

MEMORANDUM

Agenda Item No. 14(A)(14)

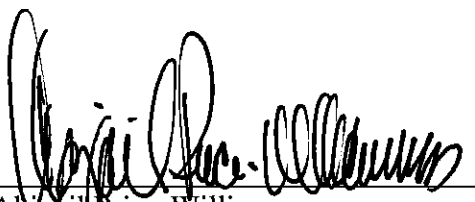
TO: Honorable Chairman Esteban L. Bovo, Jr.
and Members, Board of County Commissioners

DATE: July 24, 2018

FROM: Abigail Price-Williams
County Attorney

SUBJECT: Resolution approving loans to Coral Bay Cove, or related entity, of \$1,575,000.00 of Documentary Stamp Surtax funds, all based upon prepayment by City Crossings, Ltd. of previous loans in those same amounts, for development of the Coral Bay Cove Apartments, an affordable housing project; and authorizing the execution of conditional loan commitments and other agreements necessary to accomplish the purposes of this resolution

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.


Abigail Price-Williams
County Attorney

APW/smm

Memorandum



Date: July 24, 2018

To: Honorable Chairman Esteban L. Bovo, Jr.
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor

A handwritten signature in black ink, appearing to read "Carlos A. Gimenez".

Subject: Loan of Prepaid Documentary Stamp Surtax to City Crossings, Ltd., or related entity, for Development of the Coral Bay Cove Apartments An Affordable Housing Project

Recommendation

It is recommended that the Board of County Commissioners (Board):

- Allocate \$1,575,000 of Documentary Stamp Surtax (Surtax) funds received through the pre-payment of two Surtax program loans from City Crossings, Ltd., and authorize, in accordance with Section 17-02 of the Miami-Dade County Code of Ordinances, the loan of these pre-paid loans to Coral Bay Cove, or related entity, for the development of the Coral Bay Cove Apartments affordable housing project; and
- Authorize the County Mayor or the County Mayor's designee to execute conditional loan commitments, in substantially the form attached to the resolution as Exhibit 1, standard shell contracts, standard shell loan documents, amendments and other agreements necessary to accomplish the purposes of this resolution.

It is further 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.

Scope

The Coral Bay Cove Apartments affordable housing project will be located on the NE corner of SW 260th Street and South Dixie Highway, Miami, Florida 33032, located in Commission District 9, represented by Commissioner Dennis C. Moss. This project was originally funded with \$2,600,000 in FY 2017 Surtax funds as detailed in Resolution No. R-192-18.

Fiscal Impact/Funding Source

This item allocates Surtax pre-paid loan funds of two Surtax loans of \$1,400,000, as detailed in Resolution No. R-1063-12, and \$175,000, as detailed in Resolution No. R-1174-10, for a total prepaid loan amount of \$1,575,000 from the Landmark Development Corporation. This item will not have a negative fiscal impact on the County's General Fund. The funding in this item consists of pre-payments from previously issued County loans to City Crossings, Ltd. for Coral Bay Cove, which are both developed by the Landmark Development Corporation (LDC) and requested in a letter dated May 9, 2018, and attached hereto as Exhibit 2.

Track Record/Monitoring

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

BACKGROUND

City Crossings, Ltd.

It is recommended that the Board allocate a total of \$1,575,000 of Surtax funding originally allocated in Resolutions Nos. R-1063-12 (Surtax \$1,400,000) and R-1174-10 (Surtax \$175,000) which is expected to be re-paid to the County on July 11, 2018, well in advance of the loans' maturity dates of December 31, 2044 and 2049 (see Table 1 below). City Crossings is located at SW 12th Street, Miami, Florida 33130 in District 5. The development was a new construction project consisting of 103 rental housing units for persons with incomes ranging from 28 percent of the Area Median Income (AMI) to 60 percent AMI. The development has 30 one-bedroom units, 62 two-bedroom units, and 11 three-bedroom units, all with high-energy efficiency appliances, carpeting/tile and centralized air conditioning.

The loans totaling \$1,575,000 involve funds that will be prepaid by the borrower. This pre-payment and reloan structure is permitted by Section 17-02 of the Miami-Dade County Code of Ordinances, which provides that any developer that repays its County loan in full before the date on which the loan is due in full may, upon approval of the Board of County Commissioners, have the repaid funds loaned to it, or a related entity, for additional eligible affordable housing projects, without the need to compete again for those funds.

Table 1 below shows the loans to be pre-paid by City Crossings, Ltd.

Table One

CITY CROSSINGS, LTD – Loans Pre-Paid in Full						
Loan #	Project Name	Funding Source	Loan Amount	Maturity Date	Pay-Off Amount	Pay-Off Date
36210	City Crossings, Ltd.	Surtax	\$175,000.00	12/31/49	\$175,000.00	7/11/18
36211	City Crossings, Ltd.	Surtax	\$1,400,000.00	12/31/44	\$1,400,000.00	7/11/18
Total			\$1,575,000.00		\$1,575,000.00	

Coral Bay Cove

It is recommended that the Board allocate \$1,575,000 of Surtax funding originally allocated in Resolutions Nos. R-1063-12 and R-1174-10 (\$1,400,000 and \$175,000, respectively) and expected to be pre-paid to the County on July 11, 2018, well in advance of the loans maturity dates of December 31, 2044 and 2049. These are conditioned, in accordance with Section 17-02 of the Miami-Dade County Code of Ordinances, upon the pre-payment by City Crossings, Ltd. of the loans to the County. Coral Bay Cove is located on the NE corner of SW 260th Street and South Dixie Highway, Miami, Florida 33032 in District 9, represented by Commissioner Dennis C. Moss. The Coral Bay Cove development funded by Resolution No. R-192-18 will consist of a new construction affordable housing project with 224 garden-style rental units, of which 199 units will be set-aside for low-income families and individuals earning 60 percent or less of the AMI; 25 units will be set-aside for extremely low-income families earning 33 percent or less of the AMI. Additionally, fourteen of the units will be designed for disabled individuals.

Upon approval of this item, conditional loan commitments will be issued to Coral Bay Cove, or related entity, for the development of the affordable housing project. Coral Bay Cove will be subject to a full

credit underwriting analysis, including a subsidy layering review. They must receive a favorable recommendation from the underwriter and show written financing commitments for the total development costs, all prior to the financial closing of the loan approved herein for the release of loaned funds. The loan shall be subject to those terms for loans issued in accordance with Section 17-02 of the Miami-Dade County Code of Ordinances and as set forth in the FY 2017 Request for Applications (RFA) for Surtax funding, subject to change at the discretion of the County Mayor or County Mayor's designee based upon the credit underwriting analysis.

Attachments

A handwritten signature in black ink, appearing to read 'MK', is written over a horizontal line.

Maurice L. Kemp, Deputy Mayor



MEMORANDUM

(Revised)

TO: Honorable Chairman Esteban L. Bovo, Jr.
and Members, Board of County Commissioners

DATE: July 24, 2018

FROM: Abigail Price-Williams
County Attorney

SUBJECT: Agenda Item No. 14(A)(14)

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
- ☐ Statement of social equity 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. 14(A)(14)
7-24-18

RESOLUTION NO. _____

RESOLUTION APPROVING LOANS TO CORAL BAY COVE, OR RELATED ENTITY, OF \$1,575,000.00 OF DOCUMENTARY STAMP SURTAX FUNDS, ALL BASED UPON PREPAYMENT BY CITY CROSSINGS, LTD. OF PREVIOUS LOANS IN THOSE SAME AMOUNTS, FOR DEVELOPMENT OF THE CORAL BAY COVE APARTMENTS, AN AFFORDABLE HOUSING PROJECT; AND AUTHORIZING THE EXECUTION OF CONDITIONAL LOAN COMMITMENTS AND OTHER AGREEMENTS NECESSARY TO ACCOMPLISH THE PURPOSES OF THIS RESOLUTION

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. This Board ratifies and adopts the matters set forth in the accompanying justification memorandum as if fully set forth herein.

Section 2. This Board authorizes, pursuant to the provisions of Section 17-02 of the Code of Miami Dade County, loans to Coral Bay Cove, or related entity, in an amount not to exceed \$1,575,000.00 of Documentary Stamp Surtax program funds. The Surtax loans in the amount of up to \$1,575,000.00 are conditioned upon the prepayment by City Crossings, Ltd. of previous Surtax loans in those same amounts. All loans awarded in this item represent an equal amount of loaned funds which were or shall be prepaid by City Crossings, Ltd., related entities to Coral Bay Cove and all affiliates of Landmark Development Corporation. The new loans will be used to develop the Coral Bay Cove Apartments, an affordable housing project, a 224-unit Garden-

style new construction housing project, of which 199 units will be set-aside for low-income individuals and families with incomes from 60 percent or less of Area Median Income. Twenty-five units will be set-aside for extremely low-income individuals and families earning 33 percent or less of the Area Median Income. The development will be located on the NE corner of SW 260th Street and South Dixie Highway in Miami, Florida 33032.

Section 3. All funding awards and conditional loan commitments are contingent upon the recipient agency's (borrower) compliance with the conditions set forth in this resolution and the justification memorandum. For the loans approved herein, the County Mayor or County Mayor's designee is authorized to execute conditional loan commitments in substantially the form attached hereto as Exhibit 1, standard shell contracts, standard shell loan documents, amendments and other agreements necessary to fulfill the purposes of this resolution. This 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 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.

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:

Esteban L. Bovo, Jr., Chairman	
Audrey M. Edmonson, Vice Chairwoman	
Daniella Levine Cava	Jose "Pepe" Diaz
Sally A. Heyman	Eileen Higgins
Barbara J. Jordan	Joe A. Martinez
Jean Monestime	Dennis C. Moss
Rebeca Sosa	Sen. Javier D. Souto
Xavier L. Suarez	

The Chairperson thereupon declared the resolution duly passed and adopted this 24th day of July, 2018. 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 D. Summerset

**Miami-Dade County
Conditional Loan Commitment**

Date _____

To: _____, or related entity ("Borrower")

Re: _____ affordable housing project [Address]

Dear Borrower:

We are pleased to advise you that on _____ the Board of County Commissioners (BCC) approved a Conditional Loan Commitment for development activity at the above-listed property (the "Property"). The loan is conditionally committed for the payment of [*hard construction costs*] as a portion of the development costs to [*construct/rehabilitate*] the affordable housing units on the Property. This Conditional Loan Commitment is made based upon the application submitted by Borrower and is subject to the following terms and conditions:

Borrower: _____, or related entity

Project: _____ affordable housing project, a _____-unit community to be located at _____, which will serve households with incomes not greater than _____ percent of area median income ("AMI"). See the Conditions below regarding applicable AMI for residents based upon the source of funds for the Loan.

Loan Amount: The loan shall be in an amount of not-to-exceed _____, as approved by the BCC in Resolution No. _____, and includes all terms and conditions of such BCC approval, including project scope, activity type and, for federal funds, national objective to be achieved (the "Loan"). The loan amount may be decreased as determined by the Mayor or the Mayor's designee, based upon Underwriting (defined below) and information and documentation provided by Borrower.

Conditions: The Loan is conditioned upon the terms, conditions and requirements set forth below (the "Conditions"). The County shall not issue a final unconditional loan commitment, enter into a funding contract, close on the Loan or disburse the Loan funds until all the Conditions are met.

Collateral: Upon satisfaction of the Conditions, Miami-Dade County (County) and Borrower will enter into a funding contract and loan agreement. The Loan shall be evidenced by a promissory note and secured by a construction/permanent mortgage with assignment of leases and rents, a collateral assignment of leases and rents, a collateral assignment of construction documents, a rental regulatory agreement (where applicable), and any other security or collateral as deemed appropriate by the Mayor or Mayor's designee, in his or her sole discretion, with approval of the County Attorney's Office. Borrower shall additionally be required to provide the County with an environmental indemnification agreement, a UCC-1, title affidavit, partnership affidavit (if applicable), corporate resolution approving the loan documents, opinion of counsel, certification of borrower to borrower's counsel, and title policy making the County an insured. The Collateral shall be determined based upon financial feasibility and subsidy layering underwriting to be performed by County staff in an internal process and by an independent underwriter and paid for by Borrower ("Underwriting") following review of a current title search. Additional forms of security may be required if liens, encumbrances, restrictions or covenants exist on the Property which the Mayor or Mayor's designee determines, in his or her sole discretion, threaten the County's Collateral. The Mayor or Mayor's designee shall determine, in his or her sole discretion and

in consultation with the County Attorney's Office, whether the Collateral provided by Borrower is sufficient to close and disburse the Loan.

Interest Rate: Loan terms, including the interest rate, are those set forth in the FY 2014 Surtax Request for Applications (RFA) for repaid loan funds in accordance with Section 17-02 of the Code. Those terms are 0% interest during construction - years 1 and 2 - and then .75% interest-only payments for years 3 – 30, as modified prior to closing by the Mayor or Mayor's designee in accordance with the results of Underwriting.

Repayable: There will be no penalty for prepayment of the Loan (payment of Loan balance before the end of the repayment term). Repayment terms are those set forth in the FY 2017 RFA for repaid loan funds in accordance with Section 17-02 of the Code. All terms may be modified prior to closing by the Mayor or Mayor's designee in accordance with the results of Underwriting. The prepayment of any Loan shall not affect the term of affordability set forth in the Rental Regulatory Agreement or in any of the other Loan Documents.

Term: The Loan will be for 30 years, or as may be established prior to closing by the Mayor or Mayor's designee in accordance with the results of Underwriting.

Conditions:

1. Underwriting, as explained above, shall include financial feasibility review, subsidy layering review, and credit review. Underwriting is performed to protect the County's scarce affordable housing funds and is performed to ensure that the Project has sufficient financing to be completed timely and that the Project is not over-subsidized, meaning the Loan is not needed or the Loan Amount is too high. The County reserves the right to reduce the Loan Amount subject to Underwriting. The County further reserves the right to refuse to issue a final, unconditional loan commitment to Borrower or to enter into a contract for the Loan or to close on the Loan in the event that Underwriting determines that the project is financially unfeasible or otherwise is unfeasible. The costs of Underwriting are to be paid by Borrower.
2. Borrower must prove control of the Property through purchase or lease, as evidenced by a deed or lease and recorded memorandum of lease in Borrower's name. Absence of any threat of foreclosure, taking by eminent domain, or pending bankruptcy are additionally required.
3. Borrower must provide the County with written financing commitments showing committed financing for the entire Development Cost of the Project, including any gaps between the Loan and the overall costs to develop the Project. The Development Cost of the Project means the total cost of completing the entire Project, from acquisition to the issuance of Certificate of Occupancy, including but not limited to the costs for acquisition, design and planning, zoning and variances, financing costs, legal costs, construction, and permitting. In the event of a dispute as to what amount constitutes the actual Development Cost, Borrower and County will use the amount determined by Underwriting to be the Development Cost.
4. Conformance of the Project with the County legislation approving the Loan.
5. Complete plans and specifications of the Project.
6. Payment and performance bond in the amount of the entire construction budget or otherwise in conformance with applicable law. Where a payment and performance bond is not required by law, the Mayor or Mayor's designee may alternatively accept – at the Mayor or Mayor's designee's sole discretion – a letter of credit in an amount acceptable to the Mayor or Mayor's designee.
7. Appraisal of the Property showing that the value of the Project and Property, when completed, exceeds the total amount of debt from all sources to be secured by the Project, unless waived by the Mayor or Mayor's designee.
8. A Phase I environmental report requiring no further action.
9. Such other conditions which are customary and reasonable for a loan of this nature, such as adhering to all Federal, State and local regulations, ordinances, codes and standards.

Conditional Loan Commitment
Page 3

10. Meeting all requirements of the State Housing Initiatives Partnership ("SHIP"), Documentary Surtax or Home Investment Partnerships Program ("HOME") program, as applicable, and County resolutions and ordinances governing affordable housing development.
11. Compliance with Resolution No. R-346-15, establishing a maximum total development cost per unit; and, where applicable, Resolution No. R-343-15, establishing a maximum amount of total development costs that may be paid with Documentary Surtax funds.
12. The Loan, if SHIP funds, may only be used for the development of affordable housing for residents with household incomes not greater than 140% of AMI, subject to approval from the State of the County's most recent Local Housing Assistance Plan ("LHAP") . If such approval is not received, then the Loan is restricted for use for the development of affordable housing for residents with household incomes not greater than 120% of AMI. The Loan, if HOME funds, may only be used for the development of affordable housing for residents with household incomes not greater than 80% of AMI.
13. The Surtax loans in the amount of up to \$1,575,000.00 are conditioned upon the prepayment by City Crossings, Ltd. of Surtax loans in those same amounts.

This Conditional Loan Commitment will expire in six (6) months if not extended by Miami-Dade County. An extension of this Conditional Loan Commitment may be granted at the sole and absolute discretion of Miami-Dade County. Any extension granted will be contingent upon compliance with and in accordance with Resolution No. R-232-14, as applicable and must be signed by the Mayor or Mayor's Designee to be valid. If the loan does not close prior to the expiration or extension of this Conditional Loan Commitment, the funds will be subject to recapture and allocated to other projects. This Conditional Loan Commitment is not assignable. This Conditional Loan Commitment is the sole and complete agreement between the parties as to the terms of the Loan described herein. The terms of this Conditional Loan Commitment may only be changed in writing in a document signed by the Mayor or the Mayor's designee. No representations, written or verbal, of Miami-Dade County employees, or others purporting to act on behalf of Miami-Dade County, may change the terms of this Commitment.

Miami-Dade County wishes to thank you for your proposal and the opportunity to provide financing for this development, and we look forward to closing this transaction.

Sincerely,

Miami-Dade County

Carlos A. Gimenez, Mayor

Date: _____

c: Maurice L. Kemp, Deputy Mayor

Approved as to Form and Legal Sufficiency

Assistant County Attorney

Date _____

//



RECEIVED MAY 11 2018

Via Electronic and
Regular Mail

May 9, 2018

Ms. Leyani Sosa
Loan Servicing Supervisor
Public Housing and Community Development
701 NW 1st Court, 14th Floor
Miami, FL 33136

RE: Coral Bay Cove Apartments ~ N/E Corner of SW 260th Street and U.S. 1, Miami-Dade County

Dear Ms. Sosa,

Landmark Development Corp. ("LDC") is the developer of the above referenced affordable housing development. A number of factors have arisen which impact Coral Bay Cove ("CBC"), including (i) a requirement by Miami-Dade Public Schools for the development to pay a mitigation payment of \$999,548 (instead of approx. \$351,248 in regular school impact fees) and (ii) a recent increase in interest rates reducing the amount of permanent first mortgage financing. As a result of the items in the preceding sentence, we are seeking to re-allocate Surtax funding from another LDC development to CBC.

LDC also developed the City Crossings affordable housing development in Miami-Dade County, which has \$1,575,000 in Surtax funding from Miami-Dade County. Section 17-02 from the Miami-Dade County Code permits property owners to pre-pay subordinate loans on affordable housing developments and re-allocate the proceeds to new construction affordable housing developments.

Please accept this letter as a request by the undersigned for Miami-Dade County to re-allocate the \$1,575,000 in City Crossings Surtax proceeds to Coral Bay Cove, LLC (the owner of CBC).

Thank you in advance for your consideration of this request. Please do not hesitate to contact me should you have any questions or require additional information.

Sincerely,


Landmark Development Corp.

Francisco Rojo
Vice President

cc. Mr. Clarence Brown
Mrs. Maria Rodriguez-Porto

3050 Disney Blvd, Suite 300
Miami, Florida 33137
Tel: 305 538 9552
Fax: 305 538 9553