

RESOLUTION NO. 2023-_____

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, DIRECTING THE ADMINISTRATION TO TERMINATE REQUEST FOR PROPOSALS (RFP) 2023-115-KB FOR THE REDEVELOPMENT OF THE CITY-OWNED PROPERTY LOCATED AT 1940 PARK AVENUE (THE BARCLAY); AND FURTHER, REFERRING AN ITEM TO THE FINANCE AND ECONOMIC RESILIENCY COMMITTEE (FERC) REQUESTING THAT FUNDS BE IDENTIFIED, INCLUDING THE POSSIBLE USE OF FUNDING FROM THE ARTS & CULTURE G.O. BOND EARMARKED FOR AFFORDABLE WORKFORCE HOUSING, TO ENABLE THE CITY TO FULLY RENOVATE THE BARCLAY AS A CITY CAPITAL PROJECT, WITH THE GOAL OF CREATING NEW WORKFORCE AND AFFORDABLE HOUSING UNITS, AND WITH THE COMPLETED PROJECT TO BE MANAGED, ON THE CITY'S BEHALF, BY THE HOUSING AUTHORITY OF THE CITY OF MIAMI BEACH, THE CITY'S LOCAL NON-PROFIT AFFORDABLE HOUSING AGENCY; AND FURTHER, DIRECTING THE ADMINISTRATION TO IDENTIFY PROJECT REVENUE BOND FUNDING OPTIONS AND STATE AND FEDERAL GRANT FUNDING OPPORTUNITIES THAT MAY BE AVAILABLE TO SUPPLEMENT CITY FUNDING FOR THE RENOVATION OF THE BARCLAY AS A CITY CAPITAL PROJECT.

WHEREAS, The Barclay Plaza Apartments (the "Barclay" or the "Property"), located at 1940 Park Avenue, is a 30,359.3 square foot lot with a historic 3-story building positioned across from the Miami Beach Convention Center; and

WHEREAS, the Barclay is in the RM-2, Residential Multi-Family Medium Intensity Zoning District, and is also a "contributing" structure located within the boundaries of the Museum Local Historic District; and

WHEREAS, the Barclay has sixty-six (66) efficiency units, each with a bathroom, closet and a small kitchen, none of which are ADA-compliant; and

WHEREAS, the Miami Beach Community Development Corporation ("MBCDC") purchased the Barclay with Miami Beach Redevelopment Agency (RDA) funds in the amount of \$5,692,400.00, which funds were secured by encumbering the Property via a Declaration of Restrictive Covenants dated April 30, 2007 that require the property to be used as an affordable residential rental project for a period of thirty (30) years from the date of the final certificate of occupancy; and

WHEREAS, in 2011 the City made loans to MBCDC to rehabilitate the Property (the, which loans were funded through Community Development Block Grant funds (\$75,018) and HOME Investment Partnership Program funds (\$500,000); and

WHEREAS, these loans would be forgivable if MBCDC developed and offered affordable housing at the Barclay during the 30-year Affordability Period, but the MBCDC did not complete the contemplated renovations, and in 2014, the building was declared unsafe for habitation by the City's building department for failure to complete the 40-year re-certification process; and

WHEREAS, as MBCDC could not bring the building to code nor complete the renovation of the Property, MBCDC transferred the property to the City in exchange for being released from the financial obligations pursuant to the loan agreements; and

WHEREAS, the building has been secured and vacant since 2015, when it was transferred to the City by the MBCDC; and

WHEREAS, in addition to the 2007 Declaration of Restrictive Covenants, in 2016, the City, in its proprietary capacity, placed on the Barclay Plaza Apartments an additional Declaration of Restrictive Covenants in favor of the City for a period of fifteen (15) years that also required the Property to be used as an affordable residential rental project; and

WHEREAS, between 2016-2018, the City issued two separate Requests for Proposals (RFPs) searching for a private workforce housing developer, but there were no responsive proposals to these RFPs; and

WHEREAS, RFP No. 2019-098-KB initially had three (3) responsive bids and the City Manager authorized the Administration to shortlist (a) Atlantic Pacific Communities, LLC ("Atlantic Pacific"), (b) the joint venture of Magellan Housing, LLC and Royal American Development, Inc. and (c) the joint venture of Gadinsky Real Estate, LLC and 13th Floor Investments, to Phase II of the RFP evaluation process, which entailed technical and financial proposals; and

WHEREAS, the City received only one proposal, from Atlantic Pacific, in response to Phase II; and

WHEREAS, pursuant to Resolution No. 2019-31020 adopted on October 16, 2019, the City Commission authorized the Administration to enter into negotiations with Atlantic Pacific for a Development and Ground Lease Agreement for the development of workforce housing at the Barclay; and

WHEREAS, the negotiations between the City and Atlantic Pacific were terminated due to abrupt changes in market conditions resulting from the COVID-19 pandemic; and

WHEREAS, there was no further activity relating to the Barclay during the two and one-half year period between March 2020 and November 2022; and

WHEREAS, on November 16, 2022, the Mayor and City Commission authorized the issuance of RFP 2023-115-KB (the "2023 Barclay RFP"), pursuant to which the City sought proposals from parties interested in entering into a public-private development agreement and ground lease agreement to design, build, operate and maintain the Property; and

WHEREAS, the RFP gave latitude to proposers to include residential apartments or other zoning-appropriate uses including but not limited to office (e.g., general office space, tech hub), school campuses, etc.; and

WHEREAS, in view of the dearth of workforce and affordable housing in the City, the RFP advised proposers that the designation of a number of units as workforce housing would be viewed as additional consideration and public benefit; and

WHEREAS, the City received a single response to the 2023 Barclay RFP from The Barclay Partners LLC, a joint venture between Urban American and Legacy Real Estate Development LLC; and

WHEREAS, at the September 13, 2023 City Commission meeting, Item C4 E, a referral to the Finance and Economic Resiliency Committee (“FERC”) to consider the conveyance of the Barclay to the Housing Authority of the City of Miami Beach (the “Housing Authority”) for the sole purpose of developing affordable and/or workforce housing at the Property, and Item R9 M, a discussion item relating to the 2023 Barclay RFP, were heard simultaneously; and

WHEREAS, during the discussion at the September 13, 2023 City Commission meeting, the Administration indicated that the financial terms in each of the three options included in the proposal from The Barclay Partners (the “Urban-Legacy Proposal”) were not sufficiently strong; and

WHEREAS, after robust discussion, the Commission directed the Administration (1) to engage in discussion with the Housing Authority and Donahue Peebles III, Founder, and Chairman of Legacy Real Estate Development, to determine which entity could provide the City with the most affordable and/or workforce housing units (that are not microunits) at the Barclay, and which provides the City with the best economic benefits and (2) to gather proposals from both entities for presentation to the FERC; and

WHEREAS, shamefully, the Barclay has sat vacant and boarded up since 2014, nearly a decade, after the Property was declared uninhabitable by the Building Department; and

WHEREAS, although the Facilities and Fleet Management Department, Sanitation and Police Departments work together to monitor and secure the facility, there are ongoing issues with break-ins and squatting by persons experiencing homelessness; and

WHEREAS, there is a dire need to address the lack of affordable and workforce housing in the City and it is unlikely that The Barclay Partners or any private developer will develop a project that prioritizes these uses because they are not as financially rewarding as a project that includes market rate units; and

WHEREAS, the Housing Authority has proven itself capable of delivering quality affordable housing services in the City, particularly for the elderly; and

WHEREAS, there are few properties available for the development of affordable and workforce housing in the City, and the Barclay presents a perfect opportunity for the City to redevelop an affordable and/or workforce housing project through a public-public partnership with the Housing Authority; and

WHEREAS, the cost to redevelop the property for residential uses has been estimated to be approximately \$24,000,000; and

WHEREAS, there is funding in the amount of \$4,000,000 that could be available for “artsforce” housing when tranche 2 of the G.O. Bond for Arts & Culture is issued and there may be other funding available through Federal and/or State loans and grants; and

WHEREAS, although the City would exercise some control over the uses at the Property in a ground lease with a private developer, because a private developer will have reasonable expectations for financial returns on its investment, a private developer will likely seek to include office and retail uses that would generate more revenue per square foot than other uses that may serve a broader public purpose; and

WHEREAS, if the City self-develops the Property, the project could include a childcare center for area residents and/or cultural or other non-profit organizations or such other uses as the City Commission determines would be in the best interest of the City and its residents; and

WHEREAS, redeveloping the Barclay and entering into a partnership with a non-profit, public agency whose mission is 100% dedicated to affordable and workforce housing is the most effective way to ensure the City achieves its dual interests of preserving this historic structure while also increasing its portfolio of affordable and workforce housing in the City.

NOW, THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, that the Mayor and City Commission direct the Administration to terminate Request for Proposals (RFP) 2023-115-KB for the redevelopment of the city-owned property located at 1940 Park Avenue (the Barclay); and further, refer an item to the Finance and Economic Resiliency Committee (FERC) requesting that funds be identified, including the possible use of funding from the Arts & Culture G.O. Bond earmarked for affordable workforce housing, to enable the city to fully renovate the Barclay as a City capital project, with the goal of creating new workforce and affordable housing units, to be managed, on the City's behalf, by the Housing Authority of the City of Miami Beach, the City's local non-profit affordable housing agency; and further, directing the Administration to identify Project revenue bond funding options and State and Federal grant funding opportunities that may be available to supplement City funding for the renovation of the Barclay as a City capital project.

PASSED AND ADOPTED this _____ day of _____, 2023.

Steven Meiner, Mayor

ATTEST:

Rafael E. Granado, City Clerk

(Sponsored by Commissioner Kristen Rosen Gonzalez)

**APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION**



City Attorney *AD*

12-11-23
Date