

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission
FROM: Jimmy L. Morales, City Manager
DATE: April 11, 2018

SUBJECT: A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, APPROVING AND/OR AUTHORIZING THE FOLLOWING ACTIONS: AUTHORIZING THE CITY MANAGER TO RECAPTURE \$178,378.09 OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS PREVIOUSLY ALLOCATED TO THE MADELEINE APARTMENTS REHABILITATION PROJECT PURSUANT TO RESOLUTION NO. 2018-30135, UNDER THE ACTION PLAN FOR FY 2016/2017 AND THE FIVE YEAR CONSOLIDATED PLAN FOR FY 2013-2017, AND REALLOCATING THESE RECAPTURED CDBG FUNDS TO THE NEPTUNE APARTMENTS PROJECT; AUTHORIZING THE CITY MANAGER TO SUBMIT THE REVISED ACTION PLAN AND CONSOLIDATED PLAN TO THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD); AND, FURTHER, AUTHORIZING THE CITY MANAGER TO EXECUTE ALL NECESSARY DOCUMENTS OR AGREEMENTS.

RECOMMENDATION

Adopt the Resolution.

BACKGROUND

The City is an entitlement community designated by the U.S. Department of Housing and Urban Development (HUD) and as determined by the decennial census information on population growth lag, age of housing stock, and poverty. As an entitlement community, the City receives an annual allocation under HUD funding through the Community Development Block Grant (CDBG) and HOME Investments Partnership (HOME) programs. HUD requires entitlement jurisdictions to submit a Five-Year *Consolidated Plan*, which establishes the strategic framework upon which the City utilizes its funds. The *Consolidated Plan* is augmented and refined by the City's annual submission of a One-Year *Action Plan*, which delineates the specific projects and activities funded by each year's HUD allocation.

HUD further requires its entitlement jurisdictions to ensure that funded activities are carried out in the defined project scope and within the timeframe allowed. The City's *Action Plan* is monitored throughout the year to ensure compliance with federal regulations and progress towards the National Objective, which requires providing persons of low- and moderate-incomes with decent housing, a suitable living environment and/or expanded economic opportunities.

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

The City is required by HUD [24 CFR 91.505 (b)] to identify the criteria to be used in determining if a proposed action will be considered a "substantial amendment", as follows:

- Addition of a new activity or project not previously described in the *Consolidated or Annual Action Plan*;
- Deletion of an activity or project previously described in the *Consolidated or Annual Action Plan*;
- Change in the purpose, scope, location or beneficiaries of an activity or project previously described in the *Consolidated or Annual Action Plan*;
- Change in the use of funds from one eligible activity or project to another previously described in *Consolidated or Annual Action Plan*; and/or
- A cumulative change in the use of funds from an eligible activity to another eligible activity that decreases an activity's funding by 10% or more or increases an activity's funding by 10% or more during the fiscal year.

Any proposed amendment that is considered a substantial amendment is subject to the Citizen Participation process; requires formal action by the City Commission; and requires approval by HUD. Furthermore, a thirty (30) day public notice is required to

formal action by the City Commission, and requires approval by HUD. Furthermore, a thirty (30) day public notice is required to provide the opportunity for the public to review and comment on the proposed substantial amendments. The City will consider all comments or views received from the public concerning proposed substantial amendments in accordance with 24 CFR 91.105 (c) (3). A summary of these comments and views shall be attached to the substantial amendment submitted to HUD.

ANALYSIS

The City issued a 30-day notice of public comment welcoming public input to the proposed substantial amendments delineated herein. The solicitation of public comment welcoming input to the proposed substantial amendment is delineated herein. The public comment period was from March 11, 2018 through April 10, 2018 with a public meeting on March 26, 2018. No comments have been received to date.

The Administration has reconciled its CDBG and HOME funds in anticipation of preparing its FY 17/18 Consolidated Annual Performance and Evaluation Report (CAPER) as well as to proactively ensure that all non-committed funds are properly committed and expended to comply with expenditure and timeliness rules.

The following actions are sought:

1. The City allocated \$421,702.31 in FY 16/17 CDBG funds previously allocated to the Lottie Apartments to the Madeleine Village Apartments via Resolution No. 2018-30135. However, the City would like to recapture \$178,378.09 and assign these funds to the Neptune Apartments project to ensure the timely commitment of these funds and prevent their possible recapture due to project start-up delays at the Madeleine. The Neptune Apartments were acquired in 2015 and require substantial rehabilitation due to neglect, poor workmanship and inferior building products used by the prior property owner. Targeted work to be conducted with these funds includes, but is not limited to: design, permitting, construction and the construction management associated with the rehabilitation of the building. The scope of the project includes: termite treatment; roof replacement; building envelope and facade repairs and restoration; exterior paint; air conditioning units' replacement; common areas floor finishes replacement; interior apartments renovation to include bathroom renovations; kitchen cabinets, fixtures and appliances replacement; interior flooring repairs and insulation; drywall repair and paint; common areas painting and landscape; electrical work; and irrigation and landscaping. There are insufficient funds at this time to complete the entire project scope. As a result, the project will be approached in phases as funds become available;
2. The City Manager seeks authorization to submit the revised *Action Plans* and *Consolidated Plans* noted herein for amendment and
3. The City Manager seeks authorization to execute all necessary documents delineating the actions taken herein including the allocation of funds.

CONCLUSION

The Administration recommends approval and authorization of the actions proposed above; the subsequent submission to HUD of the *Action Plan* and *Consolidated Plan*, as amended herein; and authorizing the City Manager to execute all required documents.

KEY INTENDED OUTCOMES SUPPORTED

Ensure Workforce Housing For Key Industry Workers Is Available In Suitable Locations

FINANCIAL INFORMATION

Amount 1	\$243,324.22 \$148,388.31 \$29,990.69	Account 1	139-0530-000346-00-404-534-00-00- 40010 139-0530-000346-00-404-534-00-00- 00-40010 139-0530-000346-00-404-534-00- 00-00-40010
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Total \$421,702.31

Legislative Tracking

Housing and Community Services

ATTACHMENTS:

Description

- Recapture and Reallocation Advertisement
- Resolution