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CLERK OF THE BOARD
OF COUNTY COMMISSIONERS
MIAMI-DADE COUNTY, FLORIDA

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 8(G)(1)(A)

05-08-07

Resolution No. R-555-07

RESOLUTION AUTHORIZING THE REQUEST TO INCREASE THE SALES PRICE OF THE SET ASIDE UNITS OF THE URBAN DEVELOPMENT GROUP II, LLC FOR THE ATRIUM AT SPRING GARDEN CONDOMINIUM DEVELOPMENT; 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 increase the sales price of the set aside units of the Urban Development Group II, LLC for the Atrium at Spring Garden Condominium development, 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 Audrey M. Edmonson, who moved its adoption. The motion was seconded by Commissioner Barbara J. Jordan and upon being put to a vote, the vote was as follows:

Bruno A. Barreiro, Chairman	aye		
Barbara J. Jordan, Vice-Chairwoman	aye		
Jose "Pepe" Diaz	absent	Audrey M. Edmonson	aye
Carlos A. Gimenez	aye	Sally A. Heyman	aye
Joe A. Martinez	nay	Dennis C. Moss	aye
Dorrin D. Rolle	aye	Natacha Seijas	aye
Katy Sorenson	aye	Rebeca Sosa	aye
Sen. Javier D. Souto	absent		

The Chairperson thereupon declared the resolution duly passed and adopted this 8th day of May, 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: KAY SULLIVAN
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

Shannon D. Summerset

Memorandum

MIAMI-DADE COUNTY

Agenda Item No. 8(G)(1)(A)

Date: May 8, 2007

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

From: George M. Burgess
County Manager

Subject: Resolution Regarding Atrium at Spring Garden Condominium Development

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RECOMMENDATION

It is recommended that the Board of County Commissioners (BCC) approve the request to increase the sales price of the set aside units of the Urban Development Group II, LLC (UDG II, LLC) for the Atrium at Spring Garden Condominium development. The resolution will also amend the 2005 Surtax contract to provide a 20-year restrictive covenant with a shared equity provision that will use Surtax dollars as a purchase price buy-down for each of the 14 set aside units.

SCOPE

The development is located at 808, 820, and 880 NW 7th Avenue, in Commission District 3.

FISCAL IMPACT

This resolution does not create a fiscal impact to the County.

TRACK RECORD

UDG II, LLC, is a Florida limited liability company established on July 26, 2004. Its principle manager, Mr. Alberto Milo, Jr., through The Urban Development Group, LLC, the master corporation, and as manager and developer of Little River Development, LTD, has been involved in building affordable housing units in Miami-Dade County since 2000. Currently, UDG I, LLC; UDG II, LLC, and UDG III, LLC, have received the following awards from Miami-Dade County:

Activity	Developer	Funding	Year	Draws	Status	Notes
Sunset Palm Villas	Little River Development	$500,000	2002	Funds Returned	100% complete	See Below[1]
The Atrium at Spring Garden	UDG II, LLC	$1,000,000	2005	$0	construction not started	Project being approved under this item
Lake Vue Villas	UDG III, LLC	$1,000,000	2006	$0	34% complete	Phase 1 is 95% complete
Las Palmas at Delaware	UDG-ABDA I, LLC	$100,000	2006	$0	construction not started	Waiting on site control to begin construction
Wagner Square	Wagner Square I, LLC	$1,000,000	2005	$0	construction not started	See Below[2]

1 - County funds were not necessary to complete the project

2 - The project was part of the Community Workforce Housing Incentive Program (CWHIP) grant application to the state. Because the application did not receive any funding, the project is being reconsidered.

BACKGROUND

The Board of County Commissioners awarded UDG II, LLC $1,000,000 of Surtax 2005 funds through R-160-05 for the Atrium at Spring Garden Condominium development. The development originally consisted of 75 units, of which 14 units were set aside for families or individuals earning up to 120 percent of the area median income (AMI). The following list details the original configuration of the set aside units:

Model	Number of Bedrooms	Square Footage	Sales Prices	Number of Units
A	1	598	$131,560-$140,530	8
A II	1	777	$153,069-$164,724	6

The original project cost, under the FY 2005 RFA July 20, 2004, submittal date, was estimated at $12,957,394, resulting in a per unit total development cost of $172,765. In light of increased construction costs, in order to maintain the feasibility of the project the developer is decreasing the total number of units from the original 75 to 47, of which the original 14 units set aside for families or individuals earning no more than 120 percent of AMI will remain in place. A recently revised sources and uses statement reflects a new total project cost of $9,173,662, resulting in a per unit total development cost of $195,184.30. The new financials require an increase in the purchase price of the set aside units in order to fully cover the costs of construction. The developer will not require any gap financing and has been approved for first mortgage financing up to $6,900,000 by Sun Trust Bank.

Accordingly, the developer has requested an increase in the allowable purchase price to the maximum price contained in the FY 2005 RFA, which is $199,000. The actual purchase price that will be charged to the 14 set aside families will be reduced by their proportionate share of the $1,000,000 Surtax loan. This reduction will result in an actual sales price of $127,571 (see table below). The benefit of writing down the cost of purchase price is that lower income families will qualify for the homes, and the real estate taxes attributable to these units will also be lower than they would be assessed if sold at the higher price of $199,000.

The following list is the revised configuration and the new sales price of the set aside units:

Model	Number of Bedrooms	Square Footage	Approved Sales Prices	Less Buy Down Amount	Final Purchase Price	Number of Units
A	1	673	$199,000*	$71,429	$127,571	8
A II	1	704	$199,000*	$71,429	$127,571	6

The Affordable Housing Advisory Board (AHAB) approved this recommendation at its meeting of August 23, 2006. In return for this buy-down mechanism, the County maintains a 20-ear restrictive covenant on the property. This is in the best interest of the County, as it will provide low-income families with the opportunity to purchase at a lower price while maintaining the stock of affordable housing.

In addition, the County will be notified when units are sold and that the units be sold only to eligible families.

The Principals for the Urban Development Group II, LLC are:

Alberto Milo, Jr.
1801 SW 3 Avenue Suite 500
Miami, FL. 33129

Maria C. Milo
1801 SW 3 Avenue Suite 500
Miami, FL. 33129

Krassimir Ivanov
1801 SW 3 Avenue Suite 500
Miami, FL. 33129

Filip Filipov
1801 SW 3 Avenue Suite 500
Miami, FL. 33129

The following page contains a detailed statement of project financing indicating the current status of approved project funding, as well as the revised funding status.

The Atrium at Spring Garden Condominium

Sources of Funds	Current Allocation	Revised Allocation	Uses of Funds
Bank Financing	$10,500,000	$6,900,000	Land & Hard Costs
Surtax 2005 Funds	1,000,000	1,000,000	Hard Costs
Developer Land Equity	867,799	0	Pre-development Costs
City of Miami HOME Funds	0	1,046,000	Soft Costs
Developer Cash Equity	589,595	227,662	Pre-development Costs
Total	**$12,957,394**	**$9,173,662**	

Cynthia W. Curry
Senior Advisor to the County Manager

MEMORANDUM
(Revised)

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

DATE: May 8, 2007

FROM: Murray A. Greenberg
County Attorney

SUBJECT: Agenda Item No. 8(G)(1)(A)

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**