

**SEMINOLE COUNTY GOVERNMENT
AGENDA MEMORANDUM**

SUBJECT: Issuance of Homeowner Revenue Bonds, Single Family Revenue Bonds
and the Draw Down Bonds Series

DEPARTMENT: Fiscal Services **DIVISION:** Administration

AUTHORIZED BY: Lisa H. Spriggs  **CONTACT:** _____ **EXT.** 7172

| |
|---|
| Agenda Date <u>11/18/03</u> Regular <input type="checkbox"/> Consent <input checked="" type="checkbox"/> Work Session <input type="checkbox"/> Briefing <input type="checkbox"/> |
| Public Hearing – 1:30 <input type="checkbox"/> Public Hearing – 7:00 <input type="checkbox"/> |

MOTION/RECOMMENDATION:

Approve and authorize Chairman to execute Resolution for the issuance of Homeowner Revenue Bonds and of Single Family Revenue Bonds, Draw Down Series, by the Orange County Housing Finance Authority on behalf of Seminole County.

BACKGROUND:

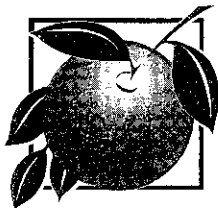
The Orange County Housing Finance Authority has approved a plan of financing for which the authority will authorize the issuance of its Homeowner Revenue Bonds in one or more series in an aggregate principal amount not to exceed \$60,000,000 and its Single Family Mortgage Revenue Bonds, Draw Down Bonds Series, in one or more series in an aggregate principal amount not to exceed \$250,000,000, and together with the Homeowner Bonds, to assist in the financing purchases by individual first-time homeowners of new or existing owner-occupied single family residences located within Orange, Lake, Osceola, and Seminole Counties and/or to refund indebtedness incurred for such purposes.

A TEFRA public hearing for the issuance of its Homeowner Revenue Bonds for Seminole County was held on Monday, November 3, 2003 at the Seminole County Services Building. The purpose of the hearing was to receive public comments regarding the issuance of the Single-Family Homeowner Revenue Bonds. Comments made during the TEFRA hearing are attached for the Boards' consideration.

This request will provide authorization for the OCHFA to continue issuing Homeowner Revenue Bonds throughout calendar year 2004. The current authorization expires in December 2003. The annual Bond Volume Cap allocation becomes available on January 2, 2004.

This bond issue does not constitute a legal obligation for Seminole County.

| |
|------------------------|
| Reviewed by: |
| Co Atty: _____ |
| DFS: _____ |
| Other: _____ |
| DCM: <u>SS</u> |
| CM: <u>LS</u> |
| File No. <u>CFSA01</u> |



ORANGE COUNTY
HOUSING FINANCE AUTHORITY

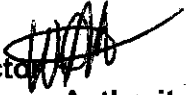
2211 EAST HILLCREST STREET ORLANDO, FLORIDA 32803
TELEPHONE: 407-894-0014 FAX: 407-897-6679

AGENDA ITEM

W.D. Morris
Executive Director

MEMORANDUM

TO: Ms. Lisa Spriggs, Director
Fiscal Services Department

FROM: W. D. Morris, Executive Director 
Orange County Housing Finance Authority

CONTACT: Anthony C. Burrell,
Director, Single Family Programs OCHFA

DATE: October 27, 2003

SUBJECT: SEMINOLE COUNTY BOARD OF COUNTY COMMISSIONERS MEETING
TUESDAY, NOVEMBER 18, 2003

**APPROVAL AND EXECUTION OF THE AUTHORIZING RESOLUTION TO RATIFY
ISSUANCE BY THE ORANGE COUNTY HOUSING FINANCE AUTHORITY OF THE
HOMEOWNER REVENUE BONDS AND SINGLE FAMILY MORTGAGE REVENUE
BONDS, DRAW DOWN SERIES ON BEHALF OF SEMINOLE COUNTY**

The Orange County Housing Finance Authority has heretofore approved a plan of financing pursuant to which the Authority will authorize the issuance of its Homeowner Revenue Bonds in one or more series in an aggregate principal amount not to exceed \$60,000,000 (the "Homeowner Bonds") and its Single Family Mortgage Revenue Bonds, Draw Down Series, in one or more series in an aggregate principal amount not to exceed \$250,000,000 (the "Draw Down Bonds", and together with the Homeowner Bonds, (the "Bonds") to assist in the financing of purchases by individual first-time homeowners of new or existing owner-occupied single family residences situated within Orange, Lake, Osceola, and Seminole Counties (the "Counties") and/or to refund indebtedness incurred for such purposes (the "Program").

A "TEFRA" public hearing for the issuance of its Homeowner Revenue Bonds for Seminole County will be held on Monday, November 3, 2003 at the Seminole County Services Building at 9:00 AM, Room #3026. The purpose of the hearing is to provide opportunity for public comments regarding the issuance of Homeowner Revenue and Single-Family Mortgage Revenue Bonds. Comments made during the TEFRA hearing, if any, will be provided prior to the Boards' meeting on Tuesday, November 18, 2003.

This request will provide authorization for the OCHFA to continue issuing Homeowner Revenue Bonds throughout calendar year 2004. The current authorization expires in December 2003. The annual Bond Volume Cap allocation becomes available on January 2, 2004.

Enclosed for your information is a description of the Draw Down Bond Instrument. The Draw Down Bonds are used by the Authority to preserve Single Family Mortgage Revenue Bonds capacity. The Authority uses the Draw Down Bonds as a planning and financing tool.

Board of Directors: J. Thomas Cardwell, Jr., *Chairman* David A. Johnston, *Vice-Chairman*
 Ann Brown-Harris Anna D. Diaz Jeffery A. Stueve

The Orange County Housing Finance Authority hereby submits a package for your review and subsequent consideration by the Board of County Commissioners at its meeting on **Tuesday, November 18, 2003**.

Following are the enclosed documents:

1. Authorizing Resolution for the Issuance of **Homeowner Revenue Bonds** and **Single-Family Mortgage Revenue Bonds, Draw Down Series** on behalf of Seminole County.
2. "TEFRA" Public Hearing Notice for Seminole County.
3. A brief description of the Draw Down Bonds Instrument.

ACTION REQUESTED:

APPROVAL TO RATIFY ISSUANCE BY THE ORANGE COUNTY HOUSING FINANCE AUTHORITY THE HOMEOWNER REVENUE BONDS AND SINGLE-FAMILY MORTGAGE REVENUE BONDS, DRAW DOWN SERIES ON BEHALF OF SEMINOLE COUNTY.

NOTE TO CLERK TO THE BOARD OF COUNTY COMMISSIONERS:

Please return one (1) copy of the approved memo and TWO (2) originals of the executed and sealed Authorizing Resolution on behalf of Seminole County to:

**W. D. Morris, Executive Director
Orange County Housing Finance Authority
2211 East Hillcrest Street
Orlando, Florida 32803.**

WDM/ab
Attachments

RESOLUTION NO. 2003-R-___

A RESOLUTION APPROVING THE ISSUANCE OF CERTAIN HOMEOWNER REVENUE BONDS IN ONE OR MORE SERIES AND SINGLE FAMILY MORTGAGE REVENUE BONDS, DRAW DOWN SERIES IN ONE OR MORE SERIES TO BE ISSUED BY THE ORANGE COUNTY HOUSING FINANCE AUTHORITY FOR THE PURPOSE OF ASSISTING IN THE FINANCING OF PURCHASES BY INDIVIDUAL FIRST-TIME HOMEOWNERS OF NEW OR EXISTING OWNER-OCCUPIED SINGLE FAMILY RESIDENCES SITUATED WITHIN ORANGE, SEMINOLE, OSCEOLA AND LAKE COUNTIES AND/OR TO REFUND INDEBTEDNESS INCURRED FOR SUCH PURPOSE

WHEREAS, the Tax Equity and Fiscal Responsibility Act of 1982 (“TEFRA”) has created a requirement that all industrial development bonds issued after December 31, 1982, for the purpose of financing the purchase of single family residences require approval by the issuer of the bonds, and each governmental unit having jurisdiction over the area in which the residences are located; and

WHEREAS, such approval is to be given after a public hearing for which reasonable notice has been given; and

WHEREAS, the Orange County Housing Finance Authority (the “Authority”) has approved a plan of financing involving the issuance of its Homeowner Revenue Bonds in one or more series in an aggregate principal amount not to exceed \$60,000,000 (the “Homeowner Bonds”) and its Single Family Mortgage Revenue Bonds, Draw Down Series, in one or more series in an aggregate principal amount not to exceed \$250,000,000 (the “Draw Down Bonds”, and together with the Homeowner Bonds, the “Bonds”) to assist in the financing of purchases by individual first-time homeowners of new or existing owner-occupied single family residences situated within Orange, Seminole, Osceola and Lake Counties (the “Counties”) and/or to refund indebtedness incurred for such purposes (the “Program”); and

WHEREAS, a public hearing was held on Monday, November 3, 2003, with regard to financing the Program, a copy of the notice for which is attached hereto and incorporated herein; and

WHEREAS, the Authority has presented the issue of the Homeowner Bonds in an aggregate principal amount not to exceed \$60,000,000 in one or more series and the issue of the Draw Down Bonds in an aggregate principal amount not to exceed \$250,000,000 in one or more series for approval to the Board of County Commissioners of Seminole County (the “Board”); and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF SEMINOLE COUNTY, FLORIDA:

SECTION 1. Authority. This Resolution is adopted pursuant to the Constitution of the State of Florida, Chapter 125, Florida Statutes, and other applicable provisions of law.

SECTION 2. Findings. Based solely on the findings of the Authority and the representations made to the Board, the Board hereby finds, determines and declares as follows:

A. The Program and the issuance of the Bonds to finance the Program will have a substantial public benefit.

B. The Board is the elected legislative body of Seminole County and has jurisdiction over the Project.

C. Seminole County has entered into an Interlocal Agreement with the Authority dated February 1, 1982, pursuant to which Seminole County has permitted the Authority to operate within its boundaries.

SECTION 3. Ratification and Approval. The Board hereby finds that the Program will help alleviate the shortage of single family housing for first-time homeowners within Seminole County.

Solely for the purpose of Section 147(f) of the Internal Revenue Code of 1986, as amended, the Board hereby approves the issuance and sale of the Homeowner Bonds in an aggregate principal amount not to exceed \$60,000,000 in one or more series and the issue of the Draw Down Bonds in an aggregate principal amount not to exceed \$250,000,000 in one or more series, for the purpose of assisting in financing the Program. The Board acknowledges and agrees that a portion of any private activity allocation for Homeowner Bonds for Region 6 may be used in Region 14. The Bonds shall be issued on such terms and in such manner as shall be established by subsequent proceedings of the Authority.

SECTION 4. Limited Obligations. The Bonds and the interest thereon shall not constitute an indebtedness or pledge of the general credit or taxing power of Seminole County, the State of Florida or any political subdivision or agency thereof but shall be payable solely from the revenues pledged therefor pursuant to an indenture of trust entered into by and between the Authority and its trustee prior to or contemporaneously with the issuance of the Bonds.

SECTION 5. Limited Approval. The approval by the Board of the issuance of the Bonds by the Authority shall not be construed by reason of its adoption of this resolution to (i) attest to the Authority's ability to repay the indebtedness represented by the Bonds, (ii) recommend to prospective purchasers of the Bonds to purchase the same, or (iii) have waived any right of Seminole County or estopping Seminole County from asserting any rights or responsibilities it may have in that regard. Further, the approval by the Board of the issuance of the Bonds by the Authority shall not be construed to obligate the County to incur any liability, pecuniary or otherwise, in connection with either the issuance of the Bonds or the Program, and the Authority shall so provide in the financing documents setting forth the details of the Bonds.

SECTION 6. Effective Date. This Resolution shall become effective immediately upon its passage.

PASSED AND ADOPTED this 18th day of November, 2003.

BOARD OF COUNTY COMMISSIONERS
OF SEMINOLE COUNTY, FLORIDA

(SEAL)

ATTEST:

By: _____
Chairman

By: _____
Clerk

EXHIBIT A

**NOTICE OF PUBLIC HEARING
ORANGE COUNTY HOUSING FINANCE AUTHORITY
HOMEOWNER REVENUE BONDS
AND
SINGLE FAMILY MORTGAGE REVENUE BONDS, DRAW DOWN SERIES**

Notice is hereby given that the Orange County Housing Finance Authority (the "Authority") will conduct a public hearing on Monday, November 3, 2003, concerning a plan of financing (within the meaning of Section 147(f) of the Internal Revenue Code of 1986) pursuant to which the Authority will issue its Homeowner Revenue Bonds in one or more series in an aggregate principal amount not to exceed \$60,000,000 and its Single Family Mortgage Revenue Bonds, Draw Down Series, in one or more series in an aggregate principal amount not to exceed \$250,000,000 (collectively, the "Bonds"). The proceeds of the Bonds would be used to assist in financing purchases by individual first-time homeowners of new or existing owner-occupied single-family residences situated within Orange, Seminole, Osceola and Lake Counties and/or to refund indebtedness incurred for such purposes.

The public hearing will be held at the following time and location:

| TIME | LOCATION |
|--|--|
| 9:00 A.M., EST Monday, November 3, 2003 | Seminole County Services Building 1101 E. First Street, Room #3026 Sanford, FL |

Interested persons are invited to submit written comments or present oral comments at the hearing regarding the proposed issuance of the Bonds. Written comments should be received by the Authority on or before October 30, 2003. Oral comments will be limited to no more than 10 minutes per person. Written comment or notice of intent to present oral comments should be directed to:

Orange County Housing Finance Authority
2211 E. Hillcrest Street
Orlando, Florida 32803
Attention: Executive Director

SECTION 286.0105, FLORIDA STATUTES, STATES THAT IF A PERSON DECIDES TO APPEAL ANY DECISION MADE BY A BOARD, AGENCY, OR COMMISSION WITH RESPECT TO ANY MATTER CONSIDERED AT A MEETING OR HEARING, SUCH PERSON WILL NEED A RECORD OF THE PROCEEDINGS, AND THAT, FOR SUCH PURPOSE, 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.

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\$250,000,000
ORANGE COUNTY HOUSING FINANCE AUTHORITY
HOMEOWNER REVENUE BONDS,
DRAWDOWN SERIES 2004

- The purpose of the 2004 Draw Down Bonds is to preserve future Authority capacity to issue single family mortgage revenue bonds for the origination of mortgages to first time low and moderate income home buyers.
- The 2004 Draw Down Bonds will preserve single family mortgage revenue bond issuance capacity in three ways:
 - A portion of the 2004 Draw Down Bonds will be issued to current refund the Authority's outstanding 2002 Draw Down Bonds (expected to be approximately \$110,000,000). Moneys invested under a guaranteed investment contract securing the 2002 Draw Down Bonds will be reinvested under a guaranteed investment contract securing the 2004 Draw Down Bonds.
 - A portion of the 2004 Draw Down Bonds likely will be issued to preserve so-called "volume cap" allocation available to the Authority in 2004 for future Authority issuance of single family mortgage revenue bonds. Proceeds of this portion of the 2004 Draw Down Bonds will be invested under the guaranteed investment contract securing the 2004 Draw Down Bonds.
 - A portion of the 2004 Draw Down Bonds will be issued to pay the principal or redemption price of single family mortgage revenue bonds that have been outstanding for less than ten years as those bonds mature or become subject to redemption. In turn, moneys set aside to pay the principal or redemption price of such outstanding bonds will then be invested under the guaranteed investment contract securing the 2004 Draw Down Bonds.
- Ultimately, the 2004 Draw Down Bonds are expected to be refunded with proceeds of long-term Authority single family mortgage revenue bonds, and all of the moneys held under the guaranteed investment contract securing the 2004 Draw Down Bonds will transfer to the indenture for such long-term bonds, where it will be available for the origination of new mortgages.
- The 2004 Draw Down Bonds will be the next in a series of draw down bond issues that the Authority has issued over the last several years.
- The 2004 Draw Down Bonds will be limited to a maximum aggregate principal amount of \$250,000,000.

- Issuance of the 2004 Draw Down Bonds will not require an allocation of volume cap.
- The 2004 Draw Down Bonds will be placed with Merrill Lynch & Co., or an affiliate, at no or low cost to the Authority.
- The 2004 Draw Down Bonds will bear interest at approximately 100% of 30-day LIBOR.
- The 2004 Draw Down Bonds will be subject to optional call at par plus accrued interest on a monthly basis and will be subject to mandatory tender for purchase on or before 5 years from the date of issuance.



ORANGE COUNTY
HOUSING FINANCE AUTHORITY

2211 EAST HILLCREST STREET ORLANDO, FLORIDA 32803
TELEPHONE: 407-994-0014 FAX: 407-997-9879

W.D. Morris
Executive Director

TO: Ms. Lisa Spriggs, Director
Fiscal Services Department

FROM: W. D. MORRIS, Executive Director
Orange County Housing Finance Authority

CONTACT: Anthony C. Burrell,
Director, Single Family Programs

DATE: November 3, 2003

SUBJECT: TEFRA Hearing for OCHFA Homeowner Revenue and Single Family Mortgage
Revenue Bonds, Draw Down Series for Seminole County.

Today, Monday, November 3, 2003 at 9:00 A.M. a TEFRA hearing was held at the Seminole County Services Building, 1101 E. First Street, Room #3026, Sanford, FL. The hearing was presided over by Anthony Burrell, Director, Single Family Programs.

The purpose of the hearing was to provide interested persons an opportunity to present oral comments regarding the proposed issuance of the Homeowner Revenue and Single Family Revenue Bonds, Draw Down Series for 2004.

There were no other persons present at the hearing, no comments were received, and the hearing adjourned at 9:30 A.M.