

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, RANKING THE RESPONSES TO THE CITY'S PUBLICATION OF A NOTICE THAT COMPETING PROPOSALS WOULD BE ACCEPTED FOR THE DEVELOPMENT OF A MIXED-USE, MIXED-INCOME PROJECT TO BE LOCATED ON A CITY OWNED PARCEL OF LAND BETWEEN FILLMORE AND POLK STREETS ALONG NORTH 21ST AVENUE IN RESPONSE TO THE RECEIPT OF AN UNSOLICITED PROPOSAL, AND AUTHORIZING THE APPROPRIATE CITY OFFICIALS TO EXECUTE AN INTERIM AGREEMENT AND NEGOTIATE A COMPREHENSIVE AGREEMENT WITH HOUSING TRUST GROUP, LLC AS THE HIGHEST-RANKED FIRM; AUTHORIZING THE APPROPRIATE CITY OFFICIALS TO EXECUTE LEASE AGREEMENTS WITH UNIVERSITY STATION I, LLC AND UNIVERSITY STATION II, LTD, AFFILIATES OF HOUSING TRUST GROUP, LLC, AND TO PROVIDE LOCAL GOVERNMENT AREA OF OPPORTUNITY FUNDING IN THE FORM OF A CASH LOAN IN AN AMOUNT NOT TO EXCEED \$783,250.00.

WHEREAS, on May 29, 2019, the City received an unsolicited proposal from Housing Trust Group, LLC ("HTG") along with a check in the amount of \$25,000.00, per Section 255.065, Florida Statutes, and Section 30.06 of the City Code of Ordinances, proposing to develop approximately 216 market rate and affordable rental housing units, up to 15,000 square feet of space to accommodate Barry University, up to 20,000 square feet of commercial/community space and a minimum of 370 parking spaces including 110 public spaces; and

WHEREAS, the City determined that HTG is proposing a qualifying project for a public-private partnership under the provisions of Section 255.065, Florida Statutes; and

WHEREAS, pursuant to Section 255.065(3)(b), Florida Statutes , the City published a Notice of Unsolicited Proposal for Public Private Partnership Opportunity for University Station Redevelopment, including a willingness to accept other proposals, in the Florida Administrative Register and a newspaper of general circulation on August 26 and September 3, 2019; and

WHEREAS, an alternative proposal was received by the City by 3:00 p.m. on September 18, 2019 from Pinnacle Communities, LLC (Pinnacle); and

WHEREAS, the City established an Evaluation Committee comprised of representatives from the Department of Development Services, Hollywood Community Redevelopment Agency, Office of Communications, Marketing and Economic Development, and Office of Procurement Services; and

WHEREAS, the Evaluation Committee met on September 24, 2019 to review the proposals, and unanimously elected to hear oral presentations from HTG and Pinnacle; and

WHEREAS, on October 7, 2019, after hearing the oral presentations, the Evaluation Committee was able to score the proposals based on specific evaluation criteria that included the qualifications and experience of the development team; overall development plan; financial plan; management plan; development timeframe; and financial benefit to the City; and

WHEREAS, the scoring of the Evaluation Committee resulted in the ranking of the two proposals as follows:

HTG	558 points
Pinnacle	526 points

; and

WHEREAS, the Evaluation Committee recommends that the City Commission accept the committee's ranking and authorize the appropriate City officials to negotiate a Comprehensive Agreement with HTG for the opportunity to develop a mixed use/mixed income project as well as to execute the attached Interim Agreement, Ground Lease Agreements and funding commitment before and in connection with the negotiation of a Comprehensive Agreement; and

WHEREAS, in accordance with Section 255.065(6), Florida Statutes, a responsible public entity is authorized to enter into an Interim Agreement with a private entity proposing the development or operation of a qualifying project, before or in connection with the negotiation of a comprehensive agreement, for purposes of authorizing the private entity to commence activities for which it can be compensated related to the proposed qualifying project, including but not limited to project planning and development, design, environmental analysis and mitigation, survey, other activities concerning any part of the proposed qualifying project, and ascertaining the availability of financing for the proposed facility or facilities, as well as purposes related to an aspect of the development or operation of a qualifying project that the responsible public entity and the private entity deem appropriate; and

WHEREAS, before and in connection with the negotiation of a Comprehensive Agreement, the CITY and HTG desire to commence activities related to the qualifying project and the Property, including but not limited to permission to enter upon the Property for purposes of conducting environmental analysis and mitigation, surveys, submission of any applications for potential financing, and other activities related to the development of the qualifying project; and

WHEREAS, the City and affiliates of HTG, University Station I, LLC and University Station II, LTD (collectively "University Station"), desire to enter into ground leases in which University Station I LLC and University Station II LTD will lease the City-owned properties generally located at 309 North 21st Avenue, 2031 Polk Street and 421 North 21st Avenue, for a term of 75 years, providing a capitalized lease payment to the City of \$3,000,000.00 for Phase I and \$1,500,000.00 for Phase II per the terms and conditions set forth in the attached agreements; and

WHEREAS, in a transaction directly related to the proposed lease of the Phase I development parcel by the City to University Station I, LLC, the City will provide to University Station I, LLC Local Government Area of Opportunity Funding should University Station I, LLC be awarded Federal Income Tax Credits under the Low Income Housing Tax Credit Program, as a cash loan contribution in an amount not to exceed \$783,250.00, to be repaid at 3% annual interest in a 30 year amortization schedule with a balloon payment on year 15; and

WHEREAS, it is expected that the Hollywood Community Redevelopment Agency will reimburse the City half the cost of this cash loan; and

WHEREAS, upon the lease of these properties, University Station seeks to develop a mixed use, mixed income project consisting in Phase I of approximately 108 affordable and market rate housing units, 340 parking spaces, and up to 19,000 square feet of commercial/community space; and in Phase II, 108 affordable and market rate housing units, 31 parking spaces and up to 16,000 square feet of commercial/community space, subject to a tax credit contingency consisting of: (i) an award from Florida Housing Finance Corporation in connection with Request For Applications No. 2019-114 (the "RFA") for Federal Income Tax Credits under the Low Income Housing Tax Credit Program in an amount sufficient, in the sole and absolute discretion of University Station, to enable University Station to lease the Property and construct its intended improvements on the Property, with all time to appeal such award having expired and with no appeal then pending and no appeal instituted or petition filed, and (ii) a binding commitment acceptable to University Station in its sole and absolute discretion for a syndication/sale of such Tax Credits to an investor; and

WHEREAS, the City and University Station acknowledge that if its applications for Low Income Housing Tax Credits under RFA 2019-114 are not successful, University Station will continue to seek funding through Florida Housing Finance Corporation in any and all appropriate subsequent RFA's through the term of the lease; and

WHEREAS, the lease agreement includes terms and conditions providing that if University Station I, LLC does not receive appropriate funding to commence and complete construction and provide proof of such to the City by June 30, 2021, the lease agreement will expire, and if University Station II, LTD does not receive appropriate funding to commence and complete construction and provide proof of such to the City by June 30, 2022, the lease agreement will expire; and

WHEREAS, funding for the cash loan contribution to University Station I, LLC will be provided for in the Fiscal Year 2020 budget as needed per the ground leases.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA:

Section 1: That the foregoing "WHEREAS" clauses are ratified and confirmed as being true and correct and are incorporated in this Resolution.

Section 2: That it approves the Evaluation Committee's ranking of HTG as the highest-ranked firm and authorizes negotiation of a Comprehensive Agreement with HTG.

Section 3: That it approves and authorizes the execution, by the appropriate City officials, of the attached interim agreement with HTG, LLC, together with such non-material changes as may be acceptable to the City Manager and approved as to form and legal sufficiency by the City Attorney.

Section 4: That is approves and authorizes the execution, by the appropriate City officials, of the attached ground lease agreement with University Station I, LLC, an affiliate of HTG, together with such non-material changes as may be acceptable to the City Manager and approved as to form and legal sufficiency by the City Attorney.

Section 5: That it approves and authorizes the execution, by the appropriate City officials, of the attached local government verification of contribution loan form for University Station I, LLC.

Section 6: That it approves and authorizes the execution, by the appropriate City officials, of the attached ground lease agreement with University Station II, LTD, an affiliate of HTG, together with such non-material changes as may be acceptable to the City Manager and approved as to form and legal sufficiency by the City Attorney.

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, RANKING THE RESPONSES TO THE CITY'S PUBLICATION OF A NOTICE THAT COMPETING PROPOSALS WOULD BE ACCEPTED FOR THE DEVELOPMENT OF A MIXED-USE, MIXED-INCOME PROJECT TO BE LOCATED ON A CITY OWNED PARCEL OF LAND BETWEEN FILLMORE AND POLK STREETS ALONG NORTH 21ST AVENUE IN RESPONSE TO THE RECEIPT OF AN UNSOLICITED PROPOSAL, AND AUTHORIZING THE APPROPRIATE CITY OFFICIALS TO EXECUTE AN INTERIM AGREEMENT AND NEGOTIATE A COMPREHENSIVE AGREEMENT WITH HOUSING TRUST GROUP, LLC AS THE HIGHEST-RANKED FIRM; AUTHORIZING THE APPROPRIATE CITY OFFICIALS TO EXECUTE LEASE AGREEMENTS WITH UNIVERSITY STATION I, LLC AND UNIVERSITY STATION II, LTD, AFFILIATES OF HOUSING TRUST GROUP, LLC, AND TO PROVIDE LOCAL GOVERNMENT AREA OF OPPORTUNITY FUNDING IN THE FORM OF A CASH LOAN IN AN AMOUNT NOT TO EXCEED \$783,250.00.

Section 7: That this Resolution shall be in full force and effect immediately upon its passage and adoption.

PASSED AND ADOPTED this _____ day of _____, 2019.

JOSH LEVY, MAYOR

ATTEST:

PATRICIA A. CERNY, MMC
CITY CLERK

APPROVED AS TO FORM AND LEGAL
SUFFICIENCY for the use and reliance
of the City of Hollywood, Florida, only

DOUGLAS R. GONZALES
CITY ATTORNEY