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CLERK OF THE BOARD
OF COUNTY COMMISSIONERS
MIAMI-DADE COUNTY, FLORIDA

MEMORANDUM

Agenda Item No. 8(K)(2)

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

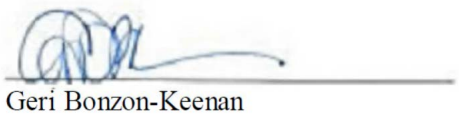
DATE: September 6, 2023

FROM: Geri Bonzon-Keenan
County Attorney

SUBJECT: Resolution approving pursuant to section 17-02 of the Code, a loan to Opa-Locka Community Development Corporation, Inc., or related entity, in an amount not to exceed $1,553,257.00 of State Housing Initiatives Partnership (SHIP) Funds, for development of the Ernie Martin Villas Housing Development; authorizing the County Mayor to execute a conditional loan commitment and standard shell contracts, standard shell loan documents, amendments and other documents or agreements necessary to accomplish the purposes of this resolution; and authorizing the County Mayor to subordinate or modify the terms of contracts, amendments and loan documents, and to exercise the termination, waiver, acceleration and other provisions therein

Resolution No. R-754-23

The accompanying resolution was prepared by the Public Housing and Community Development Department and placed on the agenda at the request of Prime Sponsor Chairman Oliver G. Gilbert, III.



Geri Bonzon-Keenan
County Attorney

GBK/gh

Memorandum

Date: September 6, 2023

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

From: Daniella Levine Cava
Mayor

Subject: Resolution Approving a Loan of Prepaid State Housing Initiatives Partnership (SHIP) Funds to Opa-Locka Community Development Corporation, Inc. (OLCDC), or Related Entity, for the rehabilitation of Ernie Martin Villas, formerly known as Villas Del Lago Apartments

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Executive Summary

The purpose of this item is to seek approval of the Board of County Commissioners (Board) to loan $1,553,257.00 in State Housing Initiatives Partnership (SHIP) funds to Opa-Locka Community Development Corporation, Inc. (OLCDC) for the rehabilitation of the Ernie Martin Villas, formerly known as Villas Del Lago Apartments, project. OLCDC prepaid the SHIP loan in full, and the loan funds are proposed to support a new 288-unit rehabilitation project at Ernie Martin Villas.

Recommendation

It is recommended that the Board:

1. Allocate $1,553,257.00 of SHIP funds from prepaid loans from a prior completed affordable housing project to Opa-Locka Community Development Corporation, Inc. (OLCDC), or related entity, for the rehabilitation of Ernie Martin Villas. The SHIP loan consists of funds prepaid by Aswan Village Apartments, currently known as the Mary Alice Brown Apartments, a related entity of OLCDC, in accordance with section 17-02 of the Code of Miami-Dade County, Florida;

- Authorize the County Mayor or the County Mayor's designee to execute the conditional loan commitments, in substantially the form attached to the resolution as Exhibit A, 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

Ernie Martin Villas, formerly known as Villas Del Lago Apartments, is an existing affordable housing development located at 20900 NW 14th Place, in Miami Gardens, Florida, 33169, in Commission District 1, represented by Chairman Oliver G. Gilbert, III. Ernie Martin Villas will consist of the rehabilitation of 288 units in a garden style community.

Delegation of Authority

This item requests a delegation of authority to the County Mayor or the County Mayor's designee 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, 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 (3) to exercise termination, waiver, acceleration, and other provisions in said agreements and documents.

Fiscal Impact/Funding Source

This item will not have a negative impact on the County's general fund. This item is allocating prepaid SHIP funds to OLCDC, or related entity, for the Ernie Martin Villas affordable housing project. The reallocated SHIP funds will continue to be subject to the SHIP program regulations.

Track Record/Monitoring

The project will be monitored by Clarence Brown, Deputy Director, Public Housing and Community Development Department (PHCD).

Background

Documentary Stamp Surtax funds in the amount of $1,800,000.00 were awarded to OLCDC, through Resolution Numbers R-622-01, R-1355-01, R-605-03, and R-312-04 for the development of Aswan Village Apartments, currently known as the Mary Alice Brown Apartments, a 216-unit affordable housing project located at 2888 NW 132 Street, Opa-Locka, Florida 33054. The maturity date of the loan was December 31, 2036. On March 25, 2005, the funding source for the loan was changed from Surtax to SHIP through contract amendments between Miami-Dade County and Opa-Locka Community Development Corporation, Inc. The borrower repaid the loan in full on October 6, 2022, as summarized below in Table 1.

Table 1.

Loan #	Project Name	Funding Source	RESO #	Original Loan Amount	Maturity Date	Pay-Off Amount	Pay-Off Date	Loan Amount
20139	Aswan Village Apartments	SHIP	R-622-01 R-1355-01 R-605-03 R-312-04	$750,000 $250,000 $500,000 $300,000 $1,800,000	12/31/2036	$1,553,257.00*	10/6/2022	$1,800,000

***Note:** Original loan amount was $1,800,000.00. A principal payment of $246,743.00 was paid.

On November 2, 2022, PHCD received a request from Opa-Locka Community Development Corporation, Inc. to redeploy funds that were prepaid from Aswan Village Apartments, currently known as Mary Alice Brown Apartments to the Ernie Martin Villas, formerly known as Villas Del Lago Apartments (Attachment 1). This item recommends that the Board approve $1,533,257.00 of prepaid SHIP funds to support the rehabilitation of the Ernie Martin Villas. 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 OLCDC, or related entity, for the rehabilitation of the Ernie Martin Villas, in the of $1,533,257.00.

The Ernie Martin Villas 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 firm 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 issued in accordance with Section 17-02 of the Miami-Dade County Code of Ordinances and as set forth in the FY 2022 SURTAX/SHIP/HOME Request for Applications (RFA), as may be modified to change at the discretion of the County Mayor or County Mayor's designee based upon the credit underwriting analysis.

Attachment

Morris Copeland
Chief Community Services Officer

OLCDC
OPA-LOCKA COMMUNITY DEVELOPMENT CORPORATION

November 2, 2022

VIA OVERNIGHT MAIL AND E-MAIL: MLiu88@miamidade.gov
Michael Liu
Director
Miami-Dade County
Public Housing and Community Development
Overtown Transit Village North
701 NW 1st Court
16th Floor
Miami, FL 33136

RE: REQUEST FOR REALLOCATION OF $1,800,000.00 IN SHIP FUNDS PURSUANT TO SECTION 17-02 OF THE CODE OF MIAMI-DADE COUNTY (EARLY PAYOFF AMOUNT OF $1,557,837.26 PRIOR TO DECEMBER 31, 2036 MATURITY DATE)

Dear Director Liu:

On or about August 1, 2005, Miami-Dade County provided $1,800,000 in SHIP funds (the "SHIP Funds"), to Opa-Locka Community Development Corporation, Inc. ("OLCDC"), in the form of a loan (the "Loan"), for the construction of Aswan Village Apartments, now known as the Mary Alice Brown Apartments. The Loan was evidenced by a Mortgage and Security Agreement recorded on or about August 1, 2005, OR Book 23626, Page 1756 (the "Mortgage"). As set forth in the Amended and Restated Promissory Note secured by a First Modification to Mortgage and Assignment Agreement recorded on or about July 2, 2014, OR Book 29215, Page 2773 the maturity date of the Loan was December 31, 2036.

The SHIP Funds were fully repaid early by OLCDC on October 6, 2022, with the final payoff in the amount of $1,557,837.26, thus retiring the Loan long before its maturity date of December 31, 2036.

Pursuant to the terms of Section 17-02 of the Code of Miami-Dade County, any entity, such as OLCDC, that has received loans for affordable housing and repays those loans in full before the maturity date, may upon the approval of the Board of County Commissioners, have those funds re-loaned to it for its other eligible affordable housing projects without the need to compete again for those funds.

Through this letter, OLCDC is requesting that Miami-Dade County reallocate the SHIP Funds which were fully repaid by OLCDC prior to maturity (*i.e.,* $1,800,000 of which a final payoff in the amount of $1,557,837.26, was made on October 6, 2022), to OLCDC's Villas Del Lago project (to

be renamed the Earnie Martin Villas), which is located at 20900 N.W. 14th Place, Miami Gardens, FL 33169 (the "Project").

The Project is described as follows:

- The rehabilitation of 288 affordable housing units in nine (9) separate buildings, to include water conservation, energy efficiency, and hurricane protection updates to the units, as well as cosmetic improvements.

- In addition, Project amenities, post rehab, will include a refurbished and expanded community building with leasing office, business center, fitness center and OLCDC services office.

- Site amenities will include a rehabilitated swimming pool, a basketball court, outdoor fitness facility, playground, and a covered picnic area.

A more detailed description of the work to be performed is at is set forth in the attached spreadsheet.

The Project is proposed to be financed as follows:

- Tax Credit Equity - $25,855,336
- 1st Mortgage Loan - $37,000,000
- 2nd Mortgage Loan - $6,000,000
- Seller Loan - $15,052,692

If you would like to discuss this matter or have any questions, please do not hesitate to call me directly at (305) 796-0834.

Very truly yours,

Willie Logan
President and Chief Executive Officer
Opa-Locka Community Development Corporation, Inc.
Logan@olcdc.org
(305) 796-0834

MEMORANDUM
(Revised)

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

DATE: September 6, 2023

FROM: Geri Bonzon-Keenan
County Attorney

SUBJECT: Agenda Item No. 8(K)(2)

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)(2)
9-6-23

RESOLUTION NO. R-754-23

RESOLUTION APPROVING PURSUANT TO SECTION 17-02 OF THE CODE OF MIAMI-DADE COUNTY, A LOAN TO OPA-LOCKA COMMUNITY DEVELOPMENT CORPORATION, INC., OR RELATED ENTITY, IN AN AMOUNT NOT TO EXCEED $1,553,257.00 OF STATE HOUSING INITIATIVES PARTNERSHIP (SHIP) FUNDS, FOR DEVELOPMENT OF THE ERNIE MARTIN VILLAS HOUSING DEVELOPMENT; AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO EXECUTE A CONDITIONAL LOAN COMMITMENT AND STANDARD SHELL CONTRACTS, STANDARD SHELL LOAN DOCUMENTS, AMENDMENTS AND OTHER DOCUMENTS OR AGREEMENTS NECESSARY TO ACCOMPLISH THE PURPOSES OF THIS RESOLUTION; AND AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO SUBORDINATE OR MODIFY THE TERMS OF CONTRACTS, AMENDMENTS AND LOAN DOCUMENTS, AND TO EXERCISE THE TERMINATION, WAIVER, ACCELERATION AND OTHER PROVISIONS 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 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 of $1,553,257.00 of State Housing Initiatives Partnership (SHIP) funds to Opa-Locka Community Development Corporation, Inc., or related entity, for the rehabilitation of Ernie Martin Villas, a 288-unit garden style community located at 20900 NW 14th Place, in Miami Gardens, Florida, 33169, in Commission District 1.

Section 3. This Board authorizes the County Mayor or County Mayor's designee to execute a conditional loan commitment, in substantially the form attached hereto as Exhibit A and incorporated herein by reference, standard shell contracts, standard shell loan documents, amendments and other agreements and documents 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, 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 exercise the termination, waiver, acceleration, or other provisions set forth therein.

The foregoing resolution was offered by Commissioner **Anthony Rodriguez**, who moved its adoption. The motion was seconded by Commissioner **Kionne L. McGhee** 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 6th day of September, 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

JUAN FERNANDEZ-BARQUIN, CLERK

By: **Basia Pruna**
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

Shannon D. Summerset-Williams

Miami-Dade County
Conditional Loan Commitment

Date

To: Opa-Locka Community Development Corporation, Inc., or related entity

Re: Ernie Martin Villas
20900 NW 14 Place, Miami Gardens, FL 33169 ("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 properties (the "Properties"). 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 letter submitted by the Borrower for repaid loan funds, and is subject to the following terms and conditions:

Borrower: Opa-Locka Community Development Corporation, Inc., or related entity

Project(s): Ernie Martin Villas is an affordable housing development located at 20900 NW 14 Place, Miami Gardens, FL 33169, in the City of Miami Gardens, Florida. Ernie Martin Villas will consist of the rehabilitation of 288 units in a garden style community, in Commission District 1. The development will serve 288 units at or below 60% of Area Median Income (AMI).

Loan Amount: The loan shall be in an amount of not-to-exceed **$1,553,257.00** as approved by the BCC in Resolution R-….-22 for the Ernie Martin Villas affordable housing project, 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 2022 Surtax 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. 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 2022 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. The Borrower will be responsible for costs incurred in the completion of the environmental review process (i.e., public notices) per 24 CFR Part 58; if, applicable.
14. This loan is conditioned upon the repayment of the Villas Del Lago Holding, LLC, loan in the amount of $1,553,257.00.
15. 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.

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

_____
Mayor or Mayor's Designee

Date: _____

Approved as to Form and Legal Sufficiency

_____
Assistant County Attorney

Date _____