MEMORANDUM

Agenda Item No. 8(K)(1)

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

DATE: March 15, 2022

FROM: Geri Bonzon-Keenan
County Attorney

SUBJECT: Resolution authorizing the County Mayor to award up to $812,000.00 in Documentary Stamp Surtax funds or other available affordable housing funds through the Naturally Occurring Affordable Housing Preservation Rehabilitation Loan Program to 16 Corner Property Owner, LLC, or related entity, for the preservation and rehabilitation of affordable housing at 1535 and 1541 NW 1st Place and 1560 NW 1st Court in Miami, Florida; and authorizing the County Mayor to execute letters of commitment, shell contracts, amendments, loan documents and other transactional documents necessary to accomplish the purposes set forth herein, to subordinate and/or modify the terms of the contracts, agreements, amendments and loan documents, and to exercise termination, cancellation, waiver, acceleration and other provisions

Resolution No. R-258-22

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 Keon Hardemon.

Geri Bonzon-Keenan
County Attorney

GBK/smm

Memorandum

Date: Mach 15, 2022

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

From: Daniella Levine Cava
Mayor

Daniella Levine Cava

Subject: Documentary Stamp Surtax (Surtax) Naturally Occurring Affordable Housing (NOAH) Preservation Rehabilitation Loans to 16 Corner Property Owner, LLC, or related entity, for the Preservation and Rehabilitation of Affordable Housing at 1535 and 1541 NW 1st Place, and 1560 NW 1st Court

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Recommendation

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

1. Approve Naturally Occurring Affordable Housing (NOAH) Preservation Rehabilitation Program loans from Documentary Stamp Surtax (Surtax) or other available affordable housing funding sources in a total amount up to $812,000.00 to 16 Corner Property Owner, LLC, or related entity, with $290,000.00 for the preservation and rehabilitation of 10 affordable housing units at 1535 NW 1st Place, $290,000.00 for the preservation and rehabilitation of 10 affordable housing units at 1541 NW 1st Place, and $232,000.00 for the preservation and rehabilitation of 8 affordable housing units at 1560 NW 1st Court, in Miami; and
2. Authorize the County Mayor or County Mayor's designee to execute all letters of commitment, contracts, agreements, and amendments pursuant to the proposed Surtax loan and to exercise the cancellation and other provisions contained therein; and
3. 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 as to legal form and sufficiency and are not substantially inconsistent with this resolution.

Scope

This item recommends funding for the preservation and rehabilitation of 28 affordable housing units located at 1535 and 1541 NW 1st Place, and 1560 NW 1st Court, Miami, Florida 33136, within Commission District 3, represented by Commissioner Keon Hardemon.

Delegation of Authority

This item requests a delegation of authority to authorize the County Mayor or the County Mayor's designee to execute all letters of commitment, contracts, agreements, amendments pursuant to the proposed loan, to exercise cancellation and other provisions contained therein, and 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 as to legal form and sufficiency and are not substantially inconsistent with this resolution, and to exercise the termination, waiver, acceleration, or other provisions set forth therein.

Fiscal Impact/Funding Source

The award of Surtax funds will not have a negative fiscal impact on the County's General Fund. Table 1 summarizes the details of the proposed loans.

Table 1:

Applicant/ Borrower	Rehabilitation Property Address	Number of Units	Commission District	Funding Source	Loan Amount	Term	Interest Rate
16 Corner Property Owner, LLC or related entity	1535 NW 1st Place, Miami, Florida 33136	10	3	Surtax	$290,000.00	Minimum 5 years; Maximum 40 years	Minimum 0%; Maximum 3%
16 Corner Property Owner, LLC or related entity	1541 NW 1st Place, Miami, Florida 33136	10	3	Surtax	$290,000.00	Minimum 5 years; Maximum 40 years	Minimum 0%; Maximum 3%
16 Corner Property Owner, LLC or related entity	1560 NW 1st Court, Miami, Florida 33136	8	3	Surtax	$232,000.00	Minimum 5 years; Maximum 40 years	Minimum 0%; Maximum 3%

Track Record/Monitor

Michael Liu, Director, Public Housing and Community Development Department (Department), will monitor all NOAH program activities to ensure compliance with County guidelines.

Background

Miami-Dade County, through the Department, is incentivizing the preservation and rehabilitation of existing NOAH rental units by providing low to no interest rehabilitation financing to owners of existing single-family homes, duplexes and small rental housing developments. On December 3, 2019, the Board adopted Ordinance 19-121, amending Section 29-7 of the Code, relating to process for award of Surtax funds creating an open and rolling application process for certain rental developments. The NOAH program is a flexible loan program offering below-market interest rate loans that can be tailored to meet the needs of owners and developers of one to 20-unit buildings of affordable housing within Miami-Dade County. In exchange, the owner agrees to execute a restrictive covenant to ensure that the units remain affordable.

Funding recommendations for affordable housing developments are subject to a full credit underwriting analysis and subsidy layering review, which shall be completed with a favorable recommendation, prior to contract negotiations and execution. Upon the Board's approval of this item, the Department will proceed to underwriting and loan closing. A conditional loan commitment in generally the form attached to the resolution, will also be issued to 16 Corner Property Owner, LLC, or related entity, for the rehabilitation of the affordable housing project.

A due diligence review is required pursuant to Resolution No. R-630-13 to make efficient and transparent use of funds for much needed services to the County’s residents. The required review was conducted and there are no findings to report for the applicant.

Morris Copeland
Chief Community Services Officer

MEMORANDUM
(Revised)

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

DATE: March 15, 2022

FROM: Geri 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)
3-15-22

RESOLUTION NO. R-258-22

RESOLUTION AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO AWARD UP TO $812,000.00 IN DOCUMENTARY STAMP SURTAX FUNDS OR OTHER AVAILABLE AFFORDABLE HOUSING FUNDS THROUGH THE NATURALLY OCCURRING AFFORDABLE HOUSING PRESERVATION REHABILITATION LOAN PROGRAM TO 16 CORNER PROPERTY OWNER, LLC, OR RELATED ENTITY, FOR THE PRESERVATION AND REHABILITATION OF AFFORDABLE HOUSING AT 1535 AND 1541 NW 1ST PLACE AND 1560 NW 1ST COURT IN MIAMI, FLORIDA; AND AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO EXECUTE LETTERS OF COMMITMENT, SHELL CONTRACTS, AMENDMENTS, LOAN DOCUMENTS AND OTHER TRANSACTIONAL DOCUMENTS NECESSARY TO ACCOMPLISH THE PURPOSES SET FORTH HEREIN, TO SUBORDINATE AND/OR MODIFY THE TERMS OF THE CONTRACTS, AGREEMENTS, AMENDMENTS AND LOAN DOCUMENTS, AND TO EXERCISE TERMINATION, CANCELLATION, WAIVER, ACCELERATION AND OTHER PROVISIONS

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 authorizes the County Mayor or County Mayor's designee to award up to $812,000.00 in Documentary Stamp Surtax or other available affordable housing funds through the Naturally Occurring Affordable Housing Preservation Rehabilitation Loan

Program to 16 Corner Property Owner, LLC, or related entity, of which $290,000.00 will be used for the preservation and rehabilitation of 10 affordable housing units located at 1535 NW 1st Place, $290,000.00 will be used for the preservation and rehabilitation of 10 affordable housing units located at 1541 NW 1st Place, and $232,000.00 will be used for the preservation and rehabilitation of eight affordable housing units located at 1560 NW 1st Court in Miami.

Section 3. This Board authorizes the County Mayor or County Mayor's designee to execute all letters of commitment in substantially the form attached hereto as Exhibit A and incorporated herein by reference, standard shell contracts, loan documents, amendments, standard shell documents and other transactional agreements necessary to accomplish the purposes of this resolution, and to exercise the cancellation and other provisions contained therein. 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 documents so long as such modifications are approved by the County Attorney's Office as to legal form and sufficiency and that 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 **Rebeca Sosa**, who moved its adoption. The motion was seconded by Commissioner **Sally A. Heyman** and upon being put to a vote, the vote was as follows:

Jose "Pepe" Diaz, Chairman **aye**
Oliver G. Gilbert, III, Vice-Chairman **aye**

Sen. René García	**aye**	Keon Hardemon	**aye**
Sally A. Heyman	**aye**	Danielle Cohen Higgins	**aye**
Eileen Higgins	**aye**	Joe A. Martinez	**aye**
Kionne L. McGhee	**aye**	Jean Monestime	**aye**
Raquel A. Regalado	**aye**	Rebeca Sosa	**aye**
Sen. Javier D. Souto	**aye**		

The Chairperson thereupon declared this resolution duly passed and adopted this 15th day of March, 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

COUNTY COMMISSIONERS MIAMI-DADE COUNTY FLORIDA

HARVEY RUVIN, CLERK

Basia Pruna
By:__________________________
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

Shannon D. Summerset

Miami-Dade County
Conditional Loan Commitment

Date

To: 16 Corner Property Owner, LLC, or related entity

(the 'Borrower')

Rehabilitation and preservation of 28 units of affordable rental housing located at 1535 NW 1st Place, Miami, Florida 33136,
1541 NW 1st Place, Miami, Florida 33136 and
1560 NW 1st Court, Miami, Florida 33136 within Miami-Dade County ("the Properties")

Dear Borrower:

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

Borrower: 16 Corner Property Owner, LLC, or related entity

Project: Rehabilitation and preservation of the following affordable housing units:
10 units located at 1535 NW 1st Place, Miami, Florida 33136,
10 units located at 1541 NW 1st Place, Miami, Florida 33136 and
8 units located at 1560 NW 1st Place, Miami, Florida 33136
in Miami-Dade County, which will serve households with incomes not to exceed 80 percent of area median income ("AMI") for a family of four in Miami-Dade County.

Loan Amount: The loans shall be in an amount of not-to-exceed **$812,000** as approved by the BCC in Resolution________________for **$812,000** and includes all terms and conditions of such BCC approval, including project scope, activity type and, (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 Properties 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 **0%** interest during rehabilitation, interest is deferred during the rehabilitation period, and 0% to 3% interest begin after the completion of the rehabilitation period (certificate of occupancy is issued) for years 3 through 40. Interest rate to be determined during credit underwriting. 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 2021 Surtax/SHIP/HOME Request for Applications 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 length will be for a minimum term of 5 years, up to a maximum term of 40 years. Loan terms to be determined during credit 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 Properties 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, if applicable.
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, if applicable.
7. For loan amounts in excess of $60,000, an appraisal of the Properties showing that the value of the Project and Properties, 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 is required if the building is not occupied.
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") or Documentary Surtax Program (Surtax) 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-346-15, establishing a maximum amount of total development costs that may be paid with Documentary Stamp Surtax funds.
12. The borrower must comply with Resolution No. R-34-15, providing written notice to the County related to the availability of rental opportunities, including, but not limited to, the number of available units, bedroom size, and rental prices of such rental units at the start of any leasing activity, and after issuance of certificate of occupancy/certificate of completion.
13. The Loan may only be used for the rehabilitation and preservation of affordable housing for residents with household incomes not greater than 80% of AMI for a family of four in Miami-Dade County.

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

____
Daniella Levine Cava, Mayor

Date: ____________________

c: Morris Copeland, Chief Community Services Officer

Approved as to Form and Legal Sufficiency

____
Shannon Summerset-Williams
Assistant County Attorney

Date: _____________