



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

**Housing, Social Services & Economic Development**  
**(HSSD) Committee Meeting**

January 13, 2020  
9:30 A.M.  
Commission Chambers

Yinka Majekodunmi, CPA  
Commission Auditor  
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**HSSSED Meeting:  
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Research Notes**

**Item No. 3A  
File No. 193013**

**Researcher: VW    Reviewer: PGE**

RESOLUTION APPROVING THE BUDGET FOR FISCAL YEAR 2019-20 FOR THE SOUTH MIAMI COMMUNITY REDEVELOPMENT AGENCY AND SOUTH MIAMI COMMUNITY REDEVELOPMENT AREA TOTALING \$3,593,089.00.

**ISSUE/REQUESTED ACTION**

Whether the Board should approve the Fiscal Year 2019-20 budget, totaling \$3,593,089, for the South Miami Community Redevelopment Agency and the South Miami Community Redevelopment Area.

**PROCEDURAL HISTORY**

**Prime Sponsor:** Commissioner Xavier L. Suarez, District 7

**Department/Requester:** Office of Management and Budget

**ANALYSIS**

The purpose of this item is to approve the budget for Fiscal Year 2019-20 for the South Miami Community Redevelopment Agency (CRA) and the South Miami Community Redevelopment Area (Area), totaling \$3,593,089. The Interlocal Agreement between the CRA and the County requires that the Agency's annual budget be approved by the Board of County Commissioners prior to the Agency expending any funds. The previous budget for Fiscal Year 2018-19 was approved by the Board pursuant to Resolution No. R-54-19 on January 23, 2019 in the amount of \$3,443,980. The CRA's Fiscal Year 2019-2020 budget was approved by the Agency on August 6, 2019 and by the City of South Miami on August 20, 2019.

The South Miami Community Redevelopment Agency is an urban initiative established on June 16, 1998 to address documented slum and blight conditions in the City of South Miami by improving the physical environment and quality of life in the redevelopment area. The CRA is a neighborhood development agency in Commission Districts 7, represented by Commissioner Xavier L. Suarez. The CRA's geographic area is generally described as being bounded by SW 62nd Avenue on the West, SW 62nd Street on the North, SW 57th Avenue on the East, and SW 72nd Street on the South. The specific goals of the CRA continue to be the increase of property values within the area, the provision of enhanced safety to the area's residents in the form of community policing, and the identification of opportunities to improve the physical quality of life for the businesses and residents of the area in accordance with the Community Redevelopment Plan. Note that the CRA is currently scheduled to sunset on June 1, 2020.

The table below displays individual revenue items constituting the amended budget for 2018-19 and the budget for 2019-20.

<b>South Miami CRA Revenues</b>		
	(FY 18-19)	(FY 19-20)
COSM Increment	\$738,889	\$748,039
MDC Increment	\$801,802	\$811,782
Cash Carryover	\$1,866,039	\$2,003,468
All Other Revenues	\$33,000	\$26,000
Interest Earnings	\$4,250	\$3,800
<b>Revenue Total</b>	<b>\$3,443,980</b>	<b>\$3,593,089</b>

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The table below displays individual expenditure items constituting the budget for 2019-20.

<b>South Miami CRA Expenditures</b>		
	(FY 18-19)	(FY 19-20)
Administrative Expenditures + 1.5% County Admin Charge	\$198,213	\$201,515
Operating Expenditures	\$3,240,767	\$3,278,884
Reserve/Contingency	\$5,000	\$112,690
<b>Total Expenditures</b>	<b>\$3,443,980</b>	<b>\$3,593,089</b>

The CRA adopted the FY 2019-20 budget of \$3,593,089 on August 6, 2019 basing numbers on projections of tax revenues and cash balances at the end of FY 2018-19, including \$2,003,468 in carryover funds and \$3,800 in projected interest earnings, in addition to the tax revenue of \$1,559,821. Summary information regarding the CRA's 2019-20 budget line items relative to the CRA's 2018-19 budget line items is provided in the table below.

<b>South Miami</b>		
	(FY 18-19)	(FY 19-20)
Administration	\$186,186	\$189,338
Legal and Other Uses	\$34,027	\$84,177
Infrastructure	\$170,000	\$1,300,000
Economic Development	\$20,000	\$140,000
Housing Improvements	\$130,000	\$125,000
Property Management	\$109,432	\$109,703
Marketing	\$40,500	\$62,500
Community Policing & Outreach	\$227,152	\$225,087
Operating Expenses	\$15,500	\$17,750
General Fund Transfers	\$110,965	\$185,087
Redevelopment Services	\$2,300,218	\$1,046,757
Reserve/Contingency	\$5,000	\$107,690
<b>Total Expenditures</b>	<b>\$3,348,980</b>	<b>\$3,593,089</b>

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During the life of the CRA, it has completed various improvements including water and sewer connections, sidewalk installation and improvements, streetscapes, beautification projects, approximately 100 home rehabilitations, new housing projects and various other community improvement projects. In 2020, Madison Square, a mixed-use affordable housing development being constructed on land which the CRA conveyed for development is expected to be completed.

**ADDITIONAL INFORMATION**

The South Miami Community Redevelopment Agency is charged with the responsibility of eliminating conditions of blight that exist within the City and helping to improve the quality of life by revitalizing the City's physical, economic, educational and social resources.

<https://www.southmiamifl.gov/409/CRA-Plan>

**APPLICABLE LEGISLATION/POLICY**

**Chapter 163, Part III, Florida Statutes** (The Community Redevelopment Act) governs community redevelopment programs. The Act authorizes counties and municipalities in the State of Florida to create community redevelopment agencies, to prepare redevelopment plans for certain defined areas within their boundaries designated as community redevelopment areas, within which community redevelopment projects and activities may be undertaken to eliminate and prevent the development and spread of slum and blighted areas through the use of creative financing mechanisms.

[http://www.leg.state.fl.us/Statutes/index.cfm?App\\_mode=Display\\_Statute&Search\\_String=&URL=0100-0199/0163/0163PARTIIIContentsIndex.html](http://www.leg.state.fl.us/Statutes/index.cfm?App_mode=Display_Statute&Search_String=&URL=0100-0199/0163/0163PARTIIIContentsIndex.html)

**Section 163.356, Florida Statutes** governs the creation of community redevelopment agencies.

[http://www.leg.state.fl.us/statutes/index.cfm?mode=View%20Statutes&SubMenu=1&App\\_mode=Display\\_Statute&Search\\_String=163.356&URL=0100-0199/0163/Sections/0163.356.html](http://www.leg.state.fl.us/statutes/index.cfm?mode=View%20Statutes&SubMenu=1&App_mode=Display_Statute&Search_String=163.356&URL=0100-0199/0163/Sections/0163.356.html)

**Section 163.387, Florida Statutes** governs redevelopment trust funds. A redevelopment trust fund may be established for each community redevelopment agency after approval of a community redevelopment plan. Funds in the trust shall be used by the agency to finance or refinance any community redevelopment in accordance with the approved community redevelopment plan.

[http://www.leg.state.fl.us/statutes/index.cfm?mode=View%20Statutes&SubMenu=1&App\\_mode=Display\\_Statute&Search\\_String=163.387&URL=0100-0199/0163/Sections/0163.387.html](http://www.leg.state.fl.us/statutes/index.cfm?mode=View%20Statutes&SubMenu=1&App_mode=Display_Statute&Search_String=163.387&URL=0100-0199/0163/Sections/0163.387.html)

**Resolution No. R-1374-96**, adopted on December 3, 1996, declares certain geographic area of the city of the south Miami, Florida described generally as bounded by S.W. 62nd avenue on the west, S.W. 62nd street on the north, S.W. 57th avenue on the east, and S.W. 72nd street on the south to be a slum or blighted area and creates the South Miami Community Redevelopment Agency (CRA).

<http://intra/gia/matter.asp?matter=963262&file=false&yearFolder=Y1996>

**Ordinance No. 98-79**, adopted on June 16, 1998, establishes the South Miami Community Redevelopment Agency's (CRA) Community Redevelopment Plan.

<http://intra/gia/matter.asp?matter=981071&file=false&yearFolder=Y1998>

**Ordinance No. 98-80**, adopted on June 16, 1998, establishes the South Miami CRA's redevelopment Trust Fund.

<http://intra/gia/matter.asp?matter=981061&file=false&yearFolder=Y1998>

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**Ordinance No. 99-100**, adopted on September 9, 1999, establishes an Interlocal Agreement between Miami-Dade County and the South Miami CRA.

<http://intra/gia/matter.asp?matter=992733&file=false&yearFolder=Y1999>

**Resolution No. R-327-04**, adopted January 16, 2004, approving First Amendment to Interlocal Cooperation Agreement among county, city of South Miami and South Miami CRA to increase administrative cap on expenses to twenty percent.

<http://intra/gia/matter.asp?matter=040139&file=true&yearFolder=Y2004>

**Resolution No. R-446-05**, adopted on May 3, 2005, approves the amended plan for the South Miami CRA area and extends the Agency for fifteen years, until 2020.

<http://intra/gia/matter.asp?matter=051035&file=true&yearFolder=Y2005>

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**Item No. 3B  
File No. 192816**

**Researcher: MF   Reviewer: PGE**

RESOLUTION AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO AWARD UP TO \$23,259,999 IN DOCUMENTARY STAMP SURTAX AND STATE HOUSING INITIATIVES PARTNERSHIP FUNDS FOR PURPOSES OF DEVELOPING AFFORDABLE MULTI-FAMILY RENTAL HOUSING AND PROVIDING HOMEBUYER EDUCATION AND COUNSELING SERVICES; AND 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, TO SUBORDINATE AND/OR MODIFY THE TERMS OF CONTRACTS, AGREEMENTS, AMENDMENTS AND LOAN DOCUMENTS, AND TO EXERCISE TERMINATION, WAIVER, ACCELERATION AND OTHER PROVISIONS

**ISSUE/REQUESTED ACTION**

Whether the Board should authorize an award of up to \$23,259,999 in Fiscal Year 2019 Documentary Stamp Surtax and State Housing Initiatives Partnership (SHIP) funds to develop affordable multi-family rental housing and provide homebuyer education and counseling services.

**PROCEDURAL HISTORY**

**Prime Sponsor:** Housing, Social Services and Economic Development Committee

**Department/Requester:** Public Housing and Community Development (PHCD)

There is no procedural history for this item currently.

**ANALYSIS**

The purpose of this item is for the Board to approve an award for a maximum amount of \$23,259,999 in Documentary Stamp Surtax Program and SHIP funds in order to develop affordable housing countywide in the form of multi-family rental units, innovations, public housing, workforce, elderly, and small developments and to provide homebuyer education and counseling services. Innovations is a new set-aside category for novel ideas for building affordable housing, such as new technologies or non-traditional development spaces, incentivizing applicants to provide a broad range of solutions to provide more housing stock.

The mayoral memorandum indicates that this award will not have a negative fiscal impact on the County's General Fund. A total of \$23,259,999 will be awarded across the two funding categories – housing developments (\$22,059,999) and homebuyer education and counseling services (\$1,200,000). The Surtax and SHIP funds in the FY 2019 RFA are targeted for projects that require gap financing for developments.

The specific breakdown under the housing development category is as follows: (a) \$8,875,000 for multi-family rental; (b) \$3,600,000 for workforce developments; (c) \$2,299,999 for small developments; (d) \$5,285,000 for elderly housing; and (e) \$2,000,000 for innovations. The biggest funding recommendation is to Cornerstone Group Partners LLC for \$4,500,000 to support a 180-unit multi-family project in Commission District 9.

For this RFA, PHCD solicited comments from the public through two Developer's Roundtable meetings that were held on March 26, 2019 and July 17, 2019. The RFA was then issued on July 22, 2019, with applications due by August 22, 2019. A total of 24 applications were received. The item is silent regarding the reason for the delay in the item traveling to the BCC. The proposals that met threshold requirements were reviewed and scored by the Evaluation/Selection

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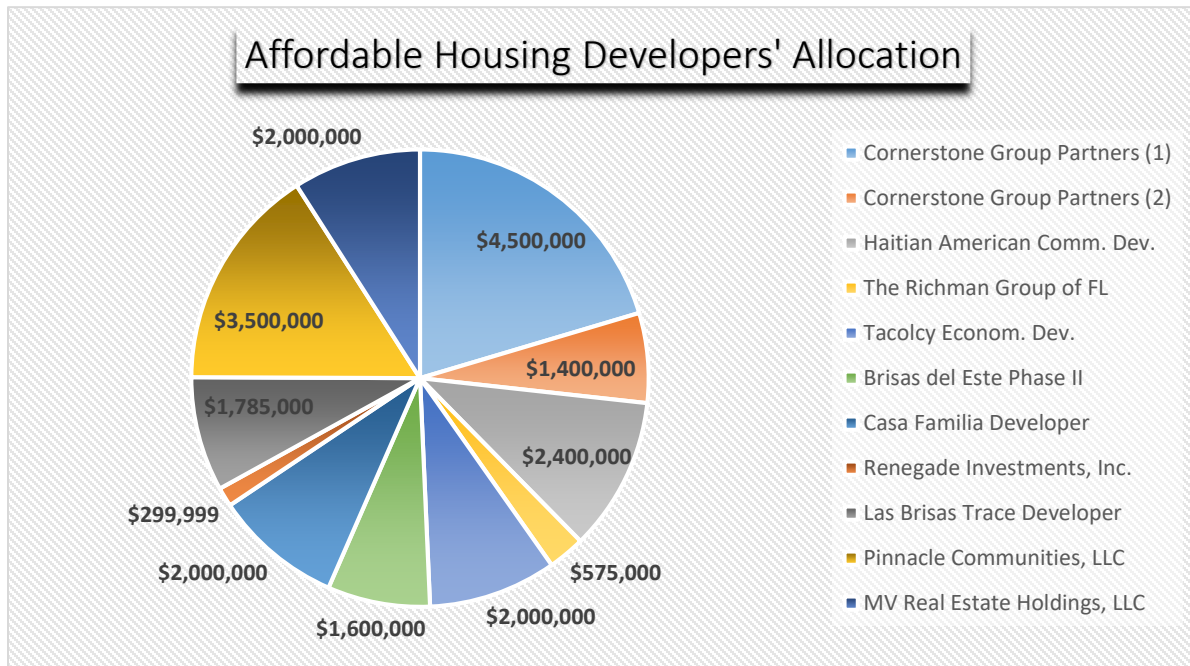
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Committee, and technical assistance was made available to the Committee by both PHCD and AmeriNat, a credit underwriting firm used by the County. A total of 17 agencies are recommended for funding (11 agencies for housing development projects and six agencies for homebuyer education and counseling services). Seven proposing agencies failed to meet the RFA's threshold criteria. The proposed projects fall into various Commission districts.

Pursuant to Ordinance No. 07-18, which is codified at Sections 29-7G and H of the County Code, no allocation of documentary surtax money shall be made except as part of a competitive RFA procedure. With this codification, the Board established a process whereby agencies seeking to utilize documentary surtax funds were required to undergo a competitive RFA process for allocation of such funds, including obtaining community input, and for County staff to conduct a systematic review of the applications. With the 2007 ordinance's adoption, the County established several competitive processes to award funds, leases, development rights, and other benefits and rights to developers producing affordable housing.

After the adoption of Ordinance No. 07-18, the County implemented alternative competitive processes whereby developers undergo an arduous competitive process for the right to lease and develop County-owned land; however, because such developers did not go through the RFA process for surtax funds – the project, as the Code stands, cannot be awarded surtax money. The financial constraints can then lead to delays in projects and in some cases the projects may not move forward entirely.

The graphic below depicts the 11 entities selected to build multi-family affordable housing with the respective funding amounts, totaling \$22,059,999. Note: Company/entity names have been shortened for brevity.





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The six entities selected to provide homebuyer education and counseling services are bulleted below. Each entity was awarded \$200,000 in funding, totaling \$1,200,000.

- NID-HCA
- Trinity Empowerment Consortium
- Centro Campesino Farmworker Center
- Neighborhood Housing Services of South Florida
- Cuban American National Council
- Housing Foundation of America

OCA conducted due diligence on January 8, 2020 pertaining the entities (with their legal name) being recommended for award (for both affordable housing developers and the selected firms for homebuyer education and counseling services); the results are shown below.

<b>Awarded Entities</b>	<b>Corporate Registration</b>	<b>Tax Collectors Office</b>	<b>Florida DBPR</b>	<b>Westlaw</b>
Solimar Associates, Ltd.	Florida Limited Liability Company  Active  Principal Address: 2100 Hollywood Blvd. Hollywood, FL 33020  Filed: October 17, 2018	No account on file	No account on file	No relevant cases
Sunset Pointe II Associates, Ltd.	No account on file	No account on file	No account on file	No cases on file
Little Haiti Housing Association	Florida Not For Profit Corporation  Active  Principal Address: 181 NE 82 St. Miami, FL  Filed: March 11, 1987	Business Address: 181 NE 82 St. Miami, FL  Status: Paid and Current	Active  Licensed for: Construction Business Information; Developer	No relevant cases
Lucida Apartments, Ltd.	Florida Limited Partnership Active  Principal Address: 477 S. Rosemary Ave.	Business Address: 15800 NW 77 Ct. Miami Lakes, FL 33016	No account on file	No cases on file

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	#301 West Palm Beach, FL  Filed: December 3, 1993	Status: Paid and Current		
Tacolcy Edison Gardens, LLC	Florida Limited Liability Company  Active  Principal Address: 675 NW 56 St. Bldg. C Miami, FL  Filed: August 30, 2017	No account on file	No account on file	No cases on file
Brisas del Este Phase II Developer, LLC	Florida Limited Liability Company  Active  Principal Address: 315 S. Biscayne Blvd. 4 <sup>th</sup> Floor Miami, FL  Filed: October 8, 2018	No account on file	No account on file	No cases on file
The Village of Casa Familia, Ltd.	Florida Limited Partnership  Active  Principal Address: 161 NW 6 St. #1020 Miami, FL 33136  Filed: April 11, 2018	No account on file	No account on file	No cases on file
Veranda Holdings, LLC	Florida Profit Corporation  Active  Principal Address: 305 Alcazar Ave. #3 Coral Gables, FL  Filed: April 12, 2017	Status: Paid and Current  Business Address: 305 Alcazar Ave. #3 Coral Gables, FL	No account on file	No relevant cases

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Las Brisas Trace LP	Florida Limited Liability Company  Active  Principal Address: 1580 Sawgrass Corporate Parkway #100 Fort Lauderdale, FL  Filed: October 23, 2018	No account on file	No account on file	No cases on file
Cannery Row at Redlands Crossing, LLP	Florida Limited Partnership  Active  Principal Address: 19308 SW 380 St. Florida City, FL  Filed: October 18, 2018	Business Address: Not listed  Status: Paid and Current	No account on file	No cases on file
Ludlam Trail Towers, LLC	Florida Limited Liability Company  Active  Principal Address: 123 SW No. River Dr. Miami, FL  Filed: May 31, 2019	No account on file	No account on file	No cases on file
NID-HCA	No account on file	No account on file	No account on file	No cases on file
Trinity Empowerment Consortium, Inc.	Florida Not For Profit Corporation  Active  Principal Address: 11885 SW 216 St. #A Miami, FL  Filed: February 26, 2002	Status: Paid and Current  Business Address: 11885 SW 216 St. #A Miami, FL	No account on file	No cases on file
Centro Campesino Farmworker Center	Florida Not For Profit Corporation  Active	Status: Paid and Current	Active  Licensed for: Certified General Contractor; Construction Business	No relevant cases

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	Principal Address: 35801 SW 186 Ave. Florida City, FL  Filed: September 21, 1972	Business Address: 35801 SW 186 Ave. Florida City, FL	Information; Construction Financial Officer	
Neighborhood Housing Services of South Florida	Florida Not For Profit Corporation  Active  Principal Address: 300 NW 12 Ave. Miami, FL  Filed: April 21, 1978	Status: Paid and Current  Business Address: 300 NW 12 Ave. Miami, FL	No account on file	No relevant cases
Cuban American National Council, Inc.	Foreign Not For Profit Corporation  Active  Principal Address: 1223 SW 4 St. Miami, FL  Filed: May 27, 1977	Status: Paid and Current  Business Address: 1223 SW 4 St. Miami, FL	No account on file	No relevant cases
Housing Foundation of America, Inc.	Florida Not For Profit Corporation  Active  Principal Address: 2400 N. University Dr. #200 Pembroke Pines, FL  Filed: October 17, 2005	Status: Paid and Current  Business Address: 16201 SW 95 Ave. #214 Miami, FL	No account on file	No cases on file

**ADDITIONAL INFORMATION**

According to the PHCD website, the following are examples of some of the ways the County has used funds since the inception of the Documentary Stamp Surtax Program. <https://www.miamidade.gov/housing/library/brochures/surtax.pdf>

- There have been 7,128 low-to-medium income families with low interest second mortgages, allowing them to become first-time homeowners;
- The County has offered homebuyer counseling to keep the mortgage default rate to less than 1.1% among surtax program participants;
- Low-cost construction financing has allowed the County to partner with not-for-profit and for-profit affordable housing developers to produce more than 15,000 affordable multi-family rental units; and

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- At least 50% of surtax funds have benefited low-income families.

**DEPARTMENTAL INPUT**

OCA requested the following information from PHCD on January 10, 2019.

- Provide the reason for the delay in getting this item to the agenda given that the RFA was issued in July and applications were due in August 2019.

**APPLICABLE LEGISLATION/POLICY**

**Section 29-7 of the Miami-Dade County Code** (Documentary Stamps) applies to legislative findings, authority and intent and was enacted pursuant to the provisions of Chapter 83-220, Florida Statutes and the Miami-Dade County Home Rule Charter. Through Section 29-7, the Board declares that there is great and urgent need in this community for the construction and rehabilitation of all types of affordable housing. The Board further finds that the documentary surtax program has been widely successful in meeting this need and should continue to fund the construction and rehabilitation of housing for low- and moderate-income families through the provision of second mortgages, construction loans and other programs.

<https://www.miamidade.gov/global/housing/surtax.page>

**Ordinance No. 07-18**, adopted February 8, 2007, amended Miami-Dade County Code Section 29-7 pertaining to documentary surtax.

<http://intra/gia/matter.asp?matter=070890&file=true&yearFolder=Y2007>

**Resolution No. R-630-13**, adopted July 16, 2013, required detailed project budget, sources and uses statement, certifications as the past defaults on agreements with non-county funding sources, and due diligence check prior to the County Mayor or County Mayor's designee recommending a commitment of county funds to social services, economic development, community development, and affordable housing agencies and providers, requiring certain terms to be included in contracts.

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