



OFFICE OF THE
COMMISSION AUDITOR

MEMORANDUM

TO: Honorable Chairman Oliver G. Gilbert, III
and Members, Board of County Commissioners

FROM: Adeyinka Majekodunmi, CPA
Commission Auditor

A handwritten signature in blue ink, appearing to read "Adeyinka Majekodunmi", with a large circular flourish underneath.

DATE: October 4, 2023

SUBJECT: Resolution Revising the Inventory List of Real Properties Available for Affordable Housing, After a Public Hearing, to Include a Certain County-Owned Property in Accordance with Section 125.379, Florida Statutes; Authorizing Conveyance of Such Property to Bluenest Urban Homes LLC., a Florida Limited Liability Company ("Bluenest") at a Price of \$10.00, for the Purpose of Developing Such Property with Affordable Housing to be Sold to Very Low- or Moderate Income Households in Accordance with Section 125.379, Florida Statutes and Miami-Dade County's Infill Housing Initiative Program; Authorizing the County Mayor or County Mayor's Designee to Take All Actions Necessary to Effectuate the Conveyance; Authorizing the Chairperson or Vice-Chairperson of the Board of County Commissioners to Execute a County Deed; and Authorizing the County Mayor or 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 to the Property Appraiser and to Ensure Placement of Appropriate Signage

Pursuant to [Resolution No. R-129-22](#), adopted on February 1, 2022, and the new requirements per Implementing Order (I.O.) 8-4, the Office of the Commission Auditor (OCA) is directed to independently and simultaneously review and comment on the proposed leasing and conveyance of County property prior to the submission of an agenda item to the Board of County Commissioners (BCC). The OCA is providing this report as a Supplement to BCC Agenda File Item No. 231905.

Commission Auditor's Observations:

The OCA completed a comprehensive review of the intended recipient of the conveyance, "Bluenest Urban Homes, LLC (Bluenest)." This review extended to the entity's principals, Salim Chraibi and David L. Stein, the project architect and affiliated entities of the conveyance recipient. The results yielded the following:

- A. Background research performed on Bluenest, the entity's principals, and the project architect yielded no material findings.

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- B. Bluenest, the entity's principals, and the project architect were not previously leased or conveyed County properties for Infill, Affordable, or Workforce Housing, as authorized through BCC resolution.
- C. Bluenest's principals, Salim Chraibi and David L. Stein, have developed privately owned properties under the Miami-Dade County Infill Housing Program. According to the Public Housing and Community Development Department (PHCD), 31 properties have been approved or are pending approval for the Infill Housing Program. Specifically, 27 properties have been approved (see Exhibit 1); four are pending a split of the folios to be developed as a twin home, and an additional four private lot applications are pending approval for the program.
- D. Bluenest's principals, Salim Chraibi and David L. Stein, acquired ownership of three parcels previously conveyed to other Infill Housing developers through BCC resolution.

1. Folio No. 30-6912-004-0690 (District 9) Transaction History

#	Transaction Date	Transaction Detail
1	01/15/2004	The Board of County Commissioners (BCC) conveyed Folio No. 30-6912-004-0690 to the developer Dodec Inc. ¹
2	11/25/2019	Folio was acquired by another party in a tax deed sale for \$11,401.43.
3	04/23/2021	Bluenest Homes 1, LLC purchased the vacant lot for \$38,000 from the party that acquired the folio in the tax deed sale.
4	03/08/2022	Bluenest Homes 1, LLC filed a Declaration of Condominium to develop two residential units and divided the lot into Folio Nos. 30-6912-059-0010 and 30-6912-059-0020.
5	02/24/2023	Bluenest Homes 1, LLC sold the finished units for a combined value of \$675,000.

¹ Authorized and approved by Resolution No. R-1230-03 on November 2, 2003. Subsequently, the County Deed was recorded on January 15, 2004.

2. Folio No. 30-3121-027-0120 (District 2) Transaction History

#	Transaction Date	Transaction Detail
1	06/03/2004	The Board of County Commissioners (BCC) conveyed Folio No. 30-3121-027-0120 to the developer Universal Truth Community Development Corporation, Inc. ²
2	01/14/2009 – 10/08/2020	During this period, several transfers of ownership occurred, though no evidence of the County's consent or approval by BCC resolution was evident, and the legal instrument executed to transfer the folio did not contain the County's restrictive language initially included when conveyed.
3	03/14/2023	Bluenest Homes 5, L.L.C. acquired the lot in a tax deed auction for \$115,200. ³

3. Folio No. 30-6912-004-0790 (District 9) Transaction History

#	Transaction Date	Transaction Detail
1	09/13/2002	The Board of County Commissioners (BCC) conveyed Folio No. 30-6912-004-0790 to the developer Dodec Inc. ⁴
2	02/19/2016	Folio was acquired by another party in a tax deed sale for \$22,391.46.
3	02/28/2022	Urban Homes 6, LLC acquired two parcels, one of which was this folio, for \$400,000 from the party that acquired the folio in the tax deed sale. The second folio included in the sale was privately owned and not a previously conveyed property. ⁵

Scope of Review:

The OCA's review of the conveyance is based on the Mayoral Memorandum dated September 21, 2023, which includes the documents listed under the *Source Documents* section below.

As part of OCA's due diligence procedures, OCA identifies all entities and persons having a disclosed or observed interest in the BCC approval of the conveyance, such as the recipient, principals, and project architect of the recipient entity (see Exhibit 2).

Methodology:

OCA's review of the individuals and entities listed included the following procedures:

² Authorized and approved by Resolution No. R-412-04 on April 13, 2004. Subsequently, the County Deed was recorded on June 3, 2004.

³ As of the date of this report, the parcel remains under the ownership of Bluenest Homes 5, L.L.C.

⁴ Authorized and approved by Resolution No. R-818-02 on July 23, 2002. Subsequently, the County Deed was recorded on September 13, 2002.

⁵ As of the date of this report, the parcel remains under the ownership of Urban Homes 6, LLC.

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- A. A review of Board-approved conveyances to external parties for Infill, Affordable, and Workforce Housing as authorized through BCC resolution.
- B. A review of privately owned properties developed under the Miami-Dade County Infill Housing Program.
- C. A search of the Miami-Dade Property Appraiser's records to ascertain any evidence of risk factors, including entities with a history of previously conveyed or leased County-owned property that was later the subject of an involuntary reverter or lease termination by the County.
- D. A search of the Miami-Dade County Commission Legislation and Miami-Dade Clerk of the Courts (COC) database for previous leases and sales.
- E. A search of Miami-Dade County internal procurement applications and past County contracts for the recipient and principals.
- F. Background research into corporate records, business affiliations, and registrations.

Source Documents:

The documents listed below were used during our review:

1. May 15, 2023, Bluenest Urban Homes, LLC Application, *Request for conveyance of Vacant Lot*
2. September 21, 2023, Internal Services Department Memorandum, *Responsible Entity Due Diligence Proposed Conveyance to Bluenest Urban Homes, LLC pursuant to Section 125.379, Florida Statutes for the purpose of Affordable Housing Location: 1658 NW 1st Street Miami, FL 33125 (Folio Number 01-4102-006-0250)*
3. September 21, 2023, Internal Services Department Memorandum, *Findings and Recommendations for the IO 8-4 Application for Conveyance of County-owned property for Affordable Housing by Bluenest Urban Homes, LLC. Folio No.: 01-4102-006-0250*

**Exhibit 1: Private Lots Developed for Infill Housing by Bluenest Urban Homes, LLC
Affiliated Entities**

#	Folio No.	Developer Name	District	Program Entry Date	Closed Date	Sale Amount
1	30-3103-031-0210	Blue Cross Development, LLC	2	02/19/20	10/19/20	\$215,000
2	30-6018-043-0020	Bluenest Homes, Inc.	9	09/27/21	05/04/22	\$299,000
3	30-3103-040-0010	HBS Development, LLC	2	09/27/21	05/05/22	\$299,000
4	30-6018-043-0010	Bluenest Homes, Inc.	9	09/27/21	05/11/22	\$290,000
5	30-3110-086-0010	HBS Development, LLC	3	09/27/21	06/03/22	\$295,000
6	30-3103-040-0020	HBS Development, LLC	2	09/27/21	07/07/22	\$300,000
7	30-3110-086-0020	HBS Development, LLC	3	09/27/21	08/02/22	\$295,000
8	30-6913-040-0010	Urban Homes 5, LLC	9	06/14/22	12/05/22	\$318,000
9	30-6913-040-0020	Urban Homes 5, LLC	9	06/14/22	12/05/22	\$318,000
10	30-5032-085-0010	Bluenest Homes 1, LLC	9	06/14/22	12/14/22	\$318,000
11	30-5032-085-0020	Bluenest Homes 1, LLC	9	06/14/22	12/23/22	\$318,000
12	30-6018-044-0010	Bluenest Homes 1, LLC	9	06/14/22	06/28/23	\$350,000
13	30-6018-044-0020	Bluenest Homes 1, LLC	9	06/14/22	09/07/23	\$352,000
14	30-6913-041-0010	Bluenest Homes 1, LLC	9	10/05/22	--	--
15	30-6913-041-0020	Bluenest Homes 1, LLC	9	10/05/22	--	--

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#	Folio No.	Developer Name	District	Program Entry Date	Closed Date	Sale Amount
16	30-3115-058-0010	Bluenest Homes, Inc.	3	12/09/22	--	--
17	30-3115-058-0020	Bluenest Homes, Inc.	3	12/09/22	--	--
18	30-3111-068-0010	Bluenest Homes 1, LLC	3	03/10/23	--	--
19	30-3111-068-0020	Bluenest Homes 1, LLC	3	03/10/23	--	--
20 ⁶	30-5019-001-3640	Bluenest Homes, Inc.	9	04/04/23	--	--
21 ⁶	30-3121-027-0120	Bluenest Homes 5, L.L.C.	2	04/04/23	--	--
22 ⁶	30-7909-015-0870	Bluenest Homes 11, LLC	8	04/28/23	--	--
23 ⁶	30-2134-011-1270	Bluenest Homes, Inc.	2	05/23/23	--	--

Exhibit 2: Bluenest Urban Homes, LLC Principals and Architect

#	Entity/Individual Name	Relation to Bluenest Urban Homes, LLC
1	Salim Chraibi	Principal
2	David L. Stein	Principal
3	CTD Architecture	Architect

This report will be placed on the corresponding BCC meeting agenda. Should you have any questions or need additional information, please contact me at (305) 375-4354.

cc: Honorable Mayor Daniella Levine Cava
 Geri Bonzon-Keenan, County Attorney
 Gerald K. Sanchez, First Assistant County Attorney
 Jess McCarty, Executive Assistant County Attorney
 Carladenise Edwards, Chief Administrative Officer
 Jimmy Morales, Chief Operations Officer
 Morris Copeland, Chief Community Services Officer
 Felix Jimenez, Inspector General, Office of the Inspector General
 Ofelia Tamayo, Director, Audit and Management Services
 Alex Muñoz, Director, Internal Services Department
 Basia Pruna, Director, Clerk of the Board

⁶ According to Public Housing and Community Development Department (PHCD), these four properties are currently pending a split of the folio to be developed as a twin home.

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Jennifer Moon, Chief, Office of Policy and Budgetary Affairs
Eugene Love, Agenda Coordinator
OCA Staff