



MIAMI-DADE COUNTY FINAL OFFICIAL MINUTES Metro Miami Action Plan Trust

Office of the Metro Miami Action Plan Trust
19 West Flagler Street
Mezzanine Room 106
Miami, Florida 33128

August 15, 2007

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Board of County Commissioners

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OFFICIAL MINUTES
METRO-MIAMI ACTION PLAN TRUST
EMERGENCY MEETING OF AUGUST 15, 2007

The Metro-Miami Action Plan Trust (MMAP) convened a meeting at the Offices of MMAP Trust Board, 19 West Flagler Street, Mezzanine Room #106, on August 15, 2007 at 12:00 Noon, there being present: Chairperson John T. Jones, Jr. and Members: Ms. Beverly Kovach, Mr. Arthur J. Barnes, Dr. Marzell Smith and Mr. Herbert Robinson, (Members: Mr. Benedict P. Kuehne, and Mr. Tony E. Crapp, Jr. were late; Members: Ms. Veldrin Freeman, Ms. Greicy Lovin, Ms. Marie B. Hyppolite, and Mr. Daniel A. Wick, Jr. were absent)

ROLL CALL:

Staff members present were: Mr. Milton Vickers, Executive Director; Mr. John Dixon, Deputy Director; Mr. William Simmons, Ms. Joann Hicks, Mr. Jose Gonzalez, Ms. Marlene Blanco, Ms. Melba Gasque and Mr. Anthony Williams; and Deputy Clerk Karen Leonard.

DISCLOSURE OF CONFLICTS OF INTEREST

QUERY FOR EARLY DEPARTURES

MOTION TO SET THE AGENDA:

Chairperson Jones noted the South Dade Small Business Capitalization Initiative would be added to the agenda as Item I.A.2 and that Mr. Lynn Washington, a Partner with Holland & Knight LLP, would make a presentation regarding the Lafayette Square Apartments project.

I. Trust Action Items

A. Action Items

1. Lafayette Square MOA

Mr. Lynn Washington provided a brief overview of the Lafayette Square project and noted, as a consultant for MMAP, he wanted to ensure that the loan was documented according to MMAP's agreement letter. He explained that the procedure involved looking at the entire project that included: members of the project, background checks, title searches, environmental reports, etc.

Mr. Washington noted that the MMAP staff submitted a commitment letter indicating that the \$1.3 million loan would be based on cash flow. Subsequently, cash flow obtained by this project would be used for payment of all four (4) loans: first mortgage, the County's loan, the City of Miami's loan, and MMAP's loan. He noted following payment of the first mortgage, consideration to pay the remaining funds would be shared by all other outstanding loans, but representatives of the City of Miami disagreed.

Mr. Washington noted that he wanted to ensure that the Trust members understood the terms "available cash flow". He explained that the commitment letter in the initial agreement required that the Trust agree on the expenses to determine the available cash flow. Mr. Washington emphasized the importance of following proper procedure.

In reference to the projections in the underwriting report, Mr. Washington noted initially, a

payment of \$6,500.00 per year would have been made to MMAP; however, those projections were changed following a discussion regarding what expenses were to be included to determine the cash flow. He explained that the cash flow would include: operating, management, and insurance activities. Subsequently, once payment of hard debt was completed the remaining revenue would be available cash flow.

Mr. Washington also explained how the formula was determined to bring a 20% return over a period of 5 years, but the issue remained that MMAP would not receive payment for the first two years. He noted that some direction was needed from the Trust in order to resolve this issue before finalization.

Mr. Washington noted upon direction from the Trust, he would meet with Assistant County Attorney Terrance Smith on December 23, 2007. He advised the Trust members that goals needed to be identified in order to determine the cash flow.

Ms. Hicks explained that Miami-Dade County would not make any payments for 17 years and they would not expect any payment until the 18th year based on .5% within a 30 year mortgage and the City of Miami had forgiven the debt. She noted the MMAP staff's recommendation coincided with the initial agreement that guaranteed \$6,500.00 per year within a 30 year period. Ms. Hicks noted the purpose of this agreement was to increase revenue for the MMAP HAP Program and to provide assistance with the loan process.

Mr. Don Patterson, President/CEO, BAME Corporation, noted the terms of the loan from the City of Miami would prorate the loan payback and would place the MMAP Trust in senior position on the City's loan.

Mr. Patterson noted the annual loan payment of \$6,500.00 was guaranteed and he supported the idea. He thanked the Trust members for calling this emergency meeting and noted the Lafayette Square project would be coming to a close.

Mr. Patterson provided a brief historical overview of BAME's relationship with the MMAP Trust. He noted the Trust's commitment letter appeared to be non negotiable, but in order to move forward as partners, the Gate House Group LLC and BAME, Inc. were willing to guarantee the annual \$6,500.00, prior to the developer's fee, based on the discussion today.

Discussion ensued among the Trust members regarding the agreement and the anticipated cash flow.

In response to Ms. Kovach's inquiry as to the loan amount from the County, Mr. Patterson noted BAME, Inc. received \$2.5 million and had a commitment from the County for an additional \$4 million, which totaled \$6.5 million.

In response to Mr. Dixon's question regarding whether the draft documents from the City of Miami were in the City Attorney's office, Ms. Hicks noted that she received a notice by email from the Assistant Housing Director indicating the City Attorney received the draft documents in May 2007.

Mr. Washington suggested the Trust members wait until he met with Assistant County Attorney

Terrance Smith before determining a course of action to close.

Discussion ensued among the Trust members regarding delays from the County in closing on the project.

Mr. Washington advised the Trust members that MMAP's involvement with this project would not be impacted if the County did not close. He noted there were adequate funds to complete the project before the County closed on their agreement. He further noted if the County chose to not close on the remaining \$4 million, the developer's fee would decrease.

Mr. Nick Inamdar, Vice President, Gatehouse Group, Inc. conveyed a commitment to build this project and emphasized the equity that would be received from the tax credits. He noted he was confident that the County would fulfill its part of the agreement.

In response to Ms. Kovach's inquiry as to whether an updated commitment from the County was received, Mr. Patterson noted commitment letters were received during the initial request, but at MMAP's closing Mr. Washington wanted an updated commitment letter from the County.

Discussion ensued among the Trust members regarding the process to complete this transaction.

Ms. Kovach expressed concern that the complaint letter from BAME had given the impression that the reason for the delay appeared to be the fault of MMAP and that the MMAP should be more concerned with specific areas within our community, but from this discussion she felt the transaction was delayed for other reasons.

Chairperson Jones noted that this discussion should satisfy the complaint letter.

Mr. Patterson explained that the complaint letter reflected the position of BAME and the urgency to shorten the length of time to close on the Lafayette Square project. He noted that he had hoped this document would serve as a means to begin some dialogue in creating a preventive course of action for the future projects. The heart of the matter involved the fact that the MMAP was relied upon to provide services to areas that were ignored, and the intent of this letter was to attract the attention of the Trust and to develop a solution, noted Mr. Patterson.

In response to Mr. Crapp's question whether the closing date notifications were written documents that were noted in the complaint letter, Mr. Patterson stated no, but it was discussed prior to this year. He noted that he received an email that suggested a possible closing date by July 2007.

Ms. Hicks noted the email that Mr. Patterson referred to was regarding a revised payment term and she could provide a copy for review.

Mr. Crapp noted that for several years he had emphasized the importance of the MMAP staff maintaining files on every project and status. He noted he stressed the fact that files should be available to view and that the MMAP staff should correspond in writing. Mr. Crapp noted that he felt the letter served a good purpose and this discussion on timelines and procedures could streamline the process in the future.

Discussion ensued among Trust members regarding the role of MMAP Trust and the course of action Mr. Washington would take to ensure that the MMAP be held harmless.

Mr. Washington noted that he disagreed with the complaint letter and it was common practice to extend the processing time to closeout a project. He noted the appropriate question was whether there was a commitment from the MMAP to close on the project in the appropriate time and whether there were any underlying obstacles that would stop this from happening.

Further discussion ensued among the Trust regarding possible events that could delay the project

Mr. Patterson agreed with the foregoing process, but he felt that the findings identified could be an issue and a timeline needed to be determined.

Chairperson Jones estimated that the timeline on this project should be mid September 2007. He noted that this meeting was beneficial and the Trust needed to be updated on the status of this project, considering the ongoing changes in Miami-Dade County Housing Development. Chairperson Jones stressed the importance of protecting the Trust because it represented the Board of County Commissioners.

Chairperson Jones expressed concern regarding the MMAP staff procedures and noted that the Trust members worked hard over the years to streamline the process to reduce delays. He noted that he hoped this meeting had addressed the complaints in BAME's letter, and stated it would be appropriate that a letter of satisfaction be received from BAME Inc. in order to move forward to provide assistance to this community.

In response to Mr. Robinson's question as to whether the contents in the complaint letter were accurate, Mr. Patterson noted that he discussed this matter while reviewing the terms of the commitment letter with the Assistant County Attorney and the MMAP staff.

Mr. Robinson expressed concern regarding the accuracy of the complaint letter because it stated that a closing date had been received since December 2006 and MMAP's commitment letter was sent in January, therefore a closing could not take place without a commitment letter.

Mr. Patterson explained that they had discussed striving to complete the terms of the commitment letter in order to be in a position to close by December 2006.

Discussion ensued among the Trust members and Mr. Patterson on how both parties had to build a good track record through this and ongoing projects.

Mr. Crapp noted that the Memorandum of Approval (MOA) dated August 15, 2007, indicated that following approval of the underwriting report for the Lafayette Square Apartment project in September, 2006, the Trust would approve to allocate \$1.3 million. He noted there were additional issues that needed to be addressed, and this discussion prior to this meeting should have been held with administration.

In response to Mr. Crapp's question regarding how the Trust approved an allocation for \$1.3 million before the underwriting process was complete, Mr. Washington explained that the commitment letter clearly stated that the allocation was subject to approval of the underwriting

report by the Trust.

Following the discussion, Chairperson Jones noted the underwriting report had not come back to the Trust for approval.

Mr. Washington noted that this meeting was necessary because if the cash flow was structured correctly a small payment would come back to MMAP; however, there would be no payment to MMAP with the proposal that was on the table. He noted the common terms of present loans had cash flow that required no payment from the developer; however, the MMAP Trust decided to move forward for the benefit of the community.

Ms. Hicks noted for the record that the complaint letter should state that the provision of the non-refundable loan commitment fee was \$13,000.00 rather than \$26,000.00.

In response to Mr. Kuehne's question regarding how MMAP would receive payment through this project, Mr. Washington explained the terms of a cash flow note which allowed a yearly percentage payment within the loan period. He also noted that the developers had invested \$22 million through tax credits.

Discussion ensued among the Trust regarding the terms which included a 30 year loan with an interest rate of .5% per annum with the principal and interest paid from that available cash flow.

Chairperson Jones concluded that the Trust would not have to approve the underwriting report until the cash flow was agreed upon and paid interest would be required.

Discussion ensued among the Trust members regarding the number of projects the Gatehouse Group, Inc. had been involved in.

Ms. Hicks noted the Memorandum of Approval (MOA) requested that the Trust approve the underwriting report of the Lafayette Square Apartment project based on the approval of the Assistant County Attorney and that the original terms be maintained as reflected in the December 2006 commitment letter.

Following the discussion, Mr. Kuehne questioned the federal requirements in order to evict tenants who were found guilty of drugs, theft, and burglary

Mr. Washington explained that the process had to be consistent with the terms of the lease. He noted the MMAP terms included a covenant, but the eviction process would be determined by the management complex.

Mr. Kuehne noted that MMAP's policy was that strict enforcement of evictions could be a disservice to this community. He noted that the Trust wanted to ensure that MMAP complied with the law and that clients were not evicted for minor issues or family members that had occupancy without holding a lease. Mr. Kuehne noted that the Trust requested that the terms that were sensitive to the environment.

Mr. Crapp stated that the MOA dated October 31, 2006 satisfied his questions and he felt that the Trust could have approved the underwriting report.

It was moved by Mr. Barnes that the MOA be approved as amended, revising the underwriting report of the Lafayette Square Apartment project to include a minimum payment to the MMAP Trust in the amount of \$6,500.00 beginning the first year over the thirty-year (30) period of the contract. This motion was seconded by Ms. Kovach and upon being put to a vote, passed 6-0. (Members: Ms. Marie Hyppolite, Ms. Veldrin Freeman, Ms. Greicy Lovin, Mr. Marzel Smith, and Mr. Daniel Wick were absent).

Later in the meeting Mr. Barnes reiterated that the Trust should be able to respond with a file pertaining to the complaint letter that was submitted by Mr. Patterson, and if he was not apologetic, but persistent, the Trust would have needed written documents.

Add On Agenda Item

2. South Dade Small Business Capitalization Initiative

Chairperson Jones noted the intent of this agenda item was to amend the previous motion from the July 25, 2007 MMAP meeting which did not clarify the total amount of the grant.

Mr. Dixon read into the record the amendment to the motion that was made at the July 25, 2007 MMAP Trust meeting regarding approval of the MOA for the South Dade Small Business Capitalization Initiative (SDSBCI).

Mr. Crapp noted that the Miami Herald featured the Chick-N-Wings Restaurant and the Bargain Shop, Inc. of Homestead, as the cover story in the Neighbors section.

It was moved by Mr. Tony Crapp to approve the grant award in the amount of \$50,000.00 and to enter into a contract agreement with ten (10) awarding companies to be awarded \$5,000.00 each as recommended by the evaluation committee and would require an ongoing report of the business account expenditures. This motion was seconded by Mr. Benedict Kuehne and upon being put to a vote, passed 6-0. (Members: Ms. Hyppolite, Ms. Freeman, Ms. Lovin, Dr. Smith, and Mr. Wick were absent).

Non-Agenda Items:

In response to Mr. Kuehne's request for a status report on the past events, Mr. Dixon noted the MMAP staff had met and would follow up with current information. He noted the Florida International University (FIU) had sent notification regarding the unveiling of the Disparity Study at the Miami City Club in September 2007.

Chairperson Jones noted that the Trust members were in contact with the majority of the Commissioners and had gone before the Commission Committees, including the Economic Development and Human Services Committee (EDHSC). He noted that the Trust would continue to look at ways to set new policies for the process in order to reduce delays.

Chairperson Jones noted some organizations were looking for support because they felt that MMAP was familiar with responding to the County budget issues and he had advised them to come before the Trust to request support.

Mr. Crapp noted that the Commission Committee discussions indicated support, but also

required the MMAP to be more accountable. He noted the Trust was already accountable and he felt that those comments were directed at administrative type issues and the proposed ordinance. Mr. Crapp noted the Trust needed to ensure its involvement in the daily operations of MMAP and should make recommendations for the ordinance or valid arguments about those items that were beneficial.

Mr. Barnes noted that the MMAP staff should move forward during the absence of Mr. Vickers.

Chairperson Jones expressed concern regarding the MMAP staff's failure to follow procedures during the previous month, and emphasized the Trust's strong support of the MMAP process. He advised that the MMAP staff had operated outside of the process to get approval from other agencies and the County Manager's Office, which limited MMAP's authority to operate expediently.

Discussion ensued among the Trust members regarding the MMAP staff's capability to explain the terms of the MMAP agreement.

Following the discussion, Mr. Barnes concurred with Mr. Crapp that this matter should have been discussed prior to this meeting and a brief summary should have been presented to the Trust to make a decision rather than the review of several details that administration was familiar with.

Chairperson Jones noted he felt the safety net for MMAP was the underwriting process, which was designed to identify any irregularities. He expressed opposition to receiving complaint letters of this type because they could be perceived incorrectly.

Discussion ensued among the Trust regarding the complaint letter and the request for Mr. Patterson to respond with another letter to clarify any misconceptions.

Mr. Kuehne recommended that the Trust send a good response letter to address Mr. Patterson's complaint letter including the accusation of MMAP's neglect of the Little Haiti community. He suggested the response letter state that Mr. Patterson had retracted his comments during the MMAP meeting on August 15, 2007.

Chairperson Jones noted that staff would prepare a letter of response for his signature.

Following the discussion, Mr. Crapp requested that a detailed status report on the Sail Boat Cove project be prepared by the MMAP staff. He noted whenever the Trust took action on an allocation similar to the amount of \$1.3 million, complete details should be documented and submitted for review by the Trust and kept in a tickler file.

Mr. Kuehne requested that an ongoing spreadsheet be created and be included in the agenda packages identifying all ongoing MMAP-funded projects. He noted that this approach would reflect that the MMAP Trust's monitoring of community dollars.

Chairperson Jones recommended reviewing the minutes following the Trust meeting in order to identify recommendations made by the Trust and followed up with a monthly presentation.

Mr. Kuehne noted the turnaround time for meeting minutes was often delayed due to the

necessary preparation and suggested a list of updated recommendations be prepared to assist the Trust.

Chairperson Jones recommended a training session be conducted for the MMAP staff regarding procedures in responding to the Trust, which would be reflected in the event of an audit.

Chairperson Jones noted that the first budget hearing would be held on September 6, 2007 and the final hearing would be on September 20, 2007

Mr. Dixon noted that the next MMAP Trust meeting was scheduled for September 19, 2007.

In response to Mr. Kuehne's inquiry as to whether a presentation had been prepared for the budget hearing, Chairperson Jones advised the Trust members that a one page fact sheet would be available and each member would be scheduled to meet with the Commissioners.

Chairperson Jones referred to Mr. Crapp's comment regarding the County's proposal for a new ordinance that could be prepared before the end of the fiscal year. He noted that during the EDHS committee meeting the Chairwoman Edmonson announced that the new ordinance would be sponsored by that Committee.

In response to Mr. Kuehne's question regarding whether the Trust should prepare a list to present to the EDHCS Committee, Chairperson Jones noted it was appropriate for Trust members to provide information that could influence their recommendation.

Mr. Kuehne suggested a discussion item be placed on the agenda of the next MMAP Trust meeting, regarding the proposed ordinance.

Discussion ensued among the Trust members regarding the development of suggestions for a presentation to the Board of County Commissioners including creating the framework of the new ordinance.

In response to Mr. Kuehne's inquiry regarding changes in the use of the General Revenue Funds for marketing purposes, Chairperson Jones noted no change had occurred, but that the Occupational License Tax was still earmarked for marketing since legislation requesting a change in Florida Statutes did not pass. He noted that the MMAP would have to go through the process again and that those directives from the Trust should be carried out because the Trust members were more experienced and in position to interface with political leadership.

Chairperson Jones noted the use of more Occupational License Tax dollars would be pursued by the Trust as well as a legislative sponsor because there was great need reflected in the Disparity Study.

Discussion ensued among Trust members regarding the importance of knowing the demographics pertaining to unemployment rates and the need to share the Disparity Study with the Board of County Commissioners.

Further discussion ensued among Trust members regarding the process for individual members meeting with their respective District Commissioner, followed by a meeting as a committee.

Chairperson Jones recommended that the Trust members meet with some of the County Commissioners in order to identify co-sponsors to support a MMAP community conference which would keep the community and County employees informed.

ADJOURNMENT

There being no further business to come before the Trust, the meeting was adjourned at 2:34 p.m.

John T. Jones, Jr., Chairperson
Metro Miami Action Plan Trust