



Public Housing and Community Development

701 NW 1st Court, 16th Floor
Miami, FL 33136-3914
T 786-469-4100 • F 786-469-4199

miamidade.gov

December 16, 2020

Maria L. Ruiz, Director
City of Miami Beach
Office of Housing and Community Services
1000 Convention Center Drive
Miami Beach, Florida 33139

SUBJECT: Miami Beach Community Development Corporation

Dear Ms. Ruiz:

It has come to my attention that the Miami Beach Commission's Finance and Economic Resiliency Committee is discussing issues associated with the Miami Beach Community Development Corporation (MBCDC). This letter is to inform you that MBCDC's properties continue to be of concern for Miami-Dade County's Department of Public Housing and Community Development (PHCD). In the summer of 2019 Miami-Dade PHCD engaged Nan McKay and Associates, Inc. to review the records of multifamily affordable rental developments owned by MBCDC and where the County has a financial interest. Upon completion of the review, it was determined that MBCDC was out of compliance with PHCD's rental regulatory agreements.

This is further evidenced by audited financial statements from August 2020, completed by GLSC & Company, PLLC. GLSC's audit points out failures to recertify income, overcharging rent and non-compliance with financial reporting among other issues. As part of MBCDC's response, as it has in the past to similar findings, MBCDC attempts to avoid responsibility by blaming changes in staff, and represents that securing help from a third party entity will resolve problems that have lasted for years. It is important to note that even with the addition of a firm to manage the property, there must be qualified staff to provide direction and oversight to the firm. This issue of lack of oversight has been consistently brought to the attention of MBCDC and continues to be of concern. A result of this concern is an audit currently being conducted of MBCDC by the County's Department of Audit and Management Services (AMS).

As such, we believe that any decision to provide further funding in light of GLSC's report and prior to the completion of the County's AMS audit would be premature at best. Perhaps in partnership with the City of Miami Beach, together we can protect and leverage our current investment in MBCDC, in the cause of long-term preservation of the precious affordable housing inventory in Miami Beach and the County, such as what occurred with the successful transfer of ownership if he Madison forum MBCDC to PHCD.

Please keep us apprised of the actions taken by the City and know that we are available for continued cooperation with your office.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael Liu'.

Michael Liu
Director