

MEMORANDUM

Agenda Item No. 8(K)(1)

TO: Honorable Chairman Jose "Pepe" Diaz
and Members, Board of County Commissioners

DATE: June 1, 2022

FROM: Geri Bonzon-Keenan
County Attorney

SUBJECT: Resolution approving the transfer of ownership of Southpoint Crossing Apartments, located at 815-897 W. Lucy Street, Florida City, Florida 33034, from the current owner NHTE Southpoint, LLC to POAH Southpoint Crossing, LLC; authorizing the County Mayor, upon a determination that such actions are in the best interest of the County, to assign, subordinate and modify County loan documents with NHTE Southpoint, LLC in the amount of \$7,444,489.00, and to execute new agreements, amendments and other documents in order to effectuate the transfer of Southpoint Crossing Apartments and the refinance of other lender loans, and to exercise the termination, waiver, acceleration, and other provisions set forth therein; and authorizing the County Mayor to execute any other agreements and documents necessary to accomplish the purposes of this resolution and exercise the provisions therein

The accompanying resolution was prepared by the Public Housing and Community Development Department and placed on the agenda at the request of Prime Sponsor Commissioner Kionne L. McGhee.



Geri Bonzon-Keenan
County Attorney

GBK/gh

Memorandum



Date: June 1, 2022

To: Honorable Chairman Jose “Pepe” Diaz
and Members, Board of County Commissioners

From: Daniella Levine Cava
Mayor *Daniella Levine Cava*

Subject: Resolution Approving the Transfer of Ownership for Southpoint Crossing Apartments and Authorizing the Assignment, Subordination and/or Modification of County Loan Documents for a Neighborhood Stabilization Program Loan in the amount of \$7,444,489.00 and Execution of New Agreements, Amendments and Other Documents in Order to Effectuate the Transfer the Project and the Refinance of Other Lender Loans

Recommendation

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

1. Approve the proposed transfer of ownership of Southpoint Crossing Apartments (project), located at 815-897 W. Lucy Street, Florida City, Florida 33034, from the current ownership entity, NHTE Southpoint, LLC, controlled by National Affordable Housing Trust (NHT), to POAH Southpoint Crossing LLC (POAH), a newly formed entity controlled by Preservation of Affordable Housing, Inc; and
2. Authorize the County Mayor or Mayor’s Designee, upon a determination that such actions are in the best interest of the County, to assign, subordinate and/or modify the County loan documents for a Neighborhood Stabilization Program (NSP) loan in the amount of \$7,444,489.00 and execute new agreements, amendments and other documents in order to effectuate the transfer of the project and the refinance of other lender loans, subject to approval of the County’s Attorney’s Office, and to exercise the termination, wavier, acceleration, or other provisions set forth therein.
3. Authorize the County Mayor or County Mayor’s designee to execute any additional agreements and other transactional documents necessary to accomplish the purposes of this resolution.

Executive Summary

This item recommends approving the transfer of ownership of the project to POAH and authorizing the County Mayor or County Mayor's designee to assign, subordinate and/or modify County loan documents for an NSP loan in the amount of \$7,444,489.00 and execute new agreements, amendments, and documents in order to effectuate the transfer of the project and the rehabilitation of the project through the refinance of other lender loans. This transaction does not involve any additional financing from the County, however, this item authorizes the County Mayor or County Mayor's designee to modify terms of the County's NSP loan, including, but not limited to, changing the maturity date, terms, and payoff of the loan.

Scope

Southpoint Crossing Apartments is an existing 122-unit affordable housing development located at 815-897 W. Lucy Street, Florida City, Florida 33034, within Commission District 9, which is represented by Commissioner Kionne L. McGhee.

Delegation of Authority

This item delegates to the County Mayor or the County Mayor’s designee the authority, upon a determination that such actions are in the best interest of the County, to assign, subordinate and/or modify the County loan documents for the NSP Loan, to execute new agreements, amendments and other documents in order to effectuate the transfer of the project and the refinance of other lender loans, subject to approval of the County’s Attorney’s Office, to exercise the termination, waiver, acceleration, or other provisions set forth therein, and to execute any additional agreements and other transactional documents necessary to accomplish the purposes of this resolution.

Fiscal Impact/Funding Source

This item will not have a negative fiscal impact on the County’s General Fund. This transaction does not involve any additional financing on the property. However, the repayment of the NSP loan will be delayed by extending the maturity date of the loan.

Track Record/Monitor

Michael Liu, Director, Public Housing and Community Development Department (Department), will monitor all NSP activities. The Department will monitor all projects to ensure compliance with Federal, State and County guidelines and policies.

Background

In 2010, the County loaned \$7,544,489.00 in federal NSP funds to NHTE Southpoint, LLC for the rehabilitation of the project. The project consists of 122 units set aside for households at or below 60% of area median income. The NSP loan terms defer the repayment of principal and interest until the maturity date of October 31, 2040. The NSP loan is evidenced by a promissory note, secured by a mortgage, and other loan documents, including a collateral assignment of leases, rents and profits and a rental regulatory agreement to ensure a 30-year period of affordability.

On February 2, 2022, the Department received a request, attached hereto as Attachment A, from POAH for the County to consent to the transfer of ownership of the project and assignment, assumption, and modification of the NSP loan and associated loan documents. The Department will analyze the proposed future refinance proposal to determine whether the subordination and/or modification of the County’s loan documents is in the best interest of the County. If such finding is made by the Department, the loan documents may be assigned to the new owner, subordinated to new lender financing and/or modified, including extending the maturity date and changing the repayment terms of the promissory note, extending the affordability period, and other modifications necessary to make the rehabilitation of the project financially feasible. In addition, the County may execute new agreements, amendments and other documents in order to effectuate the transfer and refinance proposed.

Honorable Chairman Jose "Pepe" Diaz
and Members, Board of County Commissioners
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A handwritten signature in blue ink that reads "Morris Copeland". The signature is written in a cursive style with a horizontal line underneath it.

Morris Copeland
Chief Community Services Officer

ATTACHMENT A



February 2, 2022

Michael Liu
Director
Public Housing and Community Development
Miami-Dade County
701 NW 1st Court – 16th Floor
Miami, FL 33136

RE: Transfer of Ownership – Florida City Apartments a/k/a Southpoint Crossing
Assignment, Assumption and Modification of the Neighborhood Stabilization Program Loan

Dear Mr. Liu,

On behalf of Preservation of Affordable Housing Inc (POAH), I am writing to you to request Miami-Dade County's approval for the transfer of ownership in the above-mentioned property and for modification of its Neighborhood Stabilization Program (NSP) loan to extend the term of the loan by 20 years.

The approval of this request will allow POAH to complete an ownership transfer from the current non-profit owner, National Affordable Housing Trust (NHT), to a new non-profit owner in preparation for a refinancing of the property. The current ownership entity, NHTE Southpoint LLC, controlled by NHT, would be transferred to POAH Southpoint Crossing, LLC, a newly formed entity controlled by POAH.

The initial transfer will be funded with a bridge loan utilizing POAH's Mission Fund. This new bridge loan would be subordinate to the current financing, including the NSP Mortgage and Note. The management company currently under contract, Crossroads Management, LLC, will continue to management the property.

After the initial transfer of the property, POAH plans to refinance and rehabilitate the property. In connection with this proposed refinance, POAH is requesting that the NSP loan term be extended to allow for the property's participation in the Low-Income Housing Tax Credit (LIHTC) program. Equity raised through the syndication of LIHTC will allow us to address critical capital needs and energy efficient improvements at this nearly 30-year-old property. Without this modification, the amount of the NSP loan will likely create a "true debt" problem for project that will effectively prohibit the proposed LIHTC recapitalization.

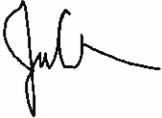
The current income requirements have provided stable housing for very low- and low-income residents of Miami-Dade. However, the number of very low-income units restricts the net operating income (NOI) and, thereby, constrains both the appraised value of the property and the amount of hard debt that the project can support. To address the capital needs and energy efficient improvements, LIHTC equity will be needed. The income limits in the Rental Regulatory Agreement are as follows:

Number of Units (123 Total)	AMI Constraint
7 units	≤ 33%
25 units	≤ 40%
31 units	≤ 50%
60 units	≤ 60%

Should you have any questions or require further information, please feel free to contact me at jcreamer@poah.org or 617.449.0869.

Thank you again for your consideration of this request.

Regards,



Julie Creamer
Senior Vice President, Acquisitions

Cc: Clarence Brown (via email)
Hana Eskra (via email)



MEMORANDUM
(Revised)

TO: Honorable Chairman Jose "Pepe" Diaz
and Members, Board of County Commissioners

DATE: June 1, 2022

FROM: 
Gen Bonzon-Keenan
County Attorney

SUBJECT: Agenda Item No. 8(K)(1)

Please note any items checked.

- "3-Day Rule" for committees applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Statement of social equity required
- Ordinance creating a new board requires detailed County Mayor's report for public hearing
- No committee review
- Applicable legislation requires more than a majority vote (i.e., 2/3's present ____, 2/3 membership ____, 3/5's ____, unanimous ____, CDMP 7 vote requirement per 2-116.1(3)(h) or (4)(c) ____, CDMP 2/3 vote requirement per 2-116.1(3)(h) or (4)(c) ____, or CDMP 9 vote requirement per 2-116.1(4)(c)(2) ____) to approve
- Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 8(K)(1)
6-1-22

RESOLUTION NO. _____

RESOLUTION APPROVING THE TRANSFER OF OWNERSHIP OF SOUTHPOINT CROSSING APARTMENTS, LOCATED AT 815-897 W. LUCY STREET, FLORIDA CITY, FLORIDA 33034, FROM THE CURRENT OWNER NHTE SOUTHPOINT, LLC TO POAH SOUTHPOINT CROSSING, LLC; AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE, UPON A DETERMINATION THAT SUCH ACTIONS ARE IN THE BEST INTEREST OF THE COUNTY, TO ASSIGN, SUBORDINATE AND MODIFY COUNTY LOAN DOCUMENTS WITH NHTE SOUTHPOINT, LLC IN THE AMOUNT OF \$7,444,489.00, AND TO EXECUTE NEW AGREEMENTS, AMENDMENTS AND OTHER DOCUMENTS IN ORDER TO EFFECTUATE THE TRANSFER OF SOUTHPOINT CROSSING APARTMENTS AND THE REFINANCE OF OTHER LENDER LOANS, AND TO EXERCISE THE TERMINATION, WAIVER, ACCELERATION, AND OTHER PROVISIONS SET FORTH THEREIN; AND AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO EXECUTE ANY OTHER AGREEMENTS AND DOCUMENTS NECESSARY TO ACCOMPLISH THE PURPOSES OF THIS RESOLUTION AND EXERCISE THE PROVISIONS THEREIN

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that:

Section 1. This Board ratifies and adopts the matters set forth in the accompanying justification memorandum as fully set forth herein.

Section 2. This Board approves the proposed transfer of ownership of Southpoint Crossing Apartments, located at 815-897 W. Lucy Street, Florida City, Florida 33034, from the current owner NHTE Southpoint, LLC, controlled by National Affordable Housing Trust (NHT), to POAH Southpoint Crossing, LLC.

Section 3. This Board authorizes the County Mayor or County Mayor's designee, upon a determination that such actions are in the best interest of the County and subject to approval by the County Attorney's Office as to form and legal sufficiency, to assign, subordinate and modify County loan documents for a Neighborhood Stabilization Program loan with NHTE Southpoint, LLC in the amount of \$7,444,489.00, including, but not limited to, extending the maturity date and changing the repayment terms of the promissory note, extending the affordability period, and other modifications necessary to make the rehabilitation of the project financially feasible, and to execute new agreements, amendments and other documents in order to effectuate the transfer of Southpoint Crossing Apartments and the rehabilitation of said project through the refinance of other lender loans. This Board further authorizes the County Mayor or County Mayor's designee to exercise the termination, waiver, acceleration, and other provisions of agreements, amendments and other documents executed as part of this transaction. The Board further authorizes the County Mayor or County Mayor's designee to execute any additional agreements and other documents necessary to accomplish the purposes of this resolution and to exercise the provisions contained therein.

The foregoing resolution was offered by Commissioner _____, who moved its adoption. The motion was seconded by Commissioner _____ and upon being put to a vote, the vote was as follows:

	Jose "Pepe" Diaz, Chairman
	Oliver G. Gilbert, III, Vice-Chairman
Sen. René García	Keon Hardemon
Sally A. Heyman	Danielle Cohen Higgins
Eileen Higgins	Joe A. Martinez
Kionne L. McGhee	Jean Monestime
Raquel A. Regalado	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this 1st day of June, 2022. This resolution shall become effective upon the earlier of (1) 10 days after the date of its adoption unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override by this Board, or (2) approval by the County Mayor of this Resolution and the filing of this approval with the Clerk of the Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.



Brenda Kuhns Neuman