



Legislation Text

File #: 2018-243, Version: 1

TITLE

HOLD PUBLIC HEARING AND CONSIDER ADOPTION OF AMENDED RESOLUTION APPROVING FINANCING OF ACQUIRING CERTAIN MULITI-FAMILY AFFORDABLE HOUSING FACILITIES (AHF-BRENTWOOD CROSSING, LLC) WITH THE PROCEEDS OF NOT TO EXCEED \$124 MILLION IN MULTI-FAMILY HOUSING REVENUE BONDS TO BE ISSUED BY THE PUBLIC FINANCE AUTHORITY OF WISCONSIN

SPONSOR

Jeffrey Pooley Esq.,

BACKGROUND

During the Board's Commissioner's May 3, 2018 Board the County held a public hearing and and subsequently approved a resolution relating to tax-exempt bonds to purchase and redevelop low-income housing development located in High Point (Brentwood Crossing Apartments) in the amount of 22Million. Subsequent to that approval, the financing structure to acquire the developments was amended by Freddie Mac and the portion of the financing that was a direct loan was transitioned to the issuance of additional tax-exempt bonds. Therefore, the bond transaction was "upsized" and federal tax law requires a new public hearing/approval regarding the increased bond amount. As result of the expedited time frame we have asked that this item be added to the Board's June 21st Agenda. While the agenda item was not able to be submitted in time for inclusion in the Board's regular packet, proper notice of the public hearing was timely posted in the High Point Enterprise on June 7.

The Bonds will be limited obligations of the Authority payable solely from the loan repayment to be made by the Borrower to the Authority,
and certain funds and accounts established by the bond indenture for the Bonds.

BUDGET IMPACT

NO COUNTY DOLLARS REQUIRED AND NO COUNTY LIABILITY

RESOLUTION

A RESOLUTION

REGARDING THE ISSUANCE BY THE PUBLIC FINANCE AUTHORITY OF ITS MULTIFAMILY HOUSING REVENUE BONDS, IN ONE OR MORE SERIES, IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$124,000,000, FOR THE PURPOSE OF DEFRAYING THE COSTS OF ACQUIRING CERTAIN MULTI-FAMILY AFFORDABLE HOUSING FACILITIES LOCATED IN THE COUNTY; AND OTHER RELATED MATTERS.

WHEREAS, the Public Finance Authority (“Authority”), a State of Wisconsin bond issuing commission, acting by and through its Board of Directors, is authorized and empowered under and pursuant to the provisions of Sections 66.0301, 66.0303 and 66.0304 of the Wisconsin Statutes, as amended (“Act”), to issue bonds and enter into agreements with public or private entities for the purpose of financing capital improvements located within or without the State of Wisconsin and owned, sponsored or controlled by a participant, as defined in the Act;

WHEREAS, AHF-Brentwood Crossing, LLC, a Delaware limited liability company, of which Atlantic Housing Foundation, Inc., a South Carolina nonprofit corporation and organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (“Code”) (collectively, “Borrower”) has applied to the Authority to issue its Multifamily Housing Revenue Bonds (“Bonds”) in one or more series in an aggregate principal amount of \$124,000,000, of which approximately \$10,257,000 of the proceeds of the Bonds will be loaned to the Borrower to (i) finance the acquisition of an 135-unit, multi-family affordable housing development, known as Brentwood Crossing Apartments (“Project”), located at 308 Brentwood Street, High Point, North Carolina, 27260, and (ii) pay certain fees and costs associated with the issuance of the Bonds;

WHEREAS, the Project will be initially owned and operated by the Borrower;

WHEREAS, the Borrower anticipates that the Project will benefit Guilford County, North Carolina (“County”), generally and, in particular, by providing affordable, decent, safe, and sanitary housing for people from the County and surrounding areas;

WHEREAS, pursuant to Section 66.0304(11)(a) of the Wisconsin Statutes and Section 4 of the Amended and Restated Joint Exercise Power Agreement Relating to the Public Finance Authority dated as of September 28, 2010 (collectively, “Authority Requirements”) and Section 147(f) of the Code and Treasury Regulations Section 5f.103-2(f), as amended (collectively, “Federal Tax Requirements”), prior to the issuance of the Bonds by the Authority, and after a public hearing held following reasonable public notice, the Borrower has requested the Board of Commissioners of the County (the “Board”), as the highest elected representatives of the County, the governmental unit having jurisdiction over the area in which the Project is located,

to approve the Bonds;

WHEREAS, on this date, prior to any deliberations regarding this Resolution, the Board held a public hearing at which all interested persons have been given a reasonable opportunity to express their views on the location of the Project, the issuance of the Bonds and other related matters. The public hearing was duly noticed by publication, attached as Exhibit A, in a newspaper having general circulation in the County, not less than 15 days prior to the date hereof; and

WHEREAS, at the Borrower's request, the Board now desires to approve the Authority's issuance of the Bonds and the financing of the Project in order to satisfy the Authority Requirements and the Federal Tax Requirements.

NOW, THEREFORE, BE IT RESOLVED by the Board as follows:

Section 1. Based on information provided to the County by the Borrower, it is hereby found, determined and declared that (a) the Project is anticipated to benefit the general public welfare of the County by providing affordable, decent, safe and sanitary housing, and (b) the Project and the Bonds will give rise to no pecuniary liability of the County, or a charge against its general credit or taxing power.

Section 2. As required by and in accordance with the Authority Requirements and the Federal Tax Requirements, the Board, as the applicable elected representatives of the governmental unit having jurisdiction over the area in which the Project is located, approves the Project and the Authority's issuance of the Bonds to finance the costs of the Project.

Section 3. The Bonds shall in no way be an obligation or liability of the County and are special limited obligations of the Authority payable solely from the loan repayment to be made by the Borrower to the Authority and certain funds and accounts established by the Trust Indenture for the Bonds.

Section 4. The Board certifies that the undersigned Chairman is the person authorized and directed to execute such documents as may be necessary to evidence the County's approval granted under this Resolution.

Section 5. All orders and resolutions and parts thereof in conflict herewith are to the extent of such conflict hereby repealed, and this resolution shall take effect and be in full force and effect from and after its adoption.

REQUESTED ACTION

Adopt resolution approving the issuance of, but not to exceed, \$124,000,000 Million in to be issued by the Public Finance Authority of Wisconsin.