

Board of County Commissioners Office of Policy and Budgetary Affairs Memorandum

То:	Honorable Commissioner Jean Monestime
From:	Jennifer Moon, Chief

Date: February 11, 2021

Subject: Research Regarding the Conveyance of Surplus Properties

The following information has been compiled by the Office of Policy and Budgetary Affairs in response to your request. Should you have any questions, please contact me at 305-375-5882.

c: Honorable Chairman Jose "Pepe" Diaz and Members, Board of County Commissioners Elizabeth Owens, Chief of Staff, District 2 Melissa Adames, Director, Clerk of the Board Office of Policy and Budgetary Affairs Research Regarding the Conveyance of Surplus Properties Page **2** of **7**

Introduction

At the January 21, 2021, carryover meeting of the Board of County Commissioners (Board), the Board adopted Resolution No. R-43-21 which conveyed five properties located in County Commission District 2 to ProMetropolis Housing Development, LLC for the purposes of developing such properties with affordable housing pursuant to the rules of the Miami-Dade County Infill Housing Initiative Program. During the discussion of this item, various questions arose pertaining the process surrounding the conveyance of County-owned properties. This report aims to provide some background to the various issues presented during such discussion.

Analysis and Methodology

As requested, the Office of Policy and Budgetary Affairs (OPBA) conducted a search for legislative items adopted by the Board over the last ten years that conveyed County-owned properties for the purposes of developing such properties with affordable housing. As no comprehensive list existed, a manual and meticulous search of the County's Legistar system was conducted. It is worth mentioning that there may be additional properties and legislative items that were not captured through this search as this research intended to capture County-owned properties conveyed at a minimal cost. Legislative items that only declared property to be surplus or items that conveyed or sold properties at market or appraised value were not included in this analysis. OPBA ultimately identified and thoroughly analyzed 45 legislative items adopted by the Board over the last 10 years. All 45 of these items conveyed County-owned properties to Limited Liability Corporations (LLCs) and Not-for-Profit entities for the purposes of developing affordable housing to be sold to very low, low and/or moderate-income households as prescribed in state statutes and the County Code, particularly through the Miami-Dade County Infill Housing Initiative Program.

Applicable Legislation

Included below are the various pieces of state and local legislation governing the properties described in this report. A special emphasis has been placed on the Infill Housing Initiative Program as most of the properties were conveyed under such program.

Section 125.379, Florida Statutes governs the disposition of county property for affordable housing.

1) By July 1, 2007, and every three years thereafter, each county shall prepare an inventory list of all real property within its jurisdiction to which the county holds fee simple title that is appropriate for use as affordable housing. The inventory list must include the address and legal description of each such real property and specify whether the property is vacant or improved. The governing body of the county must review the inventory list at a public hearing and may revise it at the conclusion of the public hearing. The governing body of the county shall adopt a resolution that includes an inventory list of such property following the public hearing.

(2) The properties identified as appropriate for use as affordable housing on the inventory list adopted by the county may be offered for sale and the proceeds used to purchase land for the development of affordable housing or to increase the local government fund earmarked for affordable housing, or may be sold with a restriction that requires the development of the property as permanent affordable housing, or may be donated to a nonprofit housing organization for the construction of permanent affordable housing. Alternatively, the county may otherwise make the property available for use for the production and preservation of permanent affordable housing.

Section 125.38, Florida Statutes governs the sale of County property.

If the United States, or any department or agency thereof, the state or any political subdivision or agency thereof, or any municipality of this state, or corporation or other organization not for profit which may be organized for the purposes of promoting community interest and welfare, should desire any real or personal property that may be owned by any county of this state or by its board of county commissioners, for public or community interest and welfare, then the United States, or any department or agency thereof, state or such political subdivision, agency, municipality, corporation or organization may apply to the board of county commissioners for a conveyance or lease of such property. Such board, if satisfied that such property is required for such use and is not needed for county purposes, may thereupon convey or lease the same at private sale to the applicant for such price, whether nominal or otherwise, as such board may fix, regardless of the actual value of such property. The fact of such application being made, the purpose for which such property is to be used, and the price or rent therefor shall be set out in a resolution duly adopted by such board. In case of a lease, the term of such lease shall be recited in such resolution. No advertisement shall be required.

<u>Section 17-121</u> of the County Code outlines the following as the purpose of the Infill Housing Initiative Program:

Its purpose is to increase the availability of affordable homes for very low, low- and-moderate income persons, maintain a stock of affordable housing, redevelop urban neighborhoods by eliminating the blight of vacant lots and dilapidated or abandoned properties, to equitably distribute homeownership opportunities within, and in some cases outside of the Infill Target Areas, and generate payment of ad valorem taxes. The Infill Housing Initiative Program shall encourage the redevelopment of vacant, dilapidated or abandoned property through the sale or conveyance of County property to qualified developers and the inclusion of privately owned vacant, dilapidated or abandoned properties located within and outside of the Infill Target Areas.

Miami-Dade County Implementing Order 3-44 establishes the process for the implementation and management of the Infill Housing Initiative Program. The Implementing Order and the program guidelines can be found <u>here</u>.

Findings

Since 2010, OPBA identified 45 Board-adopted Resolutions which conveyed 334 parcels of County-owned property to 27 different LLC's and not-for-profit entities. All but one¹ of the 45 Resolutions conveyed the property or properties for \$10, regardless of the number of properties included in the item.

Location and Commission District Information:

Based on past practice, properties are generally conveyed through Resolutions sponsored by the District Commissioner in which the property is located. All 334 properties conveyed were located in five County Commission districts; Districts 1, 2, 3, 8 and 9. The number of properties by County Commission District are detailed in the table on the next page.

¹ The exception was an item that conveyed seven properties for \$70 to the Homestead Community Development Agency (Resolution No. R-824-20)

Sponsoring Commissioner	Number of Properties
District 1- Jordan	37
District 2 - Monestime	6
District 3 - Edmonson	202
District 8 - Cava	8
District 9 - Moss	81
Tot	al 334

Market Value of Properties:

The 334 parcels varied in square footage, location and market value. The market values cited throughout are based on the most recent market values provided by the Office of the Property Appraiser at the time that the Resolution was adopted by the Board. The majority of the 334 County-owned parcels were vacant at the time that they were conveyed and, as such, the market value of the land was largely based on the size and location of such parcel. In total, the 334 parcels had a market value of \$34,473,449, with the median property valued at \$30,116. The property with the highest market value was conveyed through Resolution No. R-1281-19² and had a market value of \$2,644,500 at the time the item was adopted by the Board. As shown on the table below, 298 of the properties conveyed (89.22%) were valued at under \$100,000. More specifically, 72.75% of all properties conveyed by the Board had a market value of less than \$50,000.

Market Value	Number of Properties	% of Total	Cumulative
\$0 - \$99,999	298	89.22%	89.22%
\$100,000 - \$199,999	12	3.59%	92.81%
\$200,000 - \$299,999	5	1.50%	94.31%
\$300,000 - \$399,999	4	1.20%	95.51%
\$400,000 - \$499,999	1	0.30%	95.81%
\$500,000 - \$599,999	1	0.30%	96.11%
\$600,000 - \$699,999	1	0.30%	96.41%
\$700,000 - \$799,999	1	0.30%	96.71%
\$800,000 - \$899,999	1	0.30%	97.01%
\$1,100,000 - \$1,199,999	2	0.60%	97.60%
\$1,300,000 - \$1,399,999	1	0.30%	97.90%
\$1,500,000 - \$1,599,999	2	0.60%	98.50%
\$2,000,000 - \$2,099,999	3	0.90%	99.40%
\$2,100,000 - \$2,199,999	1	0.30%	99.70%
\$2,600,000 - \$2,699,999	1	0.30%	100.00%
Total	334	100.00%	

² This Resolution conveyed a total of four properties with a market value of \$8,286,811.

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In total, only ten of the 334 properties conveyed had a market value of more than \$1 million. These ten properties had a cumulative market value of \$17,697,724 which is approximately 51% of the total value of all 334 properties conveyed over the last ten years. The table below highlights the ten highest valued properties and the Resolution by which they were conveyed. It is worth noting that six of the ten properties were conveyed through three Resolutions adopted by the Board in October 2020.

10 Highest Properties (by Market Value)					
Market Value	R-1281-19	R-928-20	R-1065-20	R-1066-20	Total
\$2,644,500	1				1
\$2,154,300		1			1
\$2,073,455			1		1
\$2,070,000	2				2
\$1,519,000		1			1
\$1,502,311	1				1
\$1,311,074				1	1
\$1,183,084		1			1
\$1,170,000		1			1
Total	4	4	1	1	10

Organizations and Entities:

The 334 County-owned properties were conveyed to LLCs or not-for-profit entities for the purposes of developing affordable housing. While each entity operates in a different manner, the authorizing Resolution(s) would describe the process and timeline each entity would undertake to develop the parcel into affordable housing. Listed below are all 27 entities, in alphabetical order, that received County-owned properties, the number of properties they received and the number of Resolution(s) adopted by the Board to convey properties to such entities.

Organization/Entity	Number of Properties Conveyed	Number of Resolution(s) Conveying Property
11994 CUTLER BAY LLC	2	1
14445 SW 289 ST LLC	2	1
79TH STREET CORRIDOR NEIGHBORHOOD INITIATIVE, INC.	1	1
AFFORDABLE HOUSING AND COMMUNITY DEVELOPMENT, INC	5	2
BLESSING HANDS OUTREACH, INC.	4	1
BUILDING BETTER COMMUNITIES OF SOUTH FLORIDA, INC.	5	1
CAZO CONSTRUCTION CORPORATION,	18	1
COLLECTIVE DEVELOPERS LLC,	26	1
COMMUNITY COALITION OF SOUTH DADE INC.	5	1
DOWNTOWN HOUSING IMPROVEMENT, INC.	1	1
ELITE EQUITY DEVELOPMENT, INC	6	2
FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY	1	1
HABITAT FOR HUMANITY OF GREATER MIAMI, INC	78	11
HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY	7	1
HOUSING PROGRAMS, INC.	13	2
IAMI REAL ESTATE INVESTMENTS, LLC,	5	1
J.L. BROWN DEVELOPMENT CORPORATION	2	1
LHP INVESTMENT AND DEVELOPMENT LLC,	2	1
NANA & CRC AFFORDABLE HOUSING LLC	35	1
NEW URBAN DEVELOPMENT LLC	5	2
PALMETTO HOMES URBAN DEVELOPMENT GROUP, INC	70	5
PROMETROPOLIS HOUSING DEVELOPMENT, LLC	5	1
SMD HOME BUILDERS, LLC	4	1
SOUTH FLORIDA HOUSING OPPORTUNITY CENTER, INC.	4	1
ST. JAMES COMMUNITY DEVELOPMENT CORPORATION OF MIAMI, INC.	22	1
SURFSIDE POINTE, LLC	2	1
THEODORE ROOSEVELT GIBSON MEMORIAL FUND, INC.	4	1
Total	334	45

Only six (22.2%) of the 27 entities were conveyed properties more than once, those six entities were conveyed 177 (52.99%) of the 334 properties included in this study. Shown in the table below are the nine entities that were conveyed the highest number of properties; there are six entities that were each conveyed five properties (10th most) and, for brevity, are not included in the table. The nine entities shown below, sorted in order of most properties conveyed, were conveyed a total of 275 properties which is 82.3 percent of all properties included in this study.

Organization/Entity	Number of Properties Conveyed	Cumulative Total	% of Total
HABITAT FOR HUMANITY OF GREATER MIAMI, INC	78	78	23.4%
PALMETTO HOMES URBAN DEVELOPMENT GROUP, INC	70	148	21.0%
NANA & CRC AFFORDABLE HOUSING LLC	35	183	10.5%
COLLECTIVE DEVELOPERS LLC	26	209	7.8%
ST. JAMES COMMUNITY DEVELOPMENT CORPORATION OF MIAMI, INC.	22	231	6.6%
CAZO CONSTRUCTION CORPORATION	18	249	5.4%
HOUSING PROGRAMS, INC.	13	262	3.9%
HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY	7	269	2.1%
ELITE EQUITY DEVELOPMENT, INC	6	275	1.8%

Conclusion

It is worth reiterating that this analysis may have inadvertently omitted legislation and conveyances adopted over the last ten years; supplemental reports will be provided if additional information is found to materially change the information presented in this report. Upon request, the file numbers, Resolution numbers and back up sheets used for this report will be provided.

The Office of Policy and Budgetary Affairs would like to thank our intern Jimmy Joseph, a graduate student from Florida International University, for his diligent work and support throughout this project.