



Miami-Dade Board of County Commissioners
Office of the Commission Auditor

Housing and Social Services Committee (HSSC) Meeting

February 12, 2018
9:30 A.M.
Commissioners Chambers

Thomas B. Davis, Esq.
Director, Policy and Legislation
Office of the Commission Auditor (OCA)
111 N.W. First Street, Suite 1030
Miami, FL 33128
(305) 375-2524

**HSSC Meeting: February 12, 2018
Research Notes**

**Item No. 1G1
File No. 180123**

Researcher: AIP Reviewer: TD

ORDINANCE RELATING TO INFILL HOUSING; CREATING SECTION 17-124.3 OF THE CODE OF MIAMI-DADE COUNTY, FLORIDA; CREATING AN INFILL HOUSING INITIATIVE MULTIFAMILY HOMEOWNERSHIP DEMONSTRATION PROGRAM; DIRECTING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO DEVELOP AND IMPLEMENT GUIDELINES FOR THE PROGRAM AND TO IDENTIFY INFILL PARCELS SUITABLE FOR THE PROGRAM; REQUIRING RESTRICTIVE COVENANTS; PROVIDING SUNSET PROVISION; REQUIRING A REPORT; PROVIDING SEVERABILITY, INCLUSION IN THE CODE, AND AN EFFECTIVE DATE

ISSUE/REQUESTED ACTION

Whether the Board should approve amending the Code to create the Infill Housing Initiative Multifamily Homeownership Demonstration Program to promote the purchase of duplexes by qualified low-income homebuyers.

APPLICABLE LEGISLATION/POLICY

Section 125.379 of the Florida Statutes (*Disposition of County Property for Affordable Housing*) allows for the sale of County properties that have been deemed affordable housing and for the sale of land and property to be put onto county funds to be used towards affordable housing projects and developments.
http://www.leg.state.fl.us/Statutes/index.cfm?App_mode=Display_Statute&Search_String=&URL=0100-0199/0125/Sections/0125.379.html

Miami-Dade County Code Article VII Chapter 17 (Section 17-121 to 17-128) (*Infill Housing Initiative*):
[https://library.municode.com/FL/Miami - Dade County/codes/Code of Ordinances?nodeId=PTIICOOR_CH17HO_ARTVIIINHAIN](https://library.municode.com/FL/Miami-Dade County/codes/Code of Ordinances?nodeId=PTIICOOR_CH17HO_ARTVIIINHAIN)

Section 17-128.1 of the Miami-Dade County Code (*Reports to the Board of County Commissioners*) relates to the reports the mayor or designee must provide to the Board of County Commissioners.
[https://library.municode.com/fl/miami - dade county/codes/code of ordinances?nodeId=PTIICOOR_CH17HO_ARTVIIINHAIN_S17-128.1REBOCOCO](https://library.municode.com/fl/miami-dade-county/codes/code-of-ordinances?nodeId=PTIICOOR_CH17HO_ARTVIIINHAIN_S17-128.1REBOCOCO)

Implementing Order 3-44 (*Infill Housing Program Initiative*):
<http://www.miamidade.gov/aopdfdoc/aopdf/pdffiles/IO3-44.pdf>

PROCEDURAL HISTORY

Prime Sponsor: Vice Chairwoman Commissioner Audrey M. Edmonson, District 3
Department/Requester: None

1/23/18: Item was adopted on first reading and set for public hearing before the HSSC on February 12, 2018.

FISCAL IMPACT

No fiscal impact has been determined.

ANALYSIS

This item seeks to create Section 17-124.3 of the Miami-Dade County Code to expand the infill housing program to provide opportunities for income-eligible first-time homebuyers to purchase duplexes and become landlords as they

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would rent the adjacent unit. The program aims to encourage asset and wealth-building as the homeowner capitalizes on the rental income to offset mortgage costs.

This ordinance would create the Infill Housing Initiative Multifamily Homeownership Demonstration Program, which would construct and/or rehabilitate and sell duplexes to individuals who qualify for the program. The table below compares the existing applicable code section to the proposed ordinance.

As it currently reads	Proposed changes
	<p>Section 17-124.3. Infill Housing Initiative Multifamily Homeownership Demonstration Program.</p> <p>(a) Notwithstanding any contrary provision of this code, a demonstration program for multifamily homeownership is hereby created, subject to the terms and conditions of this section. The program shall be referred to in this section as the Infill Housing Initiative Multifamily Homeownership Program (hereinafter referred to as the “Program”).</p> <p>(1) The Program shall be limited to the construction or rehabilitation and sale of duplexes to qualified households found eligible to purchase such duplexes in accordance with section 17-124.1 and Implementing Order No. 3-44, as amended. For purpose of this section the term duplex shall mean a single building with two dwelling units with separate entrances and which meets the requirements of section 33-201.1.</p> <p>(2) The County Mayor or the County Mayor’s designee shall develop and implement guidelines for the Program, subject to the Board of County Commissioner’s approval. The County Mayor or the County Mayor’s designee shall also develop or shall request the Miami-Dade Housing Finance Authority to develop a first-time landlord course which each qualified household shall be required to attend prior to purchasing a duplex under the Program.</p> <p>(3) The County Mayor or the County Mayor’s designee shall identify those infill parcels which are suitable and zoned for the construction or rehabilitation of duplexes and shall make such properties available to qualified developers through a competitive process as set forth in Implementing Order No. 3-44, as amended. The conveyance of such properties to qualified developers shall be subject to the approval of the Board of County Commissioners. Alternatively, the Board of County</p>

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	<p>Commissioners may authorize the conveyance of infill parcels without a competitive process in accordance with Section 125.379, Florida Statutes, and the Program.</p> <p>(4) In accordance with section 17-124.1(d) and Implementing Order No. 3-44, as amended, each qualified household that purchases a duplex shall be required to record in the Public Records one or more restrictive covenant that requires that the dwelling unit in which the qualified household resides shall remain affordable during the term of the control period. Such restrictive covenant shall also authorize the qualified household to rent the other unit in the duplex to very-low, low or moderate income households.</p> <p>(b) All provisions of this article shall pertain to the Program.</p> <p>(c) This section shall sunset on June 30, 2019 unless extended by the Board of County Commissioners.</p>
<p>Section 2. Section 17-128.1</p> <p>The County Mayor or the County Mayor's designee shall submit an annual report to the Miami-Dade Board of County Commissioners concerning compliance with the provisions of this article. This annual report shall include but not be limited to (i) a list of lots made available to qualified developers and private lots that were included in the Infill Housing Initiative Program, (ii) number of homes built and sold or rented to qualified households, (iv) a summary of the amount of liens released on County and private property and (v) legal actions taken against violators of this Article of the Code. The completed report required by this section shall be placed on an agenda of the Board pursuant to Ordinance No. 14-65.</p>	<p>Section 2. Section 17-128.1</p> <p>The County Mayor or the County Mayor's designee shall submit an annual report to the Miami-Dade Board of County Commissioners concerning compliance with the provisions of this article. This annual report shall include but not be limited to (i) a list of lots made available to qualified developers and private lots that were included in the Infill Housing Initiative Program, (ii) number of homes built and sold or rented to qualified households, (iv) a summary of the amount of liens released on County and private property and (v) legal actions taken against violators of this article. In addition to the before-mentioned report, the County Mayor or the County Mayor's designee shall also submit a report to the Board related to the Infill Housing Initiative Multifamily Homeownership Demonstration Program established pursuant to section 17-124.3. The Infill Housing Initiative Multifamily Homeownership Demonstration Program report shall include but not be limited to (i) the total number of duplexes constructed or rehabilitated and sold to qualified households; (ii) the location of and County Commission Districts in which such duplexes are located; (iii) a list of impediments, if any, that may delay or frustrate the implementation of the program; and (iv) a recommendation related to whether the Board should consider extending the sunset date of the program. The</p>

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	Infill Housing Initiative Multifamily Homeownership Demonstration Program report shall be submitted to the Board no later than February 28, 2019. The completed reports required by this section shall be placed on an agenda of the Board pursuant to Ordinance No. 14-65.
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ADDITIONAL INFORMATION

The Miami-Dade County Infill Housing Initiative Program is located at 701 NW 1st CT, 16 Floor Miami, FL 33136. The purpose of the Infill Housing Program (Infill Program) is to increase the availability of affordable homes for very low-, low- and moderate-income persons and households, maintain a stock of affordable housing; redevelop urban neighborhoods by eliminating the blight of vacant, dilapidated or abandoned properties; equitably distribute homeownership opportunities within the Infill Target Areas, and generate payment of ad valorem taxes. The Infill Program shall encourage the sale or transfer of County-owned properties to Infill Developers. The Infill Developers shall be required to build affordable homes to be sold to very low, low- and moderate-income persons. Although the Infill Program is primarily designed to create affordable homeownership of single family homes, the County, under limited circumstances, at its sole discretion, may allow Infill Developers to rent these homes to qualified very low-, low-, or moderate-income families.

Developers experience, qualifications and other evaluation criteria are reviewed as part of the RFP solicitation process or as otherwise required for participation in the Infill Program. Minimum requirements include, but not be limited to the following:

- 1) Relevant experience, qualifications, past performance and length of time in business;
- 2) Relevant experience and qualifications of key personnel, including key personnel of subcontractors, which will be assigned to the project, number of employees, and experience and qualifications of subcontractors;
- 3) Past performance on similar housing projects;
- 4) Financial strength and ability to provide start-up operations;
- 5) Financial capacity to build the homes;
- 6) Sample Marketing plan and skills to reach out to Eligible Households;
- 7) Provide project budgets, architectural plans, project schedules, operation of property and meeting time schedules; proposed sales price consistent with program sales cap;
- 8) Specific key tasks necessary to concurrently develop multiple lots to complete on time and within budget;
- 9) Contracts (past and current) with the County and describe if developer met project goals, timelines, and within budget;
- 10) Payment of County real estate taxes, code compliance liens and other County fees when due.

The Developer submits the completed application, required documents, and fee(s) 60 days prior to the sale of an eligible home to a qualified first-time homebuyer. After the sale of the Infill home to a qualified first-time homebuyer, and after the Warrantee Deed and buyer's Restrictive Covenant is recorded, the Department will record the Release of County Liens and Citations. Only qualified County liens and citations may be released.

Link to Miami-Dade County Infill Housing Developer Requirements: <http://www.miamidade.gov/housing/infill-housing-developers.asp>

Guidelines for the Miami-Dade County Infill Housing Initiative Program: <http://www.miamidade.gov/housing/library/guidelines/infill-housing.pdf>

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**Item No. 3A
File No. 180198**

Researcher: SA Reviewer: PGE

RESOLUTION APPROVING THE PROPOSED FUNDING RECOMMENDATIONS FOR UP TO \$20,692,000.00 FOR THE FISCAL YEAR 2017 REQUEST FOR APPLICATIONS FOR THE DOCUMENTARY STAMP SURTAX PROGRAM AND STATE HOUSING INITIATIVES PARTNERSHIP PROGRAM; AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO EXECUTE AMENDMENTS, SHELL CONTRACTS, LOAN DOCUMENTS AND OTHER TRANSACTIONAL DOCUMENTS NECESSARY TO ACCOMPLISH THE PURPOSES SET FORTH HEREIN AND TO EXERCISE TERMINATION, WAIVER, ACCELERATION AND OTHER PROVISIONS SET FORTH THEREIN

ISSUE/REQUESTED ACTION

Whether the Board should approve the Fiscal Year (FY) 2017 Request for Applications (RFA) in an amount up to \$20,692,000 for the Documentary Stamp Surtax Program (Surtax) and State Housing Initiatives Partnership Program (SHIP) to fund (1) multi-family rental housing development countywide; (2) multi-family housing development in the Brownsville Subdivision; (3) multi-family workforce rental development; (4) elderly housing development; and (5) public housing developments.

APPLICABLE LEGISLATION/POLICY

Resolution No. R-343-15 (*Surtax Gap Funding Cap*), adopted by the Board on April 21, 2015, limits the proposed percentage of funding for Surtax with relation to the affordable housing development. Furthermore, it requires the Mayor or Mayor's designee to review the limitation on the total amount of Surtax and make recommendations to the Board each year as to whether the limitation should be revised.

<http://intra/gia/matter.asp?matter=151100&file=false&yearFolder=Y2015>

Resolution No. R-346-15 (*Establishing Maximum Development Cost Per Unit*), adopted by the Board on April 21, 2015, established a limit of \$225,000 for the construction, rehabilitation and to obtain affordable housing. However, for new high rise construction buildings that are seven floors or more, the limit shall be \$250,000.00.

<http://intra/gia/matter.asp?matter=151090&file=false&yearFolder=Y2015>

Resolution No. R-630-13 (*Due Diligence in HCD Funding*), adopted by the Board on July 16, 2013, requires the Mayor or Mayor designee to take certain measures of protection before entering into contract negotiations or executed agreements between the County and Agencies. These measures include reviewing the project budget, sources and use statement, certification as to past defaults on agreements with non-county funding sources and due diligence checks prior to recommending a commitment of Housing and Community Development Funds.

<http://intra/gia/matter.asp?matter=131512&file=false&yearFolder=Y2013>

PROCEDURAL HISTORY

**Prime Sponsor: Commissioner Audrey M. Edmonson, District 3
Requester/Department: Public Housing and Community Development**

FISCAL IMPACT

Pursuant to Resolution No. R-910-17, for FY 16, the Surtax and SHIP RFA combined funding level was \$36,877,339. The current item proposes using up to \$20,692,000 in Surtax and SHIP Program funds to support FY 2017 RFA projects. The table below shows the recommended allocation by project category.

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Multi-Family Rental Countywide	Multi-Family Rental-Brownsville Subdivision	Multi-Family Workforce Developments	Elderly Housing Developments	Public Housing Developments
\$10,952,000	\$900,000	\$3,000,000	\$2,500,000	\$3,700,000

ANALYSIS

The purpose of this proposed item is to seek the Board’s approval of the proposed funding recommendations for up to \$20,692,000 for FY 2017 RFA for Surtax and SHIP.

The process from advertisement to selection of a RFA is made available through the posts issued by the PHCD department’s website. Emails were also issued to a mailing list of developers that have been part of other County projects. The County, through the PHCD department solicited applications on May 31, 2017 under a RFA to fund activities with Surtax and SHIP, per the description of the RFA application.

<https://www.miamidade.gov/housing/library/guidelines/rfa2017/2017-surtax-ship-housing-development-rfa-final.pdf>

When the RFA application was issued it stated it was addressing areas that need affordable housing and would target multi-family rental housing, small developments, elderly and workforce housing, public housing, homeownership, acquisition/rehabilitation and homebuyer counseling. The Department’s FY 2017 for Surtax and SHIP RFA estimated \$37,638,447 in available funding. On June 30, 2017 the department received 22 applications that met the 12 step minimum threshold requirements in addition to the applications that stated the need for gap financing for the developments. Following this review the department forwarded the applications to the Mayor’s office so they could be rated by the evaluation/selection committee and out of the 22 applications 8 were chosen.

Gap Finance Funds fill the GAP between existing financing commitments to a project and the overall Development Cost of the housing project. Development Cost of the project means the total cost of completing the entire project, from acquisition to issuance of a certificate of occupancy, including but not limited to the cost for acquisition, design and planning, zoning and variances, financing costs, legal costs, construction, permitting, hard costs and development soft costs, per the guidelines which can be found in the link below.

<https://www.miamidade.gov/housing/library/guidelines/rfa2017/2017-surtax-ship-housing-development-rfa-final.pdf>

The Surtax program is city-funded through Miami-Dade County’s discretionary documentary stamp tax. Surtax provides affordable housing assistance to low and moderate income Miami-Dade residents. The program requires that at least 75% of the funds allocated to each successful agency are to benefit low-income families (those with income of 80% or less of the area median income (AMI) for Miami-Dade County). The remaining 25% are to be made available to moderate income families (those with income of up 140% of the AMI).

<http://www.miamidade.gov/housing/documentary-stamp-surtax-program.asp>

<http://nlihc.org/rental-programs/catalog/miami-documentary-surtax-program>

The SHIP program provides funds to local governments as an incentive to create partnerships that produce and preserve affordable homeownership and multifamily housing. The program assists very low, low and moderate income families. The SHIP funds can be used to fund emergency repairs, new construction, rehabilitation, gap financing, mortgage buy-downs, acquisition of property for affordable housing, matching dollars for federal housing grants and programs.

A minimum of 65 percent of the funds must be spent on eligible homeownership activities; a minimum of 75 percent of funds must be spent on eligible construction activities; at least 30 percent of the funds must be reserved for very-low income households an additional 30 percent may be reserved for low income households and the remaining funds may be reserved for moderate-income households.

<http://www.miamidade.gov/housing/ship-program.asp>

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ADDITIONAL INFORMATION

The table below shows the 8 developers that were scored; they are currently all active on Sunbiz.org.

Developer	Category	Development Type	Commission District
Related Urban Development Group, LLC	Multi-Family Rental Countywide	New construction Multi Family units	7
Related Urban Development Group, LLC	Multi-Family Rental Countywide	Multi-Family Units	5
Coral Bay Cove, LLC	Multi-Family Rental Countywide	New Construction of residential units, buildings Garden Style Development	9
Centennial Management Corp	Multi-Family Rental Countywide	Acquisition and rehabilitation Garden Style Rentals	13
Regatta Place Associates , LLC	Multi-Family Rental Brownsville Subdivision	Garden Style Community	3
Centennial Management Corp	Multi-Family Rental Workforce development	Acquisition development and construction of new construction garden style housing rental	8
Atlantic Pacific Communities	Elderly Housing Development	Second phase of Northside Transit Village Development Located on North side Metrorail Station	2
Related Urban Development Group RUDG, LLC	Public Housing Development	New construction Multi Family units	5

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Item No. 3B
File No. 180162

Researcher: SA Reviewer: PGE

RESOLUTION APPROVING THE PROPOSED FUNDING RECOMMENDATION FOR UP TO \$3,668,000.00 FOR THE FISCAL YEAR 2017 REQUEST FOR APPLICATIONS FOR THE DOCUMENTARY STAMP SURTAX PROGRAM AND STATE HOUSING INITIATIVES PARTNERSHIP PROGRAM FOR THE PINNACLE HOUSING GROUP, LLC'S AND VERBENA, LLC'S MULTI-FAMILY COUNTYWIDE RENTAL DEVELOPMENT; AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO EXECUTE AMENDMENTS, SHELL CONTRACTS, LOAN DOCUMENTS AND OTHER TRANSACTIONAL DOCUMENTS NECESSARY TO ACCOMPLISH THE PURPOSES SET FORTH HEREIN AND TO EXERCISE TERMINATION, WAIVER, ACCELERATION AND OTHER PROVISIONS SET FORTH THEREIN

ISSUE/REQUESTED ACTION

Whether the Board should approve the proposed funding recommendations of up to \$3,668,000 for Fiscal Year (FY) 2017 Request for Applications (RFA) for the Documentary Stamp Surtax Program (Surtax) and State Housing Initiatives Partnership Program (SHIP) to Verbena, LLC and Pinnacle Housing Groups, LLC (PHG) to support Multi-Family Rental developments.

APPLICABLE LEGISLATION/POLICY

Resolution No. R-343-15 (*Surtax Gap Funding Cap*), adopted by the Board on April 21, 2015, limits the proposed percentage of funding for Surtax with relation to the affordable housing development. Furthermore, it requires the Mayor or Mayor's designee to review the limitation on the total amount of Surtax and make recommendations to the Board each year as to whether the limitation should be revised.

<http://intra/gia/matter.asp?matter=151100&file=false&yearFolder=Y2015>

Resolution No. R-346-15 (*Establishing Maximum Development Cost Per Unit*), adopted by the Board on April 21, 2015, established a limit of \$225,000 for the construction, rehabilitation and to obtain affordable housing. However, for new high rise construction buildings that are seven floors or more, the limit shall be \$250,000.00.

<http://intra/gia/matter.asp?matter=151090&file=false&yearFolder=Y2015>

Resolution No. R-630-13 (*Due Diligence in HCD Funding*), adopted by the Board on July 16, 2013, requires the Mayor or Mayor designee to take certain measures of protection before entering into contract negotiations or executed agreements between the County and Agencies. These measures include reviewing the project budget, sources and use statement, certification as to past defaults on agreements with non-county funding sources and due diligence checks prior to recommending a commitment of Housing and Community Development Funds.

<http://intra/gia/matter.asp?matter=131512&file=false&yearFolder=Y2013>

PROCEDURAL HISTORY

Prime Sponsor: Commissioner Dennis Moss, District 9
Requester/Department: Public Housing and Community Development

FISCAL IMPACT

The proposed funding is for up to \$3,668,000 for the FY 2017 Documentary Stamp Surtax Program and State Housing Initiatives Partnership Program to Pinnacle Housing Groups, LLC and Verbena, LLC.

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ANALYSIS

The purpose of this proposed item is to seek the Board's approval for up to \$3,668,000 for FY 2017 RFA for Surtax and SHIP Programs to Verbena, LLC and Pinnacle Housing Group, LLC to support the new construction of two midrise residential buildings totaling 110 affordable rental units SW of the intersection of SW 282 Street and South Dixie Highway in District 9.

The process from advertisement to selection of a RFA is made available through the posts issued by the PHCD department's website. Emails were also issued to a mailing list of developers that have been part of other County projects. The County, through the PHCD department solicited applications on May 31, 2017 under a RFA to fund activities with Surtax and SHIP, per the description of the RFA application.

<https://www.miamidade.gov/housing/library/guidelines/rfa2017/2017-surtax-ship-housing-development-rfa-final.pdf>

On June 30, 2017 the department received 22 applications that met the 12 step minimum threshold requirements in addition to the applications that stated the need for gap financing for the developments. Following this review, the department forwarded the applications to the Mayor's office so they could be rated by the evaluation/selection committee and out of the 22 applications, 8 were chosen. From the review, the recommended funding was for an amount up to \$20,692,000. The funding would focus on new construction of Multi-Family Rentals Countywide, Multi-Family Rentals in the Brownsville Subdivision, Multi-Family Workforce, Elderly Housing, and Public Housing Developments. Furthermore, within the recommended funding, the 4 applicants for the Multi-Family Rental countywide developments had \$14,260,000 available in funding. However, based on the applicants, they only were using \$10,592,000 for Multi-Family Rentals Countywide which left \$3,668,000 available to use for the Verbena/Pinnacle Housing Groups, LLC (PHG).

The Surtax program is city-funded through Miami-Dade County's discretionary documentary stamp tax. Surtax provides affordable housing assistance to low and moderate income Miami-Dade residents. The program requires that at least 75% of the funds allocated to each successful agency are to benefit low-income families (those with income of 80% or less of the area median income (AMI) for Miami-Dade County). The remaining 25% are to be made available to moderate income families (those with income of up to 140% of the AMI).

<http://www.miamidade.gov/housing/documentary-stamp-surtax-program.asp>

<http://nlihc.org/rental-programs/catalog/miami-documentary-surtax-program>

The SHIP program provides funds to local governments as an incentive to create partnerships that produce and preserve affordable homeownership and multifamily housing. The program assists very low, low and moderate income families. The SHIP funds can be used to fund emergency repairs, new construction, rehabilitation, gap financing, mortgage buy-downs, acquisition of property for affordable housing, matching dollars for federal housing grants and programs. A minimum of 65 percent of the funds must be spent on eligible homeownership activities; a minimum of 75 percent of funds must be spent on eligible construction activities; at least 30 percent of the funds must be reserved for very-low income households an additional 30 percent may be reserved for low income households and the remaining funds may be reserved for moderate-income households.

<http://www.miamidade.gov/housing/ship-program.asp>

Gap Finance Funds fill the GAP between existing financing commitments to a project and the overall Development Cost of the housing project. Development Cost of the project means the total cost of completing the entire project, from acquisition to issuance of a certificate of occupancy, including but not limited to the cost for acquisition, design and planning, zoning and variances, financing costs, legal costs, construction, permitting, hard costs and development soft costs, per the guidelines which can be found in the link below.

<https://www.miamidade.gov/housing/library/guidelines/rfa2017/2017-surtax-ship-housing-development-rfa-final.pdf>

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Verbena/Pinnacle Housing Groups, LLC was not one of the developer applications rated by the Mayor's office since it did not meet the Diligence Review requirement as detailed in Resolution No. R-630-13 which is detailed under the applicable legislation/policy section. The company was party to a Deferred Prosecution Agreement entered between DAXC, LLC that no longer exist or is affiliated to Pinnacle Housing Group and the United States. DAXC, LLC was improperly increasing construction costs of four affordable housing projects that were funded by Florida Housing Finance Corporation (FHFC).

FHFC filed an administrative complaint against DAXC, LLC and on August 23, 2017 FHFC and PHS entered into a settlement agreement. The agreement was approved on September 22, 2017 by the Board of Directors of the FHFC. As per the stipulations in the settlement agreement, both parties agreed that for the next two RFA cycles for FY 2017-18 and 2018-19, if an application is submitted by Pinnacle or any of its affiliates for any RFA dealing then, the applicants will not be able to collect more than 5% in developer fees or 6% in general contractor fees. If applying as a co-developer, the non-pinnacle related developer may collect up to the remaining 11%. If the general contractor in any Pinnacle or Pinnacle related developer application is non-affiliated to Pinnacle, then they are entitled to collect the fee permitted by FHFC. Furthermore, any applications awarded subject to this agreement will undergo heightened general contractor auditing which will include audits of (12) sub-contractors and 80% construction costs, as stated in the settlement agreement that's attached in the mayoral memo.

After the department met with PHG and further information was provided, directives from the Mayor to PHG were implemented and accepted so they could participate in the FY 2017 Surtax/SHIP RFA process. Below is a list of the Negotiated Terms:

1. PHG agreed to pay the County \$320,000 for inflated costs associated with one of the Deferred Prosecution Agreements. The funds would be deposited into the Surtax program account as program income.
2. PHG developer's fee were reduced from 16 percent or \$3,843,906.00 to 12 percent or \$2,835,751.00.
3. PHG general contracts fee were reduced from 14 percent or \$2,206,326.00 to 11 percent or \$1,798,141.00.
4. PHG stated they would provide Miami Dade County through Fiscal Years 201/2018 the same reduction of developers and general contractor fees that they agreed with FHFC.
5. PHG agreed \$3,688,000.00 would be the maximum Surtax award for the Verbena project.

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**Item No. 3C
File No. 180169**

Researcher: AIP Reviewer: TD

RESOLUTION APPROVING AWARD OF A GROUND LEASE TO ATLANTIC PACIFIC COMMUNITIES, LLC, PURSUANT TO REQUEST FOR PROPOSAL NUMBER 2017-01, FOR THE PURPOSE OF DESIGNING AND BUILDING A MIXED-USE HOUSING AND COMMERCIAL TRANSIT-ORIENTED DEVELOPMENT KNOWN AS QUAIL ROOST TRANSIT VILLAGE WITH ANNUAL PAYMENTS BY ATLANTIC PACIFIC COMMUNITIES, LLC TO MIAMI-DADE COUNTY INCLUDING A GROUND LEASE PAYMENT OF \$1.00 ANNUALLY AND A BASE RENT PAYMENT IN THE TOTAL AMOUNT OF \$700,000.00; AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO EXECUTE SUCH GROUND LEASE AGREEMENT TO PROVIDE SITE CONTROL OF THE DEVELOPMENT WITH ATLANTIC PACIFIC COMMUNITIES, LLC, OR ITS SUBSIDIARIES, TO EXERCISE ANY CANCELLATION AND RENEWAL PROVISIONS, AND TO EXERCISE ALL OTHER RIGHTS CONTAINED THEREIN, AND TO CONSENT TO ATLANTIC PACIFIC COMMUNITIES, LLC EXECUTION OF ANY SUB-GROUND LEASES, AS MAY BE NECESSARY; REQUIRING THE BOARD'S APPROVALS OF LONG-TERM GROUND LEASE(S) AND OTHER AGREEMENTS; AND DIRECTING THE COUNTY MAYOR OR THE COUNTY MAYOR'S DESIGNEE TO SUBMIT A REPORT, IF NECESSARY

ISSUE/REQUESTED ACTION

Whether the Board should approve the request for a ground lease to Atlantic Pacific Communities, LLC to build a Transit-Oriented Development at Quail Roost.

APPLICABLE LEGISLATION/POLICY

Section 2-8.1 (k) of the Miami-Dade County Code (*Unsolicited Proposals*)

https://library.municode.com/fl/miami-dade-county/codes/code-of-ordinances?nodeId=PTIICOOR_CH2AD_ARTIINGE_S2-8.1COPUGE

Ordinance No. 14-65 (*Reports for Studies Rules of Procedures*), which was adopted by the Board on July 1, 2014, which related to the rules of procedures, requiring reports to be prepared at the request of the Board.

<http://intra/gia/matter.asp?matter=141471&file=true&yearFolder=Y2014>

Resolution No. R-1151-16 (*Proposal by Atlantic Pacific Communities, LLC*); Adopted by the Board on December 6, 2016, which approved an unsolicited proposal by Atlantic Pacific Communities, LLC for the construction of a mixed use and transit-oriented development at Quail Roost.

<http://intra/gia/matter.asp?matter=162540&file=true&yearFolder=Y2016>

Resolution No. R-974-09 (*Filing Closing Documents BCC Clerk*); Adopted on July 21, 2009, which directs any resolution authorizing the execution of instruments creating a County interest in real property shall require such instruments to be recorded in the public records of Miami-Dade County and attached by the Clerk of the Board to the authorizing resolution.

<http://intra/gia/matter.asp?matter=091900&file=true&yearFolder=Y2009>

PROCEDURAL HISTORY

Prime Sponsor: Commissioner Dennis C. Moss, District 9

Department/Requester: Public Housing and Community Development

This item has no procedural history.

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Research Notes**

FISCAL IMPACT

According to the mayoral memo, there is no fiscal impact to the County related to general funds. Furthermore, this item has no known impact to performance or compliance. Atlantic Pacific Communities, LLC will pay the County \$1 for every year for the rental of the land, and the lease term is for 75 years, so that would bring in \$75 total. In addition to this, Atlantic Pacific Communities, LLC will pay \$5,000 per unit, and there will be a total of 140 units, resulting in a total amount of \$700,000 to be paid to the County. This is displayed in the table below:

Per Year/Unit	Total Years/Units in the Agreement	Total
\$1 per year	Total of 75 years	\$75
\$5,000 per unit	Total of 140 units	\$700,000

ANALYSIS

This item seeks to approve a lease agreement between the County and Atlantic Pacific Communities, LLC. The Ground lease term is for 75 years. The land will be used for a housing and park-and-ride mixed-use development project along the South Dade Transit way Corridor. Atlantic Pacific Communities was chosen as the winning bid in a competitive solicitation back in 2016, based on a point system.

The item mentions on handwritten page 12 (Ground Lease) that the land consists of approximately 2.88 acres of land, “East parcel” (Folio No. 30-6006-001-0140) OR 2.46 acres of land “west parcel” (Folio Nos. 30-6005-001-0290 & 30-6005-001-0292). The item also states that both the east and west parcels will be leased under separate ground leases. It is unclear however, if this item is leasing all 3 land folios (east and west parcel) in one ground lease, or if a future resolution will lease the other parcel, because on handwritten page 42 (Exhibit A), all 3 land folios are listed under the “Legal Description of the Land”. OCA contacted the Public Housing and Community Development Department for clarification, and as of 2/8/18 has not received an answer.

ADDITIONAL INFORMATION

According to the Florida Department of State website (Sunbiz), Atlantic Pacific Communities, LLC is a foreign limited liability company that has been active since September 18, 2013. A corporate filing is called a foreign filing when an existing corporate entity files in a state other than the state they originally filed in. This does not necessarily mean that they are from outside the United States. According to Corporation Wiki.com, and data from the Texas Department of State, Atlantic Pacific Communities, LLC is also active in the state of Texas.

Sunbiz Link to Atlantic Pacific Communities, LLC: (shortened URL): <https://goo.gl/2Z8sP9>

Corporation Wiki Link to Atlantic Pacific Communities, LLC: <https://www.corporationwiki.com/p/2dxqyg/atlantic-pacific-communities-llc>