

STATEMENT OF BUDGET IMPACT
(Policy Number 94-45)
Budgetary Review of Proposed Resolution &
Ordinances with Financial Implication.

Date: October 30, 2019

File: BIS 20-022

File: TMP-2019-704

Proposed Legislation:

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.

Statement of Budget Impact:

1. No Budget Impact associated with this action;
2. Sufficient budgetary resources identified/available;
3. Budgetary resources not identified/unavailable;
4. Potential Revenue is possible with this action;
5. Will not increase the cost of Housing;
6. May increase the cost of Housing; (CDAB review required)

Explanation:

This Resolution ranks responses to the development of the University Station parcel. Housing Trust Group, LLC (HTG) also known as University Station I, LLC and University Station II, LTD has been ranked as the first proposer and have made an escrow deposit of \$25,000.

This Resolution seeks authorization to execute lease agreements with University Station to facilitate the development of City-owned property with a total lease amount of \$4,500,000. The finalization of the lease is dependent on the projects approval for Federal Tax Credit financing.

The lease agreement with University Station I, LLC is for a 75 year term with a one-time capital lease payment of \$3,000,000 payable by June 30, 2021 at the latest. Upon execution of this lease, University Station will make an additional escrow payment of \$25,000. If the project is

Page 2
BIS 20-022
TMP-2019-704

approved for Federal Tax Credit financing then an additional escrow deposit of \$150,000 will be due. The total escrow deposits of \$200,000 for this phase will be credited against the \$3,000,000 lease payment.

The lease agreement with University Station II, Ltd is for a 75 year term with a with a one-time capital lease payment of \$1,500,000 which is payable by June 30, 2022 at the latest. Upon execution of this lease, University Station II will make an escrow payment of \$25,000. If the project is approved for Federal Tax Credit financing then an additional escrow deposit of \$50,000 will be due. The total escrow deposits of \$75,000 for phase II will be credited against the \$1,500,000 lease payment.

If the project does not proceed then the City retains any escrow deposits made to date.

HTG on behalf of University Station I will apply for Federal Tax Credit financing through the Florida Housing Finance Corporation. Should the tax credit financing be granted, this resolution also authorizes the City to provide a cash loan to HTG in an amount not to exceed \$783,250 which is to be repaid at 3% annual interest in a 30 year amortization schedule with a balloon payment in year 15. Funding for the loan to HTG will be established upon approval of the Federal Tax Credit financing which will be brought back for Commission approval at a future date.

PREPARED BY: Neesha Bajere
Budget Officer

APPROVED BY: Laurette Jean
Director, Office of Budget & Performance Management