

## Board of County Commissioners Agenda Request

**Date of Meeting:** November 21, 2023

**Date Submitted:** October 25, 2023

**To:** Honorable Chair and Members of the Board

**From:** Edward Dixon, County Administrator  
Fran Jones, Director of Housing, Escambia County Housing Finance Authority  
Justin Stiell, Growth Management Director

**Subject:** Approval of Plan of Finance Resolution 2023-040 concerning financing of an affordable multifamily residential rental apartment by the Escambia County Housing Finance Authority

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### **Statement of Issue:**

This agenda item seeks Board approval of the Plan of Finance Resolution authorizing the Escambia County Housing Finance Authority (the “Escambia Authority”) to issue Multifamily Housing Revenue Bonds in the amount not to exceed \$8,000,000 to finance an affordable residential rental apartment project located in Gadsden County, Florida.

### **Background:**

On June 6, 2023, the Gadsden County Board of County Commissioners (the Board”) adopted Resolution 2023-016, in which the Board granted to the Escambia Authority area of operation authority, pursuant to Section 159.603, Florida Statutes, to operate within Gadsden County for the purpose of financing the costs of acquiring, upgrading, improving and beautification by Cross Creek Gardens at Quincy, LLC (the “Borrower”) of a new construction multifamily rental housing facility presently containing 36 units to be known as Cross Creek Gardens at Quincy, located on 6.4 acres of currently vacant land 1,500 feet west of the intersection of Pat Thomas Parkway and South Springs Road in the City of Quincy, Gadsden County, Florida (the “Apartments”), to provide rental housing facilities for persons of low, very low, middle, and moderate-income.

The Escambia Authority has informed Gadsden County that the Borrower has submitted an application requesting the Escambia Authority to consider issuance of up to \$8,000,000 of tax-exempt multi-family housing revenue bonds for the acquisition and construction of the Apartments. The tax-exempt bond financing will allow the Borrower to acquire and make improvements to the Apartments totaling approximately \$222,222 per unit.

On October 27, 2023, a notice of a Tax Equity and Fiscal Responsibility (TEFRA) Public Hearing was published in the *Tallahassee Democrat* advising the citizens of the holding of a hearing at the Gadsden County Commission Chambers on November 7, 2023 at 3:00 p.m. The Public Hearing

was held by the Escambia Authority, and their report of the proceedings at the hearing is attached to the Plan of Finance Resolution.

**Analysis:**

The long-standing partnership with the Escambia Authority has continually provided access to mortgage financing and down payment/closing cost assistance for eligible first-time homebuyers in Gadsden County at no cost to Gadsden County and an acquisition and rehabilitation of Flint Garden Apartments. Approval of the Plan of Finance Resolution will extend this partnership to allow the Escambia Authority to finance the acquisition and construction of an affordable multifamily residential rental project for the benefit of the citizens and residents of the County.

**Fiscal Impact:**

There is no fiscal impact on Gadsden County. All costs related to the project are paid by the Company at no cost to Gadsden County. The Bonds are to be obligations of the Escambia Authority and will not be a debt, liability, or obligation of or pledge of the faith and credit of Gadsden County.

**Options:**

1. Approve the 2023 Plan of Finance Resolution authorizing the Escambia Authority to issue multifamily revenue bonds in an amount not to exceed \$8,000,000 for the purpose of financing the acquisition and construction of the Apartments and authorize the Chair to execute the Resolution.
2. Do not approve.
3. Board direction.

**County Administrator's Recommendation**

Option 1.

**Attachment(s):**

1. Resolution 2023-040

**RESOLUTION NO. 2023-040**

**A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF GADSDEN COUNTY, FLORIDA, APPROVING THE ISSUANCE BY THE ESCAMBIA COUNTY HOUSING FINANCE AUTHORITY OF ITS NOT TO EXCEED \$8,000,000 MULTI-FAMILY HOUSING REVENUE BONDS (CROSS CREEK GARDENS AT QUINCY) FOR THE BENEFIT OF CROSS CREEK GARDENS AT QUINCY LLC, A FLORIDA LIMITED LIABILITY COMPANY, OR ITS AFFILIATE, TO PROVIDE FUNDS TO FINANCE OR REFINANCE A MULTIFAMILY RESIDENTIAL RENTAL PROJECT; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the Escambia County Housing Finance Authority (the "Authority") is a public body corporate and politic, duly organized and existing under the provisions of Chapter 159, Part IV, Florida Statutes, as amended and supplemented; and

**WHEREAS**, pursuant to a resolution duly adopted by the Gadsden County Board of County Commissioners on June 6, 2023, the Authority has been granted "area of operation" authority within Gadsden County with respect to the financing of the acquisition and construction of Cross Creek Gardens at Quincy, a multifamily residential rental facility development located in Quincy, Florida; and

**WHEREAS**, Cross Creek Gardens at Quincy LLC, a Florida limited liability company, or one of its affiliates (the "Borrower"), has requested the Authority to issue its not to exceed \$8,000,000 Multifamily Housing Revenue Bonds (the "Bonds"), the proceeds of which would be used to pay or reimburse the Borrower for the cost of acquiring, constructing, and equipping of a multifamily residential rental apartment project known as Cross Creek Gardens at Quincy which will consist of approximately 36 residential units, to be occupied by persons of very low, low and moderate income, located on 6.4 acres of currently vacant land 1,500 feet west of the intersection of Pat Thomas Parkway and South Springs Road in the City of Quincy, Gadsden County, Florida (the "Project"); and

**WHEREAS**, Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), requires approval of the issuance of the Bonds by the Board of County Commissioners of Gadsden County, Florida (the "Board"), as the "applicable elected representative" under Section 147(f) after a public hearing following reasonable public notice; and

**WHEREAS**, pursuant to the requirements of the Code, a public hearing was scheduled for November 7, 2023, at 3:00 p.m., and notice of such hearing was given in the form and in the manner required by the Code; and

**WHEREAS**, the Authority, on behalf of the Board, has conducted the public hearing and provided reasonable opportunity for all interested persons to express their views, both orally and

in writing, and diligently and conscientiously considered all comments and concerns expressed by such individuals, if any; and

**WHEREAS**, said public hearing disclosed no reason why the Bonds should not be issued, and the Authority has presented the Board with a report of such public hearing (the "Report"), a copy of which is attached hereto as Exhibit "A,"

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF GADSDEN COUNTY, FLORIDA**

**Section 1.** The Board hereby approves the form and the manner of publication of the Notice of Public Hearing (the "Notice") published in a newspaper of general circulation in the jurisdiction of the Board on a date not less than seven (7) days prior to the hearing date. A certified affidavit establishing proof of proper publication of the Notice is attached to the Report. The Board hereby approves the Report and accepts the same into the record.

**Section 2.** The Board, pursuant to, and in accordance with, the requirements set forth in Section 147(f) of the Code, hereby approves the issuance of not to exceed \$8,000,000 principal amount of the Bonds by the Authority, in one or more series at one or more times.

**Section 3.** The Bonds shall not constitute a debt, liability or obligation of the County, the State of Florida (the "State") or any political subdivision or agency thereof other than the Authority, or a pledge of the faith and credit of the Authority, the County, the State or of any political subdivision or agency thereof, and neither the Authority, the County, the State nor any political subdivision or agency thereof will be liable on the Bonds, nor will the Bonds be payable out of any funds other than those pledged and assigned under the Indentures and the Loan Agreements.

**Section 4.** The approval given herein is solely for the purpose of satisfying the requirements of Section 147(f) of the Code and shall not be construed as an approval of any necessary rezoning application or any regulatory permits required in connection with the issuance of the Bonds or the construction of the Project, and this Board shall not be construed by virtue of its adoption of this Resolution to have waived, or be estopped from asserting, any rights or responsibilities it may have in that regard.

**Section 5.** The approval given herein is solely for the purpose of approving the project, the plan of finance, and the bonds herein described.

**Section 6.** This resolution shall take effect immediately upon its adoption this 7th day of November, 2023.

**BOARD OF COUNTY COMMISSIONERS  
GADSDEN COUNTY, FLORIDA**

By: \_\_\_\_\_  
Kimblin E. NeSmith, J.D.  
Chairman

ATTEST:

CLERK OF THE CIRCUIT COURT  
GADSDEN COUNTY, FLORIDA

Date Executed

\_\_\_\_\_

By: \_\_\_\_\_  
Nicholas Thomas  
County Clerk

(SEAL)

Approved as to form:

GADSDEN COUNTY ATTORNEY'S OFFICE:

By: \_\_\_\_\_  
Clayton Knowles  
County Attorney

**EXHIBIT A****REPORT OF HEARING OFFICER**

This instrument shall constitute the official report of the undersigned official of the Escambia County Housing Finance Authority (the "Authority"), a body corporate and politic organized and existing under the provisions of Chapter 159, Part IV, Florida Statutes, Escambia County, Florida Ordinance Nos. 80-12 and 2003-8, as amended, and other provisions of law, with respect to a public hearing scheduled and held by the Authority on November 7, 2023 for the proposed issuance and sale from time to time of the Authority's not to exceed \$8,000,000 Multifamily Housing Revenue Bonds (Cross Creek Gardens at Quincy (the "Bonds")). The proposed Bonds will be issued on behalf of Cross Creek Gardens at Quincy, LLC, a Florida limited liability company, or one of its affiliates (the "Borrower"). The proceeds of the Loan are expected to be loaned to the Borrower to finance or refinance the costs of acquiring, constructing, and equipping by the Borrower of a multifamily rental housing facility that will contain approximately 36 units known as Cross Creek Gardens at Quincy, located on 6.4 acres of currently vacant land 1,500 feet west of the intersection of Pat Thomas Parkway and South Springs Road in the City of Quincy, Gadsden County, Florida (the "Project")

The public hearing was duly advertised in *Tallahassee Democrat* on October 27, 2023, a newspaper of general circulation in Gadsden County, Florida. The proof of publication was presented to me at such hearing, and a copy is attached hereto as **Appendix A-1** (the "Notice") and the verbatim transcript of the Public Hearing as **Appendix A-2**.

The hearing commenced at the time and location stated in the Notice. At such hearing, interested individuals were afforded reasonable opportunity to express their views, both orally and in writing, on all matters pertaining to the plan of finance and the financing of the Project. Information about the proposed Bonds, the location of the Project and the Borrower, and the proposed use of the proceeds were presented. When the information had been presented, an opportunity was given for members of the public in attendance to give their input.

**Rory Neubrandner, a representative of the Borrower, was present at the hearing; however, no members of the public were present at the public hearing.**

**No written communications were received.**

**The undersigned then concluded the hearing.**

Respectfully submitted,

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Lisa Bernau, Executive Director  
Escambia County Housing Finance Authority

**STATE OF FLORIDA  
COUNTY OF ESCAMBIA**

I, Francine Jones, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Lisa Bernau, Executive Director of the Escambia County Housing Finance Authority, who is personally known to me, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that she, being thereunto duly authorized, signed and delivered the said instrument as the free and voluntary act of said Authority for the uses and purposes therein set forth.

IN WITNESS WHEREOF, under my hand and notarial seal this 7th day of November 2023.

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My Commission #: HH 134771  
My Commission Expires: July 13, 2025

**Appendix A-1**

**Notice**

[Follows]



**Appendix A-2**

**Transcript**

[Follows]

## APPENDIX A-2

**TEFRA HEARING PROCEDURES**

**LISA N. BERNAU:** I am Lisa N. Bernau, the Executive Director of the Escambia County Housing Finance Authority, and I will be the hearing officer on behalf of the Authority. This public hearing is being held on Tuesday, November 7, 2023 at 3:00 p.m., in connection with a plan of finance for the issuance of conduit bonds in Gadsden County. This is a public hearing held by the Escambia County Housing Finance Authority as required under the federal tax laws for the purpose of issuing tax-exempt bonds for the purpose more fully described during this hearing. This hearing provides an opportunity for the public to make comments and have input on the proposed issuance from time to time of Multi-family Housing Revenue Bonds by the Escambia County Housing Finance Authority. The Authority will be the issuer of the bonds. Ms. Jones, would you state the date of publication for the Notice of Public Hearing?

**FRAN JONES:** The Notice of Public Hearing was published in the *Tallahassee Democrat Times* on October 27, 2023.

**LISA N. BERNAU:** Thank you very much. The respective Notice of Public Hearing and Proof of Publication are accepted into the record. Now we will have the reading of the notice.

**FRAN JONES:** Notice of Public Hearing. For the purpose of Section 147(f) of the Internal Revenue Code of 1986, as amended, notice is hereby given that the Escambia County Housing Finance Authority (the "Authority"), for and on behalf of the Board of County Commissioners of Gadsden County, Florida, will hold a public hearing at 3:00 p.m. on Tuesday, November 7, 2023, in the City of Quincy, Edward J. Butler Governmental Complex located at 9-B East Jefferson Street, Quincy, FL 32353, to consider a plan of finance for the issuance of bonds for the following purpose:

The Authority purposes to issue, proposes to issue not exceeding \$8,000,000 in aggregate principal amount of its revenue bonds (the "Bonds"), in one or more installments or series and loan the proceeds of such Bonds to Cross Creek Gardens at Quincy LLC, a Florida limited liability company, whose principal place of business is 510 24th Street, Suite A, West Palm Beach, FL 33407, or its affiliate (the "Borrower") for the purpose of financing or refinancing the costs of acquiring, constructing and equipping by the Borrower of a multifamily rental housing facility presently containing 36 units known as Cross Creek Gardens of Quincy, located on 6.4 acres of currently vacant land 1,500 feet west of the intersection of Pat Thomas Parkway and South Springs Road in the City of Quincy, Gadsden County, Florida (the "Project"), to provide rental housing facilities for persons of low, very low, middle, and moderate income. The Project will be owned and operated by the Borrower.

The Bonds will be issued, the Bonds when issued, will be special, limited obligations of the Authority payable solely out of the revenues derived from a financing agreement with the

Borrower. The Bonds and interest thereon shall never pledge the taxing power, or constitute the debt or indebtedness of Gadsden County, Florida, the Authority, Escambia County, Florida, the State or any other political subdivision, public agency or municipality thereof within the meaning of any constitutional or statutory prohibition. The Authority has no taxing power.

At the time and place fixed for said public hearing all who appear will be given an opportunity to express their views for or against the proposal to approve said Bonds and the plan of finance, including the Project listed above. Prior to said public hearing, written comments may be delivered to County Administrator, Gadsden County Edward J. Butler Governmental Complex, 9-B East Jefferson Street, Quincy, FL 32351. All persons are advised that, if they decide to appeal any decision made by the Authority with respect to any matter considered at this meeting, they will need a record of the proceedings, and for such purpose, they may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. All interested persons are invited to present their comments at the time and place set forth above.

The Authority will thereafter submit its public hearing report concerning this public hearing to the Board of County Commissioners, Escambia County, Florida, for issuer approval as the applicable elected representative for the issuance of the Bonds.

Pursuant to the Americans with Disabilities Act, persons needing special accommodation to attend the hearing must contact the City at (850) 663-4046 at least five (5) business days prior to the hearing.

Gadsden County, Florida  
 Legal No. \_\_\_\_\_  
 October 27, 2023

**LISA N. BERNAU:** What amount of Bonds will be issued for the project?

**FRAN JONES:** In Gadsden County, the bond amount will not exceed \$8 million.

**LISA N. BERNAU:** Where will the proceeds of these bonds be used?

**FRAN JONES:** The proceeds of these bonds will be used in Gadsden County, Florida as described in the Notice of Public Hearing. In general, the proceeds will be used as follows:

The bonds will be used to acquire, construct and equip a 36 unit multi-family residential rental housing facility for low and moderate income families to be known as Cross Creek Gardens at Quincy.

**LISA N. BERNAU:** What is the public purpose of these bonds?

**FRAN JONES:** Through the program to be financed with the Bonds, the Authority will improve the prosperity and welfare of the State of Florida and its inhabitants by encouraging the development and preservation of affordable, decent, safe, and sanitary housing.

**LISA N. BERNAU:** Are there any questions from the public concerning the Escambia County Bond issue? Ms. Jones, has the Authority received any oral or written communication concerning the Escambia County Bond issue?

**FRAN JONES:** No, it has not.

**LISA N. BERNAU:** Having established a public purpose and use of the bond proceeds and there being no further questions from the public, I deem this hearing to be final and closed with a note that this hearing was electronically recorded, and transcripts will be made available to anyone of interest. There being no further comments, this public hearing is closed at \_\_:\_\_ p.m. Thank you.