Memorandum

MIAMI-DADE COUNTY

Date: May 4, 2010

To: Honorable Chairman Dennis C. Moss
and Members, Board of County Commissioners

Agenda Item No. 8(K)(1)(B)

From: Carlos Alvarez
Mayor

George M. Burgess
County Manager

Subject: Resolution Designating Partners for Self Employment, Inc., as the County's Fiscal Agent to Manage the Empowerment Zone Revolving Loan Fund and Authorizing the Mayor or the Mayor's Designee Authority to Approve or Deny Loan Recommendations Submitted by the Fiscal Agent

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RECOMMENDATION

It is recommended that the Board of County Commissioners (Board) adopt the attached Resolution which: 1) waives competitive bidding pursuant to Section 2.8.1 of the Miami-Dade County Code and Section 5.03(d) of the Miami-Dade County Home Rule Charter, in the best interest of Miami-Dade County, and designates Partners for Self Employment, Inc. (Partners), as the County's fiscal agent to receive applications for loans from qualified businesses for Empowerment Zone (EZ) loans and manage and service the EZ Revolving Loan Fund (RLF) as established under Resolution R-915-09 on June 30, 2009; 2) approves up to $100,000 as payment under a fee for service agreement to the fiscal agent from the funds contained in the EZ RLF to manage the EZ RLF, which is estimated to contain approximately $1.138 million dollars; and 3) authorizes the County Mayor or the County Mayor's designee to approve or deny the loan recommendations as received from the fiscal agent and execute agreements necessary to accomplish the purpose of this resolution.

The purpose of the EZ RLF is to provide low interest capital to eligible EZ businesses. The County is committed to ensuring that all of its EZ Round II grant funds are expended prior to the end of the grant period, which is July 2, 2010. This item will allow the designated fiscal agent to recommend loan agreements for execution by the County Mayor or the County Mayor's designee with businesses in the EZ prior to the end of the grant period.

SCOPE

The EZ covers specific census tracts in the following ten neighborhoods: 1) Central Business District/Seaport; 2) Airport; 3) Melrose; 4) Allapattah/Civic Center; 5) Overtown; 6) East Little Havana; 7) Wynwood; 8) Liberty City/Model City; 9) Homestead; and 10) Florida City. In addition, the EZ covers three developable sites: 1) Opa Locka Airport (a 902-acre site); 2) Northside/Poinciana Industrial Center (a 259-acre site) and 3) Homestead/Florida City (a 621-acre site). A map of each neighborhood and developable site is attached.

Partners for Self Employment will recommend loans to small and medium sized businesses in any of the EZ specific census tracts or developable areas.

FISCAL IMPACT
There is no fiscal impact to the County with approval of this item.

The County's EZ designation period ended on December 31, 2009 and in a letter dated June 24, 2009 the US Department of Housing and Urban Development (US HUD) advised that the end of the grant period was extended to July 2, 2010. Consistent with US HUD's fiscal year end accounting procedures, all unexpended funds in the County's HUD Line of Credit account will be deobligated by the end of the grant period.

At the present time, it is estimated that the RLF will have approximately $1.138 million available for loan commitments, comprised of $552,655 from four awardees that were unable to execute a contract and thus were sent letters cancelling those awards and $585,700 from 22 contracts that are underway but will not be fully expended by April 30, 2010. The 26 awardees referenced above were approved by the Board through R-915-09. The $1.138 million is an estimate and may be higher or lower, as the final amount will not be known until all of the invoices from the awardees have been received and processed. The Background section of this cover memorandum provides further detail on the status of the EZ funded contracts.

MONITORING / TRACK RECORD
The Department of Housing and Community Development (DHCD) will continue to perform site inspections and desk audits to ensure that contractors, including those who receive loans through the EZ RLF have met the requirements of their contract(s), which include among other items appropriate insurance, job placement, sufficient progress, final reporting, and other appropriate documentation as required. The County has over six years of experience in working with Partners, which has a proven track record of managing revolving loan funds. More specifically, Partners has managed and serviced other County-funded revolving loan funds in excess of $2.2 million, while maintaining a high loan repayment rate. Partners will receive a fee for service that will be up to 10 percent of the loan amount of each approved loan, but in the aggregate the fee will not exceed $100,000. The fee will be paid from the EZ RLF account, consistent with US HUD guidelines. All repayments of the revolving loan funds will be paid into the EZ RLF.

These funds in the EZ RLF will be drawn down from US HUD's line of credit and will remain on deposit with Miami-Dade County. Loan funding requests or invoices received from Partners will be subject to the County's review and approval prior to the draw down and disbursement of the loan funds or fee payments to Partners. Partners will then disburse and administer disbursements to the approved loan recipients.

BACKGROUND
The "Empowerment Zone and Enterprise Community (EZ/EC) Initiative" was established as a strategy to create jobs and business opportunities in the most economically distressed areas of America's inner cities. In 1999, the Board approved a Memorandum of Understanding (MOU) between the County and the Miami Dade Empowerment Trust, Inc. (MDET) that delegated MDET the authority to govern, direct, and implement the 10-year EZ Strategic Plan. However, the County remained as the "Lead Entity" for all EZ grant funds. On July 10, 2007, the MOU between MDET and the County was terminated. Subsequently, pursuant to County Ordinance 08-56 approved on March 11, 2008, DHCD was designated the County's implementing entity for the EZ program.

On June 30, 2009 the Board approved Resolution R-915-09, authorizing up to $3.5 million of US HUD federal EZ Round II grant funds to 26 eligible economic development projects. Under R-915-09, the Board also approved the establishment of an EZ RLF to provide low interest capital to EZ businesses, and authorized the County or a fiscal agent to manage the fund and provided that fiscal agent shall be

selected from one of the entities currently managing the Community Development Block Grant (CDBG) funded revolving loan funds.

Staff recommends the selection of Partners as the fiscal agent as a matter of expediency, as their programs are underway and immediately available. US HUD regulations require that any funded activity, even the services of a RLF agent, be located in an EZ unless certain waivers are requested from US HUD, which would likely occur over an extended time period beyond the July 2, 2010 grant period expiration date. Partners is the only fiscal agent located in the County's EZ that is currently contracted to manage CDBG funds.

As mentioned previously, the EZ RLF will be funded from awardees under R-915-09 that were unable to execute a contract or contracted agencies that failed to expend their funds within a timely fashion. Of the 26 contracts generated from the EZ Round II FY 2009 RFA process, currently only 22 are active. The remaining four approved agencies were not able to contract due their inability to move forward. The awardees under the 22 executed contracts have until April 30, 2010 to expend funds and May 14, 2010 to submit final reimbursement packages to the County. Upon review of the final reimbursement packages, all unspent funds will be transferred to the EZ RLF. In anticipation of the reimbursement request process, staff has been in contact with the 22 contracted entities and it is estimated at this time that the EZ RLF will have $1.138 million available for loan commitments based on the information staff has been provided.

The EZ RLF will be available to qualified small and medium size businesses that are located, or looking to locate, throughout the Miami-Dade EZ. The RLF will serve to ensure that all EZ funds are preserved for local use in the County's EZ communities.

The EZ Strategies Alliance will meet to review and provide a final recommendation prior to this item going before the committee of jurisdiction or the Board for consideration.

Attachments

Irene Taylor-Wooten
Special Assistant to the County Manager

MEMORANDUM
(Revised)

TO: Honorable Chairman Dennis C. Moss and Members, Board of County Commissioners

DATE: May 4, 2010

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

SUBJECT: Agenda Item No. 8(K)(1)(B)

Please note any items checked.

_____ **"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**

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

_____ **No committee review**

__✓__ **Applicable legislation requires more than a majority vote (i.e., 2/3's __✓__, 3/5's ____, unanimous _____) to approve**

_____ **Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required**

Approved _____ Mayor

Veto _____

Override _____

Agenda Item No. 8(K)(1)(B)

5-4-10

RESOLUTION NO. _____

RESOLUTION DESIGNATING PARTNERS FOR SELF EMPLOYMENT, INC. AS THE COUNTY'S FISCAL AGENT TO MANAGE THE EMPOWERMENT ZONE REVOLVING LOAN FUND; AUTHORIZING THE MAYOR OR THE MAYOR'S DESIGNEE TO WAIVE COMPETITIVE BIDDING PURSUANT TO SECTION 5.03 OF THE HOME RULE CHARTER, SECTION 2-8.1 OF THE CODE OF MIAMI-DADE COUNTY; AUTHORIZING PAYMENT IN THE FORM OF A FEE FOR SERVICE IN AN AMOUNT NOT TO EXCEED $100,000.00; AUTHORIZING THE MAYOR OR THE MAYOR'S DESIGNEE FINAL AUTHORITY TO APPROVE OR DENY LOAN RECOMMENDATIONS SUBMITTED BY THE FISCAL AGENT; AUTHORIZING THE MAYOR OR THE MAYOR'S DESIGNEE TO EXECUTE ALL CONTRACTS, AGREEMENTS AND LOAN DOCUMENTS AND, AUTHORIZING THE MAYOR OR THE MAYOR'S DESIGNEE TO EXERCISE AMENDMENT, RENEWAL, TERMINATION, CANCELLATION, AND MODIFICATION CLAUSES OF ANY AGREEMENT ENTERED INTO PURSUANT TO THIS RESOLUTION

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

WHEREAS, in 1999, the Miami Dade Board of County Commissioners (BCC), approved a Memorandum of Understanding (MOU) between Miami Dade County (the County), and the Miami Dade Empowerment Trust (MDET), that delegated authority to MDET to govern, direct, and implement the ten year Empowerment Zone Strategic Plan; and

WHEREAS, on March 11, 2008 pursuant to County Ordinance 08-56 the Department of Housing and Community Development f/k/a Office of Community and Economic Development was designated as the implementing arm of the Empowerment Zone (EZ) to continue to monitor the EZ program until expiration of its grant period; and

WHEREAS, the federal designation of the Empowerment Zone expired in December 2009; and

WHEREAS, the grant period has been extended through July 2, 2010 by US Department of Housing and Urban Development (US HUD) allowing for expenditure of all unexpended Empowerment Zone Funds; and

WHEREAS, the Board approved a Revolving Loan Fund (the "RLF") on June 30, 2009 under Resolution R-915-09 for the purpose of ensuring the timely expenditure of remaining EZ funds; and

WHEREAS, oversight by the Mayor or Mayor's designee of the recommendations under the RLF are required by resolution R-915-09; and

WHEREAS, Resolution R-915-09 provided that the RLF be managed by the department of Housing and Community Development or its fiscal agent providing that such fiscal agent be selected from existing agencies currently managing CDBG funded revolving loans; and

WHEREAS, the EZ programs requires that funded agencies be located within the EZ designated boundaries unless this requirement is waived by US HUD; and

WHEREAS, Partners for Self Employment, is currently managing Community Development Block Grant (CDBG) revolving loans funds; and

WHEREAS, Partners for Self Employment is located within the geographic boundaries of the EZ; and

WHEREAS, the Board supports prudent and effective activities that enhance the Empowerment Zone communities,

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

Section 1. Authorizes Partners for Self Employment as the fiscal agent for the County as allowed under Resolution R-915-09; and

Section 2. Authorizes the Mayor or the Mayor's designee to approve or deny the loan recommendations submitted by the fiscal agent; and

Section 3. Waives competitive bidding pursuant to Section 5.03 of the Home Rule Charter and Section 2-8.1 of the Code of Miami-Dade County by a two-thirds (2/3) vote of the Board members in office and authorizes the Mayor or the Mayor's designee to enter into an agreement with Partner's for Self Employment, Inc. to carry out the purposes as set forth herein, after review and approval by the County Attorney; and

Section 4. Authorizes the Mayor or the Mayor's designee to exercise amendment, renewal, termination, cancellation, and modification clauses of any agreement entered into pursuant to this resolution; and

Section 5. Authorizes the Mayor or the Mayor's designee, the County Attorney, and Clerk of the Board to take whatever actions are necessary to affect the purposes of this resolution.

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:

Dennis C. Moss, Chairman
Jose "Pepe" Diaz, Vice-Chairman

Bruno A. Barreiro	Audrey M. Edmonson
Carlos A. Gimenez	Sally A. Heyman
Barbara J. Jordan	Joe A. Martinez
Dorrin D. Rolle	Natacha Seijas
Katy Sorenson	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this 4th day of May, 2010. 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.

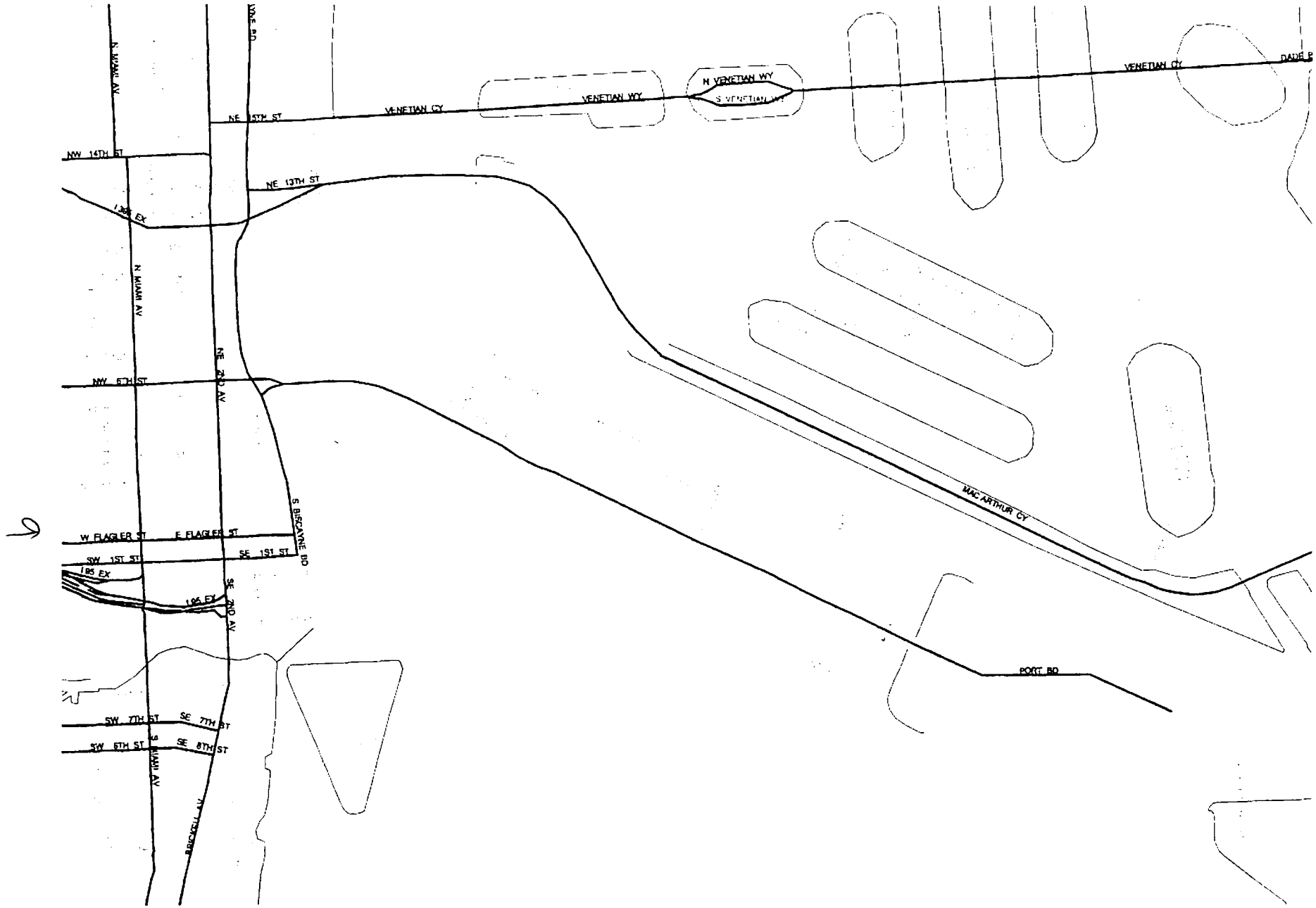
MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By:_____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

Shannon D. Summerset
Cynthia Johnson-Stacks



Street
Neighborhood Boundary

CBD & Seaport Neighborhood

Federal Empowerment Zone

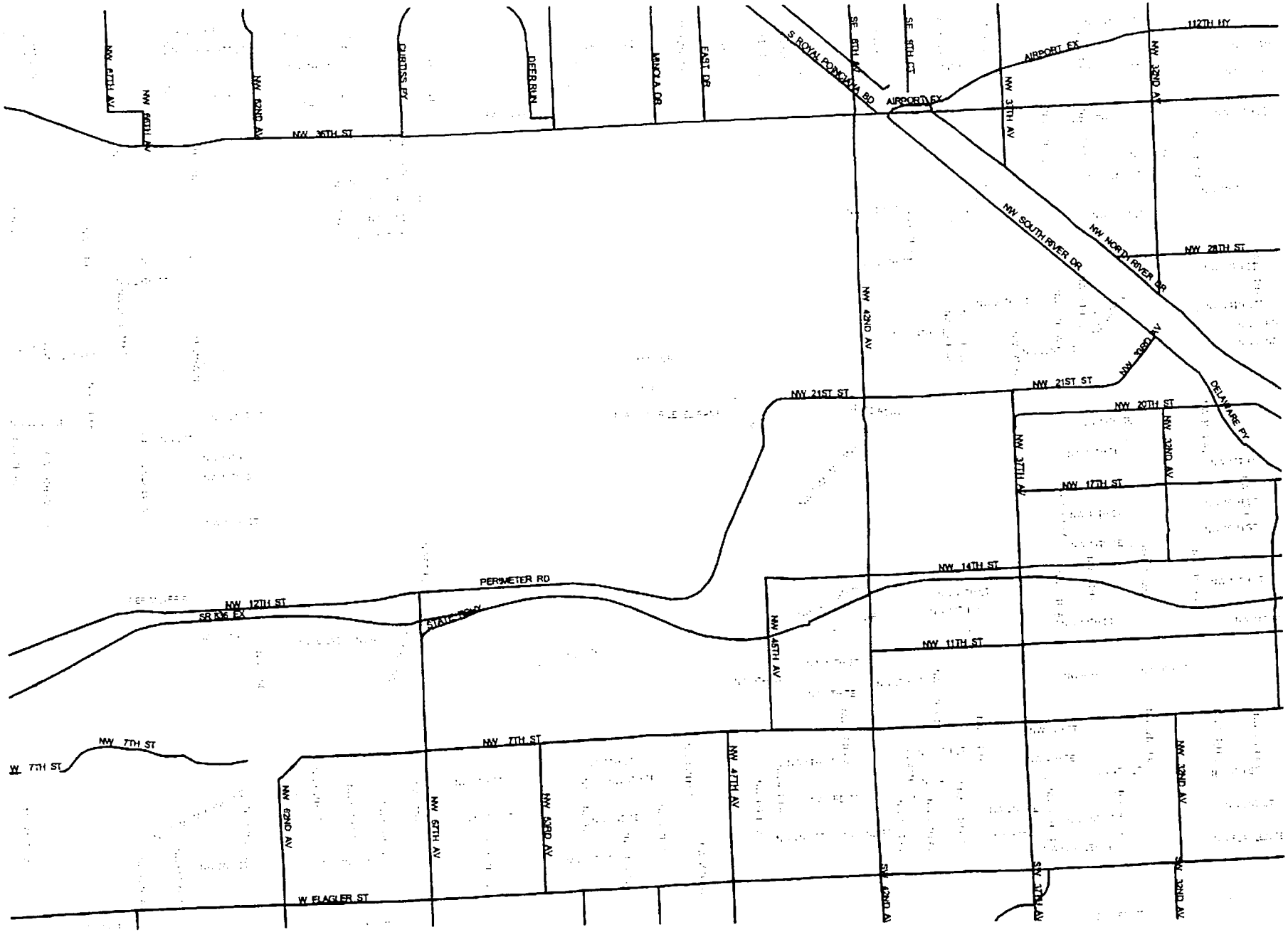
Miami-Dade Empowerment Trust, Inc.

Disclaimer

Data contained was provided by Miami-Dade County, City of Miami, City of Homestead and Florida City. No claims can be made to the accuracy of said data. The information provided is subject to change without notice. This map should not be used as an official document. For official documentation please contact the appropriate source.

Prepared by C&C Solutions, Inc.

February 15, 2002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NW 45TH AV
NW 62ND AV
CURTISS PY
DEER RUN
MINOLA DR
EAST DR
S ROYAL POINCIANA BO
SE 5TH AV
SE 5TH CT
AIRPORT EX
NW 36TH ST
NW 37TH AV
NW 32ND AV
112TH HY
NW SOUTH RIVER DR
NW NORTH RIVER DR
NW 28TH ST
NW 42ND AV
NW 30RD AV
NW 21ST ST
NW 20TH ST
DELAWARE PY
NW 17TH ST
NW 14TH ST
PERIMETER RD
NW 12TH ST
SR 836 EX
STATE ROAD
NW 11TH ST
NW 7TH ST
W 7TH ST
NW 62ND AV
NW 57TH AV
NW 52ND AV
NW 47TH AV
W FLAGLER ST
Street
Neighborhood Boundary
Airport Neighborhood
Federal Empowerment Zone
Miami-Dade Empowerment Trust, Inc.
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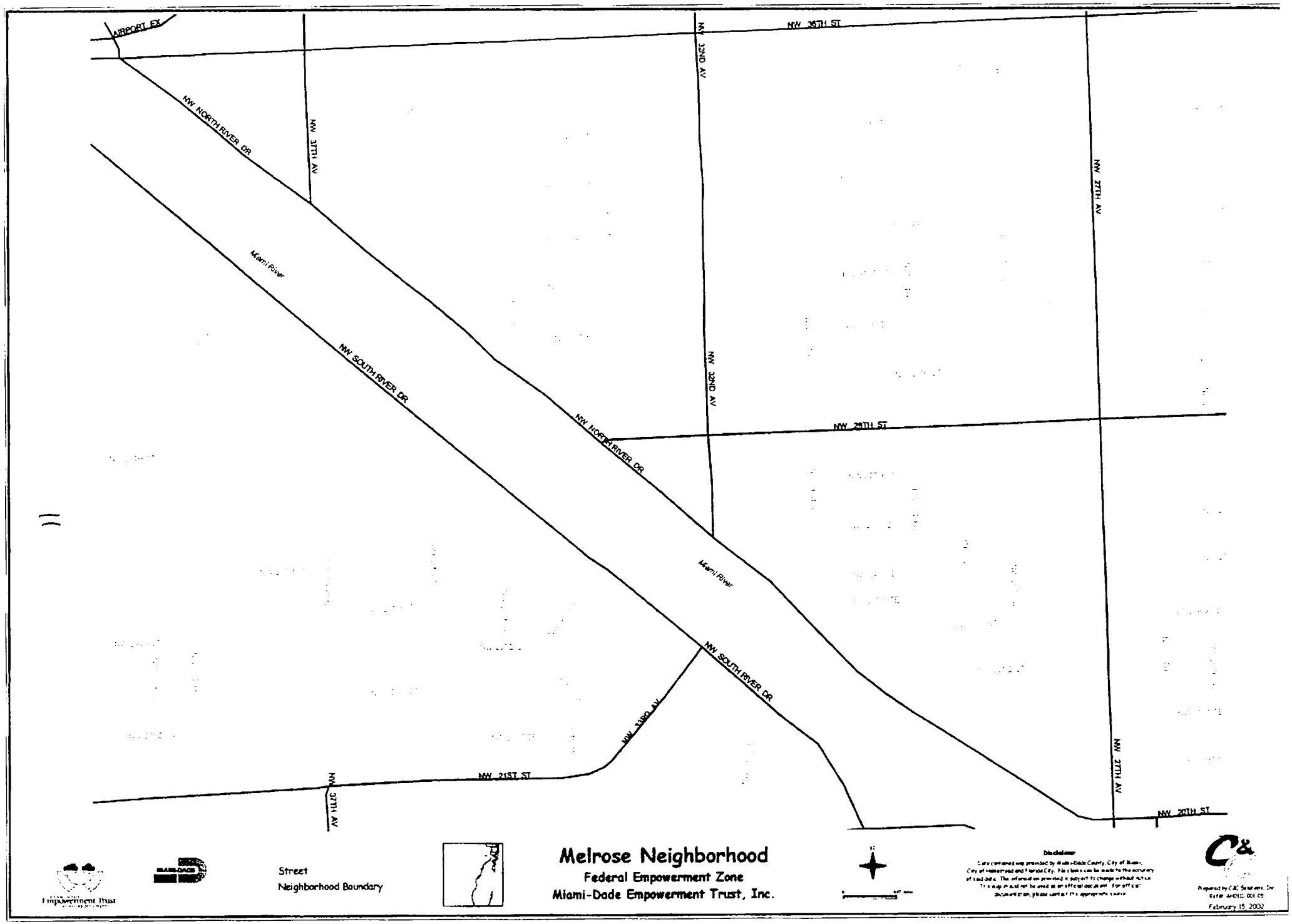
AIRPORT EX
NW 36TH ST
NW 32ND AV
NW NORTH RIVER DR
NW 37TH AV
NW 27TH AV
Miami River
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NW NORTH RIVER DR
Miami River
NW SOUTH RIVER DR
NW 33RD AV
NW 21ST ST
NW 37TH AV
NW 27TH AV
NW 20TH ST
Empowerment Trust
Street
Neighborhood Boundary
Melrose Neighborhood
Federal Empowerment Zone
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Disclaimer
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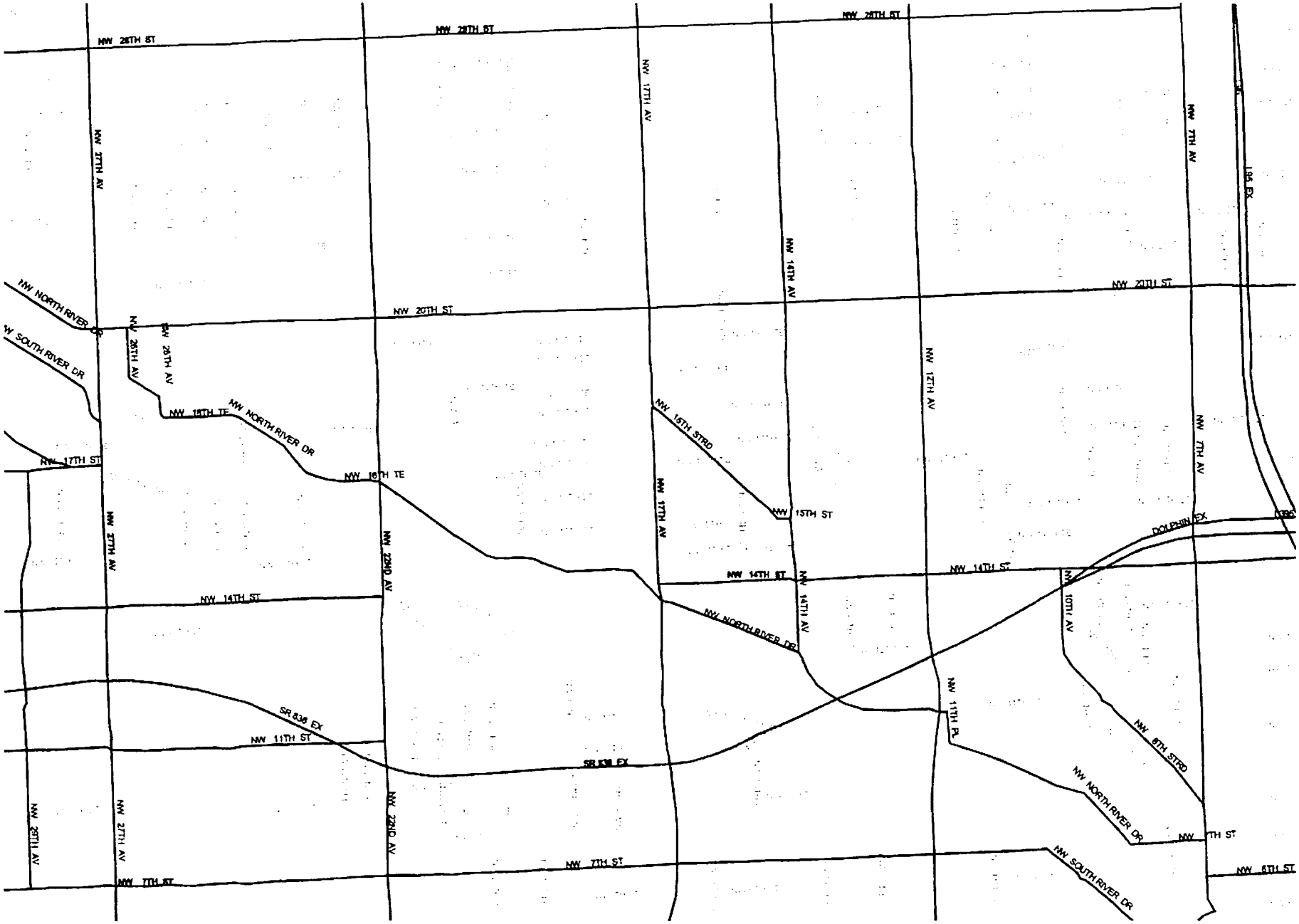

Street
Neighborhood Boundary

Allapattah/Civic Center Neighborhood

Federal Empowerment Zone

Miami-Dade Empowerment Trust, Inc.

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Letter AHOLC 001 05
February 15, 2002

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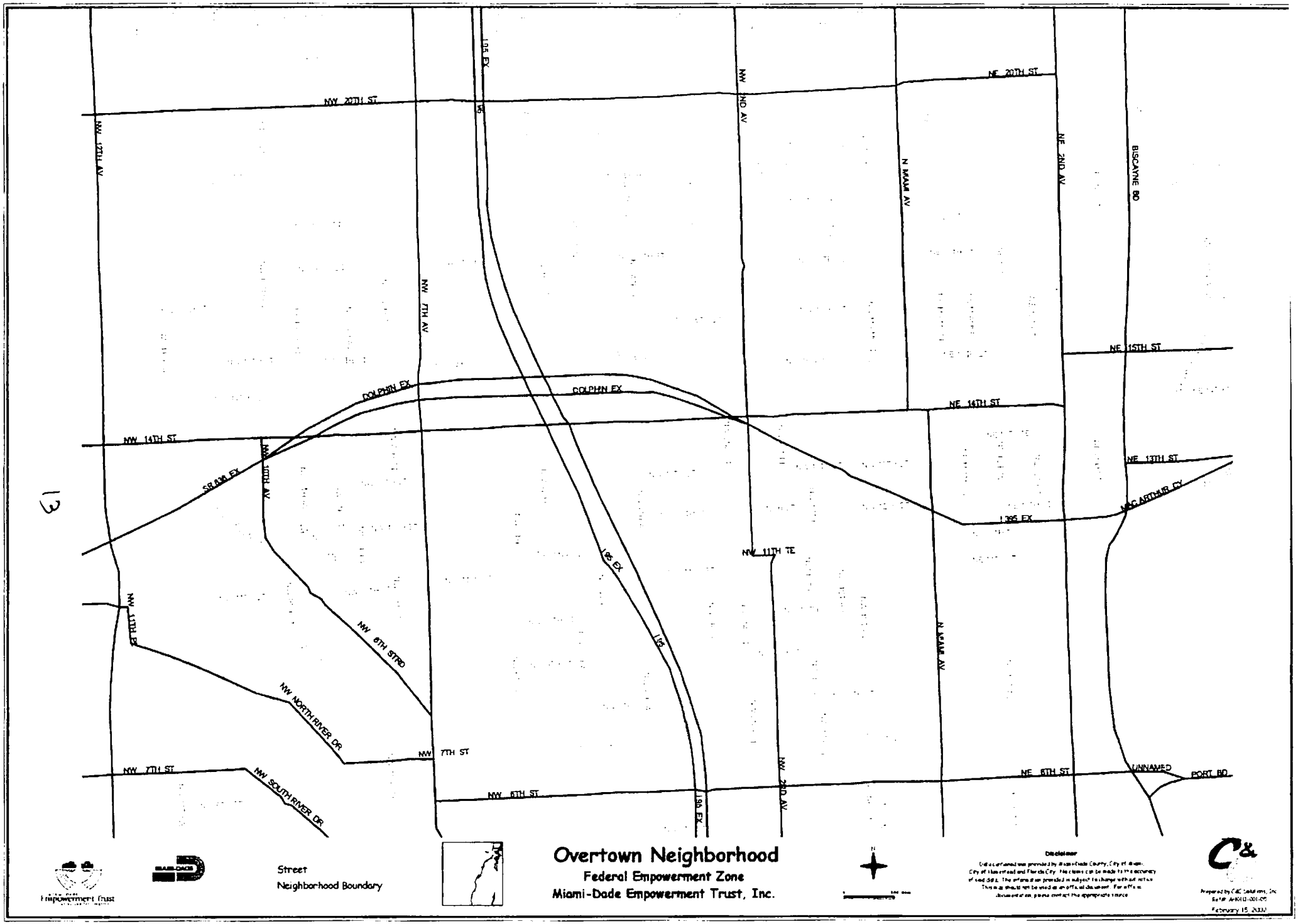
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NW 7TH AV
I 95 EX
NW 2ND AV
N MIAMI AV
NE 2ND AV
BISCAYNE BD
NE 15TH ST
DOLPHIN EX
NE 14TH ST
NW 14TH ST
NE 13TH ST
SR 836 EX
NW 10TH AV
I 395 EX
MAC ARTHUR CY
NW 11TH TE
NW 11TH PL
NW 6TH STRD
NW NORTH RIVER DR
NW 7TH ST
NW 7TH ST
NW SOUTH RIVER DR
NW 5TH ST
NE 6TH ST
UNNAMED
PORT BD
Street
Neighborhood Boundary
Overtown Neighborhood
Federal Empowerment Zone
Miami-Dade Empowerment Trust, Inc.
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February 15, 2002

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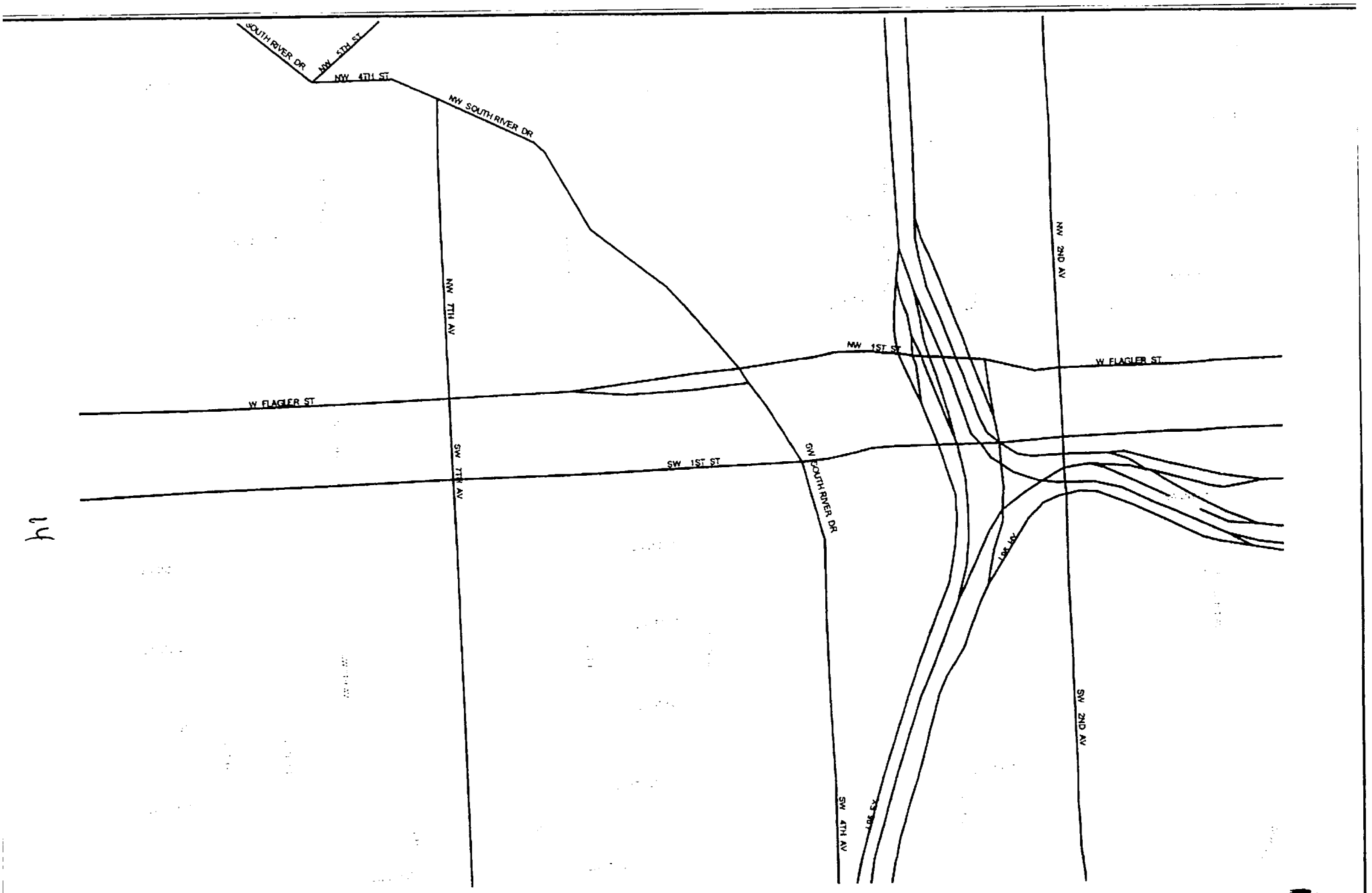
SOUTH RIVER DR
NW 5TH ST
NW 4TH ST
NW SOUTH RIVER DR
NW 7TH AV
NW 1ST ST
W FLAGLER ST
W FLAGLER ST
SW 7TH AV
SW 1ST ST
SW SOUTH RIVER DR
NW 2ND AV
SW 2ND AV
SW 4TH AV
Empowerment Trust
Street
Neighborhood Boundary
Little Havana Neighborhood
Federal Empowerment Zone
Miami-Dade Empowerment Trust, Inc.
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February 15, 2002

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Empowerment Trust

Street
Neighborhood Boundary

Wynwood Neighborhood

Federal Empowerment Zone

Miami-Dade Empowerment Trust, Inc.

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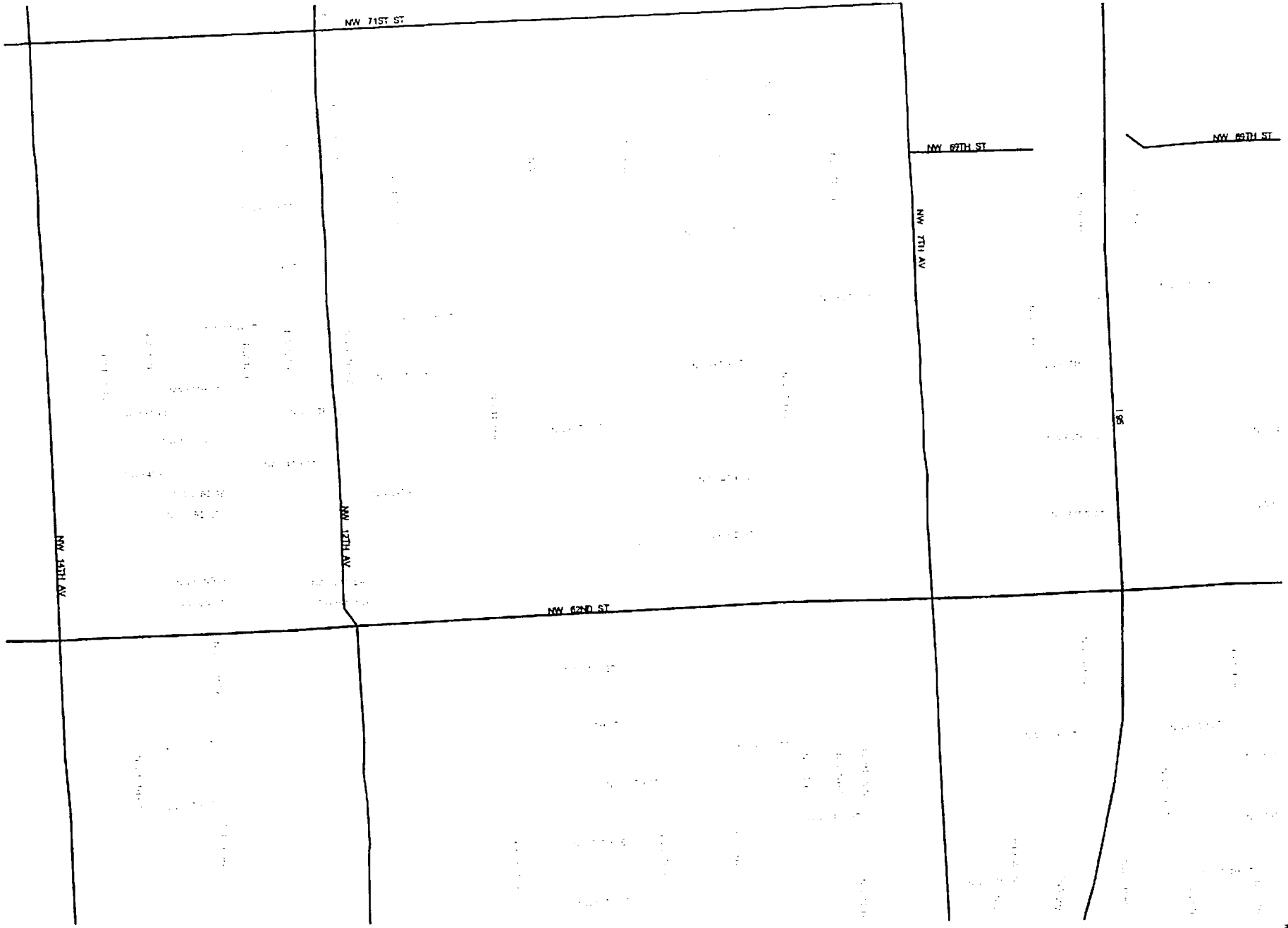
February 15, 2002



Street
Neighborhood Boundary

Liberty City/Model City Neighborhood

Federal Empowerment Zone

Miami-Dade Empowerment Trust, Inc.

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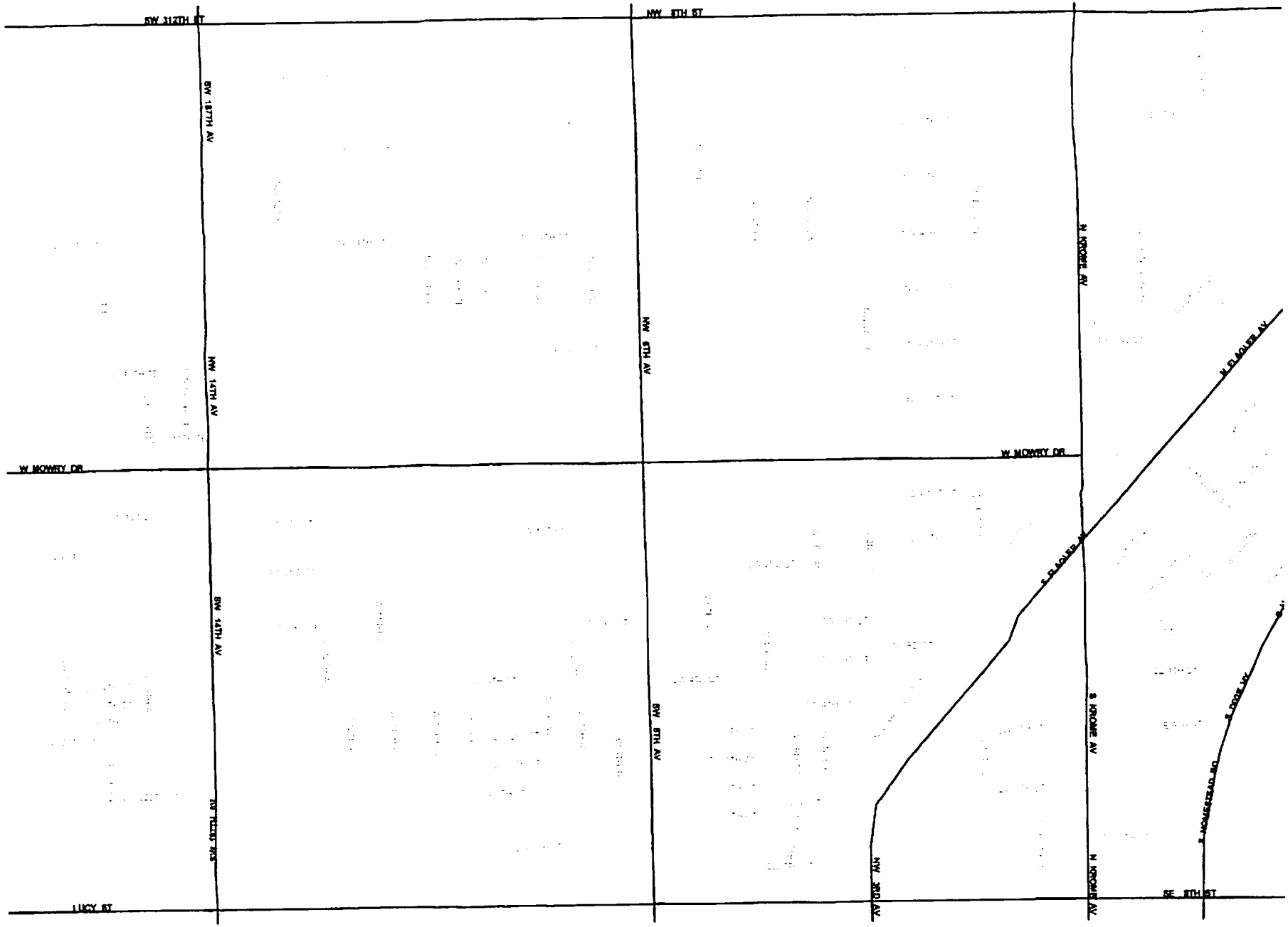
February 15, 2002



Street
Neighborhood Boundary

Homestead Neighborhood
Federal Empowerment Zone
Miami-Dade Empowerment Trust, Inc.

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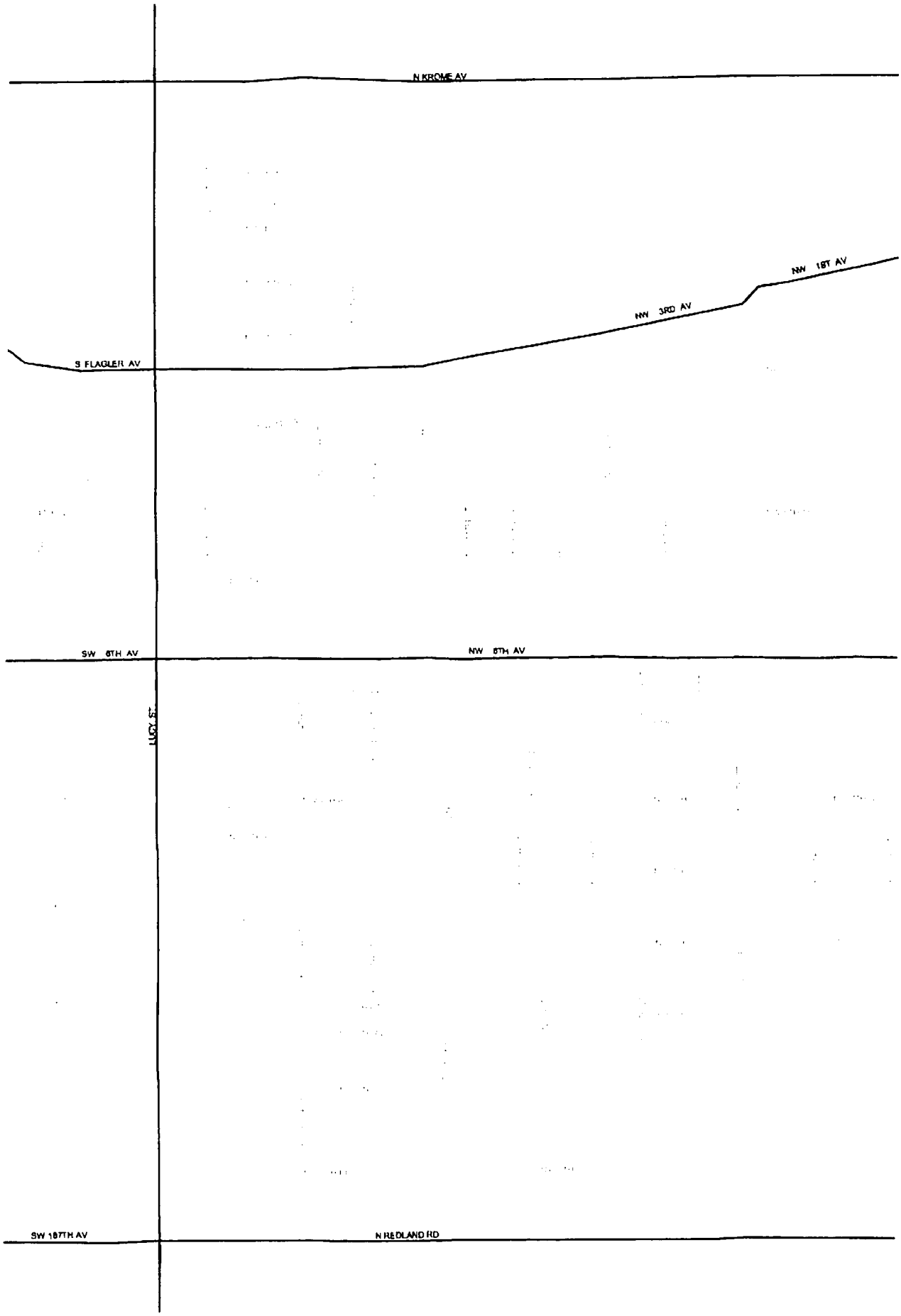
Date: AHC01-001-05
February 15, 2002



Florida City Neighborhood

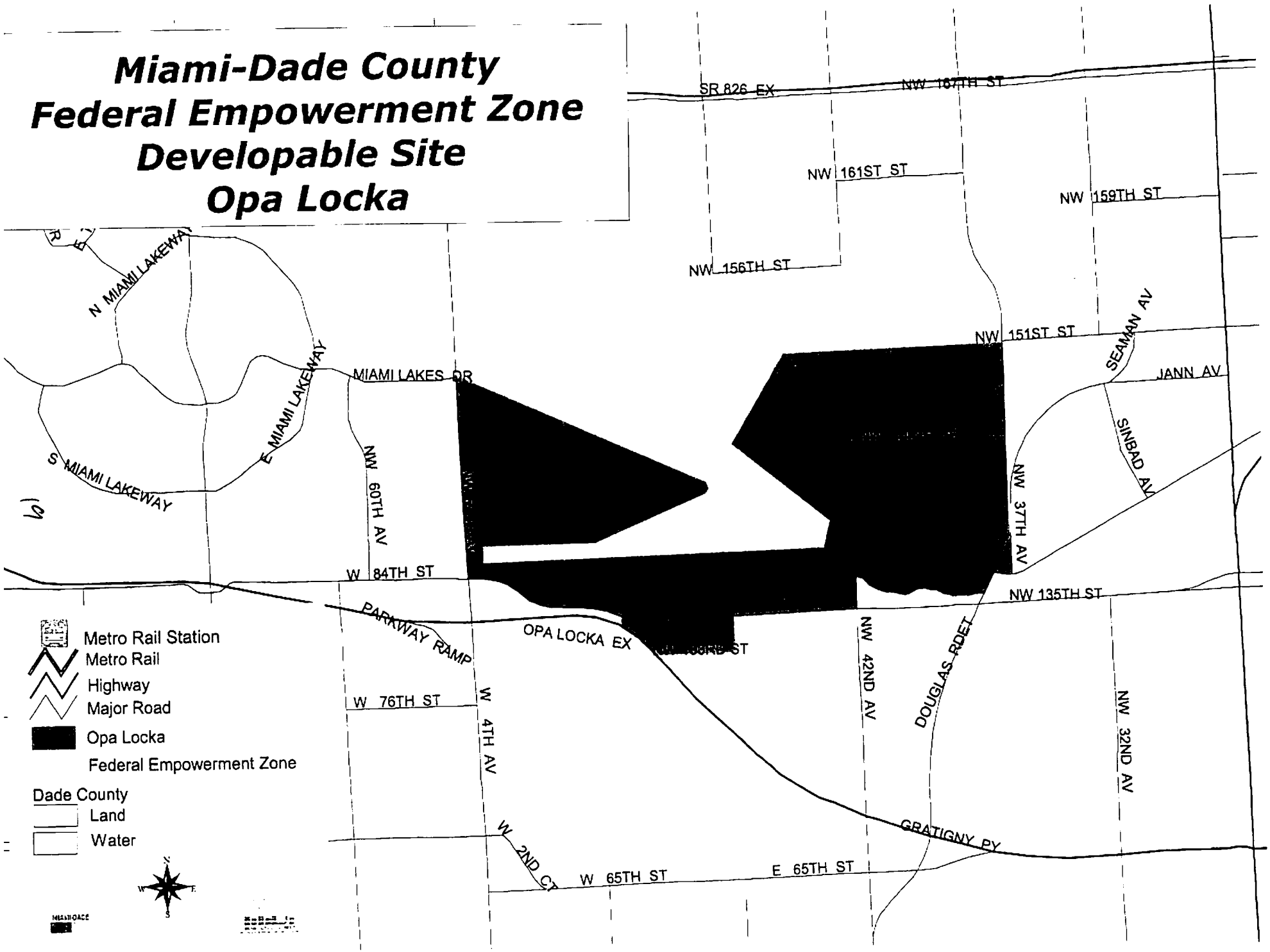
Federal Empowerment Zone

Miami-Dade Empowerment Trust, Inc.

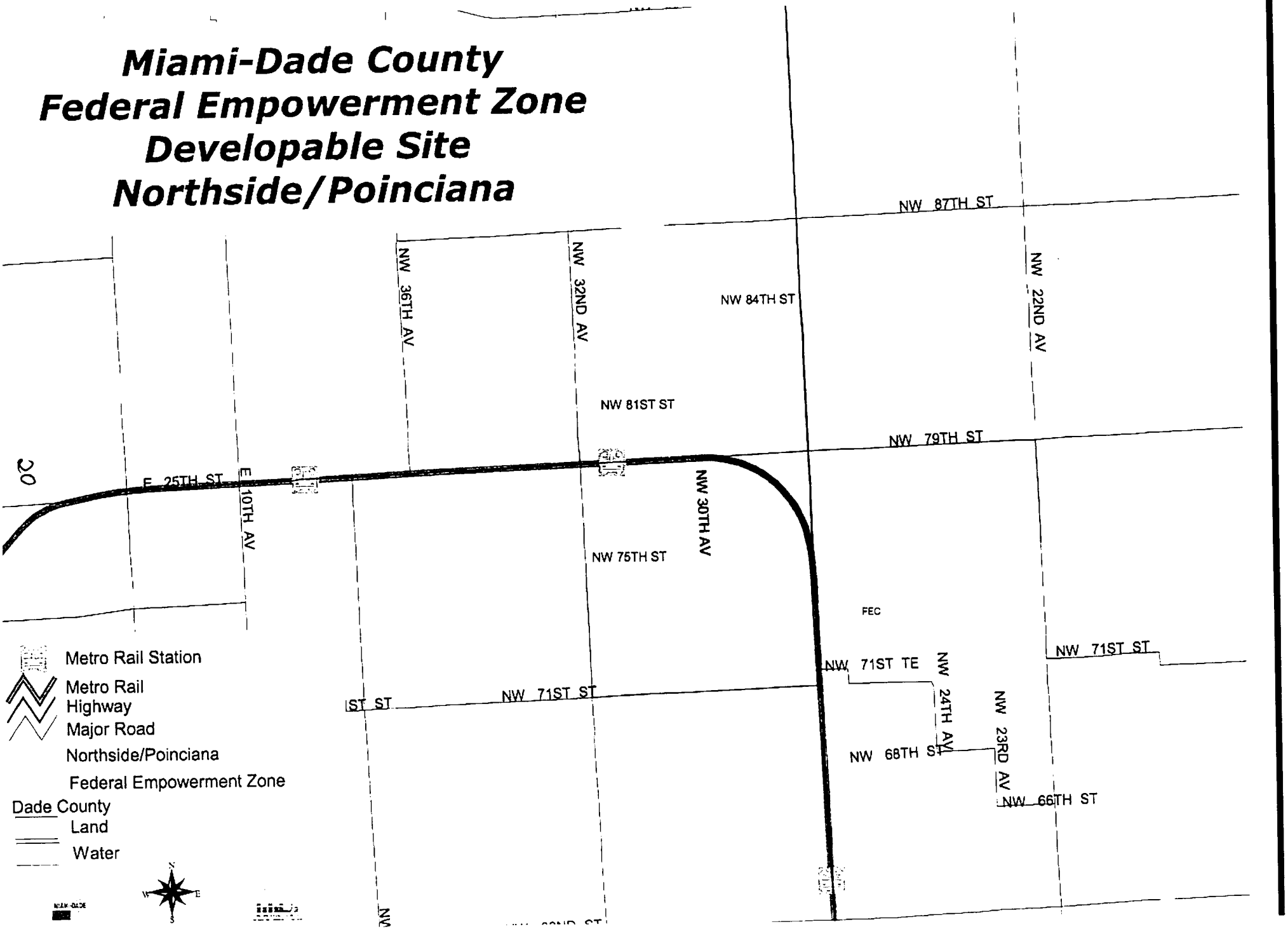
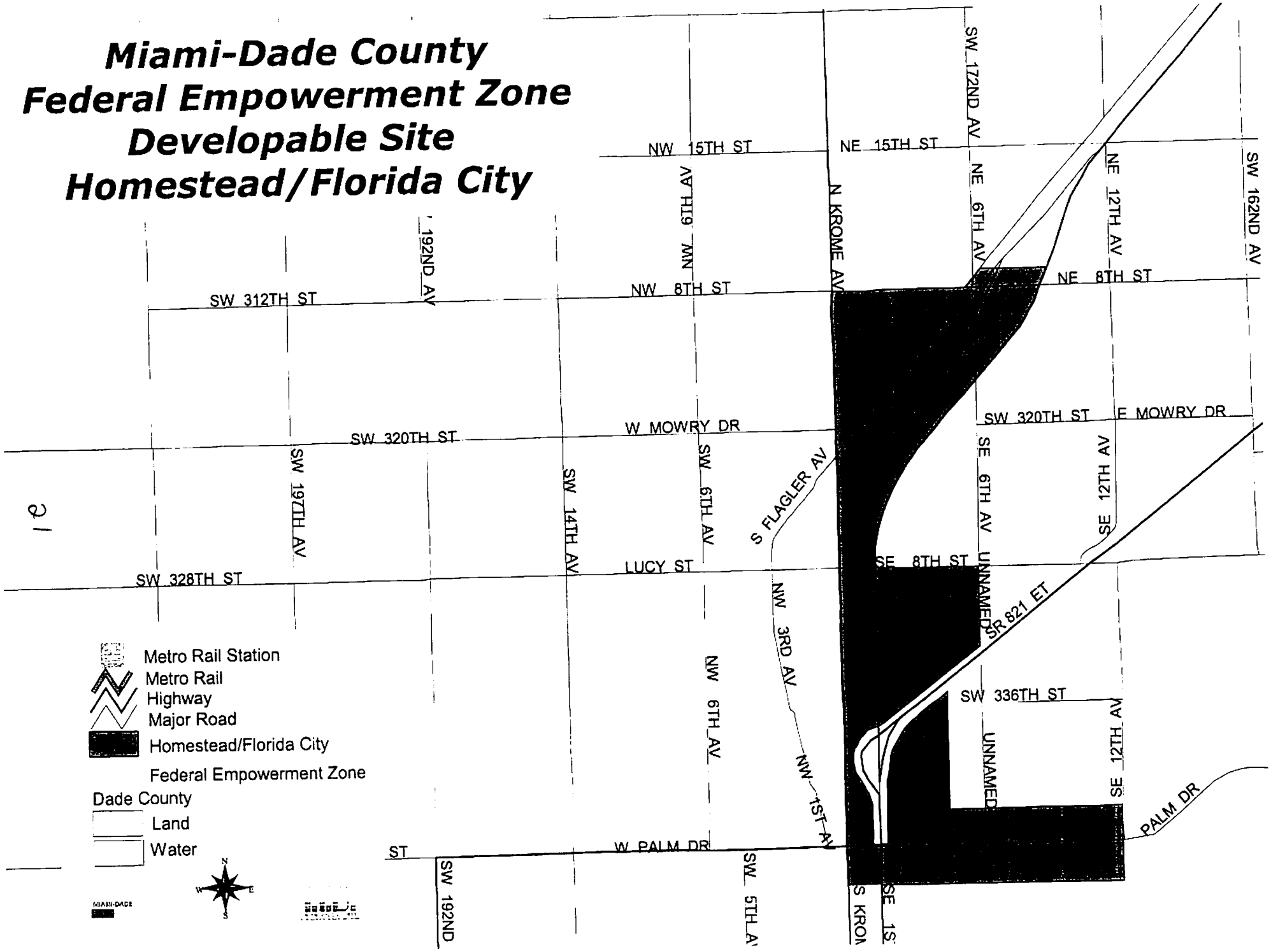
Street

Neighborhood Boundary

Miami-Dade County Federal Empowerment Zone Developable Site Opa Locka



Miami-Dade County
Federal Empowerment Zone
Developable Site
Northside/Poinciana



Miami-Dade County
Federal Empowerment Zone
Developable Site
Homestead/Florida City