MEMORANDUM

Agenda Item No. 8(K)(4)

TO:	Honorable Chairman Oliver G. Gilbert, III and Members, Board of County Commissioners	**DATE:**	May 2, 2023
FROM:	Geri Bonzon-Keenan County Attorney	**SUBJECT:**	Resolution approving a loan to Caribbean Isles, LLLP, or related entity, in an amount not to exceed $3,500,000.00 of Documentary Stamp Surtax Program funds, all based upon prepayment by Corinthian Apartments, Ltd. of a previous surtax loan, for development of the Caribbean Isles Housing Development; and authorizing the County Mayor to execute a conditional loan commitment, standard shell contracts, standard shell loan documents, amendments, and other agreements, subordinate and/or modify the terms of contracts, agreements, amendments, and loan documents, and exercise the termination, waiver, acceleration, or other provisions set forth therein

Resolution No. R-404-23

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.

Gerald Sanchez for

Geri Bonzon-Keenan
County Attorney

GBK/gh

Memorandum

MIAMI-DADE COUNTY

Date: May 2, 2023

To: Honorable Chairman Oliver G. Gilbert, III
and Members, Board of County Commissioners

From: Daniella Levine Cava
Mayor

Daniella Levine Cava

Subject: Resolution Approving a Loan of Prepaid Documentary Stamp Surtax Loan Funds to Caribbean Isles, LLLP, or Related Entity, for the Development of the Caribbean Isles Affordable Housing Project

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Executive Summary

The purpose of this item is to seek approval of the Board of County Commissioners (Board) to loan \$3,500,000.00 in Documentary Stamp Surtax (Surtax) funds from pre-paid loans from a prior completed affordable housing project to Caribbean Isles, LLLP, a related entity of Pinnacle Housing Group, LLC, for the development of the Caribbean Isles affordable housing project (Caribbean Isles). Caribbean Isles will be a second phase of development at the Caribbean Village site, with 104 units of affordable housing for seniors and a new park and ride garage for transit riders. The site is within walking distance of the South Dade Transitway station that is being improved at SW 200th Street.

Recommendations

It is recommended that the Board:

- Allocate \$3,500,000.00 of Surtax funds from prepaid loans from a prior completed affordable housing project to Caribbean Isles, LLLP., or related entity (Pinnacle Housing Group, LLC), for the development of the Caribbean Isles;
- Authorize the County Mayor or the County Mayor's designee to execute the conditional loan commitments, standard shell contracts, agreements, loan documents, and amendments necessary to accomplish the purposes set forth in 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, amendments, and loan documents so long as such modifications are approved by the County Attorney's Office as to form and legal sufficiency and are not substantially inconsistent with this resolution and to exercise the termination, waiver, acceleration, or other provisions in said agreements and documents.

Scope

Caribbean Isles is the second phase of the Caribbean Village affordable housing development, and is to be located at 19755 SW 110th Court in South Miami Heights, Florida 33157, in Commission District 9, represented by Commissioner Kionne McGhee. Caribbean Isles will consist of the new construction of a 104-unit mid-rise building for seniors with incomes at 60 percent of area median income and a new park and ride garage with 150 parking spaces for transit riders. The funds recommended for allocation in this item are from a pre-paid loan from The Corinthian Apartments, Ltd., a related entity of Pinnacle

Housing Group, LLC and Caribbean Isles, LLLP., in accordance with section 17-02 of the Code of Miami-Dade County, Florida.

Delegation of Authority

Upon approval of this item, the County Mayor or the County Mayor's designee will be authorized to: (1) execute conditional loan commitments, standard shell contracts, agreements, loan documents, and amendments necessary to accomplish the purposes set forth in this legislation; (2) upon a determination that such actions are in the best interest of the County, subordinate and/or modify the terms of contracts, amendments, and loan documents so long as such modifications are approved by the County Attorney's Office as to form and legal sufficiency and are not substantially inconsistent with this resolution; and (3) exercise termination, waiver, acceleration, and other provisions in said agreements and documents.

Fiscal Impact/Funding Source

This item will not have a negative fiscal impact on the County's general fund. This item is allocating prepaid Surtax funds to Caribbean Isles, LLLP., or related entity, for the construction of the Caribbean Isles affordable housing project.

Track Record/Monitor

The project will be monitored by Clarence D. Brown (or County Mayor's designee), Interim Director, Public Housing and Community Development Department (Department).

Background

In 2019, the Caribbean Village, a 123-unit affordable housing development, was built at 19755 SW 110th Court in Miami, Florida, west of the South Dade Transitway. Caribbean Isles will be a second phase of development at the Caribbean Village site, with 104 units of affordable housing for seniors and a new park and ride garage with 150 parking spaces for transit riders.

Surtax funds in the amount of $5,400,000.00 were awarded to The Corinthian Apartments, Ltd., a related entity of Pinnacle Housing Group, LLC through Resolution No. R-258-06 for the development of Corinthian Apartments, a 126 unit affordable housing project located at 7705 NW 22nd Avenue, Miami, Florida 33147. The loan had a maturity date of December 31, 2037, however, the borrower paid the loan in full on July 28, 2022, as summarized in Table 1, below.

Table 1.

Loan #	Project Name	Funding Source	Loan Pay-Off Amount	Maturity Date	Redeployed Amount	Pay-Off Date
05036087	Corinthian Apartments	Surtax	$5,400,000.00	12/31/2037	$3,500,000.00	7/28/2022

On September 16, 2022, the Department received a request from The Corinthian Apartments, Ltd., to redeploy a total of $3,500,000.00 of prepaid Surtax loan funds that were prepaid from Corinthian Apartments to the Caribbean Isles (Attachment 1). This item recommends that the Board approve $3,500,000.00 of prepaid Surtax funds to support the development of the Caribbean Isles affordable housing project. The remaining $1,900,000.00 was recently approved by the Board for redeployment to Pinnacle at Tropical Pointe, LLC. The prepaid loan program is designed to expedite the development of affordable housing projects by making those funds available again for new projects faster.

Upon approval of this item, a conditional loan commitment in substantially the form attached as Exhibit A to the resolution will be issued to Caribbean Isles, LLLP., or related entity, for the development of the Caribbean Isles affordable housing development in the amount of $3,500,000.00.

The Caribbean Isles affordable housing project will be subject to a full credit underwriting analysis, including subsidy layering review. The project must receive a favorable recommendation 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 will be subject to those terms issued in accordance with section 17-02 of the Code of Miami-Dade County, Florida, and as set forth in the FY 2021 Surtax/SHIP/HOME Request for Applications, subject to change at the discretion of the County Mayor or County Mayor's designee based upon the credit underwriting analysis.

Morris Copeland
Chief Community Services Officer

Attachment

PINNACLE
COMMITTED TO EXCELLENCE

Attachment 1

September 16, 2022

Via Email

Ms. Leyani Sosa
Loan Servicing Supervisor
Public Housing and Community Development
701 NW 1st Ct., 14th Fl.
Miami, FL 33136

Re: The Corinthian Apartments, Ltd. – Reallocation Request

Dear Leyani,

As you know, The Corinthian Apartments, Ltd. closed on its refinance with First Horizon Bank on August 31, 2022. The existing SURTAX loan totaling $5,400,000 was prepaid to the County in full on the same date.

Per our previous discussion, please accept this letter as our request to reallocate a portion of the prepaid SURTAX loan totaling $3,500,000 to Caribbean Isles, LLLP. Caribbean Isles is Phase 2 of our Caribbean Village TOD development on County owned land just west of US1 on Caribbean Blvd. The development is located in District 9 and will be a Senior community with a new park and ride garage with 150 parking stalls for transit. The development will serve households with incomes at 60% of Area Median Income ("AMI").

Caribbean Isles is in pre-development stages and just received ASPR approval this week. We expect to close on all of our financing in the summer of 2023.

We look forward to working with PHCD to bring this development to the residents of Miami-Dade County.

Sincerely,

David O. Deutch, VP

David O. Deutch
Vice President

cc: Clarence Brown (via email)
Gerald Farr (via email)
James McCall (via email)
Terrance Smith (via email)
Tangie White (via email)
Jennifer Sanz (via email)

MEMORANDUM

(Revised)

TO: Honorable Chairman Oliver G. Gilbert, III
and Members, Board of County Commissioners

DATE: May 2, 2023

FROM: Geri Bonzon-Keenan
County Attorney

SUBJECT: Agenda Item No. 8(K)(4)

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)(4)
5-2-23

RESOLUTION NO. R-404-23

RESOLUTION APPROVING A LOAN TO CARIBBEAN ISLES, LLLP, OR RELATED ENTITY, IN AN AMOUNT NOT TO EXCEED $3,500,000.00 OF DOCUMENTARY STAMP SURTAX PROGRAM FUNDS, ALL BASED UPON PREPAYMENT BY CORINTHIAN APARTMENTS, LTD. OF A PREVIOUS SURTAX LOAN, FOR DEVELOPMENT OF THE CARIBBEAN ISLES HOUSING DEVELOPMENT; AND AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO EXECUTE A CONDITIONAL LOAN COMMITMENT, STANDARD SHELL CONTRACTS, STANDARD SHELL LOAN DOCUMENTS, AMENDMENTS, AND OTHER AGREEMENTS, SUBORDINATE AND/OR MODIFY THE TERMS OF CONTRACTS, AGREEMENTS, AMENDMENTS, AND LOAN DOCUMENTS, AND EXERCISE THE TERMINATION, WAIVER, ACCELERATION, OR OTHER PROVISIONS SET FORTH THEREIN

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 recital and 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, Florida, a loan in an amount not to exceed $3,500,000.00 of Documentary Stamp Surtax Program funds to Caribbean Isles, LLLP, or related entity, for the development of Caribbean Isles, a planned new construction, 104-unit, mid-rise apartment community with a new park and ride garage with 150 parking stalls for transit, located at 19755

SW 110th Court in South Miami Heights, Florida 33157 in Commission District 9, and which will serve senior residents with incomes at or below 60 percent of area median income. The loan awarded in this item represents an equal amount of loaned funds which were prepaid by Corinthian Apartments, Ltd., an affiliate of Pinnacle Housing Group, LLC.

Section 3. This Board authorizes the County Mayor or County Mayor's designee to execute conditional loan commitments in substantially the form attached hereto as Exhibit A, standard shell contracts, standard shell loan documents, amendments, and other agreements necessary to fulfill the purposes of this resolution.

Section 4. 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 **Eileen Higgins**, who moved its adoption. The motion was seconded by Commissioner **Marleine Bastien** and upon being put to a vote, the vote was as follows:

Oliver G. Gilbert, III, Chairman **aye**
Anthony Rodríguez, Vice Chairman **aye**

Marleine Bastien	**aye**	Juan Carlos Bermudez	**aye**
Kevin Marino Cabrera	**aye**	Sen. René García	**aye**
Roberto J. Gonzalez	**aye**	Keon Hardemon	**aye**
Danielle Cohen Higgins	**aye**	Eileen Higgins	**aye**
Kionne L. McGhee	**aye**	Raquel A. Regalado	**aye**
Micky Steinberg	**aye**		

The Chairperson thereupon declared this resolution duly passed and adopted this 2nd day of May, 2023. 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

LUIS G. MONTALDO, CLERK AD INTERIM

By: **Basia Pruna**
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

Shannon D. Summerset-Williams
Terrence A. Smith

Miami-Dade County
Conditional Loan Commitment

Date

To: Caribbean Isles, LLLP, or related entity (the "Borrower")

Re: Caribbean Isles
19755 SW 110th Court in Miami-Dade County, Florida 33157, in unincorporated Miami Dade County ("the Property")

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 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 the Borrower and is subject to the following terms and conditions:

Borrower: Caribbean Isles, LLLP, or related entity

Project: Caribbean Isles is a new construction affordable housing community to be developed at 19755 SW 110th Court in Miami-Dade County, Florida 33157, in Commission District 9. Caribbean Isles will consist of the new construction of a new park and ride garage with 150 parking stalls for transit and a 104-unit mid-rise building for seniors with incomes at 60 percent of Area Median Income (AMI).

Loan Amount: The loan shall be in an amount of not-to-exceed **$3,500,000.00** as approved by the BCC in Resolution_____________for the Caribbean Isles affordable housing community, 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 terms for repaid loans for multi-family rental projects. Those terms are **0%** interest during construction for years 1 and 2, and **0.75%** interest only payments for years 3 - 30 from development cash flow. 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 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. Pursuant to the Miami-Dade Board of County Commissioners’ Resolution No. R-34-15, Developers, its agents and/or representatives, shall provide 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; requiring the developer advertise the information described in newspapers of general circulation.
14. This loan is conditioned on the repayment of the Corinthian Apartments, Ltd., Surtax loan in the amount of $3,500,000.00.

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

____
County Mayor or County
Mayor’s designee

Date: ____________________

c: Michael Liu, Director, PHCD

Approved as to Form and Legal Sufficiency

____
Shannon Summerset-Williams, Assistant County Attorney

Date ______________________________