

MEMORANDUM

Agenda Item No. 5(L)

TO: Honorable Chairwoman Audrey M. Edmonson
and Members, Board of County Commissioners

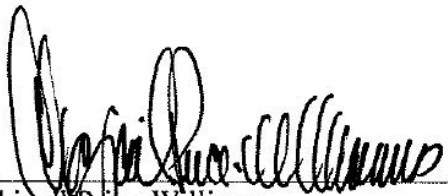
DATE: August 31, 2020

FROM: Abigail Price-Williams
County Attorney

SUBJECT: Resolution approving a loan to Sunset Pointe II Associates, Ltd., or related entity, after a public hearing, in an amount not to exceed \$684,000.00 of Home Investment Partnerships Program income funds, based upon program prepayment by related entities of previous home loans, for development of the Sunset Pointe II affordable multifamily housing project; approving a substantial amendment to the Fiscal Years 2019 action plan and corresponding Fiscal Year 2013-2017 consolidated plan, as extended through 2019, and to file said amendment with the United States Department of Housing and Urban Development; and authorizing the County Mayor to execute conditional loan commitments and other agreements necessary to accomplish the purposes of this resolution

Resolution No. R-826-20

The accompanying resolution was prepared by the Public Housing and Community Development Department and placed on the agenda at the request of Prime Sponsor Chairwoman Audrey M. Edmonson.


Abigail Price-Williams
County Attorney

APW/uw

Date: August 31, 2020

To: Honorable Chairwoman Audrey M. Edmonson
and Members, Board of County Commissioners

From: Carlos A. Gimenez 
Mayor

Subject: Substantial Amendment to the FY 2019 Action Plan and Corresponding FY 2013-17 (as extended through 2019) Consolidated Plan to Allocate \$684,000.00 of HOME Investment Partnerships Program program income funds to Sunset Pointe II Associates, Ltd., or related entity, for Development of Sunset Pointe II Apartments Affordable Housing Project

Recommendation

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

- Approve a substantial amendment to the FY 2019 Action Plan and corresponding FY 2013-17 (as extended through 2019) Consolidated Plan to loan \$684,000.00 of HOME Investment Partnerships Program (HOME) program income funds to Sunset Pointe II Associates, Ltd., or related entity, for the development of Sunset Pointe II Apartments, and to file said substantial amendment with the United States Department of Housing and Urban Development (HUD). The HOME loan consists of two loans prepaid in accordance with section 17-02 of the Code of Miami-Dade County, by Golden Associates, Ltd. and Golden Associates II, Ltd., related entities to Sunset Pointe II Associates, Ltd.;
- Authorize the County Mayor or County Mayor's designee to execute conditional loan commitments, standard shell contracts, standard shell loan documents, amendments and other agreements necessary to accomplish the purposes of this resolution; and
- Authorize the County Mayor or County Mayor's designee, upon a determination that such actions are in the best interest of the County, to subordinate and/or modify the terms of contracts, agreements, amendments and loan documents so long as such modifications are approved by the County Attorney's Office for form and sufficiency and are not substantially inconsistent with the resolution and to exercise the termination, waiver, acceleration, or other provisions set forth therein.

Scope

Sunset Pointe II Apartments will be a new construction affordable rental housing development consisting of 96 units arranged in garden-style multifamily apartment buildings on an approximate 3.6 acre site located at 1177 NW 76th Street, Miami, FL 33150, in Commission District 3, represented by Chairwoman Audrey M. Edmonson.

Fiscal Impact/Funding Source

This item will not have a negative fiscal impact on the County's General Fund. The funding in this item consists of HOME program income resulting from the prepayment of two previously issued loans to Golden Associates, Ltd. for the Golden Lakes Apartments project and Golden Associates II, Ltd. for the Hidden Cove Apartments project. All of these entities are related to Cornerstone Group Partners, LLC, which requested the new loan in a letter dated January 21, 2020, attached hereto as Exhibit 1. The details of the prepaid loans are listed in the background section below.

Track Record/Monitoring

The project will be monitored by Michael Liu, Director, Public Housing and Community Development Department.

Background

Golden Associates, Ltd. was previously loaned HOME funds (Resolution No. R-994-97) in the amount of \$510,000.00 for the development of the Golden Lakes Apartments affordable housing project. Golden Associates, Ltd. prepaid the loan on November 27, 2019, in advance of the maturity date of September 30, 2037. Golden Associates II, Ltd. was previously loaned HOME funds (Resolution No. R-314-00) in the amount of \$380,116.00 for the development of the Hidden Cove Apartments affordable housing project. Golden Associates II, Ltd. prepaid the balance of the loan in the amount of \$174,000.00 on August 29, 2019, in advance of the maturity date of October 1, 2030. Golden Associates, Ltd., Golden Associates II, Ltd., and Sunset Pointe II Associates, Ltd., are all related entities of Cornerstone Group Partners, LLC.

This prepayment and reloan structure is permitted by section 17-02 of the Code of Miami-Dade County, which provides that any developer which repays its County loan in full before the date on which the loan is due may, upon approval of the Board, have the repaid funds loaned to it, or a related entity, for additional eligible affordable housing projects without the need to compete again for those funds.

Table 1 Prepaid loans by Golden Associates Ltd. and Golden Associates II, Ltd., inclusive of interest.

Table 1						
Loans Pre-Paid in Full						
Loan #	Project Name	Funding Source	Loan Amount	Maturity Date	Pay-Off Amount	Pay-Off Date
8880	Golden Lakes Apts.	HOME	\$510,000.00	09/30/2037	\$510,000.00	11/27/2019
23210	Hidden Cove Apts.	HOME	\$380,116.00	10/1/2030	\$174,000.00	8/29/2019
		Total	\$890,116.00		\$684,000.00	

Upon approval of this item, a conditional loan commitment in substantially the form attached hereto as Exhibit 2 will be issued to Sunset Pointe II Associates, Ltd., or related entity, for the development of the Sunset Pointe II Apartments affordable housing project. The project is a new construction of 96 garden style affordable units inclusive of 1, 2, and 3-bedroom models fully equipped with energy efficient appliances. The new housing development is the second phase of a prior development on the same site. Based on the representation in the application, Cornerstone Group has committed to set-aside six units for tenants with incomes at or below 22 percent of the AMI, 15 units for tenants with incomes at or below 28 percent of the AMI, 33 units for tenants with incomes at or below 60 percent AMI, and 42 units for tenants with incomes at or below 70 percent of the AMI. Of the 96 units, 7 percent (7 units) will be set-aside for persons with disabilities. Proposed amenities include Energy Star appliances and washer/dryer hook-ups as well as laundry rooms. The property lies within close proximity to public transit, major roadways, and a wide array of resident services and employment options. The site is located in the 79th Street Corridor of Miami-Dade and surrounded by residential and commercial dwellings. The project area is conveniently situated in an area with access to health facilities, schools, parks and public transportation.

The Sunset Pointe II affordable housing project will be subject to a full credit underwriting analysis, including subsidy layering review, and must receive a favorable recommendation from the underwriter

and show written financing commitments for the total development costs, all prior to the financial closing of the loan approved herein for the release of loaned funds. The loan shall be subject to those terms for loans issued in accordance with section 17-02 of the Code of Miami-Dade County and as set forth in the FY 2019 Request for Applications (RFA), subject to change at the discretion of the County Mayor or County Mayor's designee based upon the credit underwriting analysis.

Attachments



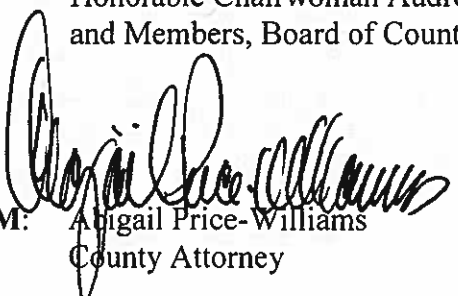
Maurice L. Kemp, Deputy Mayor



MEMORANDUM (Revised)

TO: Honorable Chairwoman Audrey M. Edmonson
and Members, Board of County Commissioners

DATE: August 31, 2020

FROM: 
Abigail Price-Williams
County Attorney

SUBJECT: Agenda Item No. 5(L)

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. 5(L)
8-31-20

RESOLUTION NO. R-826-20

RESOLUTION APPROVING A LOAN TO SUNSET POINTE II ASSOCIATES, LTD., OR RELATED ENTITY, AFTER A PUBLIC HEARING, IN AN AMOUNT NOT TO EXCEED \$684,000.00 OF HOME INVESTMENT PARTNERSHIPS PROGRAM INCOME FUNDS, BASED UPON PROGRAM PREPAYMENT BY RELATED ENTITIES OF PREVIOUS HOME LOANS, FOR DEVELOPMENT OF THE SUNSET POINTE II AFFORDABLE MULTIFAMILY HOUSING PROJECT; APPROVING A SUBSTANTIAL AMENDMENT TO THE FISCAL YEAR 2019 ACTION PLAN AND CORRESPONDING FISCAL YEARS 2013-2017 CONSOLIDATED PLAN, AS EXTENDED THROUGH 2019, AND TO FILE SAID AMENDMENT WITH THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT; AND AUTHORIZING THE COUNTY MAYOR OR THE COUNTY MAYOR'S DESIGNEE TO EXECUTE CONDITIONAL LOAN COMMITMENTS AND OTHER AGREEMENTS NECESSARY TO ACCOMPLISH THE PURPOSES OF THIS RESOLUTION

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:

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

Section 2. This Board authorizes, pursuant to the provisions of section 17-02 of the Code of Miami Dade County, a loan to Sunset Pointe II Associates, Ltd., or related entity, in an amount not to exceed \$684,000.00 of HOME Investment Partnership Program income funds. This Board further approves a substantial amendment to the Fiscal Year 2019 Action Plan and

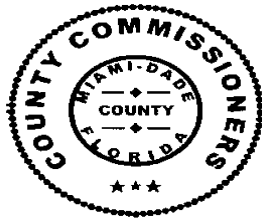
corresponding Fiscal Years 2013-2017 Consolidated Plan, as extended through 2019. The loan awarded in this item represents an equal amount of loaned funds which were prepaid by Golden Associates, Ltd. and Golden Associates II, Ltd., affiliates of the Cornerstone Group. The loan will be used to develop Sunset Pointe II Apartments, an affordable multifamily rental housing project, consisting of 96 units in garden-style apartment buildings located at the 1177 NW 76th Street, Miami, Florida 33150 located in District 3 and serving residents with incomes ranging from 22 to 70 percent of area median income.

Section 3. All funding awards and conditional loan commitments are contingent upon the recipient agency's (borrower) compliance with the conditions set forth in this resolution and the justification memorandum. For the loan approved herein, the County Mayor or County Mayor's designee is authorized to execute conditional loan commitments in substantially the form attached hereto as Exhibit 2, standard shell contracts, standard shell loan documents, amendments and other agreements necessary to fulfill the purposes of this resolution. This Board further authorizes the County Mayor or County Mayor's designee, upon a determination that such actions are in the best interest of the County, to subordinate and/or modify the terms of contracts, agreements, amendments and loan documents so long as such modifications are approved by the County Attorney's Office and are not substantially inconsistent with this resolution and to exercise the termination, waiver, acceleration, or other provisions set forth therein.

The foregoing resolution was offered by Commissioner **Sally A. Heyman** , who moved its adoption. The motion was seconded by Commissioner **Barbara J. Jordan** and upon being put to a vote, the vote was as follows:

Audrey M. Edmonson, Chairwoman	aye
Rebeca Sosa, Vice Chairwoman	aye
Esteban L. Bovo, Jr.	aye
Jose "Pepe" Diaz	aye
Eileen Higgins	aye
Joe A. Martinez	aye
Dennis C. Moss	aye
Xavier L. Suarez	absent
Daniella Levine Cava	aye
Sally A. Heyman	aye
Barbara J. Jordan	aye
Jean Monestime	aye
Sen. Javier D. Souto	aye

The Chairperson thereupon declared this resolution duly passed and adopted this 31st day of August, 2020. 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

Melissa Adames

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

A handwritten signature in dark ink, appearing to read "BKN".

Brenda Kuhns Neuman



January 21, 2020

Ms. Leyani Sosa
Public Housing & Community Development
701 NW 1st Court
Miami, FL

Re: Sunset Pointe II Associates, Ltd.

Dear Ms. Sosa:

Please accept this as our formal request to redeploy \$686,000 of our funds for our upcoming development, Sunset Pointe II Apartments. We are requesting to use \$510,000 of the HOME funds that were paid off from the Golden Lakes refinance in November 2019 and \$176,000 that was paid off from the Hidden Cove refinance in August 2019.

Should you have any questions, please don't hesitate to contact me at (786) 709-2231.

SUNSET POINTE II ASSOCIATES, LTD.,
A FLORIDA LIMITED PARTNERSHIP
By: CORNERSTONE SUNSET POINTE II, LLC
A FLORIDA LIMITED LIABILITY COMPANY,
ITS MANAGAING GENERAL PARTNER

By: 

Printed Name: Mara S. Mades

Title: Vice President of the General Partner

The Cornerstone Group
2601 South Bayshore Drive, Suite 725
Miami, Florida 33133

Miami-Dade County Conditional Loan Commitment

Date

To: Sunset Pointe II Associates, Ltd., or related entity ('the Borrower')

Re: Sunset Pointe II affordable housing project
1177 NW 76 Street, Miami, FL 33150, in unincorporated Miami Dade County ("the Property")

Dear Borrower:

We are pleased to advise you that on _____ 2020, the Board of County Commissioners (BCC) approved a Conditional Loan Commitment for development activity at the above-listed property (the "Property"). The loan is conditionally committed for the payment of hard construction cost as a portion of the development costs to construct the affordable housing units on the Property. This Conditional Loan Commitment is made based upon the request submitted by Borrower for **REPAID** loan funds and is subject to the following terms and conditions:

Borrower: Sunset Pointe II Associates, Ltd., or related entity

Project: Sunset Pointe II affordable housing project is a 96 unit, garden style affordable housing project to be developed at 1177 NW 76 Street, in unincorporated Miami-Dade County, Florida by Sunset Pointe II Associates, Ltd., which will serving households with incomes not greater than 70 percent of area median income ("AMI"). See the conditions below regarding applicable AMI for residents based upon the source of funds for the Loan.

Loan Amount: The loan shall be in an amount of not-to-exceed \$684,000.00 as approved by the BCC in Resolution _____ for \$684,000.00 and includes all terms and conditions of such BCC approval, including project scope, activity type and, for federal funds, national objective to be achieved ("the loan"). The loan amount may be decreased as determined by the Mayor or the Mayor's designee, based upon Underwriting (defined below) and information and documentation provided by Borrower.

Conditions: The Loan is conditioned upon the terms, conditions and requirements set forth below (the "Conditions"). The County shall not issue a final unconditional loan commitment, enter into a funding contract, close on the Loan or disburse the Loan funds until all the Conditions are met.

Collateral: Upon satisfaction of the Conditions, Miami-Dade County (County) and Borrower will enter into a funding contract and loan agreement. The Loan shall be evidenced by a promissory note and secured by a construction/permanent mortgage with assignment of leases and rents, a collateral assignment of leases and rents, a collateral assignment of construction documents, a rental regulatory agreement (where applicable), and any other security or collateral as deemed appropriate by the Mayor or Mayor's designee, in his or her sole discretion, with approval of the County Attorney's Office. Borrower shall additionally be required to provide the County with an environmental indemnification agreement, a UCC- 1, title affidavit, partnership affidavit (if applicable), corporate resolution approving the loan documents, opinion of counsel, certification of borrower to borrower's counsel, and title policy making the County an insured. The Collateral shall be determined based upon financial feasibility and subsidy layering underwriting to be performed by County staff in an internal process and by an independent underwriter and paid for by Borrower

("Underwriting") following review of a current title search. Additional forms of security may be required if liens, encumbrances, restrictions or covenants exist on the Property which the Mayor or Mayor's designee determines, in his or her sole discretion, threaten the County's Collateral. The Mayor or Mayor's designee shall determine, in his or her sole discretion and in consultation with the County Attorney's Office, whether the Collateral provided by Borrower is sufficient to close and disburse the Loan.

Interest Rate: Loan terms, including the interest rate, are those set forth in the FY 2019 HOME Request for Applications (RFA) for Multi-family rental projects. Those terms are 0% interest during construction - years 1 and 2- and 0.75% interest-only payments for years 3-30 from development cash flow, 0.75% interest accruing and due at maturity. Full principal is due at maturity; and as modified prior to closing by the Mayor or Mayor's designee in accordance with the results of Underwriting.

Repayable: There will be no penalty for prepayment of the Loan (payment of Loan balance before the end of the repayment term). Repayment terms are those set forth in the FY 2019 RFA for repaid loan funds in accordance with Section 17-02 of the Code. All terms may be modified prior to closing by the Mayor or Mayor's designee in accordance with the results of Underwriting. The prepayment of any Loan shall not affect the term of affordability set forth in the Rental Regulatory Agreement or in any of the other Loan Documents.

Term: The Loan will be for 30 years, or as may be established prior to closing by the Mayor or Mayor's designee in accordance with the results of Underwriting.

Conditions:

1. Underwriting, as explained above, shall include financial feasibility review, subsidy layering review, and credit review. Underwriting is performed to protect the County's scarce affordable housing funds and is performed to ensure that the Project has sufficient financing to be completed timely and that the Project is not over-subsidized, meaning the Loan is not needed or the Loan Amount is too high. The County reserves the right to reduce the Loan Amount subject to Underwriting. The County further reserves the right to refuse to issue a final, unconditional loan commitment to Borrower or to enter into a contract for the Loan or to close on the Loan in the event that Underwriting determines that the project is financially unfeasible or otherwise is unfeasible. The costs of Underwriting are to be paid by Borrower.
2. Borrower must prove control of the Property through purchase or lease, as evidenced by a deed or lease and recorded memorandum of lease in Borrower's name. Absence of any threat of foreclosure, taking by eminent domain, or pending bankruptcy are additionally required.
3. Borrower must provide the County with written financing commitments showing committed financing for the entire Development Cost of the Project, including any gaps between the Loan and the overall costs to develop the Project. The Development Cost of the Project means the total cost of completing the entire Project, from acquisition to the issuance of Certificate of Occupancy, including but not limited to the costs for acquisition, design and planning, zoning and variances, financing costs, legal costs, construction, and permitting. In the event of a dispute as to what amount constitutes the actual Development Cost, Borrower and County will use the amount determined by Underwriting to be the Development Cost.
4. Conformance of the Project with the County legislation approving the Loan.
5. Complete plans and specifications of the Project.
6. Payment and performance bond in the amount of the entire construction budget or otherwise in conformance with applicable law. Where a payment and performance bond is not required by law, the Mayor or Mayor's designee may alternatively accept – at the Mayor or Mayor's designee's sole discretion- a letter of credit in an amount acceptable to the Mayor or Mayor's designee.
7. Appraisal of the Property showing that the value of the Project and Property, when completed, exceeds the total amount of debt from all sources to be secured by the Project, unless waived by the Mayor or Mayor's designee.

8. A Phase I environmental report requiring no further action.
9. Such other conditions which are customary and reasonable for a loan of this nature, such as adhering to all Federal, State and local regulations, ordinances, codes and standards.
10. Meeting all requirements of the State Housing Initiatives Partnership ("SHIP"), Documentary Surtax or Home Investment Partnerships Program ("HOME") program, as applicable, and County resolutions and ordinances governing affordable housing development.
11. Compliance with Resolution No. R-346-15, establishing a maximum total development cost per unit; and, where applicable, Resolution No. R-343-15, establishing a maximum amount of total development costs that may be paid with Documentary Surtax funds.
12. The Loan, if SHIP or Surtax funds, may only be used for the development of affordable housing for residents with household incomes not greater than 140% of AMI. The Loan, if HOME or CDBG funds, may only be used for the development of affordable housing for residents with household incomes not greater than 80% of AMI.
13. REPAID loan funds will be included in the total County funding for the project for the leveraging calculation.

This Conditional Loan Commitment will expire in six (6) months if not extended by Miami-Dade County. An extension of this Conditional Loan Commitment may be granted at the sole and absolute discretion of Miami-Dade County. Any extension granted will be contingent upon compliance with and in accordance with Resolution No. R-232-14, as applicable and must be signed by the Mayor or Mayor's Designee to be valid. If the loan does not close prior to the expiration or extension of this Conditional Loan Commitment, the funds will be subject to recapture and allocated to other projects. This Conditional Loan Commitment is not assignable. This Conditional Loan Commitment is the sole and complete agreement between the parties as to the terms of the Loan described herein. The terms of this Conditional Loan Commitment may only be changed in writing in a document signed by the Mayor or the Mayor's designee. No representations, written or verbal, of Miami-Dade County employees, or others purporting to act on behalf of Miami-Dade County, may change the terms of this Commitment.

Miami-Dade County wishes to thank you for your proposal and the opportunity to provide financing for this development, and we look forward to closing this transaction.

Sincerely,

Miami-Dade County

Carlos A. Gimenez, Mayor

Date: _____

c: Maurice L. Kemp, Deputy Mayor

Approved as to Form and Legal Sufficiency

Brenda Kuhns Neuman
Assistant County Attorney

Date: _____