

MEMORANDUM

Agenda Item No. 8(K)(2)

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

DATE: July 2, 2024

FROM: Geri Bonzon-Keenan
County Attorney

SUBJECT: Resolution rejecting all proposals for the development of Arthur Mays Villas and Naranja Public Housing Development (Group 2) pursuant to Work Order Proposal Request (WOPR) No. 01295-01, Redevelopment of County Properties Under the Rental Assistance Demonstration (RAD) Program; authorizing the County Mayor to submit Section 18 demolition and/or disposition and Part 200 retention applications to the United States Department of Housing and Urban Development (HUD), if required, for the rehabilitation and redevelopment of Naranja; and authorizing the County Mayor to execute amendments to the annual contributions contracts, if required, execute any agreements, releases from declarations of trust, and any other documents on behalf of the County, subject to HUD's approval, and exercise amendments, modification, cancellations and termination clauses

Resolution No. R-589-24

The accompanying resolution was prepared by the Public Housing and Community Development Department and placed on the agenda at the request of Prime Sponsor Commissioner Kionne L. McGhee.


Geri Bonzon-Keenan
County Attorney

GBK/jp

MDC001

Memorandum



Date: July 2, 2024

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

From: Daniella Levine Cava
Mayor 

Subject: Recommendation to Reject All Proposals Received for the Redevelopment of Arthur Mays Villas and Naranja (Group 2), Pursuant to Work Order Proposal Request (WOPR) No. 01295-01, Redevelopment of County Properties Under the Rental Assistance Demonstration (RAD) Program

Executive Summary

On June 8, 2020, Miami-Dade County solicited proposals under Work Order Proposal Request No. 01295-01 (WOPR), Redevelopment of County Properties Under the Rental Assistance Demonstration (RAD) Program for the Public Housing and Community Development Department (Department) from the prequalified developer pool for the redevelopment of County properties: South Miami Gardens (Group 1); Arthur Mays Villas and Naranja (Group 2); Little Havana Homes and Jose Marti Plaza (Group 3); Perrine Gardens and Perrine Villas (Group 4); and Homestead Gardens (Group 5) under RAD WOPR.

On July 23, 2020, 11 prequalified RAD developers from a pool established by Resolution No. R-298-20 submitted proposals in responses to the WOPR. Michaels Development Company I, L.P. ("Michaels"), Centennial Management Corp ("Centennial"), and Pennrose, LLC submitted proposals in response to the WOPR for Group 2 - Arthur Mays Villas and Naranja. On October 6, 2020, a short-term ground lease was executed in accordance with Resolution No. R-961-20 giving site control to Centennial, who was the top ranked proposer. During the negotiations of the master development agreement (MDA) and the 75-year ground lease, Centennial rescinded their proposal, thus the Department commenced negotiations with Michaels, the second ranked proposer. The Department was unable to reach an agreement with Michaels because they would not be able to develop the two sites in a reasonable time due to a significant funding gap. As a result of two attempts to engage a developer, the Department has determined that it is in the County's best interest to have the Department undertake the rehabilitation of the existing 173 units in Arthur Mays and redevelopment of Naranja as part of its Homeownership Program because of the need to provide affordable housing in a timely manner to the County's residents. It is anticipated that most of the units developed in Naranja will be sold to qualifying residents with a household income not exceeding 120 percent of the area median income (AMI), and some will be affordable rental units for existing residents who choose to remain on site and who are not interested in becoming homeowners.

This item seeks the Board of County Commissioners' ("Board") approval to reject all proposals received for Group 2 of the WOPR. In addition, this item seeks the Board's authorization to allow the County Mayor or County Mayor's designee to submit a Section 18 demolition and/or disposition and a Part 200 retention application to the United States Department of Housing and Urban Development (HUD), if required, for the rehabilitation and redevelopment of Naranja. The Department anticipates advertising a competitive solicitation for a design/build for the project. The award of that contract will be submitted to the Board for its approval at a later date.

Recommendation

It is recommended that the Board:

1. Reject all proposals received for the redevelopment of the Arthur Mays Villas and Naranja (Group 2) project sites pursuant to the WOPR;

2. Authorize the County Mayor or County Mayor's designee to submit a Section 18 demolition and/or disposition and a Part 200 retention application to HUD, if required, for the rehabilitation and redevelopment of Naranja; and
3. Authorize the County Mayor or County Mayor's designee to execute amendments to the annual contributions contracts (ACC), if required; to execute any agreements, releases from declarations of trust, and any other documents on behalf of the County, subject HUD's approval; and to exercise amendments, modification, cancellations and termination clauses.

Scope

The scope of this item is countywide in nature; however, Arthur Mays Villas and Naranja are located in District 9, which is represented by Commissioner Kionne McGhee.

Fiscal Impact/Funding Source

There is no fiscal impact to the County related to this item.

Track Record/Monitor

Alex R. Ballina, Director of the Department, is the project manager, and Indira Rajkumar-Futch is the Procurement Contracting Manager.

Delegated Authority

Upon the approval of this item, the County Mayor or County Mayor's designee will be authorized to: (1) submit a Section 18 demolition and/or disposition and a Part 200 retention application to HUD, if required, for the project for the rehabilitation and redevelopment of Naranja; and (2) execute amendments to the ACC, if required; to execute any agreements, releases from declarations of trust, and any other documents on behalf of the County, subject HUD's approval; and (3) exercise amendments, modification, cancellations and termination clauses.

Background

The Arthur Mays Villas and Naranja project sites were originally contemplated to be part of the County's effort to re-develop, modernize, and financially stabilize most of the County's public housing units through the RAD program, which is a federal program that allows public housing authorities to convert public housing, which have been facing significant federal funding decreases, to a more financially stable Section 8 project-based funding model. Through the RAD conversion process public housing can be modernized by leveraging additional financing from public and private sources. Additionally, through RAD, public housing units are replaced on a one-for-one basis, and current residents are provided with a guaranteed right to return along with other resident protection rights. In March 2019, the County obtained a portfolio award from HUD which allows the County to redevelop 6,426 of its existing public housing units, including the Arthur Mays Villas and Naranja project sites, through the RAD conversion process. Subsequently, the County's portfolio award was amended to increase the total number of units converted through RAD to 7,718.

On April 7, 2020, the Board adopted Resolution No. R-298-20, which approved a pool of prequalified developers in accordance with RFQ-01295, Redevelopment of County Properties Under the RAD Program Pool. The County advertised a WOPR to obtain proposals from the pool of prequalified developers for the redevelopment of public housing properties for the Department, consisting of the following groups: Group 1 – South Miami Gardens; Group 2 – Arthur Mays Villas and Naranja; Group 3 – Little Havana Homes and Jose Marti Plaza; Group 4 – Perrine Gardens and Perrine Villas; and Group 5 – Homestead Gardens. Proposers could only submit proposals for one group. Eleven of the 21 prequalified developers responded to the solicitation, including five for Group 1, three for Group 2, zero for Group 3,

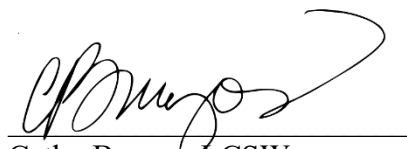
one for Group, and two for Group 4. The competitive selection committee determined that all evaluated responsive proposers were qualified. The committee ranked Centennial as the top of the proposers and Michaels as the second top proposer of Group 2. On October 6, 2020, a short-term ground lease was executed in accordance with Resolution No. R-961-20, which gave site control to Centennial for purposes of Centennial applying for financing. However, during the negotiations of the master development agreement and the 75-year ground lease, Centennial rescinded their proposal. The Department commenced negotiations with Michaels, the second ranked proposer. However, the Department was unable to reach an agreement with Michaels because they would not be able to develop the two sites in a reasonable time due to its significant funding gap.

As a result of two attempts to engage a developer, the Department determined that it is in the County's best interest for it to undertake the rehabilitation of the existing units in Arthur Mays and the redevelopment of Naranja as part of its Homeownership Program because of the need to provide affordable housing in a timely manner to the County's residents. It is anticipated that most of the 106 units developed in Naranja will be sold to qualifying residents with a household income not exceeding 120 percent of AMI, and some will be affordable rental units for existing residents who choose to remain on site and not be interested in homeownership. It is further anticipated that the Department will solicit a competitive solicitation for a design/build for the project the award of which will be submitted to the Board for its consideration and approval. Expediting the approval process is consistent with the Department's need to start the rehabilitation and redevelopment of Naranja and Arthur Mays Villas.

As required by the federal regulations and the Board's Rules of Procedure, on May 1, 2024, a resident meeting was held in Naranja for the residents of this site. This meeting was prepared by the Department to explain the Naranja redevelopment and the Homeownership Program. Additionally, the Department held previous meetings with residents of both sites under the previous RAD process. Staff will continue to communicate with the residents of Arthur Mays on future plans for the site.

Vendors Not Recommended for Award in this WOPR in Group 2

Vendor	Local Address	Total Score	Reason for Not Recommending
Centennial Management Corp	No	3999	Rescinded their proposal / Rejection of Proposal
Michaels Development Company I, L.P.	No	3918	Rejection of Proposal
Pennrose, LLC	No	3724	Rejection of Proposal



Cathy Burgos, LCSW
Chief Community Services Officer



MEMORANDUM

(Revised)

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

DATE: July 2, 2024

FROM: 
Gen Bonzon-Keenan
County Attorney

SUBJECT: Agenda Item No. 8(K)(2)

Please note any items checked.

- ☐ "3-Day Rule" for committees applicable if raised
- ☐ 6 weeks required between first reading and public hearing
- ☐ 4 weeks notification to municipal officials required prior to public hearing
- ☐ Decreases revenues or increases expenditures without balancing budget
- ☐ Budget required
- ☐ Statement of fiscal impact required
- ☐ Statement of social equity required
- ☐ Ordinance creating a new board requires detailed County Mayor's report for public hearing
- ☐ No committee review
- ☐ Applicable legislation requires more than a majority vote (i.e., 2/3's present ____, 2/3 membership ____, 3/5's ____, unanimous ____, CDMP 7 vote requirement per 2-116.1(3)(h) or (4)(c) ____, CDMP 2/3 vote requirement per 2-116.1(3)(h) or (4)(c) ____, or CDMP 9 vote requirement per 2-116.1(4)(c)(2) ____ to approve
- ☐ Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 8(K)(2)
7-2-24

RESOLUTION NO. _____ R-589-24

RESOLUTION REJECTING ALL PROPOSALS FOR THE DEVELOPMENT OF ARTHUR MAYS VILLAS AND NARANJA PUBLIC HOUSING DEVELOPMENT(GROUP 2) PURSUANT TO WORK ORDER PROPOSAL REQUEST (WOPR) NO. 01295-01, REDEVELOPMENT OF COUNTY PROPERTIES UNDER THE RENTAL ASSISTANCE DEMONSTRATION (RAD) PROGRAM; AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO SUBMIT SECTION 18 DEMOLITION AND/OR DISPOSITION AND PART 200 RETENTION APPLICATIONS TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD), IF REQUIRED, FOR THE REHABILITATION AND REDEVELOPMENT OF NARANJA; AND AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO EXECUTE AMENDMENTS TO THE ANNUAL CONTRIBUTIONS CONTRACTS, IF REQUIRED, EXECUTE ANY AGREEMENTS, RELEASES FROM DECLARATIONS OF TRUST, AND ANY OTHER DOCUMENTS ON BEHALF OF THE COUNTY, SUBJECT TO HUD'S APPROVAL, AND EXERCISE AMENDMENTS, MODIFICATION, CANCELLATIONS AND TERMINATION CLAUSES

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that:

Section 1. This Board rejects all proposals received for the redevelopment of Group 2, for the development of Arthur Mays Villas and Naranja public housing developments, pursuant to *Work Order Proposal Request No. 01295-01, Redevelopment of County Properties Under the Rental Assistance Demonstration Program for the Public Housing and Community Development Department.*

Section 2. This Board authorizes the County Mayor or County Mayor's designee to submit a Section 18 demolition and/or disposition and Part 200 retention applications to HUD, if required, for the for the rehabilitation and redevelopment of Naranja.

Section 3. This Board authorizes the County Mayor or County Mayor's designee to execute amendments to the annual contributions contracts, if required; execute any agreements, releases from declarations of trust, and any other documents on behalf of the County, subject HUD's approval, and to exercise amendments, modification, cancellations and termination clauses.

The foregoing resolution was offered by Commissioner **Danielle Cohen Higgins** , who moved its adoption. The motion was seconded by Commissioner **Kionne L. McGhee** and upon being put to a vote, the vote was as follows:

Oliver G. Gilbert, III, Chairman	aye		
Anthony Rodríguez, Vice Chairman	aye		
Marleine Bastien	aye	Juan Carlos Bermudez	aye
Kevin Marino Cabrera	aye	Sen. René García	aye
Roberto J. Gonzalez	aye	Keon Hardemon	aye
Danielle Cohen Higgins	aye	Eileen Higgins	absent
Kionne L. McGhee	aye	Raquel A. Regalado	aye
Micky Steinberg	aye		

The Chairperson thereupon declared this resolution duly passed and adopted this 2nd day of July, 2024. This resolution shall become effective upon the earlier of (1) 10 days after the date of its adoption unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override by this Board, or (2) approval by the County Mayor of this resolution and the filing of this approval with the Clerk of the Board.



MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

JUAN FERNANDEZ-BARQUIN, CLERK

By: Basia Pruna
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

A handwritten signature in black ink, appearing to read "TAS", is written over a horizontal line.

Terrence A. Smith