

Memorandum



Date: April 9, 2024

Agenda Item No. 2(B)(6)
May 7, 2024

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

From: Daniella Levine Cava
Mayor

A handwritten signature in blue ink that reads "Daniella Levine Cava".

Subject: Status Report on Identification of County-owned or Alternative Sites in District 8 for the Acquisition, Construction, Redevelopment, and/or Rehabilitation of Real Property for Homeless Housing – Directive No. 232189

Executive Summary

This status report is in response to Resolution No. R-1156-23 (Resolution) sponsored by Commissioner Danielle Cohen Higgins and adopted by the Board of County Commissioners (Board) on December 12, 2023. The Resolution directed the County Mayor or County Mayor's designee to identify alternative locations and options other than 10821 Caribbean Blvd, Cutler Bay, Florida 33189 (Original Site) within Miami-Dade County (County) Commission District 8 for the acquisition, construction, redevelopment, and/or rehabilitation of housing for persons experiencing homelessness. The Resolution followed County staff's identification of an existing and available property located at the Original Site, which is currently operating as a hotel, to be acquired and converted into 107 affordable rental housing units for persons referred by the County's Homeless Trust (Homeless Trust), the lead agency for Miami-Dade's homeless Continuum of Care (CoC). The renovated structure would not serve as a shelter (i.e. not a homeless-housing shelter) rather it would serve those exiting homelessness by providing stability and housing at rents within their financial means. This proposed retrofit would provide permanent housing for persons within the CoC, with prioritization for seniors 55 and over.

The Resolution further directed that the report include: (1) a listing of County-owned properties, or privately-owned properties, that would be appropriate for the renovation or construction of housing for homeless individuals and families and (2) all estimated costs to effectuate such purposes including, but not limited to, the costs of acquisition, design, and construction, which shall not exceed the existing, identified budget allocation approved by the Board.

The Internal Services Department (ISD) conducted a thorough examination within the County's Commission District 8 inventory and concluded that no alternative existing properties met the criteria for the intended purpose similar to the Original Site. Additionally, ISD extensively explored various real estate listing platforms and identified three privately-owned existing multifamily properties available for sale. The properties identified are occupied by tenants with either annual lease agreements or month-to-month leases. Utilizing these properties would necessitate the families to be accommodated if redevelopment is needed.

A vacant land parcel owned by the County was identified but requires new construction development. The Homeless Trust's primary objective is to identify property suitable for conversion with the immediate goal of providing housing while maintaining the existing community scale. Also, the estimated cost to construct a new facility is estimated to be between \$325 to \$475 per square foot, depending on the complexity of the building and the site. This option exceeds the current budget, particularly once the cost of land is accounted for. As such, they have indicated redevelopment is not their preferred option due to budgetary and time constraints.

Background

The Fiscal Year 2022-2023 budget approved by the Board included a \$20 million commitment to the Homeless Trust. Additionally, they have further leveraged that funding to obtain capital acquisition and renovation commitments from area municipalities and others in excess of \$43 million. In November 2021, the Homeless Trust learned of the availability of the Cutler Bay hotel, and following extensive due diligence, sought to purchase the property with a sale and purchase agreement signed by the hotel owner in September 2023 for \$14,000,000.00. This was done with the intent of retrofitting the 107-room hotel to provide permanent, affordable housing for persons within the CoC, with prioritization for seniors 55 and over. Currently in Miami-Dade County, one out of every four people who enters the CoC is over the age of 55.

The estimated cost to retrofit the Original Site's 107 rooms is \$650,000.00, which when the negotiated purchase amount is included, the price per unit comes in at an estimated cost of \$136,915.89. The property is located within the jurisdictional boundaries of the Town of Cutler Bay and its zoning area of Town Center district allows for multifamily housing. Furthermore, the property is located within the Smart Corridor Rapid Transit Zone as described in Chapter 33C-3.3 of the Miami-Dade County Code. As such, if the property is purchased by the County, the County shall then have jurisdiction for matters relating to land use, zoning, and building permitting.

During the Homeless Trust's property identification due diligence process, the following properties were identified as alternative sites:

- 24705 SW 129 Avenue, Unincorporated Miami-Dade County, consists of 15-unit townhomes built in 2022 on 0.75 acres and listed for \$6,750,000.00, equal to a price per unit of \$450,000.00. All units are 3 bedrooms and 2.5 bathrooms, fully occupied with annual lease agreements (Folio No. 30-6923-017-0010);
- 29401 SW 174 Avenue, Unincorporated Miami-Dade County, consists of a multifamily property built in 1924 on 1.25 acres and listed for \$995,000.00, equal to a price per unit of \$248,750.00. The main house consists of 3 bedrooms and 1.5 bathrooms, the remainder of the property has 3 units with 1 bedroom and 1 bathroom each. The property is occupied by various tenants with month-to-month leases (Folio No. 30-7906-000-0460);
- 221 NW 12 Street, Homestead, consists of a fourplex built in 1945 on 0.64 acres listed for \$875,000.00, equal to a price per unit of \$218,750.00; each unit consists of 1 bedroom and 1 bathroom, . The units are occupied by various tenants with month-to-month leases (Folio No. 10-7812-007-0800).

In addition, although not preferred by the Homeless Trust due to the reasons mentioned above, a vacant land parcel owned by the County is available for redevelopment:

- 29650 S. Dixie Hwy, Homestead, consists of a 3.3-acre parcel of vacant land of which 143,250 square feet are currently zoned commercial with an estimated value of \$1,382,593. (Folio Nos. 30-7908-005-0030 and 30-7908-005-0040.)

While each property could serve as an alternative site to the Original Site, challenges are present.

Challenges for the three alternative developed properties identified:

1. Potential displacement of low to moderate-income families currently residing in the properties;
2. The average price per unit(s) exceeds the price per unit of the Original Site property;

3. Limited number of units per property in comparison to the Original Site's 107 units;
4. Lack of proximity to a rapid transit corridor unlike the Original Site;
5. Room configuration not optimized for serving unique, individual households;
6. Logistical challenges in managing and providing supportive services across multiple scattered site locations; and
7. Walkability to area restaurants, shops and parks at alternative sites is not comparable to the Original Site's location.

Challenges for the vacant land available for redevelopment:

1. The Department of Transportation and Public Works analyzed the property for a Transit Oriented Development.
2. The property is significantly contaminated and is pending the completion of an environmental report for remediation costs.
3. Property would not meet the Homeless Trust's immediate housing goals.

ISD has performed the due diligence required pursuant to Resolution No. R-1156-23.

This report will be placed on the next available Board Agenda pursuant to rule 5.06(j) of the Board's Rules of Procedure. Should you need further information, please contact Alex Muñoz, Director of ISD, at 305-375-1113.

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