

BOARD OF COMMISSIONERS OF FULTON COUNTY



STATE OF GEORGIA
COUNTY OF FULTON

CERTIFICATION

I, Tonya Grier, the undersigned Clerk to the Commission of Fulton County, do hereby certify and declare that the attached is a true and correct copy of **Item #23-0330** approved at the **May 17, 2023 BOARD OF COMMISSIONERS RECESS MEETING**.

This 18th day of May 2023.

A handwritten signature in blue ink, appearing to read "Tonya R. Grier", is written over a horizontal line.

Tonya R. Grier, Clerk to the Commission
Fulton County Board of Commissioners





Fulton County Board of Commissioners

Agenda Item Summary

Agenda Item No.: 23-0330

Meeting Date: 5/17/2023

Department

Community Development

Requested Action *(Identify appropriate Action or Motion, purpose, cost, timeframe, etc.)*

Request approval of a commitment letter to provide \$2,100,000.00 to support the development of a 102-unit affordable apartment complex by the Roswell Housing Authority (RHA); and authorize the Chairman to execute the commitment letter. The financing commitment is expressly conditioned on RHA receiving the award of low-income housing tax credits from the Georgia Department of Community Affairs. The funding is 100% grant funded.

Requirement for Board Action *(Cite specific Board policy, statute or code requirement)*

Pursuant to O.C.G.A. § 36-10-1 all contracts entered by Fulton County with other partners or persons on behalf of the County shall be in writing and entered on the Board of Commissioners meeting minutes.

Strategic Priority Area related to this item *(If yes, note strategic priority area below)*

Health and Human Services

Commission Districts Affected

- All Districts ☒
- District 1 ☐
- District 2 ☐
- District 3 ☐
- District 4 ☐
- District 5 ☐
- District 6 ☐

Is this a purchasing item?

No

Summary & Background *(First sentence includes Agency recommendation. Provide an executive summary of the action that gives an overview of the relevant details for the item.)*

Request approval of a commitment letter to provide \$2,100,000 to support the development of a 102 affordable apartment complex by the Roswell Housing Authority (RHA). One of the Roswell Housing Authority's buildings that housed 40 senior and disabled individuals was determined to be structurally unsafe for occupancy and the residents were relocated off-site. The Housing Authority has hired a

developer, (Pennrose), and plans to demolish the old building and develop 102 new affordable housing units. The development will cost approximately \$29,600,000 and will be funded primarily with low-income housing tax credits (\$17,900,000) from the Georgia Department of Community Affairs. The Housing Authority must submit its tax credit application in the 2023 tax credit funding cycle by May 19, 2023. The County's letter committing \$2.1M is required as part of the application. The County funding is subject to the project receiving a tax credit award. Other project funding includes loans, (\$5.2M) the City of Roswell, (\$4M), Developer (\$400k). If the project is awarded low-income housing tax credits, the project will come back to the Board of Commissioners for approval of a \$2.1M contract. The source of the County funding is federal HOME funds (\$1,079,993) and HOME-ARP (\$1,020,007).

Scope of Work: The Roswell Housing Authority working with the developer (Pennrose) will build a new 102 affordable housing complex servicing individuals and families earning below 80% of the area median income. Forty percent (40%) of the units will be available for seniors and disabled individuals on a fixed income.

Community Impact: The new development will add 102 units that will be affordable long-term which will allow displaced senior and disabled residents with an opportunity to return to their community. The Roswell Housing Authority anticipates this project will be a catalyst for a second phase of development that will include 90 additional affordable housing units.

Department Recommendation: The approval of the Commitment Letter.

Project Implications: Approval is critical to the development of the 102-unit apartment complex.

Community Issues/Concerns: N/A

Department Issues/Concerns: N/A

Fiscal Impact / Funding Source

Funding Line 1:

461-121-HM22-V104 \$526,791

Funding Line 2:

461-121-HM21-V160 \$198,064

Funding Line 3:

461-121-HM22-V160 \$149,863

Funding Line 4:

461-121-HM21-V279 \$41,391

Funding Line 5:

461-121-HM22-V279 \$163,884

Agenda Item No.: 23-0330

Meeting Date: 5/17/2023

Funding Line 5:

461-121-HAR1-V104 \$1,020,007

- DATE -

Amon Martin, Regional Vice President
Pennrose LLC
675 Ponce De Leon Avenue, Suite 8500
Atlanta, GA 30308

Re: **RHA Redevelopment**

Property Address: **199 Grove Way,
Roswell, GA 30075**

Dear Mr. Martin:

Fulton County, Georgia on behalf of its Department of Community Development is excited about the partnership of Pennrose, LLC (Pennrose) and The Roswell Housing Authority (RHA) on the development of the Roswell Housing Authority Redevelopment project (the "RHA Redevelopment" or "Development"). The Team will endeavor to reposition RHA's existing affordable housing so that they will be well positioned to provide quality affordable housing for the City of Roswell for years to come. RHA is one of few affordable housing providers in City of Roswell. High barriers to entry, make affordable housing very challenging to develop in the City of Roswell. The numerous amenities, both public and private, as well as high quality schools, make the City of Roswell one of Georgia's most attractive Cities for families and seniors. This transformative project will allow RHA to reposition their current assets to continue to provide quality affordable housing for families to be able to live in a City with the highest quality of schools for their children and numerous attractions and amenities.

For the purpose of financing the construction and development of the RHA Redevelopment located at 199 Grove Way, Fulton County, Georgia on behalf of its Department of Community Development endeavors to provide a loan to the project with the below terms. Funds used in providing this loan may, in whole or in part, include federally-sourced funds. Lender will disclose the original federal source of such funds if applicable; Borrower is responsible for understanding the requirements and guidelines of using such funds.

The proposed structure of the loan is as follows:

Borrower: Oak Street I LLC, a Georgia limited liability company

Lender: Fulton County, Georgia on behalf of its Department of Community Development

Use of Funds: The funds are to be used for either hard or soft costs related to the development of the RHA Redevelopment.

Loan Amount: The loan amount will be \$2,100,000.

Loan Term: The term of the loan shall be 30 years. The construction period will be twenty-four (24) months, unless extended by mutual consent. The permanent period will be thirty (30) years.

- Loan Interest:** During construction, the note shall bear interest at a rate of zero percent (0.0%)
Rate: annum with no "add-ons" to the interest rate. During the permanent period, the note shall bear interest at a rate of zero percent (0.0%) per annum with no "add-ons" to the interest rate.
- Security:** Secured by land and to be constructed by improvements of proposed 102-unit multifamily housing dwelling located at approximately 199 Grove Way, Roswell GA
- Repayment:** The loan will have no payments during the construction or permanent period. All unpaid principal and interest will be due on the maturity date.
- Reserves:** All reserves will meet DCA and 1st Lender / LIHTC Equity Providers minimum Requirements
- Fees:** No fees will be payable in connection with this loan.
- Additional Terms & Conditions:** The Loan is expressly conditioned on the award of 9% low-income housing tax credits from the Georgia Department of Community Affairs.
- Termination:** Fulton County, Georgia on behalf of its Department of Community Development may terminate its commitment under this letter if any of the terms or plans of the transaction as heretofore presented to Fulton County, Georgia on behalf of its Department of Community Development are changed in any material respect.
- Benefit to RHA & the Development:** This letter is for the benefit of the Development and no other person or party may obtain any rights under this letter or be entitled to rely or claim reliance on this letter's terms and conditions, with the exception of the Georgia Department of Community Affairs, who may rely on it for the purposes of considering an application for 9% tax credits.

Sincerely,

Robert L. Pitts, Chairman
Board of Commissioners

BOARD OF COMMISSIONERS OF FULTON COUNTY



May 18, 2023

Amon Martin, Regional Vice President
Pennrose LLC
675 Ponce De Leon Avenue, Suite 8500
Atlanta, GA 30308

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For the purpose of financing the construction and development of the RHA Redevelopment located at 199 Grove Way, Fulton County, Georgia on behalf of its Department of Community Development endeavors to provide a loan to the project with the below terms. Funds used in providing this loan may, in whole or in part, include federally-sourced funds. Lender will disclose the original federal source of such funds if applicable; Borrower is responsible for understanding the requirements and guidelines of using such funds.

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Borrower: Oak Street I LLC, a Georgia limited liability company

Lender: Fulton County, Georgia on behalf of its Department of Community Development

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May 18, 2023

Use of Funds: The funds are to be used for either hard or soft costs related to the development of the RHA Redevelopment.

Loan Amount: The loan amount will be \$2,100,000.

Loan Term: The term of the loan shall be 30 years. The construction period will be twenty-four (24) months, unless extended by mutual consent. The permanent period will be thirty (30) years.

Loan Interest Rate: During construction, the note shall bear interest at a rate of zero percent (0.0%) annum with no "add-ons" to the interest rate. During the permanent period, the note shall bear interest at a rate of zero percent (0.0%) per annum with no "add-ons" to the interest rate.

Security: Secured by land and to be constructed by improvements of proposed 102-unit multifamily housing dwelling located at approximately 199 Grove Way, Roswell GA

Repayment: The loan will have no payments during the construction or permanent period. All unpaid principal and interest will be due on the maturity date.

Reserves: All reserves will meet DCA and 1st Lender / LIHTC Equity Providers minimum Requirements

Fees: No fees will be payable in connection with this loan.

Additional Terms & Conditions: The Loan is expressly conditioned on the award of 9% low-income housing tax credits from the Georgia Department of Community Affairs.

Termination: Fulton County, Georgia on behalf of its Department of Community Development may terminate its commitment under this letter if any of the terms or plans of the transaction as heretofore presented to Fulton County, Georgia on behalf of its Department of Community Development are changed in any material respect.

Benefit to RHA & the Development: This letter is for the benefit of the Development and no other person or party may obtain any rights under this letter or be entitled to rely or claim reliance on this letter's terms and conditions, with the exception of the Georgia Department of Community Affairs, who may rely on it for the purposes of considering an application for 9% tax credits.

Sincerely,



Robert L. Pitts, Chairman
Board of Commissioners