

CITY OF HIGH POINT

AGENDA ITEM



Title: Multifamily Housing Revenue Bonds for Daniel Brooks Phase 1

From: Eric Olmedo, Assistant City Manager

Meeting Date: May 16, 2022

Public Hearing: No

Advertising Date /
Advertised By: N/A-

Attachments: Resolution
Summary of Public Hearing

PURPOSE:

Consider approval of a revised not to exceed amount for the High Point Housing Authority for Daniel Brooks Phase I

BACKGROUND:

City Council approved the proposed issuance by the Housing Authority of the City of High Point (the “Authority”) of not to exceed \$11,000,000 in multifamily housing revenue bonds (the “Bonds”) for Daniel Brooks Phase I on November 2, 2020. Due to increased cost of construction the Authority is requesting an increase in the not to exceed amount from \$11,000,000 to \$14,000,000.

Federal tax law requires that tax-exempt bonds issued to finance affordable housing be approved by the elected legislative body of the governmental unit that (a) controls the issuer of the bonds, and (b) has jurisdiction over the area in which the facility is to be located after a public hearing (Internal Revenue Code Section 147(f)). The City Council appoints the commissioners of the Authority under NCGS § 157-34, and the proposed facility is within the jurisdiction of the City. The Authority, at the request of Daniel Brooks Phase I, LLC (the “Company”), proposes to issue the Bonds to finance the acquisition by ground lease of the existing housing development known as Daniel Brooks Homes, which have been demolished, and the construction and equipping of a new 100-unit affordable housing complex (the “Development”) on the property. The Authority and the Company have requested the City to approve the issuance of the Bonds for purposes of Section 147(f) of the Code.

On May 12, 2022 the Authority held a public hearing regarding the with respect to the issuance of the Bonds to finance the development. The Certificate and Summary of the public hearing are attached. (will be sent after meeting)

BUDGET IMPACT:

There is no direct budget impact by approving this resolution.

RECOMMENDATION / ACTIONS REQUESTED:

City Council is requested to adopt a resolution approving, for purposes of meeting the requirements of the Internal Revenue Code of 1986, as amended, the issuance by the Housing Authority of the City of High Point in an aggregate amount of not to exceed \$14,000,000 of Multifamily Housing Revenue Bonds for Daniel Brooks Phase I.

RESOLUTION PROVIDING APPROVAL OF A MULTIFAMILY HOUSING FACILITY KNOWN AS DANIEL BROOKS PHASE I IN THE CITY OF HIGH POINT, NORTH CAROLINA AND THE FINANCING THEREOF WITH MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE AMOUNT NOT TO EXCEED \$14,000,000

WHEREAS, the City Council (the “City Council”) of the City of High Point (the “City”) met in High Point, North Carolina at 5:30 p.m. on the 16th day of May, 2022; and

WHEREAS, the Housing Authority of the City of High Point (the “Authority”) has agreed to assist Daniel Brooks Phase I, LLC, a North Carolina limited liability company, or an affiliated or related entity (the “Company”), in the financing of the acquisition by ground lease of the existing housing development known as Daniel Brooks Homes located at 1407 West Avenue in the City of High Point, North Carolina, which will be demolished, and the construction and equipping of a new 100-unit affordable housing complex (the “Development”) on the subject property, through the issuance of its multifamily housing revenue bonds in an aggregate principal amount not to exceed \$14,000,000 (the “Bonds”); and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), requires that any tax-exempt bonds issued by the Authority for the Development may only be issued after approval of the plan of financing by the City Council of the City after a public hearing with respect to such plan; and

WHEREAS, on May 12, 2022, the Authority held a public hearing with respect to the issuance of the Bonds to finance, in part, the Development (as evidenced by the Certificate and Summary of Public Hearing attached hereto) and has requested the City Council to approve the issuance of the Bonds as required by the Code; and

WHEREAS, the City Council has determined that its approval of the issuance of the Bonds is solely to satisfy the requirement of Section 147(f) of the Code and shall in no event constitute an endorsement of the Bonds or the Development, nor shall such approval in any event be construed to obligate the City for the payment of the principal of, premium or interest on the Bonds or for the performance of any pledge, mortgage or obligation or agreement of any kind whatsoever which may be undertaken by the Authority or the Company, or to constitute the Bonds or any of the agreements or obligations of the Authority an indebtedness of the City, within the meaning of any constitutional or statutory provision whatsoever.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HIGH POINT:

1. The proposed low and moderate income housing development consisting of the acquisition, construction and equipping of the Development described above in the City by the Company and the issuance of the Authority’s multifamily housing revenue bonds therefor in an amount not to exceed \$14,000,000 are hereby approved for purposes of Section 147(f) of the Code.
2. This resolution shall take effect immediately upon its passage.

Council member _____ moved the passage of the foregoing resolution and Council member _____ seconded the motion, and the resolution was passed by the following vote:

Ayes: Council members _____

Nays: _____

Not voting: _____

* * * * *

CERTIFICATION

I, Lisa B. Vierling, City Clerk of the City of High Point, North Carolina, DO HEREBY CERTIFY that the foregoing is a true and exact copy of a Resolution adopted by the City Council for the City of High Point, North Carolina, in regular session convened on May 16, 2022, the reference having been in Minute Book _____, and recorded in full in Resolution Book _____ Pages _____.

WITNESS my hand and the corporate seal of the City of High Point, North Carolina, this the ____ day of May, 2022.

City Clerk

(SEAL)

Exhibit A

Certificate and Summary of Public Hearing

(Attached)