDS. There is hereby authorized and directed to be issued the Authority's Multifamily Housing Revenue Bonds (Village of Valor), Series 2017, in an aggregate principal amount not to exceed \$17,000,000. The Bonds shall be issued under and secured by the Trust Indenture referred to below which by reference is hereby incorporated in this resolution as if set forth in full herein. The Bonds shall mature in the amounts and at the times, shall bear interest at the rates, be redeemable at the redemption prices and upon the terms, and shall have all of the other characteristics, as shall be approved by the Chairperson or Vice Chairperson of the Authority prior to sale of said Bonds, as provided in this Resolution. The Bonds shall be executed, authenticated and delivered by the officers of the Authority authorized below in substantially the form set forth in the Trust Indenture in fully registered certificated form; provided however, that the Bonds may not be issued until the Authority has received the approval of the Board of County Commissioners of the County pursuant to section 147(f) of the Internal Revenue Code of 1986, as amended.

SECTION 3. APPROVAL AND AUTHORIZATION OF TRUST INDENTURE. The Trust Indenture (the "Trust Indenture"), in substantially the form attached hereto as Exhibit A (and all exhibits thereto), is hereby approved, and the Chairperson or Vice Chairperson are hereby authorized and directed to execute and deliver, and the Secretary or Assistant Secretary of the Authority or any other authorized officer are hereby authorized and directed to attest the Trust Indenture on behalf of and in the name of the Authority with such additional changes,

insertions and omissions therein as reflect the final terms of the Bonds, including, but not limited to, the insertion of rates, maturities and other details of the Bonds determined as herein provided, and with such modifications to the exhibits thereto, as may be made prior to the delivery of the Bonds, and as may be otherwise made and approved by the said officers of the Authority executing the same, such execution to be conclusive evidence of such approval.

SECTION 4. APPROVAL AND AUTHORIZATION OF LOAN AGREEMENT AND LAND USE RESTRICTION AGREEMENT. The Loan Agreement (the "Loan Agreement") and the Land Use Restriction Agreement (the "Land Use Restriction Agreement", and together with the Loan Agreement, the "Agreements"), in substantially the forms attached hereto as Exhibits B and C, are hereby approved, confirmed and ratified and the Chairperson or Vice Chairperson are hereby authorized and directed to execute and deliver, and the Secretary or Assistant Secretary of the Authority or any other authorized officer are hereby authorized and directed to attest the Agreements on behalf of and in the name of the Authority with such additional changes, insertions and omissions therein, and as may be otherwise made and approved by the said officers of the Authority executing the same, such execution to be conclusive evidence of such approval.

SECTION 5. AUTHORIZATION OF NEGOTIATED SALE. It is hereby found and determined that due to the complexity of the financing it is in the best interests of the Authority to negotiate the sale of the Bonds. The disclosure required by Section 218.385, Florida Statutes, as amended, shall be provided to the Authority prior to the delivery of the Bonds. The negotiated sale of the Bonds in an aggregate principal amount of not to exceed \$17,000,000, at a price not less than 100% of the aggregate principal amount of such Bonds, bearing a net interest cost not in excess of 3.5%, and with a final maturity date of the Bonds not later than January 1, 2022, is hereby approved.

SECTION 6. APPROVAL AND AUTHORIZATION OF FEE GUARANTY. The Fee Guaranty and Environmental Indemnity Agreement in substantially the form attached hereto as Exhibit D (the "Guaranty"), is hereby approved, confirmed and ratified and the Chairperson or Vice Chairperson are hereby authorized and directed to execute and deliver, and the Secretary or Assistant Secretary of the Authority or any other authorized officer are hereby authorized and directed to attest the Guaranty on behalf of and in the name of the Authority with such additional changes, insertions and omissions therein, and as may be otherwise made and approved by the said officers of the Authority executing the same, such execution to be conclusive evidence of such approval.

SECTION 7. APPROVAL AND AUTHORIZATION OF PRELIMINARY OFFICIAL STATEMENT AND FINAL OFFICIAL STATEMENT. The Authority hereby approves the form of the Preliminary Official Statement in substantially the form attached hereto as Exhibit E (the "Preliminary Official Statement"), and authorizes the use and distribution of said Preliminary Official Statement by the Underwriter in connection with the sale of the Bonds, and further authorizes the use and distribution of an Official Statement relating to the Bonds, each

with such revisions as shall hereafter be approved by the Chairperson or Vice Chairperson of the Authority in connection with the sale of the Bonds. The Chairperson, Vice Chairperson or Executive Director are hereby authorized to deem the Preliminary Official Statement final as of its date.

SECTION 8. APPROVAL AND AUTHORIZATION OF BOND PURCHASE AGREEMENT. The Bond Purchase Agreement (the "Bond Purchase Agreement") by and among the Authority, the Borrower and the Underwriter as presented at this meeting and attached hereto as Exhibit F, is hereby authorized and approved by the Authority, and the Chairperson, Vice Chairperson or any other member of the Authority is hereby authorized to execute and deliver the Bond Purchase Agreement, in the form presented at this meeting, together with such changes, modifications and deletions as they, with the advice of Bond Counsel and the counsel to the Authority, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Authority.

SECTION 9. APPOINTMENT OF TRUSTEE. With respect to the Bonds, U.S. Bank National Association, Ft. Lauderdale, Florida, is hereby appointed as Trustee.

SECTION 10. APPOINTMENT OF CREDIT UNDERWRITER. With respect to the Project, First Housing Development Corporation of Florida ("First Housing"), is hereby approved as credit underwriter.

SECTION 11. PRIOR RESOLUTIONS. All prior resolutions and motions of the Authority inconsistent with the provisions of this resolution are hereby modified, supplemented and amended to conform with the provisions herein contained and except as otherwise modified, supplemented and amended hereby shall remain in full force and effect.

SECTION 12. AUTHORITY FEE. The Authority has determined that it shall charge the Borrower (a) a financing fee in the amount equal to .20% of the maximum principal amount of the Bonds (\$34,000 assuming the issuance of \$17,000,000 principal amount), to be paid on or before the Delivery Date, and (ii) the annual program administration fee owed to the Authority by the Borrower, accruing from the Delivery Date, payable (a) in arrears in semiannual installments on each January 1 and July 1 commencing July 1, 2018, equal to .15% of the maximum principal amount of the Bond (\$12,750 assuming the issuance of \$17,000,000 principal amount) as issued on the Closing Date and (b) on the date the Loan is paid in full in an amount equal to any accrued and unpaid Authority Fee; provided, that such Authority Fee does not include amounts due, if any, for extraordinary services and expenses of the Authority; provided, further, that notwithstanding the foregoing, if the Loan has been paid prior to the end of the Qualified Project Period (as defined in the Land Use Restriction Agreement), the Authority Fee shall mean the Authority Fee (as defined in the Land Use Restriction Agreement).

SECTION 13. ALTERNATE SIGNATORIES. To the extent that the Chairperson, Vice Chairperson and/or Secretary of the Authority are unable for any reason to execute or deliver the documents referred to above, such documents may be executed, attested and/or delivered by any other member of the Authority, with the same effect as if executed and/or delivered by the Chairperson, Vice Chairperson or Secretary. In the absence of the Secretary, any Assistant Secretary of the Authority, shall be authorized to execute and deliver any documents relating to the Bonds.

SECTION 14. FURTHER ACTIONS. The Chairperson, Vice Chairperson and the Secretary or Assistant Secretary and all other members of the Authority are hereby authorized and directed to (a) execute any and all certifications or other instruments, agreements, assignments, endorsement or documents required by the Trust Indenture, the Agreements, the Bond Purchase Agreement, the Guaranty, the Official Statement, Bond Counsel or any other document referred to above as a prerequisite or precondition to the issuance of the Bonds or which may be necessary in connection with satisfying the Conditions to Disbursement under the Trust Indenture, and any representation made therein shall be deemed to be made on behalf of the Authority, and (b) to take all such actions as shall be necessary or advisable to carry out the transactions provided for in this Resolution. All action taken to date by the members of the Authority and the staff of the Authority in furtherance of the issuance of the Bonds is hereby approved, confirmed and ratified.

SECTION 15. CREDIT UNDERWRITING REPORT. A Credit Underwriting Report with respect to the Project will be requested by the Authority from First Housing. The Credit Underwriting Report will be subject to subsequent approval by the Authority prior to the disbursement of proceeds of the Bonds to the Borrower under the Trust Indenture and Loan Agreement, with any open or unresolved issues set forth in the Credit Underwriting Report as approved by the Authority constituting further disbursement release conditions which must be satisfied prior to the disbursement of proceeds of the Bonds to the Borrower under the Trust Indenture and Loan Agreement to the Authority's satisfaction (as evidenced by the acceptance of the initial Project Fund Requisition in the form attached to the Trust Indenture).

SECTION 16. SEVERABILITY. In case any one or more of the provisions of this Resolution, or of the documents entered into in connection with the issuance of the Bonds or any other agreements to which the Authority is a party and which have been approved by the Authority shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any of the other provisions thereof and said Bonds shall be construed and enforced as if such illegal or invalid provision or provisions had not been contained therein.

SECTION 17. HEADINGS NOT PART OF THIS RESOLUTION. Any headings preceding the texts of the several sections of this Resolution shall be solely for convenience of reference and shall not form a part of this Resolution, nor shall they affect its meaning, construction or effect.

SECTION 18. EFFECTIVE DATE. This resolution shall become effective immediately upon its adoption.

ADOPTED this 8th day of December, 2017.

**HOUSING FINANCE AUTHORITY OF PALM
BEACH COUNTY, FLORIDA**

(SEAL)

ATTEST:

By: _____
Vice Chairperson

Secretary

EXHIBIT A

FORM OF TRUST INDENTURE

EXHIBIT B

FORM OF LOAN AGREEMENT

EXHIBIT C

FORM OF LAND USE RESTRICTION AGREEMENT

EXHIBIT D

FORM OF FEE GUARANTY AND ENVIRONMENTAL INDEMNITY AGREEMENT

EXHIBIT E

FORM OF
PRELIMINARY OFFICIAL STATEMENT

EXHIBIT F
FORM OF
BOND PURCHASE AGREEMENT

Tab 3

VI. New Business - attachments

- a.** Consider subordination of LURA on “Azalea Place Apartments”
 - i. Resolution #R-2017-12 - w/o exhibits
- b.** Consider approval of new general partner – La Joya Villages, Series 2013 bond issue
 - i. No attachments

RESOLUTION NO R. 2017-12

A RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA, RELATING TO THE REDEMPTION AND REFINANCING OF THE AUTHORITY'S OUTSTANDING MULTIFAMILY HOUSING REVENUE BONDS SERIES 1999 A (AZALEA PLACE APARTMENTS PROJECT) (THE "SERIES 1999 A BONDS"); APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF AN AMENDMENT TO AMENDED AND RESTATED LAND USE RESTRICTION BY AND AMONG THE AUTHORITY AND PALM GROVE AFFORDABLE LLC ("PURCHASER"); APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN ASSIGNMENT AND ASSUMPTION OF AMENDED AND RESTATED LAND USE RESTRICTION AGREEMENT BY AND AMONG THE AUTHORITY, PURCHASER AND SP AZALEA PLACE LP ("SELLER"); AUTHORIZING THE PROPER OFFICERS OF THE AUTHORITY TO DO ALL THINGS NECESSARY OR ADVISABLE IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE FOR THIS RESOLUTION.

WHEREAS, the Board of County Commissioners of Palm Beach County, Florida (the "Board"), has heretofore enacted an ordinance, as amended, creating the Housing Finance Authority of Palm Beach County, Florida (the "Authority"), pursuant to the provisions of Part IV of Chapter 159, Florida Statutes, as amended and supplemented (the "Act"); and

WHEREAS, the Board has heretofore adopted a resolution declaring a need for the Authority to function in order to alleviate the shortage of housing and capital for investment in housing within Palm Beach County, Florida (the "County"); and

WHEREAS, the Authority, pursuant to the Act, previously issued its Multifamily Housing Revenue Bonds Series 1999 A (Azalea Place Apartments Project) (the "Series 1999 A Bonds") to make a loan to SP Azalea Place LP (the "Seller") to refinance the acquisition, construction and equipping of a 150 unit multifamily residential rental housing project now known as Lake Mangonia Apartments located at 2100 North Australian Avenue, West Palm Beach, Florida (the "Project"); and

WHEREAS, the Seller has advised the Authority that it intends to sell the Project to Palm Grove Affordable LLC (the "Purchaser"); and

WHEREAS, the Purchaser intends to cause the Series 1999 A Bonds to be redeemed with the proceeds of a conventional HUD Section 221(d)(4) loan (the "Refinancing") which will

significantly reduce the debt service on the Project, and in connection therewith has requested certain action from the Authority; and

WHEREAS, the Seller and the Purchaser have requested that the Authority (a) subordinate its rights under that certain Amended and Restated Land Use Restriction Agreement dated as of January 1, 2008 (the "Land Use Restriction Agreement") among the Authority, U.S. Bank Trust National Association, as Trustee (the "Trustee") and Seller to HUD and (b) consent to the transfer of the Project from the Seller to the Purchaser, in accordance with Section 16 of the Land Use Restriction Agreement; and

WHEREAS, the Authority has agreed to take such action as set forth herein.

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA:

Section 1: Recitals. The foregoing recitals stated above are hereby found by the Authority to be true and correct and incorporated into this Resolution.

Section 2: Approval and Execution of Amendment to Amended and Restated Land Use Restriction Agreement. The form of the Amendment to Amended and Restated Land Use Restriction Agreement presented at this meeting (and attached hereto as Exhibit "A") by and among the Authority and the Purchaser is hereby approved and adopted by the Authority, together with such changes, modifications and deletions as may be deemed necessary and appropriate. The Chairperson (or, in his absence, the Vice Chairperson or any other member of the Authority in the absence of the Vice Chairperson) is hereby authorized to execute and deliver on behalf of the Authority, and the Secretary (or, in his absence, any Assistant Secretary) of the Authority is authorized to affix the Seal of the Authority and attest to the execution of the Amendment to Amended and Restated Land Use Restriction Agreement in the form presented to this meeting together with such changes, modifications and deletions as the officer of the Authority executing the same may deem necessary and appropriate with the

advice of Bond Counsel and counsel to the Authority, such execution and delivery to be conclusive evidence of the approval and authorization thereof by the Authority.

Section 3: Approval and Execution of Assignment and Assumption of Amended and Restated Land Use Restriction Agreement. The form of the Assignment and Assumption of Amended and Restated Land Use Restriction Agreement presented at this meeting (and attached hereto as Exhibit "B") by and among the Authority, the Seller and the Purchaser is hereby approved and adopted by the Authority, together with such changes, modifications and deletions as may be deemed necessary and appropriate. The Chairperson (or, in his absence, the Vice Chairperson or any other member of the Authority in the absence of the Vice Chairperson) is hereby authorized to execute and deliver on behalf of the Authority, and the Secretary (or, in his absence, any Assistant Secretary) of the Authority is authorized to affix the Seal of the Authority and attest to the execution of the Assignment and Assumption of Amended and Restated Land Use Restriction Agreement in the form presented to this meeting together with such changes, modifications and deletions as the officer of the Authority executing the same may deem necessary and appropriate with the advice of Bond Counsel and counsel to the Authority, such execution and delivery to be conclusive evidence of the approval and authorization thereof by the Authority.

Section 4: No Other Rights Conferred. Except as herein otherwise expressly provided, nothing in this Resolution or in the agreements approved hereby, expressed or implied, is intended or shall be construed to confer upon any person or firm or corporation other than the Authority, the Seller, the Purchaser or HUD, any right, remedy or claim, legal or equitable, under and by reason of this Resolution or such agreements, or any other agreements to which the Authority is a party and which have been approved by the Authority or any provision thereof; this Resolution, such agreements and all of their respective provisions being intended to be and being for the sole and exclusive benefit of the Authority, the Purchaser, the Seller and HUD.

Section 5: Severability. In case any one or more of the provisions of this Resolution, or of agreements approved hereby or any other agreements to which the Authority is a party and which have been approved by the Authority, shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any of the other provisions of this Resolution or of such agreements.

Section 6: Further Actions; Effectiveness of Approval. The Chairperson, the Vice Chairperson, the Secretary of the Authority and the other members of the Authority, the Executive Director of the Authority, the Authority's general counsel or Bond Counsel, are hereby authorized and directed to do all acts and things required of them by the provisions of the this Resolution, the agreements herein approved or any other agreements to which the Authority is a party and which have been approved by the Authority. The approvals and authority contained in this Resolution shall be contingent upon and subject to (a) the closing of the refinancing and redemption of the Series 1999 A Bonds, and (b) the payment of the fees and expenses of the Authority, Bond Counsel and counsel to the Authority.

Section 7: Headings Not Part of this Resolution. Any headings preceding the texts of the several sections of this Resolution shall be solely for convenience of reference and shall not form a part of this Resolution, nor shall they affect its meaning, construction or effect.

Section 8: Resolution Effective. This Resolution shall take effect immediately upon its adoption.

[Remainder of page intentionally left blank]

ADOPTED this 8th day of December, 2017.

(SEAL)

**HOUSING FINANCE AUTHORITY OF
PALM BEACH COUNTY, FLORIDA**

ATTEST:

By: _____
Vice Chairperson

Secretary

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

By: _____
Name: Morris G. (Skip) Miller, Esq.
Title: Attorney

EXHIBITS TO RESOLUTION

Exhibit A - Form of Amendment to Amended and Restated Land Use Restriction Agreement

Exhibit B – Form of Assignment and Assumption of Amended and Restated Land Use Restriction Agreement