

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, AUTHORIZING THE APPROPRIATE CITY OFFICIALS TO EXECUTE AN INTERIM AGREEMENT WITH HOUSING TRUST GROUP, LLC FOR THE DEVELOPMENT OF A MIXED-USE, MIXED-INCOME PROJECT TO BE LOCATED ON THE CITY-OWNED PARCELS OF LAND BETWEEN FILLMORE AND POLK STREETS ALONG NORTH 21<sup>ST</sup> AVENUE; TO EXECUTE LEASE AGREEMENTS WITH UNIVERSITY STATION I, LLC AND UNIVERSITY STATION II, LTD, AFFILIATES OF HOUSING TRUST GROUP, LLC; PROVIDE LOCAL GOVERNMENT AREA OF OPPORTUNITY FUNDING IN THE FORM OF A CASH LOAN IN AN AMOUNT NOT TO EXCEED \$640,000.00.

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, per the City Code of Ordinances, proposing to develop a mixed use project consisting of 216 market rate and affordable rental housing units along with space to accommodate Barry University, public and private parking spaces, and 20,000 square feet of commercial/community space; and

WHEREAS, the City determined that HTG's proposal was for a qualified project under the provisions of Section 255.065, Florida Statutes, titled "Public-Private Partnerships," and published a notice of the City's willingness to accept competing proposals; and

WHEREAS, an alternative proposal was received on September 18, 2019 from Pinnacle Communities, LLC ("Pinnacle"), and an evaluation committee reviewed and ranked the proposals following oral presentations by both firms; and

WHEREAS, HTG was the highest scoring proposer, and an agenda item was prepared for the City Commission's consideration to award the opportunity to develop the mixed use/mixed income project to HTG; and

WHEREAS, on October 16, 2019, Pinnacle filed a complaint contesting the Intent to Award to HTG in the Circuit Court of Broward County, Florida, and the City Attorney subsequently advised the agenda item should be pulled; and

WHEREAS, on February 2, 2020, Pinnacle and the City entered into a Settlement Agreement of the matter, with the City agreeing to reopen the P3 Proposal process to the public allowing Pinnacle and HTG, along with any other interested

proposers, to submit proposals (a Best and Final Offer) during the reopened process; and

WHEREAS, on February 19, 2020 and February 26, 2020, the City published a new Notice of Unsolicited Proposal for Public Private Partnership Opportunity for University Station pursuant to the P3 statutory requirements; and

WHEREAS, on March 20, 2020, two proposals were received, one from HTG and the other from Pinnacle; and

WHEREAS, on April 16, 2020, an evaluation committee consisting of representatives from the Department of Development Services - Community Development and Planning Divisions, Hollywood Community Redevelopment Agency, Department of Design and Construction Management and the Office of Communications, Marketing & Economic Development, evaluated proposals based on the evaluation criteria of: Qualifications, Experience, Declarations and Development Team; Development Plan; Financial Plan; Management Plan; Development Timeframe; and Financial Benefit to the City; and

WHEREAS, on May 11, 2020, after hearing oral presentations from both firms, the evaluation committee members finalized their scoring, which resulted in the following ranking of the two proposals:

- |             |            |
|-------------|------------|
| 1. HTG      | 561 Points |
| 2. Pinnacle | 529 Points |

; and

WHEREAS, on July 1, 2020 the City Commission accepted the committee's ranking and awarded the P3 to HTG, authorizing the appropriate City officials to negotiate an agreement, including Ground Leases, with HTG for the opportunity to develop a mixed use/mixed income project on the approximately 2.5 acres of City-owned property; and

WHEREAS, Section 255.065(6), Florida Statutes, authorizes a responsible public entity 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 21<sup>st</sup> Avenue, 2031 Polk Street, and 421 North 21<sup>st</sup> Avenue for a term of 75 years, providing a capitalized lease payment to the City of \$3,000,000.00 for Phase I and either \$1,500,000.00 or \$3,000,000.00 for Phase II based on the financing achieved 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 \$640,000.00 to be repaid at 3% annual interest in a 30 year amortization schedule with a balloon payment on year 15; 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. 2020-202 (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 2020-202 are not successful, University Station will continue to seek funding through Florida Housing Finance Corporation in any and all appropriate subsequent RFAs through the term of the lease; and

WHEREAS, the lease agreement includes terms and conditions stating 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, 2022, 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, 2023, the lease agreement will expire; and

WHEREAS, funding for the cash loan to University Station I, LLC will be provided for as needed per the ground leases with specific sources to be determined based on availability.

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 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 3: 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 4: 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 5: 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.

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Section 6: That this Resolution shall be in full force and effect immediately upon its passage and adoption.

PASSED AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
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.

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DOUGLAS R. GONZALES  
CITY ATTORNEY