

# Memorandum

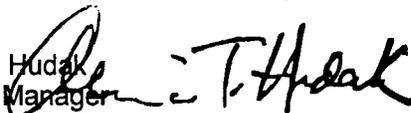
MIAMI-DADE  
COUNTY

**Date:** June 21, 2011

**To:** Honorable Chairman Joe A. Martinez  
and Members, Board of County Commissioners

Agenda Item No. 8(G)(1)(B)

**From:** Alina T. Hudak  
County Manager



**Subject:** Resolution Authorizing Demolition of Remaining Dilapidated Non-dwelling Structures at the former Scott Homes Public Housing Development

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**This item was amended at the May 11, 2011 meeting of the Economic Development and Social Services Committee to clarify that MBS has exclusive rights pursuant to the Master Development Agreement to negotiate development of other aspects of the HOPE VI project. In the event, these negotiations breakdown, then the County will competitively select a contractor in accordance with federal, state and local laws and procedures.**

## **Recommendation**

It is recommended that the Board of County Commissioners (Board) authorize the County Mayor or County Mayor's designee to take all actions necessary to demolish the remaining four dilapidated non-dwelling structures in Sector II of the former Scott Homes public housing development in an amount not to exceed \$1 million.

## **Scope**

The dilapidated structures are within an area bounded by the Florida East Coast Railroad on the north, NW 22 Avenue on the east, NW 71 Street on the south, and NW 23 Court on the west. This area lies entirely within Commission District 2.

## **Fiscal Impact/Funding Source**

The demolition will have a fiscal impact of up to \$1 million to be paid from Miami-Dade Public Housing Agency's (MDPHA's) 2010-2011 Capital Fund Program grants funded by the US Department of Housing and Urban Development (US HUD).

The revitalization plan approved by US HUD in June 2009 covers all phases of redevelopment and allows for modification of future phases based on feasibility. Demolition of the site will allow the County to remediate and prepare the land for construction of future phases.

## **Track Record/Monitor**

The MDPHA Director will monitor the project.

## **Background**

Through Resolution R-139-99, the County applied for and was awarded a \$35 million HOPE VI grant by US HUD on September 16, 1999. The scope of work included the demolition of Scott Homes (750 public housing units) and Carver Homes (96 public housing units) and the construction of 411 new units across two phases. Phase 1 consisted of 57 single-family homes completed by Habitat for Humanity Inc. in early 2008. Phase 2, which began in early 2010, consists of 354 mixed-income and duplex rental units. The developer for Phase 2, McCormack, Baron, Salazar, Inc. (MBS), has secured financing and is moving forward with this redevelopment phase in Sector III, certain portions of Sector

IIIA, and Sector IV of the former Scott Homes, and the entire former Carver Homes Public Housing site as shown in the following table.

Phase I - Completed	Phase II - Under construction	Phase III - Future phase	Phase IV - Future phase
Scott Homes Sector I (partial)	Scott Homes Sectors III/IIIA (partial); Sector IV, and Carver Homes	Scott Homes Sector IIIA (partial)	Scott Homes Sector II ( <i>Location of non-dwelling structures to be demolished</i> )
57 homeownership units by Habitat For Humanity	354 rental units by McCormack, Baron, Salazar, Inc. and Reliance Housing foundation	Possible conveyance for homeownership units	Possible rental units

While Scott Homes Sector II and the remainder of Sector IIIA are included in future development phases of the project, in February 2011 US HUD provided approval to demolish the structures in Sector II of the Scott Homes site. The structures are unsafe, deteriorated, and currently vacant. MBS has exclusive rights pursuant to the Master Development Agreement approved by the Board to negotiate development of other aspects of the HOPE VI project. In the event, these negotiations breakdown, then the County will competitively select a contractor in accordance with federal, state and local laws and procedures. As stated earlier, demolition of these structures will allow for future development of new dwelling units.

As the Board is aware, eligible former residents of Scott/Carver Homes had the right of first refusal to the 57 homes built in Phase 1 and also have the right of first refusal for the 177 public housing units under construction in Phase 2. Former Scott/Carver Homes residents displaced by the HOPE VI Redevelopment Project will have first right of refusal for all new public housing units in future phases as well.

  
 Assistant County Manager



# MEMORANDUM

(Revised)

**TO:** Honorable Chairman Joe A. Martinez  
and Members, Board of County Commissioners

**DATE:** June 21, 2011

**FROM:** R. A. Cuevas, Jr.  
County Attorney

**SUBJECT:** Agenda Item No. 8(G)(1)(B)

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
- Ordinance creating a new board requires detailed County Manager's report for public hearing
- No committee review
- Applicable legislation requires more than a majority vote (i.e., 2/3's \_\_\_\_, 3/5's \_\_\_\_, unanimous \_\_\_\_ ) 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(G)(1)(B)  
6-21-11

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

RESOLUTION AUTHORIZING COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO DEMOLISH REMAINING DILAPIDATED STRUCTURES LOCATED AT SECTOR II OF FORMER SCOTT HOMES PUBLIC HOUSING DEVELOPMENT IN AN AMOUNT NOT TO EXCEED \$1,000,000 AND TO TAKE ALL ACTIONS NECESSARY TO ACCOMPLISH THE DEMOLITION

**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 this Board authorizes the County Mayor or the County Mayor's designee to demolish the remaining dilapidated structures located at Sector II of the former Scott Homes Public Housing Development; authorizes the County Mayor or County Mayor's designee to take all necessary action to accomplish the demolition in an amount not to exceed \$1,000,000; >>authorizes the County Mayor or County Mayor's designee to exclusively negotiate with McCormack Baron Salazar pursuant to the Master Development Agreement previously approved by the Board regarding the demolition of the dilapidated structures and, in the event, these negotiations breakdown, then the County Mayor or Mayor's designee is authorized to competitively select a contractor in accordance with federal, state and local laws and procedures;<<<sup>1</sup> and authorizes the County

<sup>1</sup> Committee amendments are indicated as follows: words stricken through and/or [[double bracketed]] shall be deleted, words underscored and/or >>double arrowed<< constitute the amendment proposed.

Mayor's designee to exercise amendment, renewal, termination, cancellation, and modification clauses of any agreement entered into pursuant to this Resolution.

The foregoing resolution was offered by Commissioner , who moved its adoption. The motion was seconded by Commissioner and upon being put to a vote, the vote was as follows:

- |                      |                                     |
|----------------------|-------------------------------------|
|                      | Joe A. Martinez, Chairman           |
|                      | Audrey M. Edmonson, Vice Chairwoman |
| Bruno A. Barreiro    | Lynda Bell                          |
| Esteban L. Bovo, Jr. | Jose "Pepe" Diaz                    |
| Sally A. Heyman      | Barbara J. Jordan                   |
| Jean Monestime       | Dennis C. Moss                      |
| Rebeca Sosa          | Sen. Javier D. Souto                |
| Xavier L. Suarez     |                                     |

The Chairperson thereupon declared the resolution duly passed and adopted this 21<sup>st</sup> day of June, 2011. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA  
BY ITS BOARD OF  
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: \_\_\_\_\_  
Deputy Clerk

Approved by County Attorney as  
to form and legal sufficiency.



Terrence A. Smith

MIAMI-DADE COUNTY  
BOARD OF COUNTY COMMISSIONERS  
OFFICE OF THE COMMISSION AUDITOR



Legislative Notes

**Agenda Item:** 8(G)1(B)  
**File Number:** 111126  
**Committee(s) of Reference:** Board of County Commissioners  
**Date of Analysis:** May 17, 2011  
**Type of Item:** Resolution  
**District:** 2

**Summary**

This item authorizes demolishing four remaining dilapidated structures located at Sector II of the former Scott Homes Public Housing Development in an amount not to exceed \$1,000,000.

On February 16, 2011, the U.S. Department of Housing and Urban Development (U.S. HUD), approved to demolish non-dwelling structures located at the Scott Homes site. According to the Manager's memo, the non-dwelling structures are unsafe, deteriorated and currently vacant. Furthermore, it is the intent of County staff to negotiate and enter into contract with MBS or another entity to demolish these structures to allow for future development of new dwelling units.

This item was amended at the May 11, 2011, Economic Development and Social Services (EDSS) Committee meeting, to add language in the proposed resolution authorizing the Mayor or Mayor's designee to exclusively negotiate with the Master Developer McCormack, Baron, Salazar, Inc (MBS) regarding the demolition of the dilapidated structures, in the event such negotiations should breakdown, to allow the County to competitively select a contractor.

**Background and Relevant Legislation**

The U.S. HUD, HOPE VI Program, was developed as a result of recommendations by the National Commission on Severely Distressed Public Housing, which was charged with proposing a National Action Plan to eradicate severely distressed public housing.<sup>1</sup> Subsequently, on October 6, 1992, HOPE VI was created by the Department of Veterans Affairs, Housing and Urban Development, and Independent Agencies Appropriations Act, 1993.<sup>2</sup>

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<sup>1</sup> The U.S. Department of Housing and Urban Development, [www.HUD.gov](http://www.HUD.gov), May 2011.

<sup>2</sup> Ibid.

On February 2, 1999, the Board of County Commissioners (BCC) approved Resolution R-139-99, authorizing the County to apply and receive a \$35 million Hope VI grant by U.S. HUD. According to the Miami-Dade Public Housing (MDPHA) staff, the County had to submit a revitalization plan, as part of its Hope VI grant application to U.S. HUD, which provided for the demolition and construction of new units at the former Scott and Carver Homes (Scott/Carver Hope VI Project) site.

On December 16, 2008, the BCC adopted Resolution R-1417-08, approving a Master Development Agreement between the County and McCormack Baron Salazar (MBS) for Phase II of the Scott/Carver Hope VI Project and providing the County with the option to continue with MBS in future phases.

On June 5, 2009, U.S. HUD approved a revision of the revitalization plan for the Scott/Carver Hope VI Project to provide the following:

- Plan will consist of up to four development phases;
- Phase II of this plan will consist of sub-phases (Sectors III, IIIA, and IV of the original Scott/Carver Homes site); and
- Designate Phase III and Phase IV of the plan as future phases.

#### **Scott/Carver Hope VI Project**

There are four phases pertaining to the development of the Scott/Carver Hope VI Project to include the following:

##### **Phase I**

- Phase I is located east of N.W. 22<sup>nd</sup> Avenue, between N.W. 68<sup>th</sup> Street and N.W. 71<sup>st</sup> Street (Scott Homes Sector I-partial);
- Includes 57 homes built by Habitat for Humanity; and
- Phase I was completed in February 2008.

##### **Phase II**

- Phase II is located between N.W. 75<sup>th</sup> Street on the North, the Florida East Coast railway on the South, N.W. 24<sup>th</sup> Avenue on the West and N.W. 19<sup>th</sup> Avenue on the East (Scott Homes Sectors III/IIIA-partial Sector IV, and Carver Homes);
- Phase II is planned as a mixed-income development to provide a total of 354 units (177 public housing units, 107 low and moderate income units and 70 market-rate units);
- Phase II is being developed by McCormack Baron Salazar, Inc (MBS); and
- Work began on this phase in January 2009 and is expected to be fully completed in the winter of 2012 with some housing units available as early as fall of 2011.

##### **Phase III**

- Possible conveyance for homeownership units (Scott Homes Sector IIIA-partial);
- Sector IIIA of Scott Homes is bounded by the Florida East Coast (F.E.C) railroad on the south, N.W. 23<sup>rd</sup> Avenue on the west, N.W. 75<sup>th</sup> Street on the north, and N.W. 22<sup>nd</sup> Avenue on the east;
- Phase III is not currently funded and therefore a timeframe for completion is not provided; and
- A developer has not yet been selected for this phase.

**Phase IV**

- Possible rental units (Scott Homes Sector II );
- Sector II of Scott Homes is bounded by the F.E.C. railroad on the south, N.W. 24<sup>th</sup> Avenue on the west, N.W. 71<sup>st</sup> Street on the south, and N.W. 22<sup>nd</sup> Avenue on the east;
- Phase III is not currently funded and therefore a timeframe for completion is not provided; and
- A developer has not yet been selected for this phase.

**Budgetary Impact**

The demolition of the non-dwelling structures located at Sector II of the Scott Homes site will have a fiscal impact of up to \$1 million to be paid from Miami-Dade Public Housing Agency (MDPHA) 2010-2011 Capital Fund Program grants funded by U.S. HUD.

The following information was provided by MDPHA staff which provides the funding source breakdown for the Scott Carver Hope VI Phase I and II redevelopment project.

**Summary of Funding Sources for Phase I / General:**

The following funding sources cover earlier parts of the project (prior to Phase 2) and involve all sectors of the project (general) not specifically for Phase 1 (except as noted).

HOPE VI Grant (Federal).....	\$16,098,094
CDBG (Federal/County Allocation).....	\$ 2,273,106
Replacement Housing Factor (RHF) (Federal).....	\$ 1,724,790
Capital Fund Program (CFP) (Federal).....	\$ 783,581
Surtax (County).....	\$ 2,891,499
Capital Asset Special Obligation Bonds, Series 2007 (County).....	\$ 1,991,124*
*(Only the infrastructure for \$683,599 of the \$1,991,124 was specific to Phase 1).	
<b>PHASE I TOTAL.....</b>	<b>\$25,762,194</b>

**Summary of Funding Sources for Phase II:**

HOPE VI Grant (Federal).....	\$12,821,358
Replacement Housing Factor (RHF) (Federal).....	\$ 9,223,075
Miami-Dade County Special Obligation Bond Funds.....	\$13,741,000
Neighborhood Stabilization Program (NSP) (Federal).....	\$ 8,600,000
American Recovery & Reinvestment Act (ARRA) Competitive Grant.....	\$16,643,865
(Federal Stimulus Funds)	
Miami-Dade County Program Income (MDPHA reinvested Developer Fee) (County).....	\$ 1,839,000
<b>SUB-TOTAL.....</b>	<b>\$62,868,298</b>
1 <sup>st</sup> Mortgage (Private).....	\$ 3,216,200
Low Income Housing Tax Credit (LITHC) Equity (Private).....	\$14,233,456
Other Program Income (Private).....	\$ 1,866,520

SUB-TOTAL..... \$19,316,176

PHASE II TOTAL.....\$82,184,474

HOPE VI – Approximate funds remaining for future phases or other Phase II issues subsequent to closing..... \$ 6,080,548

According to MDPHA staff, future phases III and IV of the Hope VI Scott/Carver Project are not currently funded.

**Recent Scott/Carver Hope VI Legislation**

On May 3, 2011, the BCC approved Resolution R-372-11, directing the Mayor or Mayor’s designee to provide a report to the BCC regarding the County, MBS or other contractors’ compliance with Section 3 Requirements and Procurement Requirements as it relates to Scott-Carver Hope VI Project.

Legislative Item No. 110730, a resolution approving the FY2011-2012 Miami-Dade Public Housing Agency (MDPHA) Plan, Admissions and Continued Occupancy Policy, Public Housing Community Policies and Section 8 Administrative Plan. Legislative Item No. 110730, establishes the preliminary listing for former Scott/Carver Hope VI residents wishing to return to the Scott/Carver redevelopment and proposes that they have the right of first refusal for project-based voucher units. On May 11, 2011, Legislative Item No. 110730, was approved at the Economic Development and Social Services Committee meeting and forwarded to the BCC with a favorable recommendation.

Legislative Item No. 110776, a resolution to convey nine (9) County-owned lots located within the boundaries of the Expanded Hope VI Target Area to Habitat for Humanity, Inc. (Habitat) for infill housing development. Legislative Item No. 110776, includes language that provides as a condition of conveying the lots to Habitat, Habitat agrees to first offer units within the boundaries of the Expanded Hope VI Target Area to former Scott/Carver Hope VI residents. This item has not yet been assigned to a committee.

**Additional Information**

On May 24, 2011, the County Manager issued a Memo providing a status report on the replacement housing for former residents of the Scott/Carver Hope VI public housing developments. The May 24, 2011, County Manager Memo provided the following information:

- All households from the 850 Scott/Carver public housing units were relocated to other public housing sites or issued Section 8 Housing Choice Vouchers;
- County staff identified 930 affordable housing units in the Hope VI expanded target area to meet the requirements of Resolution R-1416-08<sup>3</sup>; and

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<sup>3</sup> On December 16, 2008, the Board of County Commissioners approved Resolution R-1418-08 directing the County to use best efforts to identify 850 equivalent units in the Expanded Hope VI Target Area to low income families and elderly persons of Miami-Dade County and to offer former Scott/Carver residents the right of first refusal to purchase or rent any of the equivalent units within the Target area.

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- Scott/Carver residents have the right of first refusal in accordance with the MDPHA's Return Policy- Scott/Carver Homes Hope VI Initiative.

**Prepared by:** Mia B. Marin