



MIAMI-DADE COUNTY FINAL OFFICIAL MINUTES Affordable Housing Workshop

Board of County Commissioners

Stephen P. Clark Government Center
111 NW 1st Street
Miami, Florida 33128

July 30, 2015
As Advertised

Harvey Ruvin, Clerk
Board of County Commissioners

Christopher Agrippa, Director
Clerk of the Board Division

Mary Smith-York, Commission Reporter
(305) 375-1598



Clerk's Summary and Official Minutes
Board of County Commissioners Affordable Housing Workshop
July 30, 2015

The Board of County Commissioners convened in a workshop on Thursday, July 30, 2015, at 2:00 p.m., in the County Commission Chambers, on the Second Floor of the Stephen P. Clark Government Center, 111 NW First Street, Miami, Florida. Present were Chairman Jean Monestime and Commissioners Dennis Moss and Xavier Suarez, (Commissioners Barreiro, Bovo, Diaz, Edmonson, Heyman, Jordan, Levine Cava, Sosa, Souto, and Zapata were absent).

In addition to the Board members present, the following staff members were present: Assistant County Attorneys Terrence Smith and Shannon Summerset-Williams and Deputy Clerks Chris Agrippa and Mary Smith-York.

Officer Robert "Bobby" Garland, Sergeant at Arms, delivered the invocation, which was followed by the Pledge of Allegiance.

Chairman Monestime welcomed everyone to today's (7/30) workshop and noted it was being held in response to a request to address the demand for more affordable housing, made during the Chairman's Prosperity Initiative meeting, by Commissioner Moss and representatives from the industry. Chairman Monestime stated the workshop would provide County Commissioners with information on developing affordable housing in this County, which included applications, selections, construction, cost evaluation, monitoring, scoring, the "Next-in-Line" and "Finish What You Start" Policies, loan closings, and the underwriting process. He recognized Mr. Michael Liu, Public Housing and Community Development Department Director, who would provide information pertaining to the County's Documentary Stamp Surtax Program (Surtax), the State Housing Initiative Partnership Program (SHIP), and the Home Investment Partnership Program (HOME). Chairman Monestime indicated he planned to schedule future workshops to better understand the needs of the residents regarding the County's Housing Choice Voucher (Section 8), Infill Housing Initiative, and Workforce Housing Programs. He noted the meetings would be recorded and available to members of the Commission unable to attend during the recess. Chairman Monestime called Mr. Liu forward to make his presentation.

Mr. Michael Liu, Public Housing and Community Development Director, provided overview of how the funds were allocated for the County's housing programs: 77 percent to Section 8/Public Housing; 23 percent to Surtax, SHIP, Community Development Block Grant (CDBG) and HOME. He presented a PowerPoint Presentation, highlighting the following issues:

- Compliance Challenges- HOME Open Activities – Repayment Due of \$4.7 Million
- Compliance Challenges- CDBG Owe approximately \$8.4 million (Unresolved)
- Office of Program Policy Analysis & Government Accountability (OPPAGA) overview
- Compliance Challenges- Surtax : "Quotes from the OPPAGA Report No. 12-08"
- Miami-Dade Board of County Commissioners' Legislation on Surtax: Resolution Nos: R-343-15; R-345-15; R-346-15
- PHCD'S RFA Response to State Concerns
- FY-2014 PHCD Funding by Programs
- Funding Challenges: CDBG

- Funding Challenges: CDBG Allocations for 2014 Breakdown of \$10,781,151
- Funding Challenges: CDBG Allocations for 2014 Breakdown by Categories
- Funding Challenges: HOME
- Funding Challenges: Surtax
- Funding Challenges: SHIP
- Programs: Surtax RFA Process
 - Gap Financing
 - Homeownership for Liberty City, West Little River & Little Haiti
 - Small Developments: Projects that consists of 40 and under units in Liberty City
- Changes Made from 2014 to 2015 RFA Process
- Surtax RFA Development Cost Pro Forma / Sources and Uses
- Sample Operating Pro Forma
- Sample 30-Year Operating Pro Forma
- Sample Construction/Permanent Sources: MHRN & Surtax Credit Underwriting Report
- Construction Cost Monitoring: To mitigate some risks will conduct more onsite inspections
- Construction Monitoring
- History of Homeownership Assistance: dollars allocated
- Homeownership: Income Limits / Maximum Subsidy Table
- Homeownership: Payment Structure

Upon conclusion of his presentation, Mr. Liu invited Commission members to ask any questions they wished him to address.

In response to Commissioner Suarez' question of what the average income was for a family of four in Miami-Dade County, Mr. Liu stated he would research that information and bring back his findings.

Chairman Monestime expressed his appreciation to Mr. Liu for providing this detailed presentation and recognized Commissioner Suarez, as Chair of the Economic Prosperity Committee (EPC), to make his remarks.

Commissioner Suarez stated the numbers he had revealed a decrease in the area of housing to less than 500 in 2013. He discussed his efforts, as Chair of the EPC, to address the issue of summer jobs as well as the areas of housing, transportation, and economic development. Commissioner Suarez recognized the Coalition for the Homeless Executive Director, Ms. Barbara "Bobbie" Ibarra and indicated its goal was another 1500 units per year. He stated the study revealed that the cost per square foot could be decreased to \$150 and recommended the funding sources to accomplish this goal include the Linkage Ordinance model and General Fund Revenues. Commissioner Suarez asked Chairman Monestime to consider his proposal and modify it as deemed appropriate. Additionally, Chairman Suarez indicated if the County subsidized a minimum catastrophic insurance program, this would present minimum risk and would provide rentable units in the range of \$675 per unit.

Commissioner Moss expressed concern with the allocation of 20 percent to the administration and noted a lesser amount was allocated to CDBG organizations to accomplish the same work.

In response to Commissioner Moss' question as to the projected date for completion of efforts to remedy the CDBG challenge and pay back the costs involved, Mr. Liu stated he anticipated being done by the end of Fiscal Year 2018.

Commenting on how developers currently had to seek out funding in order to build affordable housing, Commissioner Moss asked how things were going to change in that respect.

Mr. Liu stated as indicated in Commissioner Suarez' proposal, the industry must use a much sharper pencil and the codes must be adhered to. He described several ways the PHCD staff could be more proactive in informing the development community about funding opportunities. Mr. Liu noted he made a commitment to partner with the Coalition for the Homeless in its efforts to create a community development financial institution targeting extremely low income individuals.

Chairman Monestime stated he was informed that the County had been unable to properly leverage its dollars invested in the housing projects to achieve maximum results.

Responding to Commissioner Moss' inquiry as to how many units would be developed within the next fiscal year, Mr. Liu said approximately 1,200 new units and with rehabbed units included, approximately 3,000. He also mentioned the option of project-based funding, a resource that was currently being used sparingly.

Chairman Monestime made the following inquiries: How could the process be expedited to achieve faster results? What programs were immediately available for staff's use? Which programs were flexible and allowed the County to maximize its potential? What policies should be implemented to avoid repeating the mistake that required repayment to HUD?

Responding to Chairman Monestime's request for recommendations on how the County Commission could assist in resolving this issue, Mr. Liu explained that the County Commission's legislation regarding Surtax was already a step toward securing the resources to support the construction and financing of affordable housing. Additionally, he listed several initiatives that contributed to addressing the housing issue, including the Board's concepts and support on recommendations for building and equitable distribution of affordable housing throughout the County; particularly mixed income and mixed use housing.

Mr. Liu indicated existing units that were aged and in need of rehabilitation would be offered as affordable housing and stated the community was hesitant to embrace the concept of mixed-use housing.

With respect to Commissioner Moss' question whether a study on the success of mixed-use developments with commercial units existed, Mr. Liu said mixed-income was a concept that could work; however, the mixed use concept was a much more sophisticated market that needed substantially more study.

Commissioner Moss mentioned the Affordable Housing Trust (AHTF) and shared some initiatives he was developing, for the Board's consideration, to potentially generate funding for the AHTF to be used for affordable housing.

Mr. Liu stated the feature for getting the density bonus for market rate was currently part of the current ordinance for workforce housing. He noted the formula might need to be modified and stated he would look at the ordinance to determine if it could be a potential source of funding for the program.

After commenting on the need for employment centers to be established near affordable housing units to ensure the communities were more sustainable, Chairman Monestime opened the floor to public comment and the following individuals appeared:

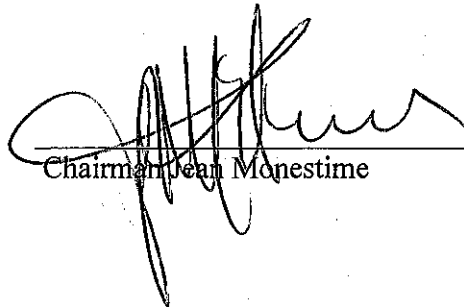
- 1) Ms. Trudy Burton, Executive Vice President, Builders Association of South Florida, 111 NW 183 Street, Miami Gardens, appeared and suggested looking at the reason no construction was being done prior to 18 months ago, i.e. whether density bonuses were being used. She pointed out Miami-Dade was entering the second hundred years of its development maturity and, having developed the greenfield and suburban areas, what remained were smaller, unusually-shaped, and infill parcels with inadequate infrastructure. Ms. Burton indicated the County needed to be receptive to a variety of changes and incentives.
- 2) Mr. Nick Enardar (phonetic), 445 NW 4 Street, Miami, appeared and expressed his desire to draft a letter responding to some of the concerns in the broader development community and to continue this discussion.
- 3) Madam Renita Holmes, Women's Association and Alliance Addressing Injustice and Violence, as well as Women in Public Housing, 350 NW 4 Street, Miami, appeared representing Opportunities for United Restoration of Our Homes. She noted there should be programs that ensured very low income women became homeowners and incentives for women-based businesses.

Chairman Monestime asked that the next Affordable Housing Workshop be scheduled for October 2015 and convene on the 18th Floor of the Stephen P. Clark Government Center in a roundtable setting, with more members from industry in attendance to provide more input. Commissioner Moss noted Chairman Monestime's proposal was a great idea; however, he stated he would request that a workshop also be held during regular session of the County Commission to ensure all 13 commissioners were able to attend. He pointed out the importance of all Commission members engaging in the discussion regarding affordable housing issues.

Discussion ensued between Chairman Monestime and Commissioner Moss regarding the setting and location for follow-up workshops to ensure attendance by all County Commission members, as well as industry representatives.

Chairman Monestime expressed his appreciation to everyone for attending today's (7/30) workshop and to Mr. Liu for his presentation.

There being no further questions or comments, the meeting adjourned at 4:11 p.m.


Chairman Jean Monestime

ATTEST: HARVEY RUVIN, Clerk

By: 
Christopher Agrippa, Deputy Clerk



**Board of County Commissioners
Affordable Housing Workshop
Exhibits
July 30, 2015**

Prepared by: Mary Smith-York

EXHIBITS LIST

NO.	DATE	ITEM #	DESCRIPTION
1	7/30/2015		Public Housing & Community Development Department PowerPoint Presentation
2	7/30/2015		40 Years CDBG Building Better Neighborhoods – The Community Development Block Grant Program – Fact Sheet
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Miami-Dade Public Housing and Community Development

**Presentation for the
Miami-Dade County Board of County
Commissioners**

**Affordable Housing Workshop
Commission Chambers**

July 30, 2015

40 Years



Building Better Neighborhoods

The Community Development Block Grant Program - Fact Sheet

Basic Program Components

- The CDBG Program is authorized by Title I of the Housing and Community Development Act of 1974. The funds are a block grant that can be used to address critical and unmet community needs including those for housing rehabilitation, public facilities, infrastructure, economic development, public services, and more.
- Primary objective is to develop viable urban and rural communities, by expanding economic opportunities and improving the quality of life, principally for persons of low and moderate income.
- Since 1974, it has invested \$144 Billion in communities nationwide.
- Appropriation level has varied over the 40 year program history – (3.10 B for FY 2014).
- Individual Community determines the need and use of funds.
- Each year approximately 95% of funds are invested in activities that primarily benefit low and moderate income persons.
- For FY 2014 there are 1220 grantees including cities, counties, states, and insular areas, and non-entitlement counties in Hawaii. However, potential reach is to every community either directly or indirectly—more than 7,250 local governments have access to funding.
- CDBG is an important catalyst for economic growth- helping local officials leverage funds for community needs.

2013 CDBG Program Accomplishments

- Nearly 28,000 Americans found new permanent jobs or were able to retain their jobs at businesses supported by CDBG economic development activities;
- More than 94,300 housing units received some level of housing rehabilitation assistance;
- More than 7,250 local governments, including more than 2,500 rural communities, participated in CDBG through the entitlement, urban county, or state programs; and

- More than 9.8 million people live in areas which benefited from CDBG-funded public service activities and almost 3.3 million live in areas which benefited from CDBG-financed public improvements.

Historic Program Outcomes by Category

Job Creation and Retention

- From fiscal year 2004-2013, CDBG economic development activities have directly created or retained more than 421,183 permanent jobs.
- Between fiscal years 2007-2013 CDBG helped more than 232,000 businesses expand economic opportunities for our country's most vulnerable citizens.

Public Facilities and Public Services

- CDBG grantees historically expend one-third of their funds annually on public improvements.
- CDBG has improved public facilities that benefitted more than 33.7 million people between fiscal years 2005 and 2013. These improvements assist in providing the critical elements for suitable physical environments including sanitary water and sewer systems, safe streets and transit-ways, improved drainage systems, and other improvements that support our communities and help grow local economies.
- Up to 15 percent of CDBG funds can also be used by local governments on important public services. These investments assist the most vulnerable populations in a community, including children, the homeless, and victims of domestic violence. For low- and moderate-income families, these are life-changing services.

Housing Activities

- Grantees historically spend approximately one quarter of their CDBG funds for housing activities, with the most significant activity being owner-occupied rehabilitation.
- From fiscal year 2004-2013 more than 1.3 million homes have been rehabilitated for low- and moderate-income homeowners and renters
- In fiscal year 2013, more than 94,000 households received housing assistance, ranging from minor emergency housing repairs enabling elderly and infirm residents to remain in their own homes to weatherization improvements that result in more affordable energy bills.

HOME Program Summary

The HOME Investment Partnerships Program (HOME) provides formula grants to States and localities that communities use - often in partnership with local nonprofit groups - to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. HOME is the largest Federal block grant to state and local governments designed exclusively to create affordable housing for low-income households.

HOME funds are awarded annually as formula grants to participating jurisdictions (PJs). The program's flexibility allows States and local governments to use HOME funds for grants, direct loans, loan guarantees or other forms of credit enhancements, or rental assistance or security deposits.

The program was designed to reinforce several important values and principles of community development:

- HOME's flexibility empowers people and communities to design and implement strategies tailored to their own needs and priorities.
- HOME's emphasis on consolidated planning expands and strengthens partnerships among all levels of government and the private sector in the development of affordable housing.
- HOME's technical assistance activities and set-aside for qualified community-based nonprofit housing groups builds the capacity of these partners.
- HOME's requirement that participating jurisdictions match 25 cents of every dollar in program funds mobilizes community resources in support of affordable housing.

Eligible Grantees

States are automatically eligible for HOME funds and receive either their formula allocation or \$3 million, whichever is greater. Local jurisdictions eligible for at least \$500,000 under the formula (\$335,000 in years when Congress appropriates less than \$1.5 billion for HOME) also can receive an allocation. The formula allocation considers the relative inadequacy of each jurisdiction's housing supply, its incidence of poverty, its fiscal distress, and other factors.

Communities that do not qualify for an individual allocation under the formula can join with one or more neighboring localities in a legally binding consortium whose members' combined allocation would meet the threshold for direct funding. Other localities may participate in HOME by applying for program funds made available by their State. Congress sets aside a pool of funding for distribution to insular areas, equivalent to the greater of \$750,000 or 0.2 percent of appropriated funds.

Shortly after HOME funds become available each year, HUD informs eligible jurisdictions of the amounts earmarked for them. Participating jurisdictions must have a current and approved **Consolidated Plan**, which will include an action plan that describes how the jurisdiction will use its HOME funds. A newly eligible jurisdiction also must formally notify HUD of its intent to participate in the program.

Eligible Activities

Participating jurisdictions may choose among a broad range of eligible activities, using HOME funds to provide home purchase or rehabilitation financing assistance to eligible homeowners and new homebuyers; build or rehabilitate housing for rent or ownership; or for "other reasonable and necessary expenses related to the development of non-luxury housing," including site acquisition or improvement, demolition of dilapidated housing to make way for HOME-assisted development, and payment of relocation expenses. PJs may use HOME funds to provide tenant-based rental assistance contracts of up to 2 years if such activity is consistent with their Consolidated Plan and justified under local market conditions. This assistance may be renewed. Up to 10 percent of the PJ's annual allocation may be used for program planning and administration.

HOME-assisted rental housing must comply with certain rent limitations. HOME rent limits are published each year by HUD. The program also establishes **maximum per unit subsidy limits** and **maximum purchase-price limits**.

Some special conditions apply to the use of HOME funds. PJs must match every dollar of HOME funds used (except for administrative costs and CHDO predevelopment loans for projects that do not move forward) with 25 cents from nonfederal sources, which may include donated materials or labor, the value of donated property, proceeds from bond financing, and other resources. The match requirement may be reduced if the PJ is distressed or has suffered a Presidentially-declared disaster. In addition, PJs must reserve at least 15 percent of their allocations to fund housing to be owned, developed, or sponsored by experienced, community-driven nonprofit groups designated as Community Housing Development Organizations (CHDOs). PJs must ensure that HOME-funded housing units remain affordable in the long term (20 years for new construction of rental housing; 5-15 years for construction of homeownership housing and housing rehabilitation, depending on the amount of HOME subsidy). PJs have two years to commit funds (including reserving funds for CHDOs) and five years to spend funds.

Eligible Beneficiaries

The eligibility of households for HOME assistance varies with the nature of the funded activity. For rental housing and rental assistance, at least 90 percent of benefiting families must have incomes that are no more than 60 percent of the HUD-adjusted median family income for the area. In rental projects with five or more assisted units, at least 20% of the units must be occupied by families with incomes that do not exceed 50% of the HUD-adjusted median. The incomes of households receiving HUD assistance must not exceed 80 percent of the area median. HOME income limits are published each year by HUD.

HUD does not provide HOME assistance directly to individuals or organizations. If you are interested in participating in this program, you need to contact your local or state government to find out how the program operates in your area. Participation requirements may differ from one grantee to another. **Find out who administers the HOME Program in your area .**

If your local government officials cannot answer your questions, or if you are a local official, **contact the HUD field office** that serves your area. Note that the local government administers the program and determines which local projects receive funding.

State Housing Initiatives Partnership (SHIP)

Florida Housing administers the State Housing Initiatives Partnership program (SHIP), which provides funds to local governments as an incentive to create partnerships that produce and preserve affordable homeownership and multifamily housing. The program was designed to serve very low, low and moderate income families.

SHIP funds are distributed on an entitlement basis to all 67 counties and 52 Community Development Block Grant entitlement cities in Florida. The minimum allocation is \$350,000. In order to participate, local governments must establish a local housing assistance program by ordinance; develop a local housing assistance plan and housing incentive strategy; amend land development regulations or establish local policies to implement the incentive strategies; form partnerships and combine resources in order to reduce housing costs; and ensure that rent or mortgage payments within the targeted areas do not exceed 30 percent of the area median income limits, unless authorized by the mortgage lender.

SHIP dollars may be used to fund emergency repairs, new construction, rehabilitation, down payment and closing cost assistance, impact fees, construction and gap financing, mortgage buy-downs, acquisition of property for affordable housing, matching dollars for federal housing grants and programs, and homeownership counseling. SHIP funds may be used to assist units that meet the standards of chapter 553.

A minimum of 65 percent of the funds must be spent on eligible homeownership activities; a minimum of 75 percent of funds must be spent on eligible construction activities; at least 30 percent of the funds must be reserved for very-low income households (up to 50 percent of the area median income or AMI); an additional 30 percent may be reserved for low income households (up to 80 percent of AMI); and the remaining funds may be reserved for households up to 140 percent of AMI. No more than 10 percent of SHIP funds may be used for administrative expenses. Funding for this program was established by the passage of the 1992 William E. Sadowski Affordable Housing Act. Funds are allocated to local governments on a population-based formula.

Miami Dade County Code

Section 29-7. Documentary surtax.

(A) Legislative findings, authority and intent. This article is enacted pursuant to the provisions of Chapter 83-220, Florida Statutes and the Miami-Dade County Home Rule Charter and shall be known as the "Metropolitan Dade County Documentary Surtax Ordinance."

The Board of County Commissioners of Miami-Dade County hereby finds and declares that there is a great and urgent need in this community for the construction and rehabilitation of all types of affordable housing. This Board further finds that the documentary surtax program has been widely successful in meeting this need and should continue to fund the construction and rehabilitation of housing for low and moderate income families through the provision of second mortgages, construction loans and other programs.

This article is hereby declared to be remedial and essential to the public interest. It is intended that the provisions of this article be liberally construed to effect the purposes stated herein, and shall be cumulative, supplemental to and not in derogation of any provision of the Florida Statutes, Code of Miami-Dade County or other applicable law.

(B) Definitions.

- (1) **Consideration.** For purposes of this section, the term "consideration" shall have the meaning provided for by Section 201.02, Florida Statutes.
- (2) **Housing.** For purposes of this section, the term "housing" shall include all forms of rental and ownership housing and is not limited to single-family detached dwellings.
- (3) **Low income family.** For purposes of this section, the term "low income family" shall mean a family whose income does not exceed eighty (80) percent of the median income of families living in the same or similar geographic area, or any other definition determined by regulation of the United States Department of Housing and Urban Development.
- (4) **Moderate income family.** For purposes of this section, the term "moderate income family" shall mean a family whose income exceeds eighty (80) percent, but is less than one hundred forty (140) percent of the median income of families living in the same or similar geographic area, or any other definition determined by regulation of the United States Department of Housing and Urban Development.
- (5) **Revenue.** For purposes of this section, the term "revenue" shall mean all taxes, fees, penalties, revenue or any other funds collected by the State of Florida pursuant to the provisions of this ordinance and Chapters 201 and 83-220, Florida Statutes.
- (6) **Single family residence.** For purposes of this section, the term "single family residence" shall include but not be limited to detached dwellings, condominium units or units held through stock ownership or members representing a proprietary interest in a corporation owning a fee or leasehold initially in excess of ninety-eight (98) years.

(C) Levy and imposition. There shall be levied and imposed throughout the incorporated and unincorporated areas of Miami-Dade County a documentary surtax. The documentary surtax shall be imposed on all documents taxable pursuant to Chapter 201, Florida Statutes, at a rate of forty-five cents (\$0.45) for each one hundred dollars (\$100.00), or fractional part thereof, of the full amount of the consideration relating to each document taxable hereunder. The documentary surtax shall be imposed in addition to any other tax imposed pursuant to Chapter 201, Florida Statutes.

(D) Exceptions. The documentary surtax shall be neither levied nor imposed on any document taxable under Chapter 201, Florida Statutes in which the interest granted, assigned, transferred or otherwise conveyed thereby is solely and exclusively a single-family residence.

(E) Administration, collection and use.

(1) The County hereby adopts as its controlling policy regarding expenditure of the revenue, the Miami-Dade County Affordable Housing Program Guidelines, as they may be revised by the County Manager or designee.

(2) The documentary surtax levied hereunder shall be administered and collected pursuant to the provisions of Chapter 201, Florida Statutes and Chapter 83-220, Florida Statutes, with the exception of Section 201.15, Florida Statutes.

(3) There is hereby created the Miami-Dade County Housing Assistance Loan Trust Fund (hereinafter referred to as "the Housing Trust Fund"). All revenue collected by the State of Florida Department of Revenue pursuant to the provisions of this ordinance and Chapters 201 and 83-220, Florida Statutes, less any costs of administration, shall be remitted to Miami-Dade County and placed into the Housing Trust Fund. The revenue shall be used only to finance the construction, rehabilitation or purchase of housing for low and moderate income families and to pay the necessary costs of collection and enforcement of the documentary surtax, subject to the following limitations and requirements:

(a) No less than fifty percent (50%) of the revenue shall be for the benefit of low income families.

(b) Authorized uses of the revenue shall include, but not be limited to, providing funds for first and second mortgages, acquiring property for the purpose of forming housing cooperatives and the financing of new construction. However, no more than fifty percent (50%) of the revenue collected each year may be used to finance new construction.

(c) On newly-constructed properties, the County will provide random inspections during the construction of the home and detailed inspections prior to the placement of the second mortgage.

(d) The property must be used as the primary residence which will be reflected by a deed restriction or declaration of use restrictions covenant and will be stated in the loan documents. The property may not be rented, leased, or otherwise used as income or investment property at any time that the loan remains in effect. If the family sells, transfers, rents or vacates the

property, the balance of the mortgage loan, including accrued interest, will be due upon vacating, selling, renting or transferring of the property.

(e) Special consideration shall be given toward utilizing the revenue in the neighborhood economic programs of community development corporations.

(f) The revenue shall not be used for rent subsidies or grants.

(g) Subject to the limitations and requirements set forth above, the revenue shall be expended by the County only in accordance with the Miami-Dade County Affordable Housing Program Guidelines.

(F) Effective date. The surtax levied hereunder shall be effective in accordance with the provisions of State law authorizing the same as may be amended from time to time.

(G) [Competitive Request for Applications (RFA) process.] No allocation of documentary surtax funds shall be made except as part of a competitive Request for Applications (RFA) process. Notwithstanding the foregoing, documentary surtax funds loaned directly to homeowners by Miami-Dade County may be allocated without the necessity of a competitive RFA process.

(H) [RFA process; public meeting.] The RFA process shall include a public meeting which affords the residents of Miami-Dade County the opportunity to comment on applications and funding requests and recommendations. This public meeting shall be held prior to presentation of any funding recommendations to the Board of County Commissioners by Miami-Dade County staff.

(Ord. No. 93-143, § 2, 12-14-93; Ord. No. 94-205, § 1, 11-1-94; Ord. No. 95-128, § 1, 7-11-95; Ord. No. 97-65, § 1, 5-20-97; Ord. No. 06-170, §§ 1, 2, 11-28-06; Ord. No. 07-18, § 1, 2-6-07)

Editor's note: Ord. No. 93-143, § 2, adopted Dec. 14, 1993, deleted former § 29-7, relative to a document surtax, and enacted a new § 29-7 to read as herein set out. The provisions of former § 29-7 derived from Ord. No. 83-81, §§ 2--4, adopted Sept. 20, 1983 and Ord. No. 93-92, § 3, enacted Sept. 20, 1993.



Emergency Solutions Grants (ESG) Program

U.S. Department of Housing and Urban Development, Office of Community Planning and Development
Office of Special Needs Assistance Programs, 451 7th Street SW, Room 7262 Washington, DC 20410
CFDA Number: 14.231

OBJECTIVES

The ESG program provides funding to: (1) engage homeless individuals and families living on the street; (2) improve the number and quality of emergency shelters for homeless individuals and families; (3) help operate these shelters; (4) provide essential services to shelter residents; (5) rapidly re-house homeless individuals and families, and (6) prevent families/individuals from becoming homeless.

For more information and resources about ESG, go to HUD's OneCPD website at www.OneCPD.info.

GRANT AMOUNTS

- FY 2014 Allocation: \$250 million
- Minimum allocation: \$69,167
- Maximum allocation: \$12,649,583

Eligible Recipients (363)

- States: 51 (including Puerto Rico)
- Metropolitan Cities: 193
- Urban Counties: 115
- U.S. Territories: 4

RECIPIENTS & SUBRECIPIENTS

Eligible recipients generally consist of metropolitan cities, urban counties, territories, and states, as defined in 24 CFR 576.2.

Metropolitan cities, urban counties and territories may subgrant ESG funds to private nonprofit organizations.

State recipients must subgrant all of their ESG funds (except the amount for its administrative costs and HMIS costs, if applicable) to units of general purpose local government and/or private nonprofit organizations.

Each recipient must consult with the local Continuum(s) of Care operating within the jurisdiction in determining how to allocate ESG funds.

CITATIONS

Statute: Stewart B. McKinney Homeless Assistance Act of 1987, Title IV, Subtitle B, as amended (42 U.S.C. 11371 *et seq.*) **Regulations:** 24 CFR Part 576.

ELIGIBLE PROGRAM COMPONENTS

1. Street Outreach

Essential Services necessary to reach out to unsheltered homeless individuals and families, connect them with emergency shelter, housing, or critical services, and provide them with urgent, non-facility-based care. Component services generally consist of engagement, case management, emergency health and mental health services, and transportation. For specific requirements and eligible costs, see 24 CFR 576.101.

2. Emergency Shelter

Renovation of a building to serve as an emergency shelter. Site must serve homeless persons for at least 3 or 10 years, depending on the cost and type of renovation (major rehabilitation, conversion, or other renovation). Note: Property acquisition and new construction are ineligible.

Essential Services for individuals and families in emergency shelter. Component services generally consist of case management, child care, education services, employment assistance and job training, outpatient health services, legal services, life skills training, mental health services, substance abuse treatment services, and transportation.

Shelter Operations, including maintenance, rent, security, fuel, equipment, insurance, utilities, and furnishings.

Relocation assistance for persons displaced by a project assisted with ESG funds.

For specific requirements and eligible costs, see 24 CFR 576.102.

3. Homelessness Prevention

Housing relocation and stabilization services and/or short- and/or medium-term rental assistance necessary to prevent the individual or family from moving into an emergency shelter or another place described in paragraph (1) of the "homeless" definition in § 576.2.

Component services and assistance generally consist of short-term and medium-term rental assistance, rental arrears, rental application fees, security deposits, advance payment of last month's rent, utility deposits and payments, moving costs, housing search and placement, housing stability case management, mediation, legal services, and credit repair. For specific requirements and eligible costs, see 24 CFR 576.103, 576.105, and 576.106.

4. Rapid Re-Housing

Housing relocation and stabilization services and short- and/or medium-term rental assistance as necessary to help individuals or families living in an emergency shelter or other place described in paragraph (1) of the "homeless" definition move as quickly as possible into permanent housing and achieve stability in that housing.

Component services and assistance generally consist of short-term and medium-term rental assistance, rental arrears, rental application fees, security deposits, advance payment of last month's rent, utility deposits and payments, moving costs, housing search and placement, housing stability case management, mediation, legal services, and credit repair. For specific requirements and eligible costs, see 24 CFR 576.104, 576.105, and 576.106.

5. HMIS

Grant funds may be used for certain Homeless Management Information System (HMIS) and comparable database costs, as specified at 24 CFR 576.107.

Administration

Up to 7.5% of a recipient's fiscal year grant can be used for administrative activities, such as general management, oversight, coordination, and reporting on the program. State recipients must share administrative funds with their subrecipients who are local governments and may share with their subrecipients who are nonprofit organizations. For specific requirements and eligible costs, see 24 CFR 576.108.

ALLOCATION FORMULA

HUD will set aside for allocation to the territories up to 0.2%, but not less than 0.1%, of the total amount of each appropriation in any fiscal year. The remainder will be allocated to States, metropolitan cities, and urban counties. The percentage allocated to each State, metropolitan city, and urban county will be equal to the percentage of the total amount available under section 106 of the Housing and Community Development Act of 1974 for the prior fiscal year that was allocated to the State, metropolitan city or urban county. If an allocation to a metropolitan city or urban county would be less than 0.05% of the total fiscal year appropriation for ESG, the amount is added to the allocation of the State in which the city or county is located. For more on the ESG formula, see 24 CFR 576.3.

MATCH

Metropolitan city and urban county recipients must match grant funds with an equal amount of cash and/or

noncash contributions, which may include donated buildings, materials and volunteer services.

States must match all but \$100,000 of their awards, but must pass on the benefits of that \$100,000 exception to their subrecipients that are least capable of providing matching amounts.

Territories are exempt from the match requirement

For the specific match requirements, see 24 CFR 576.201.

OBLIGATION & EXPENDITURE DEADLINES

Metropolitan cities, urban counties and territories must obligate all funds, except for the amount for administrative costs, within 180 days after HUD signs the grant agreement.

States must obligate all funds, except the amount for administrative costs, within 60 days after the date that HUD signs the grant agreement. Within 120 days after the date the State obligates its funds to a local government, the local government must obligate all of its grant funds.

All grant funds must be expended within 24 months after HUD signs the grant agreement with the recipient.

Further obligation and expenditure requirements are specified at 24 CFR 576.203.

CONSOLIDATED PLAN

Eligible recipients apply through the Consolidated Planning process. Among other things, this process helps communities assess their homeless assistance and housing needs, examine available resources, set 3-5 year strategies, and develop an annual action plan to meet priority needs. Plan preparation must include citizen participation and consultation with various organizations, including the local Continuum(s) of Care. Each jurisdiction should submit its Consolidated Plan to the local HUD field office no later than 45 days before the start of its consolidated program year in accordance with the regulations at 24 CFR Part 91. For the specific planning and submission requirements, see 24 CFR part 91 and 576.200.

REPORTS

Annual performance reports must be submitted in accordance with 24 CFR 91.520 and are due 90 days after the close of the recipient's consolidated program year. Recipients also have other reporting requirements, as specified in 24 CFR 576.500(aa).

Compliance Challenges: HOME Open Activities – Repayment Due of \$4.7 Million

Activity ID	Activity Name	Repayment Due
2521	ANCHORAGE APARTMENTS	\$181,133
2272	SUGAR HILL APARTMENTS	\$1,757,823.97
14	ALTERNATIVE PROGRAMS	\$490,506.59
3194	DOWNTOWN MIAMI CDC-FLAGLER FIRST CONDO	\$1,000,000
13	TACOLCY/WESTERN GOULDS PROJECT	\$528,006
136	TACOLCY/WESTERN GOULDS PROJECT	\$148,132.19
1741 / 2012	THE PRESERVE	\$58,999.60
4527	LITTLE HAITI HOUSING ASSOCIATION (LHHA) VILLA JARDIN	\$46,150.89
4099	CAPITAL BUILDING PROJECT	\$500,000
	TOTAL	\$4,710,752.24

Compliance Challenges: CDBG

Unresolved		
Activity ID	Activity Name	Expended Amount
2660	GCDCl-GOULDs STOREPORCH	\$129,268.65
2938	GOULDs CDC COLONIAL VILLAGE	\$205,207.74
2962	MD OCED/ED COMMERCIAL REVITALIZATION PRO	\$842,190.75
2970	MD OCED/UD SUPPORT SVS FOR SURTAX SALES	\$227,777.98
2973	NARANJA PRIN CDC MOODY DR INITIATIVE PRO	\$102,100.71
2995	SOUTH MIAMI HEIGHTS CDC CARRIBEAN PALMS	\$174,221.79
3111	YOUTH IN ACTION CTR., INC., GOULDs S. FA	\$135,172.15
3152	LBW HOMEOWNER'S FOUNDATION BAHAMIAN VILL	\$230,000.00
3169	LHANC-MULTIGENERATIONAL CENTER	\$1,200,000.00
3170	JESCA-NORTHSHORE COMMUNITY CENTER	\$333,204.54
3241	ALTERNATIVE PGM-CARRIE MEEK COMP CENTER	\$16,483.07
3244	ONE ART CENTER RENOVATION PROJECT	\$116,039.00
3245	CITY OF S MIAMI COMMUNITY POOL	\$215,198.64
3263	GMN CONSTRUCTION OF HOUSING COUNTYWIDE	\$74,999.83
3391	L.B.W. HOMEOWNERS FOUNDATION/EC. DEV.	\$135,000.00
3516	BEDC-ECO. DEV. TECHNICAL ASSISTANCE	\$291,257.40
3648	UNIDAD-NORTH BEACH SENIOR ACTIVITY	\$200,000.00

Compliance Challenges: CDBG Cont'd

Unresolved		
Activity ID	Activity Name	Expended Amount
3656	MDED-MICROENTERPRISE ASSISTANCE & PEER	\$161,405.39
3660	MDOCD/R-CD DISPOSITION AND ENVIRONMENTAL	\$1,161,615.64
3662	MDOCD/R-INVENTORY MANAGEMENT	\$292,301.59
3663	MDOCD/R-SUPPORT SERVICES FOR SURTAX PARC	\$208,495.12
3664	MDOCD/R-COUNTYWIDE LAND ACQUISITION	\$164,903.65
3698	CITY OF SOUTH MIAMI CRA	\$69,477.30
3699	MDOCD/R-CDBG ELIGIBLE CAPITAL PROJECTS	\$54,317.27
3763	MD OCED/ED TECHNICAL ASSISTANCE	\$10,883.00
3863	LITTLE HAITI HOUSING ASSOC. 62ND STREET	\$41,244.00
3872	CITY OF MIAMI GARDENS FACADE RESTORATION	\$149,604.20
3873	CITY OF MIAMI GARDENS PUBLIC FACILITIES	\$49,999.85
3882	J L BROWN DEV CORP 112 AVENUE SHOPS	\$199,990.00
3898	SBC CDC OF RICHMOND HEIGHTS	\$48,255.20
3907	ONE ART CENTER RENOVATION PROJECT	\$9,633.34
3938	UNIDAD OF MIAMI BEACH INC., N BEACH SENI	\$950,367.02
3971	HISTORIC HAMPTON HOUSE MULTI-PURPOSE	\$189,750.93
TOTAL		\$8,390,365.75



- Department officials estimate that \$235.7 million of \$305.2 million in current loans may never be collected due in part to favorable loan terms and the economic downturn
- The Department of Public Housing and Community Development does not have a comprehensive measurement system to assess surtax outcomes

Compliance Challenges: Surtax

Quotes from The Office of Program Policy Analysis and Government Accountability Report No.12-08:

- “the law prohibits the use of discretionary surtax funds for rent subsidies or grants...”
- “A significant percentage of surtax funds...may never be collected...”
- “department officials estimate that \$235.7 million of \$305.2 million (or 77%) in current surtax loans may never be collected.”
- “Multi-Family Developer Loan Amounts \$218,919,031 / percentage estimated uncollectable 83%...”
- “As a result, these surtax funds do not return to the county to be used for additional loans.”
- “...we examined existing performance measures and additional information related to project oversight and monitoring. We found that the Department...does not have a comprehensive measurement system to assess surtax outcomes...”



Miami-Dade Board of County Commissioners' Legislation on Surtax

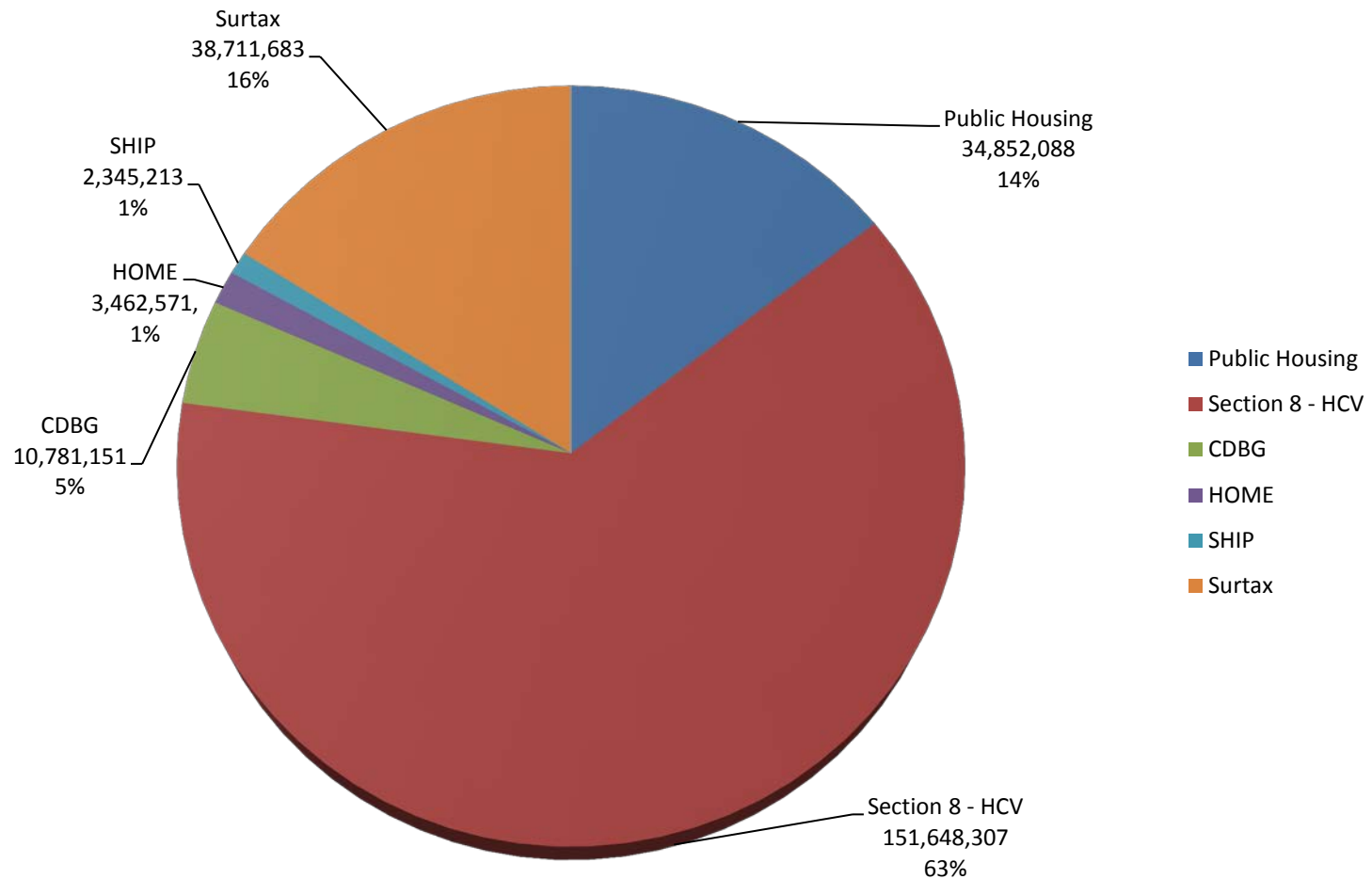
- **Resolution R-343-15** – RESOLUTION SETTING POLICY FOR MIAMI-DADE COUNTY; LIMITING THE AMOUNT THAT ANY AFFORDABLE HOUSING DEVELOPMENT MAY RECEIVE IN DOCUMENTARY SURTAX FUNDS FOR GAP FUNDING TO A PERCENTAGE OF THE TOTAL DEVELOPMENT COST FOR THAT DEVELOPMENT
- **Resolution R-345-15** - RESOLUTION DIRECTING THE COUNTY MAYOR OR THE COUNTY MAYOR'S DESIGNEE TO (I) REVIEW AND AMEND THE COUNTY'S AFFORDABLE HOUSING GUIDELINES TO ESTABLISH A CAP ON THE NUMBER OF ADDITIONAL FUNDING APPLICATIONS THAT AN AGENCY MAY SUBMIT FOR DOCUMENTARY STAMP SURTAX FUNDS IF THE PROJECT HAS BEEN AWARDED GAP FUNDING FOR ITS FIRST APPLICATION, AND (II) REQUIRE THAT APPLICATIONS FOR ADDITIONAL FUNDING BE APPROVED FOR FUNDING ONLY UNDER EXTENUATING CIRCUMSTANCES
- **Resolution R-346-15** - RESOLUTION SETTING POLICY FOR MIAMI-DADE COUNTY; ESTABLISHING THE MAXIMUM DEVELOPMENT COST PER UNIT OF \$225,000.00 FOR AFFORDABLE HOUSING CONSTRUCTED, REHABILITATED OR ACQUIRED WITH COUNTY FUNDS, EXCEPT FOR HIGH-RISE NEW CONSTRUCTION WHICH SHALL HAVE A MAXIMUM DEVELOPMENT COST PER UNIT OF \$250,000.00; AND DIRECTING THE COUNTY MAYOR OR MAYOR'S DESIGNEE TO AMEND ALL AFFORDABLE HOUSING GUIDELINES AND INCORPORATE POLICY IN FUTURE COMPETITIVE PROCESSES

PHCD's RFA Response to State Concerns

PHCD has established parameters that make our multifamily loans, real loans, e.g.

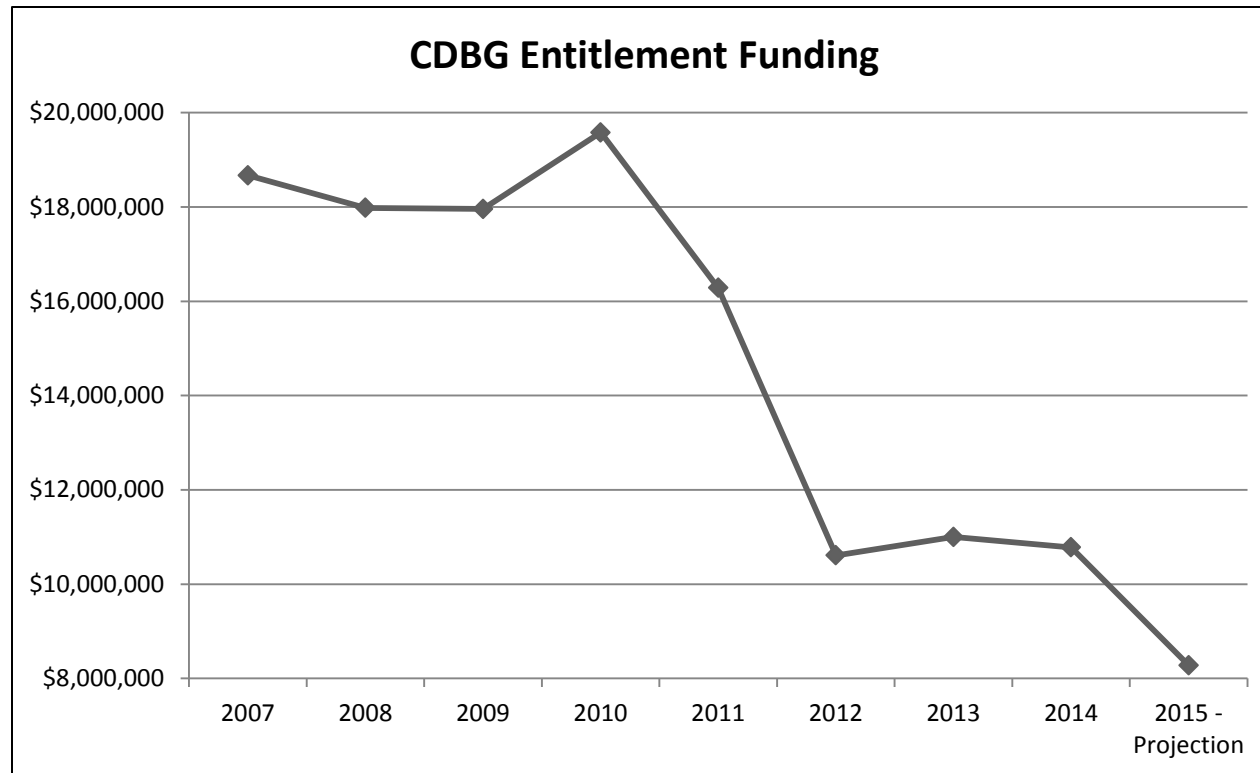
- “Hard pay”
- Threshold interest rate of 2%

FY 2014 PHCD Funding by Programs



Funding Challenges: CDBG

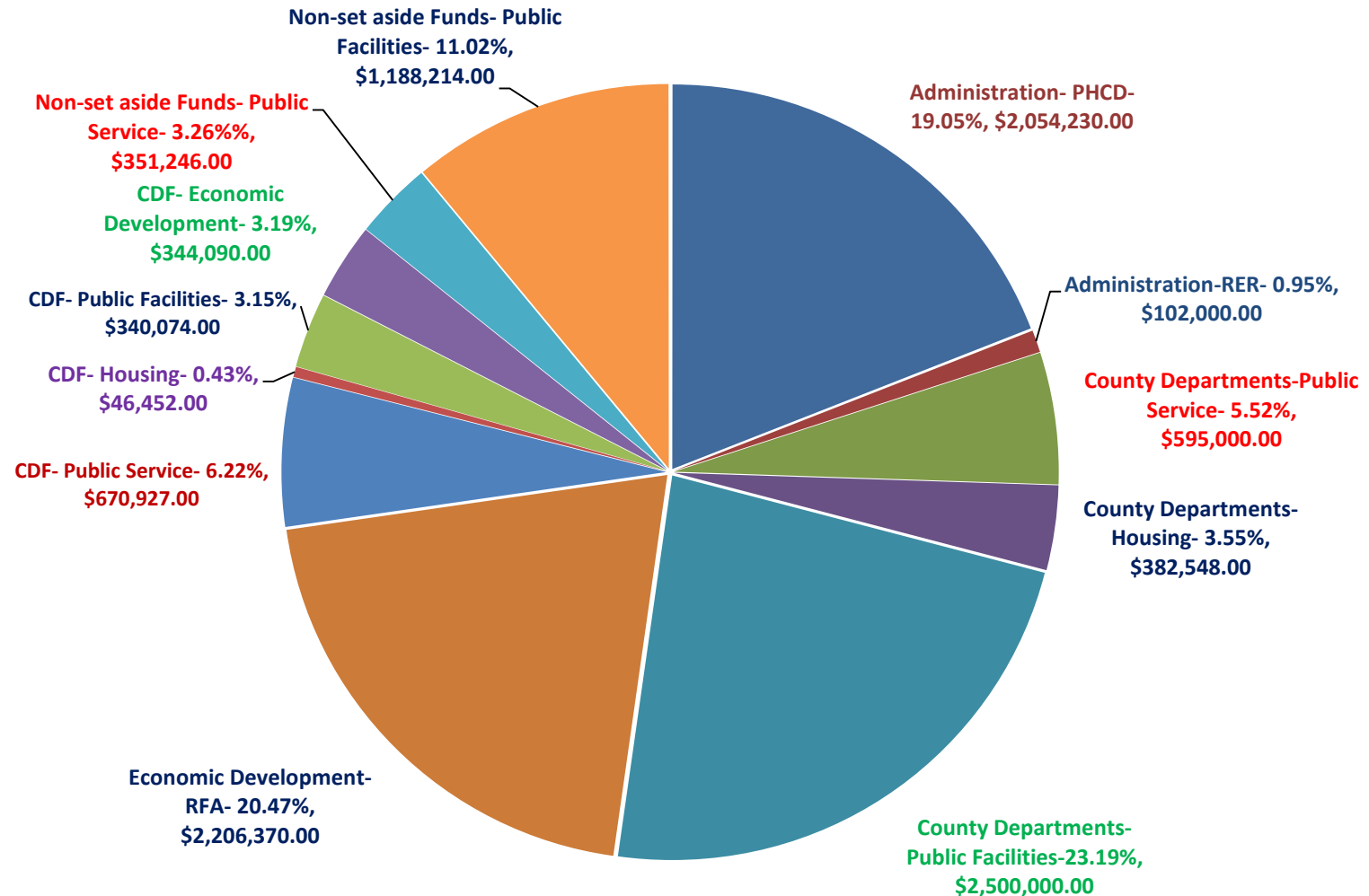
Year	Amount		Year	Amount
2007	\$18,670,347		2011	\$16,285,211
2008	\$17,982,044		2012	\$10,611,175
2009	\$17,956,821		2013	\$11,001,601
2010	\$19,579,850		2014	\$10,781,151
			2015	\$8,280,077



Note: 2015 amount of \$10,946,743 reduced by \$2,666,666

Funding Challenges: CDBG Allocations for 2014

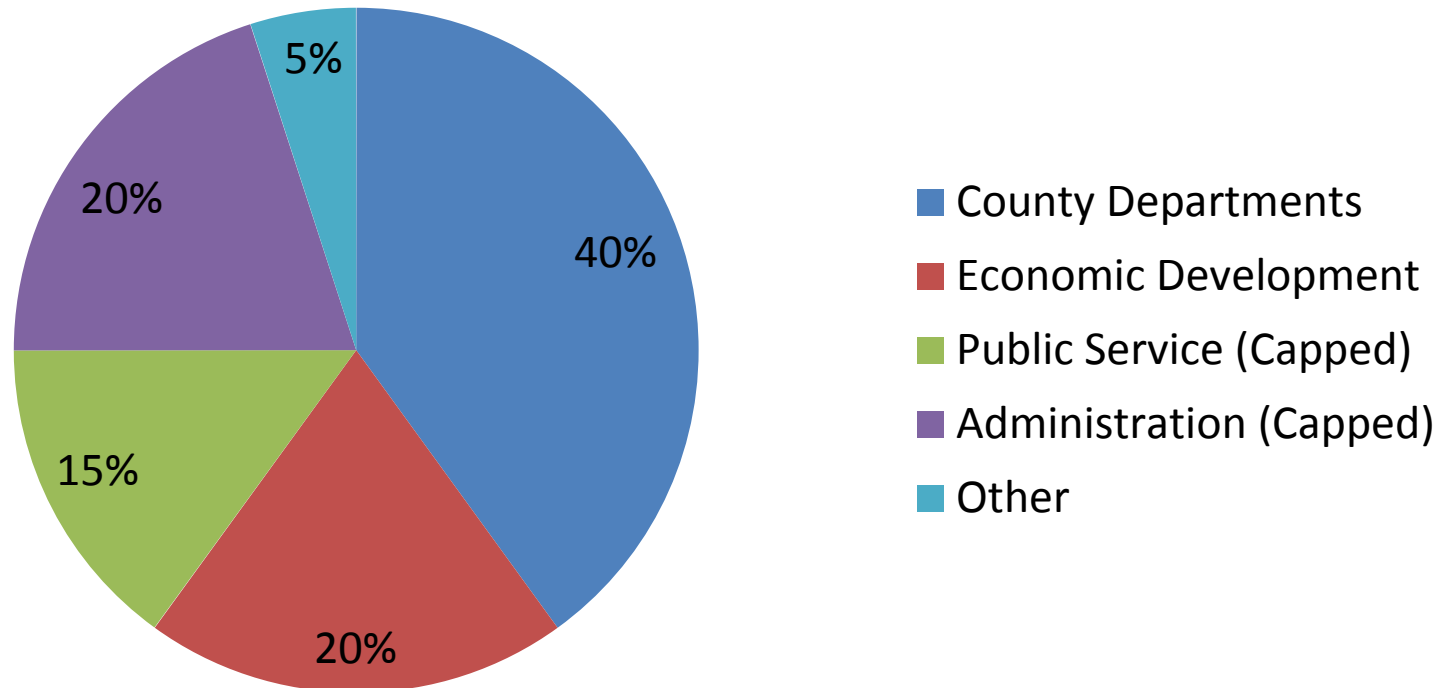
Breakdown of \$10,781,151



Funding Challenges: CDBG Allocations for 2014

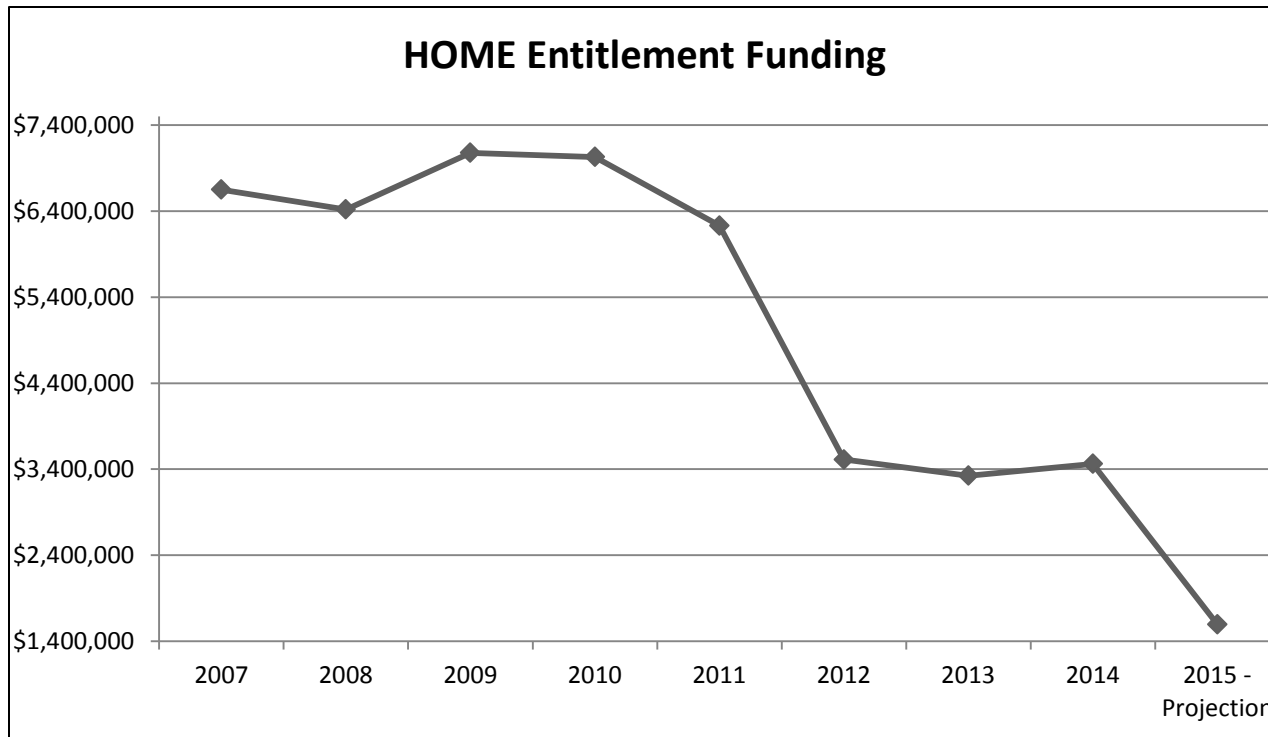
Breakdown by Categories

Community Development Block Grant



Funding Challenges: HOME

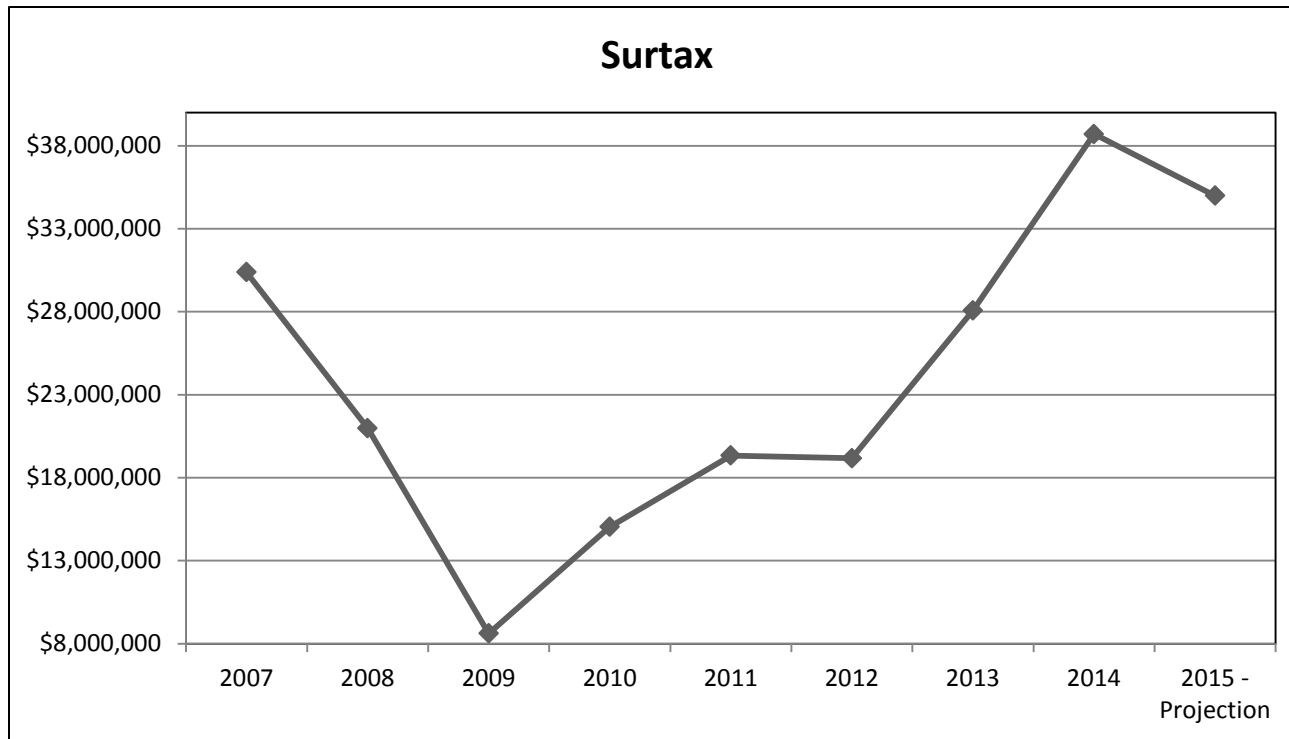
Year	Amount		Year	Amount
2007	\$6,650,168		2011	\$6,232,309
2008	\$6,419,239		2012	\$3,512,701
2009	\$7,078,702		2013	\$3,324,357
2010	\$7,029,971		2014	\$3,462,571
			2015 Projection	\$1,595,405



Note: Reduced in 2015 the \$3,165,656 by the anticipated reduction of \$1,570,250.75

Funding Challenges: Surtax

Year	Amount		Year	Amount
2007	\$30,383,067		2011	\$19,332,132
2008	\$20,982,178		2012	\$19,174,163
2009	\$8,613,911		2013	\$28,074,780
2010	\$15,037,316		2014	\$38,711,683
			2015 Projection	\$35,000,000



Funding Challenges: SHIP

Year	Amount		Year	Amount
2007	\$9,675,017		2011	0
2008	\$8,959,848		2012	\$728,086
2009	\$9,641,033		2013	\$872,847
2010	\$732,282		2014	\$2,345,213
			2015 Projection	\$4,838,850



Programs: Surtax RFA Process

Types of applications solicited:

1. Gap Financing

Gap financing applicants must meet threshold requirements:

- Documentation of an allocation of Housing Credits from FHFC, SAIL funds, or Miami-Dade County Housing Finance Authority (HFA) or other public funding;
- Documentation of a syndication agreement or commitment for purchase of housing credits;
- Firm commitment of all other funding sources; and
- Estimated construction completion schedule.

2. Homebuyer Education and Counseling

3. Homeownership for Liberty City, West Little River and Little Haiti

4. Small Developments: Projects that consist of 40 and under units in Liberty City

Changes Made from 2014 to 2015 RFA Process

- PHCD amended the minimum debt service ratio to 1.0% and the maximum debt service coverage to 1.6%
- A Due Diligence Report is done prior to underwriting
- There is no longer a preliminary feasibility report done prior to underwriting. A final underwriting report is done after construction cost analysis is completed
- Interest rate has been changed to 2% in years 3-30 Homeless projects and public housing projects will have a .5% interest rate in years 3-30
- Applicants must submit copies of Certificate of Occupancy for the projects they have completed
- Little Haiti and West Little River Homeownership Initiative
- Funding for Small Developments (40 units or Less) in Liberty City
- Bonus points were awarded for mixed income housing and successfully completed phased developments
- Homebuyer counseling was part of 2015 application
- A final credit writing report will be conducted after the scoring process
- Applicant is required to show evidence of firm commitments and PHCD has strengthened the definition of what will be accepted as a “firm commitment”
- No more than one application is permitted for the same project. Additional applications for projects that have already received County funding will not be considered unless extenuating circumstances exist
- Subsidy caps for all developments were implemented

Surtax RFA Development Cost Pro Forma / Sources and Uses

DESCRIPTION	COST
<i>Actual Construction Cost</i>	
Demolition	
New Units	
Rehab of Existing	
Homeownership/Rental Units	
Accessory Buildings	
Recreational Amenities	
Rehab of Existing Common Areas	
*Other (explain in detail)	
A1. Actual Construction Cost	
Contingency (explain in detail)	
A1.1 Sub-Total	
A1.2 General Contractor Fee	
A1.3 Total Actual Construction Cost	
<i>Financial Cost</i>	
Construction Loan Credit Enhancement	
Construction Loan Interest	
Construction Loan Origination Fee	
Bridge Loan Interest	
Bridge Loan Origination Fee	
Permanent Loan Credit Enhancement	
Permanent Loan Origination Fee	
Reserves Required By Lender	
A2. Total Financial Cost	

DESCRIPTION	COST
General Development Cost	
Accounting Fees	
Appraisal	
Architect's Fee – Design	
Architect's Fee – Supervision	
Builder's Risk Insurance	
Building Permit	
Brokerage Fees – Land	
Brokerage Fees – Building	
Closing Costs – Construction Loan	
Closing Costs – Permanent Loan	
Engineering Fee	
Environmental Fee	
Environmental Report	
*Impact Fees (list in detail)	
Inspection Fees	
Insurance	
Legal Fees	
Market Study	
Marketing/Advertising	
Property Taxes	
Soil Test Report	
Survey	
Title Insurance	
Utility Connection Fee	
*Other (explain in detail)	
*Contingency (7) (explain in detail)	
A3. Total General Development Cost	

Surtax RFA Development Cost Pro Forma – Cont'd

DESCRIPTION	COSTS
C. Developer's Fee	
<i>ACQUISITION COST OF EXISTING DEVELOPMENTS (EXCLUDING LAND)</i>	
Existing Buildings	
Developer Fee on Existing Buildings	
*Other (explain in detail)	
D. Total Acquisition Cost	
<i>LAND COST</i>	
E. Total Land Cost	
F. Total Development Cost (B+C+D+E)	

	Amount	Documentation Attached and marked as Exhibit
A. Total Development Cost		
B. Sources		
County Funds		
First Mortgage Financing		
Second Mortgage Financing		
Third Mortgage Financing		
Deferred Developer Fee		
Grants		
Equity – Partner's Contribution		
Other:		
Other:		
Total Sources		
C. Financing Shortfall (A minus B)		
PERMANENT ANALYSIS		
A. Total Development Cost		
B. Sources		
C. County Funds Requested		

Sample Operating Pro Forma

OPERATING PRO FORMA

FINANCIAL COSTS:				Year 1	Year 1 Per Unit
OPERATING PRO FORMA					
INCOME:	Gross Potential Rental Income			\$911,772	\$6,855
	Other Income				\$0
	Miscellaneous			\$13,300	\$100
	Gross Potential Income			\$925,072	\$6,955
	Less:				
	Physical Vac. Loss	Percentage:	2.00%	\$18,501	\$139
	Collection Loss	Percentage:	1.00%	\$9,251	\$70
Total Effective Gross Income				\$897,320	\$6,747
EXPENSES:	Fixed:				
	Real Estate Taxes			\$34,457	\$259
	Insurance			\$93,100	\$700
	Variable:				
	Management Fee	Percentage:	6.00%	\$53,839	\$405
	General and Administrative			\$63,175	\$475
	Payroll Expenses			\$127,600	\$959
	Utilities			\$109,725	\$825
	Marketing and Advertising			\$9,975	\$75
	Maintenance and Repairs/Pest Control			\$39,900	\$300
	Grounds Maintenance and Landscaping			\$39,900	\$300
	Reserve for Replacements			\$39,900	\$300
Total Expenses				\$611,571	\$4,598
Net Operating Income				\$285,749	\$2,148
Debt Service Payments					
First Mortgage - CITI			\$182,219	\$1,370	
Second Mortgage - SAIL			\$11,382	\$86	
Third Mortgage - ELI Gap			\$0	\$0	
Fourth Mortgage - Surtax			\$26,586	\$200	
Fifth Mortgage - HOME			\$0	\$0	
Other Fees - SAIL & ELI GAP PLS Fees			\$5,283	\$40	
Other Fees - SAIL & ELI Gap CM Fees			\$1,742	\$13	
Total Debt Service Payments				\$227,211	\$1,656
Cash Flow after Debt Service				\$58,537	\$493
				Annual	Per Unit
Debt Service Coverage Ratios					
DSC - First Mortgage				1.57	1.57
DSC - Second Mortgage				1.48	1.48
DSC - Third Mortgage				1.48	1.48
DSC - Fourth Mortgage				1.30	1.30
DSC - Fifth Mortgage				1.30	1.30
DSC - All Mortgages and Fees				1.26	1.26
Financial Ratios					
Operating Expense Ratio				68.2%	
Break-even Economic Occupancy Ratio (all debt)				90.7%	

Notes to the Operating Pro Forma and Ratios:

Sample 30-Year Operating Pro Forma

Exhibit 1 Smathers Phase Two 30 Year Operating Pro Forma

FINANCIAL COSTS:		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	
INCOME:	OPERATING PRO FORMA																
	Gross Potential Rental Income		\$911,772	\$930,007	\$948,608	\$967,580	\$986,931	\$1,006,670	\$1,026,803	\$1,047,339	\$1,068,286	\$1,089,652	\$1,111,445	\$1,133,674	\$1,156,347	\$1,179,474	\$1,203,064
	Other Income																
	Ancillary Income		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Miscellaneous		\$13,300	\$13,566	\$13,837	\$14,114	\$14,396	\$14,684	\$14,978	\$15,278	\$15,583	\$15,895	\$16,213	\$16,537	\$16,868	\$17,205	\$17,549
	Gross Potential Income		\$925,072	\$943,573	\$962,445	\$981,694	\$1,001,328	\$1,021,354	\$1,041,781	\$1,062,617	\$1,083,869	\$1,105,547	\$1,127,658	\$1,150,211	\$1,173,215	\$1,196,679	\$1,220,613
	Less:																
	Physical Vac. Loss Percentage: 2.00%		\$18,501	\$18,871	\$19,249	\$19,634	\$20,027	\$20,427	\$20,836	\$21,252	\$21,677	\$22,111	\$22,553	\$23,004	\$23,464	\$23,934	\$24,412
	Collection Loss Percentage: 1.00%		\$9,251	\$9,436	\$9,624	\$9,817	\$10,013	\$10,214	\$10,418	\$10,626	\$10,839	\$11,055	\$11,277	\$11,502	\$11,732	\$11,967	\$12,206
Total Effective Gross Income		\$897,320	\$915,266	\$933,572	\$952,243	\$971,288	\$990,714	\$1,010,528	\$1,030,738	\$1,051,353	\$1,072,380	\$1,093,828	\$1,115,704	\$1,138,019	\$1,160,779	\$1,183,994	
EXPENSES:	Fixed:																
	Real Estate Taxes		\$34,457	\$35,491	\$36,555	\$37,652	\$38,782	\$39,945	\$41,143	\$42,378	\$43,649	\$44,959	\$46,307	\$47,697	\$49,127	\$50,601	\$52,119
	Insurance		\$93,100	\$95,893	\$98,770	\$101,733	\$104,785	\$107,928	\$111,166	\$114,501	\$117,936	\$121,474	\$125,119	\$128,872	\$132,738	\$136,720	\$140,822
	Variable:																
	Management Fee Percentage: 6.00%		\$53,839	\$54,916	\$56,014	\$57,135	\$58,277	\$59,443	\$60,632	\$61,844	\$63,081	\$64,343	\$65,630	\$66,942	\$68,281	\$69,647	\$71,040
	General and Administrative		\$63,175	\$65,070	\$67,022	\$69,033	\$71,104	\$73,237	\$75,434	\$77,697	\$80,028	\$82,429	\$84,902	\$87,449	\$90,072	\$92,775	\$95,558
	Payroll Expenses		\$127,600	\$131,428	\$135,371	\$139,432	\$143,615	\$147,923	\$152,361	\$156,932	\$161,640	\$166,489	\$171,484	\$176,628	\$181,927	\$187,385	\$193,006
	Utilities		\$109,725	\$113,017	\$116,407	\$119,899	\$123,496	\$127,201	\$131,017	\$134,948	\$138,996	\$143,166	\$147,461	\$151,885	\$156,442	\$161,135	\$165,969
	Marketing and Advertising		\$9,975	\$10,274	\$10,582	\$10,900	\$11,227	\$11,564	\$11,911	\$12,268	\$12,636	\$13,015	\$13,406	\$13,808	\$14,222	\$14,649	\$15,088
	Maintenance and Repairs/Pest Control		\$39,900	\$41,097	\$42,330	\$43,600	\$44,908	\$46,255	\$47,643	\$49,072	\$50,544	\$52,060	\$53,622	\$55,231	\$56,888	\$58,594	\$60,352
	Grounds Maintenance and Landscaping		\$39,900	\$41,097	\$42,330	\$43,600	\$44,908	\$46,255	\$47,643	\$49,072	\$50,544	\$52,060	\$53,622	\$55,231	\$56,888	\$58,594	\$60,352
	Reserve for Replacements		\$39,900	\$39,900	\$39,900	\$39,900	\$39,900	\$39,900	\$39,900	\$39,900	\$39,900	\$39,900	\$41,097	\$42,330	\$43,600	\$44,908	\$46,255
	Total Expenses		\$611,571	\$628,183	\$645,282	\$662,884	\$681,002	\$699,652	\$718,850	\$738,612	\$758,955	\$779,896	\$802,650	\$826,073	\$850,186	\$875,008	\$900,562
	Net Operating Income		\$285,749	\$287,083	\$288,289	\$289,359	\$290,286	\$291,062	\$291,678	\$292,126	\$292,398	\$292,484	\$291,178	\$289,632	\$287,833	\$285,771	\$283,432
	Debt Service Payments																
First Mortgage - CITI		\$182,219	\$182,219	\$182,219	\$182,219	\$182,219	\$182,219	\$182,219	\$182,219	\$182,219	\$182,219	\$182,219	\$182,219	\$182,219	\$182,219	\$182,219	
Second Mortgage - SAIL		\$11,382	\$11,382	\$11,382	\$11,382	\$11,382	\$11,382	\$11,382	\$11,382	\$11,382	\$11,382	\$11,382	\$11,382	\$11,382	\$11,382	\$11,382	
Third Mortgage - ELI Gap		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Fourth Mortgage - Surtax		\$26,586	\$26,586	\$26,586	\$26,586	\$26,586	\$26,586	\$26,586	\$26,586	\$26,586	\$26,586	\$26,586	\$26,586	\$26,586	\$26,586	\$26,586	
Fifth Mortgage - HOME		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
All Other Mortgages -		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other Fees - SAIL & ELI GAP PLS Fees		\$5,283	\$5,245	\$5,403	\$5,565	\$5,732	\$5,904	\$6,081	\$6,263	\$6,451	\$6,645	\$6,844	\$7,049	\$7,261	\$7,479	\$7,703	
Other Fees - SAIL & ELI Gap CM Fees		\$1,742	\$1,794	\$1,848	\$1,904	\$1,961	\$2,019	\$2,080	\$2,142	\$2,207	\$2,273	\$2,341	\$2,411	\$2,484	\$2,558	\$2,635	
Total Debt Service Payments		\$227,211	\$227,226	\$227,437	\$227,655	\$227,879	\$228,110	\$228,347	\$228,592	\$228,844	\$229,104	\$229,372	\$229,647	\$229,931	\$230,223	\$230,524	
Cash Flow after Debt Service		\$58,537	\$59,857	\$60,852	\$61,705	\$62,407	\$62,952	\$63,330	\$63,534	\$63,554	\$63,380	\$61,807	\$59,984	\$57,902	\$55,547	\$52,908	
Debt Service Coverage Ratios																	
DSC - First Mortgage		1.57	1.58	1.58	1.59	1.59	1.60	1.60	1.60	1.60	1.61	1.60	1.59	1.58	1.57	1.56	
DSC - Second Mortgage		1.48	1.48	1.49	1.49	1.50	1.50	1.51	1.51	1.51	1.51	1.50	1.50	1.49	1.48	1.46	
DSC - Third Mortgage		1.48	1.48	1.49	1.49	1.50	1.50	1.51	1.51	1.51	1.51	1.50	1.50	1.49	1.48	1.46	
DSC - Fourth Mortgage		1.30	1.30	1.31	1.31	1.32	1.32	1.32	1.33	1.33	1.33	1.32	1.32	1.31	1.30	1.29	
DSC - Fifth Mortgage		1.30	1.30	1.31	1.31	1.32	1.32	1.32	1.33	1.33	1.33	1.32	1.32	1.31	1.30	1.29	
DSC - All Mortgages and Fees		1.26	1.26	1.27	1.27	1.27	1.28	1.28	1.28	1.28	1.28	1.27	1.26	1.25	1.24	1.23	
Financial Ratios																	
Operating Expense Ratio		68.2%	68.6%	69.1%	69.6%	70.1%	70.6%	71.1%	71.7%	72.2%	72.7%	73.4%	74.0%	74.7%	75.4%	76.1%	
Break-even Economic Occupancy Ratio (all debt)		90.7%	90.7%	90.7%	90.7%	90.8%	90.8%	90.9%	91.0%	91.1%	91.3%	91.5%	91.8%	92.1%	92.4%	92.7%	

Sample Construction/Permanent Sources

MHRN & SURTAX CREDIT UNDERWRITING REPORT

ACS

Deferred Developer Fee	\$750,087
Land Value	\$2,100,000
Market Rent/Market Financing Stabilized Value	\$12,600,000
Rent Restricted Market Financing Stabilized Value	\$4,000,000
Projected Net Operating Income (NOI) - Year 1	\$285,749
Projected Net Operating Income (NOI) - 15 Year	\$283,432
Year 15 Pro Forma Income Escalation Rate	2%
Year 15 Pro Forma Expense Escalation Rate	3%
Bond Structure	Tax Exempt "Back to Back" Loan Structure
Housing Credit Syndication Price	\$1.04
Housing Credit Annual Allocation	\$1,024,583

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
Tax Exempt Loan	CITI/HFAMD	\$12,000,000	\$2,835,000	\$21,316
SAIL	FHFC	\$1,138,150	\$1,138,150	\$8,558
SAIL ELI GAP	FHFC	\$975,000	\$975,000	\$7,331
Surtax	Miami-Dade County	\$8,250,000	\$8,250,000	\$62,030
HOME	City of Miami	\$698,000	\$698,000	\$5,248
HC Equity	RJTCF	\$2,439,707	\$10,023,766	\$75,367
Deferred Developer Fee	Developer	\$2,103,057	\$750,087	\$5,640
TOTAL		\$27,603,914	\$24,670,003	\$185,490

Note: During the construction phase, all subordinate funding will be available and a portion will be drawn to pay down the Borrower Loan until such time as it converts to the Permanent Loan.

Construction Cost Monitoring

Areas to monitor:

- Manage and Control a Construction Project Budget
- Determine that Construction Costs are Reasonable and Affordable
- Help Complete the Construction Project Within Original Approved Budget
- Do not rely solely on industry standardization costs, e.g. R.S. Means, Marshall and Swift, in analysis of actual expenses incurred.

Project Budget

- Detailed cost plan

Estimated Costs vs. Market Costs

- Pricing sources (databases, industry journals, historical records)
- Market competition
- Economic Conditions
- Project risk factors

Change Orders

- Pricing analysis
- Scope changes
- Charges for re-work

Contingency Allowance

- Charges for non-allowable costs

Payment Requests

- Project Architect approval
- Verify contractor's cost calculations with contract terms and site observation
- Reconcile the sum of total reimbursable payments with canceled checks

Estimated Costs vs. Actual Costs

- Final cost audit

Construction Monitoring

- Check the Quality, Accuracy and Progress of a Construction Project
- Address Construction Problems Before and As They Arise
- Help Complete the Construction Project Within Original Approved Budget and Scheduled Completion Date

Areas to monitor:

Construction Environment

- Safety and traffic
- Federal labor requirements

Construction Plans and Specifications

- Program regulations compliance

Budget

- Change orders
- Contingency allowance

Work Schedule

- Achievement of milestones

Progress Reports

- On-site visits

Project Closeout

- Final walk-through punch list
- As-built plans
- Final cost audit

History of Homeownership Assistance

HISTORY OF HOMEOWNERSHIP ASSISTANCE														
Funding Source	FY 09-10		FY 10-11		FY 11-12		FY 12-13		FY 13-14		FY 14-15		ALL YEAR TOTAL	
SHIP	72	\$3,769,907.00	39	\$2,422,458.00	1	\$60,000.00	36	\$2,238,850.00	29	\$1,831,900.00	11	\$453,000.00	188	\$10,776,115.00
SURTAX	12	\$574,125.00	51	\$2,883,038.00	92	\$5,338,025.00	31	\$1,486,313.00	57	\$3,289,562.50	39	\$2,535,000.00	282	\$16,106,063.50
CDBG	11	\$812,093.00	13	\$634,500.00	17	\$628,700.00	6	\$249,000.00	6	\$344,200.00	2	\$102,288.00	55	\$2,770,781.00
HOME	12	\$510,413.00	4	\$282,840.00	12	\$596,770.00	5	\$170,813.00	2	\$39,850.00	0	\$0.00	35	\$1,600,686.00
TOTAL	107	\$5,666,538.00	107	\$6,222,836.00	122	\$6,623,495.00	78	\$4,144,976.00	94	\$5,505,512.50	52	\$3,090,288.00	560	\$31,253,645.50
Numbers in Green preceding the loan amount are the number of loans														

Homeownership: Income Limits

Income Limits – Adjusted for Family Size (Revised 6/1/2015)						
FAMILY SIZE				Median		
	30%	50%	80%	100%	120%	140%
	< E. LOW	<- V. LOW	<-LOW/MOD >			
1	\$14,250	\$23,700	\$37,950	\$47,400	\$56,880	\$66,360
2	\$16,250	\$27,100	\$43,350	\$54,200	\$65,040	\$75,880
3	\$20,080	\$30,500	\$48,750	\$61,000	\$73,200	\$85,400
4	\$24,250	\$33,850	\$54,150	\$67,700	\$81,240	\$94,780
5	\$28,410	\$36,600	\$58,500	\$73,200	\$87,840	\$102,480
6	\$32,570	\$39,300	\$62,850	\$78,600	\$94,320	\$110,040
7	\$36,730	\$42,000	\$67,150	\$84,000	\$100,800	\$117,600
8	\$40,890	\$44,700	\$71,500	\$89,400	\$107,280	\$125,160

- The Median Income is \$49,900 for Miami-Dade County for a family of four. This number is provided by HUD using information from the U.S. Census Bureau. The income limits above are calculated using the Area Median Income (AMI) adjusted for factors including high housing costs and national family income data.
- SHIP limited to 120 % (Subject to periodic revisions by HUD Effective 6/1/2015)

Maximum Subsidy Table				
Subsidy Levels Based on Median Income and Family Size				
Percentage of AMI	50% or below	80% or below	100% or below	Above 100%
Properties within entitlement cities providing assistance* up to:	\$60,000	\$50,000	\$40,000	\$30,000
Properties out of entitlement cities (unincorporated Miami-Dade) ¹ up to:	\$80,000	\$70,000	\$60,000	\$50,000

Homeownership: Payment Structure

The monthly payments for SHIP/Surtax/NSP loans will be as follows:

Income Level	Interest *Rate*	Years 1 to 5	Years 6 to 30
Low Income	0-3%	\$100 monthly payment This is applied towards principal.	Fully amortized remaining balance amortized over the 25 years at note rate, as applicable.
Moderate Income	4-6%	\$100 monthly payment This is applied towards principal.	Fully amortized remaining balance amortized over the 25 years at note rate, as applicable

HOME/CDBG - Loans are deferred mortgages: No payments are required.

***Interest rate will be determined on a case-by-case basis.**

Options: \$100.00 for the first five years. The remaining balance to be amortized for remaining 25 years, at the applied interest rate. A calculation example is provided below:

OPTION #1

Moderate Income Family

\$50,000 loan @ 4%

Years 1-5

Payment \$100.00 per month

Years 6-30

Balance* \$44,000.00

New payment \$232.25