

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, APPROVING AND/OR AUTHORIZING THE CITY MANAGER TO TAKE THE FOLLOWING ACTIONS: (1) RECAPTURE \$58,433.78 OF HOME INVESTMENT PARTNERSHIP (HOME) FUNDS, PREVIOUSLY ALLOCATED TO THE LOTTIE APARTMENTS REHABILITATION PROJECT; (2) RECAPTURE \$13,441.58 OF HOME FUNDS, PREVIOUSLY ALLOCATED TO THE CORALS APARTMENTS REHABILITATION PROJECT; (3) RECAPTURE \$29,395.70 OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS, PREVIOUSLY ALLOCATED TO THE NEPTUNE APARTMENTS REHABILITATION PROJECT; (4) RECAPTURE \$10,700.20 OF CDBG FUNDS, PREVIOUSLY ALLOCATED TO THE CORALS APARTMENTS REHABILITATION PROJECT; (5) RECAPTURE \$9,598.19 OF CDBG FUNDS, PREVIOUSLY ALLOCATED TO PUBLIC SERVICES; AND (6) REALLOCATE SAID FUNDS TO THE ACQUISITION OF A MULTI-FAMILY PROPERTY TO BE USED AS AFFORDABLE HOUSING WITHIN THE CITY; (7) TRANSMIT TO U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ("HUD") A SUBSTANTIAL AMENDMENT TO THE HUD FY 2023 ACTION PLAN, SAID AMENDMENT REFLECTING THE ALLOCATION OF THE REALLOCATED FUNDS; (8) IDENTIFY A MULTIFAMILY PROPERTY WITHIN THE CITY OF MIAMI BEACH BOUNDARIES FOR USE AS AFFORDABLE HOUSING; AND (9) NEGOTIATE AND EXECUTE A PURCHASE AGREEMENT AND OTHER PURCHASE CONTRACT DOCUMENTS FOR THE PROPERTY, FOR A TOTAL SUM NOT TO EXCEED \$1,662,415.00 (INCLUSIVE OF CLOSING COSTS), TO BE FUNDED FROM COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND HOME INVESTMENT PARTNERSHIP (HOME) FUNDS, PROVIDED THAT SAID PURCHASE AGREEMENT IS CONTINGENT UPON APPROVAL BY THE CITY COMMISSION.

WHEREAS, the City of Miami Beach (the "City") is a U.S. Department of Housing and Urban Development (HUD) designated entitlement city as determined by the decennial census information on population growth lag, age of housing stock, and poverty; and

WHEREAS, as an entitlement city, Miami Beach automatically qualifies for an annual allocation of federal funding under HUD's grant programs including Community Development Block Grant (CDBG) and HOME Investments Partnership (HOME) programs; and

WHEREAS, the timely expenditure of CDBG and HOME funds is crucial, with HUD imposing timeliness requirements to ensure compliance with federal regulations; and

WHEREAS, from time to time, it may be necessary for the City to process a "Substantial Amendment" to the *Five-Year Consolidated Plan* and the annual *Action Plan* to allow for the funding of new activities, modification of existing activities, or other program administrative actions; and

WHEREAS, pursuant to 24 CFR §91.505 (a), the City is required by HUD to identify the criteria to be used in determining if a proposed action will be considered a "Substantial Amendment," as follows:

1. A change in allocation priorities or a change in the method of distributing funds;
2. Funding an activity using funds from any program covered by the Plan (including program income) not previously described in the One Year Action Plan; or
3. A change in the purpose, scope, location, or beneficiaries of an activity; and

WHEREAS, the City Commission previously allocated funds for property acquisition through Resolution No. 2022-32188, allocating \$636,183.67 in FY 2022 CDBG funds, and Resolution No. 2023-32524 on March 27, 2023, allocating an additional \$296,795.88 in HOME funds; and

WHEREAS, previous attempts to acquire suitable properties utilizing CDBG and HOME funds were unsuccessful due to various circumstances, including the unavailability of multifamily properties within budget constraints and concerns regarding potential special assessments associated with condominium units; and

WHEREAS, on June 28, 2023 the City adopted Resolution No. 2023-32637, allocating an additional \$607,866.00 in FY 2023 CDBG funds to the acquisition or rehabilitation of a property; and

WHEREAS, the Administration has reached substantial completion for the rehabilitation at three (3) of its affordable housing properties: Lottie Apartments, Corals Apartments and Neptune Apartments and no additional expenses are anticipated for the completion of these projects and there is a remaining balance; and

WHEREAS, additionally, there are unexpended CDBG public services funds, resulting in a combined total of \$121,569.45 in unexpended CDBG and HOME funds, Exhibit A provides a detailed breakdown of this funding; and

WHEREAS, to maximize resources, the recaptured HOME and CDBG funds will be combined with the funds currently allocated to the acquisition of a property for a total of \$1,662,415.00 to increase affordable housing units and ensure timely and compliant expenditure of HUD funds; and

WHEREAS, a Substantial Amendment would be required in order to incorporate the recaptured funds into the HUD *FY 2023 Action Plan*; and

WHEREAS, any proposed amendment considered a Substantial Amendment requires approval by the City Commission; and

WHEREAS, in accordance with 24 CFR §91.505 (b), a Substantial Amendment requires Citizen Participation; and

WHEREAS, as part of the citizen participation process, the City will schedule a public hearing for March 19, 2024 and publish a thirty (30) day public comment period, from March 4, 2024 to April 2, 2024, for the proposed Substantial Amendment to the FY 2023 annual Action Plan; and

WHEREAS, the City's next CDBG timely performance test will be August 2, 2024, and as such, the City must expend \$532,651.00 to meet the 1.5 ratio by July 27, 2024, to comply with HUD rules; and

WHEREAS, failure to do so could result in being placed on a HUD performance improvement plan or facing recapture of unspent funds; and

WHEREAS, completing this acquisition activity will ensure the City will comply with the CDBG timeliness requirements for the 2023 program year while increasing affordable housing in the City; and

WHEREAS, the Administration recommends approval of the amendment to the *Action Plan*, recapturing and reallocating CDBG and HOME funds to the acquisition of a property within the City for use as affordable housing to ensure the timely and compliant expenditure of HUD funds; and

WHEREAS, as the first step in the purchase process, the Administration recommends authorizing the City Manager to identify and negotiate, and, if successful, execute a purchase agreement and other related purchase documents for the property, including payment of an initial deposit, in the amount of \$1,000, provided that the purchase agreement is contingent upon the approval, by the City Commission, of the transaction.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, that the Mayor and City Commission hereby approve and authorize the City Manager to take the following actions: (1) recapture \$58,433.78 of HOME funds, previously allocated to the Lottie Apartments Rehabilitation Project; (2) recapture \$13,441.58 of HOME funds, previously allocated to the Corals Apartments Rehabilitation Project; (3) recapture \$29,395.70 of CDBG funds, previously allocated to the Neptune Apartments Rehabilitation Project; (4) recapture \$10,700.20 of CDBG funds, previously allocated to the Corals Apartments Rehabilitation Project; (5) recapture \$9,598.19 of CDBG funds, previously allocated to Public Services; and (6) reallocate said funds to the acquisition of a multi-family property to be used as affordable housing within the City; (7) transmit to U.S. Department of Housing and Urban Development ("HUD") a Substantial Amendment to the HUD FY 2023 Action Plan, said amendment reflecting the allocation of the reallocated funds; (8) identify a multifamily property within the City of Miami Beach boundaries for use as affordable housing; and (9) negotiate and execute a purchase agreement and other purchase contract documents for the property, for a total sum not to exceed \$1,662,415.00 (inclusive of closing costs), to be funded from Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) funds, provided that said purchase agreement is contingent upon approval by the City Commission.

Passed and adopted this _____ day of _____, 2024.

ATTEST:

Steven Meiner, Mayor

Rafael E. Granado, City Clerk

APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION



City Attorney

3-5-24

Date

Exhibit A

CDBG and HOME Program Recapture and Reallocations

Proposed Activity	Funding Source	Amount	Original Activity
Affordable Housing Rehabilitation and/or Acquisition	CDBG FY 2017	\$1,422.72	Neptune Apartments Rehabilitation
	CDBG FY 2018	\$13,420.00	
	CDBG FY 2020	\$14,552.97	
	CDBG FY 2019	\$10,700.20	Corals Apartments Rehabilitation
	HOME FY 2019	\$13,441.58	Lottie Apartments Rehabilitation
	HOME FY 2016	\$25,458.41	
	HOME FY 2018	\$32,975.37	
	CDBG FY 2019	\$9,598.19	Public Services
Total		\$121,569.45	