

MEMORANDUM

Agenda Item No. 11(A)(6)

TO: Honorable Chairman Jose "Pepe" Diaz
and Members, Board of County Commissioners

DATE: April 20, 2021

FROM: Geri Bonzon-Keenan
County Attorney

SUBJECT: Resolution directing the County Mayor to include in all future competitive solicitations related to the redevelopment or replacement of public housing units through the United States Department of Housing and Urban Development's mixed-finance approach or the rental assistance demonstration program, a requirement that ensures that community based organizations (CBO) shall have certain ownership interests in the management companies selected by the developers to manage each of the developments, or, alternatively, such CBOs shall have the opportunity to enter into management or co-management arrangements with each of the developers for a fee

The accompanying resolution was prepared and placed on the agenda at the request of Prime Sponsor Commissioner Kionne L. McGhee.



Gerri Bonzon-Keenan
County Attorney

GBK/uw



MEMORANDUM

(Revised)

TO: Honorable Chairman Jose "Pepe" Diaz
and Members, Board of County Commissioners

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County Attorney

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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 present ____, 2/3 members County Attorney is ____, CDMP 7 vote requirement per 2-116.1(3)(h) or (4)(c) ____, CDMP 2/3 vote requirement per 2-116.1(3)(h) or (4)(c) ____, or CDMP 9 vote requirement per 2-116.1(4)(c)(2) ____ 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)(6)
4-20-21

RESOLUTION NO. _____

RESOLUTION DIRECTING THE COUNTY MAYOR OR THE COUNTY MAYOR’S DESIGNEE TO INCLUDE IN ALL FUTURE COMPETITIVE SOLICITATIONS RELATED TO THE REDEVELOPMENT OR REPLACEMENT OF PUBLIC HOUSING UNITS THROUGH THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT’S MIXED-FINANCE APPROACH OR THE RENTAL ASSISTANCE DEMONSTRATION PROGRAM, A REQUIREMENT THAT ENSURES THAT COMMUNITY BASED ORGANIZATIONS (CBO) SHALL HAVE CERTAIN OWNERSHIP INTERESTS IN THE MANAGEMENT COMPANIES SELECTED BY THE DEVELOPERS TO MANAGE EACH OF THE DEVELOPMENTS, OR, ALTERNATIVELY, SUCH CBOS SHALL HAVE THE OPPORTUNITY TO ENTER INTO MANAGEMENT OR CO-MANAGEMENT ARRANGEMENTS WITH EACH OF THE DEVELOPERS FOR A FEE

WHEREAS, the County is a “public housing agency,” as defined in the United States Housing Act of 1937 (42 U.S.C. § 1437 *et seq.*, as amended), and is the owner and operator of 12 public housing asset management developments, which include over 9,000 units; and

WHEREAS, the public housing program is funded by the United States Department of Housing and Urban Development (“HUD”); and

WHEREAS, the County, as a steward of the public housing program and as owner of certain public housing developments, has an obligation to provide decent, safe and sanitary housing for all residents of such housing in accordance with federal and state laws and regulations; and

WHEREAS, much of the County’s public housing portfolio is outdated and in need of rehabilitation or redevelopment; and

WHEREAS, for many years the County relied on HUD's Capital Funding Program to maintain its public housing stock; and

WHEREAS, the funds that the County receives through the Capital Funding Program are insufficient to meet the County's needs; and

WHEREAS, in an effort to redevelop or replace their outdated public housing stock, many public housing agencies rely on HUD's mixed-finance approach, which is the single most important development tool currently available to public housing agencies, as it emphasizes the formation of new public and private partnerships to ensure long-term sustainability of public housing developments and the leveraging of public and private resources to transform the isolated communities in which many public housing residents currently live into vibrant and sustainable mixed-income communities with a wide range of family incomes; and

WHEREAS, over the years, the County has partnered with private developers through HUD's mixed-finance approach to redevelop or replace its public housing stock, which, to date, has resulted in approximately 3,000 units that have been redeveloped or replaced, or are in the process of being redeveloped or replaced; and

WHEREAS, through the mixed-finance-approach, the County and the developers enter into long term ground leases and master development agreements, which authorize the developers to own and manage the improvements on the County's public housing properties for the term of the ground leases; and

WHEREAS, although the mixed-finance approach has been successful, the County has sought other means to ensure that its remaining public housing units are redeveloped or replaced; and

WHEREAS, on August 30, 2018, the County transmitted to HUD Secretary Benjamin S. Carson, Sr., M.D. a letter of interest proposing the conversion of 6,426 public housing units to the Section 8 project-based housing program through HUD's Rental Assistance Demonstration program ("RAD program") (collectively referred to as the "County's portfolio award application"); and

WHEREAS, the RAD program is the voluntary, permanent conversion of public housing to the Section 8 project-based housing program, which was authorized in the Fiscal Year 2012 Congressional Appropriations Bill; and

WHEREAS, unlike the public housing program, the Section 8 project-based housing program allows for more funding flexibility, including the use of other funding sources, such as tax credits, private debt and equity, and other public funds to maintain and improve existing public housing buildings; and

WHEREAS, the RAD program also guarantees strong tenant protections that tenants currently have under the public housing program; and

WHEREAS, like the mixed-finance approach, the properties that are developed or replaced through the RAD program, may, in many instances, result in each developer owning and managing the improvements for the term of the ground leases between the developers and the County; and

WHEREAS, on October 3, 2019, this Board adopted Resolution No. R-1059-19, which, in part, authorized the County Mayor or the County Mayor's designee to amend the County's portfolio award application to include certain public housing developments that are being redeveloped by Related Urban Development, LLC, thus bringing the total number of public housing units to be converted through the RAD program from 6,426 to 7,718; and

WHEREAS, the County previously issued a competitive request for qualifications to obtain proposals from developers who have the experience and capacity of obtaining the funding, and managing the construction, maintenance, and operation of a multifamily housing projects, including redevelopment experience under the RAD program; and

WHEREAS, on April 7, 2020, this Board adopted Resolution No. R-298-20, which, among other things, authorized the establishment of prequalification pool for the redevelopment of the County's public housing properties through the RAD program; and

WHEREAS, in accordance with Resolution No. R-298-20, the County Mayor or the County Mayor's designee is authorized to issue work order proposal requests ("WOPR") to allow the pool of pre-qualified developers to compete to redevelop the County's public housing properties through the RAD program; and

WHEREAS, the County issued its first WOPR to obtain proposals from the pool of prequalified developers for the redevelopment of certain public housing developments, including, South Miami Gardens, Arthur Mays Villas, Naranja, Little Havana Homes, Jose Marti Plaza, Perrine Gardens, Perrine Villas and Homestead Gardens; and

WHEREAS, on October 6, 2020, this Board adopted Resolution No. R-961-20, which, among other things, awarded site control through 75-year ground leases to certain developers; and

WHEREAS, public housing residents have experienced decades of systemic disinvestment resulting in environmental health and public safety problems, as well as isolation from viable transportation, services, and economic opportunities; and

WHEREAS, this disinvestment has resulted in unemployment and chronic poverty, which is of great concern; and

WHEREAS, HUD expects public housing agencies and their management agents to build good resident/management relations; and

WHEREAS, the participation and cooperation of residents is important in creating a suitable living environment, which can contribute to the successful operation of public housing properties and improve the conditions faced by public housing residents; and

WHEREAS, for example, resident involvement can help maintain the physical condition of the property, ensure proper maintenance, improve security, contribute to improvements in energy efficiency, and control operating costs; and

WHEREAS, although residents living in the County's public housing developments have organized and formed resident councils, they have not formed resident management corporations to perform management services as allowed by the regulations promulgated by HUD; and

WHEREAS, the County has had a long history of collaborating with community-based organizations ("CBOs") to expand and improve the services available to public housing residents; and

WHEREAS, CBOs continue to play a major role in the lives of public housing residents, including, but not limited to, providing essential resources like senior supports, childcare, afterschool programs, and social services; and

WHEREAS, this Board believes that CBOs can play a vital role in the management of those housing units that have been redeveloped or replaced through the mixed-finance approach or the RAD program; and

WHEREAS, accordingly, this Board wishes to ensure that CBOs participate in the management of housing developments redeveloped or replaced through the mixed-finance approach or the RAD program,

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 approved.

Section 2. This Board directs the County Mayor or the County Mayor's designee to include in all future competitive solicitations related to the redevelopment or replacement of public housing units through the United States Department of Housing and Urban Development's mixed-finance approach or the Rental Assistance Demonstration program ("RAD program"), a requirement that each developer submitting proposals in response to such solicitations shall ensure that community-based organizations ("CBOs") shall have a 50 percent ownership interest in the management companies selected by the developers to manage each of the developments, or, alternatively, such CBOs shall have the opportunity to enter into management or co-management arrangements with each of the developers for a fee. Prior to this Board's consideration of any resolution related to the award of development rights for the redevelopment or replacement of public housing through the mixed-finance approach or the RAD program, the County Mayor shall include in the memorandum accompanying the item, a statement that discloses the management arrangement between the recommended developer and the CBO as prescribed herein. No resolution shall be considered by this Board or a committee of the Board, if the before-mentioned disclosure statement is not included in the accompanying memorandum. This resolution shall not apply to any prior award by this Board of development rights to developers for the redevelopment or replacement of public housing units through the mixed-finance approach or the RAD program.

The Prime Sponsor of the foregoing resolution is Commissioner Kionne L. McGhee. 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:

Jose “Pepe” Diaz, Chairman	
Oliver G. Gilbert, III, Vice-Chairman	
Sen. René García	Keon Hardemon
Sally A. Heyman	Danielle Cohen Higgins
Eileen Higgins	Joe A. Martinez
Kionne L. McGhee	Jean Monestime
Raquel A. Regalado	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared this resolution duly passed and adopted this 20th day of April, 2021. 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