

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, APPROVING THE CONTRACT BETWEEN THE CITY, AS BUYER, AND RICHARD D. KENDLE II, AS SELLER, FOR THE PURCHASE OF A MULTIFAMILY PROPERTY, LOCATED AT 1776 NORMANDY DRIVE, MIAMI BEACH, FLORIDA, FOR THE TOTAL SALES PRICE OF \$775,000 PLUS CLOSING COSTS, FOR USE AS AFFORDABLE HOUSING, TO BE FUNDED FROM COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS AND HOME INVESTMENT PARTNERSHIP (HOME) FUNDS; AND FURTHER AUTHORIZING THE CITY MANAGER TO EXECUTE ALL CLOSING DOCUMENTS AND POST-CLOSING DOCUMENTS AND NOTIFICATIONS WHICH MAY BE REQUIRED UNTIL THE PROPERTY CAN BE OPERATED AS AN AFFORDABLE HOUSING PROJECT PURSUANT TO HUD GUIDELINES.

WHEREAS, ensuring the availability of affordable housing has been identified as a priority by the City; and

WHEREAS, the City's *Comprehensive Plan*, amended via Ordinance 2017-4147, established the goal of creating and maintaining 6,300 affordable housing units to serve low- and moderate-income and special needs households within its boundaries; and

WHEREAS, The strengthening of the City's real estate market, coupled with the sharp reduction in housing funds from the state and federal governments, have severely curtailed the development growth the City experienced in 2000 - 2011; and

WHEREAS, an opportunity to add to the City's affordable housing stock has arisen as a result of the City's resolution of past compliance issues with the U. S. Department of Housing and Urban Development (HUD); and

WHEREAS, on July 2, 2018, the City Commission approved Resolution No. 2018-30374 appropriating \$1,079,000 (the Appropriated Funds) from the General Fund for the repayment of HUD funds that the Office of the Inspector General (OIG) had deemed were inappropriately expended by the City's previous administration; and

WHEREAS, in correspondence to the City dated August 6, 2018, HUD's Community Planning and Development Division (CPD) explained that the Appropriated Funds would return to the City's Line of Credit Control System (LOCCS) and be available for expenditure by the City in compliance with expenditure rules and deadlines prescribed by the Community Development Block Grant (CDBG) and HOME Investments Partnership (HOME) programs; and

WHEREAS, these funds must be expended in compliance with HUD regulations, ensuring that funded activities are carried out pursuant to the defined project scope and within the timeframe allowed; and

WHEREAS, the funds that will be returned to the City's line of credit may be used to acquire, develop or rehabilitate affordable housing for households earning up to 80 percent of Area Median Income (AMI); and

WHEREAS, the Commission approved Resolution No. 2018-30551, authorizing the City Manager to identify, negotiate, and if successful, execute a purchase agreement and other related purchase documents for the property being purchased, including payment of an initial deposit, in the amount of \$1,000, provided that the purchase agreement is approved by the City Commission; and

WHEREAS, the Administration identified and executed a purchase agreement for a multifamily property, located at 1776 Normandy Drive, Miami Beach, FL 33141 (the property), for the purchase price of \$775,000; and

WHEREAS, the property being purchased is a two-story, 2,511 square foot building which sits on a 6,250 square foot lot and is comprised of 4 units, each with one bedroom and one bathroom, central air conditioning and new impact windows and doors; and

WHEREAS, zoning regulations allow for up to nine units on this property as the lot size is large enough to build additional units at a future date with a zoning waiver; and

WHEREAS, purchase of the property is contingent upon the receipt of an appraisal for the value of the sales price or more, and completion of due diligence for the property; and

WHEREAS, the sale will not be completed if the appraisal results do not adhere with HUD's Area Median Purchase and maximum per-unit subsidy amounts; and

WHEREAS, three of the four units are occupied and the Administration will have to follow the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) requirements, in the event that the existing tenants are not able to continue living at the property as an affordable housing project; and

WHEREAS, the cost associated with the URA requirements will be paid from the Appropriated Funds; and

WHEREAS, typical closing costs for a purchase and sale transaction could total approximately three percent (3%) of the sales price (\$23,250), which costs will be paid from the Appropriated Funds; and

WHEREAS, the Administration recommends that the Mayor and City Commission approve the contract between the City, as buyer, and Richard D. Kendle II, as seller, for the purchase of the property, for the total sales price of \$775,000 plus closing costs.

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 the contract between the City, as buyer, and Richard D. Kendle II, as seller, for the purchase of a multifamily property, located at 1776 Normandy Drive, Miami Beach, Florida, for the total sales price of \$775,000 plus closing costs, for use as affordable housing, to be funded from Community Development Block Grant (CDBG) funds and Home Investment Partnership (HOME) funds; and further authorize the City Manager to execute all closing documents and post-closing documents and notifications which may be required until the property can be operated as an affordable housing project pursuant to HUD guidelines.

PASSED AND ADOPTED this _____ day of _____, 2019.

ATTEST:

Dan Gelber, Mayor

Rafael E. Granado, City Clerk

APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION



City Attorney

2-5-19

Date