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

Memorandum

MIAMI-DADE COUNTY

Date: January 10, 2008

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

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

From: George M. Burgess
County Manager

R-24-08

Subject: Transfer of General Partnership Interest and/or Ownership in 18 Developments Owned and Operated by Greater Miami Neighborhoods, Inc.

Recommendation

It is recommended that the Board of County Commissioners (Board) approve the attached resolution authorizing the changes in ownership and/or general partner for those Greater Miami Neighborhood, Inc., ("GMN") developments that have loans with Miami Dade County, to two entities: Enterprise Community Partners, Inc. (ECP) and Preservation of Affordable Housing, Inc. (POAH). For those developments that have been financed with federal low income housing tax credits wherein GMN holds a general partnership interest, GMN will assign its general partner interest to its equity partner, ECP. The remaining developments, wherein GMN has sole ownership through a limited liability company, will be acquired by POAH.

It is also recommended the Board authorize the County Mayor or his designee to enter into new contracts with the entities for the portfolio of properties, attached as an exhibit to this document, to assure compliance with the Federal, state and local requirements in order to maintain our affordable housing stock.

Scope

The 18 developments and 2,080 units are located in six commission districts across Miami-Dade County with set-asides for very low- and low-income residents. Attached is a list of the developments, their locations and status change.

Fiscal Impact / Funding Source

Approval of this Resolution will not create a fiscal impact to the County. No additional funds are being requested at this time; however, in light of the current physical and financial condition of the subject properties, it is anticipated that requests will be made in the future for the rehabilitation of some older developments.

Monitoring / Track Record

Both the Office of Community and Economic Development (OCED) and the Florida Housing Finance Corporation (FHFC) have been working with GMN to facilitate this transition.

Background

GMN has received funding from various sources, including Miami-Dade County for the development of affordable housing properties since 1990. Their record of accomplishment of providing affordable housing to our community, as well as others, has been very satisfactory.

Unfortunately, due to market conditions and other circumstances, GMN suffered a series of financial set backs, leading to a decision to seek bankruptcy protection. While actively working with their creditors, tax syndicators, limited partners and government agencies, GMN has developed a strategy to 1) remove themselves from the existing developments through either a transfer of ownership or general partnership interest, as applicable, and 2) negotiate with extremely experienced not-for-profits whose mission is the preservation of affordable housing.

On December 7, 2007, the FHFC approved a similar item wherein the changes of general partnership interest to ECP in the developments that have housing credit funding. ECP, the equity partner in these developments, will retain control. They also authorized the FHFC staff to negotiate with POAH for the acquisition of the remaining properties wherein GMN did not have a limited partner. Finally, FHFC staff was directed to proceed with document modification activities, as required, and to work with their attorneys to ensure due diligence as to terms and conditions as it relates to the State.

OCED has been working with the same entities, ECP and POAH, as the changes in ownership and partnership takes place. OCED is closely tracking the activities of the FHFC with regard to GMN to ensure that County actions are taken in tandem with the State. This will guarantee that the interests of the County are treated in the same fashion, as are the interests of the State.

Attachment

Cynthia W. Curry
Senior Advisor to the County Manager

MEMORANDUM
(Revised)

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

DATE: January 10, 2008

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

SUBJECT: Agenda Item No. 8(K)(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

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 8(K)(1)(A)
01-10-08

RESOLUTION NO. **R-24-08**

RESOLUTION APPROVING THE CONDITIONAL TRANSFER OF GENERAL PARTNERSHIP INTEREST IN THE GREATER MIAMI NEIGHBORHOOD (GMN) DEVELOPMENTS THAT HAVE LOANS FROM MIAMI DADE COUNTY TO AFFILIATES OF ENTERPRISE COMMUNITY PARTNERS, INC. AND PRESERVATION OF AFFORDABLE HOUSING, INC. IN LIGHT OF THE FORTHCOMING BANKRUPTCY PROCEEDINGS OF GMN AND FURTHER AUTHORIZING THE MAYOR OR HIS DESIGNEE TO ENTER INTO NEW CONTRACTS WITH THE ENTITIES FOR THE PORTFOLIO OF PROPERTIES TO ASSURE COMPLIANCE WITH FEDERAL, STATE AND LOCAL REQUIREMENTS FOLLOWING APPROVAL BY THE OFFICE OF THE COUNTY ATTORNEY

WHEREAS, this Board desires to maintain existing affordable housing developments within Miami Dade County; and

WHEREAS, Greater Miami Neighborhoods, Inc. ("GMN") has constructed a significant number of developments of affordable housing units in Miami Dade County; and

WHEREAS, these developments have been financed with various federal, state and Miami Dade County financing instruments; and

WHEREAS, these developments are subject to rental regulatory agreements restricting rents for very low and low income individuals; and

WHEREAS, GMN has suffered serious financial set-backs and intends to file bankruptcy; and

WHEREAS, bankruptcy proceedings may nullify restrictive covenants; and

WHEREAS, the acquisition and/or change in general partner of these properties by entities committed to preserving the present use is in the best interests of the residents of Miami Dade County; as the affordable housing stock will be preserved and the restrictive covenants will ensure long term affordable housing under the transfer of ownership; and

WHEREAS, the mortgage documents require approval of the Board of County Commissioner to approve changes of ownership; and

WHEREAS, Preservation of Affordable Housing, Inc. (POAH) and Enterprise Community Investment, Inc., have significant experience in the development and preservation of affordable housing; and

WHEREAS, the Florida Housing Finance Corporation (FHFC) approved this item on December 7, 2007, in substantially the form herein,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board approves the transfer of ownership and general partner interest in those developments, a copy of which is attached hereto, from Greater Miami Neighborhood, Inc. to Enterprise Community Partners, Inc., and Preservation of Affordable Housing, Inc., and authorizes the County Mayor or his designee to enter into new contracts to restructure the existing debt, record restrictive covenants and enter into new contracts with the appropriate parties to maintain the affordable housing stock following approval by the office of the County Attorney.

The foregoing resolution was offered by Commissioner **Joe A. Martinez**, who moved its adoption. The motion was seconded by Commissioner **Jose "Pepe" Diaz** 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	**aye**	Audrey M. Edmonson	**aye**
Carlos A. Gimenez	**aye**	Sally A. Heyman	**aye**
Joe A. Martinez	**aye**	Dennis C. Moss	**aye**
Dorrin D. Rolle	**aye**	Natacha Seijas	**aye**
Katy Sorenson	**aye**	Rebeca Sosa	**aye**
Sen. Javier D. Souto	**aye**		

The Chairperson thereupon declared the resolution duly passed and adopted this 10th day of January, 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 **Kay Sullivan**
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

Shannon D. Summerset

Attachment 1 to Agenda Item

Greater Miami Neighborhoods, Inc.

Rental Portfolio*

Property Name	Disposition Plan	Address	District	Units
Cutler Manor	New Ownership POAH	10875 S.W. 216th Street, Miami	9	220
Island Place	New Ownership POAH	1551 N.E. 167th Street, North Miami Beach	4	199
Cutler Glen	New Ownership POAH	11100 S.W. 196th Street, Miami	9	75
Cutler Meadows	New Ownership POAH	11240 S.W. 196th Street, Miami	9	150
New Horizons Apartments	New Ownership POAH	690 N.W. 60th Street, Miami	3	100
Lakeview Apartments	General Partner Interest to ECI	11505 N.W. 22nd Avenue, North Miami	2	40
Park City Apartments	General Partner Interest to ECI	845 N.W. 155th Lane, North Miami	1	180
Florida City Apartments	General Partner Interest to ECI	897 N.W. Lucy Street, Florida City	9	123
M&M Maison II	General Partner Interest to ECI	1621 N.W. 61st Street, Miami	3	21
Tiffany Square Apartments	General Partner Interest to ECI	2020 N.E. 169th Street, North Miami Beach	4	56
Leisure Villas Apartments	General Partner Interest to ECI	28701 S.W. 153rd Avenue, Miami	9	30
Richmond Pines Apartments	General Partner Interest to ECI	14700 Booker T. Washington Blvd., Miami	9	80
Central City Apartments	General Partner Interest to ECI	701 N.W. 10th Street, Miami	3	35
Tequesta Knoll	General Partner Interest to ECI	1629 N.W. 14th Street, Miami	3	100
Inn Transition	General Partner Interest to ECI	11900 S.W. 202 Street, Miami	9	56
Calusa Cove Apartments	General Partner Interest to ECI	7900-8000 S.W. 210 Street, Miami	8	144
Villages of Naranja	GMN Already removed as GP	13800 S.W. 268th Street, Miami	9	259
Hidden Grove	GMN Already removed as GP	13815 S.W. 271 Terrace, Miami	9	222