

# MEMORANDUM

Agenda Item No. 8(K)(4)

**TO:** Honorable Chairwoman Rebeca Sosa  
and Members, Board of County Commissioners


**DATE:** December 2, 2014

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

**SUBJECT:** Resolution authorizing pursuant to the provisions of Section 17-02 of the Code, a loan to The Cornerstone Group and its affiliates in an amount not to exceed \$6,500,000.00 of repaid loan funds for the Villa Capri II affordable housing project

**This item was amended from the original version as stated in the County Mayor's memorandum.**

The accompanying resolution was prepared by the Public Housing and Community Development Department and placed on the agenda at the request of Prime Sponsor Commissioner Dennis C. Moss.

  
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R. A. Cuevas, Jr.  
County Attorney

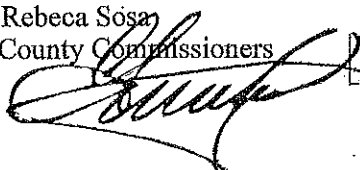
RAC/cp

# Memorandum



**Date:** December 2, 2014

**To:** Honorable Chairwoman Rebeca Sosa  
and Members, Board of County Commissioners

**From:** Carlos A. Gimenez  
Mayor 

**Subject:** Authorize Refinancing of Affordable Housing Loans to The Cornerstone Group for the Villa Capri II Affordable Housing Development

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This item was amended at the Housing and Community Development Committee meeting on November 10, 2014 to add language waiving the Mayor's veto period. Specifically, the last paragraph of the Mayor's memorandum was amended to waive his veto period to allow the County to close on the County loan on or before the scheduled closing date.

## RECOMMENDATION

It is recommended that the Board of County Commissioners (Board), authorize pursuant to Section 17-02 (a) and (b) of the Code of Miami-Dade County, a loan of up to \$6,500,000 to The Cornerstone Group and its affiliates for the Villa Capri II affordable housing development. This project has previously been approved for and awarded Surtax funds. It is also recommended that the Board authorize the County Mayor or the County Mayor's designee to execute all conditional loan commitments, standard shell contracts, standard shell loan documents, amendments and other agreements necessary to fulfill the purposes of this resolution. It is also recommended that the Board authorize the County Mayor or County Mayor's designee, upon a determination that such actions are in the best interest of the County, to subordinate and/or modify the terms of contracts, agreements, amendments and loan documents so long as such modifications are approved by the County Attorney's Office and are not substantially inconsistent with this resolution and to exercise the termination, waiver, acceleration, or other provisions set forth therein and authorize the County Mayor or the County Mayor's designee to execute other documents necessary to accomplish the purposes set forth in this resolution and authorizes the County Mayor or the County Mayor's designee to exercise the cancellation and other provisions contained therein.

## SCOPE

The project is located in Commission District 9, represented by Commissioner Dennis C. Moss.

## FISCAL IMPACT/FUNDING SOURCE

This item pertains only to Surtax and SHIP funds and will not have a negative fiscal impact on the County's General Fund. The funding in this item consists of proceeds from previously issued County loans for awarded projects noted in the table entitled 'The Cornerstone Group – Loans Paid Off.' The funding paid back will be loaned to Villa Capri II Associates, Ltd. for development of the Villa Capri II apartments project and will be a fourth mortgage on the property. Those projects were previously funded with Home Investment Partnerships (HOME) Program funds, State Housing Initiatives Partnership (SHIP) funds and with Documentary Stamp Surtax (Surtax) Funds. All funds associated with this recommendation were paid from the developer.

## TRACK RECORD/MONITORING

The projects will be monitored by Michael Liu, Director, Public Housing and Community Development.

**BACKGROUND**

Villa Capri II Apartments is a new construction affordable rental housing project located at 14500 SW 280 Street in South Miami-Dade County (District 9). The project will consist of 117 units ranging in size from 2 bedrooms/2.5 bathrooms, 1,225 square feet to 4 bedrooms/ 2 bathrooms, 1,461 square feet and will serve families earning up to 60% of the area median income.

Villa Capri II is the last phase of a three phase project and is expected to be completed by December 2015. Villa Capri I is a new construction affordable rental housing project consisting of 220 units, serving families up to 60% of the area median income. Villa Capri I was completed and received its certificate of occupancy on May 10, 2013. Villa Capri III is a new construction affordable housing project consisting of 140 units, serving families up to 60% of the area median income. Villa Capri III was completed and received its certificate of occupancy on March 23, 2012.

On March 5, 2013, the Board approved Resolution No. R-165-13, awarding \$2,320,000 of FY 2013 HOME funds to Villa Capri II Associates, Ltd. for the Villa Capri II project. On April 8, 2014, the Board approved Resolution R-332-14, awarding \$1,775,000 of FY 2014 Surtax funds to Villa Capri II Associates, Ltd. for the Villa Capri II project.

Due to a funding gap, First Housing Development Corporation of Florida (Credit Underwriter) has made a favorable recommendation for the aforementioned funding awards and is conditioned upon approval by the Board of an additional subsidy up to \$6,500,000 at rates and terms satisfactory to Miami-Dade Public Housing and Community Development. Under the construction financing, Villa Capri II Associates, Ltd. anticipates the availability of these funds via a fourth mortgage. The \$6,500,000 has been paid back to the County by the developer for the purpose of using these funds for Villa Capri II Associates, Ltd.

The Cornerstone Group was previously awarded \$6,500,000 of Surtax and SHIP funds by the County for other affordable housing projects. The Cornerstone Group, and its related entities, has repaid those loans in full, before the maturity dates on those loans. Pursuant to the terms of Section 17-02 of the Code of Miami-Dade County, any entity that has received loans for affordable housing, and repays those loans in full before the maturity date, may, upon the approval of the Board of County Commissioners, have those funds re-loaned to it for its other eligible affordable housing projects, without the need to compete again for those funds. Below is the list which includes the payoff dates for each of the loans.

The \$6,500,000 will be utilized for the construction of Villa Capri II (rental new construction) and will come from the paid off Surtax and SHIP loans listed. Villa Capri II is currently in underwriting and the loan closing has not taken place. Upon loan closing, the loan will be subject to those loan terms prescribed in the 2014 RFA. In addition to the \$6,500,000 this project was also awarded \$2,320,000 in HOME (FY 2013) and \$1,775,000 in Surtax (FY 2014).

The table below reflects the loans paid off by The Cornerstone Group. This item is not requesting use of the paid off HOME funds.

<b>The Cornerstone Group – Loans Paid Off</b>						
<u>Loan #</u>	<u>Name</u>	<u>Funding Source</u>	<u>Loan Amount</u>	<u>Maturity Date</u>	<u>Pay-Off Amount</u>	<u>Pay-Off Date</u>
36034	Tuscany Place Apts.	Surtax	\$1,000,000.00	3/1/2033	\$1,000,000.00	1/31/2014
36016	Baywinds Apts.	Surtax	\$1,000,000.00	4/1/2032	\$1,000,000.00	2/27/2014
36016	Baywinds Apts.	Surtax	\$750,000.00	4/1/2033	\$983,687.50	2/27/2014
36074	Hibiscus Pointe	Surtax	\$1,000,000.00	4/1/2032	\$1,000,000.00	5/7/2014
36037	Bonita Pointe	Surtax	\$1,000,000.00	6/1/2033	\$1,000,000.00	5/21/2014
15985	Marbrisa Apts.	Surtax	\$750,000.00	9/1/2031	\$674,131.52	6/16/2014
20127	Captiva Club	SHIP	\$1,000,000.00	5/1/2033	\$1,000,000.00	6/20/2014
<b>Total</b>			<b>\$6,500,000.00</b>		<b>\$6,657,819.02</b>	
<b>Other Loans Paid Off Not Included in This Request</b>						
23207	Marbrisa Apts.	HOME	\$500,000.00	7/24/2030	\$295,964.00	6/16/2014
23207	Marbrisa Apts.	HOME	\$500,000.00	2/1/2030	\$467,670.43	6/16/2014
<b>Total</b>			<b>\$1,000,000.00</b>	<b>Total</b>	<b>\$763,634.43</b>	

This item is submitted to the Board pursuant to this provision of the County Code.

The financial closing for the Villa Capri II project is scheduled for December 11, 2014. Therefore, it is recommended that the County Mayor waive his veto authority to allow the County to close on the County loan on or before the scheduled closing date.



Russell Benford, Deputy Mayor



# MEMORANDUM

(Revised)

**TO:** Honorable Chairwoman Rebeca Sosa  
and Members, Board of County Commissioners

**DATE:** December 2, 2014

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

**SUBJECT:** Agenda Item No. 8(K)(4)

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 Mayor'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)(4)  
12-2-14

RESOLUTION NO. \_\_\_\_\_

RESOLUTION AUTHORIZING, PURSUANT TO THE PROVISIONS OF SECTION 17-02 OF THE CODE OF MIAMI-DADE COUNTY, A LOAN TO THE CORNERSTONE GROUP AND ITS AFFILIATES IN AN AMOUNT NOT TO EXCEED \$6,500,000.00 OF REPAID LOAN FUNDS FOR THE VILLA CAPRI II AFFORDABLE HOUSING PROJECT; AND AUTHORIZING THE COUNTY MAYOR OR THE COUNTY MAYOR'S DESIGNEE TO EXECUTE ALL CONDITIONAL LOAN COMMITMENTS, STANDARD SHELL CONTRACTS, STANDARD SHELL LOAN DOCUMENTS, AMENDMENTS AND OTHER AGREEMENTS AND DOCUMENTS NECESSARY TO ACCOMPLISH THE PURPOSES OF THIS RESOLUTION, TO AUTHORIZE SUBORDINATION OF COUNTY'S INTEREST, AND TO EXERCISE THE TERMINATION, WAIVER, ACCELERATION, CANCELLATION AND OTHER PROVISIONS CONTAINED THEREIN

**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:**

**Section 1.** The Board ratifies and adopts the matters set forth in the accompanying justification memorandum as if fully set forth herein.

**Section 2.** The Board authorizes pursuant to the provisions of Section 17-02 of the Code of Miami Dade County, a loan to The Cornerstone Group and its affiliates in an amount not to exceed \$6,500,000.00 of repaid loan funds for the Villa Capri II affordable housing project.

**Section 3.** All funding awards and conditional loan commitments are contingent upon the recipient agency complying with the conditions set forth in this resolution and the justification memorandum. For all funding awards and, where applicable, conditional loan

commitments made, the County Mayor or County Mayor's designee is authorized to execute all conditional loan commitments, standard shell contracts, standard shell loan documents, amendments and other agreements and documents necessary to accomplish the purposes of this resolution and to exercise the cancellation and other provisions contained therein. The Board further authorizes the County Mayor or County Mayor's designee, upon a determination that such actions are in the best interest of the County, to authorize the subordination of the County's interest? and/or modify the terms of contracts, agreements, amendments and loan documents so long as such modifications are approved by the County Attorney's Office and are not substantially inconsistent with this resolution, and to exercise the termination, waiver, acceleration, and other provisions set forth therein.

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:

Rebeca Sosa, Chairwoman	
Bruno A. Barreiro	Esteban L. Bovo, Jr.
Daniella Levine Cava	Jose "Pepe" Diaz
Audrey M. Edmonson	Sally A. Heyman
Barbara J. Jordan	Jean Monestime
Dennis C. Moss	Sen. Javier D. Souto
Xavier L. Suarez	Juan C. Zapata

~~[[The Chairperson thereupon declared the resolution duly passed and adopted this 2<sup>nd</sup>, day of December, 2014. 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.]]<sup>1</sup>~~

<sup>1</sup> Committee amendments are indicated as follows: Words stricken through and/or [[double bracketed]] are deleted, words underscored and/or >>double arrowed<< are added.

>>The Chairperson thereupon declared the resolution duly passed and adopted this 2<sup>nd</sup> day of December, 2014. This resolution shall become effective upon the earlier of (1) 10 days after the date of its adoption unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override by this Board, or (2) approval by the County Mayor of this Resolution and the filing of this approval with the Clerk of the 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 Summerset-Williams