MIAMIBEACH

PLANNING DEPARTMENT

Staff Report & Recommendation — Planning Board

TO: Chairperson and Members
Planning Board

DATE: December 19, 2017

FROM: Thomas R. Mooney, AICP
Planning Director

SUBJECT: **Resolution**
PB 17-0178. 533 Collins Avenue & 1040 Collins Avenue

REQUEST

PB 17-0178. 533 Collins Avenue & 1040 Collins Avenue. A RESOLUTION OF THE PLANNING BOARD, IN ACCORDANCE WITH SECTION 1.03(B)4 OF THE CITY CHARTER, THE LEASE OF TEN YEARS OR LONGER OF CITY-OWNED PROPERTY (OTHER THAN PUBLIC BEACH RIGHTS-OF-WAY AND THOSE PROPERTIES ADDRESSED MORE SPECIFICALLY IN SECTION 1.03 OF THE CHARTER) SHALL, AS PROVIDED BY ORDINANCE, REQUIRE APPROVAL BY A MAJORITY 4/7 VOTE OF ALL MEMBERS OF THE PLANNING BOARD AND 6/7 VOTE OF THE CITY COMMISSION; RECOMMENDS APPROVAL OF LEASE AGREEMENTS BETWEEN THE CITY OF MIAMI BEACH (LESSOR) AND ELDERLY HOUSING DEVELOPMENT AND OPERATIONS CORPORATION (EHDOC), AS SUCCESSOR IN INTEREST TO SENIOR CITIZENS HOUSING DEVELOPMENT CORPORATION OF MIAMI BEACH (LESSEE), FOR A FIFTY (50) YEAR EXTENSION, COMMENCING JULY 9, 2026 AND ENDING JULY 8, 2076, TO THE CITY'S LEASE AGREEMENTS FOR AFFORDABLE ELDERLY HOUSING AT COUNCIL TOWERS SOUTH, LOCATED AT 533 COLLINS AVENUE, AND COUNCIL TOWERS NORTH, LOCATED AT 1040 COLLINS AVENUE.

In accordance with Section 1.03(b)4 of the City Charter, the lease of ten years or longer of City-owned property (other than public beach rights-of-way and those properties addressed more specifically in Sectiion 1.03 of the Charter) shall, as provided by Ordinance, require approval by a majority 4/7 vote of all members of the Planning Board and 6/7 vote of the City Commission.

RECOMMENDATION

Adopt the Resolution.

HISTORY

On October 18, 2017, at the request of Commission Arriola, the City Commission referred the extension of the lease agreement to the Finance and Citywide Projects Committee and Planning Board for discussion (Item C4 H).

On November 8, 2017, the Finance and Citywide Projects Committee recommended that lease agreement be extended subect to modifications.

BACKGROUND

The City of Miami Beach ("Lessor") and Elderly Housing Development and Operations Corporation, as successor in interest to Senior Citizens Housing Development Corporation of Miami Beach ("EHDOC" or "Lessee"), are parties to two separate, but similar, lease agreements, both dated July 9, 1976 (collectively "Leases"). The Leases are for the air rights located above the City-owned properties located at 533 Collins Avenue ("Council Towers South") and 1040 Collins Avenue ("Council Towers North"). Council Towers South is a 12 story building consisting of 125 units and approximately 115,231 square feet. Council Towers North is a 12 story building consisting of 125 units and approximately 115,036 square feet. Both properties were completed in 1979 and offer quality affordable housing for low-income senior citizens.

Basic Lease Terms

Lessee:	Elderly Housing Development and Operations Corporation (EHDOC), as successor in interest to Senior Citizens Housing Development Corporation of Miami Beach
Demised Premises:	Air rights for properties located at 533 Collins Avenue and 1040 Collins Avenue, Miami Beach, Florida
Use:	The Demised Premises shall be limited in use to the construction and operation of housing for the elderly under Section 202 of the Housing Act of 1959, as amended.
Execution Date:	July 9, 1976
Initial Term:	Fifty (50) years, commencing July 9, 1976 and ending July 8, 2026.
Renewal Options:	In the event Lessee is granted an extension on the original mortgage, the lease shall be renewed for the period of the extension beyond the original fifty (50) year term. **[Does not apply to this extension request because lessee is seeking a new mortgage].**
Rent Amount:	Council Towers South - $21, 500 annually Council Towers North - $19,125 annually
Maintenance/Operation:	Lessee is responsible for all real estate taxes, insurance, maintenance costs, and utilities for the Demised Premises.
Surrender:	On the last day of the term, or on the earlier termination thereof, Lessee shall deliver the Demised Premises, together with the building or any new building, and all

alterations, changes, additions and improvements which may have been made upon the premises, in thorough repair, good order and safe condition.

ANALYSIS

On August 31, 2017, representatives from EHDOC met with the Administration to discuss a request for an extension of the Leases, for a period of fifty (50) years, in order to facilitate the refinancing of both properties. EHDOC submitted a formal request for an extension of the air rights leases, with supporting documentation, dated August 16, 2017, attached hereto as Exhibit A (Request for Extension of Air Rights Leases).

As stated in the request letter, EHDOC intends to use the proceeds of the refinancing for capital renovations to the properties. The renovations would include, but not be limited to, site work, exterior façade work, new windows, interior common areas and office renovations, apartment renovations, and building systems (e.g., elevators, roof, electric, plumbing, water pumps, generators, fire alarm systems, etc.).

Upon initial review, the Administration recommends the following modifications in conjunction with consideration for a lease extension:

1) include enhancements to generator capacity to ensure continued operation of HVAC, elevators, life safety systems, etc. after a storm;

2) establish criteria for condition of building/units at the end of the extended term;

3) comply with Miami Dade County 40 year recertification requirements, and subsequent 10 year recertification requirements;

4) proactively manage and comply with the required Miami-Dade County annual registration of eligible tenants for the County's Emergency Evacuation Assistance Program (EEAP), utilizing the forms attached hereto as Exhibit B (EEAP Application) and Exhibit C – (Emergency Evacuation Pickup Sites) for the elderly and/or disabled individuals who:
    a. are unable to evacuate on their own due to a specialized transportation need
    b. are homebound residents and unable to walk to a bus pickup point and do not have anyone that can provide transportation
    c. have medical needs that prevent them from evacuating on their own
    d. are bedbound patients
    e. are on life-sustaining medical equipment that requires electricity
    f. require assistance with daily living activities

5) comply with required Miami Beach registration of other residents who need some type of daily assistance to live on their own, including completion of annual assessment form.

The Lease extension will reaffirm, and will have no effect on, the municipal parking spaces located at both sites.

PLANNING ANALYSIS

Section 82-38 of the Code of the City of Miami Beach requires that any proposed sale or lease of City-owned land be analyzed from a planning perspective so that the City Commission and the public are fully apprised of all conditions relating to the proposed sale or lease.

The proposal is to extend a lease agreement between the City of Miami Beach (lessor) and Elderly Housing Development and Operations Corporation (lessee), for the air rights of two City-owned properties, located at 533 and 1040 Collins Avenue. The sites are, and will continue to be, used for affordable elderly housing. The following is an analysis based on the criteria delineated in the Code.

1. **Whether or not the proposed use is in keeping with city goals and objectives and conforms to the city comprehensive plan.**

   Partially Consistent – The future land use designation of the site located at 1040 Collins Avenue is **Parking (P)**. The current use is inconsistent with the Parking designation which permits the following:

   Parking (P)

   Purpose: to provide development opportunities for existing and new parking facilities. Uses which may be permitted; Parking facilities and commercial uses when located on frontage opposite a land use category that permits commercial use.

   The future land use designation of the site located at 533 Collins Avenue is **Pubic Facility: Governmental Uses (PF)**. The current use is inconsistent with the Parking designation which permits the following:

   Public Facility: Governmental Uses (PF)

   Purpose: To provide development opportunities for existing and new government uses.

   Uses which may be permitted: Government uses.

   The existing residential uses are inconsent with their future land use designations; however, the uses predate the adoption of the Comprehensive Plan and are therefore legally non-conforming. An amendment to the Future Land Use Map designation should be considered in the near future.

   The proposed lease requires the maintenance of affordable housing for 50 years and is consistent with Obective 1 of the Housing Element of the Comprehensive Plan which states the following:

OBJECTIVE 1: CREATION AND/OR PRESERVATION OF AFFORDABLE HOUSING

Have available a minimum of 6,800 housing units of workforce, affordable low and moderate income households and special need populations during the period through 2030.

2. **The impact on adjacent property, including the potential positive or negative impacts such as diminution of open space, increased traffic, noise level or enhanced property values, improved development patterns and provision of necessary services. Based on the proposed use of the property, the city shall determine the potential impact of the project on city utilities and other infrastructure needs and the magnitude of costs associated with needed infrastructure improvements. Should it become apparent that further evaluation of traffic impact is needed, the proponent shall be responsible for obtaining a traffic impact analysis from a reputable traffic engineer.**

   Consistent – No negative impacts are anticipated by the proposal, as the use of the property will not change.

3. **A determination as to whether or not the proposed use is in keeping with a public purpose and community needs, such as expanding the city's revenue base, creating jobs, creating a significant revenue stream, and improving the community's overall quality of life.**

   Consistent – This proposed use does keep with the public purpose and community needs as the lease agreement ensures that affordable housing will be maintained for a long period of time.

4. **A determination as to whether or not the development is in keeping with the surrounding neighborhood, will block views or create environmental intrusions, and evaluation of the design and aesthetic considerations of the project.**

   Consistent – The surrounding neighborhood will not be negatively affected, as no additional structures will be constructed as a result of this lease agreement.

5. **The impact on adjacent properties, whether or not there is adequate parking, street and infrastructure needs.**

   Consistent – The impact on adjacent properties be negligible as the use of the site is not changing. Additionally, ederly housing has a minimal parking impact, since the majority of residents tend to not drive single occupancy vehicles.

6. **Such other issues as the city manager or his authorized designee, who shall be the city's planning director, may deem appropriate in analysis of the proposed disposition.**

Not applicable – The Planning Department has no other issues it deems appropriate to analyze for this proposal.

FINANCE AND CITYWIDE PROJECTS COMMITTEE

At the November 8, 2017 Finance and Citywide Projects Committee (FCWPC) meeting, the Administration presented the terms, conditions, and recommended modifications set forth above. The FCWPC considered this matter and recommended extending the Lease Agreement with Elderly Housing Development and Operations Corporation, for a period of fifty (50) years, subject to the modifications contained above.

RECOMMENDATION

In view of the foregoing analysis, staff recommends that the Planning Board adopt the Resolution recommending approval of the subject lease extention.

TRM/MAB/RAM

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