

MEMORANDUM

Agenda Item No. 11(A)(19)

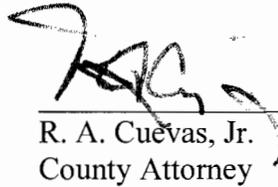
TO: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

DATE: December 2, 2008

FROM: R. A. Cuevas, Jr.
County Attorney

SUBJECT: Resolution approving the capture, redistribution and use of unspent documentary surtax homeownership funds to provide gap funding for next-in-line affordable rental housing development projects

The accompanying resolution was prepared and placed on the agenda at the request of Prime Sponsor Economic Development Human Services Committee.



R. A. Cuevas, Jr.
County Attorney

RAC/up

Memorandum



Date: December 2, 2008

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

Agenda Item No. 11(A)(19)

From: George M. Burgess
County Manager

Subject: Resolution Redistributing Available and Unused Documentary Surtax Funds for
Certain Affordable Housing Development Projects

Recommendation

It is recommended that the Board of County Commissioners (BCC) approve the recapture and redistribution of \$2,893,000 of unspent 2008 Documentary Stamp Surtax (Surtax) funds to provide gap funding for next in line affordable rental housing development projects. Moreover, as funds are redistributed from homeownership to rental activities, this Resolution also amends the existing County policy for equal distribution of the Documentary Surtax and SHIP funds approved through Resolution R-299-08 for FY 2007-08.

The recaptured funds will be distributed to the two next-in-line projects (Madison View and SCLAD Plaza) which were eligible to receive funding pursuant to the FY 2009 consolidated plan request for applications.

Scope

Madison View is located at NW 7th Street between 5th and 6th Avenue, Miami, FL in District 3 and will consist of 120 rental housing units. SCLAD Plaza is located at 201 East 2nd Avenue, Hialeah, FL in District 6 and will consist of 18 units for persons with disabilities.

Fiscal Impact/Funding Source

This item redistributes FY 2007-08 funds from homeownership to rental activities. The allocation of these funds at this time will reduce the amount of funding in FY 2008-09 that otherwise would be available to cover the 2009 mid-year funding cycle and/or mitigate the reduction in new Surtax revenues. Because these projects are ready to proceed now, staff recommends the provision of funding to ensure their viability.

Track Record / Monitor

The Office of Community and Economic Development (OCED) will monitor and track the executed contracts and use funding by these two developers. OCED will also make annual site visits to ensure compliance with the contract during the affordability period.

The Gatehouse Group, Inc. (Gatehouse), the developer of Madison View, is a national affordable housing real estate developer engaged in the acquisition and development of multi-family properties. Gatehouse has successfully developed 32 multi-family communities, including new construction, rehabilitation and historic re-use. Since 1989, Gatehouse has developed in excess of 5,000 multi-family housing units. Spinal Cord Living-Assistance Development, Inc. (SCLAD) is a non-profit agency focusing on housing and services for persons with disabilities, and is proposing a mixed use development, SCLAD Plaza, composed of 18 barrier-free affordable housing units for persons with disabilities.

Background

On October 21, 2008, Resolution R-1127-08 awarded over \$32 million in federal and SHIP funds as part of the FY 2009 Action Plan. Prior to the Board's approval of the FY 2009 Action Plan, the Economic Development and Human Services (EDHS) Committee discussed the possibility of staff identifying available Surtax funds to support projects that are financially "ready" to proceed, but were not able to because of the need for gap funding.

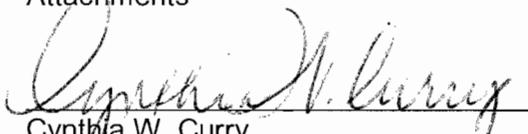
Staff reviewed the Surtax/State Housing Initiative Partnership (SHIP) pro forma developed as part of Resolution R-299-08, which was used to establish the distribution policy between homeownership and rental activities. Based on the original distribution, commitments, expenditures, and State regulations for the use of SHIP funds, \$2.893 million in FY 2007-08 Surtax funds originally allocated for homeownership activities have been identified as available for rental activities. All Surtax monies set aside for spot loans and counseling were fully committed, only leaving Surtax monies under two other categories remaining: Developments funded by OCED (\$933,000), and CDC homeownership developments (\$1.96 million). No SHIP funds are available because all commitments meet minimum State requirements for homeownership, and any shifting of funds would conflict with State rules.

During the FY 2009 RFA \$15.4 million in federal and SHIP funds were allocated to housing activities, despite requests that exceeded \$69 million. Had additional funds been available, the next-in-line developments would have received the needed gap financing to proceed (see list below).

Development Name	Location / District	Score	Number of Units	Requested Funding Amount	Total Funding Available
Madison View	3	98	120	\$2,700,000	\$2,700,000
SCLAD	6	84	18	215,000	193,000
Granada Towers	9	82	58	771,500	0
Notre Dame Apartments	3	79	64	2,560,000	0
The Atrium	3	79	47	1,083,000	0

As with any RFA process, the County will use a Subsidy Layering Review (SLR) prior to entering into contract with either Madison View and/or SCLAD. The SLR will determine the appropriate amount of gap subsidy necessary in order to fully fund the development. Should the gap financing amount be determined to be lesser than the requested amount, the County will only contract for the amount suggested by the SLR firm. The contract amount can only be the same as or less than the requested amount by the Developer.

Attachments


 Cynthia W. Curry
 Senior Advisor to the County Manager



MEMORANDUM

(Revised)

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

DATE: December 2, 2008

FROM: 
R. A. Cuevas, Jr.
County Attorney

SUBJECT: Agenda Item No. 11(A) (19)

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. 11(A) (19)
12-2-08

RESOLUTION NO. _____

RESOLUTION APPROVING THE RECAPTURE, REDISTRIBUTION AND USE OF NOT-TO-EXCEED \$2,893,000 OF AVAILABLE, UNSPENT DOCUMENTARY SURTAX HOMEOWNERSHIP FUNDS TO PROVIDE GAP FUNDING FOR NEXT-IN-LINE AFFORDABLE RENTAL HOUSING DEVELOPMENT PROJECTS WHICH WERE ELIGIBLE TO RECEIVE FUNDING PURSUANT TO THE FY 2009 CONSOLIDATED PLAN REQUEST FOR APPLICATIONS; AWARDING \$2,700,000 OF DOCUMENTARY SURTAX FUNDS TO MADISON HOUSING LTD. OR THE NEXT-IN-LINE PROPOSER UPON CERTAIN CONDITIONS; AWARDING UP TO \$193,000 OF DOCUMENTARY SURTAX FUNDS TO SPINAL CHORD LIVING-ASSISTANCE DEVELOPMENT, INC. OR THE NEXT-IN-LINE PROPOSER UPON CERTAIN CONDITIONS; AND AMENDING RESOLUTION NO. 299-08 WHICH ESTABLISHED THE COUNTY'S POLICY FOR DISTRIBUTION OF THE DOCUMENTARY SURTAX FUNDS TO PROVIDE AN EXCEPTION TO SUCH POLICY

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

WHEREAS, Miami-Dade County recently conducted the FY 2009 Consolidated Planning Process; and

WHEREAS, the Board of County Commissioners recently awarded funding to applicants pursuant to this process; and

WHEREAS, due to the high demand for funds in Miami-Dade County and decreased amounts of funding available to meet those needs, many of the applications, including applications to construct or rehabilitate affordable rental housing developments were not funded; and

WHEREAS, at the October 15, 2008 meeting of the Economic Development and Human Services Committee of the Board of County Commissioners, the committee proposed that additional funding be made available to fund these requests for funding; and

WHEREAS, \$2,893,000 of Documentary Surtax funding for homeownership activities is currently available and unspent; and

WHEREAS, in light of the dire, immediate need to provide affordable rental housing and the inability of many needy persons to purchase homes at this time, the Committee recommends that this funding should be used to provide gap funding for affordable rental housing developments which are next-in-line and have a commitment of state and federal funding, but for receipt of the gap funding necessary to completely finance the developments; and

WHEREAS, affordable rental housing developments require multiple layers of subsidies to reach viability; and

WHEREAS, for those applicants which are awarded funding, a subsidy layering review ensures that the applicants receive no more than the appropriate amount of funding needed, in light of the funding needs and sources,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA,

Section 1. The Board approves the recapture, redistribution and use of \$2,893,000 in available unspent documentary surtax homeownership funds to provide gap funding for next-in-line affordable rental housing development projects which were eligible to receive funding pursuant to the FY 2009 Consolidated Plan Request for Applications (the “RFA”).

Section 2. The Board awards up to \$2,700,000, upon completion of a Subsidy Layering Review to Madison Housing, Ltd. (the “Madison”) for new construction of 120 affordable rental apartment units in the City of Miami, as proposed in the Applicant’s application in response to the RFA. Upon completing the required subsidy review process, if Madison does not have all of the other necessary financing to complete the project substantially as proposed in its response to the RFA, the requested amount of available unspent funds shall be provided to the next-in-line proposer, who is proven to have all of the other necessary funds to complete the project substantially as proposed in its response to the RFA, following completion of subsidy layering review.

Section 3. The Board awards up to \$193,000 to Spinal Chord Living-Assistance Development, Inc. (“SCLAD Developer) for development of SCLAD Plaza, which is new construction of eighteen barrier free affordable rental units for persons with disabilities at 210 E. 2 Street in Hialeah, Florida, as proposed in the Applicant’s application in response to the RFA. Upon completing the required subsidy review process, if the SCLAD Developer does not have all of the other necessary financing to complete the project substantially as proposed in its response to the RFA, the requested amount of available unspent funds shall be provided to the next-in-line proposer, who is proven to have all of the other necessary funds to complete the project substantially as proposed in its response to the RFA, following completion of subsidy layering review.

Section 4. The Board amends Resolution No. R-299-08, a copy of which is attached hereto, which established the County’s policy for distribution of documentary surtax funds to provide a one-time exception to the requirement that 50% of such funds be used for rental

housing developments and 50% be used for homeownership activities, in furtherance of the purposes of this resolution.

The Prime Sponsor of the foregoing resolution is the Economic Development Human Services Committee. It 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-Chairwoman	
Jose "Pepe" Diaz	Audrey M. Edmonson
Carlos A. Gimenez	Sally A. Heyman
Joe A. Martinez	Dennis C. Moss
Dorin D. Rolle	Natacha Seijas
Katy Sorenson	Rebeca Sosa
Sen. Javier D. Souto	

The Chairman thereupon declared the resolution duly passed and adopted this 2nd day of December, 2008. 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.



Cynthia Johnson-Stacks
Shannon Summerset