



Building and Sustaining Community -- Unique, Vibrant, Diverse

February 24, 2021

To: Alina Hudak
Assistant City Manager
City of Miami Beach
Office of the Mayor and Commission
1700 Convention Center Drive, 4th Floor
Miami Beach, FL 33139

From: Ahmed Martin
Executive Director
Miami Beach Community Development Corporation, Inc.
1688 Meridian Ave., Suite 600 & 700
Miami Beach, FL 33139

Re: Miami Beach Community Development Corporation Ask

Assistant City Manager Hudak,

Thank you for meeting with the Miami Beach Community Development Corporation, Inc. (the "MBCDC") on February 8, 2021, along with Commissioner Gongora to discuss its legacy, current progress and plan of action, moving forward as an affordable housing provider and developer on Miami Beach. Further, the MBCDC appreciates your efforts to strengthen communication with the City on an ongoing basis. In addition, we appreciate you taking the time out of your schedule for a site visit to the Jefferson Apartments on February 22nd, to view the construction in progress. We want to provide more information and clarification on the MBCDC's request for support from the City of Miami Beach. Below, you will find the information:

Support MBCDC's Reinstatement of Its CHDO Status

- By designating the MBCDC as a CHDO (Community Housing Development Organization), the MBCDC will be elevated to the status of being a private nonprofit community-based organization that has staff with the capacity to develop affordable housing for the community it serves. The MBCDC's last CHDO application was denied in 2018, upon the departure of the previous Executive Director
- The MBCDC will submit its CHDO application by the end of February 2021. The City of Miami Beach does not have a formal submission process. Rather, the MBCDC will submit a packet of information guided by a HUD checklist to the City of Miami Beach Office of Housing and Community Services headed by Director Maria Ruiz. The division makes a recommendation to the City Commission. Thereafter, the City Commission will decide whether to designate CHDO status to the MBCDC
- Other than the MBCDC, Carrfour Supportive Housing is the only other non-profit that holds CHDO status

Support The MBCDC With HOME Funds Once CHDO Status Is Reinstated

- Being elevated as a CHDO, the MBCDC will qualify, as Carrfour Supportive Housing has, to use Investment Partnerships Program funds (HOME) for all eligible activities. At least 15 percent of these HOME funds must be set aside for specific activities to be undertaken by a CHDO

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- HOME activities undertaken by a CHDO include: the acquisition and/or rehabilitation of rental housing; and new construction of rental housing. This could translate to approximately \$50,000 of operational support to the MBCDC

Funding Support

- The MBCDC has inquired to the City of Miami Beach for information regarding COVID relief fund program requirements and distribution timelines. As of the date of this letter we have not received a response.
- The MBCDC is requesting \$300,000 annually in operating support. If it is not possible for the MBCDC portfolio to be part of the city's self-insured platform, this amount would pay for the organization's insurance premium. This amount is less than one-third (1/3) of the annual operating support the MBCDC received prior to 2013. This support is equivalent to less than \$1,000 Per Unit/Per Year Currently the MBCDC pays three times more than market rate developers for insurance and five times more than the City of Miami Beach.

Support The MBCDC Through Letters of Support For External Grants

- Letters of support from city authorities are weighted heavily in considering non-profits for funding. MBCDC will be applying for grants from TD Bank, Enterprise, Capital One and from other philanthropic parties. In the past MBCDC has received support from the Miami Foundation, Raza Development, Center for Disaster Philanthropy, as well as FHFC.

Place The MBCDC's portfolio On The City's Self-insured Platform

- The MBCDC currently pays \$1551 Per Unit/Per Year for its affordable units
- The City of Miami Beach pays approximately \$300 Per Unit/Per Year for its affordable units
- Standard market-rate developers, like The Related Group, pay approximately \$600 Per Unit/Per Year for luxury units

Remove Reverter Language in Mortgage & Security Agreement for the Allen Apartments

- To recapitalize the existing debt stack on the Allen and receive favorable underwriting, the MBCDC would like for the City of Miami Beach to amend the property's covenant which gives the city full discretion to take back the property at the end of its affordability period. Such reverter makes it hard for the MBCDC to refinance or work with lenders

Work together to release properties of their expired covenants and restrictions.

The MBCDC sent legal documents to the City Attorney's office containing Satisfaction of Mortgage & Security Agreement and Termination of Covenants for its HOME and SHIP funded properties. These are the properties:

- a. The Allen
- b. The Jefferson
- c. The Westchester
- d. Villa Maria
- e. The Meridian

Obtaining satisfaction of mortgage and termination of covenants will result in favorable underwriting, making it easier to finance the capital improvements within the MBCDC portfolio.

Thank you again for taking the time to learn more about our organization and how far we have come. We hope you look favorably upon our requests. Please do not hesitate to contact me, if there are any questions or concerns.

Sincerely,



Ahmed A. Martin
Executive Director