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OF COUNTY COMMISSIONERS
MIAMI-DADE COUNTY, FLORIDA

Memorandum

MIAMI-DADE COUNTY

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

Resolution No. R-1175-08

Date: November 20, 2008

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

From: George M. Burgess
County Manager

Subject: Substitute Resolution Regarding Walden Pond Apartments

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This substitute version differs from the original in that it keeps the area median income requirement at 50 percent for the existing 58 set-aside units for the balance of the new item.

RECOMMENDATION

It is recommended that the Board of County Commissioners (BCC) approve a resolution authorizing: 1) the purchase and rehabilitation of Walden Pond Apartments by Walden Pond Preservation, LP (Walden Preservation) from Walden Pond Associates, Ltd (Walden Associates); 2) assumption of the three existing HOME loans totaling $3.3 million by Walden Preservation from Walden Associates; 3) an amendment to the existing HOME loan terms for a 40-year amortization period with a new 30-year repayment term for all outstanding balances; and 4) keeps the area median income (AMI) requirement at 50 percent for the low-income set-aside units.

SCOPE

The development is located at 20880 NW 7th Avenue, Miami Gardens, Florida, in Commission District 1.

FISCAL IMPACT

This resolution does not change the funding amount previously awarded. It does, however, extend the repayment term period with a new 30-year term.

TRACK RECORD

Walden Associates and Walden Preservation are Florida limited partnerships. The limited partnership for Walden Associates was originally formed in December 1992. This proposed transaction will transfer the development to a new ownership entity, as detailed below, and the general partners will be affiliates of The Related Group (Related).

Walden Pond Preservation, LP

- General Partner 1: Walden Pond Preservation GP, LLC
- General Partner 2: Walden Pond Preservation GP II, LLC
- Limited Partner: Centerline Investor LP, LLC
- Special LP: Centerline SLP, LLC

The limited partnerships are affiliates of Related, and its principal managers are Stephen M. Ross and Jorge Perez.

The portfolio of projects by Related includes Related Club West Apartments, Riverside Apartments, Congress Building and Winchester Gardens Apartments.

BACKGROUND

Walden Pond Apartments was originally developed by Related with nine percent Low Income Housing Tax Credits ("LIHTC") issued by Florida Housing Finance Corporation ("FHFC") and three HOME loans totaling $3.3 million awarded through Miami Dade County. It is a 290-unit rental housing development with 58 units set-aside for residents earning 50 percent or less of AMI. Construction of the development was completed in 1994 with initial occupancy beginning in the same year. The tax credit compliance period is scheduled to expire in 2009 and the HOME loans will mature on November 29, 2013. All remaining units are set-aside for tenants earning 60 percent of the AMI.

Related, through its limited partnership, is proposing an acquisition and rehabilitation of Walden Pond Apartments using tax-exempt bonds, four percent LIHTCs and the existing HOME loans. As part of the funding package, Related is requesting the County allow an assumption of the HOME loans and an amendment to the existing terms. The proposed terms set a 40-year amortization period with a 30-year repayment term for all outstanding balances. Related in turn, will preserve the affordability of the development by initiating a new 30-year affordability period thereby helping preserve the affordable housing stock in Miami-Dade County. Additionally, the development will allow 58 units to qualify at 50 percent of AMI for the balance of the new term. The financing structure allows the developer to perform substantial renovations, needed repairs and improving energy efficiency water use.

The financing of the proposed transaction will consist of tax-exempt bonds, four percent LIHTCs and the HOME loans. The sales proceeds from this transaction will be used to pay off the existing first mortgage, pay transaction costs, pay outstanding obligations, and partially repay equity. It is not anticipated that the sale will result in any profits to the seller; however, this transaction is contingent on the successful receipt of the required tax-exempt bonds, LIHTCs and assumption of the existing HOME loans.

The proposed renovation budget for Walden Pond Apartments is $4.804 million. Walden Preservation is not requesting any additional funding from Miami-Dade County.

Cynthia W. Curry
Senior Advisor to the County Manager

MEMORANDUM

(Revised)

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

DATE: November 20, 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)
11-20-08

RESOLUTION NO. **R-1175-08**

RESOLUTION AUTHORIZING THE PURCHASE AND REHABILITATION OF WALDEN POND APARTMENTS BY WALDEN POND PRESERVATION, LP (WALDEN PRESERVATION) FROM WALDEN POND ASSOCIATES, LTD (WALDEN ASSOCIATES); ASSUMPTION OF THE THREE EXISTING HOME LOANS TOTALING $3.3 MILLION BY WALDEN PRESERVATION FROM WALDEN ASSOCIATES; AN AMENDMENT TO THE EXISTING HOME LOAN TERMS FOR A 40-YEAR AMORTIZATION PERIOD WITH A NEW 30-YEAR REPAYMENT TERM FOR ALL OUTSTANDING BALANCES; APPROVING CONTINUATION OF ELIGIBILITY REQUIREMENTS FOR TENANTS THAT QUALIFY AT 50 PERCENT OF AREA MEDIAN INCOME (AMI); AND AUTHORIZING THE COUNTY MAYOR OR THE COUNTY MAYOR'S 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 purchase and rehabilitation of Walden Pond Apartments by Walden Pond Preservation, LP (Walden Preservation) from Walden Pond Associates, Ltd (Walden Associates); assumption of the three existing HOME loans totaling $3.3 million by Walden Preservation from Walden Associates; an amendment to the existing HOME loan terms for a 40-year amortization period with a new 30-year repayment term for all outstanding balances; and approving continuation of eligibility requirements for tenants that qualify at 50 percent of area median income (AMI), as set forth in the attached memorandum; and further authorizes the County Mayor or the County Mayor's 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; to shift funding to different affiliated agencies without exceeding the total amount allocated to the project; and to exercise amendment, modification, renewal, cancellation and termination clauses on behalf of Miami-Dade County, Florida.

The foregoing resolution was offered by Commissioner **Barbara J. Jordan**, 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 20th day of November, 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.

Terrence A. Smith