

After years-long saga, county will take over hundreds of Miami Beach affordable units

[By Aaron Leibowitz](#) Updated April 10, 2023 3:23 PM

Miami-Dade County took over Madison Apartments, an affordable housing building at 259 Washington Avenue in Miami Beach, in 2018. Now the county will purchase the Miami Beach Community Development Corporation's remaining properties. PATRICK FARRELL pfarrell@miamiherald.com

In Miami Beach, where housing costs have skyrocketed since the COVID-19 pandemic and affordable units are [scarce](#), a struggling nonprofit that controls more than a dozen low-income and elderly housing properties will turn over its entire portfolio to Miami-Dade County in hopes of keeping the buildings affordable.

Under a deal approved by the Miami-Dade Board of County Commissioners [last week](#), the Miami Beach Community Development Corporation will transfer ownership of its 16 buildings, totaling 357 income-restricted units, to the county, which manages thousands of affordable units countywide.

The county will take on the nonprofit's debt and set aside nearly \$13 million for improvements to the buildings, which have faced sanitation and maintenance complaints [in the past](#) but seen only limited upgrades as the nonprofit has dealt with financial woes. The group's portfolio includes 14 buildings in Miami Beach and two in the city of Miami, all of which will be legally transferred to the county by the end of this year.

As part of the arrangement, the county has agreed to maintain the buildings at their current levels of affordability. More than half of the tenants make less than \$10,000 per year, according to the nonprofit, and more than 80% are

elderly or disabled.

“It is a huge relief to know that the hundreds of residents living in these affordable buildings no longer need to worry about losing their homes in the midst of an affordable housing crisis,” County Commissioner Eileen Higgins, whose district includes part of Miami Beach, said in a statement. “When I met with the residents to tell them the news last week, they too were relieved.”

READ MORE: [DeSantis signs affordable housing bill. It includes some restrictions on local rules](#)

History of problems

It's a change years in the making.

In 2013, Miami Beach reviewed the organization's finances and found serious irregularities, including evidence funds had been spent on unauthorized or ineligible activities. The [executive director resigned](#), two city officials quit and a third was fired. Miami Beach was left on the hook for the misspent funds and negotiated a more than \$1 million settlement with the U.S. Department of Housing and Urban Development.

After the scandal, the nonprofit stopped receiving government subsidies. It began offloading some assets to make ends meet — subtracting from, instead of adding to, the city's affordable housing stock. Miami Beach took over five of its properties, and the group also sold some of its units at market rate. In 2018, the nonprofit transferred ownership of Madison Apartments, an affordable housing building in South Beach, to the county.

The group tried to maintain control of its remaining properties, despite pressure from county officials. But ultimately, its leaders conceded the

buildings and their residents would be better off under county control.

"We had exhausted all other options," said Cristian Arango, the Community Development Corporation's chief of operations and lone remaining staffer. "What really matters is the tenants and fighting off gentrification in Miami Beach."

Miami Beach has repeatedly [fallen short](#) of its affordable housing goals. The city has about 2,000 units of income-restricted, subsidized housing, records show, shy of a 6,800-unit benchmark it set in 2017.

Tough financial picture

Arango said the loss of government funding, along with a failure to anticipate rising utilities and [property insurance costs](#), contributed to the nonprofit's limited ability to make a dent in the problem in recent years.

"You're already running a building with very thin margins because your rents are so low," Arango said. "Someone has to absorb additional costs, especially for rehabilitation projects."

The Community Development Corporation will no longer own or manage affordable housing, though it's not clear if it will cease to exist. The group will receive \$350,000 plus closing costs from the county for the sale of two of its buildings, money Arango said will be put toward the community in a way that has yet to be decided.

Meanwhile, the county's Public Housing and Community Development agency will start overseeing management of the properties this month. That management isn't expected to change; both the nonprofit and the county work with Orlando-based [Royal American Management](#).

The affected buildings are:

- Fernwood Apartments, 935 Pennsylvania Ave., Miami Beach
- The Shelbourne House, 710 Jefferson Ave., Miami Beach
- Crespi Park Apartments I, 7900 Crespi Blvd., Miami Beach
- Crespi Park Apartments II, 7920 Crespi Blvd., Miami Beach
- Crespi Park Apartments III, 1011-23 79th St., Miami Beach
- Villa Maria, 2800 Collins Ave., Miami Beach
- Villa Matti, 221 28th St., Miami Beach
- Meridian Place, 530 Meridian Ave., Miami Beach
- The Michigan I, 530 Michigan Ave., Miami Beach
- The Michigan II, 532 Michigan Ave., Miami Beach
- The Pennsylvania, 1551 Pennsylvania Ave., Miami Beach
- The Allen Apartments, 2001 Washington Ave., Miami Beach
- The Jefferson Apartments, 542 Jefferson Ave., Miami Beach
- Westchester Apartments, 516 15th St., Miami Beach
- The Camacho Apartments, 126 Southwest Eighth Ave., Miami
- Edificio Pinero Apartments, 1176 Southwest 20th Ave., Miami

This story was originally published April 10, 2023, 1:52 PM.

Aaron Leibowitz covers the city of Miami Beach for the Miami Herald. He was previously a municipal government reporter covering cities around Miami-Dade County.