

MEMORANDUM

Agenda Item No. 11(A)(1)

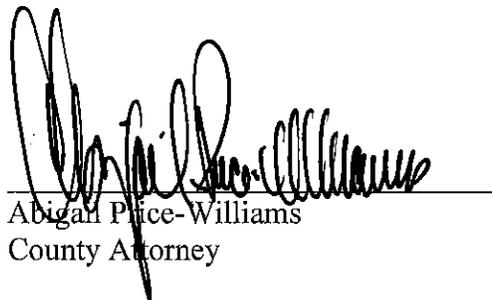
TO: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

DATE: December 6, 2016

FROM: Abigail Price-Williams
County Attorney

SUBJECT: Resolution authorizing the County Mayor to submit an amendment to the County's disposition application for Elizabeth Virrick I public housing site to the United States Department of Housing and Urban Development for the purpose of permitting the County to competitively select a developer to construct an elderly, affordable, mixed-income, and mixed-finance housing development on such site and to permit the County to enter into a long term ground lease with the selected developer; and authorizing the County Mayor to execute an amendment to the annual contribution contract and to exercise amendment, modification, cancellation and termination provisions contained therein

The accompanying resolution was prepared and placed on the agenda at the request of Prime Sponsor Commissioner Bruno A. Barreiro.


Abigail Price-Williams
County Attorney

APW/smm

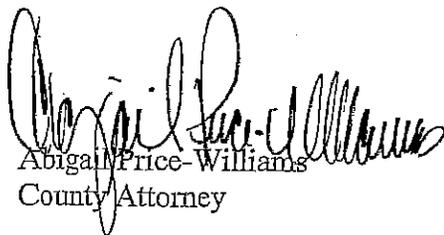


MEMORANDUM

(Revised)

TO: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

DATE: December 6, 2016

FROM: 
Abigail Price-Williams
County Attorney

SUBJECT: Agenda Item No. 11(A)(1)

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 _____, 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. 11(A)(1)
12-6-16

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO SUBMIT AN AMENDMENT TO THE COUNTY'S DISPOSITION APPLICATION FOR ELIZABETH VIRRICK I PUBLIC HOUSING SITE TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR THE PURPOSE OF PERMITTING THE COUNTY TO COMPETITIVELY SELECT A DEVELOPER TO CONSTRUCT AN ELDERLY, AFFORDABLE, MIXED-INCOME, AND MIXED-FINANCE HOUSING DEVELOPMENT ON SUCH SITE AND TO PERMIT THE COUNTY TO ENTER INTO A LONG TERM GROUND LEASE WITH THE SELECTED DEVELOPER; AND AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO EXECUTE AN AMENDMENT TO THE ANNUAL CONTRIBUTION CONTRACT AND TO EXERCISE AMENDMENT, MODIFICATION, CANCELLATION AND TERMINATION PROVISIONS CONTAINED THEREIN

WHEREAS, Miami-Dade County (the "County") is a "public housing agency" as defined in the United States Housing Act of 1937, as amended; and

WHEREAS, as a public housing agency the County operates a Public Housing program, which is funded by the United States Department of Housing and Urban Development ("HUD"); and

WHEREAS, the County owns two former Public Housing sites known as Elizabeth Virrick I and Elizabeth Virrick II, which are located in County Commission District 5; and

WHEREAS, on December 13, 2005, pursuant to Resolution No. R-998-05, the County submitted a demolition and disposition application to HUD to seek approval from HUD to lease both Elizabeth Virrick I and Elizabeth Virrick II to MDHA Development Corporation, an entity that was created by the County, to effect the demolition, construction and subsequent operation of a housing development for very low, low and moderate income individuals; and

WHEREAS, on July 25, 2006, HUD issued a letter to the County, a copy of which is attached hereto as Exhibit “A” and incorporated herein by reference, approving the County’s disposition application; and

WHEREAS, the buildings on the Elizabeth Virrick I and Elizabeth Virrick II sites were subsequently demolished; and

WHEREAS, on January 1, 2010, this Board adopted Resolution No. R-26-10, which in part amended Resolution No. R-998-05 to (1) remove all references requiring the County to dispose of the Elizabeth Virrick I and II; and (2) remove the requirement that the County lease the two sites to MDHA Development Corporation; and

WHEREAS, on June 21, 2010, the County submitted its request to amend the County’s application to HUD; and

WHEREAS, on June 23, 2010, HUD issued a letter to the County, a copy of which is attached hereto as Exhibit “B” and incorporated herein by reference, approving the County’s amended disposition application with the condition that the County seek approval from HUD prior “to conveying the 0.69-acre parcel at Elizabeth Virrick I;” and

WHEREAS, this Board wishes to amend the County’s disposition application to allow the County, subject to HUD’s approval, to competitively select a developer to develop Elizabeth Virrick I with an elderly, affordable, mixed-income, and mixed-finance housing development; and

WHEREAS, this Board also wishes to further amend the County’s disposition application, subject to HUD’s approval, to enter in a long-term ground lease with the selected developer,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that:

Section 1. The foregoing recitals are incorporated in this resolution and are hereby approved.

Section 2. This Board authorizes the County Mayor or County Mayor's designee to submit an amendment to the County's disposition application for Elizabeth Virrick I to HUD to accomplish the following:

- a. To permit the County to competitively select a developer to construct an elderly, affordable, mixed-income, and mixed-finance housing development on the Elizabeth Virrick I site; and
- b. To permit the County to enter into a long term ground lease with the selected developer, subject to this Board's approval.

Section 3. This Board also authorizes the County Mayor or County Mayor's designee to execute an amendment to annual contributions contract, if required by HUD, and to exercise amendments, modifications, cancellation, and termination provisions contained therein.

The Prime Sponsor of the foregoing resolution is Commissioner Bruno A. Barreiro. It 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:

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

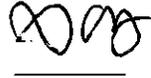
The Chairperson thereupon declared the resolution duly passed and adopted this 6th day of December, 2016. This resolution shall become effective upon the earlier of (1) 10 days after the date of its adoption unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override 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

HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.



Terrence A. Smith

EXHIBIT A



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Special Applications Center
77 W. Jackson Blvd., Room 2401
Chicago, Illinois 60604-3507
Phone: (312) 886-9754 Fax: (312) 886-6413

OFFICE OF PUBLIC HOUSING

JUL 25 2006

MEMORANDUM FOR: Karen Cato-Turner, Director, Office of Public Housing, 4DPH

FROM: Ainars Rodins, P.E., Director, Special Applications Center (SAC), PIA *Ainars Rodins*

SUBJECT: Approval for the Miami Dade Housing Agency's (MDHA) Request for the Demolition of 4 Buildings Housing 28 Units and Disposition of 0.62 Acres of Land at Elizabeth Virrick I, FL005024, and 7 Buildings Housing 56 Units and Disposition of 2 Acres of Vacant Land at Elizabeth Virrick II, FL005029, (Application DDA0001677)

The SAC received this application on December 13, 2005. Supplemental information was received through April 28, 2006. The Environmental Assessment was completed by the HUD Miami Field Office on April 20, 2006, in accordance with 24 CFR, Part 50.

The HUD Miami Field Office provided a certification stating that the submission accurately describes the current physical condition of the project proposed for demolition, and that the reasons provided by the MDHA to justify the proposed action are correct and factual.

Under Section 18(a)(3) of the United States Housing Act of 1937 (Act), in order for a demolition or disposition application to be approved after October 21, 1998, the effective date of this provision, a Public Housing Agency (PHA) must certify that it has "specifically authorized the demolition or disposition in the public housing agency plan, and has certified that the actions contemplated in the public housing agency plan comply with this section". On November 15, 2005, the HUD Miami Field Office approved the MDHA's agency plan, which includes the subject action.

Description of Development

The MDHA proposed the demolition of 4 buildings housing 28 units at Elizabeth Virrick I, FL005024, and 7 buildings housing 56 units at Elizabeth Virrick II, FL005029. Details of the proposed demolition are as follows:

Elizabeth Virrick I, FL005024					
DOFA: 4/30/1967					
Bedroom Size	1-BR	2-BR	3-BR	4+BR	Total
Existing Units	28				28
Proposed Units	28				28
Number of Buildings Proposed					4
Elizabeth Virrick II, FL005029					
DOFA: 4/30/1968					
Bedroom Size	1-BR	2-BR	3-BR	4+BR	Total
Existing Units	56				56
Proposed Units	56				56
Number of Buildings Proposed					7

Reasons for Action (Justification)

The MDHA proposed the demolition based on Section 18(a)(1) of the Act, which requires the PHA to certify that: "(A) an application proposing demolition of a public housing project or a portion of a public housing project, that: (i) the project or portion of the public housing project is obsolete as to physical condition, location, or other factors, making it unsuitable for housing purposes; and (ii) no reasonable program of modifications is cost-effective to return the public housing project or portion of the project to useful life;..."

The properties are beyond repair and have deteriorated substantially due to the lack of adequate modernization and rehabilitation funding. As a result, the developments are currently vacant and obsolete due to their deteriorated and unsafe physical condition. The MDHA will lease the land (after demolition) to the MDHA Development Corporation, (MDHADC), a non-profit corporation, via a 50-year ground lease at \$10 per year. The MDHADC will utilize Low Income Housing Tax Credits (LIHTC) to defray the cost of demolition and to invest in the redevelopment of 84 ACC replacement units and approximately 108 mixed financed units. The MDHADC will utilize other resources including Miami Dade County Surtax Funds, CDBG funds, donations from profit, non-for-profit and or charitable organizations and conventional financing, to complete the redevelopment project. The MDHA will not lose any public housing units as a result of the demolition and disposition of land. Redevelopment will greatly enhance the surrounding community by eliminating this dilapidated public housing stock. It will also provide better opportunities for the very low and moderate-income population with additional new housing units.

The Total Development Cost (TDC) limit for the units proposed for demolition is calculated below. The Department used the TDC applicable at the time of submission of this demolition application.

TDC per PIH 2005-26 (HA), Type of Structures: Walk-Up Elizabeth Virrick I, FL005024 Area: Miami			
Bedroom Size	Number of Unit	TDC/Unit	Total Cost
1-BR	28	\$87,865	\$2,460,220.00
TOTAL			\$2,460,220.00

TDC per PIH 2005-26 (HA), Type of Structures: Walk-Up Elizabeth Virrick II, FL005029 Area: Miami			
Bedroom Size	Number of Unit	TDC/Unit	Total Cost
1-BR	56	\$87,865	\$4,920,440.00
TOTAL			\$4,920,440.00

The MDHA provided the cost estimate for rehabilitation based on the existing conditions of the units. The rehabilitation cost for Elizabeth Virrick I, was estimated to be \$2,694,100.00, which is 91 percent of the TDC limit and the rehabilitation cost for Elizabeth Virrick II, was estimated to be \$6,786,304.00, which is 72 percent of the TDC limit. We concur with the HABC's determination that the partial demolition will help to ensure the viability of the remaining portion of the project.

Demolition Cost

The application states that it will cost approximately \$60,605.00 to demolish the subject units/buildings at Elizabeth Virrick I, FL005024, and \$121,211.00 at Elizabeth Virrick II, FL005029. The MDHA plans to use LIHTC and CDBG funds to cover the cost of demolition.

Disposition

After the demolition, the MDHA has proposed the disposition, based on Section 18(a) (2) of the Act, which requires the PHA to certify that: "(B) the public housing agency has otherwise determined the disposition to be appropriate for reasons that are: (i) in the best interests of the residents and the public housing agency; (ii) consistent with the goals of the public housing agency and the public housing agency plan; and (iii) otherwise consistent with this title;...".

The MDHA will lease 0.62 acres of vacant land at Elizabeth Virrick I, FL005024, and 2 acres of vacant land at Elizabeth Virrick II, FL005029, to the MDHADC, via a 50-year ground lease at \$10 per year. The land will revert back to the MDHA at the end of the 50-year lease. The MDHADC will invest in the demolition and redevelopment of 84 ACC replacement units and approximately 108 mixed financed units. The land lease to MDHADC will provide financing alternatives for securing LIHTC, Tax-Exempt Bonds and conventional financing sources for demolition and construction of a new housing development. The redevelopment will benefit the needy segment of the population of Miami Dade County by increasing affordable

housing options in the community. The MDHA will not lose any public housing units as a result of the demolition and disposition of land. We concur with the MDHA's determination that the disposition is in the best interests of the residents and the public housing agency.

Appraisal

The MDHA submitted an estimate of the Fair Market Value (FMV) with the application. The FMV of \$679,838.00 was estimated for 0.62 acres of land at Elizabeth Virrick, I, FL005024, and \$1,183,084.00 for 2 acres of land at Elizabeth Virrick II, FL005029, by Mr. Jim Greenleas, MAI. As required by 24 CFR, Section 970.8(l), we have determined that this method of valuation is acceptable to establish an estimate of the FMV for the subject properties.

Negotiated Sale

The MDHA proposed the disposition via a negotiated sale at less than FMV to the MDHADC, via a 50-year ground lease at \$10 per year.

Commensurate Public Benefits

The MDHADC will develop 84 ACC replacement units and approximately 108 mixed financed units. The land lease to MDHADC will provide financing alternatives for securing LIHTC, Tax-Exempt Bonds and conventional financing sources for demolition and construction of a new housing development. The redevelopment will benefit the needy segment of the population of the Miami Dade County by increasing the affordable housing stock. The MDHA will not lose any public housing units as a result of the demolition and disposition of land. Therefore, although the negotiated sale price is less than FMV, because of the benefits arising from the negotiated sale, it is in the best interest of the public housing residents and the PHA, and will result in a commensurate public benefit, as required in 24 CFR, Section 970.9(a).

Use of Proceeds

According to the records of the Office of the Chief Financial Officer, debt was forgiven for Elizabeth Virrick I, FL005024, on November 26, 1990. There is an outstanding debt of \$90,697.67, for Elizabeth Virrick II, FL005029. The MDHA will realize no net proceeds from this disposition. If any changes occur that result in the generation of proceeds, the MDHA will be required to request a waiver of the requirement to repay the debt on the project from the SAC.

Relocation

When the application was developed and transmitted to the Department, all units proposed for demolition were vacant. The units were gradually vacated over the past 8 years. The application states that all residents were relocated with methods consistent with the MDHA's relocation guidelines. The housing resources offered were other public housing units and Section 8.

Resident Consultation

1. Projects Specific Resident Organizations: None
2. PHA-wide Resident Organization: None
3. Resident Advisory Board in accordance with 24 CFR, Section 903.13: RAB

24 CFR, Section 970.4(a) requires that an application for demolition be developed in consultation with the tenants of the project involved, any tenant organization at the project involved and any PHA-wide organizations that will be affected by the activity.

Throughout the planning phase, resident outreach has been a priority. On December 14, 2004, the MDHA met with the former residents and RAB to solicit their feedback about the redevelopment plan. Items of discussion included the overall redevelopment plan. The former residents and RAB expressed support of the plan, and believe the redevelopment will provide better housing opportunities.

Offer for Sale to the Resident Organization

Section 970.13 of the regulations requires that a public housing agency give the resident organization, at the development affected by the disposition, the appropriate opportunity to purchase the property proposed for disposition. The MDHA has chosen not to provide an opportunity based on the exception found in 24 CFR, Section 970.13(a)(2)(vi): "PHA seeks disposition outside the public housing program to privately finance or otherwise develop a facility to benefit low-income families (e.g., day care center, administrative building, other types of low-income housing)." We concur with the MDHA's determination, as the disposition is to the partnership, for the development of 84 ACC replacement units and approximately 108 mixed financed units outside the public housing program, which does not present an appropriate opportunity to purchase for the resident organization.

Board Resolution

As required by the regulation, the MDHA's Board of Commissioners approved the submission of the application for demolition/disposition of the proposed property on September 8, 2005, via Resolution Number R-998-05.

Mayor/Local Government Consultation

As required by Section 18(b)(2)(C) of the Act, and PIH Notice 2005-32 (HA), the application package includes a letter of support from the Mr. George M. Gurgess, County Manager of Miami Dade County, dated September 8, 2005.

Replacement Housing

The Quality Housing and Work Responsibility Act of 1998 (QHWRA) eliminated the requirement for one-for-one replacement of public housing units. Therefore, the MDHA is not required to provide for replacement housing, and the Department is under no obligation to fund replacement housing.

Approval

We have reviewed the application and find it to be consistent with Section 18 of the Act, and the implementing regulations, 24 CFR, Part 970, including requirements related to resident consultation and relocation. Based upon our review, and finding that the requirements of 24 CFR, Part 970 and Section 18 of the Act have been met, the proposed demolition of demolition of 4 buildings housing 28 units and disposition of 0.62 acres of land at Elizabeth Virrick I, FL005024, and 7 buildings housing 56 units and disposition of 2 acres of vacant land at Elizabeth Virrick II, FL005029, as previously identified and described in the application, is hereby approved.

Elizabeth Virrick I, FL005024 Acres: 0.62 Elizabeth Virrick II, FL005029 Acres: 2			
Total Units to be Redeveloped 192	Less than 80% of Area Median Income		
	ACC	Non-ACC	Market Rate
Rental	84	108	0
Acquiring Entity	MDHA Development Corporation		
Method of Sale	Negotiated Sale at less than FMV		
Lease Price	\$10 per year for 50-Years		
Purpose	Development of 192 Mixed-Income Housing Units.		

Mixed-Finance

The MDHA shall not enter into any disposition agreement and or long-term ground lease, without HUD's approval of the MDHA's submission of documents for a mixed-finance transaction in accordance with 24 CFR, Part 941, Subpart F. The Field Office has to work with the Office of Public Housing Investments at Headquarters to facilitate the completion of the process. If the MDHADC fails to use the property as outlined in the application, the lease will terminate.

Performance Funding System (PFS)

The demolition of these units will affect the MDHA's operating subsidy eligibility significantly. The vacant dwelling units the MDHA has identified for demolition will be excluded from the inventory of subsidy eligible units starting with the month that this

memorandum is dated. This inventory adjustment is to be reflected on the MDHA's next required original or revised budget and/or subsidy eligibility submission.

The MDHA may be eligible to receive phase down or transition funding for the units the MDHA proposed for demolition. The qualifying criteria for this funding are found in the regulations at 24 CFR, Section 990.114. The maximum term of funding is 36 months and would start with the month that this memorandum is dated. The MDHA was advised to contact the HUD financial analyst in the local Field Office for additional information on how to apply these criteria to the MDHA's particular case.

The Field Office must insure that the MDHA's annual formula characteristics report is updated properly to reflect these changes.

Upon completion of demolition, an amendment to the Consolidated Annual Contributions Contract, prepared by the Field Office is required to reflect the decrease in units under the Act resulting from this demolition.

Housing Choice Vouchers

If the MDHA is interested in applying for Section 8 rental vouchers for relocation or replacement housing in connection with the units approved for demolition, it will need to submit an application to the Field Office. The MDHA should submit its application in response to HUD's current Notice outlining the application procedures. The issuance of such a Notice will be contingent upon the availability of Section 8 rental voucher funding. Please note, that receipt of Section 8 vouchers in support of a Section 18 action has an effect on possible phase down subsidy, per 24 CFR 990.114. Please consult the staff of the HUD Miami Field Office for details.

PIC and Monitoring

The Demolition/Disposition module of the Public and Indian Housing Information Center (PIC) is available. The PHA must enter the "actual" data directly into the PIC, for Field Office approval so the units are removed from the Building and Unit sub module by the system and the application can be closed out in the system. Comments regarding the progress of the disposition activity must be entered into the comments window of the appropriate disposition application.

It is the Field Office's responsibility to monitor this activity based on its latest risk assessment. The Field Office must verify that the actual data is being entered by the HA as the actions occur to ensure the Department is not over paying in PFS, and the Capital Fund formula data is correct.

Upon completion of demolition/disposition, the Field Office has the responsibility to amend the Consolidated Annual Contributions Contract and/or to release the parcel from the Declaration of Trust, as applicable, and update PIC to reflect the approved action as appropriate.



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Special Applications Center
 77 W. Jackson Blvd., Room 2401
 Chicago, Illinois 60604-3507
 Phone: (312) 353-6236 Fax: (312) 886-6413

OFFICE OF PUBLIC HOUSING

JUN 23 2010

Mr. Gregg Fortner
 Executive Director
 Miami-Dade Public Housing Agency
 701 NW 1 Court
 Miami, FL 33139

Dear Mr. Fortner:

On June 21, 2010, the Special Applications Center (SAC) received the Miami-Dade Public Housing Agency's (MDPHA) request to amend its approved demolition/disposition application for Elizabeth Virrick I, FL005024 and Elizabeth Virrick II, FL005029. The Public and Indian Housing Information Center (PIC), Application: DDA0001677, was originally approved by the SAC on July 25, 2006, as follows:

Elizabeth Virrick I, FL005024 Acres: 0.62 Elizabeth Virrick II, FL005029 Acres: 2			
Total Units to be Redeveloped 192	Less than 80% of Area Median Income		
	ACC	Non-ACC	Market Rate
Rental	84	108	0
Acquiring Entity	MDHA Development Corporation		
Method of Sale	Negotiated Sale at less than FMV		
Lease Price	\$10 per year for 50-Years		
Purpose	Development of 192 Mixed-Income Housing Units.		

On May 27, 2010, the original approval was amended as follows and a survey identified that the parcel includes a total of 2.63 acres of which Elizabeth Virrick I, contains 0.69 of an acre and Elizabeth Virrick II, contains 1.94 acres.

Gwen Cherry/New Haven, FL005000014 (Originally known as Elizabeth Virrick I, FL005024 And Elizabeth Virrick II, FL005029) Acres: 2.63			
Total Units to be Redeveloped 192	Less than 80% of Area Median Income		
	ACC	Non-ACC	Market Rate
Rental	84	108	0
Acquiring Entity	MDHA Development Corporation		
Method of Sale	Negotiated Sale at less than FMV		

Lease Price	\$10 per year for 50 Years
Purpose	Development of 192 Mixed-Income Housing Units.

In the current request, the MDPHA is planning to develop the Elizabeth Virrick II blighted property and seeks a modification to reflect the development on the vacant land after the demolition of 56 public housing units. The MDPHA will retain ownership of the site and develop approximately 124 replacement public housing units with General Obligation Bonds (GOB) issued by Miami-Dade County. The MDPHA will not be developing Elizabeth Virrick I at this time. **The MDPHA must request an amendment to this approval, prior to conveying the remaining 0.69-acre parcel at Elizabeth Virrick I. If the property is being conveyed at Fair Market Value, the request for an amendment must include an updated appraisal.** The SAC has completed its review and your request to rescind previous approval for FL005024 and FL005029, is approved. Please note that all other provisions of the demolition/disposition approval, dated July 25, 2006, remain as originally approved.

The HUD Miami HUB has been informed of this revision, and its staff is available to provide any technical assistance necessary for your agency to proceed with the disposition.

As the MDHA continues the process of implementation, I urge you to continue to maintain an open dialogue with your residents and local officials. If you have to modify your plans, the HUD Miami HUB stands ready to assist you.

Sincerely,



Ainars Rodins, P.E.
Director