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CLERK OF THE BOARD
OF COUNTY COMMISSIONERS
MIAMI-DADE COUNTY, FLORIDA

# MEMORANDUM

Agenda Item No. 8(K)(1)

**TO:** Honorable Chairwoman Rebeca Sosa and Members, Board of County Commissioners

**DATE:** December 2, 2014

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

**SUBJECT:** Resolution approving transfer of ownership for The London House Apartments project from MBCDC: The London LLC to City of Miami Beach; authorizing County Mayor to file with the United States Department of Housing and Urban Development a substantial amendment to the FY 2009 Action Plan for Community Development Block Grant funds

Resolution No. R-1048-14

The accompanying resolution was prepared by the Public Housing and Community Development Department and placed on the agenda at the request of Prime Sponsor Commissioner Bruno A. Barreiro.

R. A. Cuevas, Jr.
County Attorney

RAC/smm

/

# Memorandum

MIAMI-DADE COUNTY

**Date:** December 2, 2014

**To:** Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

**From:** Carlos A. Gimenez
Mayor

**Subject:** Approval of the Transfer of Contracts for Up To $456,425.13 of Community Development Block Grant Funds and Conditional Commitments for up to $800,000 of Documentary Surtax Funds for the London House Apartments

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**Recommendation**

- It is recommended that the Board of County Commissioners (Board) approve the attached resolution which approves the following:
    1. Transfer of ownership for the London House Apartments from MBCDC: The London LLC to the City of Miami Beach (the "City"). A copy of the transfer of ownership between the MBCDC: The London LLC and the City of Miami Beach and related documents are attached as Exhibit 1 (deed) and Exhibit 1A (documents related to transfer of ownership);
    2. The assignment and assumption of an existing contract in the amount of $408,482.00 in FY 2009 Community Development Block Grant (CDBG) funds, which shall be amended to include $47,943.13 for project delivery costs incurred by PHCD staff;
    3. The assignment and assumption of two awards of FY 2013 Documentary Stamp Surtax (Surtax) funds totaling no more than $800,000.00;
    4. The change in the number of units from what was previously approved as 18 units (Surtax) or 33 units (CDBG) to 24 units and permitting Surtax allocations to be used at both 1965 and 1975 Washington Avenue. The reduction in the number of units was the result of the architectural plans required for the new project to include accessible features.
- It is recommended that the Board authorize the County Mayor or the County Mayor's designee to execute contract(s) and amendments to ensure the City will be obligated to comply with the existing CDBG Contract.
- It is recommended that the Board authorize the County Mayor or County Mayor's designee to renew the existing conditional loan commitments for $350,000 of Surtax funds, execute a conditional loan commitment for $450,000 of Surtax funds, and execute shell loan documents upon a determination by the County Mayor or County Mayor's designee that the conditions set forth in the conditional loan commitments have been met.
- It is also recommended that the Board authorize the County Mayor or County Mayor's designee to extend conditional loan commitments for Surtax awards and contracts for CDBG funds for the London House Apartments project for up to two (2) years from the effective date of this resolution upon a determination by the County Mayor or County Mayor's designee that said extensions are in the best interest of the County;
- Further, it is recommended that the Board authorize the County Mayor or County Mayor's Designee to file with the United States Department of Housing and Urban Development a substantial amendment to the FY 2009 Annual Action Plan for CDBG.

**Scope**

The London House Apartments is a 24-unit affordable housing rental development that will serve the low- and moderate-income community, located at 1965-1975 Washington Avenue, Miami Beach in Commission District 5 represented by Miami-Dade Commissioner Bruno A. Barreiro.

**Fiscal Impact / Funding Source**
No additional CDBG or Surtax funding is being awarded to this project in this resolution; therefore, it has no direct fiscal impact to Miami-Dade County.

Approval of this item authorizes the transfer of existing agreements with a Miami Beach CDC entity to the City of Miami Beach, which will assume the current obligations of the CDC entity to the County. The amount of County funds which to date have been spent on the development of the London House Apartments project is approximately $340,779.50 in FY 2009 CDBG funds. Of the $408,482 FY 2009 CDBG award, $67,702.50 remains unexpended. In addition to the $408,482 in CDBG funds, $47,943.13 of a $591,000.00 allocation in Resolution No. R-1127-08 of FY 2009 CDBG funds were set aside for the London House Apartments project for project delivery expenses attributable for County staff associated with the London House project. Of these set-aside funds, $45,703.00 has been expended on project delivery expenses, with a remaining balance of $2,240.13 set aside for County staff costs associated with the project.

The conditional loan commitment for $350,000 Surtax funds was executed on March 1, 2013 and expired on September 1, 2013. To date, it has not been renewed or extended. A conditional loan commitment for $450,000 Surtax funds was never executed, though the funds were awarded in Resolution No. R-1063-12. The total $800,000.00 in FY 2013 Surtax funds to the MBCDC entity was and will remain contingent upon a favorable credit underwriting report. As part of the City's due diligence, the City has hired an independent firm to complete a subsidy layering review report, which has not yet been completed.

**Monitoring**
The project will be monitored by Michael Liu, Director, Public Housing and Community Development. As a part of the transfer of this project, the City of Miami Beach as the new owner will agree to all the existing terms of the conditional loan commitments, contracts and loan documents, including a 30-year affordability period for the entire project. Once construction is completed, annual monitoring for compliance with the executed agreements, including rental regulatory agreements, will be performed by the compliance staff to ensure compliance with the federal, state and local requirements.

**Background**
On October 21, 2008, the Board approved Resolution No. R-1127-08 allocating $408,482.00 in FY 2009 CDBG funds to MBCDC: The London, LLC for the London House Apartments. Of that $408,482.00 award, $340,779.50 has already been expended on the project. In Resolution No. R-1127-08, the Board also awarded $591,000.00 in FY 2009 CDBG funds to Public Housing and Community Development Department for professional services and technical assistance for housing projects. Of that $591,000.00, $47,943.13 of FY 2009 CDBG funds were set aside to pay County staff for project delivery expenses attributable to the London House Apartments project. Of that $47,943.13, $45,703.00 has already been expended and $2,240.13 remains to be spent on such project delivery expenses. As part of the assumption of the CDBG obligations by the City, the amendments and contracts for CDBG funds will include this $47,943.13 amount as a budgeted expense on the project. In total, $386,482.50 of FY 2009 CDBG funds have been expended on the project.

On December 19, 2012, the Board approved Resolution No. R-1063-12 awarding $350,000.00 in FY 2013 Surtax and on May 7, 2013, the Board approved Resolution No. R-355-13 awarding an additional $450,000.00 in FY 2013 Surtax funds. To date the total County funding allocated to this project is $1,256, 425.13 (a combination of $456,425.13 in CDBG funds and $800,000 in Surtax funds).

On April 25, 2014, the City of Miami Beach contacted PHCD and expressed their documented concerns (see Exhibit 2) with Miami Beach CDC's capacity to complete the project based on administrative irregularities

and timeliness of expenditures of Neighborhood Stabilization Program 3 (NSP3) funds. It is important to note there were no known irregularities in Miami Beach CDC's use of the County's CDBG funds. On May 13, 2014, the City of Miami Beach assumed the title on the property and informed the County of their intentions to complete the project. On July 23, 2014, the City awarded the Request For Proposal (RFP) No. 2014-206-SR Design/Build Services for the London House Rehabilitation and Restoration project to Team Contracting, Inc. in the amount of $3,725,533.35.

In an effort to demonstrate their capacity to successfully complete the project, the City of Miami Beach anticipates using various existing and future funding of $3,896,712.00 (as reflected in Exhibit 3) and has hired an independent firm to perform a subsidy layering review of the funds identified in addition to completing the underwriting required for the County's Surtax funds. It is in the best interest of the County to allow the City to move forward in order to protect the County's existing interest in the project. Therefore, Staff recommends the approval of transfer in ownership and approval to transfer $456,425.13 in FY 2009 CDBG and $800,000.00 in FY 2013 Surtax funds for the London House Apartments from Miami Beach CDC to the City of Miami Beach.

The City will utilize the total combined County CDBG and Surtax funding of $1,256,425.13 to develop the London House Apartments, a 24-unit affordable housing rental development serving a low-income housing community whose household income is less than 80% of Area Median Income (AMI). The original CDBG award was for construction or rehab of 33 units for both buildings located at 1965 and 1975 Washington Avenue. The original Surtax allocation was for 18 units for the building located at 1975 Washington Avenue. The project has since evolved and all of the funding now will be used on the project which includes both buildings at addresses 1965 and 1975 Washington Avenue and for a total of 24 units. Pursuant to Section 504 of the Rehabilitation Act, at least five percent (5%) or one (1) unit, whichever is greater will be set aside to meet Uniform Federal Accessibility Standards (UFAS) or a standard that is equivalent or stricter, for persons with mobility disabilities; and at least 2% of the units, or at least one (1) unit, whichever is greater, shall be accessible for persons with hearing or visual disabilities. The approved building plans are required to meet Section 504 of the Rehabilitation Act; however, the actual units are pending designation. In addition, at least three (3) units will be set aside for extremely low income (ELI) persons. The unit mix breakdown for the two buildings is as follows:

| **1975 Washington Avenue 18 Units** | | |
|---|---|---|
| **Number of Units** | **Description** | **Set-Aside** |
| 9 | 1 BR. 1 BA | 1 UFAS<br>2 ELI |
| 3 | 2BR. 1 BA | 1 UFAS |
| 3 | 2BR.2BA | |
| 3 | 3BR. 2BA | 1 UFAS |

| **1965 Washington Avenue 6 Units** | | |
|---|---|---|
| **Number of Units** | **Description** | **Set-Aside** |
| 4 | 3 BR. 1 BA | |
| 2 | Studio | 1 UFAS<br>1 ELI |
| | | |
| | | |

Attachments

Russell Benford, Deputy Mayor

# MEMORANDUM

**(Revised)**

**TO:** Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

**DATE:** December 2, 2014

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

**SUBJECT:** Agenda Item No. 8(K)(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**

_____ **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. 8(K)(1)
12-2-14

RESOLUTION NO. R-1048-14

RESOLUTION APPROVING TRANSFER OF OWNERSHIP FOR THE LONDON HOUSE APARTMENTS PROJECT FROM MBCDC: THE LONDON LLC TO CITY OF MIAMI BEACH; AUTHORIZING COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO FILE WITH THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT A SUBSTANTIAL AMENDMENT TO THE FY 2009 ACTION PLAN FOR COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS; APPROVING ASSIGNMENT, ASSUMPTION AND AMENDMENT OF AN EXISTING FY 2009 COMMUNITY DEVELOPMENT BLOCK GRANT AGREEMENT FROM MBCDC: THE LONDON LLC TO CITY OF MIAMI BEACH IN AN AMOUNT NOT TO EXCEED $456,425.13 FOR THE LONDON HOUSE APARTMENTS PROJECT; AUTHORIZING COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO EXECUTE ANY AND ALL CONTRACTS AND AMENDMENTS TO ENSURE CITY'S COMPLIANCE WITH EXISTING AGREEMENT; APPROVING THE ASSIGNMENT AND ASSUMPTION OF TWO AWARDS OF FY 2013 DOCUMENTARY STAMP SURTAX FUNDS FOR LONDON HOUSE APARTMENTS FROM MIAMI BEACH COMMUNITY DEVELOPMENT CORPORATION OR RELATED ENTITY TO CITY OF MIAMI BEACH, USE OF SURTAX FUNDS FOR ELIGIBLE EXPENDITURES INCURRED FOR 1965 AND 1975 WASHINGTON AVENUE, AND CHANGE IN TOTAL NUMBER OF UNITS TO 24 UNITS; AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO EXECUTE CONDITIONAL LOAN COMMITMENTS, AMENDMENTS, AND SHELL CONTRACTS AND LOAN DOCUMENTS WITH THE CITY AND EXTENSIONS THEREOF TO SECURE AND/OR SUBORDINATE THE COUNTY'S INTEREST IN THE PROJECT AND ENSURE COMPLIANCE WITH FEDERAL, STATE AND LOCAL REQUIREMENTS AND TO EXERCISE TERMINATION, WAIVER, ACCELERATION AND OTHER PROVISIONS SET FORTH THEREIN

**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:

Section 1. The Board ratifies and adopts the matters set forth in the foregoing recitals and in the accompanying justification memorandum as if fully set forth herein.

Section 2. The Board approves the transfer of ownership for the London House Apartments Project from MBCDC: The London LLC to City of Miami Beach and authorizes the County Mayor or County Mayor's designee to file with the United States Department of Housing and Urban Development a substantial amendment to the FY 2009 Action Plan for Community Development Block Grant funds and approves the assignment, assumption and amendment of an existing agreement for an amended amount of up to $456,425.13 of Community Development Block Grant funds with MBCDC: The London LLC to the City of Miami Beach (the "Existing Agreement"), which will assume the current obligations of MBCDC: The London LLC to the County. This approval includes amendment of the $408,482.00 contract to include, upon amendment, $47,943.13 of Community Development Block Grant as a budgeted expense for project delivery expenses attributable for County staff associated with the London House Apartments project. Of the $456,425.13 of Community Development Block Grant funds to be assigned, $386,482.50 have already been expended on the London House Apartments project. The Board further authorizes a change in the total number of Community Development Block Grant units from 33 to 24 units and the County Mayor or County Mayor's designee is authorized to execute any and all contracts and amendments to ensure that the City of Miami Beach will be obligated to comply with the Existing Agreement.

Section 3. The Board approves the assignment and assumption of two awards of FY 2013 Documentary Stamp Surtax (Surtax) funds totaling no more than $800,000.00, pursuant to Resolution Nos. R-1063-12 and R-355-13, from Miami Beach Community Development Corporation or related entity to the City of Miami Beach, the use of the Surtax funds for eligible expenditures incurred for 1965 and 1975 Washington Avenue, and a change in total number of Surtax-funded units from 18 to 24 units.

Section 4. The County Mayor or County Mayor's designee is authorized to execute shell loan documents upon a determination by the County Mayor or County Mayor's designee that the conditions set forth in the conditional loan commitments and in this resolution or the resolutions originally awarding funds to the project have been met. All funding awards and conditional loan commitments set forth herein are contingent upon availability of funding from the funding source or program and the recipient agency complying with the conditions set forth in this resolution and the justification memorandum. The County Mayor or County Mayor's designee is authorized to execute all conditional loan commitments, standard shell contracts, amendments and other agreements necessary to accomplish the purposes of this resolution and to exercise the cancellation and other provisions contained therein. The Board further authorizes the County Mayor or County Mayor's designee, upon a determination that such actions are in the best interest of the County, to subordinate and/or modify the terms of contracts, agreements, amendments and loan documents so long as such modifications are approved by the County Attorney's Office and are not substantially inconsistent with this resolution and to exercise the termination, waiver, acceleration, or other provisions set forth therein. All conditional loan commitments and other agreements executed pursuant to this resolution may be extended by the County Mayor or County Mayor's designee for up to two (2) years from the effective date of this

resolution upon a determination by the County Mayor or County Mayor's designee that said extensions are in the best interest of the County.

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

| | | | |
|---|---|---|---|
| Rebeca Sosa, Chairwoman | | | **aye** |
| Bruno A. Barreiro | **aye** | Esteban L. Bovo, Jr. | **aye** |
| Daniella Levine Cava | **aye** | Jose "Pepe" Diaz | **aye** |
| Audrey M. Edmonson | **aye** | Sally A. Heyman | **aye** |
| Barbara J. Jordan | **aye** | Jean Monestime | **aye** |
| Dennis C. Moss | **absent** | Sen. Javier D. Souto | **absent** |
| Xavier L. Suarez | **aye** | Juan C. Zapata | **aye** |

The Chairperson thereupon declared the resolution duly passed and adopted this 2nd day of December, 2014. 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: **Christopher Agrippa**
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency. BKN/SAJ

Brenda Kuhns Neuman
Shannon Summerset-Williams

Prepared by and return to:
**Jonathan D. Beloff, Esq.**
**Attorney at Law**
**BELOFF PARKER JACOBS, PLC**
**1691 Michigan Avenue Suite: 320**
**Miami Beach, FL 33139**
**305-673-1101**
File Number: **CI-029-01**

[Space Above This Line For Recording Data]

# Special Warranty Deed

**This Special Warranty Deed** made this 13 day of March, 2014 between **MBCDC: The LONDON LLC, a Florida limited liability company**, whose post office address is **945 Pennsylvania Avenue, Miami Beach, Florida 33139**, ***Grantor*** and **City of Miami Beach, Florida, a municipal corporation organized and existing under the laws of the State of Florida** whose post office address is **1700 Convention Center Drive, Miami Beach, FL 33139**, ***Grantee:***

(Whenever used herein the terms "grantor" and "grantee" include all the parties to this instrument and the heirs, legal representatives, and assigns of individuals, and the successors and assigns of corporations, trusts and trustees)

**Witnesseth**, that said grantor, for and in consideration of the sum of TEN AND NO/100 DOLLARS ($10.00) and other good and valuable considerations to said grantor in hand paid by said grantee, the receipt whereof is hereby acknowledged, has granted, bargained, and sold to the said grantee, and grantee's heirs and assigns forever, the following described land, situate, lying and being in **Miami-Dade County, Florida** to-wit:

**See Exhibit "A" attached hereto and made a part hereof**

**Subject to:**
**1) easements, covenants, restrictions, and limitations of record, none of which shall be deemed to be reimposed by this instrument,**
**(2) existing ordinances and other restrictions as may be imposed by applicable governmental authorities;**
**3) taxes and assessments for the year 2014 and subsequent years, which are not yet due and payable.**

**Together** with all the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining.

**To Have and to Hold**, the same in fee simple forever.

And the grantor does hereby fully warrant the title to said land, and will defend the same against the lawful claims of all persons claiming by, through or under grantor.



DoubleTime®

Exhibit "A"

That portion of Lot 1, Block H of Resubdivision of Blocks G, H, J and K and Triangular Tract lying South of Block K and West of Block G, together with Cardinal Street (now vacated), according to the Amended Map of Ocean Front Property, of the Miami Beach Improvement Company (said map being recorded in Plat Book 5 on Page 7 and 8 of the Public Records of Dade County, Florida) according to the Plat thereof, recorded in Plat Book 6, Page 102 of the Public Records of Dade County, Florida, more particularly described as follows, to wit: Commence at the Northeast corner of Lot 1, Block H of a resubdivision of Blocks G, H, J, K and Triangular Tract lying South of Block K and West of Block G, together with Cardinal Street (now vacated) according to the Amended Map of Ocean Front Property of Miami Beach Improvement Company (recorded in Plat Book 5 on Pages 7 and 8 of the Public Records of Dade County, Florida) according to the Plat thereof, recorded in Plat Book 6, Page 102 of the Public Records of Dade County, Florida; thence Northwesterly along the Northerly boundary line of said Lot 1, for a distance of 120 feet to an iron pipe; thence Southwesterly parallel to the Easterly boundary line of said Lot 1 for a distance of 61.19 feet to an iron pipe which iron pipe is located 64 feet Northerly from the Southerly boundary line of said Lot 1, measured along the prolongation Southwesterly of the last preceding course and said iron pipe is the point of beginning of the parcel of land herein described; thence continue Southwesterly parallel with the Easterly boundary line of said Lot 1 for a distance of 44 feet to an iron pipe located 20 feet Northerly from the Southerly line of said Lot 1 measured along the prolongation Southwesterly of the last preceding course; thence Northwesterly along a line 20 feet Northeasterly from and parallel to the Southerly boundary line of said Lot 1 for a distance of 93.78 feet to an iron pipe located on the Westerly boundary line of said Lot 1 at a distance of 21.53 feet Northerly from the Southwesterly corner of said Lot 1, measured along the Westerly boundary line of said Lot 1; thence Northerly along the Westerly boundary line of said Lot 1 for a distance of 47.79 feet to an iron pipe; thence Southeasterly parallel with the Northerly boundary line of said Lot 1 and 61.19 feet Southwesterly therefrom, measured at right angles thereto for a distance of 111.61 feet to the Point of Beginning of the parcel of land herein described.

AND

That portion of Lot 1, Block H, of a Resubdivision of Blocks G, H, J and K and Triangular Tract lying South of Block K and West of Block G, together with Cardinal Street (now vacated) according to the Amended Map of Ocean Front Property of the Miami Beach Improvement Company (said map being recorded in Plat Book 5, Pages 7 and 8 of the Public Records of Dade County, Florida), according to the Plat thereof, recorded in Plat Book 6, Page 102, of the Public Records of Dade County, Florida, more particularly described as follows, to wit:

Commence at the Northeasterly corner of Lot 1, Block H of a Resubdivision of Blocks G, H, J, K and Triangular Tract lying South of Block K and West of Block G, together with Cardinal Street (now vacated) according to the Amended Map of Ocean From Property of the Miami Beach Improvement Company (recorded in Plat Book 5, Pages 7 and 8 of the Public Records of Dade County, Florida), according to the Plat thereof, recorded in Plat Book 6, Page 102, of the Public Records of Dade County, Florida; thence Northwesterly along the Northerly boundary line of said Lot 1 for a distance of 120 feet to an iron pipe marking the Point of Beginning of the parcel of land herein described; thence Southwesterly parallel to the Easterly boundary line of said Lot 1 for a distance of 61.19 feet to a point which is 64 feet Northerly from the Southerly boundary line of said Lot 1 measured along the prolongation Southwesterly of the last preceding course; thence Northwesterly parallel with the Northerly boundary of said Lot 1 for a distance of 111.64 feet to an iron pipe located on the Westerly boundary line of said Lot 1 at a distance of 69.32 feet Northerly from the Southwesterly corner of said Lot 1, measured along the Westerly boundary line of said Lot 1; thence Northerly along the Westerly boundary line of said Lot 1 for a distance of 43.76 feet to the beginning of a tangential circular curve; thence Northerly and Easterly along the Northwesterly boundary line of said Lot 1 and along a tangential circular curve having a radius of 15 feet through a central angle of 111 degrees 56 minutes 30 seconds for an arc distance of 29.31 feet to the end of said curve; thence Southeasterly along the Northerly boundary line of said Lot 1 for a distance of 114.09 feet to the point of Beginning of the parcel of land herein described.

Parcel Identification Number: 0232340160081/0232340160080

//

MIAMIBEACH

**City of Miami Beach,** 1700 Convention Center Drive, Miami Beach, Florida 33139
www.miamibeachfl.gov

Office of the City Manager
Tel: (305)673-7010, Fax: (305)604-2421

July 31, 2014

Mr. Clarence Brown
Division Director, Community and Housing Management
Public Housing and Community Development
Miami Dade County

**Re: London House Apartments**

Dear Mr. Brown:

As per our discussions with Public Housing and Community Development (PHCD), please accept this letter as a formal request to reprogram FY 2013 $800,000 of Surtax funds and FY 2009 $69,942 of CDBG funds to the City. The aforementioned funds are currently allocated to Miami Beach Community Development Corporation (MBCDC) for the London House Apartments, an affordable housing development located at 1965-1975 Washington Avenue, Miami Beach. The City assumed title to the property on May 13, 2014 and subsequently acted quickly to assess the scope of the project and secure the funding required to ensure its completion.

On July 23, 2014, Request for Proposal (RFP) No. 2014-206-SR Design/Build Services for the London House Rehabilitation & Restoration Project was awarded to the top ranked proposer, Team Contracting Inc. in the amount of $3,725,533.35.

Team Contracting, Inc., is a State of Florida Certified General Contractor and State of Florida Certified Underground Utility & Excavation Contractor. The company was established in April 2000. The company's staff has successfully completed multiple design/build projects varying in size and scope. Various projects were also completed by Team Contracting which involved historical restoration. They have provided the City with construction services since 2003.

The allocation of funds will be essential for the successful completion of the London House project and will provide much–needed affordable housing units available to our community. Your cooperation in expediting matters before the Board of County Commissioners will be greatly appreciated.

If you require any additional information, please feel free to contact Maria Ruiz at 305-673-7260 or mariaruiz@miamibeachfl.gov.

Sincerely,

Jimmy L. Morales
City Manager

Enclosure: Resolution No: 2014-28648

c: Russell Benford, Deputy Mayor
Brenda Neuman, Assistant County Attorney
Kathie G. Brooks, Assistant City Manager
Gisela Nanson Torres, Senior Assistant City Attorney
Maria L. Ruiz, Director Housing & Community Services
Alex Ballina, Community Development Specialist

RESOLUTION NO. 2014-28648

**A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ACCEPTING THE RECOMMENDATION OF THE CITY MANAGER PERTAINING TO THE RANKING OF PROPOSALS, PURSUANT TO REQUEST FOR PROPOSALS NO. 2014-206-SR (THE RFP), FOR DESIGN/BUILD SERVICES FOR THE LONDON HOUSE REHABILITATION & RESTORATION PROJECT; AUTHORIZING THE ADMINISTRATION TO ENTER INTO NEGOTIATIONS WITH THE TOP RANKED PROPOSER, TEAM CONTRACTING, INC; AND FURTHER AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE AN AGREEMENT UPON CONCLUSION OF SUCCESSFUL NEGOTIATIONS BY THE ADMINISTRATION.**

**WHEREAS,** Request for Proposals No. 2014-206-SR (the RFP) was issued on April 17, 2014, with an opening date of June 12, 2014; and

**WHEREAS,** a mandatory site visit was held on Tuesday April 29, 2014; and

**WHEREAS,** two (2) additional site visits were scheduled, one on June 2, 2014 and another one on June 5, 2014; and

WHEREAS, the City received a total of two (2) proposals; and

**WHEREAS,** on June 20, 2014, the City Manager via Letter to Commission (LTC) No. 212-2014, appointed an Evaluation Committee (the "Committee"), consisting of the following individuals:

- Alejandro Ballina, Community Development Specialist, Housing/Community Development, City of Miami Beach
- Edward Baldie, Capital Projects Coordinator, Capital Improvement Projects (CIP), City of Miami Beach
- Linda Blanco, Assistant Director, Building Department, City of Miami Beach

The following individual was appointed as an alternate:

- Humberto Cabanas, Division Director, Capital Improvement Projects (CIP), City of Miami Beach

**WHEREAS,** the Committee convened on June 30, 2014 to consider the proposals received; and

**WHEREAS,** the Committee was provided an overview of the project; information relative to the City's Cone of Silence Ordinance and the Government Sunshine Law; general information on the scope of services, references, and a copy of each proposal; and engaged in a question and answer session after the presentation of each proposer; and

**WHEREAS,** the Committee was instructed to score and rank each proposal pursuant to the evaluation criteria established in the RFQ; and

**WHEREAS**, the Committee's ranking was as follows: Team Contracting, Inc., top ranked; and ABC Construction, second highest ranked; and

**WHEREAS**, after reviewing all the submissions and the Evaluation Committee's and rankings, the City Manager exercised his due diligence and is recommending that the Administration be authorized to enter into negotiations with the top-ranked firm, Team Contracting, Inc; and

**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 accept the recommendation of the City Manager pertaining to the ranking of proposals, pursuant to Request for Proposals No. 2014-206-SR (the RFP), for Design/Build Services for the London House Rehabilitation & Restoration Project; authorize the Administration to enter into negotiations with the top ranked proposer, Team Contracting, Inc; and further authorize the Mayor and City Clerk to execute an Agreement upon conclusion of successful negotiations by the Administration.

**PASSED AND ADOPTED** this 23 day of July 2014.

**ATTEST:**

Rafael E. Granado, City Clerk

Philip Levine, Mayor

MIAMI BEACH INCORPORATED MARCH 26TH 1915

APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION

City Attorney Date 7/16/14

HUD-1 | U.S. Department of Housing and Urban Development | OMB No. 2502-0265

A. Settlement Statement

B. Type of Loan

| 1. FHA | 2. FmHA | 3. Conv. Unins. | 6. File Number | 7. Loan Number | 8. Mortg. Ins. Case Num. |
|---|---|---|---|---|---|
| 4. V.A. | 5. Conv. Ins. | | CI-029-01 | ID: | |

C. NOTE: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

D. NAME OF BORROWER: City of Miami Beach, Florida, a municipal corporation, organized and existing under the laws of the State of Florida
Address of Borrower: 1700 Convention Center Drive, Miami Beach, Florida 33139

E. NAME OF SELLER: MDCDC:The LONDON, LLC, a Florida limited liability company
Address of Seller: c/o Miami Beach CDC, 946 Pennsylvania Avenue 2nd Fl, Miami Beach, Florida 33139 TIN:

F. NAME OF LENDER:
Address of Lender:

G. PROPERTY LOCATION: 1965 & 1975 Washington Ave, Miami Beach, Florida 33139

H. SETTLEMENT AGENT: BELOFF PARKER JACOBS, PLC TIN: 27-4763042
Place of Settlement: 1691 Michigan Avenue , Suite; 320, Miami Beach, Florida 33139 Phone: 305-673-1101

I. SETTLEMENT DATE: 3/14/14 DISBURSEMENT DATE: 3/14/14

| J. Summary of borrower's transaction | | K. Summary of seller's transaction | |
|---|---|---|---|
| 100. Gross amount due from borrower: | | 400. Gross amount due to seller: | |
| 101. Contract sales price | 10.00 | 401. Contract sales price | 10.00 |
| 102. Personal property | | 402. Personal property | |
| 103. Settlement charges to borrower (Line 1400) | 30,621.70 | 403. | |
| 104. | | 404. | |
| 105. | | 405. | |
| Adjustments for items paid by seller in advance: | | Adjustments for items paid by seller in advance: | |
| 106. City/town taxes | | 406. City/town taxes | |
| 107. County taxes | | 407. County taxes | |
| 108. Assessments | | 408. Assessments | |
| 109. | | 409. | |
| 110. | | 410. | |
| 111. | | 411. | |
| 112. | | 412. | |
| 120. Gross amount due from borrower: | 30,631.70 | 420. Gross amount due to seller: | 10.00 |
| 200. Amounts paid or in behalf of borrower: | | 500. Reductions in amount due to seller: | |
| 201. Deposit or earnest money | | 501. Excess deposit (see instructions) | |
| 202. Principal amount of new loan(s) | | 502. Settlement charges to seller (line 1400) | |
| 203. Existing loan(s) taken subject to | | 503. Existing loan(s) taken subject to | |
| 204. Principal amount of second mortgage | | 504. Payoff of first mortgage loan | |
| 205. | | 505. Payoff of second mortgage loan | |
| 206. | | 506. Deposits held by seller | |
| 207. Principal amt of mortgage held by seller | | 507. Principal amt of mortgage held by seller | |
| 208. | | 508. | |
| 209. | | 509. | |
| Adjustments for items unpaid by seller: | | Adjustments for items unpaid by seller: | |
| 210. City/town taxes | | 510. City/town taxes | |
| 211. County taxes | | 511. County taxes | |
| 212. Assessments | | 512. Assessments | |
| 213. | | 513. | |
| 214. | | 514. | |
| 215. | | 515. | |
| 216. | | 516. | |
| 217. | | 517. | |
| 218. | | 518. | |
| 219. | | 519. | |
| 220. Total paid by/for borrower: | 0.00 | 520. Total reductions in amount due seller: | 0.00 |
| 300. Cash at settlement from/to borrower: | | 600. Cash at settlement to/from seller: | |
| 301. Gross amount due from borrower (line 120) | 30,631.70 | 601. Gross amount due to seller (line 420) | 10.00 |
| 302. Less amount paid by/for the borrower (line 220) | 0.00 | 602. Less total reductions in amount due seller (line 520) | 0.00 |
| 303. Cash ( ☑ From ☐ To ) Borrower: | 30,631.70 | 603. Cash ( ☑ To ☐ From ) Seller: | 10.00 |

Substitute Form 1099 Seller Statement: The information contained in blocks E, G, H, and I and on line 401 is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction will be imposed on you if this item is required to be reported and the IRS determines that it has not been reported.

Seller Instructions: If this real estate was your principal residence, file Form 2119, Sale or Exchange of Principal Residence, for any gain, with your tax return; for other transactions, complete the applicable parts of Form 4797, Form 6252 and/or Schedule D (Form 1040).

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| L. Settlement charges | | | | Borrower POC | Seller POC | Paid from Borrower's Funds at Settlement | Paid from Seller's Funds at Settlement |
|---|---|---|---|---|---|---|---|
| 700. Total Sales/Brokers Com. based on price | $2,007,302.00 @ | % = | | | | | |
| 701. | % to | | | | | | |
| 702. | % to | | | | | | |
| 703. Commission paid at settlement | | | | | | | |
| 704. | to | | | | | | |
| 800. Items payable in connection with loan: | | | | Borrower POC | Seller POC | | |
| 801. Loan origination fee | % to | | | | | | |
| 802. Loan discount | % to | | | | | | |
| 803. Appraisal fee | to | | | | | | |
| 804. Credit report | to | | | | | | |
| 805. Lender's inspection fee | to | | | | | | |
| 806. Mortgage insurance application fee | to | | | | | | |
| 807. Assumption Fee | to | | | | | | |
| 808. | to | | | | | | |
| 809. | to | | | | | | |
| 810. | to | | | | | | |
| 811. | to | | | | | | |
| 900. Items required by lender to be paid in advance: | | | | Borrower POC | Seller POC | | |
| 901. Interest from | to | @ | /day | | | | |
| 902. Mortgage insurance premium for | months to | | | | | | |
| 903. Hazard insurance premium for | years to | | | | | | |
| 904. Flood insurance premium for | years to | | | | | | |
| 905. | years to | | | | | | |
| 1000. Reserves deposited with lender: | | | | Borrower POC | Seller POC | | |
| 1001. Hazard insurance | | months @ | per month | | | | |
| 1002. Mortgage insurance | | months @ | per month | | | | |
| 1003. City property taxes | | months @ | per month | | | | |
| 1004. County property taxes | | months @ | per month | | | | |
| 1005. Annual assessments | | months @ | per month | | | | |
| 1006. Flood insurance | | months @ | per month | | | | |
| 1007. | | months @ | per month | | | | |
| 1008. | | months @ | per month | | | | |
| 1009. Aggregate accounting adjustment | | | | | | | |
| 1100. Title charges: | | | | Borrower POC | Seller POC | | |
| 1101. Settlement or closing fee | to BELOFF PARKER JACOBS, PLC | | | | | 350.00 | |
| 1102. Abstract or title search | to Clear Title Group, LLC | | | | | 350.00 | |
| 1103. Title examination | to | | | | | | |
| 1104. Title insurance binder | to | | | | | | |
| 1105. Document preparation | to | | | | | | |
| 1106. Notary fees | to | | | | | | |
| 1107. Attorney's Fees | to | | | | | | |
| (includes above item numbers: ) | | | | | | | |
| 1108. Title insurance | to Chicago Title Insurance Company/Clear Title Group, LLC | | | | | 7,593.60 | |
| (includes above item numbers: ) | | | | | | | |
| 1109. Lender's coverage (Premium): | | | | | | | |
| 1110. Owner's coverage (Premium): | $2,007,302.00 ($7,593.60) | | | | | | |
| 1111. Endorse: | | | | | | | |
| 1112. Administrative fee | to BELOFF PARKER JACOBS, PLC | | | | | 175.00 | |
| 1113. | to | | | | | | |
| 1200. Government recording and transfer charges: | | | | | | | |
| 1201. Recording fees | Deed $35.50 | Mortgage(s) | Releases | | | 35.50 | |
| 1202. City/county tax/stamps | Deed $8,033.30 | Mortgage(s) | | | | 8,033.30 | |
| 1203. State tax/stamps | Deed $12,044.40 | Mortgage(s) | | | | 12,044.40 | |
| 1204. Resolutions | to | | | | | | |
| 1205. | to | | | | | | |
| 1300. Additional settlement charges: | | | | Borrower POC | Seller POC | | |
| 1301. Survey | to Hadonne | | | | | 450.00 | |
| 1302. Pest inspection | to | | | | | | |
| 1303. Lien Search | to Florida Property Search, Inc. | | | | | 590.00 | |
| 1304. | to | | | | | | |
| 1305. | to | | | | | | |
| 1306. | to | | | | | | |
| 1307. | to | | | | | | |
| 1308. | to | | | | | | |
| 1309. | | | | | | | |
| 1400. Total settlement charges: (Enter on lines 103, Section J and 502, Section K) | | | | | | 30,621.70 | 0.00 |

# HUD-1 SETTLEMENT STATEMENT ADDENDUM

File Number: CI-029-01

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.

## Borrower(s)

City of Miami Beach, Florida, a municipal corporation organized and existing under the laws of the State of Florida and its successor

By: _____
Jimmy Morales
City Manager

By: _____
Rafael Granado
City Clerk

## Seller(s)

MDCDC: The LONDON, LLC
a Florida limited liability company

By: Miami Beach Community Development Corporation, Inc.
a Florida Not for Profit corporation

By: _____
Jack Johnson
Chairman

(Corporate Seal)

MIAMI BEACH INCORPORATED MARCH 26TH 1915

## Settlement Agent

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused or will cause the funds to be disbursed in accordance with this statement.

BELOFF PARKER JACOBS, PLC

By: _____ Date: 3-14-14

APPROVED AS TO FORM & LANGUAGE & FOR EXECUTION

City Attorney _____ Date 3/13/14

WARNING: It is a crime to knowingly make false statements to the United States on this or any other similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

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OFFICE OF THE CITY MANAGER
NO. LTC # 104-2014

LETTER TO COMMISSION

TO: Mayor Phillip Levine and Members of the City Commission

FROM: Jimmy L. Morales, City Manager

DATE: April 1, 2014

SUBJECT: Update on the London House Apartments

RECEIVED
2014 APR -3 PM 1:44
CITY CLERK'S OFFICE

The purpose of this Letter To Commission is to provide a status update on the London House Apartments, an affordable housing development located at 1965-1975 Washington Avenue.

At its February 12, 2014 meeting, the Mayor and Commission authorized the City Manager to purchase the London House Apartments from Miami Beach Community Development Corporation (MBCDC) to ensure the project's rehabilitation and timely expenditure of Neighborhood Stabilization Program (NSP3) funds. On March 13th, the City closed on the property and secured releases from the architect of record, Architectureworks, LLC, and the contractor of record, All Jer Construction.

City staff has been diligent in obtaining structural assessments of the property as well as preparing the Request For Proposal (RFP) for Design/Build Services. The City has contracted several consultants to compile structural assessments, progress reports and cost estimates for the project. Atkins North America Inc. was retained to analyze the 1965 building and provide a progress report on the construction that had commenced under MBCDC. According to this report, the rehabilitation of this building stands at 41% completion as of March 7, 2014. However, the City had advanced payments of $461,419.86 through March 2013 to account for 69.2% of completion. The property was maintained as an active construction site up until the City's acquisition. MBCDC was overpaid an estimated amount of $188,035.26 which remains unaccounted for within the project. Please note that the City demanded the return of all materials and equipment as part of the closing process and nothing was provided.

Furthermore, the structural analysis of the building found several deficiencies including the need to remediate a significant portion of the second floor framing which had already been completed. In short, Atkins North America concluded that "the property is not structurally safe for residential use." An estimate for construction is pending. Augmenting concerns, the site did not match permitted plans for the building.

The City contracted with Douglas Wood Associates, Inc. to inspect the 1975 building. Among the report's recommendations was the need to remove and replace all of the wood sheathing, joists, blocking and bridging on both the second and third floors. The building's basement is under several feet of water. It will be necessary to drain the basement so that the existing structural system can be examined, and so that they can be repaired as required. The structural concrete ground floor slab will need to be evaluated for adequacy. Additional recommendations included the cleaning and repair of steel beams and columns, and the repair of concrete spalling and damaged stucco

throughout the exterior (which had been previously replaced), among other items. The rehabilitation estimate for this building is $2.7 to $3.2 million.

The executive summaries by Atkins North America, Inc. and Douglas Wood Associates, Inc. are attached.

As reported previously, the City has yet to resolve the matter of the Economic Development Initiatives (EDI) grant issued to MBCDC for the London House Apartments. As delineated in correspondence to MBCDC January 10, 2014, the City released $295,925.74 for expenses that had also been submitted to and paid by Florida Housing Finance Corporation or were ineligible for reimbursement because they were incurred prior to the Environmental Review Release of Funds (as required by Department of Housing and Urban Development rules). It should be further noted that the EDI expenses were intended for construction costs but the expenses reimbursed reflected soft costs. Finally, the City was notified that its EDI file had been confiscated by HUD's Office of the Inspector General because of the irregularities within.

The City is currently preparing a report to HUD formally requesting an extension of the expenditure deadline for NSP 3 funds. As part of this request, the City will be compiling an accounting of all funds committed to the project, the irregularities that were encountered that lead to the City's pursuit and subsequent receipt of the building, and the City's actions taken subsequently to ensure the building's rehabilitation. Fortunately, HUD has advised the City that it will not pursue repayment of those funds already expended regardless of whether or not the expenditure deadline is extended.

In addition, the City is in the process of contracting with a forensic accounting firm to conduct audits of City-funded, completed MBCDC projects beginning with The Allen, located at 2001 Washington Avenue, and The Neptune, located at 1642 Meridian Avenue. The results of these audits will be shared upon completion.

If you have any questions, please feel free to see me.

Attachments: Atkins North America Report, 1965 Washington Avenue Executive Summary
Douglas Wood Associates, Inc. Report, 1975 Washington Avenue Executive Summary

JLM/KGB/MLR

ATKINS

Atkins North America, Inc.
2001 Northwest 107th Avenue
Miami, Florida 33172-2507
Telephone: +1.305.592.7275
www.atkinsglobal.com/northamerica

# Project Report
# Construction completion due diligence

## The London House
1965 Washington Avenue, Miami Beach, Florida 33139.

March 28, 2014

## Executive Summary

### 1. Introduction

The City of Miami Beach requested that Atkins prepare a report assessing the actual progress of the existing remodeling work the amount paid to date to the Contractor.

London House is a historic building constructed in the late 1940's consisting of two freestanding wings, connected by a courtyard. The evaluation was performed on the south wing, a 4,300 sf two-story building, with ten apartments, 5 units each of the ground and second floor. The three-story north freestanding wing was not evaluated.

The remodeling work begun comprises three apartment units on each floor, with one on the ground floor being ADA-accessible. The building consists of load bearing CMU exterior walls, concrete beams, concrete slab, and steel columns at the exterior walkway. The ground floor is a slab-on-grade, while the second floor and roof framing are comprised of wood joists and deck. The roof is single-ply membrane with parapets on two sides. Two exterior concrete stairs connect the roof and second floor to the courtyard below.

### 2. Evaluation Report

Atkins performed a non-invasive visual observation. The assessments made encompass the exterior building envelope, and interior walls, and structural, plumbing, mechanical, electrical, fire protection, and site work.

#### a. Exterior Conditions Assessment

Along the south and west facades of the building, windows were installed. The sidewalk and steps along the west façade are all dug up. The courtyard, east, and north facades are in complete disrepair.
In the southeast corner area columns are completely rusted and separated from the exterior walkway slab. Some guardrails at the second level are missing, with a temporary wooden barrier in its place. The remaining guardrails are partially pinned to a fractured concrete slab with exposed reinforcements throughout. The main exterior lines of the fire protection system are incomplete. The two concrete stairs are in disrepair with the existing handrails rusted, partially secured in place, and non-code compliant. The stair from the second floor has been sawout and the center of the stairs removed. The roofing is a relatively new membrane with several low points causing ponding of rainwater. A/C compressor supports are installed but not the equipment. The north and east side of the roof is without a protective guardrail

b. Interior Conditions Assessment

Wood furring and stud framing in the walls and ceilings have been erected. Batt insulation has been packed between the ceiling framing throughout. Gypsum board has been installed on some of the walls, but not properly screwed down. The ground floor concrete slab has extensive saw cuts for plumbing that remain open. The second floor wood joists and subfloor are installed, but not evenly laid down in several areas. Sprinkler lines appear in place with some heads needing adjustments. Plumbing water lines, vent pipes, traps, and drains are in place, along with some shower floor liners and one bathtub on the second floor. Mechanical ductwork is partially complete. Power, and data are wired in the walls and ceilings along with the circuit breaker box and associated wiring.

3. Conclusions

An analysis of the Contractor's last payment request supports our assertion that the project is 40% - 42% complete, whereas the Contractor had been paid to 69%.

2. Additional Areas of concern

- The roofing edge along the North and East façades highlights a code deficiency
- Handrails are in violation of the building code
- Exit door at Unit 101 is not yet installed, however the clear width of 32"indicates a code violation
- Steel support columns are rusted and some are severed from the slab above. Remediation for this condition was not part of the Work
- Rotting roof joists along courtyard corridor have been scabbed and crudely secured with no approved structural remediation.
- The roof has low areas and ponding water, which requires a structural evaluation.

Prepared by:

Paul A. Simmonds Project Manager
Jeffrey Warmington RA

# DOUGLAS WOOD

ASSOCIATES, INC. STRUCTURAL ENGINEERS
2100 PONCE DE LEON BOULEVARD SUITE 1020
CORAL GABLES, FLORIDA 33134
(305) 461-3450 FAX: (305) 461-3650
WWW.DOUGLASWOOD.BIZ

## Executive Summary

### Structural Assessment Report Existing Structural Systems, London House, 1975 Washington Avenue, Miami Beach, Florida

Purpose & Scope:
- Preliminary assessment of present condition of structural systems and structural feasibility of proposed renovation/restoration.
- Courtyard between 1965 and 1975 buildings is addressed in report of 1965 Washington.

Building Code Issues:
- Alteration Level 3: Investigation and evaluation of existing structural systems according to Code in effect at time of original construction.

Existing Structural Systems:
- Bearing walls: Concrete block with reinforced concrete tie beams, lintels, tie columns. Basement walls are reinforced concrete.
- Roof Structure: Wood board sheathing, wood rafters, steel beams on steel columns
- Second and third floor: Wood board sheathing, wood joists, steel beams on steel columns
- Ground Floor: Slab-on-ground, except structural concrete slab over basement.
- Foundations: Not observed
- Stair: Reinforced concrete.

Present Structural Conditions
- Wood members: Considerable rot and insect damage at second and third floor and limited areas of roof.
- Structural steel beams and columns: Generally serviceable condition, but several noted areas of corrosion.
- Ground floor slab: Further study required to assure full soil support. Access opening undermines slab.
- Basement: Some concrete spalling. Flooded.
- Bearing walls: Numerous CMU cracks and holes. Numerous areas of spalled concrete. Numerous improperly filled former A/C unit wall opening. Recently applied stucco on west façade cracked or unbounded in numerous areas. Some areas of planter walls failed. Many areas of honeycombing in original concrete. Two sawcut tie columns.
- Exterior windows & doors: Doors are in poor condition or missing. Windows are fairly recently replaced, but many improper wood bucks and shims. Two windows missing.
- Miscellaneous issues: Cracked/loose stucco. Sign. Others.

Recommendations:
- General: Investigation and evaluate for Alteration Level 3 (Building Code, at time of original construction). Enhance structural systems, as required.
- Wood: Repair/replace wood members as necessary (may consider complete removal and replacement of wood members on second and third floors). Enhance wood members, as required.
- Structural steel: Enhance as required. Repair/replace corroded areas. Clean and paint.
- Slabs-on-ground: Trench and repair for new piping (or remove and replace). Investigate soil bearing (re-establish bearing or replace slab).
- Structural slab over basement: Repair. Fill holes.
- Basement: Repair walls. If retaining basement, provide enclosure, ventilation, drainage and waterproofing. If abandoning basement, provide drainage, possible fill and corrosion protection to first floor slab.
- Bearing walls: Evaluate for lateral wind. Reinforce existing walls (possible addition of walls and footings). Repair A/C openings, holes, cracks, stucco. Repair spalled concrete and cut tie columns. Patch honeycombing.
- Exterior windows and doors: Evaluate window bucks and shims and correct as necessary. Install missing windows. All new exterior doors.
- Miscellaneous items: Repair, remove or replace, as appropriate
- Remove or provide security fence around scaffolding at west side..

Preliminary Estimate of Probable Construction Cost:
- $2,700,000.00 to $3,200,000.00

# DOUGLAS WOOD

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WWW.DOUGLASWOOD.BIZ


## Executive Summary

### Structural Assessment Report Existing Structural Systems, London House, 1965 Washington Avenue, Miami Beach, Florida

**Purpose & Scope:**
- Preliminary assessment of present condition of structural systems relative to the in-progress renovation/restoration.
- Courtyard between 1965 and 1975 buildings is included in this report.

**Building Code Issues:**
- Alteration Level 2

**Existing Structural Systems:**
- Bearing walls: Concrete block with reinforced concrete tie beams, lintels, tie columns. Basement walls are reinforced concrete.
- Roof Structure: Wood board sheathing, wood rafters, wood beams and bearing partitions
- Second floor: Wood board sheathing, wood joists, wood beams and bearing partitions
- Ground Floor: Slab-on-ground
- Foundations: Not observed
- Stairs: Reinforced concrete
- Courtyard: Structural; concrete slab at second floor on steel columns. Concrete slab-on-ground at first floor.

**Present Structural Conditions**
- General: Bucks for doors and windows not visible. Numerous areas of unbounded stucco. Courtyard and rear yard and slump brick walls not done. Railings in poor condition.
- Concrete members: Numerous areas of spalled concrete in courtyard (slabs, beams, stairs). Previous patches are cracked. Unrepaired spalled concrete on interior in a few areas.
- Steel columns (Courtyard): Considerable corrosion and improper previous repairs. One column bent and anchorages damaged.
- Wood members: All wood members on first and second floors are new (does not agree with drawings). New ledgers and connections constructed, but not indicated in drawings. Wood beam short at beam hanger. New roof rafters sistered to existing rafters, but not indicated in drawings. Wood roof beams at north edge are new, but indicated as "existing" in drawings. These beams appear to be undersized. No structural design for support of rooftop condensing units. Replaced rafters over exterior walkways not properly anchored. Some connection devices don't match those indicated in drawings.

**Recommendations:**
- Investigate and replace unbounded stucco.
- Investigate and repair spalled concrete.
- Repair or replace steel pipe columns.
- Repair or replace railings.
- Investigate wood construction which is not indicated in drawings. Provide construction documents, obtain permit and correct as necessary.
- Complete unfinished construction (slab-on-ground trenches, courtyard, rear yard, slump brick walls, underlayment, etc.).

Exhibit 3

# City of Miami Beach
# Current Anticipated Funding
# London House Apartments

| Funding Source | Resolution No. | Amount Funded |
|---|---|---|
| City of Miami Beach Community Development Block Grant (CMB CDBG) Funds | CMB Reso. (2014-28625) | $ 666,599.00 |
| City of Miami Beach HOME Investment Partnerships (CMB HOME) Funds | CMB Reso. (2014-28625) | $ 1,603,460.00 |
| City of Miami Beach Neighborhood Stablization Program 3 (CMB NSP 3) Funds | CMB Reso. (2014-28625) | $ 756,711.00 |
| Miami-Dade County Community Development Block Grant (MDC CDBG)* | CMB Reso. (2014-28625) | $ 69,942.00 |
| Miami-Dade County Documentary Stamp Surtax (MDC Surtax) Funds | R-1063-12 ($350k) R-355-13 ($450k) | $ 800,000.00 |
| | **TOTAL** | **$ 3,896,712.00** |

* This chart does not include the $386,482.50 in MDC FY 2009 CDBG funds previously expended on this project. However, as part of the assumption of the CDBG obligations by the City, the amendments and contracts for CDBG funds will include the total CDBG amount of $456,425.13 (includes previously expended and the remaining CDBG funding).