

TO: The Honorable Mayor and City Council

FROM: Maxine Calloway, Esq., A.I.C.P., Director
Community Planning & Development Department

DATE: October 23, 2012

RE: A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA APPROVING A THIRD AMENDMENT TO THE 2010 COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO) AGREEMENT BETWEEN THE CITY OF NORTH MIAMI AND LITTLE HAITI HOUSING DEVELOPMENT ASSOCIATION (LHHA) TO ALLOW FOR THE CONVERSION OF TWO (2) UNSOLD UNITS TO MULTIFAMILY RENTAL UNITS IN ACCORDANCE WITH REQUIREMENTS OF THE HOME INVESTMENT PARTNERSHIP PROGRAM GUIDELINES; AND TO ALLOW A FURTHER EXTENSION TO THE EFFECTIVE TERM OF THE AGREEMENT; PROVIDING FOR AN EFFECTIVE DATE AND FOR ALL OTHER PURPOSES.

RECOMMENDATION

It is recommended that the Mayor and Council approve the attached Resolution, authorizing the City Manager and the City Attorney to amend the existing CHDO Agreement between the City of North Miami and Little Haiti Housing Development Association (LHHA) to allow for the conversion of two (2) unsold units to multifamily rental units in accordance with requirements of the Home Investment Partnership program guidelines; and to allow a further extension to the effective term of the agreement until December 31, 2012.

BACKGROUND

The City of North Miami, as the recipient of HOME Investment Partnership Program funds from the U.S. Department of Housing and Urban Development, is required to set aside a minimum of fifteen percent (15%) of the total allocation for investment in housing to be developed, sponsored, or owned by Community Housing Development Organizations (CHDOs). Little Haiti Housing Association, Inc. (LHHA) has been the City's certified CHDO since 2005, and is a provider of affordable housing and first-time homebuyer education programs. On September 28, 2012, the City executed an Agreement allocating a combined total of \$127,000.00 to LHHA for acquisition, rehabilitation administration and operating services for no less than one unoccupied single family home and at least 2 vacant residential condominiums units ("the Project") located at 1895 Venice Park Drive, in North Miami. . Due to the downturn of the economy, LHHA was

unable to sell the units and deliver their homebuyer obligation to the City and as such, requested and was granted a First Amendment to same Agreement which was authorized and approved by Resolution R-2011-127 allowing for a one year renewal thereby extending the effective term of the agreement until September 28, 2012.

A Second Amendment to same Agreement was authorized and approved by resolution R-2012-42 allowing for the increase of the allocation by Ninety Eight Thousand Seven Hundred and Ninety One Dollars and Five Cents (\$98,791.05) for a total allocation of Two Hundred and Thirteen Thousand, Seven Hundred and Ninety One Dollars and Five Cents (\$213,791.05) in conformance with HOME requirements. This amendment was processed to ensure full compliance with the HOME required fifteen percent (15%) allocation which was not completely awarded as of the date of the amendment.

Consistent with the Agreement, LHHA has improved the two (2) units required at Venice Park Drive, and has been reimbursed for all expenses related to the improvement of the units. However, due to the downturn of the economy, LHHA has not been able to sell the units to income eligible home buyers, and therefore is not meeting the national objective of the program. In an effort to address this national epidemic, HUD has issued uniform guidelines to ensure compliance with the program's national objective. The Guidelines, as issued by HUD provides for the conversion of CHDO improved units that cannot be sold to be converted to rental units for the benefit of low and moderate income residents of the participating jurisdiction.

As such, a Third Amendment, authorization an approval is being requested so as to amend the existing CHDO Agreement between the City of North Miami and Little Haiti Housing Development Association (LHHA) to allow for the conversion of two (2) unsold units to multifamily rental units in accordance with requirements of the Home Investment Partnership program guidelines; and to allow a further extension to the effective term of the agreement until December 31, 2012 to effectuate said conversion.

Attachments

- 1) Resolution
- 2) Agreement

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA, APPROVING A THIRD AMENDMENT TO THE 2010 COMMUNITY HOUSING DEVELOPMENT ORGANIZATION AGREEMENT BETWEEN THE CITY OF NORTH MIAMI AND LITTLE HAITI HOUSING ASSOCIATION, INC., TO ALLOW FOR THE CONVERSION OF TWO (2) UNSOLD UNITS TO MULTIFAMILY RENTAL UNITS IN ACCORDANCE WITH REQUIREMENTS OF THE HOME INVESTMENT PARTNERSHIP PROGRAM GUIDELINES, AND TO FURTHER PROVIDE FOR AN EXTENSION TO THE EFFECTIVE TERM OF THE AGREEMENT; PROVIDING FOR AN EFFECTIVE DATE AND ALL OTHER PURPOSES.

WHEREAS, the City of North Miami (“City”) is the recipient of HOME Investment Partnerships Program Funds from the U.S. Department of Housing and Urban Development (“HUD”), for the execution and implementation of Housing Programs in the City pursuant to HOME Investment Partnership Act, (“HOME”) Title II of the Cranston Gonzalez National Affordable Housing Act; and

WHEREAS, HOME requires a minimum of fifteen (15) percent of its annual allocation to be reserved for investment in housing to be developed or owned by Community Housing Development Organizations (“CHDOs”); and

WHEREAS, Little Haiti Housing Association, Inc. (“LHHA”) is qualified as a Community Housing Development Organization; and

WHEREAS, as authorized by Resolution No. R-2010-102, the City entered into a CHDO Agreement (“Agreement”) with LHHA dated September 28, 2010 for One Hundred Twenty-Seven Thousand Dollars and No Cents (\$127,000.00) for the rehabilitation and construction of affordable housing in the City (“Project”); and

WHEREAS, the original completion date of September 28, 2011 was not sufficient to allow completion of the Project, thereby providing for a First Amendment to the Agreement to allow for an extension of the project completion date to September 28, 2012 and for the removal of funding to support operating services expenses in accordance with Resolution No. R-2011-127; and

WHEREAS, the allocation provided in the Agreement was below the required cumulative fifteen (15) percent prescribed by HOME; therefore, requiring a Second Amendment to the Agreement to increase the allocation by Ninety-Eight Thousand Seven Hundred Ninety-One Dollars and Five Cents (\$98,791.05) for a total allocation of Two Hundred Thirteen Thousand Seven Hundred Ninety-One Dollars and Five Cents (\$213,791.05) in conformance with HOME requirements and as authorized by Resolution No. R-2012-42; and

WHEREAS, the Mayor and Council desire to authorize the City Manager and City Attorney to enter into a Third Amendment to the Agreement to allow for the conversion of two (2) unsold units under the current CHDO Agreement to multifamily rental units in accordance with requirements of the Home Investment Partnership Program guidelines, and to further provide for an extension to the effective term of the Agreement until December 31, 2012.

NOW THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA:

Section 1. Authority of City Manager and City Attorney. The Mayor and City Council of the City of North Miami, Florida, hereby authorize the City Manager and City Attorney to negotiate and execute a Third Amendment to the CHDO Agreement between the City of North Miami and Little Haiti Housing Association, Inc. to allow for the conversion of two (2) unsold units to multifamily rental units in accordance with requirements of the Home Investment Partnership program guidelines, and to further provide for an extension to the effective term of the agreement until December 31, 2012, in substantially the attached form.

Section 2. Effective Date. This Resolution shall become effective immediately upon adoption.

PASSED AND ADOPTED by a _____ vote of the Mayor and City Council of the City of North Miami, Florida, this _____ day of October, 2012.

ANDRE D. PIERRE, ESQ.
MAYOR

ATTEST:

MICHAEL A. ETIENNE, ESQ.
CITY CLERK

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

REGINE M. MONESTIME
CITY ATTORNEY

SPONSORED BY: CITY ADMINISTRATION

Moved by: _____

Seconded by: _____

Vote:

Mayor Andre D. Pierre, Esq.	_____	(Yes)	_____	(No)
Vice Mayor Marie Erlande Steril	_____	(Yes)	_____	(No)
Councilperson Michael R. Blynn, Esq.	_____	(Yes)	_____	(No)
Councilperson Scott Galvin	_____	(Yes)	_____	(No)
Councilperson Jean R. Marcellus	_____	(Yes)	_____	(No)

**THIRD AMENDMENT TO COMMUNITY HOUSING
DEVELOPMENT ORGANIZATION (CHDO) AGREEMENT
BETWEEN THE CITY OF NORTH MIAMI AND LITTLE HAITI
HOUSING ASSOCIATION, INC.**

THIS THIRD AMENDMENT, entered into on this ____ day of October, 2012, by and between **THE CITY OF NORTH MIAMI**, a Florida municipal corporation (hereinafter referred to as the “CITY”), with its office located at 776 NE 125th Street, North Miami, Florida 33161 and **LITTLE HAITI HOUSING ASSOCIATION, INC.**, (hereinafter referred to as “AWARDEE”), located at 181 NE 82nd Street, Miami, Florida 33138 (collectively the “Parties”).

RECITALS

WHEREAS, the Parties desire to amend the original agreement which was entered into on September 28th, 2010 for HOME Investment Partnership Program (HOME) Funds under the City’s entitlement allocation; and

WHEREAS, the original agreement was amended to allow for an extension of the effective term of the completion date until September 28, 2012; and

WHEREAS, the original agreement as amended was subsequently amended by a Second Amendment on May 14, 2012 to allow for an increase in rehabilitation subsidy funds; and

WHEREAS, the original agreement provided for the rehabilitation of two (2) affordable housing condominium units (Property B) for sale to low and very low income first time homebuyers; and

WHEREAS, due to the downturn in the current housing market, Little Haiti Housing Association, Inc. has not been able to secure buyers for the two (2) rehabilitated condominium units; and

WHEREAS, City and Awardee agree that due to the current housing market conditions the scope of the existing project would be more conducive to rental of the rehabilitated units; and

WHEREAS, City and Awardee desire to amend the Agreement to allow for the rental of the rehabilitated units.

NOW THEREFORE, in consideration of the mutual terms and conditions set forth below, the Parties agree as follows:

1. Article 2. TERM is hereby amended. The Completion Date for the completion of the acquisition and rehabilitation is hereby extended until December 31, 2012.
2. Section III – The Project is hereby amended. The two (2) rehabilitated units included in Property “B” shall be converted to rental units to comply with HUD guidelines requiring that all units not sold within six (6) months of completion must be

converted into rental units. All income certification and HOME affordability period requirements shall apply. The rehabilitated rental unit shall have a ten (10) year affordability period. In the event that the housing market improves, Awardee shall have the option of selling the rehabilitated unit under the terms of the original agreement and in accordance with CFR 24 Section 92.255 and 92.254 of HUD's affordable housing guidelines. In the event that owner decides to sell these units, he or she must sell to the tenant occupying the unit at that time, providing that said tenant is qualified to access a mortgage loan.

3. Exhibit A – SCOPE OF WORK, section I., subsection A is amended to reflect the rental of one of the rehabilitated units.
4. All other terms and conditions of the original agreement remain in full force and effect.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their respective and duly authorized representatives effective as of the date first written above:

CITY OF NORTH MIAMI

LITTLE HAITI HOUSING ASSOCIATION, INC.
"Awardee"

By: _____

By: _____

Title: City Manager

Title: Authorized Representative

Signature: _____

Signature: _____

Date: _____

Date: _____

Witness Signature _____

Typed/Printed Name of Witness

ATTEST:

Michael A. Etienne
City Clerk

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

Regine M. Monestime
City Attorney