



City of Hollywood

Hollywood City Hall
2600 Hollywood Blvd
Hollywood, FL 33020
<http://www.hollywoodfl.org>

Legislation Text

File #: R-2024-253, **Version:** 1

A Resolution Of The City Commission Of The City Of Hollywood, Florida, Approving And Authorizing The Appropriate City Officials To Execute A Loan Agreement With HTG Paramount, LTD., Committing \$2,700,000.00 Of City Of Hollywood ILA Funds For The Acquisition Of 826 South Dixie Highway And 2115 Washington Street For The Development Of Affordable And Workforce Housing.

Quality of Life & Strong Neighborhoods

Staff Recommends: Approval of attached Resolution.

Explanation:

The City Commission requested staff explore acquiring the blighted properties located at 826 South Dixie Highway and 2115 Washington Street ("Subject Properties"). Housing Trust Group, through its affiliated HTG Paramount, LTD ("HTG"), had been seeking to acquire the properties for the development of an affordable and workforce housing project that will require public financing to be financially feasible. HTG desires to partner with the City to acquire the Subject Properties for the intended project and is requesting municipal funding through the September 2018 ILA for Affordable Housing for a loan in the amount of \$2,700,000.00.

HTG has negotiated a purchase price of \$3,600,000.00 for the Subject Property. The City's \$2,700,000.00 loan and HTG's commitment of the remaining \$900,000.00 will allow HTG to acquire the Subject Properties while HTG seeks to obtain the needed financing to construct the project.

The loan agreement with the City requires HTG to diligently pursue all reasonable efforts to achieve funding to develop affordable and workforce housing on the Subject Property within 3 years of closing of the loan. If this cannot be achieved, HTG has the option of paying off the loan with 1% annual interest or transferring ownership of the Subject Properties to the City for the difference between the City loan amount and the purchase price for the Subject Properties. The loan matures at 5 years after closing allowing HTG time to obtain and close on all necessary construction financing for the affordable/workforce housing project. The loan will be secured by a mortgage and promissory note to be recorded in the records of Broward County.

HTG intends to apply for tax credit financing for the development of the intended project through the Florida Housing Finance Corporation under RFA 2024-202. Under this RFA, Florida Housing expects to have an estimated \$25,366,110.00 of Housing Credits available for award to proposed developments. RFA 2024-202 utilizes a point system, with the highest-ranking eligible unfunded Priority 1 Application for a proposed Development located in Broward County that demonstrates that either (i) the Development is part of a Local Government Revitalization Plan; or (ii) that the proposed Development qualifies for the Local Government Areas of Opportunity Designation (LGAO). The loan agreement allows for \$640,000.00 of the \$2,700,000.00 loan to be used as the local government contribution to satisfy the requirements of the LGAO. The City's commitment will enhance HTG's application to secure funding.

Fiscal Impact:

Funding for this loan agreement is available in the FY 2024 Operating Budget in account number 116.160502.51900.592293.001247.000.000.

Recommended for inclusion on the agenda by:

Ryon Coote, Manager, Community Development Division Manager

Raelin Storey, Assistant City Manager