

# OFFICE OF THE COMMISSION AUDITOR MIAMI-DADE BOARD OF COUNTY COMMISSIONERS

# COMMISSION AUDITOR'S INFORMATIONAL RESEARCH

# HOUSING, SOCIAL SERVICES & ECONOMIC DEVELOPMENT COMMITTEE MEETING

JULY 14, 2020 12:00 P.M. Virtual Meeting

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Researcher: VW Reviewer: PGE

RESOLUTION AUTHORIZING THE COUNTY MAYOR OR THE COUNTY MAYOR'S DESIGNEE TO EXECUTE AN INTERLOCAL AGREEMENT WITH THE CITY OF SOUTH MIAMI IN CONNECTION WITH THE SUNSET OF THE SOUTH MIAMI COMMUNITY REDEVELOPMENT AGENCY, AND TO EXERCISE THE PROVISIONS CONTAINED THEREIN.

#### ISSUE/REQUESTED ACTION

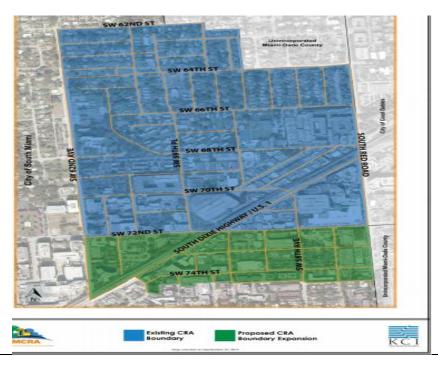
Whether the Board should execute an Interlocal Agreement between Miami-Dade County and the City of South Miami pertaining to the sunset of the South Miami Community Redevelopment Agency (CRA).

#### PROCEDURAL HISTORY

**Prime Sponsor:** Commissioner Xavier L. Suarez, District 7 **Department/Requester:** Office of Management and Budget

#### **ANALYSIS**

The South Miami CRA was 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 was a neighborhood development agency in Commission District 7, represented by Commissioner Xavier L. Suarez. The CRA's geographic area was 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 were to increase 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. Below is a map of the existing boundaries of the South Miami CRA:



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On February 4, 2020, the South Miami Commission voted 4-1 against extending the life of the South Miami CRA, allowing the CRA to sunset on June 1, 2020. The sunsetting of the CRA will not affect the completion of Madison Square, a mixed-use affordable housing development being constructed on land which the CRA conveyed for development.

Pursuant to Resolution No. R-204-20, on February 19, 2020 the BCC approved the budget for fiscal year 2019-2020 for the South Miami CRA in the amount of \$3,593,089. Operating expenditures for the South Miami CRA in fiscal year 2019-2020 were \$3,278,884 with \$1,300,000 scheduled for infrastructure improvement including \$433,333 for the US-1 pedestrian-crossing bridge design, \$433,333 for a bike lane on 64<sup>th</sup> street and beautification projects along Sunset Drive, and \$433,333 for streetscape improvements and landscaping projects.

The proposed interlocal agreement would allow the City of South Miami to retain \$866,666 of Agency funds to partially fund two projects within a two-year period: a design of a pedestrian bridge across US-1 (\$433,333) and street improvements along Sunset Drive and SW 64th Street including bike lanes, sidewalks and beautification (\$433,333). If the projects remain unfinished after the two-year period, the City of South Miami is required to return the funding to the County in the same manner the Trust Fund funding was disbursed. The deadline for completion of these projects is June 1, 2022. The interlocal agreement would also cover transfer of real property from the CRA to the City of South Miami.

Apart from the \$866,666 just discussed, the South Miami CRA also has approximately \$1.5 million in remaining funding which is to be distributed to Miami-Dade County and the City of South Miami on a 52% and 48% basis respectively, reflecting the percentage in which TIF revenues were contributed to the CRA for fiscal year 2019-2020. Miami Dade County will receive \$780,000 while the City of South Miami will receive \$720,000.

The table below shows all existing municipal community redevelopment agencies, their establishment dates, commission districts wherein they fall, FY 19-20 approved budgets, associated zip codes and the median household income per zip code. It is important to note that the zip codes located within the CRA are at times larger than the CRA boundaries. One of the limitations of our data is revealed in the fact that a CRA might include an otherwise impoverished area of an affluent zip code but the data below will only show the median income of the *entire* zip code.

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CRA Name	Commission District	Budget FY 2019-2020	Zip Codes	Median Household Income <sup>1</sup>	Establishment Date
Omni	3	\$54,045,391	33132; 33136; 33137; 33127	\$77,779; \$24,702; \$60,259; \$30,231	1987
Naranja Lakes	9	\$ 6,309,834	33032; 33033	\$48,341; \$45,782	2002
North Miami	2; 4	\$11,946,084	33161; 33167; 33168; 33181	\$36,618; \$36,870; \$45,395; \$46,038	2005
North Miami Beach	2; 4	\$ 4,549,661	33162; 33160	\$42,643; \$52,170	2004
NW 7th Avenue Corridor	2; 3	\$ 2,897,696	33150; 33168; 33169	\$28,069; \$45,395; \$43,331	2004
79th Street Corridor	2; 3	\$ 1,916,729	33142; 33147	\$24,106; \$30,632	2011
Homestead	8; 9	\$ 3,711,604	33030	\$37,576	1994
Miami Gardens	1; 2	N/A	33056; 33055	\$40,985; \$43,373	2004
Florida City	9	\$ 8,511,653	33034	\$36,363	1995
Opa-Locka	1	\$ 628,553	33054	\$24,597	2013
Southeast Overtown /Park	3; 5	\$66,273,241	33136; 33132; 33128	\$24,702; \$77,779; \$18,920	1982
West Perrine	9	\$ 1,130,717	33157	\$63,943	2005

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<sup>&</sup>lt;sup>1</sup> Reflects data from Census Bureau 2018: ACS 5-Year Estimates

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#### 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. <a href="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</a>

Chapter 163.375, Florida Statutes outlines the principle of eminent domain in relation to CRAs. Any county or municipality, or any community redevelopment agency pursuant to specific approval of the governing body of the county or municipality which established the agency, as provided by any county or municipal ordinance has the right to acquire by condemnation any interest in real property, including a fee simple title thereto, which it deems necessary for, or in connection with, community redevelopment and related activities under this part. http://intra/gia/matter.asp?matter=193013&file=true&yearFolder=Y2019

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

**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

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

**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&vearFolder=Y1999

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**Resolution No. R-204-20**, adopted February 19, 2020, approved 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. http://intra/gia/matter.asp?matter=193013&file=true&yearFolder=Y2019

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**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 15 years, until 2020.

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

#### **CONTRIBUTORS**

Phillip G. Edwards, Esq., Senior Research Analyst Victor van der Weerden, MSc., Associate Research Analyst

#### The Office of the Commission Auditor, Miami-Dade Board of County Commissioners

The Office of the Commission Auditor (OCA) was established in September 2002 by Ordinance 03-2 to provide support and professional analysis of the policy, service, budgetary and operational issues before the Miami-Dade Board of County Commissioners. The Commission Auditor's duties include reporting to the Board of County Commissioners on the fiscal operations of County departments, as well as whether the fiscal and legislative policy directions of the Commission are being efficiently and effectively implemented

These research notes, prepared in collaboration with the Miami Dade County departments as subject matter experts, is substantially less detailed in scope than an audit in accordance with the Generally Accepted Auditing Standards (GAAS). The OCA plans and performs the review to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on its objectives; accordingly, the OCA does not express an opinion on the data gathered by the subject matter expert(s).