

Memorandum



Date: June 15, 2026

Agenda Item No. 2(B)(9)
October 6, 2026

To: Honorable Chairman Anthony Rodriguez
and Members, Board of County Commissioners

From: Daniella Levine Cava *Daniella Levine Cava*
Mayor

Subject: Helen Sawyer Assisted Living Facility – Evaluation of Repositioning Options and Recommended Next Steps

Executive Summary

This report is in response to the Board of County Commissioners (Board) directive during the Second Budget Hearing on September 18, 2025. The Board directed the County Mayor or County Mayor's designee to explore whether it is in the best interest of Miami-Dade County and its residents to continue to own, operate, and maintain the Helen Sawyer Assisted Living Facility (Helen Sawyer), located at 1150 NW 11th Street, Miami, FL. 33136 in Commission District 3, represented by Commissioner Keon Hardemon.

HSALF represents the Department of Housing and Community Development's (HCD) continued commitment to preserve and operate high-quality supportive housing for vulnerable neighbors and communities throughout Miami-Dade County. This 101-unit County-owned facility provides wrap around services that include activities of daily living, medication management, on-site nursing oversight, meal services, transportation assistance, and 24-hour emergency response services. Working collaboratively with Commissioners' Offices, the Veteran's Administration, the Miami-Dade Homeless Trust, Hermanos de la Calle, and the Office of Housing Advocacy, HSALF helps support seniors, vulnerable residents, and individuals experiencing housing insecurity throughout the community, providing the crucial need for Continuum of Care (CoC). In FY 2024–25, the County provided approximately \$3 million in General Fund support for assisted living operations, in addition to structural operating deficits associated with the underlying public housing component. The County's investments exemplify the desire to improve resident safety, accessibility and operational reliability.

Following a comprehensive review of financial performance, physical conditions, and operational practices, along with engagement with industry experts, several repositioning strategies were analyzed, including rehabilitation with conversion to Section 8 through the Rental Assistance Demonstration (RAD) program and full redevelopment. HCD's evaluation examined alternative options for providing services and funding, including but not limited to issuance of an RFP, RFI, or engagement of community-based organizations (CBOs) for services currently provided. Based on the evaluation of four strategic alternatives, the recommended course of action is the "Stabilization and Transition Strategy," which would maintain County ownership while engaging a qualified third-party operator and aggressively expanding Medicaid participation.

Background

Constructed in 1976, Helen M. Sawyer Assisted Living Facility originally served as an elderly public housing development providing affordable independent living units without supportive services. By

the mid-1990s, as residents aged in place and care needs increased, the property experienced declining occupancy and operational challenges, underscoring the limitations of traditional public housing for frail, low-income seniors.

In 1997, Miami-Dade County converted the property into an assisted living facility, integrating supportive services such as meals, medication management, and personal care while maintaining affordability through a combination of public housing subsidies and Medicaid-supported funding. The conversion positioned the facility as an early national model reflecting emerging U.S. Department of Housing and Urban Development (HUD) approaches that enabled the layering of housing and supportive services for elderly populations.

The initial management model was successful in maximizing operations and ensuring consistent service delivery. Helen Sawyer was originally managed by MIA Senior Living Solutions; however, that company was suddenly and unexpectedly dissolved in 2003. The County subsequently intervened and assumed a more direct role in oversight and management to preserve continuity of care and long-term operational viability. Since that time, the facility has operated as a County-supported model intended to allow low-income seniors to age in place while reducing reliance on more costly institutional settings.

Today, Helen Sawyer remains a critical component of the Department of Housing and Community Development's supportive housing portfolio, providing comprehensive care and supportive services to elderly and disabled residents. Through the operation of this 101-unit County-owned facility, residents receive assistance with activities of daily living, medication management, on-site nursing oversight, meal services, housekeeping, laundry services, transportation assistance, and 24-hour emergency response services designed to promote resident health, safety, dignity, and quality of life. The County has also made substantial investments to modernize and preserve the facility, including a roof replacement, conversion of resident tubs to accessible showers, installation of a full-capacity emergency generator, replacement of major air conditioning systems, and upgrades to the nurse call system. In addition, the facility works collaboratively with Commissioners' Offices, the Veteran's Administration, the Miami-Dade Homeless Trust, Hermanos de la Calle, and the Office of Housing Advocacy to support seniors, vulnerable residents, and individuals experiencing housing insecurity throughout Miami-Dade County.

Helen Sawyer currently functions as both a public housing development and an assisted living facility serving elderly and disabled residents. Its operations are supported through multiple funding streams, including tenant contributions, Medicaid reimbursements, HUD subsidies, and a significant annual County General Fund subsidy.

During the Second Budget Hearing on September 18, 2025, the Board directed the administration to evaluate whether continued County ownership and operation remains in the best interest of residents and taxpayers, and to identify opportunities to:

1. Improve operational efficiency;
2. Reduce long-term subsidy requirements; and
3. Explore alternative service delivery models, including third-party management.

Options Evaluated

The County evaluated a range of repositioning strategies focused on long-term structural changes to the Helen Sawyer Assisted Living Facility, particularly through conversion from public housing to Section 8 under the Rental Assistance Demonstration (RAD) program and full redevelopment scenarios.

1. *Stabilization and Transition Strategy* - This approach maintains County ownership, while engaging a qualified third-party operator and aggressively expanding Medicaid participation.

- a. *Gradual Reduction in General Fund Reliance* - This strategy is designed to decrease reliance on the general fund over time by increasing Medicaid enrollment and improving operational efficiency. As participation approaches full enrollment, a greater share of tenant service costs is offset by Medicaid and participant contributions, reducing the County's ongoing subsidy requirement.
- b. *Pathway to Operational Break-Even* - Based on the financial projections and analysis conducted, this approach positions the facility to reach a break-even operating point within the projected timeframe of five years, after which subsidy levels are expected to stabilize at significantly reduced levels relative to current funding.
- c. *Continuity of Care* - This option minimizes disruption by allowing current residents to remain in place, avoiding the displacement and operational challenges associated with rehabilitation or redevelopment scenarios.
- d. *Operational Improvements* - Engaging an experienced third-party operator is expected to improve efficiency, enhance service delivery, and accelerate Medicaid enrollment through industry expertise.
- e. *Strategic Flexibility* - This phased approach allows the County to stabilize operations in the near term while preserving the ability to pursue future redevelopment or RAD conversion under more favorable financial and market conditions.

2. *Rehabilitation with RAD Conversion (Preservation Option)* - This option involves converting the existing facility to Section 8 through HUD's RAD program while rehabilitating the current structure and continuing assisted living operations.

- a. Includes moderate and substantial rehabilitation scenario;
- b. Relies on Low-Income Housing Tax Credit (LIHTC) equity, debt financing, and gap funding sources; and
- c. Eliminates the public housing operating deficit while improving long-term revenue performance.

While this option improves long-term financial sustainability and reduce reliance on County subsidy compared to the current model, it:

- Requires significant upfront capital investment;
- Depends on competitive and time-intensive financing sources; and
- May require temporary or long-term relocation of residents depending on the scope of rehabilitation.

3. *Demolition and Redevelopment with Continued Assisted Living (Redevelopment Option)* - This option involves the demolition of the existing facility and construction of a higher-density development that continues to provide assisted living services.

- a. Scenario includes elderly-only and mixed-income development;
- b. Provides increased unit density and greater long-term financial returns; and
- c. Eliminates the public housing operating deficit.

However, this option:

- Requires substantial gap funding and complex financing structures;
- Necessitates full resident relocation during construction; and
- Involves multi-year planning, procurement, and development timelines.

4. *Demolition and Redevelopment without Assisted Living* - This option involves redevelopment of the site into a higher-density residential development without continuing assisted living services.

- a. Maximizes financial returns and development flexibility;
- b. Increases the number of affordable and workforce housing units; and
- c. Eliminates both the public housing deficit and the assisted living operational model.

However, this option:

- Requires permanent relocation of all existing residents to alternative facilities;
- Eliminates a critical source of affordable assisted living services in the County; and
- May not align with the County's policy objectives related to elderly care and supportive housing.

Conclusion

Based on the analysis of four (4) strategic options, it is recommended to proceed with the "Stabilization and Transition Strategy" option. This approach maintains County ownership, while engaging a qualified third-party operator and aggressively expanding Medicaid participation.

This strategy is designed to:

- a. Gradually reduce reliance on the general fund through operational efficiencies and increased Medicaid reimbursement;
- b. Stabilize operations in the near term without disrupting current residents; and
- c. Position the facility to achieve operational break-even within a projected five-year timeframe driven primarily by full Medicaid enrollment and improved cost management.

This phased approach balances fiscal responsibility with the County's commitment to preserving continuity of care for vulnerable elderly residents.

To implement this strategy, it is recommended that the County:

1. Initiate a competitive procurement process through a Request for Quotations (RFQ) or Request for Proposals (RFP) to identify qualified third-party providers for property management and assisted living services;
2. Conduct an industry roundtable with potential operators and stakeholders prior to issuance of the solicitation to ensure alignment with best practices; and
3. Continue and expand efforts to increase Medicaid Waiver participation among residents, which is critical to reducing long-term subsidy requirements.

This recommendation provides a balanced and responsible path forward that aligns with the Board's direction by stabilizing current operations, reducing long-term fiscal exposure, and positioning the facility for improved financial performance without disrupting existing residents.

This memorandum will be placed on the next available Board meeting agenda, without committee review, pursuant to Rule 5.06(j) of the Board's Rules of Procedure. Should you require additional information, please contact Housing and Community Development Director, Nathan Kogon, AICP, at 786-469-4120.

Attachment A – Options Overview

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REPOSITIONING OPTIONS FOR THE HELEN SAWYER ASSISTED LIVING FACILITY

ATTACHMENT A: MEMORANDUM

Executive Summary

The County is exploring options to reposition the existing 101-unit Helen Sawyer Assisted Living Facility (ALF) from the public housing platform to Section 8 through HUD's Rental Assistance Demonstration (RAD) program to improve living conditions for residents and reduce or eliminate operating deficits associated with its dual function as a public housing development and an assisted living facility. Both functions currently require ongoing subsidy from the County.

This memorandum outlines key considerations, benefits and challenges of the following options: (1) preservation with rehabilitation and continuation of assisted living functions; (2) demolition and new construction of a higher density development with continuation of assisted living functions; and (3) demolition and new construction of a higher density development with no assisted living functions. All options under 1 and 2 involve RAD conversion with development costs fully funded through low-income housing tax credit (LIHTC) equity, a first mortgage, a seller's note, deferred developer fee, and gap funding such as Florida Housing SAIL loans or County contribution. They are presented against a baseline option (0) in which the property continues as a public housing ALF with no rehabilitation. All options including the baseline public housing model incorporate a fee for a private ALF operator should the County choose to contract these services. Procurement of a third-party developer who proposes a management and operations team is assumed at this time for the RAD rehabilitation and new construction options.

Preliminary financial modeling shows all RAD options are feasible, but redevelopment options 2 and 3 will likely require more gap funding than the preservation options. Financial benefits to the County are greater under higher-density redevelopment scenarios 2b and 3. Relocation under any scenario will be challenging, though a phased, floor-by-floor rehabilitation and relocation plan would be the least disruptive. This may only be achievable under Option 1a, moderate rehabilitation. Further analysis of the building's physical condition and 20-year capital needs to generate a rehabilitation scope of work is underway.

The County currently allocates \$3 million annually from its general fund to subsidize assisted living services, supplies and administrative costs at the development. Furthermore, aside from the ALF subsidy and ALF costs, the development's public housing function has historically operated in a deficit. This deficit was \$-707,000 in FY24 and \$-582,000 in FY25. In general terms, all RAD options can eliminate the public housing deficit, but the assisted living function will continue to require subsidies that cover its costs. While many contemporary ALFs feature a market rate component that generates supplemental revenue to operate the ALF, it is understood that continuation of affordable assisted living is the objective. However, Option 2b includes a non-ALF workforce housing component.

Current subsidy streams to the development include the County general fund allocation, Medicaid participant benefits, and ALF participant contributions charged in addition to rent payments. In FY25, approximately 20% of residents received Medicaid benefits. County staff are working to increase resident participation in Medicaid to reduce reliance on general fund support. Each repositioning option in this

memorandum includes future projections of general fund subsidy levels upon reaching 100% Medicaid participation.

The key takeaway is that reaching 100% Medicaid participation can result in approximately \$1.3 million in additional subsidy, assuming Medicaid reimbursement rates continue at current levels. Moreover, all RAD conversion options would allow for further reduction in general fund subsidy because they both eliminate the public housing deficit that the County would otherwise cover and generate a modest amount of net cash flow that can be recirculated to cover ALF expenses the following year.

Finally, there have been delays with residents obtaining notices from the Alliance for Aging that indicate the residents' priority to receive benefits under the Medicaid Long-Term Care Waiver. Support from County elected officials in areas of (i) expedited processing of the priority notices for Helen Sawyer residents and, as necessary, (ii) facilitating an exception to grant Helen Sawyer residents priority status to receive benefits, would ensure full participation in Medicaid more expediently and less reliance on the general fund to support the continuation of assisted living functions at the development.

“Baseline Plus” Public Housing Option

Helen Sawyer remains as a public housing assisted living facility (ALF) and does not convert to RAD or undergo rehabilitation. The development continues to receive public housing capital funds and operating subsidy at current funding levels. The County proceeds with a solicitation for a third-party property management and service provider to reduce costs and stabilize operations.

Current Residents – This option allows for the least disruption to current assisted living residents, as there is no rehabilitation work that would require relocation. Instead it is assumed HCD will continue to allocate Capital Funds to address needed repairs.

Tenant Services Subsidy – This option requires the highest levels of annual County subsidy in order to achieve break-even operations, primarily because the County needs to subsidize both tenant services and housing operations. The RAD options, by contrast, generate positive net income in housing operations, which is then used to pay debt service, deferred developer fee and, as available, net cash flow distributions to the partnership. County subsidy under the RAD options only needs to cover tenant services costs not covered by Medicaid or participant fees.

Increasing resident enrollment in Medicaid will reduce the reliance on subsidy from the County’s general fund. In FY25, Medicaid subsidy for the 20 participants enrolled (20% of residents) accounted for \$323,200 of property revenue. This equates to \$44.27 per resident per day. FY25 tenant service program expenditures were approximately \$2.8 million, or \$82.00 per resident per day. ALF participants also paid a total of \$552,648 in participant fees (charged in addition to rent) and \$9,531 in other income in FY25. We assume participant fees continue to be charged at the same rate, the Medicaid subsidy rate increases 2% annually and tenant service expenses increase 3% annually.

The table below shows the projected reduction in County general fund subsidy levels assuming Medicaid enrollment increases by 20% each year. In other words, there are 20 new resident enrollments per year, which may include new admissions who are enrolled before or upon admission, and all enrolled residents remain enrolled, until the property reaches 100% enrollment in four years.

Annual subsidy levels decrease to approximately \$1.5 million by year 4 upon 100% enrollment, then climb incrementally over time to cover expense increases and ensure “break-even” operations year-over-year for the public housing project. Because of the inherent uncertainty of expense trends, we project these subsidy levels as ranges. For instance, from years 5 through 10, the projected subsidy level is between \$1.6 million and \$2.1 million each year.

Management and Operations – the County has the option to contract with a third-party ALF operator to facilitate Medicaid enrollment and potentially achieve cost savings in tenant service and other operational expenses. As currently modeled, the subsidy projections assume similar expenses to what the ALF incurred over the last two fiscal years (refer to Attachment B) with an included contingency between 7 and 10 percent of operational expenses each year. Expenses are assumed to increase annually by 3 percent and include an allowance for a third-party management fee at 5 percent of effective gross income.

**General Fund ALF Subsidy Projection
Baseline Plus Public Housing Option**

YEAR	ANNUAL SUBSIDY	MEDICAID ENROLLMENT
0 (FY25)	\$3.0 million	20%
1	\$2.2m	40%
2	\$2.0m	60%
3	\$1.8m	80%
4	\$1.5m	100%
5-10	\$1.6m to \$2.1m	100%
11-15	\$2.2m to \$2.7m	100%
16-20	\$2.9m to \$3.4m	100%
20YR TOTAL	\$46.6m	

Option 1: Preservation

Helen Sawyer converts to RAD with rehabilitation of the existing building. The assisted living business model continues post-rehabilitation. A RAD/Section 18 blend increases revenue and reduces the level of County subsidy to the project. This option is further split into two scenarios: one with moderate rehabilitation (Option 1a) and one with substantial rehabilitation (Option 1b). Note that the moderate rehabilitation scenario is the most minimal rehabilitation scope necessary to ensure stabilized operations post-RAD conversion.

Current Residents – under RAD, residents have a right to return to the project. Resident consultation will be necessary to determine (i) the number of residents electing either voluntary permanent relocation or temporary relocation with return, and (ii) the supportive services residents will require if moving to relocation housing. As of October 2025, the vacancy rate was 16% (16 of 101 units). Floor-by-floor work with temporary relocation to vacant units would be the least disruptive relocation strategy but would depend on an architect and/or engineer’s assessment of the level of immediate work required and the permissibility of continued occupancy. Under this preservation option we have modeled a moderate rehabilitation (Option 1a), in which floor-by-floor work *may be permissible* pending the determinations above, and a substantial rehabilitation (Option 1b), in which floor-by-floor work is likely infeasible.

If residents will be required to temporarily relocate off-site, HCD may offer tenant-based Section 8 voucher assistance for housing costs at another assisted living facility. If available and suitable, HCD may relocate some residents to other public housing or project-based voucher units with appropriate

services. HCD may also work with the Alliance for Aging or another supportive service provider to facilitate voucher-assisted relocation to units on the private market.

Tenant Services Subsidy – Prior to re-occupancy of Helen Sawyer, HCD will consult relocated residents to determine the number returning and the services they will require. It is assumed the same set of assisted living services – nursing, housekeeping, transportation and meals – will be provided at the rehabilitated facility.

The table below shows the 20-year projected subsidy need from the County general fund (displayed again as ranges in which the annual subsidy need is likely to fall) under preservation options 1(a) and 1(b). It is assumed that upon rehabilitation all returning residents and new admissions have been enrolled in Medicaid. The total for both options at \$30.5 million is approximately \$11 million less than the public housing option. This is because the additional revenue generated by RAD/Section 18 Blends would (i) eliminate the public housing operating deficit (\$ -582,000 in FY25) that County subsidy would otherwise cover, (ii) generate net income that can fully cover debt service and deferred developer fee payments so that the County subsidy is allocated strictly to tenant service expenses, and (iii) generate a modest amount of net cash flow which can be recirculated to cover tenant service expenses the following year. These models assume a County share of 30% net cash flow from the project, and that 75% of County cash flow received is recirculated into the project the following year. Cash flow sharing will be subject to negotiation with a development partner unless the County elects to self-develop and receive 100% of net cash flow. The slight difference in the ranges of subsidy needs in the table below is due to the differing years in which cash flow is received and recirculated.

**General Fund ALF Subsidy Projection
Preservation Options 1(a) and 1(b)**

YEAR	ANNUAL SUBSIDY OPTION 1(a)	ANNUAL SUBSIDY OPTION 1(b)	MEDICAID ENROLLMENT
1-6	\$800k to \$1.1m	\$800k to \$1.2m	100%
7-12	\$1.2m to \$1.6m	\$1.2m to \$1.6m	100%
13-16	\$1.7m to \$1.9m	\$1.7m to \$1.9m	100%
17-20	\$2.0m to \$2.4m	\$2.0m to \$2.3m	100%
20YR TOTAL	\$30.5m	\$30.5m	

Physical Characteristics of Rehabilitation – the existing unit configuration is 80 efficiencies and 21 one-bedrooms, all with an elderly occupancy preference. We assume the occupancy preference is retained.

- **For Option 1(a)**, hard rehabilitation costs are \$65,000 per unit, the minimum necessary to achieve a 60% Section 18 / 40% RAD Blend. Further architectural and engineering analysis will be required to determine the scope of rehabilitation necessary to achieve this cost threshold and ensure 20-year viability of the building, a RAD program requirement. It is anticipated that the

scope would at minimum cover kitchen and bath upgrades, interior finishes and flooring, grounds and exterior repairs, abatement of any hazardous materials that may be present, and replacement of equipment at or near the end of useful life.

- **For Option 1(b)**, hard rehabilitation costs are based on the Haley Sofge 750 Preservation project at \$193,000 per unit, which included conversion of efficiencies to one-bedroom units in addition to substantial upgrades to building systems, unit interiors and accessibility features. Again, further architectural and engineering analysis will be required to determine feasibility of converting some or all efficiencies to one-bedroom units (along with any reduction in number of units per floor) if unit reconfiguration is deemed to be in the County's best interest. Nevertheless, the rehabilitation costs carried in Option 1(b) approximate those of substantial rehabilitation.

Financial Characteristics of Rehabilitation

- **Please note that a rehabilitation and RAD conversion with less than \$65,000 per unit in hard costs is likely to be financially infeasible.** The rehabilitation would qualify for either a 30% Section 18 / 70% RAD Blend or no Blend, and neither would generate enough revenue to cover expenses and debt service to fund the rehabilitation. Therefore, a 60% Section 18 / 40% RAD Blend is assumed for Option 1(a), a "moderate rehab" scenario. This blend would increase annual gross potential revenue by approximately \$850,000 over the property's current public housing revenue.¹

This additional revenue would eliminate the public housing operating deficit (\$ -582,000 in FY25) that exists apart from the subsidy and expenses allocated to the tenant services program. We understand this deficit has in prior years been covered through borrowed funds from County redevelopment proceeds. Further development of a moderate rehabilitation scope with an analysis of 20-year capital needs at the property (a RAD program requirement) will determine the level of annual replacement reserve funding that project revenue must cover and the extent to which remaining revenue can mitigate or eliminate the operating deficit.

The permanent financing sources modeled for this rehabilitation scenario includes equity from noncompetitive 4% Low-Income Housing Tax Credits (LIHTCs), a first mortgage, a lessor's note for the combined assessed land and building values, gap financing from SAIL, Surtax and/or other sources, and deferred developer fee.

Assuming no capitalized ground lease payment to the County, approximately \$4.8 million in gap financing would be required. Refer to **Attachment C** for more information.

¹ This is a direct comparison of FY25 HUD subsidy plus tenant rent received, and it excludes County subsidy for tenant supportive services from the calculation.

Option 1(a) Unit Mix: Moderate Rehab w/ RAD/S18 Blend	No. of Units	% of Total
RAD PBV +LIHTC	41	40.6%
Non-RAD PBV (Section 18 Blend) + LIHTC	60	59.4%
Total Residential Units	101	100%

- **Under Option 1(b)**, the substantial rehabilitation would qualify for a 90% Section 18 / 10% RAD Blend. The project would be eligible for this blend as long as hard rehabilitation costs are over \$98,000 per unit. This would increase annual gross potential revenue by approximately \$1.2 million over the property's current public housing revenue.¹ This additional revenue would also eliminate the current public housing operating deficit.

The permanent financing sources modeled for this rehabilitation scenario includes equity from noncompetitive 4% Low-Income Housing Tax Credits (LIHTCs), a first mortgage, a lessor's note for the combined assessed land and building values, gap financing from SAIL, Surtax and/or other sources, and deferred developer fee.

Assuming no capitalized ground lease payment to the County, approximately \$3.75 million in gap financing would be required. Refer to **Attachment C** for more information.

Option 1(b) Unit Mix: Substantial Rehab w/ RAD/S18 Blend	No. of Units	% of Total
RAD PBV + LIHTC	11	10.9%
Non-RAD PBV (Section 18 Blend) + LIHTC	90	89.1%
Total Residential Units	101	100%

Option 1 Benefits

- Increased revenue from RAD conversion to address current public housing operating deficit excluding subsidy and expenditures for tenant supportive services
- Depending on rehabilitation scope identified by architect, may require less gap financing than a redevelopment at higher density

Option 1 Challenges

- Relocation logistics and costs, including ability to conduct floor-by-floor relocation and/or accommodate return moves if residents elect their right to return under RAD
- Redevelopment at higher density can provide more affordable units along with greater financial returns to County
- Requires 20-year physical condition assessment and architectural assessment to develop rehabilitation scope and validate financial projections

Option 2: Redevelopment with Additional Units and Continuation of Assisted Living Services

Helen Sawyer is demolished and a new mixed-income development at higher density is constructed to increase affordable unit provision and financial benefits to the County. HCD facilitates relocation of current residents to housing options with rental assistance and appropriate support services. The new development retains the current assisted living business model to accommodate residents who elect to return. This option is further split into two scenarios: one with elderly-only occupancy (2a) and one with mixed occupancy (2b).

Current Residents – it is assumed in this scenario that HCD converts Helen Sawyer to RAD to facilitate redevelopment. Resident right to return will apply. Unless residents voluntarily accept permanent relocation, they will have the right to lease a comparable on-site replacement unit with Section 8 assistance at the redevelopment. Note that Helen Sawyer is permitted to receive RAD assistance for all 104 units that were originally placed in service rather than the 101 units currently in service. These redevelopment scenarios assume all 104 replacement RAD units are constructed.

Tenant Services Subsidy – as with the preservation option, prior to re-occupancy of Helen Sawyer, HCD will consult relocated residents to determine the number returning and the services they will require. It is assumed the same set of assisted living services – nursing, housekeeping, transportation and meals – will be provided at the new facility. The per-resident, per-day cost for assisted living services is projected at \$84.50, which is the total of actual FY25 assisted living contract services and supply costs plus 3% inflation. We assume the 104 replacement RAD units are designated as assisted living and receiving subsidies that equate to a daily rate of \$84.50 to cover costs. The share of those subsidies coming from the general fund are shown as projected annual ranges in the table below.

**General Fund ALF Subsidy Projection
Redevelopment Options 2(a) and 2(b)**

YEAR	ANNUAL SUBSIDY OPTION 2(a)	ANNUAL SUBSIDY OPTION 2(b)	MEDICAID ENROLLMENT
1-6	\$800k to \$1.1m	\$800k to \$1.1m	100%
7-12	\$1.2m to \$1.5m	\$1.2m to \$1.5m	100%
13-16	\$1.6m to \$1.9m	\$1.6m to \$1.6m	100%
17-20	\$1.9m to \$2.2m	\$1.6m to \$1.9m	100%
20YR TOTAL	\$29.1m	\$27.1m	

Like the preservation options, redevelopment can decrease the annual subsidy need relative to the public housing option at full Medicaid enrollment. The additional revenue from the RAD/Section 18 blends benefit the project in the same manner as the preservation options. Because the redevelopment options assume a higher-density project is constructed (see section below), there is more net cash flow available to be recirculated into the project the following year. The 20-year subsidy projection under

redevelopment is slightly more advantageous because of this. However, please note that beyond the 20-year mark, significantly more cash flow will accrue under the redevelopment options as loans are paid off.

An increase in staffing level or scope of contract services to support additional assisted living residents beyond those in the 104 replacement units is not assumed. Should the County decide to extend assisted living services to more residents, the incremental costs of additional site staffing along with services and supplies must be adequately covered through subsidy or, if desired, through private-pay. Per a South Florida ALF developer, the average charge in a private ALF ranges from \$85 to \$125 per resident per day, depending on the size of the room and availability of a private bathroom.

Physical Characteristics of On-site Redevelopment – two redevelopment scenarios were modeled under this option. The site’s zoning designation, T6-8-O, qualifies for additional height and density under the Live Local Act.

- **Option 2(a)** is a 150-unit building with all units designated for elderly occupancy. All units are PBV assisted due to the likelihood of residents having fixed incomes. This would require 46 non-RAD PBVs in addition to the 104 replacement units. The ability to increase density beyond 150 units is limited under a 100% affordable elderly option, as explained further in the next section.
- **Option 2(b)** is a 250-unit building with 104 replacement units designated for elderly ALF occupancy and the remaining 146 units designated as mixed-income general/family occupancy. It uses as a redevelopment example the high-rise development currently under permitting review at 1136 NW 8th Ave (across NW 11th Street Road and zoned the same as the Helen Sawyer site). The redevelopment’s floor plan is assumed to have similar dimensions as 1136 NW 8th Ave, but the Helen Sawyer redevelopment includes an additional nine residential floors (for 29 total floors) with the same number of parking levels (6) and the same ground floor configuration. This equates to 250 units and 163 parking spaces. The ground floor commercial/retail and amenity areas and some of the upper floor amenity space may be dedicated to tenant supportive services as necessary.

Financial Characteristics of On-site Redevelopment

- **Option 2(a)** is more limited in its ability to achieve higher density and economy of scale than Option 2(b). We have kept all units at 80% AMI or below due to the expected difficulty of marketing workforce or market-rate units in an elderly-only development. The 104 replacement units qualify for a 90% Section 18 / 10% RAD Blend, and there are 46 additional non-RAD PBVs for a total of 150 units. Assuming no capitalized ground lease payment to the County, approximately \$11 million in gap financing would be required. This would increase to \$11.75 million with a \$5,000 per unit capitalized ground lease payment. Refer to **Attachment C** for more information.

Under our preliminary cost assumptions, including additional 1-bedroom unassisted LIHTC-only units at any income tier (20% to 80% AMI) negatively affects the funding gap. Including additional 1-bedroom PBV units appears to have a neutral to slightly negative effect on the

funding gap. So, there may be room to increase unit count by allocating more non-RAD PBVs or perhaps Restore-Rebuild PBVs if desired.

Option 2(a) Unit Mix: Low-Income Elderly-Only Redevelopment	No. of Units	% of Total
RAD/S18 Blend PBV + LIHTC (Eld.)	104	69.3%
Non-RAD PBV + LIHTC (Eld.) HCD PBV allocation	46	30.7%
Total	150	100.0%

Option 2(b) assumes the 104 replacement units are designated for elderly ALF occupancy and qualify for a 90% Section 18, 10% RAD Blend. There are an additional 63 unassisted LIHTC-only units designated for elderly, non-ALF occupancy, and 83 workforce units designated for general, non-ALF occupancy, for a total of 250 units in a 2/3 affordable, 1/3 workforce mix. The workforce units if set at the 140% AMI income limit can work to cross-subsidize the lower income units. However, separating the elderly LIHTC-eligible component from the workforce component through a condo structure will require legal guidance as to permissibility. Separate ownership, management, and building entry/circulation designs for the two components may be required or preferred.

Assuming no capitalized ground lease payment to the County, approximately \$9 million in gap financing would be required. This would increase to \$10.25 million with a \$5,000 per unit capitalized ground lease payment. Refer to **Attachment C** for more information.

Option 2(b) Unit Mix: Mixed-Income, Mixed-Occupancy Redevelopment	No. of Units	% of Total
RAD/S18 Blend PBV + LIHTC (Eld.)	104	41.6%
Non-RAD PBV + LIHTC (HCD PBV allocation)	0	0.0%
LIHTC-only 80% AMI (Eld.)	63	25.2%
Workforce 140% AMI (Fam/Gen.)	83	33.2%
Total	250	100.0%

Permanent financing sources for both 2(a) and 2(b) include equity from noncompetitive 4% Low-Income Housing Tax Credits (LIHTCs), a first mortgage, a lessor's note for the remaining land

value after a capitalized lease payment, gap financing from SAIL, Surtax and/or other sources, and deferred developer fee.

Option 2 Benefits

- *Higher-density redevelopment models provide for increase in number of affordable units and in County financial participation compared to the preservation option.*
- *Ability to continue assisted living service provision to low-income residents including those electing to return to the completed development, with potential to expand service provision if additional costs can be covered through private pay and/or subsidy.*

Option 2 Challenges

- *Relocation logistics and costs, including return moves if residents elect their right to return under RAD*
- *Feasibility of condo structure for mixed-occupancy option 2(b); or, if condo structure not pursued, marketability of workforce units in an elderly-only development*
- *Requires more gap financing than rehabilitation scenarios if utilizing 4% LIHTC equity; sources such as FHFC SAIL are competitive*

Option 3: Redevelopment with Additional Units and No Continuation of Assisted Living Services

Helen Sawyer is demolished and a new mixed-income development at higher density is constructed to increase affordable unit provision and financial benefits to the County. HCD facilitates relocation of current residents to offsite housing options with rental assistance and appropriate support services. The new development does not retain the current assisted living business model but may at the County's option accommodate some returning residents.

Current Residents – if the County intends to discontinue assisted living services at Helen Sawyer upon its redevelopment, a plan to facilitate permanent offsite relocation of current residents will be required. RAD conversion with offsite transfer of assistance (TOA) is one method. If HCD identifies one or more sites, ideally in the vicinity of Helen Sawyer, to receive the transfer of project-based assistance, HCD may permanently relocate residents one time to the receiving site(s). The receiving site(s) must meet HUD's site and neighborhood standards and must have comparable units in size and number of bedrooms. HCD may also offer (but not mandate) tenant-based Housing Choice Vouchers as a relocation resource, which will provide more flexibility for residents to secure housing from other assisted living providers. Available public housing or PBV units may also be offered as relocation options to the extent that adequate tenant services can be provided. HCD would not be required to provide on-site replacement RAD units and would have more flexibility in designing the redevelopment program.

Physical Characteristics of On-site Redevelopment – the same example development used for Option 2(b) is used here (1136 NW 8th Ave). The Helen Sawyer redevelopment's floor plan is assumed to have

similar dimensions as the example, but the Helen Sawyer redevelopment includes an additional nine residential floors (for 29 total floors) with the same number of parking levels (6) and the same ground floor configuration. This equates to 250 dwelling units, 163 parking spaces, 3,000 square feet of ground floor commercial/retail space and a ground floor gym and common areas. The example is majority 2-bedroom units with some 1-bedroom units, and a similar configuration at the redevelopment is feasible should the County choose to designate it for general/family occupancy.

Financial Characteristics of On-site Redevelopment – the preliminary financial model assumes RAD TOA is used and no on-site RAD replacement units are provided. However, HCD has the ability to provide long-term rental assistance to extremely- and very low-income households by allocating project-based vouchers (PBVs) at the redevelopment. Of the 250 units, it is assumed that one-third are PBV units, one-third are unassisted LIHTC-only units, and one-third are workforce units. HCD would need to commit 83 PBVs under this scenario. These PBV units could be made available for current residents seeking to return, but this would be at HCD’s option depending on the desired development/tenant services program at the redevelopment.

Permanent financing sources include equity from noncompetitive 4% Low-Income Housing Tax Credits (LIHTCs), a first mortgage, a lessor’s note for the remaining land value after a capitalized lease payment, gap financing from SAIL, Surtax and/or other sources, and deferred developer fee.

Assuming no capitalized ground lease payment to the County, approximately \$6 million in gap financing would be required. This would increase to \$7.25 million with a \$5,000 per unit capitalized ground lease payment. Refer to **Attachment C** for more information.

Option 3 Unit Mix: Mixed-Income Family Redevelopment	No. of Units	% of Total
RAD/S18 Blend PBV + LIHTC	0	0.0%
Non-RAD PBV + LIHTC (HCD PBV allocation)	83	33.2%
LIHTC-only 60% AMI	9	3.6%
LIHTC-only 80% AMI	75	30.0%
Workforce 140% AMI	83	33.2%
Total	250	100.0%

Option 3 Benefits

- *No requirement for on-site replacement units to accommodate returning residents if pursuing RAD Transfer of Assistance.*
- *Flexibility with development program (income mix, occupancy preference, services/amenities)*
- *Higher-density redevelopment model provides for increase in number of affordable units and in County financial participation.*

Option 3 Challenges

- *Relocation logistics and costs*
- *Requires more gap financing than rehabilitation scenarios if utilizing 4% LIHTC equity; sources such as FHFC SAIL are competitive*
- *Requires allocation of non-RAD PBVs*

ATTACHMENT B

Property Statistics

Property name	Helen Sawyer Assisted Living Facility	Notes
Property owner	Miami-Dade County	
Parcel 1 address	1150 NW 11 Street Rd, Miami, FL 33136	Folio #: 01-3135-019-2100
Parcel 2 address	1124 NW 11 Street Rd, Miami, FL 33136	Folio #: 01-3135-019-2121
Building area	73,990 sf	
Year built	1975	
Subsidy type	Public housing	
Occupancy type	Elderly/disabled	Assisted Living Facility (ALF)
Current occupancy	84%	85 units occupied
Structure type	High-rise	
Studio	80	
1-Bed	21	
Total Units	101	
Non-dwelling		
Site photo		

Zoning Statistics

Combined lot area	60,972 sf (1.4 acres)	
Zoning	T6-8-O	
	<i>Current Zoning</i>	<i>With Live Local Act</i>
Allowed density	150 dwelling units / acre	1,000 dwelling units / acre
Max units	104	1,400
Max height	8 stories	29 stories

Property Income Statement

	FY2024	FY2025	Notes
<i>Revenue</i>			
Net Tenant Rent	369,290	378,380	Rent received is separate from ALF participant contributions
Other Revenue	540	12,705	
HUD Operating Subsidy	517,254	504,619	
HUD Capital Fund	191,832	235,528	Reserved for CFP expenditures. Not included in NOI calculation.
Other Gov't Grants	520,000	323,200	ALF participant Medicaid waivers
Investment Income	2,187	33,328	
Other Revenue	3,000,000	3,000,000	Tenant supportive svc. subsidy from MDC General Fund
Other Revenue	591,824	562,209	ALF participant contributions
Total Operating Revenue	5,001,095	4,814,441	
<i>Expenses</i>			
Admin. & Payroll	796,082	872,739	
Asset Mgmt. Fee	11,830	11,880	
Tenant Supportive Services & Payroll	2,731,885	2,802,759	\$2,495 per unit monthly in FY25 assuming 90% occupancy
Utilities	178,434	137,849	
Maint. & Contracts	495,430	404,706	
Protective Svcs	0	51,195	
Insurance	37,605	27,687	
Other Gen. Expenses	76,889	4,534	
Total Expenses	4,328,155	4,313,349	
Net Operating Income (NOI)	672,940	501,092	
<i>Public Housing Operations</i>			
Total Revenue w/o tenant supportive svcs.	889,271	929,032	Excludes capital fund, "Other Gov't Grant" and "Other Revenue" from above *shaded blue*
Total Expenses w/o tenant supportive svcs.	1,596,270	1,510,590	Excludes "Tenant Supportive Services & Payroll" from above *shaded blue*
NOI – Public Housing Operations	(706,999)	(581,558)	

Tenant Services Cost Breakdown

	FY2024	FY2025	Notes
Salaries	46,175	70,401	
Employee benefits	0	3,283	
Resident travel	4,778	3,014	
Tenant services-food supplies	469,339	462,969	
Kitchen/food serv equip	17,698	49,559	
Tenant services - other	12	0	
Community furniture & equipment	5,992	139	
Other	406	0	
Contract - registered nurse	420,315	348,537	
Contract - cert nursing asst	1,166,858	1,244,506	
Contract - housekeep person	187,364	210,280	
Contract - cooks	299,772	295,066	
Contract - maint mechanics	2,055	0	
Contract - health svc admin	49,078	40,935	
Medical supplies - resident	5,960	0	
Incontinence supplies - resident	56,081	74,070	
Total	2,731,885	2,802,759	\$2,495 per unit monthly in FY25 assuming 90% occupancy

ATTACHMENT C
HELEN SAWYER ALF
FINANCIAL OVERVIEW OF REPOSITIONING OPTIONS

	OPTION 1a	OPTION 1b	OPTION 2a	OPTION 2b	OPTION 3
	MOD. REHAB_4%	SUBST. REHAB_4%	DEMO/NC_4%	DEMO/NC_4%	DEMO/NC_4%
	60/40% RAD BLEND	90/10% RAD BLEND	90/10% RAD BLEND	90/10% RAD BLEND	NON-RAD PBV
	ALF, ELDERLY OCC.	ALF, ELDERLY OCC.	ALF, ELDERLY OCC.	ALF ELDERLY + FAMILY	NO ALF, FAMILY OCC.
Units					
RAD/S18 Blend + LIHTC	101	101	104	104 (Eld)	-
PBV + LIHTC	-	-	46	-	83
LIHTC-Only-60%	-	-	-	-	9
LIHTC-Only-80%	-	-	-	63 (Fam)	75
WKFC-120%	-	-	-	-	-
WKFC-140%	-	-	-	83 (Fam)	83
Total Units	101	101	150	250	250
New Parking Spaces	None	None	100	163	163
Permanent Sources:					
Permanent Mortgage	1,958,900	11,845,800	27,885,800	63,867,200	64,158,600
4% LIHTC Equity	5,210,395	10,841,516	19,769,431	21,835,387	21,617,970
Seller Note	12,529,325	12,529,325	7,200,000	7,200,000	7,200,000
Deferred Developer Fee	1,192,839	3,925,100	6,534,654	13,555,589	15,739,853
Soft Debt 1 SAIL/Other	4,800,000	3,750,000	6,000,000	9,000,000	6,000,000
Soft Debt 2 Surtax/Other	-	-	5,000,000	-	-
Total Permanent Sources:	25,691,459	42,891,741	72,389,885	115,458,176	114,716,423
Permanent Uses:					
Acquisition	12,529,325	12,529,325	7,200,000	7,200,000	7,200,000
Construction Hard Costs	6,586,008	19,504,716	46,038,250	76,204,750	75,049,750
Soft and Financing Costs	4,155,467	5,705,161	8,296,633	13,677,559	14,234,163
Reserves	487,193	614,761	1,074,723	2,197,051	2,161,406
Developer Fee	1,933,466	4,537,778	9,780,279	16,178,816	16,071,104
Total Development Costs:	25,691,459	42,891,741	72,389,885	115,458,176	114,716,423
Total Hard Cost Per Unit	65,208	193,116	306,922	304,819	300,199
Total Dev Cost Per Unit	254,371	424,671	482,599	461,833	458,866
20Yr Benefits (Total Project)					
Developer Fee - Paid	740,627	612,678	3,245,625	2,623,227	331,251
Developer Fee - Deferred	1,192,839	3,925,100	6,534,654	13,555,589	15,739,853
Capitalized Lease Pmt	-	-	-	-	-
Cashflow to GP	1,944,653	2,473,435	3,508,534	13,960,850	13,108,585
20Yr Total:	3,878,119	7,011,213	13,288,813	30,139,666	29,179,690
20Yr Benefits (Projected MDC Share)					
Asset Mgmt Fee	537,407	537,407	537,407	671,759	671,759
Developer Fee - Paid	259,219	214,437	1,135,969	918,129	115,938
Developer Fee - Deferred	417,494	1,373,785	2,287,129	4,744,456	5,508,949
Capitalized Lease Pmt	-	-	-	-	-
Cashflow to GP	583,396	742,030	1,052,560	4,188,255	3,932,576
20Yr Total:	\$ 1,797,516	\$ 2,867,660	\$ 5,013,065	\$ 10,522,599	\$ 10,229,221
<u>Capitalized Ground Lease Payment</u>					
<u>Effect on Funding Gap</u>					
If CGL per unit is:	GAP	GAP	GAP	GAP	GAP
\$0	4,800,000	3,750,000	11,000,000	9,000,000	6,000,000
\$5,000	5,305,000	4,255,000	11,750,000	10,250,000	7,250,000
\$7,500	5,557,500	4,507,500	12,125,000	10,875,000	7,875,000
\$10,000	5,810,000	4,760,000	12,500,000	11,500,000	8,500,000

NOTES

1. ALF models assume FY25 actual tenant services expenditures with 3% inflation.
2. Total tenant services subsidy (Medicaid waiver + ALF tenant fee + MDC subsidy) is sized to cover all tenant services expenditures.
3. Acquisition price includes 2025 assessed land + building value for rehab options and land value only for new construction options.

Public Housing

Baseline Plus: Public Housing w/Third-Party Management

- All 101 units remain public housing with no RAD conversion, no rehab, with third-party management and services
- Assumes increased enrollment in Medicaid waivers (currently 20% of residents participate; 100% participation is assumed within 2 years).
- County continues to allocate subsidy necessary to achieve "break-even" operations each year.

Pros/Cons

- + Least disruption to residents
- + Option to contract third party ALF operator which may achieve cost savings and facilitate Medicaid enrollment
- Requires highest level of annual County subsidy among all options
- Relies on capital funds and operating subsidy which has historically been insufficient to cover operations

Rehabilitation with RAD Conversion Options

Option 1a: RAD with moderate rehab

- 101 units, all affordable elderly with assisted living
- Transition to private ALF operator and property manager; may be part of developer procurement if HCD does not self-develop
- Assumes 100% Medicaid participation upon rehab
- 60/40 RAD blend increases gross rent revenue by ~\$850k
- \$4.8m gap funding required
- \$25.7m total development cost
- \$3.9m total financial benefits to owner over 20 years⁽¹⁾

Pros/Cons

- + Least disruption to residents among rehab or new const. options
- + Eliminates public housing operating deficit⁽²⁾
- Must achieve \$65k/unit in const. costs for RAD blend
- Depending on rehab scope, long-term relocation may be required for some or all residents

Option 1b: RAD with substantial rehab

- 101 units, all affordable elderly with assisted living
- Transition to private ALF operator and property manager; may be part of developer procurement if HCD does not self-develop
- Assumes 100% Medicaid participation upon rehab
- 90/10 RAD blend increases gross rent revenue by ~\$1.2m.
- Can support larger first mortgage which lowers the gap compared to 1a
- \$3.8m gap funding required
- \$42.9m total development cost
- \$7.0m total financial benefits to owner over 20 years⁽¹⁾

Pros/Cons

- + Lowest funding gap
- + Eliminates public housing operating deficit⁽²⁾
- Must achieve \$98k/unit in const. costs for RAD blend
- Long-term resident relocation required

(1) Assumes no capitalized ground lease payment, maximum developer fee under FHFC LIHTC guidelines, and 20 years of net distributable cash flow. This is the amount to be shared between the County and a developer partner (if applicable).

(2) Public housing operating deficit of approximately \$-582,000 in FY25 aside from ALF-related subsidy and expenses.

Demolition and New Construction Options

Option 2a: new ALF only

- 150 units, all affordable elderly with assisted living
- 104 RAD/Section 18 Blend units plus 46 non-RAD PBV units
- \$11.0m gap funding required
- \$72.4m total development cost
- \$13.3m total financial benefits to owner over 20 years⁽¹⁾

Pros/Cons

- + Automatic 90/10 RAD blend
- + Eliminates public housing operating deficit⁽²⁾
- Highest funding gap (due to 100% low-income assisted units with no workforce housing)
- Long-term resident relocation
- Max. density not achieved
- Requires additional PBV allocation

Option 2b: new ALF w/ family component

- 250 units, mixed-occupancy
- 104 RAD/Section 18 Blend elderly ALF units + 63 affordable family units + 83 workforce family units
- \$9.0m gap funding required (addition of wkfc. units allows for larger mortgage principal, which lowers gap)
- \$115.5m total development cost
- \$30.1m total financial benefits to owner over 20 years⁽¹⁾

Pros/Cons

- + Automatic 90/10 RAD blend
- + Maximizes provision of attainable housing units
- + Maximizes financial returns
- + Eliminates public housing operating deficit⁽²⁾
- Higher funding gap than rehab
- Long-term resident relocation
- Complexity of ownership and management of mixed-occupancy development

Option 3: new family development w/o ALF

- 250 units, all family, no assisted living
- 83 PBVs + 84 LIHTC-only + 83 workforce
- Requires transfer of RAD assistance to off-site development(s).
- \$6.0m gap funding required (having no RAD units allows for larger mortgage principal, which lowers gap)
- \$114.7m total development cost
- \$29.1m total financial benefits to owner over 20 years⁽¹⁾

Pros/Cons

- + Automatic 90/10 RAD blend at site(s) receiving transfer of assistance
- + Maximizes provision of attainable housing units
- + Maximizes financial returns
- + Eliminates public housing operating deficit⁽²⁾
- Requires additional PBV allocation
- Higher funding gap than rehab (but lower than Option 2a and 2b)
- Long-term resident relocation