



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

**COMMISSION AUDITOR'S
INFORMATIONAL RESEARCH**

**PUBLIC HOUSING AND COMMUNITY SERVICES
COMMITTEE**

March 11, 2021

6:00 P.M.

Commission Chambers

Yinka Majekodunmi, CPA
Commission Auditor

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Research Notes**

**Item No. 2A
File No. 210406**

Researcher: TA / Reviewer: PGE

RESOLUTION DECLARING AS SURPLUS ONE COUNTY-OWNED PROPERTY LOCATED AT 16990 NE 18TH AVENUE, NORTH MIAMI BEACH, FLORIDA 33162, AND REVISING THE INVENTORY LIST OF REAL PROPERTIES, AFTER A PUBLIC HEARING, TO INCLUDE SUCH PROPERTY IN ACCORDANCE WITH SECTION 125.379(1), FLORIDA STATUTES; AUTHORIZING CONVEYANCE, IN ACCORDANCE WITH SECTION 125.379(2), FLORIDA STATUTES, OF THE PROPERTY TO DAK CONSULTING SERVICES, LLC, A FLORIDA LIMITED LIABILITY COMPANY, AT A PRICE OF \$10.00, FOR THE PURPOSE OF REHABILITATING SUCH PROPERTY WITH HOUSING TO BE RENTED TO QUALIFIED FAMILIES PARTICIPATING IN THE SECTION 8 HOUSING CHOICE VOUCHER PROGRAM; AUTHORIZING THE CHAIRPERSON OR VICE-CHAIRPERSON OF THE BOARD OF COUNTY COMMISSIONERS TO EXECUTE A COUNTY DEED; AUTHORIZING THE COUNTY MAYOR OR THE COUNTY MAYOR'S DESIGNEE TO TAKE ALL ACTION NECESSARY TO ENFORCE THE PROVISIONS SET FORTH IN SUCH COUNTY DEED, TO PROVIDE COPIES OF THE RECORDED COUNTY DEED AND THE RESTRICTIVE COVENANT REQUIRED THEREIN TO THE PROPERTY APPRAISER, TO EXECUTE A RENTAL REGULATORY AGREEMENT AND ENFORCE THE PROVISIONS THEREIN, AND TO ENSURE PLACEMENT OF APPROPRIATE SIGNAGE

Prime Sponsor: Commissioner Sally A. Heyman

Requester: N/A

Committee Action Date: N/A

RESEARCH FINDINGS

OCA's review of the item found no substantive legislative, procedural or administrative noncompliance.

The following was noted:

1. The contract document attached to the agenda item is not fully executed by the non-County party as required by Board resolution. (See the Additional Information section.)

FINANCIAL ANALYSIS

The fiscal impact for the conveyance of this 8,500 square foot lot with a 3,400 square foot structure is \$10.00 paid to the County. According to the Property Appraiser's website, the 2020 market value is \$439,332 and the assessed value is \$367,031. The Internal Services Department has been responsible for maintenance of the property at a cost of approximately \$562 annually. Upon redevelopment of the existing structure into a duplex or triplex, the property will return to the taxable assessment roll and generate property taxes for the County and the City of North Miami Beach. According to the Property Appraiser's Tax Estimator, based on the 2020 market value, the property taxes would be \$9,773.78.

ADDITIONAL INFORMATION

The subject property located at 16990 NE 18 Avenue (Folio: 07-2208-002-1680) was transferred to the County in 2019. It was previously used as a medical facility and administrative offices for the Public Health Trust.

DAK Consulting Services, LLC (DAK) has been an active corporation since 2015, according to Sunbiz. The business address is in Hallandale Beach (a residential condominium), with no Local Business Tax Receipt on file in Broward County or Miami-Dade County. Dunn & Bradstreet reflects the following business profile, which was last updated on January 10, 2021:

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DAK Consulting Services, LLC

Year Started	2016
Principal	David Kleinman
Business Address	200 Golden Isles Dr. Hallandale Beach, FL 33009-5891
Line of Business	Business Consulting Services
Annual sales (estimated as of June 6, 2020)	\$31,116
No. of employees	1

An internet search found only general corporate information regarding this firm. A public records search via Westlaw for the company and its principal, David A. Kleinman, revealed no adverse findings. No affiliations or references to any projects were found for this developer online, although the LinkedIn Profile for Mr. Kleinman credits him with the following projects:

- Custom homes at Oakbrook in Boca Raton
- 18 Indian Creek Rd.
- 22 Indian Creek Rd.
- Lalique Store Bal Harbour Shops
- 180 South Island Dr. Golden Beach
- 175 Fiesta Way Ft. Lauderdale
- 169 Fiesta Way, Ft. Lauderdale, FL
- 4431 Nautilus Dr. Miami Beach, FL
- 1415 W 24th St. Sunset Island III Miami Beach
- Penthouse "C" at The Setai Miami Beach
- High rise buildings Jade Beach (Sunny Isles), Icon Brickell, Towers at Dadeland, Marina Palms, Biscayne Landing, Capital at Brickell (Sales Center)
- K-12 Broward County Public Schools SMART BOND PROGRAM School Renovations

According to Miami-Dade and Broward County property records, besides his Homesteaded residence (the same as his business address), Mr. Kleinman is the owner of a 3/1 single family home (non-Homesteaded) located at 1595 NE 180 Street, North Miami Beach, with a 2020 market value of \$229,197.

The developer originally requested a 20-year affordable housing restriction, but has agreed to the 30-year time frame required by the Deed and Rental Regulatory Agreement. The Deed and Rental Regulatory Agreement require that the property only be rented to families whose incomes (as defined in Section 420.0004, Florida Statutes) do not exceed 120% of the most recent median family income for the County as reported by the United States Department of Housing and Urban Development. According to the Public Housing and Community Development Department, the current income levels according to household size are as follows:

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Household Size	120% of Median Income
1	\$76,800
2	\$87,840
3	\$98,760
4	\$109,680
5	\$118,560
6	\$127,320
7	\$136,080
8	\$144,840
9	\$153,600

[Resolution No. R-130-06](#) requires that proposed agenda items seeking approval of a contract or conveyance and authority to execute same shall not be placed on any committee or commission agenda unless the underlying contract or conveyance is completely negotiated, in final form, and executed by all non-County parties. The Deed and Rental Regulatory Agreement have not yet been executed by DAK.

As evidenced by pictures of the property, major renovations are required:



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**Item No. 3A
File No. 210367**

Research: JNF / Reviewer: PGE

RESOLUTION DECLARING A PORTION OF COUNTY-OWNED PROPERTIES LOCATED ON THE SOUTHWEST OF LOTS 11 THROUGH LOT 15 BY NW NORTH RIVER DRIVE AS SURPLUS; AUTHORIZING THE CONVEYANCE OF SUCH PROPERTIES TO THE CITY OF MIAMI, PURSUANT TO SECTION 125.38, FLORIDA STATUTES, FOR \$10.00 FOR THE PURPOSE OF A RIGHT-OF-WAY DEDICATION; AUTHORIZING THE CHAIRPERSON OR VICE-CHAIRPERSON OF THE BOARD TO EXECUTE A COUNTY DEED FOR SUCH PURPOSE; AND AUTHORIZING THE COUNTY MAYOR OR THE COUNTY MAYOR'S DESIGNEE TO TAKE ALL NECESSARY STEPS TO EFFECTUATE THE CONVEYANCE AND TO ENFORCE THE PROVISIONS SET FORTH IN THE COUNTY DEED, INCLUDING, BUT NOT LIMITED THE COUNTY'S REVERSIONARY INTEREST

Prime Sponsor: Commissioner Eileen Higgins, District 5
Requester: Public Housing and Community Development
Committee Action Date: N/A

RESEARCH FINDINGS

OCA's review of the item found no substantive legislative, procedural, or administrative noncompliance. See the Additional Information section for historical and other background information on the item.

FINANCIAL ANALYSIS

The conveyance of the portion of County-owned properties located on the Southwest of lots 11 through 15 by NW North River Drive will be for a nominal price of \$10.00.

ADDITIONAL INFORMATION

The City of Miami requested right-of-way dedication to the public for street purposes, in accordance with [Chapter 54, Article II, Section 54-58](#) of the Code of the City of Miami, Florida, as a condition to issuing a permit for development of The Gallery on the River. The conveyance of 1,076 square feet of County property to the City of Miami pursuant to [Section 125.38, Florida Statutes](#) is necessary to meet the minimum width requirement (50 feet) for all public streets in the City. The Gallery on the River, located on an approximately 1.66 acre site at 401 NW North River Drive and 540 NW 5th Street within the City of Miami, is the second phase of redevelopment of Jack Orr Plaza and will provide approximately 160 units of rental housing to be occupied by persons or families of low, moderate or middle income.

The below table details the market land value and lot size of the property for which this item authorizes conveyance.

Folio No.	Address	Lot Size	2020 Market Land Value
01-0107-010-1110	455 NW 6 th Avenue	1,076 Sq. Ft.	\$1,076

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**Item No. 3B
File No. 210369**

Research: VW / Reviewer: PGE

RESOLUTION APPROVING, PURSUANT TO SECTION 17-02 OF THE CODE OF MIAMI DADE COUNTY, A LOAN OF UP TO \$300,000.00 OF DOCUMENTARY STAMP SURTAX FUNDS TO HTG PARADISE, LLC OR RELATED ENTITY FOR THE DEVELOPMENT OF THE MAX'S LANDING AFFORDABLE HOUSING PROJECT; AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO EXECUTE A CONDITIONAL LOAN COMMITMENT AND STANDARD SHELL CONTRACTS, STANDARD SHELL DOCUMENTS, AMENDMENTS AND OTHER DOCUMENTS OR AGREEMENTS NECESSARY TO ACCOMPLISH THE PURPOSES OF THIS RESOLUTION; AND AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO SUBORDINATE OR MODIFY THE TERMS OF CONTRACTS, AGREEMENTS, AMENDMENTS AND LOAN DOCUMENTS, AND TO EXERCISE THE TERMINATION, WAIVER, ACCELERATION AND OTHER PROVISIONS

Prime Sponsor: Joe A. Martinez, District 11

Requester: Public Housing and Community Development

Committee Action Date: N/A

RESEARCH FINDINGS

OCA's review of the item found no substantive legislative, procedural or administrative noncompliance. See the Additional Information section for historical and other background information on the item.

FINANCIAL ANALYSIS

This item is allocating prepaid Documentary Surtax Program funds to the Max's Landing affordable housing project. There is no negative fiscal impact to the County's General Fund.

ADDITIONAL INFORMATION

The conditional loan agreement under consideration in the item will redeploy \$300,000 of Documentary Surtax Program funds from HTG Veranda Senior, Ltd. to HTG Paradise, LLC, both subsidiaries of the parent company Housing Trust Group (HTG). HTG Veranda Senior, Ltd. was loaned \$300,000 by the Miami-Dade County Documentary Surtax Program on September 1, 2009 through [Resolution No. 1071-09](#) for the Veranda Senior affordable housing project. Resolution No. 1071-09 approved the allocation of roughly \$19,281,810 in Documentary Surtax funds for the construction and rehabilitation of affordable rental housing as part of the FY 2009 Mid-Year Funding Cycle.

While the loan was set to mature on May 31, 2041, HTG Veranda Senior, Ltd. paid off the loan in its entirety on September 8, 2020. The parent company, HTG, is now requesting that the funds be redeployed from HTG Veranda Senior, Ltd. to HTG Paradise, LLC for the construction of a new affordable housing project Max's Landing, formerly Paradise Lake Apartments. Per the loan agreement, the term of the loan is 30 years, and the interest rates are as follows: 0% interest during the construction phase in years 1 and 2 and 1% interest-only payments for years 3 to 30 from the development cash flow. The 1% interest is accruing and due at maturity with the full principal also being due at maturity. This loan is conditioned on the repayment of the HTG Veranda Senior, LTD., loan in the amount of \$300,000 which the borrower already fulfilled on September 8, 2020. The loan agreement stipulates that if the loan funds are to come from SHIP or Surtax funds then the loan can only be used for the development of affordable housing for residents with household incomes not greater than 140% of AMI. If the loan funds are to come from HOME or CDBG funds, then the loan may only be used for the development of affordable housing for residents with household incomes not greater than 80% of AMI.

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Research: VW / Reviewer: PGE

On February 11, 2020 HTG had secured \$21.6 million in financing for the Max's Landing, formerly Paradise Lakes Apartments, affordable housing development. The \$21.6 million includes \$14.5 million in 9 percent Low Income Housing Tax Credit Equity from City Real Estate Advisors, a \$5.5 million loan from KeyBank, and \$1.6 million in soft financing from Miami-Dade County.¹ Paradise Lakes Apartment is a three-story 76-unit building which will have units set aside for residents earning between 30 percent to 80 percent of the AMI, with monthly rents ranging from \$401 to \$1,443.

¹ <https://therealdeal.com/miami/2020/02/11/developer-scores-financing-for-west-kendall-affordable-housing-project/>

CONTRIBUTORS

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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).