

Date:

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 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 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 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 Miami-Dade County Code of Ordinances 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

A handwritten signature in blue ink, appearing to read "M. Kemp", with a large, stylized flourish extending from the end of the signature.

Maurice L. Kemp, Deputy Mayor