Memorandum

MIAMI-DADE COUNTY

Date:	May 16, 2007
To:	Honorable Chairman Bruno A. Barreiro and Members, Board of County Commissioners
From:	George M. Burgess County Manager
Subject:	Resolution Authorizing Change of Villa Jardin from a Rental Project to a Homeownership Condominium Project

EDHS

Agenda Item No. 3(E)

Recommendation

It is recommended that the Board of County Commissioners (the Board) approve the request of the Little Haiti Housing Association's (LHHA) Villa Jardin project to change from a rental project to a homeownership project. The rental regulatory agreement executed with the loan documents required that rental rates be restricted for all of 20 units. By approving this change, the rental regulatory agreement will be released. However, the County will require that the loan documents be amended to include a 10-year restrictive covenant to maintain affordable housing and restrict buyers to families earning no more than 80 percent of the area median income (AMI).

Scope

LHHA is requesting to change the project to homeownership in an effort to be more in line with the mission of the organization, that being the production of affordable housing in Little Haiti. Also, due to the increase in property taxes and insurance, it will be very difficult for LHHA to operate the property as a rental property. The project is located at 5513 N.E. Miami Place and 122 N.E. 78th Street, Miami, which is in Commission District 3.

Fiscal Impact / Funding Source

The developer was awarded a Documentary Surtax (Surtax) loan of $250,000, of which the principal balance is $226,000. According to the note, interest only payments are due for the first 10 years at a 1 percent interest rate. Recently the developer has requested a moratorium on the monthly interest only payments. The request is pending loan committee approval.

Track Record/Monitor

Little Haiti Housing Association has been providing affordable housing since 1991. They have assisted 200 families in their quest for homeownership. Most of their homeownership activities have focused on renovating single family homes and selling those homes to low- to moderate-income families. They continue to provide assistance when needed to the families even after the mortgage loans have closed.

Villa Jardin was the first project in which the agency received County funding. Since then, in January 2007 LHHA was awarded $250,000 in HODAG funds from the County to be used in the construction of a 22-unit condominium project scheduled to break ground in fall 2007.

Background

In 1999, Resolution 1331-99 authorized a Surtax loan in the amount of $250,000 to Little Haiti Housing Association, Inc. for the rehabilitation of 20 rental units in 2 buildings (14 units and 6 units, respectively). The loan has closed and all funds have been expended. The loan was subject to a Rental Regulatory Agreement.

In February 2007 the State approved the conversion of the project to homeownership. After State approval LHHA began to market the first 6 units for sale. The remaining 14 units have been recently marketed for sale now that the first Phase has been sold out.

The development had been operating as a rental project with 100 percent of units set aside for affordable housing. . The Rental Regulatory agreement governing the project was executed in 2003 and required that all unit rents be equal to or less than 30 percent of annual incomes for households at 60 percent of median income.

The redevelopment of these two small rental properties to for sale properties has been undertaken in phases as follows:

- Phase I is for six (6) units at 5513 NE Miami Place
- Phase II includes eight (8) units at 5513 NE Miami
- Phase III includes six (6) units at 122 NE 78th Street

Renovations for Phase I are complete and buyers have already executed purchase contracts for all six units. The income for these buyers range from 37 to 69 percent of AMI. LHHA is contributing $1,000 per unit for closing costs and is working with the Miami Dade Housing Finance Authority for 2nd mortgage assistance and Metro-Miami Action Plan (MMAP) will be providing closing costs assistance to the buyers. In addition, LHHA is assisting all buyers with finding affordable bank financing.

While homeownership for the very low income families is challenging in the Miami Dade market, Villa Jardin will target purchasers who fall under the 80 percent of AMI with special emphasis on the very low. Both buildings are empty so LHHA intends to expedite the closing of all units upon County approval.

The following contains a statement of project financing indicating the currents status of the approved project funding.

Villa Jardin Condominiums

Sources of Funds	Allocation	Use of Funds
Bank Financing	$ 750,000	Acquisition
State of Florida	$ 457,960	Hard & soft costs
County-Surtax	$ 250,000	Hard costs
Affordable Housing Program	$ 140,000	Hard & soft costs
Investor/Developer	$ 753,500	Hard & soft costs
Total	**$2,351,460**	

Due to the extensive renovations, both buildings have been empty June 2006. All phases are projected to be sold by March 30, 2008.

The proposed homeownership project would consist of the following:

Number of Units	Size	Square Footage	Sales Price
4	1 bedroom/1 bath	508	$125,000
10	2 bedroom/1 bath	616-840	$145,000 - $175,000

The Affordable Housing Advisory Board (AHAB) approved this recommendation at its meeting of April 25, 2007. In return for this accommodation, The County will maintain a minimum 10-year restrictive covenant on the units so as to maintain the stock of affordable housing in Miami-Dade County.

Cynthia W. Curry
Senior Advisor to the County Manager

MEMORANDUM

(Revised)

TO: Honorable Chairman Bruno A. Barreiro and Members, Board of County Commissioners

DATE: June 5, 2007

FROM: Murray A. Greenberg County Attorney

SUBJECT: Agenda Item No.

Please note any items checked.

_____ **"4-Day Rule" ("3-Day Rule" for committees) applicable if raised**

_____ **6 weeks required between first reading and public hearing**

_____ **4 weeks notification to municipal officials required prior to public hearing**

_____ **Decreases revenues or increases expenditures without balancing budget**

_____ **Budget required**

_____ **Statement of fiscal impact required**

_____ **Bid waiver requiring County Manager's written recommendation**

_____ **Ordinance creating a new board requires detailed County Manager's report for public hearing**

_____ **Housekeeping item (no policy decision required)**

_____ **No committee review**

Approved _____ Mayor

Veto _____

Override _____

Agenda Item No.

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE REQUEST OF THE LITTLE HAITI HOUSING ASSOCIATION'S VILLA JARDIN PROJECT TO CHANGE FROM A RENTAL PROJECT TO A HOMEOWNERSHIP CONDOMINIUM PROJECT; AND AUTHORIZING THE COUNTY MAYOR OR HIS DESIGNEE TO EXECUTE ANY NECESSARY AGREEMENTS

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board authorizes the request to change the Little Haiti Housing Association Villa Jardin project from a rental project to a homeownership condominium project, as set forth in the attached memorandum; and further authorizes the County Mayor or his designee to execute agreements, contracts, and amendments on behalf of Miami-Dade County, following approval by the County Attorney's Office; to shift funding sources for this program activity without exceeding the total amount allocated to that agency; and to exercise amendment, modification, renewal, cancellation and termination clauses on behalf of Miami-Dade County, Florida.

The foregoing resolution was offered by Commissioner who moved its adoption. The motion was seconded by Commissioner and upon being put to a vote, the vote was as follows:

Bruno A. Barreiro, Chairman
Barbara J. Jordan, Vice-Chairman

Jose "Pepe" Diaz
Jose Carlos A. Gimenez
Joe A. Martinez
Dorrin D. Rolle
Katy Sorenson
Sen. Javier D. Souto
Audrey M. Edmonson
Sally A. Heyman
Dennis C. Moss
Natacha Seijas
Rebeca Sosa

The Chairperson thereupon declared the resolution duly passed and adopted this 5th day of June, 2007. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF COUNTY
COMMISSIONERS

HARVEY RUVIN, CLERK

By:_____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency._____