

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, APPROVING THE ASSIGNMENT TO, AND ASSUMPTION BY, MIAMI-DADE COUNTY, FLORIDA (COUNTY) OF THE MORTGAGE, PROMISSORY NOTE, DECLARATION OF RESTRICTIVE COVENANTS, AND OTHER LOAN DOCUMENTS ASSOCIATED WITH A STATE HOUSING INITIATIVE PARTNERSHIP (SHIP) LOAN, IN THE PRINCIPAL AMOUNT OF \$135,464.15, GRANTED IN 2017 BY THE CITY (LENDER) TO MBCDC/THE JEFFERSON, INC. (BORROWER), AS OWNER OF THE PROPERTY LOCATED AT 542 JEFFERSON AVENUE (PROPERTY) (COLLECTIVELY, THE "TRANSACTION"); SAID TRANSACTION BEING REQUIRED IN CONNECTION WITH THE PURCHASE OF THE PROPERTY BY THE COUNTY, AND ENSURING THAT THE COUNTY WILL CONTINUE TO MAINTAIN THE PROPERTY AFFORDABLE THROUGH THE END OF THE AFFORDABILITY PERIOD, JUNE 30, 2031; AND FURTHER AUTHORIZING THE CITY MANAGER AND CITY CLERK TO EXECUTE THE ASSIGNMENT AND ASSUMPTION DOCUMENTS AND ANY CLOSING DOCUMENTS OR AGREEMENTS RELATED TO THE PURCHASE OF THE PROPERTY BY THE COUNTY.**

**WHEREAS**, The Miami Beach Community Development Corporation (the "MBCDC") was founded in 1981 by the Miami Design Preservation League; and in the 1990s, the MBCDC shifted its focus to developing affordable housing and serving the low-income residents of Miami Beach; and

**WHEREAS**, in 1997, MBCDC/Jefferson, Inc., a subsidiary of MBCDC, acquired a 27-unit multi-family building located at 542 Jefferson Avenue (the "Property") a/k/a The Jefferson Apartments, designated for elderly residents at or below 80 percent Area Median Income; and

**WHEREAS**, since 2000, the City granted MBCDC over \$28 million to acquire and rehabilitate twelve (12) multi-family housing properties, comprised of sixteen (16) different buildings and containing 323 income-restricted units; and

**WHEREAS**, as a participating jurisdiction and entitlement community, the City must enforce affordable housing requirements throughout the affordability period of every project; and must also monitor all properties throughout the affordability period; and

**WHEREAS**, In May 2013, the City extensively reviewed its U.S. Department of Housing and Urban Development (HUD) funded projects and operations, which included the analysis of projects undertaken between 2008 and 2013 by the MBCDC, the City's largest HUD-funded beneficiary, and the City's internal processes, operations, and staff; and

**WHEREAS**, as a result of such review, the City became concerned with the financial viability of the MBCDC agency and the condition of its properties, and offered a plan to address the agency's operational problems, while securing the City's fiscal interests and the well-being of the tenants housed by MBCDC; and

**WHEREAS**, throughout 2014-2019, the City held multiple discussions with MBCDC to address the agency's financial setbacks that prevented it from addressing multiple structural deficiencies throughout the portfolio; and

**WHEREAS**, on February 12, 2014, the Mayor and City Commission adopted Resolution No. 2014-28506, approving the transfer of the London House Apartments from MBCDC to the City; and

**WHEREAS**, on September 17, 2014, the Mayor and City Commission adopted Resolution No. 2014-28756, approving the transfer of the Allen Apartments, Barclay Plaza Apartments, London House Apartments, Lottie Apartments, Madeleine Village Apartments, and Neptune Apartments from MBCDC to the City; and

**WHEREAS**, the City has acquired title to all of the foregoing approved transfers, with the exception of the Allen Apartments, which ultimately the City opted not to acquire due to the debt service and the use restrictions affecting the property; and

**WHEREAS**, on April 13, 2016, the Mayor and City Commission adopted Resolution No. 2016-29358, authorizing the City's allocation of \$135,464.15 in State Housing Initiative Partnership (SHIP) funds ("Loan") to MBCDC for the rehabilitation of the Property, which included the replacement of the roof and upgrades to the nine (9) units located on the third floor; and

**WHEREAS**, in connection with the Loan, on June 30, 2016, the City, MBCDC and/or MBCDC/Jefferson, Inc. (Borrower) executed SHIP Agreements, a Promissory Note, Mortgage and Declaration of Restrictive Covenants, requiring that the Borrower operate the Property as an affordable housing development for fifteen (15) years from receipt of the certificate of occupancy, expiring on June 30, 2031 ("Affordability Period"); and

**WHEREAS**, in December 2021, Miami-Dade Public Housing Community Development (PHCD), on behalf of Miami-Dade County, Florida (County), and the MBCDC Board of Directors began discussing the business terms regarding the County's acquisition of the MBCDC portfolio; and

**WHEREAS**, on April 4, 2023, the County adopted County Resolution No. 230469, approving the terms of a Memorandum of Agreement (MOA) with MBCDC to acquire ownership and control of the property portfolio of MBCDC, including approving and authorizing the assumption of a total amount of forgivable debt on all properties, the parent-level liabilities, including institutional debt owed by MBCDC on all properties, and eligible capital expenses for the properties, all from available housing funds; and

**WHEREAS**, On May 8, 2023, the County and PHCD executed a Memorandum of Understanding, recorded in Official Records Book 33707, at Page 176, of the Public Records of Miami-Dade County, Florida, which outlined the transfer of title and managerial and financial oversight of the assets being transferred from MBCDC and its subsidiaries to the County; and

**WHEREAS**, the County has committed funding to address the most pressing structural issues identified within the portfolio and assigned Royal American Management to operate facilities and ensure compliance with all program regulations; and

**WHEREAS**, in connection with the sale of the Property to the County, the City must consent to the assignment to, and assumption by, the County of the Promissory Note, Mortgage,

Declaration of Restrictive Covenants and related SHIP Agreements (collectively, the "Loan Documents"), instead of repaying the Loan to the City; and in exchange, the County has agreed assume the terms and conditions of the Loan Documents and operate the Property as an affordable housing development during the Affordability Period; and

**WHEREAS**, the City Manager recommends that the Mayor and City Commission approve, in substantial form, the Assignment, Assumption and Amendment of Declaration of Restrictive Covenants, Promissory Note and Other Loan Documents, and the Mortgage Assumption Agreement (collectively, the "Assignment and Assumption Documents"), draft copies of which are attached to the City Commission Memorandum accompanying this Resolution; and further authorize the City Manager and City Clerk to execute the Assignment and Assumption Documents and any other closing documents or agreements related to the purchase of the Property by the County.

**NOW, THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA**, that the Mayor and City Commission hereby approve the assignment to, and assumption by, Miami-Dade County, Florida (County) of the Mortgage, Promissory Note, Declaration of Restrictive Covenants, and other Loan Documents associated with a State Housing Initiative Partnership (SHIP) loan, in the principal amount of \$135,464.15, granted in 2017 by the City (Lender) to MBCDC/Jefferson, Inc. (Borrower), as owner of the property located at 542 Jefferson Avenue (Property) (Collectively, the "Transaction"); said Transaction being required in connection with the acquisition of the Property by the County, and ensuring that the County will continue to maintain the Property affordable through the end of the Affordability Period, June 30, 2031; and further authorize the City Manager and City Clerk to execute the Assignment and Assumption Documents and any closing documents or agreements related to the purchase of the Property by the County.

**PASSED AND ADOPTED** \_\_\_\_\_ day of \_\_\_\_\_, 2024.

**ATTEST:**

\_\_\_\_\_  
Steven Meiner, Mayor

\_\_\_\_\_  
Rafael E. Granado, City Clerk

APPROVED AS TO  
FORM & LANGUAGE  
& FOR EXECUTION

\_\_\_\_\_  
City Attorney

3-20-24  
\_\_\_\_\_  
Date